REVIEW DRAFT - NOT YET ACTIVE

Cash Flow Support

Advance Funding Agreement

This transaction agreement states the binding terms of one approved Cash Flow Support advance from Indiana Charters (IC) to the partner school identified below. It becomes effective when signed by both parties.

1. Transaction details

School legal name *

Agreement date *

Approved principal *

Requested deposit date *

Verified account ending in *

Identified payroll obligations *

Expected repayment source *

Expected receipt date *

Initiation fee *

The approved principal may not exceed the verified payroll gap, the school-specific board limit, or $20,000. The initiation fee is $250 and is added to the repayment balance.

2. Funding and initiation

After the school signs this agreement and authorizes IC to proceed, the $250 initiation fee is earned and nonrefundable. It remains due if the school withdraws or fails to complete a required step. IC will waive the fee if IC cancels the transaction or cannot provide the funding.

IC may fund the advance from its own cash, a third-party credit facility, or another available source. The school has no rights or obligations under IC's separate financing arrangements. IC will deposit approved principal only into the school's securely verified bank account.

Before funding, the school must promptly report any material change in its authority, financial condition, payroll gap, expected repayment source, eligibility, or banking information. IC may reduce or withdraw approval before deposit if circumstances or program availability materially change.

3. Permitted use and school representations

1. Principal will be used only for the identified payroll obligations, including employee net pay, payroll taxes, retirement contributions, and employee-benefit payments associated with that payroll.

2. The school is an Indiana nonprofit charter school with an active IC partner agreement, remains in good standing, and is current on amounts owed to IC when this agreement is signed.

3. The signer is the officer authorized by the school's current IC standing board resolution, or by a valid single-transaction interim authorization meeting program requirements.

4. The application and this agreement are accurate, complete, and not materially misleading. The school has identified a specific expected repayment source and will provide supporting records if IC requests them.

5. The school will not use this advance to repay or refinance an earlier Cash Flow Support advance and will repay without withholding or offset based on an unrelated dispute with IC.

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4. Repayment

The repayment term begins on the date principal is credited to the verified school account, whether or not the school accesses the funds that day. The full unpaid principal, initiation fee, and other amounts then due must be received by IC 21 calendar days after that credit date. If day 21 is a Saturday, Sunday, or federal banking holiday, payment is due on the next business day.

IC's funding email will state the actual deposit date, principal, total scheduled repayment balance, and exact due date and serves as the official funding notice. The school has one business day to report an error; the obligation does not change unless IC confirms a correction in writing.

Payment will be collected under the school's standing ACH authorization unless IC approves another method. A check is timely only if received by IC by the due date and may be deposited on or immediately after that date. Mailing by the due date is not timely. Early and partial payments are permitted, but do not reduce or refund any fee. Payments apply first to fees and charges, then to principal.

Scheduled repayment balance

Scheduled debit / due date

5. Extension

Only the IC Managing Member or designee may approve one written extension of no more than 14 calendar days measured from the original due date. The extension amendment may be signed through the end of the original five-calendar-day grace period. A nonrefundable $250 extension fee becomes due when the amendment is signed and is added to the repayment balance. If the school pays by the amended due date, the advance is treated as timely for program eligibility. Missing the amended due date triggers the late fee immediately with no further grace period.

6. Late and returned payments

Payment is late immediately after an applicable due date. After the original five-calendar-day grace period, IC will assess a one-time late fee equal to 5% of the unpaid balance. The fee may be assessed only once per advance. A returned ACH debit or dishonored check is late immediately, carries a fixed $35 returned-payment fee, and will not be automatically retried or redeposited. The grace period continues to run from the original due date.

A late payment makes the school ineligible for future advances unless IC expressly restores eligibility in writing. Reasonable collection costs, including attorney fees, are payable by the school to the extent permitted by applicable law.

7. Default and remedies

Each of the following is a default:

- using principal for anything other than the identified payroll obligations;
- a materially false or misleading statement in the application or agreement;
- failure to pay an amount when due;
- revoking ACH authority without arranging another IC-approved timely payment method; or
- assignment or transfer of rights or obligations without IC's prior written consent.

Upon default, IC may declare the entire unpaid balance, applicable fees, and reasonable collection costs immediately due. These remedies are cumulative. The advance is unsecured; IC receives no lien on school assets or revenues, and no officer, employee, or board member gives a personal guarantee.

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8. Partner status and future eligibility

A Cash Flow Support default does not automatically create a default under the school's partner agreement. If the partner agreement ends while this advance remains unpaid, the repayment obligation survives and the school immediately loses eligibility for future advances. The IC Managing Member or designee alone may either preserve the existing due date or accelerate repayment by written email copied to the board chair. An accelerated balance is due five business days after the notice is sent; missing that date triggers the one-time 5% late fee immediately, without another grace period.

The school may not receive another advance until this advance and all related charges are paid in full. The school must then wait 30 calendar days, moving to the next business day if necessary, and may receive no more than three funded advances in any rolling 12-month period.

9. Notices, records, and confidentiality

Electronic signatures and notices are binding. Notices are received when sent to the authorized officer's known email address unless IC receives a delivery-failure notice. IC will copy the board chair on approval, funding, repayment-due, late, returned-payment, default, and acceleration notices. School-held records may be subject to Indiana public-records laws and cannot be guaranteed confidential.

IC will protect confidential application and banking information but may disclose it as reasonably necessary for funding, payment processing, professional services, collection, or legal compliance. IC will retain transaction records for seven years after the advance is paid or otherwise closed. Full bank account and routing numbers must remain with the approved payment provider; IC retains only masked details, tokens, authorizations, and verification records.

10. General terms

This agreement, the applicable application, funding notice, standing ACH authorization, and any signed amendment are the complete transaction record. A change is effective only in a written electronic amendment approved by IC. IC may amend program terms prospectively, but this funded advance remains governed by its signed transaction terms. The school may not assign this agreement without IC's prior written consent.

Indiana law governs. Any legal action must be brought in the Indiana county where IC's principal office is located, subject to applicable law. 'Business day' means a day on which banks in Indiana are generally open, excluding Saturdays, Sundays, and federal banking holidays. If part of this agreement is unenforceable, the remaining provisions remain effective.

11. Signatures

☐ Required: The school accepts every term of this agreement and authorizes IC to initiate funding.

Authorized officer electronic signature *

Date *

Authorized officer printed name and title *

IC Managing Member or designee

Date