



ALLEGIANCE STEAM ACADEMY

REGULAR MEETING OF THE BOARD OF DIRECTORS

August 23, 2018

7:00 pm

Meeting Location:
5862 C Street, Chino, CA 91710

AGENDA

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS

Allegiance STEAM Academy- Thrive charter school ("Allegiance STEAM Academy"), also known as ASA Thrive, is a direct-funded, independent, public charter school operated by the Allegiance STEAM Academy nonprofit public benefit corporation and governed by Allegiance STEAM Academy, Incorporated corporate Board of Directors ("Board"). The purpose of a public meeting of the Board, is to conduct the affairs of Allegiance STEAM Academy in public. We are pleased that you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school.

1. Agendas are available to all audience members at the meeting. Note that the order of business on this agenda may be changed without prior notice. For more information on this agenda, please contact Allegiance at: info@asathrive.org
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Public Comments."
3. "Public Comments" are set aside for members of the audience to comment. However, due to public meeting laws, the Board can only listen to your issue, not take action. The public is invited to address the Board regarding items listed on the agenda. Comments on an agenda item will be accepted during consideration of that item, or prior to consideration of the item in the case of a closed session item. Please turn in comment cards to the Board Secretary prior to the item you wish to speak on. These presentations are limited to three (3) minutes.
4. In compliance with the Americans with Disabilities Act (ADA) and upon request, Allegiance STEAM Academy may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order to participate in Board meetings are invited to contact Allegiance STEAM Academy.

I. Preliminary

A. Call to Order

The meeting was called to order by Board Chair at _____.

B. Roll Call

	Present	Absent
Andrew Vestey, Chairman	_____	_____
Vanessa Okamoto, Secretary	_____	_____
Melanie Choi, Treasurer	_____	_____
Samantha Odo, Member	_____	_____

C. Public Comments- Items not on the Agenda

No individual presentations shall be for more than three (3) minutes. Ordinarily, Board members will not respond to presentations and no action can be taken. However, the Board may give direction to staff following a presentation.

D. Approval of Agenda for the Regular Board Meeting for August 23, 2018.

Recommended the Board of Directors approve the Agenda for Regular Board Meeting for August 23, 2018

Motion: _____ Second: _____ Roll Call: _____

II. Open Session:

A. COMMUNICATIONS

- 1. Comments from Board of Directors**
- 2. CEO's report**

B. ITEMS SCHEDULED FOR INFORMATION:

- 1. Resignation of Raquel Rall as a member of the Board of Directors**
- 2. July 2018 Financial Presentation**

C. ITEMS SCHEDULED FOR CONSENT:

- 1. Minutes for the Special Meeting of the Board of Directors August 3, 2018**
- 2. Minutes for the Special Meeting of the Board of Directors August 5, 2018**
- 3. Check register for month of July 2018**

D. ITEMS SCHEDULED FOR DISCUSSION/ACTION:

1. Factoring Agreement with Charter Asset Management for August 24, 2018

The Board will review/ discuss the Factoring Agreement presented to Allegiance STEAM Academy to provide \$200,000, to assist with startup expenses, including purchase payments due for curriculum and equipment as well as payroll obligations.

It is recommended the Board of Directors:

- a. Approve and agree to the Factoring Agreement with Charter Asset Management for August 24, 2018.

Motion: _____ Second: _____ Roll Call: _____

2. Factoring Agreement with Charter Asset Management for September 14, 2018

The Board will review/ discuss the Factoring Agreement presented to Allegiance STEAM Academy to provide \$200,000, to assist with startup expenses, including purchase payments due for curriculum and equipment as well as payroll obligations.

It is recommended the Board of Directors:

- a. Approve and agree to the Factoring Agreement with Charter Asset Management for September 14, 2018.

Motion: _____ Second: _____ Roll Call: _____

3. Allegiance STEAM Academy Board Resolution of Charter School Revolving Loan Fund Program Applicant's Governing Board to Approve the Execution of the Loan Agreement with The California School Finance Authority

See Attached

It is recommended the Board of Directors:

- a. Adopt Board Resolution 18-01 Allegiance STEAM Academy Board Resolution of Charter School Revolving Loan Fund Program Applicant's Governing Board to Approve the Execution of the Loan Agreement with the California School Finance Authority.

Motion: _____ Second: _____ Roll Call: _____

4. Governance Committee: Board Member Recruitment and Selection Process

In accordance with the Allegiance STEAM Academy Corporate Board of Directors policy "Board Recruitment and Selection Process", the ASA Board will nominate two Board members to begin the recruitment and selection process to fill the vacant position on the Board of Directors.

- a. The Allegiance STEAM Academy Board of Directors nominate _____ and _____ to serve on the Governance Committee.

D. ADJOURNMENT

It is recommended the Board of Directors:

a. Adjourn the Regular Board Meeting for August 23, 2018 at _____

Motion: _____ Second: _____ Roll Call: _____



Allegiance STEAM Academy Thrive

Monthly Financial Presentation – July 2018



July Highlights

Compliance and Reporting

- PENSEC filed for new charter advance funding (estimated funding October).
- 1st PCSGP grant report filed for June 30th (\$7,162 claim for curriculum).

Enrollment and Revenues

- Revenue changes from original budget following the final state budget:
 - LCFF funding increased and forecast lottery funds increased.
 - Overall revenue forecast increased \$24K.

Cash

- Cash stress has been limited through vendor management by ASA leadership. Typical school opening experience greater cash outflow to date.
- Receivables factoring issued for \$350,000 of PENSEC funds for start-up curriculum and equipment in August and September.
- CSFA revolving loan approved for \$250,000, presenting to Board for authorization. Receipt of funds anticipated between Oct – Dec.
- New round of receivables factoring (PENSEC) presented for August (\$200,000) and September (\$200,000).

Expenses

- Staffing changes since approved budget: increased SpEd staff, eliminated IT Director for consultant
- Increased budget for SpEd services, PCSGP funded STEAM expeditions and PD, and IT consultant.
- Forecast reducing interest expense \$25K with early CSFA loan reducing need for additional factoring.
- Overall expense forecast increased \$118K.

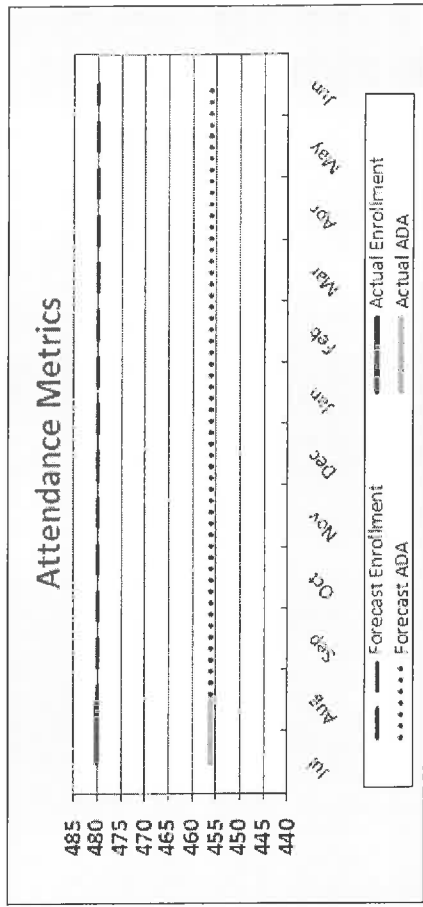


Attendance Data and Metrics

Enrollment and Per Pupil Data

Enrollment & Per Pupil Data			
	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>
Average Enrollment	480	480	480
ADA	456	456	456
Attendance Rate	95.0%	95.0%	95.0%
Unduplicated %		49.9%	49.9%
Revenue per ADA		\$11,014	\$10,960
Expenses per ADA		\$10,284	\$10,026

Attendance Metrics



Enrollment is forecast at 480 and ADA at 456 (95%).

Excluding PCSGP and child nutrition, forecast revenue per ADA is \$9,734.

No current attendance data to report for July.

Revenue

- **Revenues higher than budget** – Overall revenues forecast \$24K higher than budget.
- **State Aid** – Increased LCFF funding \$27K.
- **Federal Revenue** – PCSGP funding shifted \$7,162 back to 17/18 fiscal year.
- **Other State Revenue** – Improved forecast for lottery funding per ADA.

Revenue	Year-to-Date			Annual/Full Year		
	Actual	Budget	Fav/(Unf)	Forecast	Budget	Fav/(Unf)
State Aid-Rev Limit	\$ -	\$ -	\$ -	\$ 3,977,669	\$ 3,950,527	\$ 27,142
Federal Revenue	-	-	-	701,634	708,796	(7,162)
Other State Revenue	-	-	-	343,156	338,596	4,560
Other Local Revenue	-	-	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ 5,022,459	\$ 4,997,919	\$ 24,540

Expenses

- **Salaries** - Increased SpEd staff, eliminated IT Director for consultant , overall increase of \$18K net compensation expense.
- **Subagreement Services and Professional Services** – Added SpEd services, PCSGP funded PD, and IT consultant – net increase \$132K.
- **Interest** – Forecast reducing interest expense \$25K with early CSFA loan reducing need for additional factoring.

	Year-to-Date		
	Actual	Budget	Fav/(Unf)
Expenses			
Certificated Salaries	\$ 21,667	\$ 20,417	\$ (1,250)
Classified Salaries	19,217	25,667	6,450
Benefits	10,075	30,511	20,436
Books and Supplies	2,227	303,465	301,238
Subagreement Services	-	-	-
Professional Services	19,074	18,521	(553)
Facilities	290	4,650	4,360
Operations	1,075	27,985	26,910
Depreciation	-	-	-
Interest	19,168	56,699	37,531
Total Expenses	\$ 92,793	\$ 487,914	\$ 395,122

	Annual/Full Year		
	Forecast	Budget	Fav/(Unf)
	\$ 1,618,500	\$ 1,578,500	\$ (40,000)
	484,404	506,208	21,804
	667,528	682,810	15,282
	641,764	621,314	(20,450)
	147,320	62,800	(84,520)
	692,761	644,946	(47,815)
	54,290	55,800	1,510
	323,372	334,092	10,720
	-	-	-
	59,628	85,163	25,535
Total	\$ 4,689,568	\$ 4,571,633	\$ (117,934)

Surplus / (Deficit) & Fund Balance

- Current forecast surplus of \$333K (7%) is below budget due to increased expenses, but remains strong for first year school.
- First year fund balance is forecast to exceed 5% (\$270K, 5.8%).

Total Surplus(Deficit)

Beginning Fund Balance

Ending Fund Balance

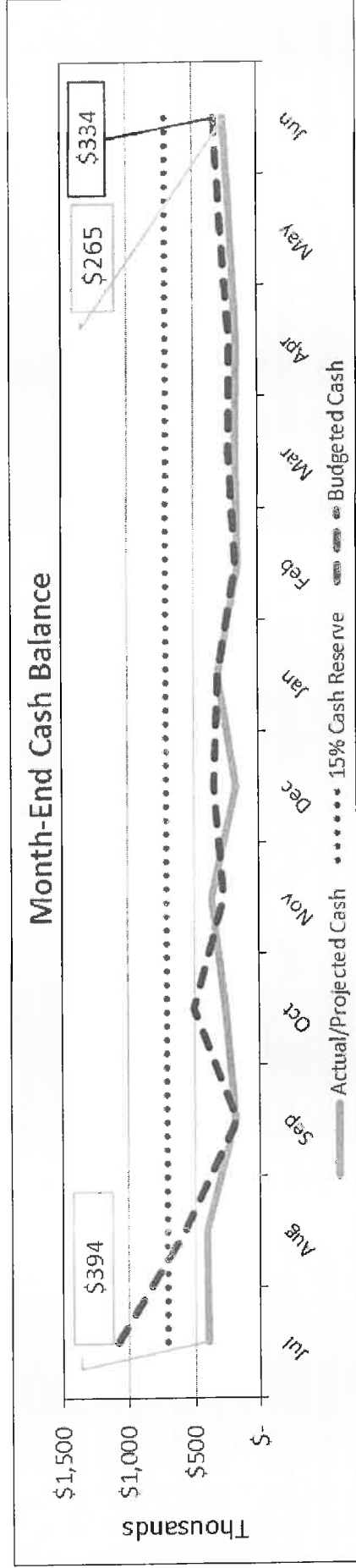
As a % of Annual Expenses

Year-to-Date		
Actual	Budget	Fav/(Unf)
\$ (92,793)	\$ (487,914)	\$ 395,122
(62,995)	(62,995)	
<u>\$ (155,788)</u>	<u>\$ (550,909)</u>	
-3.3%		-12.1%

Annual/Full Year		
Forecast	Budget	Fav/(Unf)
\$ 332,891	\$ 426,286	\$ (93,395)
(62,995)	(62,995)	
<u>\$ 269,896</u>	<u>\$ 363,291</u>	
5.8%		7.9%

Cash Balance

- Cash is forecast to end the year at \$265K, 6% of expenses, with no outstanding factoring.
- Current cash is \$394K, with \$532K outstanding factoring of PENSEC (collected October).
- Additional factoring is requested for August and September to provide for payroll and materials.
- Early receipt of CSFA loan could limit need for future 18/19 factoring to one draw in November.





Compliance Deadlines (next 60 days)

Area	Due Date	Description	Completed By	Board Must Approve	Client Signature Required	Additional Information
DATA TEAM	Aug-31	Administer English Language Proficiency Assessment for California (ELPAC) Initial Assessment. Based on the results of the home language survey, every pupil in California whose native language is not English is required to be tested within 30 days of the start of school. Be sure to note your school's 30th day of instruction and test all ELPAC students before that date. This reporting is used for students' academic performance and state and federal accountability reporting requirements.	ASA	No	No	https://www.cde.ca.gov/es/ig/ep/doweadm.htm
DATA TEAM	Sep-14	Graduate Cohort Processing - The 2018 California School Dashboard will utilize the 2017-18 graduate cohort data after the processing window closes on September 14, 2018. There will be no opportunity to revise or edit these data later. The CDE will pull data from CALPADS at the close of business on September 14, 2018 and will use that data to develop the graduation rate indicator and portions of the CCI indicator for the 2018 California School Dashboard.	ASA	No	No	https://www.cde.ca.gov/ds/sp/ci/gradcohortreporting.asp
DATA TEAM	Oct-03	Census Day - Fall 1 18/19 Enrollment - Supplemental and concentration grant amounts are calculated based on the percentage of "unduplicated pupils" enrolled in the LEA on Census Day (first Wednesday in October) as certified for Fall 1. Enrollment and other demographic data submitted by LEAs to CALPADS are used as the starting point for calculating the unduplicated student count.	ASA	No	No	https://www.cde.ca.gov/ds/sp/ci/undup/index.asp
DATA TEAM	Oct-03	California Basic Educational Data System (CBEDS) data due to CDE - The first Wed in Oct is CBEDS Information Day, used to collect information on student and staff demographics. Your school must complete the School Information Form (SIF). The SIF is used to collect data specific to schools on the number of classified staff, kindergarten program type, educational calendars, work visa applications, multilingual instructional programs, and languages of instruction.	ASA	No	No	http://www.cde.ca.gov/ds/ci/cbl/
FINANCE	Oct-31	Public Charter School Grant Program and Dissemination Grant Program - Qtr 1 - The PCSGP Quarterly Expenditure Report (QER) is the accountability document that reflects the dollar amount spent towards work plan activities. A QER is due to the CDE's Charter Schools Division within 30 days of each respective quarter.	Charter Impact	No	Yes	https://www.cde.ca.gov/sp/ci/cr/pcsrp.asp
FINANCE	Oct-31	Federal Cash Management - Period 2 - Charter schools that are awarded a grant under any of these programs: Title I, Part A; Title I, Part D, Subpart 2; Title II, Part A; Title III LEP; and Title III Immigrant programs must submit the CMDC report for a particular quarter in order to receive an apportionment for that quarter; CDE will apportion funds to LEAs whose cash balance is below a certain threshold.	Charter Impact	No	No	http://www.cde.ca.gov/ig/aa/cmi/
FINANCE	Oct-31	Collect National School Lunch Program (NSLP) applications - Schools must collect or receive National School Lunch Program (NSLP) applications by October 31. Schools may process those applications after October 31, and if students are found to be eligible for free or reduced-price meals (FRPMs), those schools may update FRPM program records for eligible students with a start date before Census Day.	ASA	No	No	https://www.cde.ca.gov/fg/rt/index.asp?ln=sect&pn=1
FINANCE	Oct-31	Complete 20-Day Attendance Report - Charter schools in their first year of operation that begin instruction by September 30th, and continuing charter schools that are expanding by adding one or more grade levels, may apply for a special advance on their funding for LCHF State Aid and EPA State Aid. The special advance is based on actual ADA and pupil demographic data for the first 20 days of student instruction.	Charter Impact	No	Yes	http://www.cde.ca.gov/fg/aa/ba/charter20day17.asp
DATA TEAM	Oct-31	CBEDS-ORA - Collection of FTE of classified staff, estimated teacher hires, kindergarten program types, H-1B work visa application, education calendar, multilingual instructional programs, languages of instruction and district of choice transfer requests and transportation data	ASA	No	No	https://www.cde.ca.gov/ds/ci/cbl/

Appendices

As of July 31, 2018

- Cash Flow – Monthly and Annual Forecast
- Statement of Financial Position (Balance Sheet)
- Accounts Payable Aging
- Check Register

Allegiance STEAM Academy Thrive

Monthly Cash Flow/Forecast FY18-19

Revised 8/17/18



ADA = 456.00

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Year-End Accruals	Annual Forecast	Original Budget Total	Favorable / (Unfav)
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Revenues

State Aid - Revenue Limit

8011 LCFF State Aid	-	-	-	1,108,687	-	-	539,361	-	269,681	269,681	269,681	269,681	269,681	2,996,453	2,943,811	52,641
8012 Education Protection Account	-	-	-	22,800	-	-	22,800	-	-	22,800	-	-	22,800	91,200	91,200	-
8019 State Aid - Prior Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8096 In Lieu of Property Taxes	-	-	231,404	71,201	71,201	71,201	71,201	124,602	62,301	62,301	62,301	62,301	-	890,016	915,516	(25,500)
															3,950,527	27,142

Federal Revenue

8181 Special Education - Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	52,051	52,051	52,051	-
8220 Federal Child Nutrition	-	-	-	6,438	12,233	12,233	12,233	12,233	12,233	12,233	12,233	12,233	24,466	128,769	128,769	-
8290 Title I, Part A - Basic Low Income	-	-	19,494	-	58,482	-	-	-	-	-	-	-	-	77,976	77,976	-
8294 Title V, Part B - PCSG	-	-	-	-	-	-	350,000	-	-	-	-	-	92,838	442,838	450,000	(7,162)
														701,634	708,796	(7,162)

Other State Revenue

8311 State Special Education	-	-	-	-	-	-	-	47,641	47,641	47,641	47,641	47,641	0	238,207	238,207	-
8520 Child Nutrition	-	-	-	596	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	2,266	11,925	11,925	-
8550 Mandated Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8560 State Lottery	-	-	-	-	-	-	-	-	-	-	-	-	93,024	93,024	88,464	4,560
														343,156	338,596	4,560

Other Local Revenue

8699 School Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8980 Contributions, Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total Revenue

														5,072,459	4,997,919	24,540
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Expenses

Certificated Salaries

1100 Teachers' Salaries	-	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	1,166,000	1,173,500	7,500
1200 Pupil Support Salaries	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	220,000	160,000	(60,000)
1300 Administrators' Salaries	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	19,167	230,000	245,000	15,000
1900 Other Certificated Salaries	2,500	-	-	-	-	-	-	-	-	-	-	-	-	2,500	-	(2,500)
	21,667	145,167	145,167	145,167	145,167	145,167	145,167	145,167	145,167	145,167	145,167	145,167	145,167	1,618,500	1,578,500	(40,000)

Classified Salaries

2100 Instructional Salaries	-	13,058	13,058	13,058	13,058	13,058	13,058	13,058	13,058	13,058	13,058	13,058	13,058	143,634	117,677	(30,957)
2200 Support Salaries	2,083	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	132,970	143,531	10,561
2300 Classified Administrators' Salaries	9,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	7,750	95,000	135,000	40,000	
2400 Clerical and Office Staff Salaries	7,083	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	9,583	112,500	115,000	2,500	
2900 Other Classified Salaries	300	-	-	-	-	-	-	-	-	-	-	-	300	-	-	(300)
	19,217	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290	42,290	484,404	506,208	21,804

Benefits

3101 STRS	3,527	23,597	23,597	23,597	23,597	23,597	23,597	23,597	23,597	23,597	23,597	23,597	23,597	263,090	250,980	(6,110)
3202 PERS	3,110	7,726	7,726	7,726	7,726	7,726	7,726	7,726	7,726	7,726	7,726	7,726	7,726	88,092	91,431	3,340
3301 OASDI	1,191	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	2,652	30,363	31,385	1,022
3311 Medicare	593	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	2,722	30,535	30,228	(307)
3401 Health and Welfare	-	18,667	18,667	18,667	18,667	18,667	18,667	18,667	18,667	18,667	18,667	18,667	18,667	205,333	224,000	18,667
3501 State Unemployment	1,101	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	20,652	19,600	(1,052)
3601 Workers' Compensation	553	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	29,463	29,186	(277)
	10,075	59,020	59,020	59,020	59,020	59,020	59,020	59,020	59,020	59,020	59,020	59,020	59,020	667,528	682,810	15,282

Allegiance STEAM Academy Thrive



Monthly Cash Flow/Forecast FY18-19
Revised 8/17/18

ADA = 456.00

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Year-End Accruals	Annual Forecast	Original Budget Total	Favorable / (Unfav.)
Books and Supplies																
4100 Textbooks and Core Materials	-	114,000	-	-	-	-	-	-	-	-	-	-	-	114,000	114,000	-
4200 Books and Reference Materials	-	11,400	-	-	-	-	-	-	-	-	-	-	-	11,400	22,800	11,400
4302 School Supplies	-	59,850	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	1,995	79,800	79,800	-	
4303 Special Activities/Field Trips	-	-	-	-	-	17,167	17,167	17,167	-	-	-	-	-	51,500	22,800	(28,700)
4305 Software	2,227	52,493	-	-	-	-	-	-	-	-	-	-	-	54,720	54,720	-
4400 Noncapitalized Equipment	-	94,825	94,825	-	-	-	-	-	-	-	-	-	-	189,650	186,500	(3,150)
4700 Food Services	-	12,790	12,790	12,790	12,790	12,790	12,790	12,790	12,790	12,790	12,790	12,790	140,694	140,694	-	
	2,227	345,358	109,610	14,785	14,785	31,952	31,952	31,952	14,785	14,785	14,785	14,785	641,764	621,314	(20,450)	
Subagreement Services																
5102 Special Education	-	-	14,732	14,732	14,732	14,732	14,732	14,732	14,732	14,732	14,732	14,732	147,320	62,800	(84,520)	
	-	-	14,732	14,732	14,732	14,732	14,732	14,732	14,732	14,732	14,732	14,732	147,320	62,800	(84,520)	
Professional/Consulting Services																
5801 IT	20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,020	22,800	(27,220)	
5802 Audit & Taxes	-	-	-	-	-	-	-	6,667	6,667	6,667	6,667	5,000	-	20,000	20,000	-
5803 Legal	-	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	8,333	50,000	50,000	-	
5804 Professional Development	-	25,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	35,000	15,000	(20,000)	
5805 General Consulting	-	-	500	500	500	500	500	500	500	500	500	500	5,000	5,000	-	
5810 Payroll Service Fee	312	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	12,229	13,000	771	
5811 Management Fee	18,742	11,417	11,417	11,417	11,417	11,417	11,417	11,417	11,417	11,417	11,417	4,092	137,005	136,453	(552)	
5812 District Oversight Fee	-	-	6,942	-	-	-	141,603	-	-	83,323	-	-	89,962	321,830	321,016	(814)
5813 County Fees	-	-	1,250	-	-	-	1,250	-	-	1,250	-	-	5,000	5,000	-	
5814 SPED Encroachment	-	-	-	-	-	-	-	-	-	-	-	-	56,677	56,677	-	
	19,074	41,667	23,167	31,359	23,167	23,167	166,020	41,169	41,169	125,743	34,503	31,344	692,761	644,946	(47,815)	
Facilities, Repairs and Other Leases																
5602 Additional Rent	290	-	-	-	-	-	-	-	-	-	-	-	-	290	-	(290)
5603 Equipment Leases	-	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	19,800	21,600	1,800	
5610 Repairs and Maintenance	-	3,420	3,420	3,420	3,420	3,420	3,420	3,420	3,420	3,420	3,420	3,420	34,200	34,200	-	
	290	1,800	5,220	5,220	5,220	5,220	5,220	5,220	5,220	5,220	5,220	5,220	54,290	55,800	1,510	
Operations and Housekeeping																
5201 Auto and Travel	-	-	417	417	417	417	417	417	417	417	417	833	-	5,000	5,000	-
5203 Business Meals	-	417	417	417	417	417	417	417	417	417	417	833	-	5,000	5,000	-
5300 Dues & Memberships	-	950	950	950	950	950	950	950	950	950	950	1,900	11,400	11,400	-	
5400 Insurance	720	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	28,220	30,000	1,780	
5501 Utilities	-	18,548	18,548	18,548	9,204	9,204	9,204	9,204	9,204	9,204	18,548	37,933	167,352	167,352	-	
5502 Janitorial/Trash Removal	-	4,700	570	570	570	570	570	570	570	570	570	570	10,400	6,840	(3,560)	
5510 Office Expense	340	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	4,660	30,000	30,000	-	
5511 Postage and Shipping	-	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	14,000	14,000	-	
5512 Printing	-	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	14,000	14,000	-	
5513 Other taxes and fees	-	350	350	350	350	350	350	350	350	350	350	350	3,500	3,500	-	
5514 Bank Charges	15	200	200	200	200	200	200	200	200	200	200	185	2,000	2,000	-	
5515 Public Relations/Recruitment	-	500	500	500	500	500	500	500	500	500	500	500	5,000	15,000	10,000	
5900 Communications	-	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	27,500	30,000	2,500	
	1,075	32,115	31,835	31,835	22,491	22,491	23,741	23,741	23,741	23,741	31,835	54,732	323,372	334,092	10,720	
Interest																
7438 Interest Expense	19,168	6,843	14,450	-	-	-	-	-	-	-	-	-	59,628	85,163	25,535	
	19,168	6,843	14,450	-	-	-	-	-	-	-	-	-	59,628	85,163	25,535	
Total Expenses	92,793	674,259	445,491	344,408	346,040	344,039	492,257	366,378	347,153	430,697	347,551	367,290	4,689,568	4,571,633	(117,934)	
Monthly Surplus (Deficit)	(92,793)	(674,259)	(194,592)	865,315	(261,473)	(200,989)	504,471	(180,768)	45,836	(14,908)	45,438	25,699	332,891	426,286	(93,395)	
													7%			

Allegiance STEAM Academy Thrive
Monthly Cash Flow/Forecast FY18-19
 Revised 8/17/18

ADA = 456.00

Cash Flow Adjustments

Monthly Surplus (Deficit)
 Cash flows from operating activities
 Public Funding Receivables
 Prepaid Expenses
 Accounts Payable
 Accrued Expenses
 Deferred Revenue
 Cash flows from investing activities
 Purchases of Prop. And Equip.
 Notes Receivable
 Cash flows from financing activities
 Proceeds from Factoring
 Payments on Factoring
 CSFA Proceeds(Payments) on Debt

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Year-End Accruals	Annual Forecast	Original Budget Total	Favorable/ (Unfav.)
(92,793)	(674,259)	(194,592)	865,315	(261,473)	(200,989)	504,471	(180,768)	45,836	(14,908)	45,438	25,699	465,914	332,891			
-	-	-	7,162	-	-	-	-	-	-	-	-	-	(557,126)	(549,964)		
3,683	404,828	(236,376)	(93,575)	(10,594)	17,167	2,500	16,752	(17,167)	1,250	177	27,063	91,212	306,921			
11,502	74,712	-	-	-	-	-	-	-	-	-	-	-	86,214			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
350,000	200,000	200,000	-	350,000	-	-	-	-	-	-	-	-	-	1,100,000		
19,168	6,843	14,450	(953,481)	19,168	-	(369,168)	-	-	-	-	-	-	-	(1,263,020)		
-	-	-	250,000	-	-	-	-	-	-	-	-	-	-	250,000		
291,561	12,123	(216,518)	75,422	97,101	(183,823)	137,803	(164,016)	28,669	(13,658)	45,615	52,763					
102,104	393,665	405,788	189,270	264,691	361,793	177,970	315,773	151,757	180,427	166,768	212,383					
393,665	405,788	189,270	264,691	361,793	177,970	315,773	151,757	180,427	166,768	212,383	265,146					



Allegiance STEAM Academy
Statement of Financial Position
 July 31, 2018

	Current Balance	Beginning Year Balance	YTD Change	YTD % Change
Assets				
Current Assets				
Cash & Cash Equivalents	\$ 393,665	\$ 102,104	\$ 291,561	286%
Public Funding Receivables	7,162	7,162	-	0%
Factored Receivables	(532,188)	-	(532,188)	0%
Prepaid Expenses	15,274	15,274	(0)	0%
Total Current Assets	<u>(116,087)</u>	<u>124,540</u>	<u>(240,628)</u>	-193%
Long Term Assets				
Total Long Term Assets	<u>-</u>	<u>-</u>	<u>-</u>	0%
Total Assets	<u>\$ (116,087)</u>	<u>\$ 124,540</u>	<u>\$ (240,628)</u>	-193%
Liabilities				
Current Liabilities				
Accounts Payable	\$ 14,683	\$ 11,000	\$ 3,683	33%
Accrued Liabilities	25,017	13,515	11,502	85%
Deferred Revenue	-	163,020	(163,020)	-100%
Total Current Liabilities	<u>39,700</u>	<u>187,535</u>	<u>(147,835)</u>	-79%
Long Term Liabilities				
Total Long Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	0%
Total Liabilities	<u>39,700</u>	<u>187,535</u>	<u>(147,835)</u>	-79%
Total Net Assets	<u>(155,787)</u>	<u>(62,995)</u>	<u>(92,793)</u>	147%
Total Liabilities and Net Assets	<u>\$ (116,087)</u>	<u>\$ 124,540</u>	<u>\$ (240,628)</u>	-193%

Allegiance STEAM Academy - Thrive
 Accounts Payable Aging

July 31, 2018

Vendor Name	Invoice/Credit Number	Invoice Date	Date Due	Current	1 - 30 Days Past Due	31 - 60 Days Past Due	61 - 90 Days Past Due	Over 90 Days Past Due	Total
Sebastian Cognetta, Ed.D.	5	7/24/2018	7/24/2018	\$	\$ 5,000	\$	\$	\$	5,000
Charter Impact	6243	8/1/2018	8/1/2018	\$	9,371	\$	\$	\$	9,371
Charter Impact	PRO71018	7/24/2018	7/24/2018	\$	\$	141	\$	\$	141
Charter Impact	PRO72518	7/24/2018	7/24/2018	\$	\$	172	\$	\$	172
Total Outstanding Invoices				\$	9,371	\$ 5,312	\$	\$	\$ 14,683



**ALLEGIANCE STEAM ACADEMY
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

August 3, 2018

Minutes

I. Preliminary

A. Call to Order

The meeting was called to order by Board Chair at 8:30 am.

The Special Meeting of the Board of Directors of Allegiance STEAM Academy was at 5862 C. Street, Chino, Ca 91710.

B. Roll Call

	Present	Absent
Andrew Vestey, Chairman	X	_____
Vanessa Okamoto, Secretary	X	_____
Melanie Choi, Treasurer	X	_____
Raquel Rall, Member	X	_____
Samantha Odo, Member	X	_____

C. Public Comments- Items not on the Agenda

There were no public comments.

D. Approval of Agenda for the Special Board Meeting for August 3, 2018.

Motion (Rall), second (Choi), motion carried by a vote of 5-0 to approve the Agenda for Special Board Meeting for August 3, 2018.

II. Open Session:

A. COMMUNICATIONS

1. Comments from Board of Directors

Melanie Choi said she was excited hear about teachers meeting and feels we are off to good start.

2. CEO's report

Dr. Cognition said our department of justice certification/clearance came through and that Meredith King will send out the DOJ live scan forms for everyone to fill out.

Dr. Cognition also said we will be sending information out to parents regarding Title 1 and Special Education Programs in the next couple of days.

Dr. Cognition said he will provide the board with a staffing update so as we are discovering our student's needs more and more as their cumulative files are coming in. He also said we have a created food service position and we will need an additional Special Education teacher and two additional aides and that they are working with Charter Impact and the budget and it looks like we'll be able to add the additional staffing.

Dr. Cognition gave an update on what CVUSD has been working on all things facility.

Dr. Cognition said that Meredith King has been added to Wells Fargo account.

Dr. Cognition said that most of the staff came in for a meeting recently, most voluntarily, and that the day was productive morning, there was positive energy. Much was accomplished including finalizing schedules for students, teachers were assigned to their classrooms and issued keys, our STEAM vision was rolled out, and they laid out the technology plan. Dr. Moreno said the energy has been building up and it was great seeing teachers on campus.

Dr. Cognition gave an update on the school budget and said he has been working with Charter Impact are working on the revisions based on what we are learning based on the services we will be providing our students. He said that more details will be presented once everything is set. Dr. Moreno said that we are continuing to look into contracting for Special Education Services as she goes through student files and sees the needs of our students.

B. ITEMS SCHEDULED FOR CONSENT:

1. Minutes for Special Meeting of the Board of Directors on July 13, 2018

2. Minutes for Regular Meeting of the Board of Directors on July 26, 2018

Motion (Odo), second (Okamodo), motion carried by a vote of 5-0 to approve

C. ITEMS SCHEDULED FOR DISCUSSION/ACTION:

1. **2019-2020 School Calendar for Allegiance STEAM Academy-Thrive**

Motion (Okamoto), second (Odo), motion carried by a vote of 5-0 to approve the 2019-2020 School Calendar for Allegiance STEAM Academy-Thrive.

2. **Allegiance STEAM Academy Board Recruitment and Selection Process**

Motion (Odo), second (Choi), motion carried by a vote of 5-0 to adopt and approve the Allegiance STEAM Academy Board Recruitment and Selection Process.

3. **Allegiance STEAM Academy Chief Executive Officer Evaluation Process**

Motion (Okamoto), second (Odo), motion carried by a vote of 5-0 to approve the Allegiance STEAM Academy Chief Executive Officer Evaluation Process.

4. **Internal Dispute Resolution Policy**

The Internal Dispute Resolution Policy was discussed and questions for clarification were brought up and it was decided to clarify some of the wording on the policy and revisit it at a future board meeting.

Motion (Vestey), second (Odo), motion carried by a vote of 5-0 to table the Internal Dispute Resolution Policy.

5. **Contract for Services Related to Professional Development**

RGD Solutions and ALS Inc. gave ASA quotes to provide Professional Development services for the teaching staff. Representative Brandy Ramirez with RDG Solutions gave a presentation and answered questions that were asked. Some questions were unable to be answered (mainly: daily rate, number of consultants, half-day rate) and it was decided to get the answers to the questions and schedule a special board meeting in the next few days in an effort to get it approved after all questions have been answered.

Motion (Vestey), second (Odo), motion carried by a vote of 5-0 to table the Contract for Services Related to Professional Development

6. **Contract with Apple Store for Education Institution for purchase of technology for staff and students**

Dr. Cognetta answered a question that was asked at a past board meeting and said that Optiva said they won't charge us a fee for not purchasing through them, they looked at the New Egg quote and said it is the best deal to go with.

Motion (Odo), second (Okamoto), motion carried by a vote of 5-0 to approve the Contract with Apple Store for Education Institution for purchase of technology for staff and students.

7. Contract with New Egg Business for purchase of technology for students

Motion (Choi), second (Odo), motion carried by a vote of 5-0 to approve the contract with New Egg Business for purchase of technology for students.

D. ADJOURNMENT

Motion (Odo), second (Choi), motion carried 5-0 to adjourn the meeting.

Andrew Vestey, Board Chair, adjourned the Regular Meeting of Board of Directors for August 3, 2018 at 9:38 am.

Andrew Vestey, Board Chair

Vanessa Okamoto, Board Secretary



**ALLEGIANCE STEAM ACADEMY
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

August 5, 2018

7:00 pm

Meeting Location:
5862 C Street, Chino, CA 91710

I. Preliminary

A. Call to Order

The meeting was called to order by Board Chair at 7:01 pm.

The Special Meeting of the Board of Directors of Allegiance STEAM Academy was at 5862 C. Street, Chino, Ca 91710.

B. Roll Call

	Present	Absent
Andrew Vestey, Chairman	X	_____
Vanessa Okamoto, Secretary	X	_____
Melanie Choi, Treasurer	X	_____
Raquel Rall, Member		X
Samantha Odo, Member	X	_____

C. Public Comments- Items not on the Agenda

There were no public comments.

D. Approval of Agenda for the Special Board Meeting for August 5, 2018.

Motion (Odo), second (Okamoto), motion carried by a vote of 4-0 to approve the Agenda for Special Board Meeting for August 5, 2018

II. Open Session:

A. COMMUNICATIONS

1. Comments from Board of Directors

Andrew Vestey reminded board members to go to live scan and get their DOJ's as soon as possible.

2. CEO's report

Dr. Cognetta thanked the board for approving the technology quotes. He also reminded everyone of the upcoming Parent Information Meetings.

B. ITEMS SCHEDULED FOR DISCUSSION/ACTION:

1. Contract for Services Related to Professional Development

A representative from RDG Solutions gave a brief presentation of their services and he answered questions that were asked.

Motion (Odo), second (Okamoto), motion carried by a vote of 4-0 to approve the Contract with RDG Solutions.

2. Chino Valley Unified School District's Computer Network and Internet Services Memorandum of Understanding

Motion (Odo), second (Okamoto), motion carried by a vote of 4-0 to approve and adopt CVUSD's Computer Network and Internet Services Memorandum of Understanding.

3. Technology Acceptable Use and Internet Safety Policy

Motion (Vestey), second (Odo), motion carried by a vote of 4-0 to approve and adopt the Technology Acceptable Use and Internet Safety Policy.

D. ADJOURNMENT

Motion (Choi), second (Okamoto), motion carried 4-0 to adjourn the meeting.

Andrew Vestey, Board Chair, adjourned the Special Meeting of Board of Directors for August 5, 2018 at 7:18 pm.

Andrew Vestey, Board Chair

Vanessa Okamoto, Board Secretary

Allegiance STEAM Academy - Thrive
Check Register

For the Period Ended July 31, 2018

Check Number	Vendor Name	Check Date	Check Amount
--------------	-------------	------------	--------------

Checking acct x9591

10010	Charter Impact	7/9/2018	\$ 9,371.00
10011	Meredith king	7/9/2018	3,000.00
10012	Callie Moreno	7/9/2018	3,000.00
10013	SchoolMint Inc	7/12/2018	3,500.00
ACH	Education Closet	7/5/2018	125.00
ACH	Internal Revenue Services	7/11/2018	226.74
ACH	Employment Development Department	7/11/2018	41.41
ACH	Employment Development Department	7/11/2018	23.98
ACH	US Live Scan	7/11/2018	103.00
ACH	Chino Hills Self Storage	7/11/2018	290.00
ACH	Media Temple	7/12/2018	20.00
ACH	Wells Fargo Bank	7/16/2018	15.00
ACH	Employment Development Department	7/26/2018	1,005.55
ACH	Employment Development Department	7/26/2018	2,225.69
ACH	Internal Revenue Services	7/26/2018	8,244.05
ACH	Costco	7/30/2018	111.94

Total Payments Issued in June \$ 31,303.36

FACTORING AGREEMENT

THIS FACTORING AGREEMENT (“**Agreement**”) is made and executed this August 24, 2018 (the “**Effective Date**”) by and between Allegiance STEAM Academy, Inc. DBA Allegiance STEAM Academy - Thrive, a California corporation (“**Seller**”) and **CHARTER ASSET MANAGEMENT FUND, L.P.**, a Delaware limited partnership (“**CAM**”).

RECITALS

A. CAM is in the business of factoring accounts and purchasing same, and Seller has requested that CAM purchase the Accounts set forth on Schedule 1 (the “**Accounts**”), pursuant to the terms of this Agreement.

B. CAM has agreed to purchase the Accounts subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **PURCHASE OF ACCOUNT.**

1.1 Appointment as Factor. Seller hereby appoints CAM to act as its sole and exclusive factor with respect to the Accounts. Seller hereby agrees to assign and sell and does hereby irrevocably sell and assign to CAM, and CAM hereby agrees to purchase the Accounts. For all purposes hereof, the term “Accounts” shall mean and include all amounts due pursuant to the Accounts, and all other forms of obligations owing to Seller arising from or out of the Accounts and all proceeds thereof.

1.2 Written Notice of Purchase and Assignment. Seller shall deliver or cause to be delivered in accord with applicable law to the appropriate officer or disbursing officer with respect to each Account an appropriate Notice of Purchase and Assignment executed by Seller along with a cover letter indicating that the Accounts are being sold and assigned to CAM. In addition said letter shall further provide that the assignments cover all unpaid amounts payable under the Accounts and shall direct payment with respect thereto as provided pursuant to this Agreement. Seller acknowledges that CAM shall also have the right to notify such account debtor of CAM’s rights with respect to the Accounts and direct account debtors to make payments of Accounts directly to CAM.

2. **PURCHASE PRICE; OTHER OBLIGATIONS.**

2.1 Calculation of Purchase Price. The purchase price (“**Purchase Price**”) which is the amount funded as set forth on Schedule 1 is calculated as set forth on Schedule 1. The Purchase Price shall mean for the purposes of this Agreement with respect to an Account, the gross face value of the Account as set forth on Schedule 1 (the “**Face Value**”) minus the Administrative Fees as set forth on Schedule 1 minus the Discount Rate as set forth on Schedule 1. Seller acknowledges that the Purchase Price of each Account reflects its fair value. CAM shall fund to Seller the Purchase Price upon compliance by Seller with each of the terms and conditions of this Agreement.

2.2 Conditions Precedent for Payment of the Purchase Price. CAM shall have no obligation to pay the Purchase Price to Seller until each of the following obligations has been satisfied:

- (a) this Agreement has been fully executed and delivered by Seller;
- (b) the Security Agreement referenced in Section 5.1 hereof, and the security interest granted in the collateral therein, shall be in full force and effect;
- (c) Seller has delivered to CAM an appropriate resolution adopted by the Seller's board of directors or governors, substantially in the form attached hereto as Exhibit A, authorizing the execution, delivery and performance of this Agreement and sale of the Accounts;
- (d) Seller shall have executed and delivered to CAM the completed Notice of Purchase and Assignment and the attached Annex 1 from each of the Account payors in the forms attached hereto as Exhibits B;
- (e) Seller shall have executed and delivered to CAM the Irrevocable Assignment of Accounts in the form attached hereto as Exhibit C;
- (f) Seller shall have executed and delivered to CAM the Irrevocable Funds Distribution Authorization in the form attached hereto as Exhibit D;
- (g) Seller shall have executed and delivered to CAM the Bank Notice Letter attached hereto as Exhibit E;
- (h) Seller shall have executed and delivered to CAM the Authorization for Direct Payment via ACH attached hereto as Exhibit F;
- (i) Seller shall have delivered to CAM copies of all of its organizational documents and a Certificate of Good Standing from the state of its organization and if necessary, a copy of its license or licenses required to conduct its business in the state where said business is being conducted.

2.3 Method of Payment of the Accounts.

(a) Seller and CAM agree that payments may be made to CAM in connection with the Face Value of the Accounts in the following manners:

(i) Payment of the Face Value of the Accounts may be made directly to CAM by the account debtor on the Account pursuant to the Notice of Purchase and Assignment by ACH payment or wire transfer or by mail; or

(ii) subject to CAM's consent, payment of the Face Value of any Account may be made by the account debtor to Seller, and Seller acknowledges that said payment is being made for the benefit of CAM and Seller shall hold said funds as trustee for the benefit of CAM and deliver same within three (3) calendar days of receipt of said payment and shall have no rights with respect to said funds. In the event Seller, subject to CAM's consent, elects to provide for payment to CAM pursuant to this subprovision, the Seller agrees within three (3) months of the date of this Agreement to enter into a Deposit Account Control Agreement with CAM and Seller's bank in form and content acceptable to CAM (the "DACA"). Failure of Seller to enter into the DACA as aforesaid may result in a termination of this Agreement by CAM after five (5) days notice to Seller. Until the DACA is in effect, Seller shall comply with the terms and conditions of this Agreement including this subprovision.

(iii) If payment of the Face Value of any Account is to be made by the account debtor to Seller in person via check or other similar instrument, Seller shall retrieve such payment from the account debtor, take such actions as required (via endorsement or otherwise) such that the payment can be deposited by CAM into its account, and, at CAM's election, either (A) deliver such payment to CAM's representative in person within three business days after Seller's receipt; or (B) deliver such payment by other means pursuant to CAM's instructions within three business days after Seller's receipt. Seller shall retrieve payment in person within three business days of being instructed to do so by CAM.

(b) Seller acknowledges that CAM is the owner of the Accounts and is fully entitled to all payments due with respect to the Accounts. Seller agrees that if there are procedures in place to allow account debtors or other third party to pay amounts due on the Accounts directly to CAM, Seller shall authorize such direct payment. In the event where there are no procedures already in place, Seller will authorize CAM to implement a new set of procedures to allow account debtors or other third party to pay amounts due on the Accounts directly to CAM. Seller must cooperate with CAM fully in order to facilitate the implementation of the procedures. In the event that CAM receives payment on an Account directly from the account debtor on the Account, or indirectly from any other third party, or in any other manner, CAM agrees that after deducting the amount equal to the sum of the Face Value plus all advances, interest and other amounts due to CAM under the terms of this Agreement, if any, it shall remit to Seller within a reasonable amount of time any excess of such amount, if any.

2.4 Failure of Account Debtor to Make Payment. In the Event that Seller or any account debtor of any of the Accounts fails to make a timely payment to CAM as described in Section 2.3, the outstanding amount owed to CAM shall accrue interest until paid at a rate equal to the lesser of 29.99% or the maximum non-usurious rate of interest as it effects from time to time which may be charged by CAM under applicable law. (the "Penalty Rate")

2.5 Administration Fee. In consideration of CAM's purchase of the Accounts, Seller agrees to pay the Administrative Fee (the "Administrative Fee") equal to the amount as set forth on Schedule 1 for each purchased Account. Payment of the Administrative Fee shall be due and payable by Seller upon CAM's purchase of the applicable Account.

3. **REPRESENTATIONS AND WARRANTIES AND COVENANTS.** To induce CAM to purchase the Accounts from Seller with full knowledge that the truth and accuracy of the following are being relied upon by CAM in the purchase of the Accounts and payments of the Purchase Price, Seller represents, warrants and covenants to CAM and agrees that:

(a) Seller (i) is a corporation duly organized and validly existing under the laws of the State of California, and qualified to operate in all jurisdictions where required; and (ii) has the requisite capacity and authority to execute and deliver this Agreement and the other agreements contemplated hereunder, to consummate the transactions contemplated hereby and thereby, and to perform its obligations hereunder and thereunder;

(b) this Agreement and all other agreements contemplate hereunder have been duly executed, and delivered by Seller and are valid and legally binding obligation of Seller, enforceable against Seller in accordance with their terms;

(c) neither the entering into of this Agreement nor the sale of the Accounts nor the performance by the Seller of any of its other obligations under this Agreement and the other agreements contemplated hereunder will contravene, breach or result in any default under the incorporation or other organizational documents of the Seller or in any material respect of any term or condition under any mortgage, lease, agreement, license, permit, statute, regulation, order, judgement, decree or law to which the Seller is a party or by which the Seller may be bound;

(d) Seller is the sole and absolute owner of each Account and has the full legal right to make said sale, assignment and transfer thereof hereunder;

(e) the Face Value on each Account is as set forth on Schedule 1 and such amounts are not in dispute;

(f) the payment of each Account is not contingent upon the fulfillment of any obligation or condition, past or future, and any and all obligations required of Seller with regard to such Account have been fulfilled by Seller;

(g) there are no defenses, offsets, recoupments or counterclaims with respect to any of the Accounts and no agreement has been made under which any account debtor with respect any of the Accounts, may claim any recoupment, deduction or discount;

(h) upon purchase, Seller will convey to CAM good and marketable title to each Account free and clear of all liens and encumbrances which shall thereafter be the sole and exclusive property of CAM;

(i) none of the account debtors with respect to any of the Accounts is insolvent as that term is defined in the United States Bankruptcy Code;

(j) all Accounts now existing or hereafter arising shall comply with each and every one of the representations, warranties, covenants and agreements referred to in this paragraph and as otherwise supplemented pursuant to this Agreement;

(k) no Account is evidenced by a note or other instrument;

(l) Seller will not, during the term of this Agreement, sell, transfer, pledge a security interest or hypothecate any of its Accounts to any party other than CAM. Seller agrees to reimburse CAM for actual out-of-pocket costs related to credit reports and UCC filings and searches incurred by CAM (and its agents, representatives and counsel) in connection with this Agreement;

(m) Seller is solvent and the execution and performance under this Agreement has been duly authorized by all necessary corporate action and is not in contravention of any of Seller's governing documents or any agreement by which Seller is bound under applicable law;

(n) Each Account purchased by CAM shall be the property of CAM and shall be collected by CAM pursuant to the terms of this Agreement but, as indicated herein, if for any reason payment of an Account should be paid to Seller, Seller shall promptly notify CAM of such payment, shall hold any check, drafts, or monies so received in trust for the benefit of CAM and shall promptly endorse, transfer and deliver the same to CAM as provided in Section 2.3 (a)(ii);

(o) Seller's place of business is the one set forth at the beginning of this Agreement and is the place where records concerning all Accounts are kept by Seller;

(p) Seller will not change the state of its registration or formation or its corporate or legal name or the place where the records concerning all accounts are kept or add an additional such place, in each case without CAM's prior written consent;

(q) There are no judgments outstanding affecting Seller or any of its property and there are no suits, proceedings, claims, demands or government investigations now pending or threatened against Seller or any of its property;

(r) As of the Effective Date, Seller is not in default or breach, nor shall any event shall have occurred or failed to occur which with the passage of time or service of notice constitute a default or breach, under any loan agreement, indenture, mortgage or other material agreement to which Seller is a party and

(s) Seller is not in violation of any law, ordinance, rule, order, regulation or other requirement of any governmental entity (whether federal, state or local) or any agency or instrumentality thereof.

4. **ASSUMPTION OF RISK.** Subject to compliance by Seller with the terms of this Agreement, CAM hereby assumes full risk of non-payment with respect to any of the Accounts and Seller shall have no liability for payment of any of the Accounts.

5. **SECURITY INTEREST.**

5.1 Grant of Security Interest. Seller has executed that certain Security Agreement March 1, 2018 (the "Security Agreement"), in favor of CAM as secured party pursuant to the terms of which Seller grants to CAM a continuing security interest and general lien upon all of the Collateral (as defined in the Security Agreement) in order to secure payment of the Secured Obligations (as defined in the Security Agreement).

5.2 Cooperation. Seller agrees to execute such further instruments and financing statements as may be required by any law in connection with the transactions contemplated hereby and to cooperate with CAM in filing or recording any renewals thereof, and Seller hereby authorizes CAM (and appoints any person whom CAM designates as its attorney) to sign Seller's name on any such instrument and further authorizes CAM to file financing statements describing the Collateral in such manner as CAM may determine.

6. **INDEMNITIES.**

6.1 Indemnification. Seller hereby indemnifies and holds CAM and its affiliates, and their respective employees, attorneys and agents (each, an "**Indemnified Person**") harmless from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses of any kind or nature whatsoever (including attorneys' fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) which may be instituted or asserted against or incurred by any such Indemnified Person as the result of any financial accommodation having been extended, suspended or terminated under this Agreement or any Other Agreement or with respect to the execution, delivery, enforcement, performance and administration of, or in any other way arising out of or relating to, this Agreement or any Other Agreement, and any actions or failures to act with respect to any of the foregoing, except to the extent that any such indemnified liability is finally determined by a court of competent jurisdiction to have resulted solely from such Indemnified Person's gross negligence or willful misconduct. **NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO SELLER OR TO ANY OTHER PARTY FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF ANY FINANCIAL ACCOMMODATION HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR ANY OTHER AGREEMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.**

6.2 Taxes. If any tax by any governmental authority (other than income and franchise taxes) is or may be imposed on or as a result of any transaction between Seller and CAM, or in respect to services or sales (or any merchandise affected by such sales), which CAM is or may be required to withhold or pay, Seller agrees to indemnify and hold CAM harmless in respect of such taxes, and Seller will repay CAM the amount of any such taxes.

6.3 Review of Seller's Bank Accounts. Seller agrees to take all action necessary, including disclosure of passwords or PINs, the addition of joint access signers, or other appropriate methods to allow CAM to view its bank accounts through the Internet or other applicable procedure.

7. **EVENT OF DEFAULT.**

7.1 Default. The occurrence of any of the following acts or events shall constitute an Event of Default (each a "Event of Default") under this Agreement:

- (a) Seller's material breach of any representation, warranty or covenant contained in this Agreement;
- (b) Seller's failure to make timely payment of any amounts due under this Agreement;
- (c) Seller becomes insolvent or unable to meet its debts as they mature;
- (d) Seller delivers to CAM a representation, warranty, certification or other statement that is false in any material respect when made;
- (e) Any bankruptcy proceeding, insolvency arrangement or similar proceeding is commenced by or against Seller;
- (f) Seller suspends or discontinues its regular operations for any reason;
- (g) A receiver or trustee of any kind is appointed for Seller or any of Seller's property;
- (h) Seller does not, in good faith, take all necessary steps to implement the manners of payment as provided in this Agreement;
- (i) A notice of lien, money judgment, levy, assignment, seizure, writ or warrant of attachment is entered or filed against Seller with respect to the Accounts or any Collateral (as said term is defined in the Security Agreement).
- (j) Seller's material breach of any representation, warranty or covenant contained in the Security Agreement.

7.2 Remedies. After the occurrence of any Event of Default, CAM shall have immediate access to any and all books and records as may pertain to the Accounts or any of the Collateral (as defined in the Security Agreement). With respect to such Collateral, CAM shall have all rights and remedies of a secured party under the Security Agreement and Article 9 of the Uniform Commercial Code. Notwithstanding anything to the contrary herein, after the occurrence of any Event of Default, CAM shall have the right (but not the obligation) to collect all Accounts directly from account debtors.

8. **TERMINATION.** The term of this Agreement shall begin as of the Effective Date and continue until terminated in accordance with this Section. Either Party may terminate this Agreement upon thirty (30) days' prior written notice to the other Party. In addition, CAM may in its sole discretion terminate this Agreement effective immediately without prior notice upon the occurrence of an Event of Default. Upon termination of this Agreement, any amounts due from Seller to CAM will mature and become immediately due and payable. Notwithstanding the foregoing, no termination of this Agreement shall terminate or extinguish any obligation of a Party arising or occurring prior to such termination and all of CAM's rights, liens and security interests granted pursuant to the Security Agreement shall continue and remain in full force and effect after any termination of this Agreement. In addition, Seller agrees that it shall continue to remit to CAM all collections on Accounts received directly by it (if applicable) until all payments owed with respect to each Account have been paid in full.

9. **FUTURE AGREEMENTS.** Seller acknowledges that CAM may from time to time agree to purchase additional Accounts from Seller which shall be evidenced by additional Factoring Agreements.

10. **CONFIDENTIALITY.** Seller hereby agrees to maintain the confidentiality of this Agreement, any prior agreements regarding the purchase of its Accounts ("**Prior Agreements**") or any future agreements pertaining to the purchase of its Accounts ("**Future Agreements**") and agrees that this Agreement, Prior Agreements or Future Agreements cannot be duplicated or distributed to any third party without CAM's express written permission except as required by law. Seller further agrees to take reasonable measures to protect and maintain the security and confidentiality of information set forth in this Agreement, any Prior Agreements or Future Agreements.

11. **TRUE SALE OF ACCOUNTS.** Seller and CAM agree and acknowledge that the intention of the parties with respect to the Accounts is to accomplish a true sale of the Accounts as provided for in this Agreement. If for any reason, it is determined by a court of competent jurisdiction, that this Agreement does not provide a true sale of the Accounts, but constitutes a loan secured by the Accounts, then the Accounts shall be deemed to have been pledged to CAM pursuant to the Security Agreement.

12. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement and understanding between Seller and CAM with respect to the sale of the Accounts provided for herein and supersedes all prior written and oral agreements, discussions or representations between Seller and CAM concerning the Accounts purchased by CAM pursuant to this Agreement. Notwithstanding the foregoing, the sale of the Accounts under this Agreement is also subject to the terms and conditions of the Security Agreement as referenced in Section 5.1. No modification or amendment to this Agreement or any waiver of any rights under this Agreement will be effective unless in a writing signed by Seller and CAM.

13. MISCELLANEOUS.

13.1 No Pledge of Credit. Seller shall not be entitled to pledge CAM's credit for any purpose whatsoever.

13.2 Waivers. Seller waives presentment and protest of any instruments and all notices thereof, notice of default and all other notices to which it might otherwise be entitled. Seller shall maintain, at its expense, proper books of account.

13.3 No Pledge or Sale of Accounts. During the term of this Agreement, Seller shall not sell or assign, negotiate, pledge or grant any security interest in the Accounts to anyone other than CAM.

13.4 Governing Law and Venue. This Agreement is executed and delivered in the State of California and shall be governed by California law without giving effect to its conflict of laws of principles. Seller further agrees that any legal action or proceeding with respect to any of its obligations under this Agreement may be brought by CAM in any state or federal court located in Santa Clara County, California. Any claim or controversy asserted by Seller against CAM shall only be litigated in the State or Federal Courts located in Santa Clara County, California. By the execution and delivery of this Agreement, Seller submits to and accepts for itself and in respect of its property generally and unconditionally the non-exclusive jurisdiction of those courts. Seller waives any claims that Santa Clara County, California is not a convenient forum or the proper venue for any such suit, action or proceeding.

13.5 Waiver of Service of Process. Each of the parties to this Agreement hereby waives personal service of any summons or complaint or other process or papers to be issued in any action or proceeding involving any such controversy and hereby agrees that service of such summons or complaint or process may be made by certified mail to the other party at the address appearing herein; failure on the part of either party to appear or answer within thirty (30) days after such mailing of such summons, complaint or process shall constitute a default entitling the other party to enter a judgment or order as demanded or prayed for therein to the extent that said Court or duly authorized officer thereof may authorize or permit.

13.6 Waiver of Jury Trial. TO THE EXTENT ALLOWED BY APPLICABLE LAW, CAM AND SELLER DO HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND ARISING ON, OUT OF, BY REASON OF, OR RELATING IN ANY WAY TO THIS AGREEMENT OR THE INTERPRETATION OR ENFORCEMENT THEREOF OR TO ANY TRANSACTIONS THEREUNDER. IN THE EVENT CAM COMMENCES ANY ACTION OR PROCEEDING AGAINST SELLER, SELLER WILL NOT ASSERT ANY OFFSET OR COUNTERCLAIM, OF WHATEVER NATURE OR DESCRIPTION, IN ANY SUCH ACTION OR PROCEEDING.

13.7 No Waiver of Rights. No failure or delay by CAM in exercising any of its powers or rights hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or the exercise of any other right or power. CAM's rights, remedies and benefits hereunder are cumulative and not exclusive of any other rights, remedies or benefits which CAM may have. This Agreement may only be modified in writing and no waiver by CAM will be effective unless in writing and then only to the extent specifically stated.

13.8 Notices. All notices and other communications by either party hereto shall be in writing and shall be sent to the other party at the address specified herein.

13.9 Assignment. CAM shall have the right to assign this Agreement, and all of CAM's rights hereunder shall inure to the benefit of CAM's successors and assigns, and this Agreement shall inure to the benefit of and shall bind CAM's respective successors and assigns. Seller may not assign or transfer any of its rights or obligations hereunder without the prior written consent of CAM (and any attempted assignment or transfer by Seller without such consent shall be null and void).

13.10 Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. This Agreement shall be deemed to have been executed and delivered when CAM has received counterparts hereof executed by all parties listed on the signature pages hereto. Facsimile, pdf, or other forms of electronic image versions of signatures hereto shall be deemed original signatures, which may be relied upon by each party hereto and shall be binding on the respective party.

13.11 Attorney Fees. In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

13.12 Waiver of Sovereign Immunity. To the extent permitted by applicable law, Seller hereby waives any claim or defense of sovereign immunity as to all tort and contract claims arising under this Agreement.

13.13 Interpretation. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under any such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. As used in this Agreement, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires. The headings of sections and paragraphs in this Agreement are for convenience only and shall not be construed to limit or define the content, scope or intent of the provisions hereof.

[Signature Page Follows]

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

SELLER
Allegiance STEAM Academy, Inc.

By: _____

Name: Andrew Vestey
Title: Chair, Board of Directors

Address for Notices:
PO Box 4024,
Chino, CA 91708

CHARTER ASSET MANAGEMENT FUND,
L.P.

By: Charter Asset Management GP LLC.,
A Delaware limited liability company
Its: General Partner

By: _____

Paul Im
Title: Managing Partner

Address for Notices:
633 W. 5th Street, 26th Floor
Los Angeles, CA 90071

By: _____

Name: David Park
Title: Managing Member

Address for Notices:
633 W. 5th Street, 26th Floor
Los Angeles, CA 90071

Schedule 1

Accounts

Installment 1 – August 24, 2018

Account Authority / Payor	Account Receivable	Amount Purchased	Admin Fee	Discount %	Discount	Amount Funded
San Bernardino County Office of Education / San Bernardino County Superintendent of Schools	FY18-19, Pupil Estimate for New or Significantly Expanding Charters (PENSEC) - 4th Tranche, CDS# 36- 67678-0137547	\$206,842.75	\$3,826.59	1.46%	\$3,016.16	-\$200,000.00

Installment 2 – September 14, 2018

Account Authority / Payor	Account Receivable	Amount Purchased	Admin Fee	Discount %	Discount	Amount Funded
San Bernardino County Office of Education / San Bernardino County Superintendent of Schools	FY18-19, Pupil Estimate for New or Significantly Expanding Charters (PENSEC) - 5th Tranche, CDS# 36- 67678-0137547	\$214,449.72	\$3,967.32	4.89%	\$10,482.40	-\$200,000.00

EXHIBIT A

**CHARTER SCHOOL BOARD RESOLUTION OF THE BOARD OF DIRECTORS OF
ALLEGIANCE STEAM ACADEMY, INC.**

The Board of Directors ("Board") of Allegiance STEAM Academy, Inc. (the "Charter School"), Pursuant to applicable law and the Charter School's governing documents, hereby adopt the following recitals and resolutions by unanimous written consent, effective as of the effective date of the Factoring Agreement (as defined herein):

1. Approval of Factoring Agreement and Sale of Receivables.

WHEREAS, the Board has reviewed the Factoring Agreement entered into by and among Charter Asset Management Fund, LP ("CAM") and the Charter School (such agreement, the "Factoring Agreement") and has had an adequate opportunity to ask questions regarding, and investigate the nature of, the Factoring Agreement;

WHEREAS, after careful consideration, the Board has determined that the terms and conditions of Factoring Agreement are just and equitable and fair as to the Charter School and that it is in the best interest of the Charter School to enter into the Factoring Agreement;

WHEREAS, the Board deems it to be in the best interest of the Charter School to cause the Charter School to sell and assign certain of its receivables to CAM as provided in the Factoring Agreement; and

NOW, THEREFORE, BE IT RESOLVED, that the Factoring Agreement is hereby approved;

RESOLVED FURTHER, that the Charter School may sell and assign certain of its receivables to CAM as provided in the Factoring Agreement;

RESOLVED FURTHER, that the officers and managers of the Charter School are hereby authorized and directed to cause the Charter School to enter into the Factoring Agreement and to execute all other documents necessary to effect the Factoring Agreement, and to take all actions necessary and appropriate to perform the Charter School's obligations thereunder;

2. Enabling Power.

RESOLVED, that the officers and managers of the Charter School be, and each of them hereby is, authorized, directed and empowered to execute any applications, certificates, agreements or any other instruments or documents or amendments or supplements to such documents, or to do, or cause to be done, any and all other acts and things as such officers and managers, and each of them may, in their discretion, deem necessary or advisable and appropriate to carry out the purposes of the foregoing resolutions.

3. Authorization to Certify Resolution.

RESOLVED, that the Chair, Board of Directors and Secretary, Board of Directors are hereby authorized to certify this resolution.

This written consent may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same written consent.

IN WITNESS WHEREOF, the Board of Directors has adopted the above resolution.

By: _____
Andrew Vestey
Chair, Board of Directors

By: _____
Vanessa Okamoto
Secretary, Board of Directors

EXHIBIT B

Notice of Purchase and Assignment

To:

San Bernardino County Office of Education/ San Bernardino County Superintendent of Schools
601 North E St., San Bernardino, CA 92415

This Notice has reference to all payments due from you to Allegiance STEAM Academy, Inc. (“Assignor”) with respect to any amounts payable by you to Assignor with respect to the receivables set forth on Schedule 1 attached hereto. All monies due or to become due under the aforesaid receivables have been sold and assigned to the undersigned. A true copy of the Notice of Assignment is attached as Annex 1. All monies due to Assignor with respect to the receivables sold should be sent to the undersigned by wire transfer as follows: Charter Asset Management Fund, LP. at **Bank of Hope** (Account #6400219549, ABA Wire Routing #122041235) or by check payable to the undersigned and addressed as follows: 633 W. 5th Street, 26th Floor, Los Angeles, CA 90071.

Please acknowledge receipt of this notice and return a fully executed copy to the undersigned.

Very truly yours,

CHARTER ASSET MANAGEMENT
FUND, L.P.

By: Charter Asset Management GP, LLC,
A Delaware limited liability company
Its: General Partner

By: _____

Name: Paul Im
Its: Managing Partner

Acknowledgement

Receipt is acknowledged of the above notice, and a copy of the instrument by Assignor on

_____, 20____.

San Bernardino County Office of Education/ San
Bernardino County Superintendent of Schools
601 North E St., San Bernardino, CA 92415

By: _____

Title: _____

Schedule 1

Installment 1 – August 24, 2018

Account Authority / Payor	Account Receivable	Amount Purchased	Admin Fee	Discount %	Discount	Amount Funded
San Bernardino County Office of Education / San Bernardino County Superintendent of Schools	FY18-19, Pupil Estimate for New or Significantly Expanding Charters (PENSEC) - 4th Tranche, CDS# 36- 67678-0137547	\$206,842.75	\$3,826.59	1.46%	\$3,016.16	-\$200,000.00

Installment 2 – September 14, 2018

Account Authority / Payor	Account Receivable	Amount Purchased	Admin Fee	Discount %	Discount	Amount Funded
San Bernardino County Office of Education / San Bernardino County Superintendent of Schools	FY18-19, Pupil Estimate for New or Significantly Expanding Charters (PENSEC) - 5th Tranche, CDS# 36- 67678-0137547	\$214,449.72	\$3,967.32	4.89%	\$10,482.40	-\$200,000.00

Annex 1

(To be placed on letterhead of Seller)

San Bernardino County Office of Education/ San Bernardino County Superintendent of Schools
601 North E St., San Bernardino, CA 92415

Ladies and Gentlemen:

This is to advise you that the undersigned has sold and assigned all receivables due to the undersigned from you to Charter Asset Management Fund, LP. You are authorized to pay directly to Charter Asset Management Fund, LP. all amounts due from you to us as directed by Charter Asset Management Fund, LP. in its Notice of Purchase and Assignment delivered to you.

Very truly yours,

Allegiance STEAM Academy, Inc.

By: _____

Name: Andrew Vestey

Title: Chair, Board of Directors

EXHIBIT C

IRREVOCABLE ASSIGNMENT OF ACCOUNTS

Pursuant to this assignment (“Assignment”), for value received and services performed by Charter Asset Management Fund, LP, a Delaware limited partnership (“CAM”), Allegiance STEAM Academy, Inc. (“Charter School”) DBA Allegiance STEAM Academy - Thrive hereby irrevocably assigns, transfers and sets over to CAM the sole right to collect from the San Bernardino County Office of Education/ San Bernardino County Superintendent of Schools (“Payor”) the net proceeds of the Accounts (as defined herein) from the Payor, when such payments become due and payable to Charter School. The term “Accounts” shall mean all Accounts described in Schedule 1 of that certain Factoring Agreement dated as of August 24, 2018 between CAM and the Charter School (the “Factoring Agreement”).

Recitals

WHEREAS, under applicable law, the Charter School has the power to sell and assign its assets;

WHEREAS, the Charter School is entitled to receive state payments or other amounts to which the Charter School is entitled to receive from the Payor under applicable law (collectively, the “Payments”);

WHEREAS, the Charter School hereby warrants and represents to the Payor and CAM that (i) the Charter School is duly authorized under the laws of the State of California (the “State”) to enter into the transactions contemplated hereby and to sell and assign the Accounts and other assets in furtherance of its educational purposes; (ii) all action on the Charter School’s part necessary for the consummation of the transaction contemplated hereby and the sale and assignment of the Accounts have been duly taken; (iii) this Assignment is valid and enforceable in accordance with its terms, except as enforceability may be limited by general equitable principles and by bankruptcy, insolvency or other similar laws affecting creditors’ rights generally; (iv) the Charter School has not heretofore conveyed, assigned, pledged, granted a security interest in or other disposal of the Accounts as has been satisfied by the Charter School and released; and (v) assuming receipt of the consents required herein, the execution, delivery and performance of this Assignment is not a contravention of law or any agreement, instrument, indenture or other undertaking to which the Charter School is a party or by which the Charter School is bound.

WHEREAS, except with respect to the Assignment below, the Charter School further warrants and represents to the Payor and CAM that the Factoring Agreement and all related documents do not provide for recourse of any kind against the Payor. The Charter School understands that the Payor does not make any representations concerning the financial condition of the Charter School or guarantee the continuous payment of Payments to the Charter School.

WHEREAS, the Charter School and the Payor acknowledge and agree that CAM is an intended third-party beneficiary of the Assignment contained herein.

Assignment

NOW, THEREFORE, in consideration of the mutual promises herein contained, it is hereby agreed and acknowledged that:

- (i) this Assignment is made by Charter School as consideration for CAM to enter into the Factoring Agreement executed on the Effective Date.
- (ii) Charter School may not revoke this Assignment;
- (iii) the Payor is hereby authorized and directed to release and pay the Payments to CAM when and in same the manner that such Payments were to be paid to Charter School;
- (iv) the Payor hereby confirms and acknowledges this Assignment, and agrees to accept and abide by the terms hereof; and
- (v) the Payor shall make Payments to CAM with respect to the Accounts by wire pursuant to the wiring instructions provided by CAM.

[Signature page follows]

IN WITNESS WHEREOF, this Assignment is effective as of August 24, 2018.

Allegiance STEAM Academy, Inc. DBA Allegiance STEAM Academy - Thrive

By: _____
Andrew Vestey
Chair, Board of Directors

Acknowledged by:

**San Bernardino County Office of Education/
San Bernardino County Superintendent of Schools**

By: _____

Acknowledged by:

CHARTER ASSET MANAGEMENT FUND, L.P.

By: Charter Asset Management GP, LLC,
A Delaware limited liability company
Its: General Partner

By: _____

Name: Paul Im
Title: Managing Partner

By: _____

Name: David Park
Title: Managing Partner

Address for Notices:
633 W. 5th Street, 26th Floor
Los Angeles, CA 90071

WIRE / ACH INSTRUCTIONS

Please remit all ACH / wire payments to the following:

Bank / Institution: Bank of Hope
Account: Charter Asset Management Fund, L.P.
Account Number: 6400219549
Wiring/Routing Number: 122041235

CHECK DELIVERY INSTRUCTIONS

Please overnight mail all checks to the following address:

Charter Asset Management
ATTN: Paul Im / Jonathan Yeh
633 W. 5th Street, 26th Floor,
Los Angeles, CA 90071

Checks made out to Charter School is acceptable to CAM pursuant to the Factoring Agreement and Irrevocable Funds Distribution Authorization.

EXHIBIT D

IRREVOCABLE FUNDS DISTRIBUTION AUTHORIZATION

Effective Date: August 24, 2018

The undersigned, Allegiance STEAM Academy, Inc. (the “**Charter School**”), hereby irrevocably authorizes San Bernardino County Office of Education/ San Bernardino County Superintendent of Schools, (the “**Payor**”) to distribute directly to Charter Asset Management Fund LP, a Delaware limited partnership (“**CAM**”), all amounts due from the Payor to the Charter School directly to CAM, whether by (1) mail, (2) ACH, or (3) wire transfer pursuant to the Electronic Funds Transfer Act as directed by CAM. The Charter School agrees to deliver to the Payor an Irrevocable Assignment of Accounts in the form attached as Exhibit A or such other documents required by the Payor to authorize the direct funds distribution to CAM. The Charter School shall assist CAM with respect to any documents required by Payor to allow Payor to make funds distributions directly to CAM. Payor may rely on this authorization in making direct funds distributions to CAM.

Allegiance STEAM Academy, Inc.

By: _____
Andrew Vestey
Chair, Board of Directors

EXHIBIT E
BANK NOTICE LETTER

Dated: August 24, 2018

Wells Fargo Bank, Attn: Ms. Sheri Pitteroff
4100 Chino Hills Parkway, Suite 400, Chino Hills, CA 91708

Dear Ms. Sheri Pitteroff,

This is to notify you that Allegiance STEAM Academy, Inc. has sold certain accounts receivable to Charter Asset Management Fund, L.P. as follows:

Installment 1 – August 24, 2018

Debit Date	Account Receivable	Amount Purchased
October 10, 2018	FY18-19, Pupil Estimate for New or Significantly Expanding Charters (PENSEC) - 4th Tranche, CDS# 36-67678-0137547	\$206,842.75

Installment 2 – September 14, 2018

Debit Date	Account Receivable	Amount Purchased
January 10, 2019	FY18-19, Pupil Estimate for New or Significantly Expanding Charters (PENSEC) - 5th Tranche, CDS# 36-67678-0137547	\$214,449.72

The above amounts will be deposited into our account number 6396629591 and after said deposit is received, you are authorized and directed to debit said amount from our account and wire transfer the amount to Charter Asset Management Fund, LP. pursuant to the following:

Receiving Bank: **Bank of Hope**
1205 S. Broadway, Los Angeles, CA 90015
Account Name: Charter Asset Management Fund, L.P.
Account Number: 6400219549
Routing Number: 122041235

This is an absolute and unconditional irrevocable direction and authorization for release of the accounts receivable to Charter Asset Management Fund, L.P. This direction may not be terminated, modified or amended without express written direction from Charter Asset Management Fund, LP. Any costs incurred with respect to this letter shall be the responsibility of Allegiance STEAM Academy, Inc..

Allegiance STEAM Academy, Inc.

Acknowledgement of Receipt

Name: Andrew Vestey
Title: Chair, Board of Directors

Bank Representative

EXHIBIT F

**AUTHORIZATION FOR DIRECT PAYMENT VIA ACH
(ACH DEBIT)**

Direct Payment via ACH is the transfer of funds from the Allegiance STEAM Academy, Inc. ("Charter School")'s account for the purpose of making payments for receivables due to Charter Asset Management Fund, LP.

As board director and/or officer of Charter School and signer on all factoring and security agreements between Charter School and Charter Asset Management Fund, LP., I authorize Charter Asset Management Fund, LP. to electronically debit the account of Charter School as follows:

Bank / Institution: Wells Fargo
Account: Allegiance STEAM Academy
Account Number: 6396629591
Routing Number: 122000247
School Address: PO Box 4024, Chino, CA 91708

I understand that the amount and frequency of debits are pursuant to all executed factoring agreements executed between Charter School and Charter Asset Management Fund, LP. for the 2017-2018 and 2018-2019 fiscal years.

I understand that this authorization will remain in full force and effect until all financial obligations of Charter School to Charter Asset Management Fund, LP. are fulfilled pursuant to all executed agreements.

ALLEGIANCE STEAM ACADEMY, INC.

Andrew Vestey
Chair, Board of Directors

Vanessa Okamoto
Secretary, Board of Directors

PERSONAL GUARANTY AGREEMENT

(Andrew Vestey – Charter Asset Management Fund, LP)

This PERSONAL GUARANTY AGREEMENT (the “Guaranty”) is dated as of August 24, 2018 (the “Effective Date”) by and between Andrew Vestey, an individual (“Guarantor”) and CHARTER ASSET MANAGEMENT FUND, LP., a Delaware limited partnership (“Beneficiary”). This Guaranty is entered into in connection with that certain Factoring Agreement, between Allegiance STEAM Academy, Inc., a California corporation DBA Allegiance STEAM Academy - Thrive (“Assignor”) and Beneficiary, dated August 24, 2018 (as the same may from time to time be amended, restated, supplemented, or otherwise modified, the “FA”) pursuant to which Assignor desires to sell certain accounts receivable to Beneficiary. As a material inducement to and in consideration of Beneficiary entering into the FA (Beneficiary having indicated that it would not enter into the FA without the execution of this Guaranty), Guarantor and Beneficiary agree as follows:

1. GUARANTY.

1.1. **Guaranty of Obligations.** Guarantor guarantees to Beneficiary, its successors, and assigns, the full and faithful payment of all amounts owed and performance of each and every one of the obligations, responsibilities, and undertakings to be carried out, performed, or observed by Assignor under the FA, any other agreement that now or later related to the FA, and any other agreement that Guarantor now or later states is guaranteed. All these documents are collectively referred to as the “FA Documents.” The obligations guaranteed are referred to as the “Guaranteed Obligations.”

1.2. **Guaranty of Assignor’s Performance.** If at any time Assignor, its successors, or permitted assigns fails, neglects, or refuses to pay when due amounts or perform when due any of its obligations, responsibilities, or undertakings as expressly provided under the terms and conditions of the FA Documents, then Guarantor shall pay such amounts or perform or cause to be performed such obligations, responsibilities, or undertakings as required under the terms and conditions of the FA Documents.

2. **GUARANTY OF PAYMENT AND PERFORMANCE.** Guarantor’s liability on this Guaranty is a guaranty of payment and performance, not of collectability.

3. **CESSATION OF LIABILITY.** Guarantor’s liability under this Guaranty shall not in any way be affected by the cessation of Assignor’s liability for any reason other than full performance of all the obligations under the FA Documents; including, without limitation, any and all obligations to indemnify Beneficiary.

4. **ABSOLUTE NATURE OF GUARANTY.** This Guaranty is irrevocable, absolute, present, and unconditional. The obligations of Guarantor under this Guaranty shall not be affected, reduced, modified, or impaired on the happening from time to time of any of the following events, whether or not with notice to (except as notice is otherwise expressly required) or the consent of Guarantor:

4.1. **Failure to Give Notice.** The failure to give notice to Guarantor of the occurrence of a default under the terms and provisions of this Guaranty or the FA Documents, as the case may be.

4.2. **Modifications or Amendments.** The modification or amendment (in accordance with the terms of this Guaranty or the FA Documents)(whether material or otherwise) of any obligation, covenant, or agreement set forth in this Guaranty or FA Documents, as the case may be.

4.3. **Beneficiary’s Failure to Exercise Rights.** Any failure, omission, delay by, or inability by Beneficiary to assert or exercise any right, power, or remedy conferred on Beneficiary in this Guaranty or the FA Documents, as the case may be.

4.4. **Assignor’s Termination.** A termination, dissolution, consolidation, or merger of Assignor with or into any other entity.

4.5. **Assignor’s Bankruptcy.** The voluntary or involuntary liquidation, dissolution, sale, or other disposition of all or substantially all of Assignor’s assets, the marshalling of Assignor’s assets and liabilities, the receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors, or readjustment of, or other similar proceedings affecting Assignor, Guarantor, or any of the assets of either.

4.6. **Assignment of Rights.** The assignment (in accordance with the terms of this Guaranty or the FA Documents, as the case may be) of any right, title, or interest of Beneficiary in this Guaranty or the FA Documents to any other person.

4.7. **Extent of Guarantor’s Obligations.** Any other cause or circumstance, foreseen or unforeseen, whether similar or dissimilar to any of the foregoing; it being the intent of Guarantor that its obligations under this Guaranty shall not be discharged reduced, limited, or modified except by (i) payment of amounts owing pursuant to this Guaranty and/or FA Documents, then only to the extent of such payment or payments; and (ii) full performance of obligations under this Guaranty and/or FA Documents, then only to the extent of such performed or discharged obligation or obligations.

4.8. **Exercise of Beneficiary Rights.** Any action of Beneficiary authorized pursuant to Section 5 below.

5. **AUTHORIZATION OF BENEFICIARY.** Guarantor authorizes Beneficiary, without notice or demand and without affecting its liability under this Guaranty, and without consent of Guarantor or prior notice to Guarantor, from time to time to: (i) make any modifications to the FA Documents; (ii) assign the FA Documents and this Guaranty; (iii) take, hold, or release security for the performance of the Guaranteed Obligations with the consent of the party providing such security; (iv) accept or discharge (in whole or in part) additional guarantors; (v) direct the order and manner of any sale of all or any part of security now or later held under the FA Documents or this Guaranty, and also bid at any such sale to the extent allowed by law; and/or (vi) apply any payments or recovery from Assignor, Guarantor, or any source, and any proceeds of any security, to Assignor's obligations under the FA Documents in such manner, order, and priority as Beneficiary may elect, whether or not those obligations are guaranteed by this Guaranty or secured at the time of such application.

6. **WAIVERS.**

6.1. **Waiver of Rights to Require Beneficiary to Act.** Guarantor waives the right to require Beneficiary to: (i) proceed against Assignor or any other person, (ii) proceed or exhaust any security held from any person, (iii) proceed against any other guarantor, or (iv) pursue any other remedy available to Beneficiary.

6.2. **Waivers Until Obligation Is Repaid.** Until the Guaranteed Obligations have been paid or otherwise discharged in full:

6.2.1. Guarantor waives all rights of subrogation, indemnity, any rights to collect reimbursement from Assignor, and any right to enforce any remedy that Beneficiary now has, or may have, against Assignor.

6.2.2. Guarantor waives any benefit of, and any right to participate in, any security now or later held by Beneficiary.

6.2.3. Guarantor waives any defense it may have now or in the future based on any election of remedies by Beneficiary that destroys Guarantor's subrogation rights or Guarantor's rights to proceed against Assignor for reimbursement, and Guarantor acknowledges that it shall be liable to Beneficiary even though Guarantor may well have no such recourse against Assignor.

6.2.4. Guarantor waives notice of (i) acceptance and reliance on this Guaranty, (ii) notice of renewal, extension, or modification of any Guaranteed Obligation under this Guaranty, and (iii) notice of default or demand in the case of default.

6.2.5. Guarantor waives any right or defense it may now or hereafter have based on (i) Beneficiary's full or partial release of any party who may be obligated to Beneficiary, (ii) Beneficiary's full or partial release or impairment of any collateral for the Guaranteed Obligations, and (iii) the modification or extension of the Guaranteed Obligations.

6.2.6. Guarantor waives any and all suretyship defenses now or later available to it under the California Civil Code or the California Commercial Code.

6.2.7. Without limiting the generality of any other waiver or provision of this Guaranty, Guarantor waives, to the maximum extent such waiver is permitted by law, any and all benefits or defenses arising directly or indirectly under any one or more of (i) California Civil Code §§2799, 2808, 2809, 2810, 2815, 2819, 2820, 2821, 2822, 2838, 2839, 2845, 2846, 2847, 2848, 2849, 2850, 2899, and 3433, (ii) Chapter 2 of Title 14 of the California Civil Code, (iii) California Code of Civil Procedure §§580a, 580b, 580c, 580d, and 726, or (iv) California Commercial Code §3605.

6.2.8. Guarantor waives any statute of limitation affecting liability under this Guaranty or the enforceability of this Guaranty and further waives any defense that might otherwise exist because of the expiration of the statute of limitations on the FA Documents.

6.2.9. Guarantor waives any duty of Beneficiary to disclose to Guarantor any facts Beneficiary may now know or later learn about Assignor or Assignor's financial condition regardless of whether Beneficiary has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume, or has reason to believe that such facts are unknown to Guarantor, or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for and is capable of being and keeping informed of Assignor's financial condition and of all circumstances bearing on the risk of nonpayment of any indebtedness guaranteed under this Guaranty.

6.2.10. Guarantor waives all notices to Guarantor.

6.2.11. Guarantor waives any defenses provided to the Guarantors otherwise available at law or in equity other than actual payment of the Guaranteed Obligations.

6.2.12. Guarantor waives any defense that a sale of collateral by the Beneficiary was not commercially reasonable;

7. **SUBORDINATION.** Until the Guaranteed Obligations have been paid or otherwise discharged in full, Guarantor subordinates any and all liability or indebtedness of Assignor owed to Guarantor to the obligations of Assignor to Beneficiary that arise under the Guaranteed Obligations. However, Guarantor may receive payment of current reasonable salary and current reasonable payments made in the ordinary course of business for goods provided or services rendered.

8. **EFFECT OF ASSIGNOR BANKRUPTCY.** The liability of Guarantor under this Guaranty shall in no way be affected by:

8.1. **Release of Assignor.** Release or discharge of Assignor in any creditor proceeding, receivership, bankruptcy, or other proceeding.

8.2. **Modification of Assignor's Liability.** Impairment, limitation, or modification of Assignor's liability or the estate, or of any remedy for the enforcement of Assignor's liability, which may result from the operation of any present or future provision of the Bankruptcy Code (Title 11 of the United States Code, as amended; 11 USC §§101-1532) or any bankruptcy, insolvency, debtor relief statute (state or federal), any other statute, or from the decision of any court.

8.3. **Rejection of Debt.** Rejection or disaffirmance of the indebtedness, or any portion of the indebtedness, in any such proceeding.

8.4. **Cessation of Assignor's Liability.** Cessation, from any cause whatsoever, whether consensual or by operation of law, of Assignor's liability to Beneficiary resulting from any such proceeding.

8.5. **Modification and Replacement of Guaranteed Obligation.** If the Guaranteed Obligations are restructured or replaced in connection with a bankruptcy proceeding or case, Guarantor shall remain liable as guarantor of such restructured or replaced obligation.

9. **CLAIMS IN BANKRUPTCY.** Guarantor shall file all claims against Assignor in any bankruptcy or other proceeding in which the filing of claims is required or allowed by law on any indebtedness of Assignor to Guarantor, and shall assign to Beneficiary all rights of Guarantor on any such indebtedness. If Guarantor does not file any such claim, Beneficiary, as attorney-in-fact for Guarantor, is authorized to do so in Guarantor's name, or, in Beneficiary's discretion, to assign the claim and to file a proof of claim in the name of Beneficiary's nominee. In all such cases, whether in bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Beneficiary the full amount of any such claim, and, to the full extent necessary for that purpose, Guarantor assigns to Beneficiary all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled.

10. **APPLICATION OF PAYMENTS** With or without notice to Guarantor, Beneficiary, in its sole discretion and at any time and from time to time and in such manner and on such terms as it deems fit may:

10.1. **Priority of Payments.** Apply any or all payments or recoveries from Assignor, from Guarantor, or from any other guarantor or endorser under this or any other instrument, or realized from any security, in such manner, order, or priority as Beneficiary sees fit, to the indebtedness of Assignor to Beneficiary under the FA Documents, whether such indebtedness is guaranteed by this Guaranty or is otherwise secured or is due at the time of such application.

10.2. **Refund to Assignor.** Refund to Assignor any payment received by Beneficiary on any indebtedness guaranteed in this Guaranty, and payment of the amount refunded is fully guaranteed. Any recovery realized from any other guarantor under this or any other instrument shall be first credited on that portion of the indebtedness of Assignor to Beneficiary that exceeds the maximum liability, if any, of Guarantor under this Guaranty.

11. **REPRESENTATIONS AND WARRANTIES** Guarantor represents and warrants to Beneficiary that:

11.1. **Legal Status.** Guarantor has all requisite power and has all material governmental licenses, authorizations, consents, and approvals necessary to carry on his business as now being or as proposed to be conducted.

11.2. **No Breach.** Neither the execution and delivery of this Guaranty nor compliance with its terms and provisions shall conflict with or result in a breach of, or require any consent under any agreement or instrument by which Guarantor is bound.

11.3. **Authority and Power.** This Guaranty has been duly and validly executed and delivered by Guarantor and constitutes its legal, valid, and binding obligation, enforceable against Guarantor in accordance with its terms.

11.4. **Liquidity.** Guarantor has a tangible net worth (determined on a fair market value of assets basis, after payment of any and all liabilities now or hereafter payable and after establishment of adequate reserves for contingent liabilities and taxes on unrealized gains) sufficient to pay any potential liability of Assignor under the FA.

11.5. **Financial Statements.** All financial information furnished or to be furnished to Beneficiary is or will be true and correct, does or will fairly represent the financial condition of Guarantor, and was or will be prepared in accordance with policy accepted accounting principles.

11.6. **Claims and Proceedings.** There are no claims, actions, proceedings, or investigations pending against Guarantor.

12. **INFORMATION NOT REQUIRED.** Guarantor represents that Guarantor is fully aware of Assignor's financial condition and operation and is in a position by virtue of his relationship to Assignor to obtain all necessary financial and operational information concerning Assignor. Beneficiary need not disclose to Guarantor any information about: (i) the FA Documents or any modification of them, and any action or nonaction in connection with them, (ii) any other obligation guaranteed in this Guaranty, (iii) the financial condition or operation of Assignor; or (iv) any other guarantors.

13. **REVIVAL OF GUARANTY.** If a claim is made on Beneficiary at any time (whether before or after payment or performance in full of any Guaranteed Obligation, and whether such claim is asserted in a bankruptcy proceeding or otherwise) for repayment or recovery of any amount or other value received by Beneficiary (from any source) in payment of, or on account of, any Guaranteed Obligation and if Beneficiary repays such amount, returns value or otherwise becomes liable for all or part of such claim by reason of (i) any judgment, decree, or order of any court or administrative body or (ii) any settlement or compromise of such claim, Guarantor shall remain severally liable to Beneficiary for the amount so repaid or returned or for which Beneficiary is liable to the same extent as if such payments or value had never been received by Beneficiary, despite any termination of this Guaranty or the cancellation of any note or other document evidencing any Guaranteed Obligation.

14. **MISCELLANEOUS.**

14.1. **Survival of Representations, Warranties and Agreements.** The representations, warranties, covenants and agreements made in this Guaranty or in any certificate or instrument delivered in connection herewith shall be in full force and effect notwithstanding any investigation made by or disclosure made to any party hereto, whether before or after the date hereof, shall after the Effective Date and shall continue to be applicable and binding thereafter.

14.2. **Notices.** Any notice required or permitted by this Guaranty shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt or when delivery is refused; (iii) by fax or email upon acknowledgment of receipt; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt or when delivery is refused. Any notice given to Guarantor or Beneficiary shall be sent to the respective address set forth on the signature page to this Guaranty, or to such other address as that party may designate.

14.3. **Governing Law; Venue; Jury Trial Waiver.** This Guaranty will be governed by and in all respects construed in accordance with the laws of the State of California. Guarantor agrees that any legal action or proceeding with respect to any of its obligations under this Guaranty may be brought by Beneficiary in any state or federal court located in Santa Clara County, California. Any claim or controversy asserted by Guarantor against Beneficiary shall only be litigated in the state or federal courts located in Santa Clara County, California. By the execution and delivery of this Guaranty, Guarantor submits to and accepts, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of those courts. Guarantor waives any claims that Santa Clara County, California is not a convenient forum or the proper venue for any such suit, action or proceeding. To the maximum extent permitted by applicable law, Beneficiary and Guarantor hereby waive trial by jury and consent to trial without a jury in the event of any action, proceeding or counterclaim brought by either party against the other in connection with this Guaranty.

14.4. **Modification.** This Guaranty may only be modified by a written instrument signed by both of the parties hereto.

14.5. **Waiver.** No waiver of any term, provision or condition of this Guaranty shall be effective unless in writing, signed by the party against which such waiver is sought to be enforced, and no such waiver shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Guaranty, unless specifically so stated in such written waiver.

14.6. **Assignment.** The rights and obligations under this Guaranty may be transferred only with the written consent of the other parties hereto. Any transfer in violation of this Section shall be null and void; provided, however, that Beneficiary may assign any of its rights and obligations hereunder without prior written approval of Guarantor. This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

14.7. **Attorneys' Fees and Litigation Costs.** Should any arbitration, proceeding, or other legal action be brought for the enforcement of this Guaranty, the successful or prevailing party shall be entitled to recover his reasonable attorneys', accounting, and other professional fees, and any other costs incurred in such arbitration, proceeding or other legal action, at trial, on appeal, or in collection thereof, in addition to any other relief to which he or it may be entitled.

14.8. **Other Expenses.** All other costs and expenses incurred by each party hereto in connection with all things required to be done by it hereunder, including attorneys' and accountant fees, shall be borne by the party incurring same.

14.9. **Partial Invalidity.** The various provisions of this Guaranty are intended to be severable and to constitute independent and distinct binding obligations. Should any provision of this Guaranty be determined to be void and unenforceable, in whole or in part, it shall not be deemed to affect or impair the validity of any other provision or part

thereof, and such provision or part thereof shall be deemed modified to the extent required to permit enforcement. Without limiting the generality of the foregoing, if the scope of any provisions contained in this Guaranty is too broad to permit enforcement to its full extent, but may be enforceable by limitations, thereon, such provisions shall be enforced to the maximum extent permitted by law, and Buyer and Seller hereby agree that such scope may be judicially modified accordingly.

14.10. **Counterparts.** This Guaranty may be executed in any number of counterparts and each counterpart shall be deemed to be an original document. All executed counterparts together shall constitute one and the same document, and any counterpart signature pages may be detached and assembled to form a single original document.

14.11. **Joint and Several.** If there is more than one Guarantor, then all parties signing this Guaranty as Guarantor shall be jointly and severally liable for all obligations of Guarantor.

14.12. **Entire Agreement.** This Guaranty constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and/or commitments of any kind. This Guaranty may not be amended or supplemented, nor may any right hereunder be waived, except in writing signed by each of the parties affected thereby.

14.13. **Community Property.** Guarantor acknowledges that this Guaranty is with recourse against the separate property and assets of such individual and against the marital community property and assets (to the extent applicable) of such individual and his or her spouse.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Guaranty, effective as of the Effective Date.

GUARANTOR:

Andrew Vestey, an individual

BENEFICIARY:

CHARTER ASSET MANAGEMENT FUND, LP.,
a Delaware limited partnership

By: CHARTER ASSET MANAGEMENT GP, LLC,
a Delaware limited liability company

By: _____
Name: Paul N. Im
Title: Managing Member

By: _____
Name: David H. Park
Title: Managing Member

PERSONAL GUARANTY AGREEMENT
(Sebastian Cognetta – Charter Asset Management Fund, LP)

This PERSONAL GUARANTY AGREEMENT (the “Guaranty”) is dated as of August 24, 2018 (the “Effective Date”) by and between Sebastian Cognetta, an individual (“Guarantor”) and CHARTER ASSET MANAGEMENT FUND, LP., a Delaware limited partnership (“Beneficiary”). This Guaranty is entered into in connection with that certain Factoring Agreement, between Allegiance STEAM Academy, Inc., a California corporation DBA Allegiance STEAM Academy - Thrive (“Assignor”) and Beneficiary, dated August 24, 2018 (as the same may from time to time be amended, restated, supplemented, or otherwise modified, the “FA”) pursuant to which Assignor desires to sell certain accounts receivable to Beneficiary. As a material inducement to and in consideration of Beneficiary entering into the FA (Beneficiary having indicated that it would not enter into the FA without the execution of this Guaranty), Guarantor and Beneficiary agree as follows:

15. GUARANTY.

15.1. **Guaranty of Obligations.** Guarantor guarantees to Beneficiary, its successors, and assigns, the full and faithful payment of all amounts owed and performance of each and every one of the obligations, responsibilities, and undertakings to be carried out, performed, or observed by Assignor under the FA, any other agreement that now or later related to the FA, and any other agreement that Guarantor now or later states is guaranteed. All these documents are collectively referred to as the “FA Documents.” The obligations guaranteed are referred to as the “Guaranteed Obligations.”

15.2. **Guaranty of Assignor’s Performance.** If at any time Assignor, its successors, or permitted assigns fails, neglects, or refuses to pay when due amounts or perform when due any of its obligations, responsibilities, or undertakings as expressly provided under the terms and conditions of the FA Documents, then Guarantor shall pay such amounts or perform or cause to be performed such obligations, responsibilities, or undertakings as required under the terms and conditions of the FA Documents.

16. **GUARANTY OF PAYMENT AND PERFORMANCE.** Guarantor’s liability on this Guaranty is a guaranty of payment and performance, not of collectability.

17. **CESSATION OF LIABILITY.** Guarantor’s liability under this Guaranty shall not in any way be affected by the cessation of Assignor’s liability for any reason other than full performance of all the obligations under the FA Documents; including, without limitation, any and all obligations to indemnify Beneficiary.

18. **ABSOLUTE NATURE OF GUARANTY.** This Guaranty is irrevocable, absolute, present, and unconditional. The obligations of Guarantor under this Guaranty shall not be affected, reduced, modified, or impaired on the happening from time to time of any of the following events, whether or not with notice to (except as notice is otherwise expressly required) or the consent of Guarantor:

18.1. **Failure to Give Notice.** The failure to give notice to Guarantor of the occurrence of a default under the terms and provisions of this Guaranty or the FA Documents, as the case may be.

18.2. **Modifications or Amendments.** The modification or amendment (in accordance with the terms of this Guaranty or the FA Documents)(whether material or otherwise) of any obligation, covenant, or agreement set forth in this Guaranty or FA Documents, as the case may be.

18.3. **Beneficiary’s Failure to Exercise Rights.** Any failure, omission, delay by, or inability by Beneficiary to assert or exercise any right, power, or remedy conferred on Beneficiary in this Guaranty or the FA Documents, as the case may be.

18.4. **Assignor’s Termination.** A termination, dissolution, consolidation, or merger of Assignor with or into any other entity.

18.5. **Assignor’s Bankruptcy.** The voluntary or involuntary liquidation, dissolution, sale, or other disposition of all or substantially all of Assignor’s assets, the marshalling of Assignor’s assets and liabilities, the receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors, or readjustment of, or other similar proceedings affecting Assignor, Guarantor, or any of the assets of either.

18.6. **Assignment of Rights.** The assignment (in accordance with the terms of this Guaranty or the FA Documents, as the case may be) of any right, title, or interest of Beneficiary in this Guaranty or the FA Documents to any other person.

18.7. **Extent of Guarantor’s Obligations.** Any other cause or circumstance, foreseen or unforeseen, whether similar or dissimilar to any of the foregoing; it being the intent of Guarantor that its obligations under this Guaranty shall not be discharged reduced, limited, or modified except by (i) payment of amounts owing pursuant to this Guaranty and/or FA Documents, then only to the extent of such payment or payments; and (ii) full performance of obligations under this Guaranty and/or FA Documents, then only to the extent of such performed or discharged obligation or obligations.

18.8. **Exercise of Beneficiary Rights.** Any action of Beneficiary authorized pursuant to Section 5 below.

19. **AUTHORIZATION OF BENEFICIARY.** Guarantor authorizes Beneficiary, without notice or demand and without affecting its liability under this Guaranty, and without consent of Guarantor or prior notice to Guarantor, from time to time to: (i) make any modifications to the FA Documents; (ii) assign the FA Documents and this Guaranty; (iii) take, hold, or release security for the performance of the Guaranteed Obligations with the consent of the party providing such security; (iv) accept or discharge (in whole or in part) additional guarantors; (v) direct the order and manner of any sale of all or any part of security now or later held under the FA Documents or this Guaranty, and also bid at any such sale to the extent allowed by law; and/or (vi) apply any payments or recovery from Assignor, Guarantor, or any source, and any proceeds of any security, to Assignor's obligations under the FA Documents in such manner, order, and priority as Beneficiary may elect, whether or not those obligations are guaranteed by this Guaranty or secured at the time of such application.

20. **WAIVERS.**

20.1. **Waiver of Rights to Require Beneficiary to Act.** Guarantor waives the right to require Beneficiary to: (i) proceed against Assignor or any other person, (ii) proceed or exhaust any security held from any person, (iii) proceed against any other guarantor, or (iv) pursue any other remedy available to Beneficiary.

20.2. **Waivers Until Obligation Is Repaid.** Until the Guaranteed Obligations have been paid or otherwise discharged in full:

20.2.1. Guarantor waives all rights of subrogation, indemnity, any rights to collect reimbursement from Assignor, and any right to enforce any remedy that Beneficiary now has, or may have, against Assignor.

20.2.2. Guarantor waives any benefit of, and any right to participate in, any security now or later held by Beneficiary.

20.2.3. Guarantor waives any defense it may have now or in the future based on any election of remedies by Beneficiary that destroys Guarantor's subrogation rights or Guarantor's rights to proceed against Assignor for reimbursement, and Guarantor acknowledges that it shall be liable to Beneficiary even though Guarantor may well have no such recourse against Assignor.

20.2.4. Guarantor waives notice of (i) acceptance and reliance on this Guaranty, (ii) notice of renewal, extension, or modification of any Guaranteed Obligation under this Guaranty, and (iii) notice of default or demand in the case of default.

20.2.5. Guarantor waives any right or defense it may now or hereafter have based on (i) Beneficiary's full or partial release of any party who may be obligated to Beneficiary, (ii) Beneficiary's full or partial release or impairment of any collateral for the Guaranteed Obligations, and (iii) the modification or extension of the Guaranteed Obligations.

20.2.6. Guarantor waives any and all suretyship defenses now or later available to it under the California Civil Code or the California Commercial Code.

20.2.7. Without limiting the generality of any other waiver or provision of this Guaranty, Guarantor waives, to the maximum extent such waiver is permitted by law, any and all benefits or defenses arising directly or indirectly under any one or more of (i) California Civil Code §§2799, 2808, 2809, 2810, 2815, 2819, 2820, 2821, 2822, 2838, 2839, 2845, 2846, 2847, 2848, 2849, 2850, 2899, and 3433, (ii) Chapter 2 of Title 14 of the California Civil Code, (iii) California Code of Civil Procedure §§580a, 580b, 580c, 580d, and 726, or (iv) California Commercial Code §3605.

20.2.8. Guarantor waives any statute of limitation affecting liability under this Guaranty or the enforceability of this Guaranty and further waives any defense that might otherwise exist because of the expiration of the statute of limitations on the FA Documents.

20.2.9. Guarantor waives any duty of Beneficiary to disclose to Guarantor any facts Beneficiary may now know or later learn about Assignor or Assignor's financial condition regardless of whether Beneficiary has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume, or has reason to believe that such facts are unknown to Guarantor, or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for and is capable of being and keeping informed of Assignor's financial condition and of all circumstances bearing on the risk of nonpayment of any indebtedness guaranteed under this Guaranty.

20.2.10. Guarantor waives all notices to Guarantor.

20.2.11. Guarantor waives any defenses provided to the Guarantors otherwise available at law or in equity other than actual payment of the Guaranteed Obligations.

20.2.12. Guarantor waives any defense that a sale of collateral by the Beneficiary was not commercially reasonable;

21. **SUBORDINATION.** Until the Guaranteed Obligations have been paid or otherwise discharged in full, Guarantor subordinates any and all liability or indebtedness of Assignor owed to Guarantor to the obligations of Assignor to Beneficiary that arise under the Guaranteed Obligations. However, Guarantor may receive payment of current reasonable salary and current reasonable payments made in the ordinary course of business for goods provided or services rendered.

22. **EFFECT OF ASSIGNOR BANKRUPTCY.** The liability of Guarantor under this Guaranty shall in no way be affected by:

22.1. **Release of Assignor.** Release or discharge of Assignor in any creditor proceeding, receivership, bankruptcy, or other proceeding.

22.2. **Modification of Assignor's Liability.** Impairment, limitation, or modification of Assignor's liability or the estate, or of any remedy for the enforcement of Assignor's liability, which may result from the operation of any present or future provision of the Bankruptcy Code (Title 11 of the United States Code, as amended; 11 USC §§101-1532) or any bankruptcy, insolvency, debtor relief statute (state or federal), any other statute, or from the decision of any court.

22.3. **Rejection of Debt.** Rejection or disaffirmance of the indebtedness, or any portion of the indebtedness, in any such proceeding.

22.4. **Cessation of Assignor's Liability.** Cessation, from any cause whatsoever, whether consensual or by operation of law, of Assignor's liability to Beneficiary resulting from any such proceeding.

22.5. **Modification and Replacement of Guaranteed Obligation.** If the Guaranteed Obligations are restructured or replaced in connection with a bankruptcy proceeding or case, Guarantor shall remain liable as guarantor of such restructured or replaced obligation.

23. **CLAIMS IN BANKRUPTCY.** Guarantor shall file all claims against Assignor in any bankruptcy or other proceeding in which the filing of claims is required or allowed by law on any indebtedness of Assignor to Guarantor, and shall assign to Beneficiary all rights of Guarantor on any such indebtedness. If Guarantor does not file any such claim, Beneficiary, as attorney-in-fact for Guarantor, is authorized to do so in Guarantor's name, or, in Beneficiary's discretion, to assign the claim and to file a proof of claim in the name of Beneficiary's nominee. In all such cases, whether in bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Beneficiary the full amount of any such claim, and, to the full extent necessary for that purpose, Guarantor assigns to Beneficiary all of Guarantor's rights to any such payments or distributions to which Guarantor would otherwise be entitled.

24. **APPLICATION OF PAYMENTS** With or without notice to Guarantor, Beneficiary, in its sole discretion and at any time and from time to time and in such manner and on such terms as it deems fit may:

24.1. **Priority of Payments.** Apply any or all payments or recoveries from Assignor, from Guarantor, or from any other guarantor or endorser under this or any other instrument, or realized from any security, in such manner, order, or priority as Beneficiary sees fit, to the indebtedness of Assignor to Beneficiary under the FA Documents, whether such indebtedness is guaranteed by this Guaranty or is otherwise secured or is due at the time of such application.

24.2. **Refund to Assignor.** Refund to Assignor any payment received by Beneficiary on any indebtedness guaranteed in this Guaranty, and payment of the amount refunded is fully guaranteed. Any recovery realized from any other guarantor under this or any other instrument shall be first credited on that portion of the indebtedness of Assignor to Beneficiary that exceeds the maximum liability, if any, of Guarantor under this Guaranty.

25. **REPRESENTATIONS AND WARRANTIES** Guarantor represents and warrants to Beneficiary that:

25.1. **Legal Status.** Guarantor has all requisite power and has all material governmental licenses, authorizations, consents, and approvals necessary to carry on his business as now being or as proposed to be conducted.

25.2. **No Breach.** Neither the execution and delivery of this Guaranty nor compliance with its terms and provisions shall conflict with or result in a breach of, or require any consent under any agreement or instrument by which Guarantor is bound.

25.3. **Authority and Power.** This Guaranty has been duly and validly executed and delivered by Guarantor and constitutes its legal, valid, and binding obligation, enforceable against Guarantor in accordance with its terms.

25.4. **Liquidity.** Guarantor has a tangible net worth (determined on a fair market value of assets basis, after payment of any and all liabilities now or hereafter payable and after establishment of adequate reserves for contingent liabilities and taxes on unrealized gains) sufficient to pay any potential liability of Assignor under the FA.

25.5. **Financial Statements.** All financial information furnished or to be furnished to Beneficiary is or will be true and correct, does or will fairly represent the financial condition of Guarantor, and was or will be prepared in accordance with policy accepted accounting principles.

25.6. **Claims and Proceedings.** There are no claims, actions, proceedings, or investigations pending against Guarantor.

26. **INFORMATION NOT REQUIRED.** Guarantor represents that Guarantor is fully aware of Assignor's financial condition and operation and is in a position by virtue of his relationship to Assignor to obtain all necessary financial and operational information concerning Assignor. Beneficiary need not disclose to Guarantor any information about: (i) the FA Documents or any modification of them, and any action or nonaction in connection with them, (ii) any other obligation guaranteed in this Guaranty, (iii) the financial condition or operation of Assignor; or (iv) any other guarantors.

27. **REVIVAL OF GUARANTY.** If a claim is made on Beneficiary at any time (whether before or after payment or performance in full of any Guaranteed Obligation, and whether such claim is asserted in a bankruptcy proceeding or otherwise) for repayment or recovery of any amount or other value received by Beneficiary (from any source) in payment of, or on account of, any Guaranteed Obligation and if Beneficiary repays such amount, returns value or otherwise becomes liable for all or part of such claim by reason of (i) any judgment, decree, or order of any court or administrative body or (ii) any settlement or compromise of such claim, Guarantor shall remain severally liable to Beneficiary for the amount so repaid or returned or for which Beneficiary is liable to the same extent as if such payments or value had never been received by Beneficiary, despite any termination of this Guaranty or the cancellation of any note or other document evidencing any Guaranteed Obligation.

28. **MISCELLANEOUS.**

28.1. **Survival of Representations, Warranties and Agreements.** The representations, warranties, covenants and agreements made in this Guaranty or in any certificate or instrument delivered in connection herewith shall be in full force and effect notwithstanding any investigation made by or disclosure made to any party hereto, whether before or after the date hereof, shall after the Effective Date and shall continue to be applicable and binding thereafter.

28.2. **Notices.** Any notice required or permitted by this Guaranty shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt or when delivery is refused; (iii) by fax or email upon acknowledgment of receipt; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt or when delivery is refused. Any notice given to Guarantor or Beneficiary shall be sent to the respective address set forth on the signature page to this Guaranty, or to such other address as that party may designate.

28.3. **Governing Law; Venue; Jury Trial Waiver.** This Guaranty will be governed by and in all respects construed in accordance with the laws of the State of California. Guarantor agrees that any legal action or proceeding with respect to any of its obligations under this Guaranty may be brought by Beneficiary in any state or federal court located in Santa Clara County, California. Any claim or controversy asserted by Guarantor against Beneficiary shall only be litigated in the state or federal courts located in Santa Clara County, California. By the execution and delivery of this Guaranty, Guarantor submits to and accepts, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of those courts. Guarantor waives any claims that Santa Clara County, California is not a convenient forum or the proper venue for any such suit, action or proceeding. To the maximum extent permitted by applicable law, Beneficiary and Guarantor hereby waive trial by jury and consent to trial without a jury in the event of any action, proceeding or counterclaim brought by either party against the other in connection with this Guaranty.

28.4. **Modification.** This Guaranty may only be modified by a written instrument signed by both of the parties hereto.

28.5. **Waiver.** No waiver of any term, provision or condition of this Guaranty shall be effective unless in writing, signed by the party against which such waiver is sought to be enforced, and no such waiver shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Guaranty, unless specifically so stated in such written waiver.

28.6. **Assignment.** The rights and obligations under this Guaranty may be transferred only with the written consent of the other parties hereto. Any transfer in violation of this Section shall be null and void; provided, however, that Beneficiary may assign any of its rights and obligations hereunder without prior written approval of Guarantor. This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

28.7. **Attorneys' Fees and Litigation Costs.** Should any arbitration, proceeding, or other legal action be brought for the enforcement of this Guaranty, the successful or prevailing party shall be entitled to recover his reasonable attorneys', accounting, and other professional fees, and any other costs incurred in such arbitration, proceeding or other legal action, at trial, on appeal, or in collection thereof, in addition to any other relief to which he or it may be entitled.

28.8. **Other Expenses.** All other costs and expenses incurred by each party hereto in connection with all things required to be done by it hereunder, including attorneys' and accountant fees, shall be borne by the party incurring same.

28.9. **Partial Invalidity.** The various provisions of this Guaranty are intended to be severable and to constitute independent and distinct binding obligations. Should any provision of this Guaranty be determined to be void and unenforceable, in whole or in part, it shall not be deemed to affect or impair the validity of any other provision or part

thereof, and such provision or part thereof shall be deemed modified to the extent required to permit enforcement. Without limiting the generality of the foregoing, if the scope of any provisions contained in this Guaranty is too broad to permit enforcement to its full extent, but may be enforceable by limitations, thereon, such provisions shall be enforced to the maximum extent permitted by law, and Buyer and Seller hereby agree that such scope may be judicially modified accordingly.

28.10. **Counterparts.** This Guaranty may be executed in any number of counterparts and each counterpart shall be deemed to be an original document. All executed counterparts together shall constitute one and the same document, and any counterpart signature pages may be detached and assembled to form a single original document.

28.11. **Joint and Several.** If there is more than one Guarantor, then all parties signing this Guaranty as Guarantor shall be jointly and severally liable for all obligations of Guarantor.

28.12. **Entire Agreement.** This Guaranty constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and/or commitments of any kind. This Guaranty may not be amended or supplemented, nor may any right hereunder be waived, except in writing signed by each of the parties affected thereby.

28.13. **Community Property.** Guarantor acknowledges that this Guaranty is with recourse against the separate property and assets of such individual and against the marital community property and assets (to the extent applicable) of such individual and his or her spouse.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Guaranty, effective as of the Effective Date.

GUARANTOR:

Sebastian Cogna, an individual

BENEFICIARY:

CHARTER ASSET MANAGEMENT FUND, LP.,
a Delaware limited partnership

By: CHARTER ASSET MANAGEMENT GP, LLC,
a Delaware limited liability company

By: _____
Name: Paul N. Im
Title: Managing Member

By: _____
Name: David H. Park
Title: Managing Member

Governing Board Resolution

RESOLUTION OF CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM APPLICANT'S
GOVERNING BOARD TO APPROVE THE EXECUTION OF THE LOAN AGREEMENT WITH
THE CALIFORNIA SCHOOL FINANCE AUTHORITY

RESOLUTION NO. _____

WHEREAS, Chino Valley Unified School District authorized the charter for Allegiance STEAM Academy-Thrive, CDS code 36676780137547 on December 14, 2017; and,

WHEREAS, the charter school will need funds to support operations during opening of school and,

WHEREAS, Allegiance STEAM Academy-Thrive applied for a Charter School Revolving Loan Fund Program loan from the California School Finance Authority during the 2017-18 funding round; and,

WHEREAS, Execution of the loan agreement and disbursement of loan funds is contingent on the California School Finance Authority board approving the charter school's application; and,

WHEREAS, Allegiance STEAM Academy-Thrive governing board has reviewed the loan agreement forwarded by the California School Finance Authority; and,

WHEREAS, Allegiance STEAM Academy-Thrive governing board agrees to meet all terms and conditions for the receipt of a revolving loan pursuant to Education Code sections 41365 through 41367; and,

WHEREAS, upon approval of the loan by the California School Finance Authority and execution of the loan agreement, the California School Finance Authority will request that the State Controller offset apportionment payments to the Allegiance STEAM Academy-Thrive in equal amounts for one fiscal year commencing with the first fiscal year following the fiscal year in which loan proceeds are disbursed to the charter school.

NOW, THEREFORE BE IT RESOLVED that Allegiance STEAM Academy-Thrive governing board on behalf of the Allegiance STEAM Academy-Thrive hereby approves the execution of a loan agreement with the California School Finance Authority in the amount of \$250,000.00 as provided by the provisions of Education Code sections 41365 through 41367.

PASSED AND ADOPTED by the Allegiance STEAM Academy-Thrive governing board at a meeting held on August 23, 2018.

Name and Title of the Authorized Representative

Signature Date

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

Allegiance STEAM Academy-Thrive
CDS: 36-67678-0137547
Charter Number: 1945
Address: 5862 C Street, Chino, CA 91710

This loan agreement is made the Eleventh day of July 2018, between Allegiance STEAM Academy-Thrive (Loan Recipient) and the California School Finance Authority (Authority).

RECITALS

- A. The Loan Recipient has applied to the Authority for a reservation of funds under the Charter School Revolving Loan Fund Program (Program) and the Loan Recipient's application, which is attached hereto as Exhibit A, has been determined by the Authority to meet Program eligibility requirements,
- B. The Loan Recipient has applied for and been approved by the Authority pursuant to Authority Resolution 18-11 for the issuance of a loan to support the operations of the Charter School consistent with the terms of the Charter School's charter.
- C. The Authority proposes to reserve \$250,000 from the Charter School Revolving Loan Fund for the purposes described herein.
- D. The term of this Loan Agreement shall be from the date of this Loan Agreement, hereinabove, through the term of the loan, unless at the Authority's discretion the time period is amended in writing. In no circumstance may the term of this Loan Agreement exceed the period of five years.
- E. This award to the Loan Recipient is contingent upon the availability of funds under the Program.
- F. The purpose of this Loan Agreement is to set forth the terms and conditions upon which the Authority will provide the funds to the Loan Recipient.

NOW, THEREFORE, the Authority and the Loan Recipient agree as follows:

ARTICLE I – DEFINITIONS

Section 1.1– ELIGIBLE USE means the use of Program funds for the purposes of supporting the operations or financing of the Charter School consistent with the Charter School's charter.

Section 1.2 – EXECUTIVE DIRECTOR means the Executive Director authorized to act on behalf of the Authority.

Section 1.3 – PROGRAM means the Charter School Revolving Loan Fund Program.

Section 1.4 – PROGRAM DOCUMENTS means this Loan Agreement, Program Regulations, Loan Recipient's Application, and Authority Resolution 18-11, including any and all exhibits or attachments to such documents.

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

Section 1.5 – LOAN TERM means the one year period commencing from the first payment date, unless the loan amount has been paid in full or at the Authority's discretion the time period is amended.

Section 1.6 – LOAN RECIPIENT means Allegiance STEAM Academy-Thrive, 36-67678-0137547, 5862 C Street, Chino, CA 91710.

Section 1.7 – REGULATIONS OR PROGRAM REGULATIONS means the California Code of Regulations, Title 4, Division 15, Article 1.6 (commencing with section 10170.24), as may be amended from time to time.

Section 1.8 – AUTHORITY means the California School Finance Authority.

Section 1.9 – APPLICANT OR CHARTER SCHOOL means Chartering Authority or Charter School.

Section 1.10 – FUND means the Charter School Revolving Loan Fund established pursuant to Education Code section 41365(a).

ARTICLE II – DELEGATION OF AUTHORITY

Section 2.1 – Pursuant to Authority Resolution 18-11, the Executive Director is authorized to take actions for, and on behalf, and in the name of the Authority, including, but not limited to:

- (a) Taking all steps necessary with respect to the Loan Recipient including notifying the Loan Recipient whether its Application has been approved for funding, preparing and executing the final form of Loan Agreement and disbursing Program funds pursuant to the Loan Agreement and the Authority's Regulations;
- (b) Drawing money from the Fund, not to exceed the amount approved by the Authority for the Loan Recipient.
- (c) Executing and delivering to the Loan Recipient any and all documents necessary to complete the transfer of Program funds; and
- (d) Undertaking any and all actions and to execute and deliver any and all documents that the Executive Director deems necessary or advisable in order to effectuate the purposes of the Authority Resolution 18-11 approved by the Authority.

ARTICLE III – REPRESENTATIONS AND WARRANTIES

The Loan Recipient makes the following representations and warranties to the Authority:

Section 3.1 – LEGAL STATUS. The Loan Recipient represents and warrants that for the Charter School for which funds have been awarded:

- (a) The charter school is established pursuant to Education Code section 47600 et seq.
- (b) An approved charter has been awarded and is in place and current at the time this Loan Agreement is executed and throughout the Loan Term.
- (c) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time this Loan Agreement is executed. The Authority will rely on information from the chartering authority regarding the charter school's good standing and compliance with the terms of its charter.

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

- (d) The charter school has a County-District-School (CDS) Code and charter number issued by the California Department of Education.

ARTICLE IV – CONDITIONS PRECEDENT TO DISBURSEMENT OF PROGRAM FUNDS

The obligation of the Authority to make any disbursements under this Loan Agreement is subject to all of the following conditions:

Section 4.1 – EVENT OF DEFAULT. There shall not exist an Event of Default, as defined in this Loan Agreement, and there shall exist no event, omission or failure of condition, which, after notice of lapse of time, would constitute an Event of Default, as defined in this Loan Agreement.

Section 4.2 – DOCUMENTATION. The Loan Recipient shall deliver to the Authority in form and substance satisfactory to the Authority this Loan Agreement and any other documents required by the Authority.

Section 4.3 – CERTIFIED RESOLUTION. This Loan Agreement and any amendments hereto shall be accompanied by a certified resolution from the Loan Recipient's governing body authorizing its execution.

Section 4.4 – FUNDING CONDITIONS. The Loan Recipient has met all terms and conditions of funding in accordance with the Regulations and the Authority's Resolution Number 18-11.

Section 4.5 – FINANCING APPROVAL. The Loan Recipient has received approval from the Authority for the issuance of Program funds; provided that such approval includes the requirement for repayment through an intercept of funds pursuant to Education Code section 17199.4.

Section 4.6 – TERMS OF COMMITMENT. In the event the Loan Recipient has not fulfilled all terms and conditions precedent as set forth in this Article IV, the Authority's obligation under this Loan Agreement shall automatically terminate, unless at the Authority's discretion, compliance by the Loan Recipient has been waived by the Authority in writing.

ARTICLE V – PROGRAM DISBURSEMENT PROCEDURES

Section 5.1 – DISBURSEMENT PROCEDURES. Disbursement of the Program funds shall occur once the Authority makes the loan award determination; provided however that no Program funds shall be disbursed until this Loan Agreement is executed by all parties.

Section 5.2 – DISBURSEMENT PROCESS. Program funds shall be disbursed directly to the Loan Recipient.

Section 5.3 – AMOUNT OF DISBURSEMENT. Program funds shall be disbursed up to the amount authorized pursuant to this Loan Agreement.

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

ARTICLE VI – REPAYMENT PROVISIONS

Section 6.1 – LOAN REPAYMENT. Loan repayment shall begin the fiscal year after the Loan Recipient receives Program funds. Loan Recipient shall be obligated to repay the Program in one year, with each annual payment representing the initial principal amount of the loan, plus interest based on the rate described in section 6.2. For purposes of determining the year in which the Loan Recipient begins repayment, the Authority shall consider receipt of Program funds to occur on the date that the Accounting Division of the State Treasurer’s Office processes the payment for the Loan Recipient. The repayment schedule, once completed by the Authority, will be submitted to the Loan Recipient and attached as EXHIBIT B. If a Charter School fails to open within the next fiscal year after receiving their loan disbursement, the Charter School will be invoiced for the full loan amount, which must be repaid within 60 days, unless granted an extension.

Section 6.2 – INTEREST RATE. Interest on the loan shall be based on an interest rate equal to the rate earned by money in the Pooled Money Investment Account as of the date of disbursement of the funds to the charter school, per section 6.1.

Section 6.3 – INTERCEPT OF LOAN PAYMENTS. Loan payments shall be made by intercepting the Charter School’s state revenue. Payment amounts reflected in the loan repayment schedule, or partial payments depending on the availability of revenue, shall be intercepted until the loan is paid in full. If the annual payment obligation cannot be made through the intercept process, the Authority may invoice the Loan Recipient directly for payment of any outstanding amounts.

Section 6.4 – ACCOUNTS RECEIVABLE. The Authority shall set up accounts receivable for any Charter School that is past due on loan repayment or that has defaulted on repayment of a Loan.

Section 6.5 – COLLECTION OF LOAN PAYMENTS. If loan payments are not made using the intercept process, the Authority may invoice the Charter School. In the event the Charter School is unable to repay the loan and the Charter School is operated by an affiliated organization or chartering authority, the Authority shall require the affiliated organization or chartering authority to make annual payments or repay the total outstanding loan amount.

ARTICLE VII – AFFIRMATIVE COVENANTS

Section 7.1 – LEGAL COMPLIANCE. The Loan Recipient shall:

- (a) Comply with the Program statute and regulations, as such may be amended from time to time, throughout the Program Period.
- (b) Ensure that the expenditure of all loan funds is consistent with the intent of the Program and solely for the purpose of supporting the operations and financing of the Charter School.

Continued and uninterrupted compliance with all Program requirements is the Loan Recipient’s responsibility.

Section 7.2 – ACCOUNTING RECORDS. The Loan Recipient shall maintain an accounting system that accurately reflects fiscal transactions, with necessary controls and

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

safeguards. This system shall provide an audit trail, including original source documents such as teacher salaries, lease agreements, contracts, receipts, progress payments, invoices, etc. These records shall be retained for the full period of the loan. Such books and accounts shall be available for audit and/or review upon request by the Authority and the Bureau of State Audits.

Section 7.3 – LITIGATION. The Loan Recipient shall promptly notify the Authority in writing of any administrative action or litigation, pending or threatened, by or against the Loan Recipient or otherwise related to the Loan Recipient. For purposes of this item, the term “Loan Recipient” shall include the charter school, the parent company of the charter school, and any subsidiary of the charter school if the subsidiary is involved in or will be benefited by the Program. In addition to each of these entities themselves, the term “Loan Recipient” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, directors, principals and senior executives of the entity if the entity is a corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.

Section 7.4 – NOTICE TO AUTHORITY. The Loan Recipient shall:

- (a) Notify the Authority, within thirty (30) days, of a Loan Recipient’s determination to deferr opening until the next fiscal year OR close operation altogether and provide clarifaction to the Authority on how the the loan balance will be repaid.
- (b) Notify the Authority if a charter school’s charter is not renewed or is revoked at any time during the Loan Term, within thirty (30) days of receipt of notification of such action, including providing the Authority with a copy of the document provided by the chartering entity notifying the charter school of such action and provide clarifaction to the Authority on how the the remaining loan balance will be repaid.
- (c) Notify the Authority, within thirty (30) days, of any material changes to the facilities, enrollment, charter, nonprofit status, or financial condition.
- (d) Notify the Authority, within thirty (30) days, of a Loan Recipient’s determination that all or a portion of loan funds are no longer needed for their intended use, as identified in the Application, and provide clarifaction to the Authority on how the remaining loan balance will be repaid .

Section 7.5 – RELEASE. The Loan Recipient hereby waives all claims and recourse against the Authority including but not limited to the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to, this Loan Agreement, the Loan Recipient’s use of the Program proceeds or the Loan Recipient’s business operations. The provisions of this section shall survive the termination of this Loan Agreement.

Section 7.6 – INDEMNIFICATION. The Loan Recipient shall defend, indemnify, and hold harmless the Authority, and the State, and all officers, trustees, agents and employees of the same, from and against any and all claims, losses, costs, damages, or liabilities of any kind or nature, whether direct or indirect, arising from or relating to the Program or the Authority. The provisions of this section shall survive termination of this Loan Agreement.

Section 7.7 – AUDITS. The Loan Recipient shall comply with any audit provisions as may be required bit the Authority, State Controller, or the Bureau of State Audits.

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

Section 7.8 – SUBORDINATION OF NEW DEBT. The Loan Recipient will ensure that any loans, debts, or agreements involving factoring of apportionments entered into after this loan agreement is executed shall be subordinated to this Loan.

ARTICLE VIII – DEFAULT AND REMEDIES

Section 8.1 – EVENTS OF DEFAULT. Each of the following shall constitute an Event of Default under this Loan Agreement:

- (a) Any representation or warranty made by the Loan Recipient or anyone acting on its behalf, hereunder or under any of the Program Documents, is incorrect in any material respect.
- (b) The Loan Recipient's failure to perform or abide by any term or condition of this Loan Agreement (including all requirements and covenants in Articles III through VII herein) or other Program Documents or comply with any other agreements between the Loan Recipient and the Authority relating to the Program.
- (c) Any substantial or continuous breach by the Loan Recipient of any material obligations of the Loan Recipient imposed by any agreements other than the Program Documents with respect to the Program.
- (d) The Loan Recipient's failure to generate sufficient revenue available for intercept or to pay an invoice to meet its repayment obligations in accordance with their loan repayment schedule.
- (e) The Loan Recipient's failure to repay the loan in any instance.
- (f) The Loan Recipient's failure to remain in good standing with its chartering authority or in compliance with its charter during the term of the loan.
- (g) The Loan Recipient's failure to notify the Authority if there are any material changes to the school and/or its charter.

Section 8.2 – NOTICE OF LOAN RECIPIENT'S DEFAULT AND OPPORTUNITY TO CURE. The Authority shall give written notice to the Loan Recipient of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the Event of Default; (b) the action required to cure the Event of Default, if an action to cure is possible; and (c) a date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which such action to cure must be taken, if an action to cure is possible, provided, however, except with respect to a monetary Event of Default, so long as the Loan Recipient has commenced to cure within such time, then the Loan Recipient shall have a reasonable period, as determined by the Authority, thereafter within which to fully cure the Event of Default.

Section 8.3 – REMEDIES. In an Event of Default, the Authority may pursue any remedy available to it in law or in equity, including, but not limited to, forfeiture and return of all Program funds and any accrued interests.

ARTICLE IX – MISCELLANEOUS

Section 9.1 – AMENDMENTS. This Loan Agreement may only be amended, changed or modified in writing signed by the Loan Recipient and the Authority.

Section 9.2 – ASSIGNMENT. This Loan Agreement may not be assigned or transferred in any way by the Loan Recipient without the written consent of the Authority, such consent to

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

be granted only if the assignee or transferee is a charter school meeting all of the requirements of this Loan Agreement and the Program Regulations, and which has agreed in writing to accept the terms of this Program Loan Agreement.

Section 9.3 – ENTIRE LOAN AGREEMENT. This Loan Agreement, together with all agreements and documents incorporated by reference herein, constitutes the entire Loan Agreement of the parties and is not subject to modification, amendment, qualification or limitation except as expressly provided herein.

Section 9.4 – NOTICES. Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first-class mail, postage prepaid and addressed as follows:

- (i) If to the Loan Recipient:
Attn: Mr. Sebastian Cognetta, Chief Executive Officer
5862 C Street, Chino, CA 91710
- (ii) If to the Authority:
Attn: Katrina Johantgen, Executive Director
California School Finance Authority
300 S. Spring Street, Suite 8500
Los Angeles, CA 90013

Section 9.5 – COUNTERPARTS. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 9.6 – GOVERNING LAW, VENUE. This Loan Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California applicable to contracts made and performed in the State of California. This Loan Agreement shall be enforceable in the State of California and any action arising hereunder shall (unless waived in writing by the Authority) be filed and maintained in Sacramento, Sacramento County, California.

**CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM
LOAN AGREEMENT NUMBER 18-01**

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed in day and year first hereinabove written.

Allegiance STEAM Academy- Thrive:

By: _____
Mr. Sebastian Cогnetta, Chief Executive Officer

Date: _____

and

CALIFORNIA SCHOOL FINANCE AUTHORITY:

By: _____
Katrina Johantgen, Executive Director

Date: _____



Board Recruitment and Selection

The ASA Thrive CEO/Principal will work closely with the Board of Directors to ensure that board members fully support the school's mission, culture, and goals. The qualifications sought in those candidates interested in serving on the Board include but are not limited to:

- A dedication to furthering the vision and mission of Allegiance STEAM Academy schools; o Willingness to volunteer for one or more board committees and the ability to contribute appropriate time and energy necessary to follow through on assigned tasks;
- Ability to work within a team structure;
- Expectation that all children can and will learn and realize high academic achievement; and o Specific knowledge, experience, and/or interest in at least one element of governance for Allegiance STEAM Academy.

It is important that every member of the Allegiance STEAM Academy Board of Directors is aligned with the needs and expectations of the organization. We will achieve this by ensuring potential candidates are invested in our mission, understand the expectations for Board participation, and have a vision for their contribution to the board. We will achieve this alignment through the following board recruiting process:

- Board or staff member who knows the prospect will have an initial conversation with the prospect to gauge interest and dedication to Allegiance STEAM Academy's mission.
- Cultivation of the prospective Board member. Ensure alignment between the needs and expectations of Allegiance STEAM Academy and the needs and expectations of the individual. This will be achieved by:
 - Investing candidates in the mission of Allegiance STEAM Academy;
 - Setting expectations for prospective Board members; and
 - Creating a vision for how Board membership meets the needs of both the individual and the organization.
- Board or staff member who knows the prospect will recommend the prospect to a Governance Committee member or the CEO/Principal.
- Board Governance Committee, a committee of the Allegiance STEAM Academy Board, reviews the prospective board members' qualifications, fit and desire to serve.

- CEO/Principal and Board Governance Committee cultivates prospective Board member:
 - Prospective Board member visits the school;
 - Prospective Board member receives information concerning the history and future plans of Allegiance STEAM Academy;
 - Prospective Board member meets with CEO/Principal;
 - Prospective Board member attends a Board meeting;
 - Prospective Board member interviews with Governance Committee member(s);
 - Prospective Board member meets with member(s) of Governance Committee where requirements and responsibilities of the Board are agreed upon;
- Board Governance Committee presents formal recommendation to the full Board of Directors; Board votes on prospective candidate.
- Board Chair meets with prospective candidate and extends offer to join Allegiance STEAM Academy Board.

All directors shall have full voting rights, including any representative appointed by the charter authorizer as consistent with Education Code Section 47604(b). All directors shall be nominated and elected by the existing Board of Directors.

Except for the initial Board of Directors, each director shall hold office unless otherwise removed from office in accordance with the current bylaws for three (3) years and until a successor director has been designated and qualified. Terms for the initial Board of Directors shall be staggered as drawn by lot with two (2) seats serving a two (2) year term and three (3) seats serving a three (3) year term.