FACILITY DEVELOPMENT & HOLDINGS, LLC

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June 10, 2013

To Whom It May Concern:

I am writing this letter to confirm that our firm Facility Development & Holdings, LLC and Sierra Preparatory Academy intend to work in collaboration, where:

1. Facility Development & Holdings, LLC and/or one of its fully-owned subsidiaries will locate and purchase a property in the East Valley of the Metro Phoenix area and lease it to Sierra Preparatory Academy. The property shall be developed to function as a public charter school campus and accommodate at least 150 students during Year 1 and at least 210 students during Year 2 and thereafter. The school facility is projected to be secured by February 2014. The on-site school office shall be made operational by March 1, 2014. All necessary building and property improvements, including improvements related to making the facility compliant with applicable public school laws and regulations, shall be financed and performed by Facility Development & Holdings, LLC with a target completion date of July 1, 2014. All classrooms and other school amenities necessary for school operation during Year 1 shall be ready by July 15, 2014.

2. Sierra Preparatory Academy shall lease the school facility provided by Facility Development & Holdings, LLC for a 15-year lease term. Facility Development & Holdings, LLC shall provide to Sierra Preparatory Academy an option to purchase the property after Year 3. The exact rent amounts and purchase price shall be agreed on a cost plus basis and in consideration of the actual cost structure associated with the acquisition and improvements of the property and the average cap rate numbers for the East Valley in Metro Phoenix. Sierra Preparatory Academy shall not be required to provide any capital for the acquisition of the property or for any and all improvements necessary to make the facility compliant and functional as a public charter school, as well as any improvements related to making the facility conducive to carrying out the program of instruction of Sierra Preparatory Academy.

Should you have any questions regarding this arrangement, please, do not hesitate to contact me at (480) 650-2332.

Alexander Hristov
Manager
Facility Development & Holdings, LLC