Sequoia Choice Schools LLLP

Current Financial Situation

The school incurred a loss of $453,000 for the year ended June 30, 2011 and, as of that date, had a deficit in net assets of $472,000. A net operating loss of $250,000 is projected for the current year and a net operating profit of $612,000 is projected for the year ending June 30, 2013.

Steps already taken to ensure continued financial sustainability

1. ***Budget Cuts, Marketing, Recruiting and Retention*** The school has cut expenses and increased its marketing efforts to attract a growing number of students. Additionally, there is approximately $110,000 to be received from ADE related to attendance hours that were recently reported from the 2010-2011 fiscal year. At the center of the budget cuts is a reduction in the amount paid for leases of school and office space. By moving out of higher-rent facilities and renegotiating leases on buildings that continue to be occupied, the school has saved $80,000 per year. The school has also reduced its staff by six people for a savings of over $240,000. Additionally, the school has evaluated, and in some cases renegotiated, other service contracts, resulting in substantial cost savings. Marketing and recruiting efforts involving students and their families have generated many new enrollments. While more stringent academic requirements and structure have decreased enrollment in the short term, these measures will increase the number of students retained in the long term, including at-risk youth at Native American treatment centers and rural learning centers.
2. ***Ownership Change*** A foundational challenge facing Sequoia Choice in recent years has been that the school was owned 50% / 50% by two partners whose visions for the mission and direction of the school had become very different over time. In short, the school was stuck and unable to move forward effectively. On January 31, 2012, the partners entered into an agreement for one partner to purchase the other partner's interest. Besides saving over $100,000 in additional employee costs, this transaction will allow the school to move more efficiently towards additional cost-cutting and revenue-creating measures. One such move will be to change the school from a for-profit entity to a 501(c)(3) in June 2013 or sooner, resulting in additional revenue (e.g., entitlement grants and donations) as well as cost savings (e.g., property and income taxes). Additionally, with the new ownership, the sole owner is able to infuse additional capital into the company to ease shortfalls in cash flow.
3. ***Management Agreement*** Since 2006, Sequoia Choice has been managed by an independent management company. Unfortunately there was a lapse in the agreement during the last two years which severely limited the management company's ability to influence the financial management of the school. On March 21, 2012, a new formal management agreement between the school and the management company was signed and is now in effect.
4. ***Management and Academic Controls, Systems, and Procedures*** The school has begun the process of implementing powerful new management and academic controls, systems, and procedures to impact its effectiveness and efficiency. Specifically: A new CEO began on July 1, 2011; Some underperforming personnel have been replaced; New attendance procedures and tools have reduced the amount of time that staff spends on non-academic tasks; A part-time data analyst now issues individualized progress data to students and parents, greatly reducing teachers' data-management workload and increasing the visibility of student progress; New Professional Learning Communities are producing efficiencies; Power Grade is now being used to streamline grading procedures; Many old student computers have been replaced, resulting in reduced tech-related costs and improved student retention; An unprecedented outreach program to reduce student attrition is in place; Increased virtual teaching sessions and more centralized proctoring sites are reducing travel costs; Blended learning models continue to be emphasized, providing, among other benefits, the ability to serve an increased population of students with little incremental cost.

Evidence that supports these steps

1) The attached Sequoia Choice budgets reflect the budget cuts that have been made and corresponding emphasis on controlling costs. 2) See attached agreement outlining the buy-sell between the former partners. 3) See attached Administrative and Technology Services Agreement.

EXCHANGE AGREEMENT

(Land for Partnership Interest)

Parties: Sunshine Mountain LLLP, an Arizona limited liability limited partnership ("**Sunshine Mountain**"); and

WCDA LLLP, an Arizona limited liability limited partnership ("**WCDA**"); and

Donald O. Flake, an individual ("**Flake**"); and

David G. Wade, an individual ("**Wade**").

Escrow No.: 5468700

This AGREEMENT is made and entered into, to be effective as of May _____, 2012, by and between Sunshine Mountain, WCDA, Flake, and Wade. This Agreement shall also constitute escrow instructions to First American Title Insurance, LLC ("**First American Title**"), whose address is 81 South Main Street, Heber City, UT 84032 Attention: Natalie Henning. An escrow has been or will be created with First American Title under Escrow No. 5468700 (the "**Escrow**"). First American Title is the escrow agent and is sometimes referred to herein as the "**Escrow Agent**". Unless First American Title otherwise requires, a preprinted form of escrow instructions will not be used in connection with this Agreement; however, the parties may provide the Escrow Agent with supplemental escrow instructions or other instructions from time to time.

Recitals:

A Sequoia Choice School LLLP, an Arizona limited liability limited partnership ("**Sequoia Choice**"), is a charter school in the state of Arizona and has a charter for distance learning. Sequoia Choice is owned by the following partners:

Sunshine Mountain LLLP	49%
WCDA LLLP	49%
Donald O. Flake	1%
David G. Wade	1%
Total	100%

Wade and Flake are the general partners of Sequoia Choice. WCDA is owned by parties related to or affiliated with Wade, and Sunshine Mountain is owned by parties related to or affiliated with Flake.

B Sunshine Mountain desires to acquire nearly all of the respective interests of Wade and WCDA in Sequoia Choice, and Wade and WCDA are willing to

transfer their respective interests in Sequoia Choice to Sunshine Mountain, as more fully described below, and upon the terms and conditions contained herein.

C The property, located in Wasatch County, Utah, described on **Exhibit A** attached hereto (and made a part hereof by this reference), together with (a) all water rights (if any) appurtenant to the property, including, without limitation, the water rights associated with Spring Creek Ditch Irrigation Company as described below; and (b) all appurtenances, easements, rights-of-way, rights and privileges appertaining to the property are collectively sometimes referred to herein as the "**WCDA Property**". Sunshine Mountain owns the WCDA Property. The WCDA Property includes approximately 7.814 acres of land and other buildings situation on said land, and is referred to herein as the WCDA Property because it will be transferred to WCDA.

D The water rights related to the WCDA Property are associated with shares in the Spring Creek Ditch Irrigation Company (the "**Irrigation Company**"). The number of shares in the Irrigation Company allocated to the WCDA Property is 43 shares (the "**Spring Creek Water Rights**").

E Sunshine Mountain desires to convey its undivided 64% interest in the WCDA Property to WCDA plus $26,868.26 of cash in exchange for 48.5% of WCDA's interest in Sequoia Choice. Sunshine Mountain will also pay Wade $1,565.87 for a one-half percent (0.5%) interest in Sequoia Choice. After this transaction, Wade will become a limited partner and Sequoia Choice will be owned as follows:

Sunshine Mountain	98.0%
WCDA	0.5%
Flake	1.0%
Wade	0.5%
Total	100.0%

F As previously agreed, all income and losses related to Sequoia Choice, subsequent to December 31, 2010 and through December 31, 2013, have been and will be allocated to Sunshine Mountain and Flake for income tax and other purposes.

Covenants:

NOW THEREFORE, in consideration of the premises, and the promises, covenants and conditions contained herein, the parties hereto, each intending to be legally bound, hereby covenant and agree as follows:

1 **Agreement**. Sunshine Mountain agrees to convey, transfer and assign the WCDA Property, including, without limitation, the 43 shares of Spring Creek Water Rights, and pay $26,868.26 of cash, to WCDA in exchange for WCDA's assignment of a 48.5% interest in Sequoia Choice to Sunshine Mountain, all upon, and subject to, the provisions, covenants and conditions contained herein. Sunshine Mountain also agrees to purchase a one-half percent (0.5%) interest in Sequoia Choice from Wade, and Wade hereby agrees to sell said one-half percent (0.5%) interest to Sunshine Mountain for a cash payment of $1,565.87 to be paid by Sunshine Mountain to Wade, all upon, and subject to, the provisions, covenants and conditions contained herein.

2 **Value**. The parties hereto agree that the combined value of the WCDA Property and $26,868.26 of cash represents substantially the same value as WCDA's 48.5% interest in Sequoia Choice. The parties further agree that $1,565.87 of cash is substantially the value of Wade's one-half percent (0.5%) interest in Sequoia Choice.

3 **Earnest Money**. No earnest money deposit shall be required.

4 **Acceptance, Opening, and Close of Escrow.** The Escrow shall be opened ("**Opening of Escrow**") if and when all of the following events have occurred: (a) one fully executed copy (or set of counterparts executed by WCDA, Sunshine Mountain, Wade, and Flake (and approved by Sequoia Choice), respectively) of this Agreement has been delivered to Escrow Agent, (b) Escrow Agent has received the earnest money deposit of zero dollars, and therefore not required, (c) Escrow Agent has dated and signed the Acceptance below and has notified WCDA, Sunshine Mountain, Flake, and Wade in writing, of the opening of escrow and the date thereof (the "**Acceptance Date**"). The conveyance of title to the WCDA Property, the payment of cash and the assignment of partnership interest as provided for in Section 1 above, and the performance of all conditions (except those conditions expressly required to be performed earlier pursuant to this Agreement) relating thereto ("**Close of Escrow**", or "**Closing**") shall take place as soon as reasonably practicable and not later than May 25, 2012.

5 **Owner's Title Policy; Closing Costs; Prorations**.

5.1 **Title Insurance Policy - Sunshine Mountain Property**. At Close of Escrow, Sunshine Mountain shall pay for, and Escrow Agent shall furnish WCDA with, a standard coverage owner's policy of title insurance in the amount of $153,455

insuring that WCDA's title to the WCDA Property is marketable, subject only to the usual printed exceptions contained in such title insurance policies and to those matters that appear as exceptions in Schedule B of the Title Report described in Section 6.1 of this Agreement and which are not objected to, or are waived, in the manner described in said Section 6.1, and any other matters approved in writing by WCDA. In the event WCDA desires an ALTA Extended Coverage policy, the additional cost shall be borne by WCDA.

5.2 **Other Costs and Fees - WCDA Property**. At Close of Escrow, Sunshine Mountain additionally shall pay (a) the recording fees with respect to the Deed conveying title to the WCDA Property and the cost of all documentary stamps, if any, and other fees imposed in connection with recording the Deed and any releases of encumbrances, (b) 100% of (i) all past due property taxes, (ii) any unpaid taxes for 2011, (iii) any general and special assessments pertaining to the WCDA Property, and (iv) homeowners association fees (if any) pro rated through Closing, and (c) one-half of the Escrow fees. WCDA shall pay all fees, costs, expenses, points and discounts associated with loans, if any, incurred by WCDA in connection with this exchange. All non-delinquent real property taxes for 2012 shall be prorated as of Close of Escrow based upon the most recent assessments.

5.3 **Attorneys Fees**. Each party will be responsible for the payment of its own attorney's fees incurred in connection with the transaction that is the subject of this Agreement, and upon closing each shall pay one-half of the fees of the Scrivener.

6 **Contingencies/Closing Conditions**. Sunshine Mountain's, WCDA's, Flake's, and Wade's obligations to consummate the transaction contemplated hereby or fulfill the obligations under this Agreement is subject to satisfaction of the following conditions precedent:

6.1 **Status of Title - WCDA Property**. WCDA has reviewed a current preliminary report of title (First American Title preliminary title report No. 5469919) to the WCDA Property and a commitment to issue extended owners title insurance (the "**WCDA Title Report**"), with an effective date of May ____, 2012, disclosing matters of record and other matters of which Escrow Agent has knowledge that relate to the title to the WCDA Property, and Escrow Agent has provided or will provide WCDA with a legible copy of each of the instruments and documents referred to in the WCDA Title Report. WCDA agrees that the WCDA Title Report is acceptable except as follows:

> There are no objections to the condition of title as reflected by the WCDA Title Report.

6.2 **Examination of Property - WCDA Property**. WCDA has (at its sole cost and expense) examined the WCDA Property and any improvements thereon, including,

but not limited to, the physical condition of the improvements, the availability of access, water, sewer and other utilities and services to the WCDA Property and the costs of securing same, and the zoning and applicable governmental regulations, statutes and ordinances pertaining to the WCDA Property. WCDA is familiar with the WCDA Property and is accepting it "As Is."

6.3 **Feasibility Period**. Intentionally omitted.

6.4 **Zoning , Building Permit & Financing Conditions**. Intentionally omitted.

6.5 **No Land Development Moratorium**. Intentionally omitted.

6.6 **Easements**. Intentionally omitted.

6.7 **Representations, Warranties and Covenants - Sunshine Mountain and Flake**. The representations and warranties of Sunshine Mountain and of Flake set forth herein shall be true on and as of the date of Closing with the same force and effect as if such representations and warranties were made on and as of the date of Closing. In addition, all covenants required to be performed by Sunshine Mountain and Flake shall have been satisfactorily performed.

6.8 **Representations, Warranties and Covenants - WCDA and Wade**. The representations and warranties of WCDA and of Wade set forth herein shall be true on and as of the date of Closing with the same force and effect as if such representations and warranties were made on and as of the date of Closing. In addition, all covenants required to be performed by WCDA and Wade shall have been satisfactorily performed.

6.9 **Conveyance - WCDA Property**. Title in and to the WCDA Property shall be free and clear of any and all liens, encumbrances, conditions, easements, assessments, restrictions and other conditions except the following, which are referred to herein as the **"Permitted Exceptions"**: (i) general real estate taxes for 2012 and subsequent years that are not yet due and payable ; (ii) easements, dedications and rights-of-way shown on the WCDA Title Report and approved by WCDA; and (iii) any and all other matters shown in the WCDA Title Report to which WCDA does not object as provided above.

6.10 **Percolation Test**. Intentionally omitted.

6.11 **Disclosures**. Intentionally omitted.

6.12 **Partnership Interest**. WCDA's interest and Wade's interest in Sunshine Mountain shall be free and clear of all liens, options and encumbrances whatsoever, except for rights (if any) of other partners (such as rights of first refusal) as may be

provided for in the partnership agreement. If there are any such rights, such rights shall have been waived in writing prior to entering into this Agreement.

6.13 **Waiver of Contingencies/Closing Conditions**. Any party may waive any of the contingencies or conditions that are in that party's favor.

7 **Closing Procedures**.

7.1 **Action at Closing by Sunshine Mountain**. At least one (1) business day prior to Closing, Sunshine Mountain shall deposit or cause to be deposited with Escrow Agent the following instruments, fully executed and acknowledged by Sunshine Mountain and shall comply with the following requirements:

7.1.1 **Delivery of Deed**. Sunshine Mountain shall deposit with Escrow Agent a duly executed and acknowledged Special Warranty Deed (the "**Deed**") in substantially the form attached hereto as **Exhibit B** conveying to WCDA fee simple title in and to the WCDA Property, and such title instruments and affidavits as may be reasonably required by WCDA or the Escrow Agent to vest in WCDA title to the WCDA Property. Said deed is to be recorded by Escrow Agent upon fulfillment of WCDA's obligations under this Agreement. Sunshine Mountain agrees to cooperate with WCDA to accomplish the transfer of water rights transferable to WCDA hereunder. This covenant shall survive Closing.

7.1.2 **Affidavit of Property Value**. Intentionally omitted.

7.1.3 **FIRPTA**. Sunshine Mountain shall deposit with Escrow Agent in accordance with Section 1445 of the Internal Revenue Code (**"I.R.C."**) and regulations promulgated thereunder, an affidavit by Sunshine Mountain (signed by an officer of the company authorized to give such assurance) stating, under penalty of perjury, Sunshine Mountain's United States taxpayer identification number and that Sunshine Mountain is not a foreign person as defined by I.R.C. § 1445(f)-(3). In the event that Sunshine Mountain shall be unable to provide the above document at Closing, WCDA or Escrow Agent shall deduct and withhold ten percent (10%) of the amount realized by Sunshine Mountain on the sale of the Property, as required by I.R.C. § 1445, and remit same to the Department of the Treasury.

7.1.4 **Possession**. Complete and sole possession of the WCDA Property will be delivered to WCDA at Closing.

7.1.5 **Affidavit of Disclosure**. Intentionally omitted.

7.1.6 **Special Assessments, Interest and Penalties**. Sunshine Mountain shall pay all special assessments, interest and penalties levied or pending against the WCDA Property at or prior to the Closing.

7.1.7 **Assignment of Water Rights - Spring Creek Ditch Irrigation Company**. Sunshine Mountain will assign and convey 43 shares of Spring Creek Ditch Irrigation Company (the "**Irrigation Company**"), and the underlying water rights associated therewith (the "**Spring Creek Water Rights**"). Said shares shall be assigned by delivering an Assignment Separate From Certificate to WCDA in the form attached hereto as **Exhibit C**.

7.1.8 **Leases & Estoppels**. Sunshine Mountain will assign its interest in any leases related to the WCDA Property to WCDA. If WCDA so requests in writing, Sunshine Mountain shall also provide WCDA with reasonable Estoppel Certificates from any tenants of the Sunshine Mountain Property.

7.1.9 **Water Rights Deed - Spring Creek Ditch Irrigation Company**. Sunshine Mountain shall deposit with Escrow Agent a duly executed and acknowledged Water Rights Deed (the "**Water Deed**") in substantially the form attached hereto as **Exhibit D** conveying to WCDA unencumbered rights to a 43 shares portion of the Spring Creek Water Rights, and such title instruments and affidavits as may be reasonably required by WCDA or the Escrow Agent to vest in WCDA title to the Spring Creek Water Rights being exchanged pursuant to this Agreement. Said deed is to be recorded by Escrow Agent upon fulfillment of WCDA's obligations under this Agreement. Sunshine Mountain agrees to cooperate with WCDA at and after Closing to accomplish the transfer of water rights, transferable to WCDA hereunder.

7.1.10 **Consideration Paid In Cash**. At least one day prior to Close of Escrow, Sunshine Mountain shall deposit with escrow all funds as required by escrow agent to close escrow, including, but not limited to the following, as provided for herein:

7.1.10.1 Cash to be paid to WCDA in the amount of $28,868.26;

7.1.10.2 Cash to be paid to Wade in the amount of $1,565.87; and

7.1.10.3 Closing costs in the amount as determined by the Escrow Agent.

7.1.10.4 Sunshine Mountain shall wire transfer to Escrow Agent all funds necessary to pay the amounts owed to WCDA and Wade as set forth above in this Section 7.1.10 plus Sunshine Mountain's share of the closing costs as shall be set forth in the closing settlement statement to be provided by Escrow Agent.

7.1.10.5 Sunshine Mountain hereby instructs escrow agent to disburse the funds that are to be paid to WCDA and to Wade, respectively, as outlined above upon WCDA's and Wade's fulfillment of WCDA's and Wade's respective obligations under this Agreement.

7.1.11 **Other**. Sunshine Mountain will execute and deliver such items as may be reasonably required by Escrow Agent, e.g., the Settlement Statement.

7.2 **Action at Closing by WCDA and Wade**. At least one (1) business day prior to Closing, WCDA and/or Wade, as applicable, shall deposit or cause to be deposited with Escrow Agent the following instruments, fully executed and acknowledged by WCDA and/or Wade as applicable, and shall comply with the following requirements:

7.2.1 **Delivery of Assignment by WCDA**. WCDA shall deposit with Escrow Agent for delivery to Sunshine Mountain a duly executed and acknowledged Assignment of Partnership Interest assigning a 48.5% interest in Sequoia Choice ("**WCDA's Assigned Interest**"), in substantially the form attached hereto as **Exhibit E** ("**WCDA's Assignment**"). Upon fulfillment of Sunshine Mountain's obligations under this Agreement, Escrow Agent shall deliver WCDA's Assignment to Sunshine Mountain. WCDA agrees to timely cooperate with Sunshine Mountain in connection with amending the Sequoia Choice partnership agreement to show that the assignment has taken place and reflect the new percentage interests owned in Sequoia Choice.

7.2.2 **Delivery of Assignment by Wade**. Wade shall deposit with Escrow Agent for delivery to Sunshine Mountain a duly executed and acknowledged Assignment of Partnership Interest assigning a one-half percent (0.5%) interest in Sequoia Choice ("**Wade's Assigned Interest**"), in substantially the form attached hereto as **Exhibit F** ("**Wade's Assignment**"). Upon fulfillment of Sunshine Mountain's obligations under this Agreement, Escrow Agent shall deliver Wade's Assignment to Sunshine Mountain. Wade and WCDA agree to timely cooperate with Sunshine Mountain in connection with amending the Sequoia Choice partnership agreement to show that the assignment has taken place, reflect the new percentage interests owned in Sequoia Choice, and to

show that Wade's interest in the partnership has been converted from that of a general partner to that of a limited partner.

7.2.3 **Affidavit of Disclosure**. Intentionally omitted.

7.2.4 **FIRPTA**. Intentionally omitted

7.2.5 **Possession**. Intentionally omitted.

7.2.6 **Affidavit of Disclosure**. Intentionally omitted.

7.2.7 **Special Assessments, Interest and Penalties**. Intentionally omitted.

7.2.8 **Closing Costs.** WCDA shall wire transfer to Escrow Agent all funds necessary to pay WCDA's share of the closing costs as shall be set forth in the closing settlement statement to be provided by Escrow Agent.

7.2.9 **Other**. WCDA will execute and deliver such other items as may be reasonably required by Escrow Agent, e.g., the Settlement Statement.

8 **Non-Performance**. See Section 34 below.

9 **Termination**. Intentionally omitted.

10 **Sunshine Mountain's Representations, Warranties and Additional Covenants**. Sunshine Mountain and Flake hereby represent, warrant and covenant (with the understanding that WCDA is relying on said representations, warranties and covenants) that:

10.1 **No Claims**. Neither Flake nor Sunshine Mountain is aware of (i) any claims, actions, suits, condemnation actions, or other proceedings pending or, threatened by any entity, (ii) any approvals, permits, easements, rights-of-way, zoning changes, uses or rights that have been denied or to the knowledge of Sunshine Mountain may be denied, by any governmental department or agency, or (iii) any violations of any law, statute, government regulation or requirement, that in any manner or to any extent may materially and adversely affect the WCDA Property.

10.2 **No New Encumbrances**. Sunshine Mountain shall not sell, convey, assign, lease or otherwise transfer all or any part of its interest in the WCDA Property, or cause any new liability, lien, easement, encumbrance, right of way or obligation to be placed or imposed upon all or any part of its interest in the WCDA Property from the date hereof until Close of Escrow and recordation of the Deed from Sunshine Mountain to WCDA, unless approved by WCDA.

10.3 **Accuracy of Information**. All written information, schedules and documents, if any, delivered by or for Flake or Sunshine Mountain to WCDA are, to the best of their knowledge and information, complete, true and accurate.

10.4 **No Other Rights to the WCDA Property**. There exist no agreements of sale, leases, occupancy agreements, rights of first refusal, options to purchase, maintenance agreements or similar documents in any manner pertaining to the WCDA Property other than those, if any, that have been disclosed to or acknowledged by WCDA in writing.

10.5 **Ownership & Authority**. Sunshine Mountain is the owner of fee simple title in and to the WCDA Property (subject to any matters that are or shall be reflected in the WCDA Title Report) and has full power and authority to enter into and perform this Agreement in accordance with its terms. Notwithstanding the foregoing sentence, the parties each understand that WCDA will be relying on the WCDA Title Report and Title Insurance in connection with the condition of title to the WCDA Property and not on the foregoing sentence.

10.6 **Signing Authority**. The individual(s) executing this Agreement on behalf of Sunshine Mountain are authorized to do so and, upon executing and delivering this Agreement, this Agreement shall be binding and enforceable upon Sunshine Mountain in accordance with its terms.

10.7 **Limitation of Warranties & Information**. Sunshine Mountain and its general partner are intimately familiar with the overall condition of Sequoia Choice, and Flake has been and is now involved in the day-to-day management and ongoing operations of Sequoia Choice and Flake and sunshine Mountain have much more knowledge concerning the affairs of Sequoia Choice than WCDA and/or Wade; and, because of Sunshine Mountains' familiarity with Sequoia Choice, WCDA and Wade shall be absolved from disclosing any information that they may have regarding Sequoia Choice and its operations and affairs even if it is information that should normally be disclosed in connection with a sale of an interest in a partnership. Flake and Sunshine Mountain represent and warrant that Sunshine Mountain is relying solely on the familiarity and knowledge of Flake and Sunshine Mountain with respect to Sequoia Choice's financial condition, operations, affairs, standing as a charter school, student body and enrollment, assets, liabilities and all other pertinent legal and business matters related to Sequoia Choice and the acquisition of the interests to be assigned by WCDA and Wade to Sunshine Mountain. Except for the representations and warranties by Wade and WCDA expressly contained in Section 11 below, Sunshine Mountain accepts WCDA's Assigned Interest and Wade's Assigned Interest without warranty of any kind, express or implied, concerning the legal and/or financial conditions of Sequoia Choice or of its fitness for any particular purpose.

10.8 **Hazardous Substances**. Flake and Sunshine Mountain are not aware of any generation, location, transportation, storage, treatment, discharge, disposal, or release of any "**Pollution**" (as that term is defined in A.R.S. Section 49-201(23)) upon or under the WCDA Property subject to regulation under the Resource Conservation and Recovery Act (as amended by the Hazardous and Solid Waste Amendments of 1984), the Comprehensive Environmental Response, Compensation and Liability Act (as amended by the Superfund Amendments and Reauthorization Act of 1986), or any other applicable State or Federal environmental protection law or regulation, in a manner and amount that would be in violation of any such law.

Sunshine Mountain agrees that all of the foregoing representations and warranties are true and correct in all material respects on the date hereof, and will be true and correct in all material respects as of the date of Close of Escrow. Sunshine Mountain, however, has not necessarily investigated or inquired or attempted to obtain knowledge concerning any of the foregoing representations and/or warranties that are expressly limited to Sunshine Mountain's knowledge, or to the best of Sunshine Mountain's knowledge (and/or information).

11 **WCDA's and Wade's Representations, Warranties and Additional Covenants**. Wade and WCDA hereby represent, warrant and covenant (with the understanding that Sunshine Mountain is relying on said representations, warranties and covenants) that:

11.1 **No Claims**. WCDA and Wade are not aware of (i) any claims, actions, suits, condemnation actions, or other proceedings pending or threatened by any entity or by any governmental department or agency, or (ii) any violations of any law, statute, government regulation or requirement, that in any manner or to any extent may materially and adversely affect the validity and effectiveness of WCDA's Assigned Interest and/or Wade's Assigned Interest.

11.2 **No Encumbrances**. Neither WCDA nor Wade have sold, conveyed, assigned, hypothecated, or otherwise transferred all or any part of WCDA's Assigned Interest and/or Wade's Assigned Interest, respectively, or caused any new liability, lien, easement, encumbrance, or obligation to be placed or imposed upon all or any part of said interests.

11.3 **No New Encumbrances**. Neither WCDA nor Wade shall sell, convey, assign, hypothecate, or otherwise transfer all or any part of WCDA's Assigned Interest and/or Wade's Assigned Interest, respectively, nor cause any new liability, lien, hypothecation, encumbrance, or obligation to be placed or imposed upon all or any part of said interests from the date hereof until Close of Escrow, unless approved by Sunshine Mountain.

11.4 **Accuracy of Information**. Intentionally omitted.

11.5 **No Other Rights to the Sunshine Mountain Property**. There exist no agreements of sale, rights of first refusal, options to purchase, or similar documents in any manner pertaining to WCDA's Assigned Interest nor to Wade's Assigned Interest other than those, if any, that have been disclosed to or acknowledged by Sunshine Mountain in writing or as may be contained in the Sequoia Choice partnership agreement. Such rights, if any, contained in the Sequoia Choice partnership agreement shall be waived as set forth below in the Approval being signed by Sequoia Choice.

11.6 **Ownership & Authority**. WCDA is the owner of WCDA's Assigned Interest and Wade is the owner of Wade's Assigned Interest, and WCDA and Wade shall have full power and authority to enter into and perform this Agreement in accordance with its terms.

11.7 **Signing Authority**. The individual(s) executing this Agreement on behalf of WCDA are authorized to do so and, upon executing and delivering this Agreement, this Agreement shall be binding and enforceable upon WCDA in accordance with its terms.

11.8 **AS IS**. WCDA shall rely solely upon its own investigation of the WCDA Property and accepts the physical condition of the WCDA Property in its "As Is" condition, and without warranty of any kind, express or implied, concerning the physical condition of the WCDA Property or of its fitness for any particular purpose.

WCDA and Wade, as applicable, agree that all of the foregoing representations and warranties are true and correct in all material respects on the date hereof, and will be true and correct in all material respects as of the date of Close of Escrow. WCDA and Wade, as applicable, however, have not necessarily investigated or inquired or attempted to obtain knowledge concerning the foregoing representations and/or warranties that are limited to WCDA's and/or Wade's knowledge, or to the best of WCDA's and/or Wade's knowledge (and/or information).

12 **Survey**. Intentionally Omitted

13 **Notices**. Any and all notices required or permitted by this Agreement shall be given in writing and delivered by one of the following: (a) registered or certified mail, return receipt requested, postage prepaid, or by FedEx or other similar reputable overnight courier (either method hereinafter referred to as "**Mail**"), or (b) personal delivery. The following information shall be used with respect to the delivery of any and all notices:

To Sunshine Mountain and/or Flake:

Sunshine Mountain, LLLP
Attention: Donald O. Flake
P.O. Box 2618
2486 Bald Eagle Point
Lakeside, Arizona 85929
Telephone (for convenience only): (480) 861-4384
E-Mail Address (for convenience only): don.flake@gmail.com

With Copy To: _____
_____
_____

To WCDA and/or Wade:

WCDA, LLLP
Attention: David G. Wade
535 N. Cherry
Mesa, AZ 85201
Telephone (for convenience only): (602) 315-6855
E-Mail Address (for convenience only): dgwade@gmail.com

With Copy To: _____
_____
_____

To Escrow Agent: First American Title, Inc.
Attention: Natalie Henning
81 South Main Street
Heber City, UT 84032
Telephone (for convenience only): (435) 654-1414
Telecopy No. (for convenience only): (480) 924-2025
E-Mail Address (for convenience only): nhenning@firstam.com

Copy to Scrivener: Roger L. Heywood
Heywood Law Firm
25441 S. Tangelo Ave.
Queen Creek, AZ 85142
Telephone: (for convenience only): (480) 807-8700
E-Mail Address: (for convenience only): rh@heywoodlaw.com

or at any other address designated in writing by any party to the other parties. ***The foregoing e-mail addresses and telecopier numbers are for convenience only and e-mail messages and facsimile transmissions shall not constitute notice hereunder*** (unless

expressly accepted by the other party as notice); however, the parties may provide Escrow Agent with instructions and documents that will not be recorded by E-mail or Facsimile transmission. For purposes of determining the running of time periods and compliance of a party ***delivering or sending any notice to another party by hand delivery or by Mail***, any such notice or communication shall be deemed to have been delivered and given as of the date of delivery if hand delivered, or as of the date of mailing if delivered by Mail, properly addressed. For purposes of determining the running of time periods and compliance of a party ***receiving any notice from another party by hand delivery or by Mail***, any such notice or communication shall be deemed to have been delivered, given, and received as of the date of delivery if hand delivered, or as of three (3) business days after the date of mailing if delivered by Mail, properly addressed. Copies of all notices or communications to any of the parties hereto shall be hand delivered, or mailed, or transmitted by telecopier or e-mail to Escrow Agent, and copies of all notices by any of the parties hereto shall be hand delivered or mailed, in the manner specified above, to the other party, with copies as provided for above. Escrow Agent shall hand deliver, mail, or transmit by telecopier or e-mail, to the Scrivener specified above and to all real estate brokers, if any, involved in this transaction, copies of all notices and communications directed to any of the parties hereto. Notwithstanding the foregoing, escrow instructions may be submitted to the Escrow Agent by e-mail or facsimile transmission in addition to hand delivery or mail, and a party may, but shall not be required to, accept notice and other communications that have been transmitted by e-mail or facsimile transmission.

14 **Brokers**. Each party represents that there are no real estate and/or any other broker commissions payable in connection with this transaction. Sunshine Mountain, WCDA, Flake, and Wade all mutually agree to defend, indemnify and hold each other harmless of and from any real estate and/or any other broker commissions that may be asserted to be payable as a result of any action or inaction of Sunshine Mountain, WCDA, Flake, or Wade, respectively in connection with this transaction.

15 **Risk of Loss - WCDA Property**. The risk of loss or damage to the WCDA Property and all liability to third persons until the Close of Escrow shall be borne by Sunshine Mountain and subsequent to the Close of Escrow shall be borne by WCDA. If prior to Close of Escrow, the WCDA Property or any portion thereof is substantially damaged as a result of fire or other casualty and Sunshine Mountain elects not to entirely restore the WCDA Property by the date scheduled for the Close of Escrow, WCDA shall have the option to:

15.1 Accept title to the WCDA Property "As Is" and without any abatement in the exchange value or other compensation whatsoever, in which event at the Close of Escrow all of the insurance proceeds, if any, shall be assigned by Sunshine Mountain to WCDA, and any monies (if any) received by Sunshine Mountain at any time in connection with such casualty shall be paid over to WCDA; or

15.2 Cancel this Agreement, and neither party shall have any further liability or obligation to the other, except that any and all indemnity obligations, if any, of the parties hereto that are applicable as provided for herein and any other obligations that expressly survive cancellation, termination or assignment of this Agreement, shall survive such cancellation and shall continue in full force and effect.

16 **Condemnation - WCDA Property**. If, prior to the date scheduled for the Close of Escrow, Sunshine Mountain obtains knowledge that any legal action has been or is threatened to be initiated by any governmental authority for the taking of any part of the WCDA Property under the power of eminent domain, Sunshine Mountain shall promptly give WCDA written notice thereof and WCDA shall have the option to:

16.1 Accept title to the remaining portion of the WCDA Property without any abatement of the exchange value whatsoever, in which event at the Close of Escrow all awards or payments made by the condemning authority for the Property (but not for any adjoining property) shall be assigned by Sunshine Mountain to WCDA, and any such awards or payments received by Sunshine Mountain at any time in connection with such condemnation shall be paid over to WCDA; or

16.2 Cancel this Agreement, and neither party shall have any further liability or obligation to the other, except that WCDA's indemnity obligation, if any, and any other obligations that expressly survive cancellation, termination or assignment of this Agreement, shall survive such cancellation and shall continue in full force and effect

17 **Time of the Essence**. Time is of the essence of this Agreement, and Sunshine Mountain, WCDA, Flake, and Wade hereby agree to perform each and every obligation hereunder in a prompt and timely manner; provided, however, that if the date for the performance of any action or the giving of any notice which is required hereunder, occurs on a Saturday, a Sunday or a legal holiday under Utah laws or United States laws applicable in the State of Utah, the date for performance or giving of notice shall be the next succeeding business day.

18 **Severability**. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or unenforceable, such provision shall be ineffective to the extent of such unenforceability or invalidation which shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

19 **Waiver**. The waiver by either party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted herein, nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

20 **Legal Fees**. In the event it becomes necessary for WCDA, Sunshine Mountain, Flake, and/or Wade to employ legal counsel or to bring action at law or other

proceeding to enforce any of the terms, covenants or conditions of this Agreement, the prevailing party(ies) in any such action or proceeding shall be entitled to recover their costs and expenses incurred, including its reasonable attorney's fees, from the non-prevailing party(ies), including appeals.

21 **Amendments**. This Agreement may be amended only by a written document signed by each of the parties hereto.

22 **Further Performance**. Each party shall, whenever and as often as it shall be requested by the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and documents, including supplemental Escrow instructions, as may be reasonably necessary and appropriate in order to complete the exchanges, conveyances and transfers herein provided and to do any and all things as may be reasonably requested in order to carry out the intent and purpose of this Agreement, including, without limitation, any documents that may be reasonably necessary after Closing to show that the respective properties and interests are properly vested as contemplated herein. The provisions of this Section 22 shall survive Closing.

23 **Counterparts**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

24 **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, devisees, personal and legal representatives, successors and permitted assigns.

25 **Headings and Construction**. The headings set forth in this Agreement are inserted only for convenience and are not in any way to be construed as part of this Agreement or a limitation on the scope of the particular section or paragraph to which it refers.

26 **Exhibits**. All Exhibits referenced herein and/or attached hereto are incorporated herein and made a part hereof by this reference.

27 **Indemnification and Liabilities**. Intentionally omitted.

28 **Non-Foreign Person - Sunshine Mountain**. Sunshine Mountain represents and warrants that it is not a "**Foreign Person**", as that term is defined in Section 1445 of the Internal Revenue Code, as amended (the "**Code**"). Prior to Close of Escrow, Sunshine Mountain shall furnish to WCDA and Escrow Agent Sunshine Mountain's United States taxpayer identification number and such affidavit and other information as WCDA and Escrow Agent may determine to be necessary or reasonable under Section 1445(b)(2) of the Code, or otherwise, to assure that WCDA shall not be subject to United States federal income tax withholding liability under Section 1445

of the Code. Sunshine Mountain shall in any event indemnify and hold harmless WCDA from and against any such cost, loss or liability that WCDA may incur under said Section 1445 of the Code.

29 **Tax Reporting**. Escrow Agent, as the party responsible for closing the transaction contemplated hereby within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the "**Code**"), shall file all necessary information, reports, returns and statements (collectively, "**Tax Reports**") regarding this transaction as required by the Code, including, without limitation, the Tax Reports required pursuant to Section 6045 of the Code. Escrow Agent further agrees to indemnify and hold Flake,Sunshine Mountain, Wade and WCDA, and their respective attorneys and brokers, harmless from and against all claim costs, liabilities, penalties, or expenses resulting from Escrow Agent's failure to file the Tax Reports which Escrow Agent is required to file pursuant to this Section 32.

30 **Notice and Right to Cure**. Each Party shall be entitled to written notice of any default or breach of any covenant and shall have ten (10) days from the receipt of such notice to cure such default or breach prior to the exercise of any remedy provided herein or at law or equity. WCDA and Wade agree to allow Sunshine Mountain and Flake to cure any default within the default cure period; and Sunshine Mountain and Flake agree to allow WCDA and Wade to cure any default within the default cure period. This Section shall not apply with respect to items that are deemed to have been approved if either party fails to object within the time prescribed hereunder.

31 **No Assignment**. Neither party shall have the right to assign this Agreement to any other person or entity.

32 **Recitals are Covenants**. The foregoing recitals are part of the Agreement, are not recitals only, and all of the recitals constitute covenants and representations from and to the respective parties.

Signatures on following page(s)

00028990.WPD

IN WITNESS WHEREOF, Sunshine Mountain and WCDA have executed this Agreement to be effective as of the date set forth on the first page of this Agreement.

Sunshine Mountain, LLLP, an
Arizona limited liability limited partnership

By _____
Donald O. Flake
Its: General Partner

_____
Donald O. Flake,
In his capacity as an individual

WCDA LLLP, an
Arizona limited liability limited partnership

By _____
David G. Wade
Its: General Partner

_____
David G. Wade,
In his capacity as an individual

Approval of Sequoia Choice School LLLP

Sequoia Choice School LLLP, an Arizona limited liability limited partnership (the "**School**"), and its general partners by signing below hereby approve of the transaction described above under which certain interests in the School will be assigned by WCDA LLP and David G. Wade to Sunshine Mountain and pursuant to which David G. Wade's general partnership interest will be converted to that of a limited partnership interest. All rights, if any, including, without limitation, any rights of first refusal or options, that the partnership has or may have to acquire the interests of WCDA or Wade are hereby waived. Further, by signing below as general partners, the general partners waive any right that either may have to acquire any of the partnership interests to be assigned pursuant to the foregoing agreement.

Sequoia Choice School LLLP,
an Arizona limited liability limited partnership

By _____
Donald O. Flake
Its: General Partner

By _____
David G. Wade,
Its: General Partner

ESCROW AGENT:

The Agreement and Escrow are accepted and Escrow is or was opened on May, _____ , 2012.

First American Title Insurance, LLC

By: _____
Natalie Henning
Its: _____

List of Exhibits

Exhibit A	C,E	Legal Description - WCDA Property
Exhibit B	7.1.1	Special Warranty Deed (from Sunshine Mountain to WCDA)
Exhibit C	7.1.7	Assignment of Water Rights (from S.M. to WCDA)
Exhibit D	7.1.9	Water Deed (from Sunshine Mountain to WCDA)
Exhibit E	7.2.1	WCDA's Assigned Interest in Sequoia Choice to S.M.
Exhibit F	7.2.2	Wade's Assigned Interest in Sequoia Choice to S.M.

Exhibit A
Legal Description
WCDA Property

Exhibit B
Special Warranty Deed
(from Sunshine Mountain to WCDA)

Exhibit C
Assignment of Water Rights
(from Sunshine Mountain to WCDA)

Exhibit D
Water Deed
(from Sunshine Mountain to WCDA)

Exhibit E
Assignment of Partnership Interest
(WCDA to Sunshine Mountain)

Exhibit F
Assignment of Partnership Interest
(Wade to Sunshine Mountain)

ADMINISTRATIVE, AND TECHNOLOGY
SERVICES AGREEMENT

This Administrative, and Technology Services Agreement (the "*Agreement*") is made and entered into effective as of the 1st day of July, 2011 (the "*Effective Date*") by and between **Sequoia Choice Schools, LLLP**, an Arizona limited liability limited partnership ("*Sequoia Choice*") and **Edkey Management, Inc.**, an Arizona corporation ("*Edkey Management*").

RECITALS

A. The Arizona State Board for Charter Schools ("*Charter Board*") granted Sequoia Choice authority to operate charter schools subject to the terms its charter school contract (the "*Charter*").

B. Sequoia Choice and operates schools (the "*Schools*") for students in kindergarten through grade twelve, which Edkey Management will manage and operate, subject to the terms herein.

C. Sequoia Choice will create a Governing Board for the Schools (the "*Governing Board*"), which will advise Sequoia Choice on policy issues, and oversee the provision of services by Edkey Management. The Governing Board will fulfill legal requirements pursuant to A.R.S. § 15-183 E.8.

D. The parties endeavor to operate the Schools in compliance with the Charter; the Arizona Constitution, the Arizona Education Code ("*AEC*"), the Arizona Administrative Code, the Arizona Government Code, the Arizona Local Government Code, the Elementary and Secondary Education Act ("*ESEA*"), the Individuals with Disabilities in Education Act, the Family Educational and Privacy Rights Act ("*FERPA*"); other applicable federal, state, or local statutes, ordinances, and regulations; any amendments to or recodification of the aforementioned laws; implementing regulations of such laws; executive orders; common law; and other guidelines, policy statements, and rulings applicable to Arizona public charter schools (collectively, "*Applicable Law*"), all as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements below, and the Recitals set forth above, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as set forth below.

ARTICLE I
STATUS AND NATURE OF PROGRAM TO BE OFFERED

1.01 Duties and Responsibilities of Sequoia Choice and the Governing Board.

(a) Schools Policies. The Governing Board and Sequoia Choice will oversee the operation and management of the Schools by Edkey Management. The Governing Board will timely consider and approve or disapprove various policies as drafted and recommended by Edkey Management, in its provision of the services set forth in Article II, and Edkey Management will implement all such approved policies relating to the Schools, such that the policies and their implementation are in compliance with Applicable Law. If Edkey Management makes a policy recommendation to the Governing Board, and does not receive a response within 30 days, then Edkey Management shall not implement such policy recommendation, and is entitled to proceed as if the Governing Board had disapproved the policy request.

(b) Compliance with Applicable Law. Sequoia Choice will perform its obligations under this Agreement in a manner consistent with the requirements of Applicable Law. Without limiting the

generality of the foregoing, Sequoia Choice will maintain the confidentiality of personnel, student and other records in accordance with the requirements of Applicable Law.

(c) Governing Board. Sequoia Choice shall provide the names of the Governing Board members to Edkey Management. Sequoia Choice will immediately advise Edkey Management if and when any members leave, or are added to, the Governing Board.

(d) Meetings of Governing Board. Within 10 days after each regular or special meeting of the Governing Board or a committee thereof, the recording secretary shall provide Edkey Management with a copy of the minutes of such meeting.

(e) Notice of Meetings. At least 2 days prior to each meeting of the Governing Board, the chair of the Governing Board, if there is one, or if not, the recording secretary, shall provide Edkey Management with a copy of the notice for such meeting.

ARTICLE II
SERVICES

2.01 Special Education Services. Edkey Management will provide or cause to be provided to the Schools the following services with respect special education programs (the "*Special Education Services*"):

(a) Advisory Services. Advisory services regarding special education programs, processes, and reimbursements;

(b) Drafting. Drafting of forms, manuals, handbooks, and policies and procedures, as necessary;

(c) State Reporting. Consultation, monitoring, and oversight of state reporting systems; and

(d) Additional Special Education Services. Any other services necessary for the provision of teaching and learning for special education students enrolled in the Schools, as agreed to from time to time in writing between the parties.

2.02 Use of Facilities. If Edkey Management desires to lease facilities or offices to or from Sequoia Choice, the parties will negotiate and enter into a separate lease agreement on mutually agreeable terms and rates.

2.03 Transportation Services. Transportation services as the parties may agree, at an additional charge.

2.04 Food Services. Food services to the Schools, as the parties may agree, at an additional charge.

2.05 Administrative Services. Edkey Management will provide or cause to be provided to the Schools the following administrative services ("*Administrative Services*"):

(a) Human Resources Management. Management of human resources and payroll services with respect to for School employees, including the following:

(i) Payroll management;

(ii) Job posting;

(iii) Obtaining bids for benefits;

(iv) Data entry; and

(v) Consultation, monitoring, and oversight of state reporting systems regarding Charter School employees.

(b) Facility Management. Assistance with facility management, as reasonably requested;

(c) Business Administration. Administration of business operations of the Schools. These services shall include but not be limited to:

(i) Consulting and liaison services with the Governing Board, Sequoia Choice, the Arizona Department of Education, and other applicable governmental offices and agencies;

(ii) Drafting of forms, manuals, handbooks, and policies and procedures, as necessary;

(iii) Consultation, monitoring, and oversight of state reporting systems;

(iv) Assistance in applying for grants for the Schools; and

(v) Other administrative and consulting services as reasonably necessary to operate the Schools and as mutually agreed by the parties.

(d) Budget Preparation, Adoption, and Amendments. Edkey Management acknowledges Sequoia Choice's fiduciary duty to the State of Arizona to oversee and account for all state funds that are made available to the Schools.

Edkey Management will assist in the preparation of a detailed, proposed annual budget compliant with Arizona state requirements. Sequoia Choice and the Governing Board shall review the proposed budget and make changes as mutually agreed. Sequoia Choice will adopt an annual budget ("*Budget*") as required by Applicable Law. Edkey Management will cooperate with Sequoia Choice to provide the information necessary to reconcile and convert the actual Budget into the format required by the State of Arizona.

(e) Financial Reporting. Provision to Sequoia Choice of the following:

(i) Detailed statements of all revenues received, from whatever source, with respect to the Schools and detailed statements of all direct expenditures for services rendered to or on behalf of the Schools, whether incurred on-site or off-site, on a quarterly basis;

(ii) Reports on the finances of the Schools upon the request of the Governing Board, or as required by Applicable Law; and

(iii) Other information on a periodic basis as reasonably necessary and appropriate to enable Sequoia Choice to monitor the performance of the Schools under this and related agreements, including the effectiveness and efficiency of its operation.

(f) Legal. Legal review and advice to the Edkey Management personnel providing services to the Schools, as needed and in conjunction with Sequoia Choice's counsel.

(g) Maintenance of Financial and Student Records.

(i) Edkey Management will maintain accurate financial records pertaining to its operation of the Schools and retain all such records for a period of seven years (or longer, if required by Applicable Law) from the close of the fiscal year to which such books, accounts, and records relate.

(ii) Edkey Management will maintain the Student Accountability Information System (SAIS) reporting software as required by the Arizona Department of Education, to accommodate grades K-12 and all student records pertaining to students enrolled at the Schools as is required and in the manner provided by Applicable Law and in a form required for submission to the State of Arizona. Edkey Management shall retain such records on behalf of the Schools until this Agreement is terminated, at which time such records will be retained by and become the sole responsibility of Sequoia Choice. Edkey Management will maintain the proper confidentiality of personnel, students, and other records as required by Applicable Law.

(h) Charter Board Policies. Provide assistance to the Schools in complying with all applicable Charter Board, Governing Board and Sequoia Choice policies as reasonably interpreted to apply to the Schools. Edkey Management will assist with the enforcement of the rules, regulations, and procedures adopted for the Schools in a manner that does not conflict with Governing Board policies, this Agreement, or Applicable Law.

(i) Policies Regarding the Use of Instructional Equipment. Propose policies and procedures regarding the responsible use of computer equipment and other instructional equipment. The Governing Board shall adopt or modify those policies in its discretion consistent with its obligations under this Agreement.

(j) Nondiscrimination Requirements. Assistance with compliance with all general and specific nondiscrimination requirements imposed by Applicable Law or Sequoia Choice or the Schools policies; and

(k) Additional Administrative Services. Any other services reasonably necessary or expedient for the effective administration of the Schools, as the parties may mutually agree.

2.06 Technology Services. Edkey Management will provide or cause to be provided to the Schools the following technology services ("*Technology Services*"):

(a) Integrate technology and data systems as required;

(b) Monitor and analyze data, as necessary;

(c) Train school staff, and parents and students, as deemed appropriate and necessary on technology systems;

(d) Assist in the development, design, publication, and maintenance of School specific interactive web sites;

(e) Maintain the Schools internal computer and telephone network;

(f) Assist in developing community and interactive tools on the School specific web sites;

(g) Assist with determining configurations (including hardware, software, and operating systems) for the Schools technology needs;

(h) Support the Schools administration in troubleshooting system errors; and

(i) Provide other technology support services requested and mutually agreed upon by Sequoia Choice and Edkey Management.

2.07 Standards of Edkey Management Performance.

(a) Confidentiality of Records; FERPA Compliance. Edkey Management will maintain the confidentiality of personnel, student and other records in accordance with the requirements of Applicable Law. Pursuant to the Family Educational Rights Privacy Act (20 U.S.C. 1232g *et seq.*), any personally identifiable information about any student that is disclosed to Edkey Management or Sequoia Choice pursuant to this Agreement, shall be used solely for the stated purposes of the disclosure to fulfill obligations under this Agreement and shall not be redisclosed to any other party without the prior written consent of the student's parent (or of the student if he/she is age 18 or older).

(b) Licensure or Other AEC Requirements. Except as otherwise provided in this Agreement or in the Charter, all personnel performing Administrative Services on behalf of the Schools must comply with all applicable licensure or other requirements of Applicable Law applicable to persons who perform such services.

2.08 Place of Performance, Provision of Offices. Edkey Management will maintain and keep the records and books of the Schools. Edkey Management may maintain electronic or paper copies of records and provide other services elsewhere, unless prohibited by Applicable Law. Edkey Management recognizes and agrees that, for purposes of the Family Educational Rights and Privacy Act, the Individuals with Disabilities Education Act, the Arizona Open Meetings Law, and the Arizona Open Records Law, administrative officials of both the Schools and Sequoia Choice are school officials with legitimate educational interests for purposes of disclosure of student records maintained by Edkey Management as to the Schools students. The Schools and Sequoia Choice recognize and agree that, for purposes of the Family Educational Rights and Privacy Act, the Individuals with Disabilities Education Act, the Arizona Open Meetings Law, and the Arizona Open Records Law, employees of Edkey Management are school officials with legitimate educational interests for purposes of disclosure of student records maintained by Edkey Management as to the Schools students.

ARTICLE III
TERM

3.01 Term. Unless terminated earlier pursuant to Article VII, the Term of this Agreement and the obligations of the parties hereunder ("*Term*") shall commence on the Effective Date and shall continue in effect for one year until June 30, 2012 (the "*Initial Term*"). Following the expiration of the Initial Term, this Agreement shall be automatically renewed for up to four successive one year renewal terms (each a "*Renewal Term*"), unless either party notifies the other party in writing of its desire not to renew no later than six months prior to the expiration of the Initial Term or any Renewal Term, as applicable, whereupon this Agreement shall terminate at the end of the Initial Term or Renewal Term during which such notice was given. At least 30 days prior to the commencement of any Renewal Term, the parties shall enter into an updated or amended Agreement, which updates and/or amendments may include changes to compensation or services provided.

3.02 Material Change. Either party, after giving the other party 30 days notification can initiate discussions that may result in an update or amendment to this Agreement if a material change with either party occurs.

ARTICLE IV
RELATIONSHIP OF THE PARTIES

4.01 Status of the Parties. Edkey Management is an independent corporation and is not a division of, or any part of, Sequoia Choice or the Governing Board. Sequoia Choice and the Governing Board are authorized under Applicable Law and are not a division of, or a part of, Edkey Management. The relationship between the parties was developed and entered into through arms-length negotiations and is based solely on the terms of this Agreement and those of any other agreements that may be created in the future from time to time between the parties.

4.02 Independent Contractor Status. Edkey Management shall operate as an independent contractor and shall be responsible for delivering the services required by this Agreement. Nothing herein will be construed to create a partnership or joint venture by or among the Governing Board and Sequoia Choice on the one hand, and Edkey Management on the other. The parties' relationship is that of independent contractors, and neither side shall be the agent of another. Sequoia Choice shall in no case represent to third parties, and shall whenever needed disclaim to such parties, any ability to bind Edkey Management or any of Edkey Management's Affiliates to any duty other than duties imposed by this Agreement. Likewise, Edkey Management shall in no case represent to third parties, and shall whenever needed disclaim to such parties, any ability to bind Sequoia Choice to any duty imposed by contract, other than this Agreement. All personnel performing Administrative Services for Edkey Management and Sequoia Choice shall comply with all applicable licensure or other requirements of Applicable Law, and shall be entitled to all perquisites provided thereby, except as otherwise provided in this Agreement.

4.03 No Related Parties or Common Control. Edkey Management will not have any role or relationship with Sequoia Choice or the Governing Board that, in effect, substantially limits their ability to exercise their rights, including cancellation rights, under this Agreement. None of the voting power or control of Sequoia Choice or the Governing Board will be vested in Edkey Management or any of its Affiliates, and none of the voting power or control of the board of directors or shareholders of Edkey Management will be vested in Sequoia Choice or its Affiliates.

4.04 Definitions. For purposes of this Agreement, an "*Affiliate*" of a party means: (i) a person or entity directly or indirectly (through one or more intermediaries) controlling, controlled by, or under common control with, that party; (ii) a person or entity owning, or owned by, or under common ownership with a party; or (iii) an officer, director, partner, manager, employee, or member, of a party, or a member of the immediate family of, an officer, director, partner, manager, employee, or member of, a party. "*Control*" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities or beneficial interests, by contract, or otherwise. "*Ownership*" means ownership of 10% or more of the outstanding voting securities or beneficial interests of an entity.

ARTICLE V
PAYMENTS

5.01 Schools Gross Revenues. State equalization per-pupil dollars and other revenues (but not tax credit contributions, grants, Proposition 301 funds, or Proposition 202 funds, as discussed in Section 5.02 below) generated as a result of the Schools operations shall comprise the Schools Gross Revenues

("*Gross Revenues*"). One hundred percent (100%) of the Schools Gross Revenues shall flow first into a designated account established by Sequoia Choice solely for the operation of the Schools (the "*Account*").

5.02 Checks, Payments. The Governing Board shall approve Resolutions authorizing only certain employees of the Schools, as set forth on Exhibit A (the "*Authorized Signatories*"), to draw upon funds, or write checks out of the Account. Sequoia Choice shall ensure that Authorized Signatories are available, as and when reasonably requested by Edkey Management, to sign checks or authorize transfers from or drawn on the Account. Edkey Management shall, on a weekly basis, or more often as needed, prepare checks or on-line transfers or payments for execution or approval by the Authorized Signatories, all of which checks or on-line transfers or payments shall be made for the direct benefit of the Schools, and shall be consistent with the Budget, Applicable Law, and the rights and obligations of the parties hereunder.

5.03 Administration Fee. From the Gross Revenues, Edkey Management shall receive an administration fee of $49,631.23 per month (the "*Administration Fee*"), payable in advance out of the Account, on or before the first day of each month during the Term. The Administration Fee is intended to cover Edkey Management's overhead and administrative costs of providing the services required herein, and shall not be used to pay any third parties for goods or services hereunder. The Administration Fee is comprised of 3 components: (a) $36,867.56 for "*District Administration*;" (b) $8,514.62 for Technology Services; and (c) $4,249.05 for Special Education Services. At the end of each fiscal year of Sequoia Choice, the parties shall adjust the District Administration component of the Administration Fee for the fiscal year just ended based on the concept that the Administration Fee shall be equal to 8% of annual Gross Revenues. Any underpayments or overpayments of the District Administration portion of the Administration Fee shall be made within 90 days after the applicable fiscal year end. The Technology Services and Special Education Services components of the Administration Fee will be determined for any future years at the time when that year's Budget is adopted.

5.04 Sequoia Choice Expenses. Sequoia Choice shall pay out of the Account, all of the costs and expenses associated with operating the Schools, consistent with the Budget, Applicable Law, and the obligations of the parties hereunder. Sequoia Choice's payments may include direct payments made to third party providers of Special Education Services and Technology Services as the parties may agree, as well as payments to third-party vendors and contractors, such as computer, printer, software, service providers, and school-supply vendors, and all rents or leases entered into for operation of the Schools.

5.05 Overpayments. If the State of Arizona or any of its subdivisions, subsequently determines in a final, non-appealable decision that there has been an overpayment of tuition funds during the time this Agreement was effective, or in the event the State overpays for the Schools and funds must be repaid to the State, Edkey Management shall repay to Sequoia Choice its pro-rata share (based on the relationship of the Administration Fee received by Edkey Management to the Gross Revenues) of any funds over paid by the State on the same terms and conditions as Sequoia Choice is required to repay funds to the State.

5.06 FMV Compensation. The parties agree that the amounts allocated above in this Article V are reasonable, necessary, and fair-market value compensation for services rendered.

5.07 Other Revenue Sources.

(a) All state tax credit contributions, grants, Proposition 301 funds, and Proposition 202 funds contributed to the Schools will flow directly to the Account, shall not be included in Gross Revenues, and shall be used solely for the benefit of the Schools.

(b) This Agreement does not affect Sequoia Choice procurement and use of any other grants or contributions provided for the current operation or future expansion of Sequoia Choice. Likewise, nothing in this Article V will be construed to prohibit the parties to this Agreement from soliciting funds or grants solely for their own general corporate purposes and using such funds or grants solely for such purposes.

(c) The parties also agree that they may jointly prepare grant proposals to benefit the Schools, Sequoia Choice, and Edkey Management, with the proceeds to be divided as mutually agreed upon and as appropriate under Applicable Law and the terms and conditions of each individual grant.

ARTICLE VI
PERSONNEL AND TRAINING

6.01 Administrative Personnel Responsibility. All personnel who provide services to the Schools on behalf of Edkey Management pursuant to this Agreement ("*Personnel*"), shall be employed or contracted, and paid, by Edkey Management. Subject to the oversight of Sequoia Choice and the Governing Board, Edkey Management will have the authority to determine staffing levels, and to evaluate, assign, discipline, supervise and manage all Personnel necessary to carry out the Administrative Services, the Technology Services, and all other programs and services required under this Agreement.

6.02 Background Checks. Edkey Management will be responsible for conducting criminal background checks on the Personnel to the extent required under Applicable Law. Upon request, each party will provide the other party evidence of such background checks or evidence of application therefore, subject to any confidentiality requirements of Applicable Law.

ARTICLE VII
TERMINATION OF AGREEMENT

7.01 Events of Termination.

(a) Termination for Breach. Any party may terminate this Agreement prior to the end of the Term in the event that any other party fails to remedy a breach or non-fulfillment of any material condition, term, provision, representation, warranty, covenant, or obligation contained in this Agreement within 60 days after written notice of such breach or non-fulfillment, unless the parties mutually agree that breach or non-fulfillment is curable, but cannot be reasonably cured within 60 days, in which case the breaching party shall promptly undertake and continue efforts to cure said material breach within a reasonable time. Termination does not relieve either party of any obligations for payments outstanding to the other as of the date of termination or other obligations that continue upon termination as provided in this Agreement. Termination under this subsection shall be effective immediately upon notice at the end of the 60 day cure period (or other mutually agreed cure period) in the event the breach is not cured unless earlier termination is necessary to protect the health, welfare, or safety of students.

(b) Termination by Edkey Management. Notwithstanding Section 7.01(a) and Section 7.02, Edkey Management may at its option terminate this Agreement upon a discontinuance or material reduction in per-pupil funding available from the State of Arizona during a year or below the amount for the prior fiscal year. In such a case, Edkey Management must give Sequoia Choice 30 days notice that it is terminating this Agreement, during which time Edkey Management must continue to comply with the terms of this Agreement. Termination pursuant to this subsection (b) will not relieve either party of any obligations for payments outstanding to other party as of the date of termination or other obligations that continue upon termination as provided in this Agreement.

(c) Termination by Sequoia Choice. Notwithstanding Section 7.01(a) and Section 7.02, Sequoia Choice may at its option terminate this Agreement upon the occurrence of a discontinuance or material reduction in per-pupil funding available from the State of Arizona during a year or below the amount for the prior fiscal year. In such a case, Sequoia Choice must give Edkey Management 30 days notice that it is terminating this Agreement, during which time Edkey Management must continue to comply with the terms of this Agreement. Termination pursuant to this subsection (c) will not relieve either party of any obligations for payments outstanding to the other as of the date of termination or other obligations that continue upon termination as provided in this Agreement.

7.02 Change in Applicable Law. If any Applicable Law makes the operation of the school illegal, including without limitation, revocation of the Charter, this Agreement shall be terminated immediately. If any Applicable Law (other than as covered under Sections 7.01(b) and (c)) has a materially adverse effect on the ability of any party to carry out its obligations under this Agreement or would impose significant unbudgeted costs on Sequoia Choice or Edkey Management, or if a party's costs in overseeing, managing, or participating in the Schools program exceed its revenues generated by the Schools or this Agreement, the affected party, upon written notice to the other party, may request renegotiation of this Agreement. Such renegotiation will be undertaken in good faith. If the parties are unable to renegotiate and agree upon revised terms within 90 days after such notice of renegotiation, then this Agreement shall be terminated.

ARTICLE VIII
INDEMNIFICATION

8.01 Indemnification of Sequoia Choice. Edkey Management will indemnify, defend, save and hold harmless Sequoia Choice and all of its Affiliates and its and their respective successors and permitted assigns, harmless for, from, and against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any (a) breach by Edkey Management with any agreements, covenants, warranties, or undertakings of Edkey Management contained in this Agreement, (b) violation by Edkey Management of any Applicable Law, (c) breach of the representations and warranties of Edkey Management contained in this Agreement, (d) action or omission by Edkey Management or any of its Affiliates, agents, or subcontractors that results in injury, death, or loss to person or property; and (e) other actions or omissions by Edkey Management related to the operation of the Schools that are not included in subsections (a)-(d), up to a total aggregate amount of $100,000 during the Term; all the foregoing except to the extent any claims or losses arise out of actions or omissions of Sequoia Choice or any of its Affiliates, agents, or subcontractors. Sequoia Choice agrees that it will give Edkey Management notice within 20 days of receipt of any claim under this section, or as soon as reasonably practicable.

8.02 Indemnification of Edkey Management. Sequoia Choice will indemnify, defend, save and hold harmless Edkey Management and all of its Affiliates and its and their respective successors and permitted assigns, against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any (a) breach by Sequoia Choice with any agreements, covenants, warranties, or undertakings of Sequoia Choice contained in this Agreement, (b) violation by Sequoia Choice of any Applicable Law, (c) breach of the representations and warranties of Sequoia Choice contained in this Agreement, and (d) action or omission by Sequoia Choice or any of its Affiliates, agents, or subcontractors that results in injury, death, or loss to person or property; all except to the extent any claims or losses arise out of actions or omissions of Edkey Management or any of its Affiliates, agents, or subcontractors. Edkey Management agrees that it will give Sequoia Choice notice within 20 days of any claim under this section, or as soon as reasonably practicable.

8.03 Relation to Dispute Resolution; Satisfied by Insurance. The indemnification requirements of this Article may be met by the purchase of insurance and shall survive termination or expiration of this Agreement. The parties agree to reasonably seek indemnification, if possible, through insurance coverage before seeking recovery directly from each other.

ARTICLE IX
INSURANCE

9.01 Insurance Coverage. Edkey Management will initiate and maintain general liability insurance and umbrella insurance coverage for Sequoia Choice operations in the amounts required of the Schools under Applicable Law or as otherwise ordinary and customary in the circumstances and as necessary to comply with third-party covenants for the protection of Sequoia Choice, the Schools and Edkey Management. In addition, Edkey Management will initiate and maintain directors and officers insurance coverage in the amount of at least $2,000,000 for the protection of the directors and officers of Sequoia Choice.

9.02 Workers' Compensation Insurance. Sequoia Choice and Edkey Management separately will initiate and maintain workers' compensation insurance for their respective employees working at or for the Schools, as required by Applicable Law.

9.03 Cooperation. All parties will comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

ARTICLE X
REPRESENTATIONS AND WARRANTIES

10.01 Representations and Warranties of Edkey Management. Edkey Management hereby represents and warrants to Sequoia Choice:

(a) Edkey Management is an Arizona corporation duly organized and validly existing under the laws of the State of Arizona.

(b) Edkey Management has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of Edkey Management, enforceable against Edkey Management in accordance with its terms and conditions, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

10.02 Representations and Warranties of Sequoia Choice. Sequoia Choice hereby represents and warrants to Edkey Management:

(a) Sequoia Choice is an Arizona limited liability limited partnership duly authorized, organized, validly existing, and in good standing under the laws of the State of Arizona.

(b) Sequoia Choice has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder and has approved and authorized the execution of this Agreement. This Agreement constitutes the valid and legally binding obligation of Sequoia Choice and is enforceable against Sequoia Choice in accordance with its terms and conditions, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent

conveyance, and other laws of general applicability relating to or affecting creditors' rights and by general principles of equity.

(c) To the best of Sequoia Choice's knowledge without independent investigation, Sequoia Choice represents and warrants that it has the right to use the names "Sequoia Choice," "Sequoia Choice Arizona Distance Learning," "Arizona Distance Learning," and "SCADZL" in Arizona.

10.03 Mutual Warranties. Each party to the Agreement warrants to the other that there are no pending actions, claims, suits, or proceedings, to its knowledge, threatened against it, that if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

ARTICLE XI
OWNERSHIP

11.01 Ownership of Curriculum. As between the parties, all right title and interest in and to any curriculum used by Sequoia Choice, in whatever form, developed entirely by one of the parties, and all copyright rights of ownership and use, and all goodwill associated therewith, shall be held and owned solely by the party that developed (or contracted a third party that is not a party to this Agreement to develop), such curriculum. The parties agree that the PELL (Personalized English Language Learning) system was developed by Sequoia Choice and its affiliates and is thus owned by Sequoia Choice and its affiliates. With respect to the Fast Math system and the SOURCE system, the parties agree they were jointly developed, and each party shall have the right, both during the Term and thereafter, to use, sell, modify, and otherwise exploit these systems without being required to pay or report to the other.

ARTICLE XII
MISCELLANEOUS

12.01 Force Majeure. Notwithstanding any other sections of this Agreement, no party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, terrorism, civil war, embargo, fire, flood, explosion, sabotage, accident, labor strike, or other acts beyond its reasonable control.

12.02 Governing Law. The laws of the State of Arizona without regard to its conflict of laws provisions will govern this Agreement, its construction, and the determination of any rights, duties, and remedies of the parties arising out of or relating to this Agreement.

12.03 Agreement in Entirety. This Agreement constitutes the entire agreement of the parties.

12.04 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but both of which will constitute one and the same instrument.

12.05 Official Notices. All notices and other communications required by the terms of this Agreement will be in writing and sent to the parties hereto at the addresses set forth below (and such addresses may be changed upon proper notice to such addressees). Notice may be given by: certified or registered mail, postage prepaid, return receipt requested, (ii) facsimile (with confirmation of transmission by sender's facsimile machine), or (iii) personal delivery. Notice will be deemed to have been given two days after mailing or on the date of personal delivery or on the date of transmission of a facsimile if on a business day during normal business hours (or, if not, the next succeeding business day). Electronic mail does not constitute official notice under this Agreement. The addresses of the parties are:

For Edkey Management:

To:

President
Edkey Management, Inc.
1460 S. Horne
Mesa, AZ 85204

With a copy to:

Stinson Morrison Hecker, LLP
Attn: Karen Liepmann, Esq.
1850 North Central Avenue, Suite 2100
Phoenix, AZ 85004

For the State Board for Charter Schools:

To: Arizona State Board for Charter Schools
1700 W. Washington Street, Room 164
Phoenix, AZ 85007
Attn: Executive Director

For Sequoia Choice

To:

Superintendent
Sequoia Choice Schools, LLLP
323 North Gilbert Road
Suite 108
Mesa, AZ 85203

With a copy to:

Governing Board President
Sequoia Choice Schools, LLLP
323 North Gilbert Road
Suite 108
Mesa, AZ 85203

12.06 Assignment. Except as otherwise provided in this Agreement, neither party may assign or delegate any rights or duties under this Agreement without the prior written consent of the other party. Edkey Management may assign or delegate its rights or duties under this Agreement to any person or entity that controls Edkey Management or is controlled by Edkey Management, or is under common control with Edkey Management or to any successor in interest who acquires all or substantially all of the assets of Edkey Management. In addition, Edkey Management may hire third parties and/or independent contractors, on behalf of Sequoia Choice, to provide any of the services hereunder.

12.07 Amendment. This Agreement will not be altered, amended, modified, or supplemented except in a written document approved by Sequoia Choice and Edkey Management.

12.08 Waiver. No waiver of any provision of this Agreement will be effective unless in writing, nor will such waiver constitute a waiver of any other provision of this Agreement, nor will such waiver constitute a continuing waiver unless otherwise expressly stated.

12.09 Severability. The invalidity of any of the covenants, phrases, terms, conditions, provisions, or clauses in this Agreement will not affect the remaining portions of this Agreement, and this Agreement will be construed as if such invalid covenant, phrase, term, condition, provision, or clause had not been contained in this Agreement. To the extent that any of the services to be provided by Edkey Management are found to be overbroad or an invalid delegation of authority by Sequoia Choice, such services will be construed to be limited to the extent necessary to make the provisions regarding such services valid and binding.

12.10 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns.

12.11 Third-Party Rights. This Agreement is made for the sole benefit of Sequoia Choice and Edkey Management, and nothing in this Agreement will create or be deemed to create a relationship between the parties to this Agreement, or any of them, and any third person, including a relationship in the nature of a third-party.

12.12 Survival of Provisions. All representations, warranties, payment obligations, and indemnities made in this Agreement, together with all provisions necessary to interpret and enforce them, will survive termination of this Agreement.

12.13 Representation; Construction. Each party has had an opportunity to participate in the drafting of this Agreement and to have its respective legal counsel review and participate in the drafting of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply to the interpretation of this Agreement. Each party is relying on the advice of its own legal counsel, of its own choosing, in the preparation and negotiation of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

Edkey Management, Inc.

By: _____ Date Signed: March 19, 2012
Ron Neil, President

Sequoia Choice Schools, LLLP

By: _____ Date Signed: _____, 2012
Jerry Lewis, Superintendent

12.08 Waiver. No waiver of any provision of this Agreement will be effective unless in writing, nor will such waiver constitute a waiver of any other provision of this Agreement, nor will such waiver constitute a continuing waiver unless otherwise expressly stated.

12.09 Severability. The invalidity of any of the covenants, phrases, terms, conditions, provisions, or clauses in this Agreement will not affect the remaining portions of this Agreement, and this Agreement will be construed as if such invalid covenant, phrase, term, condition, provision, or clause had not been contained in this Agreement. To the extent that any of the services to be provided by Edkey Management are found to be overbroad or an invalid delegation of authority by Sequoia Choice, such services will be construed to be limited to the extent necessary to make the provisions regarding such services valid and binding.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

Edkey Management, Inc.

By _____ Date Signed: March 19, 2012
Ron Neil, President

Sequoia Choice Schools, LLCP

By: _____ Date Signed: March 21, 2012
Jerry Lewis, Superintendent

Exhibit A
Authorized Signatories

The following individuals shall represent Sequoia Choice as authorized signatories:

1.	David Hamblin	Principal
2.	Jerry Lewis	Superintendent
3.	Mike Eblin	Board member
4.	Don Flake	Board member

The following individuals shall represent Edkey Management as authorized signatories:

1.	Ron Neil	President
2.	Patric Greer	Secretary