B.3.1 ESP SERVICE AGREEMENT: EXHIBIT 3

MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is made and entered into as of the day___of _____by and between **Rite of Passage, Inc.**, a Nevada corporation ("ROP"), and **Southwest Leadership Academy,** (the "Academy"), a Arizona nonprofit corporation, providing education services as approved by the Arizona State Board for Charter Schools ("Board") and the Arizona Department of Education ("ADE") **.**

RECITALS

A. The Academy has submitted an application to ADE to participate in the Charter School program pursuant to the Arizona Administrative Code and Arizona Revised Statutes (the "Code").

B. ROP is a professional operator and manager of juvenile rehabilitation programs and special schools for the following purposes:

- promoting and encouraging effective school design and systems of instruction;
- implementing innovative and effective instructional and educational systems, management and programs for students with special problems; and
- enabling the Academy and other schools to achieve their statutory purposes and educational goals.

C. The Academy and ROP desire to enter into a management contract and to create an enduring educational relationship whereby they will develop an effective educational program at the Academy; and whereby ROP will act as the management company for the Academy during its existence.

THEREFORE, the parties mutually agree as follows:

ARTICLE I
EDUCATIONAL SERVICES AND ADMINISTRATIVE SERVICES

1.01. Educational Services.

(a) For the Term (as defined in Article II below), ROP will provide to the

Academy and its students the following educational services (the "Educational Services"):

(i) Curriculum. Curriculum and curriculum development;

(ii) Instruction. Instructional services and personnel management;

(iii) Instructional Tools. Instructional tools, equipment and supplies, including educational materials and teaching tools;

(iv) Additional Educational Services. Any other services necessary or expedient for the provision of teaching and learning at the Academy as agreed to from time to time between ROP and the Academy.

(b) The Educational Services will be provided in accordance with the educational goals, curriculum, methods of pupil instruction and assessment, policies, school calendar, school schedule and pupils to be enrolled at the Academy (the "Educational Program") as developed by ROP, adopted by the Academy, and ESS/ADE.

(c) Subject to this Agreement, ESS/ADE and the Code, ROP may modify the Educational Services or related programs and activities.

(d) ROP will be responsible and accountable for the provision of the Educational Services, provided, that such obligations, duties and responsibilities are limited by the Academy Budget established pursuant to Section 1.02(vi) below, and ROP will not be required to expend funds on such services in excess of the amounts set forth in such Academy Budget.

1.02 Administrative Services.

(a) For the Term (as defined in Article II below), ROP will provide to the Academy the following administrative services (the "Administrative Services"):

(i) Personnel Management. Management and professional development of all personnel providing Educational Services and Administrative Services in accordance with Article VI below;

(ii) Facility Operation and Maintenance. Operation and maintenance of the Academy's facility (the "Facility") to the extent consistent with any and all leases or other documents pertaining to the Facility;

(iii) Business Administration. Administration of all business aspects of the Academy;

(iv) Transportation and/or Food Services. Management of transportation, and food services for the students enrolled at the Academy;

(v) Public Relations. Management of any and all advertising and public relations with the community and the media;

(vi) Budgeting and Financial Reporting.

(A) Beginning with respect to the 2012-2013 school year, a proposed annual budget (the "Academy Budget") will be prepared by ROP. Future annual budgets will be prepared by ROP in the same general manner as the 2012-2013 annual budget and will be subject to the approval of the Board, which approval will not be unreasonably withheld. The projected annual budget will include, but not be limited to, the financial details relating to the Educational Services and Administrative Services to be provided pursuant to this Agreement.

(B) Detailed statements of all revenues received, from whatever source, with respect to the Academy, and detailed statements of all direct expenditures for services rendered to or on behalf of the Academy, whether incurred on-site or off-site, upon request.

(C) Annual audits or other financial statements as may be required by and in compliance with the Code and other applicable laws and regulations, subject to the Academy's approval.

(D) Reports on the finances of the Academy upon the request of the regulatory authorities or the Board, but not less frequently than as is required by the Approval Letter, the Code or other applicable laws and regulations (and no more often than monthly).

(E) Other information on a periodic basis reasonably necessary to enable the Board to monitor ROP's performance under this and related agreements to the extent reasonably required by the School District or the Code, including the effectiveness and efficiency of operations at the Academy.

(vii) Maintenance of Financial and Student Records.

(A) ROP will maintain accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by ROP and retain all such records for a period of five (5) years (or longer if required by the Code or other applicable laws and regulations) from the close of the fiscal year to which such books, accounts and records relate. All of the Academy financial records retained by ROP pertaining to the Academy will be available to the Academy and to all appropriate regulatory authorities for inspection and copying upon reasonable request.

(B) ROP will maintain accurate student records pertaining to the students enrolled at the Academy as is required and in the manner prescribed by ESS/ADE, the Code and applicable laws and regulations, together with all additional Academy student records prepared by or in the possession of ROP, and retain such records permanently on behalf of the Academy or until this Agreement or its successor is terminated, at which time such records will be retained by and become the sole responsibility of the Academy. ROP and the Academy will maintain the proper confidentiality of personnel, students and other records as required by law and ESS/ADE;

(viii) Admissions. Implementation of the Academy's admission policy;

(ix) Student Hearings. Administration and enforcement of student disciplinary and special education hearings in conformity with the requirements of the Code and other applicable laws and regulations (including, but not limited to, requirements involving due process and confidentiality) to the extent consistent with the Academy's duties and obligations under the Code and other applicable laws and regulations;

(x) Semester Reports. ROP will provide to the Board on a semester basis (or more often if necessary for the Board to satisfy its obligations to ESS/ADE, the Code and other applicable laws and regulations) a report on (A) the Academy's students' academic performance, and (B) ROP's performance of the Educational Services and Administrative Services;

(xi) Rules and Procedures. ROP will enforce the rules, regulations and procedures adopted by the Academy not in direct conflict with this Agreement, ESS/ADE, the Code and other applicable laws and regulations. ROP will recommend rules, regulations and procedures applicable to the Academy and its students; and

(xii) Additional Administrative Services. Any other services reasonably necessary or expedient for the effective administration of the Academy.

(b) The Administrative Services will be provided in accordance with the Educational Program and the Contract.

(c) Subject to this Agreement, the Approval Letter, the Code and other applicable laws and regulations, ROP may modify the methods, means and manner by which such Administrative Services are provided at any time.

(d) ROP will be responsible and accountable to the Board for the provision of the Administrative Services, provided that such obligations, duties, and responsibilities are limited by

the Academy Budget established in Section 1.02(vi) above, and ROP will not be required to expend funds on such services in excess of the amounts set forth in such Academy Budget.

1.03. Place of Performance; Provision of Offices. ROP will provide instructional, extra-curricular and co-curricular services and maintain the records and books of the students and the Academy at the Facility. ROP may provide other services elsewhere, unless prohibited by ESS/ADE, the Code and other applicable laws and regulations.

1.04. Authority. By this Agreement, the Academy provides ROP all authority and power necessary and proper for ROP to undertake its responsibilities, duties and obligations provided for in this Agreement, except in cases wherein such authority may not be delegated by the Code, ESS/ADE and other applicable laws and regulations.

ARTICLE II
TERM

2.01. Term. Subject to Article VII and Section 2.02 below, this Agreement will become effective as of the date hereof and end on the last school day of the 2017-2018 school year (the "Termination Date"). Notwithstanding anything to the contrary in this Agreement, the Agreement shall be effective and binding so long as the ESS/ADE Approval Letter issued pursuant to the Code is effective, and is thereafter subject to the availability of funding and appropriation annually of sufficient funds as may be required to meet the extended obligations hereunder. The parties understand and acknowledge that if funding necessary hereunder is not available or appropriated to the Academy during the term hereof, all of ROP's materials, trade secrets, know-how, proprietary data, trademarks and copyrighted documents, including but not limited to, all of the intellectual property rights and interests therein shall immediately revert to ROP.

2.02. Renewal. Upon the expiration of the term defined in Section 2.01 or a Renewal Term defined in this Section 2.02, this Agreement will automatically renew for an additional period (a "Renewal Term") equal to the term of any valid and effective ESS/ADE Approval Letter issued to the Academy, or its equivalent issued by any other agency authorized to enter into an academy Approval Letter, or similar agreement, unless (i) written notice of an intent to terminate or renegotiate is given by either party not less than 180 days prior to the Termination Date or the end of a Renewal Term, or (ii) this Agreement is terminated pursuant to Article VII below.

ARTICLE III RELATIONSHIP OF THE PARTIES

3.01. Status of the Parties. ROP is not a division or any part of the Academy. The Academy is a body corporate authorized pursuant to the Approval Letter and under the Code and is not a division or a part of ROP. 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 exist from time to time between the parties. Nothing herein will be construed to create a partnership or joint venture by or between the Academy and ROP or to make one the agent of the other. Neither the Academy nor ROP will hold itself out as a partner or agent of

the other or otherwise state or imply by advertising or otherwise any relationship between it and the other in any manner contrary to the terms of this Agreement. Neither the Academy nor ROP has represented, and neither will represent, that it has the power to bind or legally obligate the other. No employee of ROP will be considered an employee of the Academy by either party for any purpose whatsoever, notwithstanding that one or more employees of ROP may be engaged in providing the Educational Services, Administrative Services or Supplementary Programs (defined in Article V below) to the Academy on a full-time basis. All personnel performing educational or administrative services for the Academy, whether employees of ROP or the Academy, shall comply with all applicable licensure or other requirements of the Code and any regulations promulgated thereunder, and shall be entitled to all perquisites provided thereby.

3.02. No Related Parties or Common Control. ROP will not have any role or relationship with the Academy that, in effect, prevents the Academy's ability to exercise its rights, including cancellation rights, under this Agreement. Furthermore, the Academy and ROP will not be members of the same control group, as defined in Section 1.150-(f) of the regulations under the Internal Revenue Code of 1986 as amended (or its successor), or related persons, as defined in Section 144(a)(3) of the Internal Revenue Code of 1986 as amended (or its successor).

3.03. Other Schools. The parties acknowledge that this arrangement is not exclusive and that ROP will have the right to render similar services to other persons or entities including other public or private schools or institutions ("Other Schools"). ROP will maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and Other Schools and only charge the Academy for expenses incurred or consideration earned on behalf of the Academy. All grants or donations received by the Academy, or by ROP for the specific benefit of the Academy, will be maintained in separate accounts and used solely for the Academy. If ROP incurs authorized reimbursable expenses on behalf of the Academy and Other Schools which are incapable of precise allocation between the Academy and Other Schools, then ROP will allocate such expenses among all such Other Schools and the Academy on a pro rata basis based upon the number of students enrolled at the Academy and the Other Schools, or upon such other equitable basis as it shall elect.

ARTICLE IV
CONSIDERATION

4.01. Compensation for Services.

(a) For the term of this Agreement, including each and every Renewal Term, the Academy will pay ROP an annual fee (“the Management Fee”) of (i) 10% of the state and local school funds (the "State Aid") that the Academy receives, directly or indirectly, pursuant to the Code, for the particular students enrolled in the Academy (the "State Allocation"), plus (ii) subject to federal law and regulations, 10% of the funds (the "Federal Funds") that the Academy receives, directly from the federal government (the "Federal Allocation"), provided further however, ROP shall in no event receive a Management Fees from funds provided to the Academy from the “School Free and Reduced Breakfast and Lunch Program”. To the extent that goods or services are provided to the Academy in lieu of funds, the parties agree to cooperate with each other to determine whether

a Management Fee should be paid in respect of such services and the amount thereof. To the extent that the parties are unable to reach agreement with respect thereto, they will use the procedures set forth in Article XII, below, to resolve the dispute. Consideration paid pursuant to this section of the Agreement does not preclude the payment of additional consideration if additional consideration is permitted or specified elsewhere in this Agreement or other agreements between the parties.

(b) Reasonable Compensation. The Management Fee under this Agreement is reasonable compensation for services rendered. ROP's compensation for services under this Agreement will not be based, in whole or in part, on a share of net profits from the operation of the Academy.

4.02. Payment of Costs. In addition to the Management Fee described in Section 4.01 above, the Academy will reimburse ROP for all expenses paid by ROP in implementing the Academy budget. Such costs include, but are not limited to, personnel costs, curriculum, supplies, supervision and behavior management of students, etc.

4.03. Time and Priority of Payments.

(a) ROP will receive its Management Fee in the same number of installments and in the same proportion that the Academy receives its revenues. Each installment of the Management Fee will be due and payable within five (5) days of receipt by the Academy of the revenues related thereto.

(b) ROP will notify the Academy of payments due and owing to ROP pursuant to Section 4.02 above as soon as possible after the end of each month and the Academy will make such payments to ROP within ten (10) days thereafter.

(c) The Academy will satisfy its payment obligations under this Article to ROP in the following order of priority: (i) payments due and owing pursuant to Section 4.02 above with the oldest amounts due first; and (ii) payments due and owing pursuant to Section 4.01 above with the oldest amounts due first.

4.04. Other Revenue Sources.

(a) The Academy and ROP may, together or independently, solicit and receive grants and donations from public and private sources consistent with the mission of the Academy, in the name of either ROP or the Academy; provided, however, that any solicitation of such grants by ROP in the name of the Academy or which identities the Academy shall be subject to the prior approval of the Academy.

(b) All funds received by ROP or the Academy for the benefit of the Academy from such other revenue sources pursuant to this Section 4.04 will be deemed Academy funds, except that ROP may receive compensation of any such funds as agreed to by both parties and to the extent allowable by the donor or grantor of such other revenue source.

(c) Nothing in this Section 4.04 will be construed to prohibit ROP from soliciting

funds or grants solely for its own general corporate purposes and using such funds or grants solely for such purposes.

ARTICLE V PERSONNEL AND TRAINING

6.01. Personnel Responsibility.

(a) Subject to Sections 1.01 and 1.02 above, the Approval Letter, the Code and other applicable laws and regulations, ROP will have the sole responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, supervise, manage and transfer personnel necessary to carry out the Educational Services, the Administrative Services, the Supplemental Programs (if any) and all other services provided under this Agreement.

(b) Except as specified in this Agreement or as required by the Code or the Approval Letter, the Principal (as defined in Section 6.02 below), teachers and support staff provided by ROP pursuant to this Agreement will be employees of ROP. ROP will be responsible for conducting criminal background checks and unprofessional conduct checks on its employees to the extent required under the Code and other applicable laws and regulations as if the employees were employed by an academy. Upon request, ROP will provide the Academy documenting evidence of such background checks.

6.02. Principal. ROP will provide the Academy with a principal, and ROP will determine the employment terms of the Principal. ROP will have the authority, consistent with the Code and other applicable laws and regulations to select and supervise the Principal and to hold him or her accountable for the success of the Academy.

6.03 Core Teachers. ROP will provide the Academy with such core teachers (English, math, science, social studies, special education) as are required to provide the Educational Services, Administrative Services and Supplementary Programs. ROP will determine the number and assignments of such teachers. Such teachers may work at the Academy on a full or part time basis. Each teacher assigned to the Academy will be qualified in his or her grade levels and subjects, hold a valid teaching certificate issued by the AE under the Code to the extent required under the Code and other applicable laws and regulations, and have undergone a criminal background check and unprofessional conduct check to the extent required under the Code and other applicable laws and regulations.

6.04 Non-Core Teachers. ROP will provide the Academy with non-core teachers who may be credentialed in their areas of expertise including but not limited to health, vocational trades, elective subject areas, etc.

6.05. Support Staff. ROP will provide the Academy with such support staff as is required to provide the Educational Services, Administrative Services and Supplementary Programs. Such support staff may include, among others, teachers' aides, clerical staff, administrative assistants to the Principal, bookkeepers and maintenance personnel. Such support staff may work at the Academy on

a full or part time basis.

6.06. Training. ROP will coordinate training in its instructional methods, curriculum, educational program and support technology to its instructional personnel on a regular and continuous basis. Such training will enable ROP's instructional staff to provide in-service training to each other. Non-instructional personnel will receive such training as ROP determines to be reasonable and necessary under the circumstances.

6.07 Compliance. All personnel provided by ROP to the Academy shall be subject to such background checks and other requirements set forth in the Code, or other applicable law.

ARTICLE VII
TERMINATION OF AGREEMENT

7.01. Termination.

(a) By ROP. ROP may terminate this Agreement prior to the end of the term specified in Article II in the event that the Academy fails to remedy a material breach within 30 days after written notice from ROP. A material breach includes, but is not limited to (i) ROP's failure to receive any fee or reimbursement as required by the terms of this Agreement, (ii) adoption by the Academy of an Educational Program in substantial variance from ROP's prescribed Curriculum or the material recommendations of ROP, or (iii) an act or omission of gross negligence that causes ROP to be unable to perform its material obligations under this Agreement. Termination by ROP will not relieve the Academy of any obligations for payments outstanding to ROP as of the date of termination.

(b) By Academy. The Academy may terminate this Agreement prior to the end of the term specified in Article II in the event that ROP fails to remedy a material breach within 30 days after written notice from the Board. A material breach by ROP includes, but is not limited to: (i) failure to account for its expenditures, (ii) failure to substantially follow the material policies, procedures, rules, regulations or curriculum which are not in violation of or conflict with the Approval Letter, this Agreement, the Code, ROP's Curriculum and applicable laws and regulations, (iii) failure to abide by and meet the educational goals set forth in the Approval Letter, (iv) the employment of teachers in violation of the Code or this Agreement, or (v) any act or omission of gross negligence that causes the Academy to breach the Approval Letter in a material way. Termination by the Academy will not relieve the Academy of any obligations for payments outstanding to ROP as of the date of the termination.

(c) Termination of the Contract. This Agreement will terminate upon the Academy's ceasing to remain an ESS/ADE approved special and non-special education service provider, provided, however, that this Agreement will continue to remain in effect until the Termination Date or the end of a Renewal Term (as applicable) if (i) the Academy has received a subsequent ESS/ADE Approval Letter, and (ii) this Agreement has not been terminated pursuant to

this Article VII. Termination pursuant to this paragraph will not relieve the Academy of any obligations for payments outstanding to ROP as of the date of termination.

7.02. Change in Law. If any federal, State or local law or regulation, court or administrative decision or Attorney General's opinion has a materially adverse effect on the ability of either party to carry out its obligations under this Agreement, such party, upon written notice, may request renegotiation of this Agreement. Such renegotiation will be undertaken in good faith and will include the use of a third party arbitrator for alternative dispute resolution pursuant to Article XII below. If the parties are unable to renegotiate the terms within 90 days after such notice and good faith negotiations, the party requesting the renegotiation may terminate this Agreement on 120 days further written notice or at the end of a school year, whichever is earlier.

7.03 Real and Personal Property. Upon termination, all real and personal property leased or provided by ROP to the Academy will remain the real and personal property and leases of ROP, and all other personal property purchased by ROP with the funds provided to ROP by the Academy pursuant to Section 4.02 above will be the personal property of the Academy.

7.04 Future Advances/Out-of-Pocket Expenses. Upon termination or expiration of this Agreement for any reason, all advances or out-of-pocket expenses relating to services under this Agreement paid by ROP with ROP's own funds, will be immediately repaid by the Academy unless otherwise agreed in writing by ROP.

ARTICLE VIII
PROPRIETARY INFORMATION AND OWNERSHIP

8.01. Ownership. Educational materials purchased by ROP with funds ROP receives pursuant to this Agreement will be the property of the Academy. Notwithstanding the foregoing, the Academy acknowledges and agrees that ROP owns the intellectual property rights and interests in ROP's Curriculum and materials. The Academy further acknowledges and agrees that it has no intellectual or property interest or claims in ROP's Curriculum and materials.

ARTICLE IX
INDEMNIFICATION

9.01. Indemnification of ROP. The Academy will indemnify and save and hold ROP and all of its employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, any noncompliance by the Academy with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of the Academy contained in or made pursuant to this Agreement. In addition, the Academy will reimburse ROP for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this Section 9.01 may be met by the purchase of insurance pursuant to Article X below.

9.02. Indemnification of the Academy. ROP will indemnify and save and hold the Academy and all of its employees, officers, directors, subcontractors and agents harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, any noncompliance by ROP with any agreements, covenants, warranties or undertakings of ROP contained in or made pursuant to this Agreement, and any misrepresentation or breach of the representations and warranties of the ROP contained in or made pursuant to this Agreement. In addition, ROP will reimburse the Academy for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this Section 9.02 may be met by the purchase of insurance pursuant to Article X below.

9.03. Limitations of Liabilities. The Academy will assert all immunities and statutory limitations of liability in connection with any claims arising from its operations, and will not waive any immunities or limitations without the prior written consent of ROP.

ARTICLE X
INSURANCE

10.01. Insurance Coverage. The Academy will maintain general liability insurance and umbrella insurance coverage in the amounts required by the Code. The Academy will comply with any information or reporting requirements applicable to the Academy with its insurer(s).

10.02. Workers' Compensation Insurance. Each party will maintain workers' compensation insurance as required by law, covering its respective employees.

10.03 Cooperation. Each party will, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Article X. Each party will comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

ARTICLE XI
WARRANTIES AND REPRESENTATIONS

11.01. Representations and Warranties of ROP. ROP hereby represents and warrants to the Academy:

(a) ROP is a duly organized corporation in good standing in Nevada and is authorized to conduct business in the State of Arizona.

(b) To the best of its knowledge, ROP has the authority under the Code and other applicable laws and regulations to execute, deliver, perform this Agreement, and to incur the

obligations provided for under this Agreement.

(c) ROP's actions under this Agreement have been and will be duly and validly authorized, and it will adopt any and all further resolutions or expenditure approvals required for execution of this Agreement.

11.02 Representations and Warranties of the Academy. The Academy hereby represents and warrants to ROP:

(a) To the best of its knowledge, the ESS/ADE Approval Letter received by the Academy (i) authorizes the Academy to operate and receive the State, Federal and Local education funds, as well as other revenues; (ii) approves the Education Program and other activities contemplated by this Agreement; and (iii) vests the Academy with all powers necessary and desirable for carrying out the Education Program and other activities contemplated in this Agreement.

(b) To the best of its knowledge, the Academy has the authority under the Code and other applicable laws and regulations to contract with a private entity to perform the Educational Services, Administrative Services, Supplemental Programs, and all other services under this Agreement and execute, deliver and perform this Agreement, and to incur the obligations provided for under this Agreement.

(c) The Academy's actions and those of the Board have been duly and validly authorized, and the Academy and Board will adopt any and all further resolutions or expenditure approvals required for execution of this Agreement; provided, however, that with regard to expenditures, such resolutions and approvals shall be required only if the relevant information is available to the Academy and the Academy has sufficient funds in the Budget to pay for such expenditures.

(d) The Academy has provided and will provide ROP all authority and power necessary and proper for ROP to undertake its responsibilities, duties, and obligations provided for in this Agreement.

(e) The Academy is not in breach of the terms of the Approval Letter and will not breach the Approval Letter once fully issued.

(f) To the best of its knowledge, the Academy is not in breach or default under any loan or financial obligations, including, but not limited to, salary obligations and related benefits, payroll taxes, and leases for real and personal property, to the extent that any such obligation is related to the Academy's required performance under this Agreement.

(g) The Educational Program has been reviewed and approved by unanimous resolution by the Board.

(h) To the best of its knowledge, the Educational Program complies with and will

continue to comply with the requirements of the ESS/ADE Approval Letter, the Code and other applicable laws and regulations.

(i) The Academy has no intellectual or property rights or claims in the curriculum, programs, or processes of ROP.

11.03. 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 or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

ARTICLE XII
ALTERNATIVE DISPUTE RESOLUTION PROCEDURE

12.01 Alternative Dispute Resolution Procedure. The parties hereto will endeavor to resolve in good faith any controversy, disagreement or claim arising between them, whether as to the interpretation, performance or operation of this Agreement or any rights or obligations hereunder. If they are unable to do so, any such controversy, disagreement or claim will be submitted, for final resolution without appeal, to binding arbitration, by either party giving written notice to the other of the existence of a dispute which it desires to have arbitrated. The place of arbitration will be Phoenix, Arizona. The arbitration will be conducted by a panel of three (3) arbitrators and will be held in accordance with the rules of the American Arbitration Association ("AAA"). Of the three (3) arbitrators, ROP will select one, one will be selected by the Academy, and the two (2) arbitrators so selected will select the third. Each party will give notice to the other party of the arbitrator selected by it within thirty (30) days of such selection. In the event that the arbitrators selected by ROP and the Academy are unable to agree on the third arbitrator, the President of the AAA will select the third arbitrator. The decision and award (if any) of the arbitrators will be final and binding, i.e., not subject to appeal, and the parties hereby mutually agree that any such determination will have the same effect as an arbitration pursuant to Arizona law, and a judgment upon the award may be entered in any court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. The expenses of arbitration will be borne in accordance with the determination of the arbitrators with respect thereto. Pending the decision by the arbitrators with respect to the dispute or difference undergoing arbitration, all other obligations of the parties hereto will continue as stipulated herein, and all monies not directly involved in such dispute or difference will be paid when due. The arbitrators will make their decision in accordance with the laws of the State of Arizona and the United States.

ARTICLE XIII
MISCELLANEOUS

13.01. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and ROP.

13.02. Force Majeure. Notwithstanding any other sections of this Agreement, neither party will 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.

13.03. Governing Law. The laws of the State of Arizona 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.

parties.

13.04. Agreement in Entirety. This Agreement constitutes the entire agreement of the

13.05. 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.

13.06. 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: (i) 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 first business day). The addresses of the parties are:

To:

Southwest Leadership Academy School
20061 E. Rittenhouse
Rd. Queen Creek, AZ
85242

Attn: Harriet Caruso
Fax: (480) 987-9701

To:

Rite of Passage, Inc.
2560 Business Parkway, Suite A
Minden, NV 89423

Attn: Carolyn Jenkins-Bower
Fax: (775) 267-9420

With a copy to:

Barbara J. Ross, Esq
9490 S Beck Ave
Tempe, AZ 85284

Attn: Barbara J. Ross
Fax: (480) 839 7065

13.07. Assignment. This Agreement will not be assigned by ROP without the prior consent in writing of the Academy (which consent will not be unreasonably withheld) or by the Academy without the prior consent in writing of ROP (which consent will not be unreasonably withheld), provided that ROP may assign this Agreement to an affiliated entity and may without the consent of the Academy, delegate the performance of but not responsibility for any duties and obligations of ROP hereunder to any independent contractors, experts or professional advisors.

13.08. Amendment. This Agreement will not be altered, amended, modified or supplemented except in a written document approved by the Board and signed by both the President of the Academy and an authorized officer of ROP.

13.09. Waiver. No waiver of any provision of this Agreement will be deemed to be or will

constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly stated.

13.10. Severability. The invalidity of any of the covenants, phrases 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 or clause had not been contained in this Agreement. To the extent that any of the services to be provided by ROP are found to be over broad or an invalid delegation of authority by the Academy, such Services will be construed to be limited to the extent necessary to make the Services valid and binding.

13.11. Successors and Assigns. Except as limited by Section 13.07 above, this Agreement will be binding upon, and inure to the benefit of, the parties and their respective successors and assigns.

13.12. No Third Party Rights. This Agreement is made for the sole benefit of the Academy and ROP. Except as otherwise expressly provided, nothing in this Agreement will create or be deemed to create a relationship between the parties to this Agreement, or either or them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

13.13. Survival of Termination. All representations, warranties and indemnities made in this Agreement will survive termination of this Agreement.

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

RITE OF PASSAGE, INC.,
a Nevada corporation

By: _____
Carolyn Jenkins-Bower, Treasurer

SOUTHWEST LEADERSHIP ACADEMY
an Arizona nonprofit corporation

By: _____
Mike Gantt, Secretary