

(208)
FAX 375-0741

BID CONTRACT



Engineered Systems

Corporate Offices: 5220 N. Sawyer Ave. Suite A, Garden City, ID 83714
Telephone: (208) 323-7789

Area Offices: Seattle San Carlos Sacramento San Diego Boise

QUOTATION TO: Xavier Charter School
ATTN: Justin Lanting

JOB NAME/ADDRESS: RTU Wind Protection
1218 North College Rd West
Twin Falls, ID 83301

THE CONDITIONS PRINTED EITHER ON THE REVERSE SIDE OR ATTACHED ARE PART HEREOF.
This work or price quotation does not include detection, abatement, encapsulation or removal of asbestos or products, materials, or equipment containing asbestos.

SCOPE OF WORK, CONTRACTOR WILL PROVIDE THE FOLLOWING TO CUSTOMER:

- ACCO to supply and install one (1) sheet metal wind protection shroud as discussed to protect from further wind damage on one gymnasium roof top unit.

NOTES/ CLARIFICATION

- Work to be performed during normal working hours. Overtime has not been included.
- Existing defects to existing wiring, structural or other building systems shall be excluded from this bid. Any issues arising from existing mechanical system defects have not been included in this proposal.

OUR PRICE FOR THE UNIT REPAIRS ABOVE: \$485.00

Contractors are required by law to be licensed and regulated by the Contractors' State License Board: Idaho State License No. HVC-C-6343

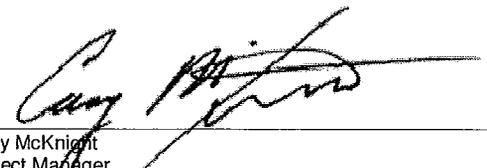
Terms of payment net 30. Price valid for 30 days from proposal date.

Acco will not perform any construction work, patching or painting associated with this project. Should customer request for additional work in conjunction with this project, that work will be quoted separately or performed on a time and material basis at the contractor's prevailing rates. Should work be required to bring existing mechanical, electrical or plumbing system or building structures up to current codes, that work will also be performed and invoiced separately from this project.

Your signed acceptance of this Bid Contract within 30 days from July 13, 2011 shall, upon the acceptance of the Seller, constitute a contract to perform the work described above, including all Terms and Conditions contained herein.
Seller shall be defined to mean ACCO ENGINEERED SYSTEMS, or its assigns.
Buyer shall be defined to mean the Owner, Owners/Agent, Builder, Architect, lessees, or any person acting on behalf of any of the foregoing.

Prepared in duplicate July 13, 2011.

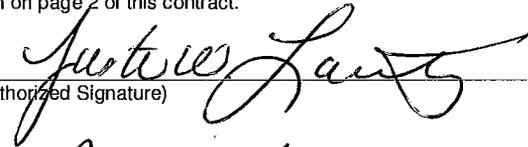
ACCO Engineered Systems

By: 
Cory McKnight
Project Manager

Customer

ACCEPTED for BUYER:

A signature below indicates acceptance of the terms and conditions as set forth on page 2 of this contract.

By: 
(Authorized Signature)

Name/Title: Business Manager

Date of Acceptance: 7/24/2011



TERMS AND CONDITIONS TO BID CONTRACT

1. All work shall be performed during normal working hours unless otherwise stated herein.
2. ACCO Engineered Systems, agrees to maintain in full force and effect a Workmen's Compensation Insurance policy and a Comprehensive Liability Insurance policy in substantial amounts to protect all parties to this agreement, furnishing certificates of insurance, if required by Buyer.
3. Buyer shall prepare the premises to permit free movement and erection of materials, providing necessary openings, supports, cutting, patching, necessary public utility and steam services, and pay all fees in accordance with codes and ordinances unless otherwise indicated in this Bid Contract.
4. In the event that the Seller encounters any asbestos product or material in the course of performing its work, the Seller shall have the right to immediately discontinue its work and remove its employees from the project, or that portion of the project wherein such product or materials were encountered, until such time as any hazards connected therewith are abated, encapsulated or removed and/or it is determined that no hazard exists; further, Seller shall receive an extension of time to complete its work and compensation for delays encountered and compensation for any change in the sequence of method or its work occasioned as a consequence of said encounter.
5. ACCO Engineered Systems extends manufacturer's standard warranties on all new equipment, misuse or abuse excepted, for a period not to exceed one year from date of first beneficial use, which shall be defined as the Start-up Date. ACCO Engineered Systems guarantees all repaired materials, parts and labor for a period of ninety (90) days from the date of first beneficial use. There are no warranties, expressed or implied, other than the above unless so noted herein.
Seller shall not be liable for any consequential damages including, but not limited to, liquidated damages, loss of rent, interest expense, extended overhead or any other delay damages of any kind, nature or description. It is expressly understood and agreed that the only liability of Seller is to replace defective workmanship or material as herein above set forth.
6. ACCO Engineered Systems agrees that for a period of ninety (90) days following the initial operation of the installation, it will replace any refrigerant loss caused by defects in the equipment, material, parts, or workmanship furnished under this contract. Replacement of refrigerant due to failure or defects other than items furnished by Seller is not included as a part of this agreement.
7. ACCO Engineered Systems shall not be liable for the corrosive or erosive action of liquids and/or gases upon the equipment specified and no part of such equipment shall be deemed defective by reason of its failure to resist physical or chemical action of such elements or items upon such equipment.
8. This agreement shall not be binding until duly accepted by an authorized officer of ACCO Engineered Systems. No person has authority to make or claim any representation, warranty, term, promise, or condition, expressed or implied, statutory or otherwise, which is not expressed herein. This agreement constitutes the entire agreement between the parties and supersedes and revokes any previous agreement, written or oral, with respect to the labor and equipment covered hereby and may not be amended or modified except in writing executed by the parties hereto.
9. Under no circumstances shall the liability of Seller arising out of the sale or erection of the equipment hereunder, or arising out of its use, whether on warranties or otherwise, in any case exceed the lesser of the following: (a) Cost of correcting defects in the equipment or workmanship; or (b) the difference in value between the installation as installed and the cost of the original installation thereof, if installed strictly as in the contract documents set forth. And in no event shall any claims be made by either party against the other for consequential damages.
10. The Seller shall not be bound by any plans and specifications or conditions, existing or otherwise, that have not been presented to or delivered to it for the purpose of submitting this bid, nor shall the Seller be bound by any city ordinances, State laws or other governmental regulations not in effect at the time of submitting this bid, or which had become obsolete and which no longer was enforced by such public body enacting the same.
11. The Seller shall be excused for any delay in completion of this Bid Contract caused by acts of God, including but not limited to, wind, rain, flood, storm, landslide, subsidence and earthquake; acts of neglect of owner or architect or by any employee or agent of either; acts of neglect of separate contractors employed by owner; acts of public utilities or governmental or public bodies or their agents; material shortages; labor trouble, labor slowdowns; strikes; union activity causing a reduction in productivity; fire; casualty; delay in transportation; changes ordered in the work; failure of Buyer to make payments to Seller as required under this Bid Contract, or other causes beyond the reasonable control of Seller, any of which shall automatically entitle Seller to reasonable or necessary extensions of the completion date of the work and to an equitable adjustment of the contract price to compensate Seller for all costs and expenses of additional labor, service, equipment or material and extended overhead resulting from any such delay.

If any of the materials specified are not readily available, the Seller may substitute equally efficient materials or fixtures of generally similar character in lieu of the equipment, materials or fixtures specified, and it shall allow any differential between the original cost of the materials specified and the materials furnished.

In the event of inability to obtain labor at union scale or without paying a

- premium above such scale, Seller may delay performance until same shall be obtainable without premium payment or at the option of the Buyer the latter may require the use of materials or labor requiring the payment of such excess cost, but upon condition that the Buyer shall pay such excess.
12. No additional work will be performed unless it is authorized in writing by the Buyer. If the Buyer refuses to sign a written work authorization or change order for the extra work, Seller reserves the right to refuse to perform the extra work.
 13. Should either party hereto bring suit in court to enforce the terms hereof, any judgment awarded shall include court costs and reasonable attorney's fees to the successful party.
 14. Seller assumes no responsibility for the design on those jobs where Seller prepares working or shop drawings from designs furnished by others. Seller assumes no responsibility whatsoever for design or operative end result under any contract unless there is affirmatively stated on the obverse side of this Bid Contract, a direct undertaking on Seller's part so to do.
 15. Seller may suspend further performance under this Bid Contract upon three (3) days written notice to the Buyer in the event the Buyer is in breach of this Bid Contract for breach other than non-payment. Notice need not be given if work is suspended due to non-payment or due to the failure of the Buyer to pay for change orders as provided herein. In the event Seller elects to suspend performance, Seller shall be entitled to remobilization costs, including profit and overhead, upon the Buyer bringing payments current or issuing proper change orders for extra work. Such costs will equal actual losses sustained by Seller in terminating and restarting work.
 16. This contract is entered into upon the understanding that in the prosecution of any work herein specified Seller will be allowed sufficient time for the performance of said work on the basis of a normal eight-hour day, and in the event that Buyer or any subcontractor require Seller to perform such labor on an overtime basis, then such additional expense of every kind and character as Seller may be required to incur on account of said overtime labor, shall constitute an additional charge herein.
 17. It is agreed that Buyer is to provide without cost to Seller, proper hoisting conveyances and scaffolding (including the use of engineer) at times so as to not delay Seller's part of the work, unless otherwise indicated in this proposal.
 18. Any loss or damage to Seller's work, materials or equipment occurring at the site of the project occasioned by fire, flood, earthquake, windstorm, riot or civil commotion shall be protected by Builders Risk Insurance procured by the contractor or owner without cost to Seller and Seller shall receive a proportionate share of the amount of any payment loss under any such policy or policies according as Seller's interest may appear.
 19. Notwithstanding any provision in the plans, specifications, contract between prime contractor and owner, general conditions, or any contract documents executed by and between contractor and owner having to do with the subject now stated, Seller shall not be liable for the cost of correcting defects occasioned by the acts or omissions of employees of other subcontractors, the prime contractor, owner or any segregated contractor, to work performed by Seller. Before Seller proceeds with any corrective work to repair such damage, the prime contractor, or other person contracting with Seller in this Bid Contract, shall give Seller an unqualified instruction to proceed with the work upon their responsibility to compensate Seller therefor as an extra.
 20. The Seller expressly reserves the right to assign all or any portion of its rights and/or duties under this Bid Contract with or without notice to the Buyer herein.
 21. In the event of a conflict between the terms and conditions of this Bid Contract and terms and conditions stated in the plans and specifications, or any other contract document, including the prime contract between owner and prime contractor, the terms of this Bid Contract shall govern.
 22. If, in Seller's opinion, Buyer's credit becomes impaired, Seller may, at its option, suspend work and deliveries under this contract until it has received full settlement or security for services rendered and is satisfied as to Buyer's credit for further shipments. If Buyer fails or refuses to make such payment, or give such security, then the full amount due under this contract at such time, for labor and material and/or equipment furnished shall immediately become due and payable and Seller shall have the right and the option to terminate this agreement. In the event that a suspension of this contract is required because of Buyer's doubtful credit, an extension of the time fixed for the performance of this contract equal to the time of such suspension, shall automatically occur. If legal action is filed to effect collection of any sums due hereunder, Seller shall be entitled to reasonable attorney fees in addition to all other damages found to be due hereunder.

TRANSACTION REPORT

JUL/21/2011/THU 08:30 AM

FAX (TX)

#	DATE	START T.	RECEIVER	COM.TIME	PAGE	TYPE/NOTE	FILE
001	JUL/21	08:29AM	12083750741	0:01:00	3	MEMORY OK	SG3 7823

accocare

Heating, Ventilation, and Air Conditioning System

Preventive Maintenance Service Agreement

BETWEEN

Xavier Charter School

AND



ACCO Engineered Systems

5220 North Sawyer Ave., Suite A

Garden City, Idaho 83714

Phone: 208-323-7789

Service: 1-800-231-0305

JOB SITE NAME:

Xavier Charter School

accocare Service Agreement

ACCO Engineered Systems, hereinafter referred to as ACCO, proposes to furnish Xavier Charter School, its **accocare** service on the system listed below.

The **accocare** plan provides for inspections of the equipment. The plan covers the cost of all maintenance inspections and optional services which are necessary to maintain the equipment in operating condition. And an equipment service program for your air conditioning system.

MAKE	DESCRIPTION	MODEL #	FILTERS	Frequency
RTU-1	ICP	RGS240LEAEOAGAA	20X25X2(6)	2x/Year
RTU-2	ICP	RGS240LEAEOAGAA	20X25X2(6)	2x/Year
RTU-3	ICP	RGS240LEAEOAGAA	20X25X2(6)	2x/Year
RTU-4	ICP	RGS090LECB0AAAA	16X20X2(4)	2x/Year
RTU-5	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-6	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-7	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-8	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-9	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-7	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-8	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-9	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-10	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-11	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-12	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-13	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-14	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-15	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-16	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-17	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-18	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-19	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-20	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-21	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-22	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-23	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-24	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-25	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-26	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-27	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-28	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-29	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year
RTU-30	ICP	RGS036LEAHOAAAA	16X25X2(2)	2x/Year

SPECIAL NOTES AND/OR INSTRUCTIONS:

- Bid includes BI-ANNUAL filter replacement.

EQUIPMENT TASKING

The following tasks shall be performed as part of the preventive maintenance service agreement:

11.114	Package Units
	Check unit operation per season
	Monitor cooling capacity and heat rejection (summer)
	Monitor heating capacity (winter)
	Check all heating and safety controls
	Check heating operation
	Check heat exchanger
	Check changeover valve
	Replace filters
	Secure all panels

ACCO AGREES:

1. To perform services as required.
2. To furnish the customer with a report of any irregularities revealed as a result of the inspection and adjustments. Corrective measures or repairs that are required will be recommended to customer. Customer approval is required on repair work.
3. To service only the equipment listed.
4. To report to the person or office designated in writing by customer. Customer to inform of changes of personnel.

EXCLUDED FROM THIS PLAN:

1. Service, repair, adjust, clean, or replace parts of any of the following: Air balancing; boiler tubes, duct work; cabinet interiors and exteriors; drains which are not a part of the equipment covered by this plan; heating and cooling coils; electrical service beyond the subject equipment disconnect; surfaces exposed to air and water as part of the system performance (such as sump pans, evaporative condenser tube bundles, tower and evaporative condenser distributors, panels, fans, shafts, etc.); recording instruments, gauges, and thermometers.
2. The cost of repair parts, replacement parts, emergency calls, refrigerant.
3. Labor costs other than that required under the **accocare** agreement.

TERMS:

1. The **accocare** service shall commence on July 15, 2011 and shall good for a period of two (2) years. Either party may terminate this agreement by giving the other party thirty (30) days prior written notice.
2. Failure to make payment when due, or impairment of owner's credit, shall relieve ACCO of the obligation of further performance of this agreement.
3. This agreement is subject to annual price escalation.
4. Current trip charges for all service calls and repairs will continue to apply.

MAINTENANCE PRICING:

Total 2011 Contract Amount: \$1,675.00 (Fall maintenance and coil cleaning)

Total 2012 Annual Contract Amount with Annual Coil Cleaning: \$2,870.00

Xavier Charter School will be invoiced in the amount of \$480.00 after the initial coil cleaning and \$1,195.00 after the October 2011 maintenance. Thereafter invoicing will occur bi-annually in the amount of \$1,435.00 to include annual coil cleaning. Maintenance/Invoicing will occur in April and October.

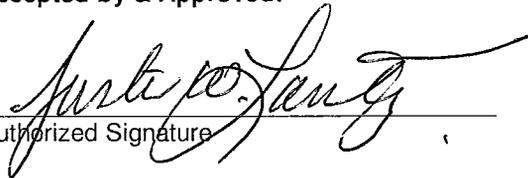
GENERAL CONDITIONS:

1. For the convenience of both the Customer and ACCO, the Customer will permit ACCO personnel the use of his common building equipment, such as ladders, elevators, etc., together with free and timely access to necessary areas.
2. ACCO will not be required to remove, replace or alter any part of the building structure in the performance of this agreement.
3. Both the Customer and ACCO agree that all work referred to in this agreement shall be performed during the regular working hours of 8:00 AM to 4:30 PM, Monday through Friday, except Holidays.
4. This **accocare** agreement takes into consideration the extension of the manufacturer's warranties to the Customer on the equipment outlined herein.
5. Customer agrees to make prompt payments. Should a payment become thirty (30) days delinquent, this contract may become null and void at any time thereafter at the option of ACCO, and all moneys owed ACCO will become due upon demand.
6. To assure best performance the Customer should operate the system and all equipment properly and as per manufacturer's instructions. Expenses to ACCO caused by improper operation, negligence, misuse of the equipment, or by any cause beyond the control of ACCO, shall be paid by the Customer at current material prices published in the Air Conditioning and Refrigeration Price Reporter, plus labor charges.
7. Operational efficiency will be assured if all necessary work is performed or equipment added by qualified ACCO personnel. In the event of any alterations, additions, adjustments, or repairs by others (unless authorized by ACCO) ACCO assumes no responsibility and has option to terminate this agreement.
8. Any parts that are not available from normal sources in the judgment of ACCO, and which may impair proper operation, may be replaced by ACCO and paid for by the Customer.
9. Loss of business or any delays occasioned by events that ACCO cannot control, such a strikes, riots, lock-outs, transportation delays, accidents, Acts of God, force majeure or any other cause beyond ACCO's control shall not be the responsibility of ACCO.
10. Any item of equipment or labor required by insurance companies, federal, state, municipal or other authorities will not be required to be furnished by ACCO.
11. ACCO shall not be responsible for original system design, installation or it performance in maintaining design conditions, except through failure of equipment covered herein.
12. This agreement covers the complete understanding between ACCO and the Customer, and shall become a valid contract only when accepted and approved by authorized person for both parties. No verbal representations shall be binding on either party.

This agreement covers the complete understanding between ACCO and Xavier Charter School, and shall become a valid agreement when accepted and approved by an authorized person for both parties. No verbal representations shall be binding on either party.

To indicate your acknowledgment and acceptance of this proposal, please sign in the space provided below and return one copy of this to my attention. This proposal is being provided in duplicate so that you might retain one copy for your records.

Accepted by & Approved:


Authorized Signature

Business Manager
Name / Title
Justin Lanting

7/13/2011
Date

**ACCO Engineered Systems
Submitted By:**

Cory McKnight
Project Manager

Date

APPROVED AND ACCEPTED:

Authorized Signature

Name/Title

Date



100 Prairie Center Drive
Eden Prairie, MN 55344
800-477-5855
FAX: 800-288-4959

FAX

From: Tony Hunt

ATTN: Deanna Comstock

Date: 7/14/11

Fax No: 208-734-4550

Pages (incl. this one): 5

Tony Hunt Sales Manager All-Lines Leasing 888.705.0498 tony@all-linesleasing.com

The email we sent did not go through.

Once you have all of the paperwork complete please follow these 3 easy steps:*

1. Fax all completed paperwork to 800-288-4959.
2. Mail all ink signed documents along with the first payment to 100 Prairie Center Drive, Eden Prairie, MN 55344.
3. Call Abby Berns in my office to confirm delivery. Her number is 888-705-0587.



Simple. Like financing should be.
All-Lines Leasing

A division of First Western Bank & Trust
100 Prairie Center Drive
Eden Prairie, MN 55344
(800) 288-5088 Fax: (800) 288-4959

Date: July 14, 2011

XAVIER CHARTER SCHOOL, INC.
1218 N COLLEGE W
TWIN FALLS, ID 83303

RE: Document Checklist for Agreement No. EFA11234201
For the Equipment being acquired through: GEM STATE PAPER (TWIN FALLS)

It is my pleasure to provide the documents for your recent approval. To ensure prompt and accurate processing of this agreement, please follow the steps below:

- **Equipment Finance Agreement** – please have **AUTHORIZED SIGNER WITH TITLE**, sign in the lower right corner of page 1 and initial page 2.
- **Insurance Requirements:** Property Insurance for the value of the Equipment naming First Western Bank & Trust, DBA All-Lines Leasing as "Loss Payee"

Please supply the following information:

Insurance Agent's Name: Alisa Bowman
Agent's Phone #: 208 733-5136 Fax #: 800-838-3392
Name of Insurance Company: Starkey-Leavitt Ins
Policy #: 091410PLG

- **U.S. Patriot Act** – Complete and sign as indicated.
- Include your **Business Check** in the amount of:- \$ 441.52 for upfront payments as detailed on the agreement below

Make your check payable to All-Lines Leasing and return with the signed documents

Upon completing the documents, please **fax** copies to me at 800-288-4959 and mail all the ink signed original pages to my attention using the contact information at the top of this letter.

If you have any questions, please contact me direct at (888) 705-0587 or abby@advacc.com. We appreciate this opportunity to serve you!

Regards,

Abby Berns
All Lines Leasing

5. **Late Charge and Dishonored Check Charges:** If any amount of a payment payable to you is not paid when due, you may charge me a late fee equal to 15% of the payment due, plus any collection fees and expenses. For each dishonored or returned check or other payment order which you receive on my Agreement, I agree to pay a service charge of \$ 30.00
6. **Security Deposit:** Each security deposit is non interest bearing and is to secure my performance under this Agreement. Any security deposit made may be applied by you to satisfy any amount owed by me, in which event I will promptly restore the security deposit to its full amount as set forth above. You may commingle the security deposit with other funds. If all conditions herein are fully complied with and provided I have not ever been in default of this Agreement per paragraph 16, the security deposit will be refunded to me.
7. **NON-CANCELABLE:** This is a non-cancelable agreement and may not be cancelled by me for any reason whatsoever. I may only prepay you by remitting to you all remaining current and future payments due on the Agreement (in addition to all other accrued and unpaid charges owing). I will make all payments whether or not I am satisfied with the Equipment and without deduction for any claim I may have against the Equipment supplier or against you.
8. **UCC Filings:** I authorize you to record a UCC-1 financing statement to show your interest in the Equipment. I agree to take any other action you request and/or authorize you to take any action to protect your rights under this Agreement from time to time and that you may report a copy of this Agreement as a financing statement. I will provide any landlord or mortgage waiver you request to protect your interest in the Equipment. I authorize you to endorse your name to any notes, checks, or other instruments for the payment of money relating to the Equipment (including insurance).
9. **Taxes and Fees:** I agree to pay when due all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment. If you pay any of the above for me, I agree to reimburse you and to pay you a processing fee for each payment you make on my behalf.
10. **Assignment: I HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR LEASE THE EQUIPMENT OR THIS AGREEMENT.** I understand that you, without prior notice, have the right to assign this Agreement to another financing source without my consent. I understand that the assignee will have the same rights and benefits but they do not have to perform any of your obligations. I agree that the rights of assignee will not be subject to any claims, defenses, or setoffs that I may have against you.
11. **Property Insurance:** I will keep the Equipment fully insured with an insurance company reasonably acceptable to you during the term of this Agreement with casualty insurance against loss, damage, theft and other hazards and name you as Loss Payee. If you fail to receive proof that satisfactory property insurance is in force, you at your option, may declare me in default or purchase insurance to protect your interests and charge me the gross amount of the premiums plus your arrangement fee (currently \$ 95.00) plus a financing charge.
12. **Loss or Damage:** I am the owner of the Equipment and responsible for the risk of loss or for any destruction of or damage to the Equipment. No such loss or damage relieves me from the payment obligations under this Agreement. I agree to promptly notify you in writing of any loss or damage and I will then pay to you the "Stipulated Value" equal to the present value of the total of all unpaid payments for the full term all discounted at five percent (5%). Any proceeds of insurance will be paid to you and credited against the outstanding balance.
13. **Customer's Representations.** I have given true and complete information in my application (including any supporting information) provided to you and I understand that you have relied on it. I have full authority to enter into this Agreement. The Equipment is free and clear of any liens and encumbrances.
14. **Warranties. I UNDERSTAND THAT THE FINANCER MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE MERCHANTABILITY, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE CONCERNING THE EQUIPMENT, GOODS, PROPERTY AND/OR SERVICES SOLD UNDER ANY AGREEMENT.**
15. **Indemnity:** You are not responsible for any loss or injuries caused by the installation or use of the Equipment. I agree to hold you harmless and reimburse you for loss and to defend you against any claim for costs, losses or injury caused by the Equipment or its use or related to this Agreement. My indemnity obligation includes any cost, expense or liability you incur, including court costs, attorney fees, interest and penalties.
16. **Default and Remedies.** I will be in default under the Agreement for any of the following reasons: (a) failure to make a payment in full when due; (b) failure to comply with any promise or term of the Agreement; (c) default on any other obligation for which I am legally responsible; (d) if any of my Customer's Representations were false, incorrect or misleading; (e) if I (or any guarantors) die; (f) if I (or any guarantors) become insolvent or the subject of a bankruptcy or other insolvency proceeding. If I default, you will have the right to accelerate the remaining unpaid payments and require that I immediately pay such amount plus any other accrued charges. After default, you may take possession of the Equipment by either self-help or legal process, at your option. You may require me to assemble and make the Equipment available to you or, at your option, I will allow you to peaceably enter the premises at which the Equipment is located so that you can remove it. I agree to pay you all the costs and expenses, including, but not limited to, attorney's fees, Equipment repossession costs, Equipment storage costs, costs of refurbishing Equipment and insurance costs, you incur in any enforcement through legal proceedings or otherwise, and in any dispute related to this Agreement or the Equipment. I agree that any delay or failure to enforce your rights under this Agreement does not prevent you from enforcing any rights at a later time, and the exercise of any remedy shall not prevent the exercise of any other remedy. It is further agreed that my rights and remedies are governed exclusively by this Agreement.
17. **Authorization to Communicate with Third Parties.** I authorize you to contact any person to obtain or disclose information about me in connection with making, servicing, and collecting this debt.
18. **Venue: THIS AGREEMENT WILL BE DEEMED FULLY EXECUTED AND PERFORMED IN THE STATE OF NORTH DAKOTA UPON SIGNING BY THE FINANCER AND WILL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH NORTH DAKOTA LAW. I EXPRESSLY CONSENT TO JURISDICTION AND VENUE (AT YOUR SOLE DISCRETION) OF ANY APPROPRIATE COURT LOCATED IN THE STATE OF MINNESOTA AND I WAIVE RIGHT TO TRIAL BY JURY FOR ANY CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE EQUIPMENT. I WAIVE RIGHT OF DEFENSE OF INCONVENIENT FORUM. SERVICE OF PROCESS SHALL BE DEEMED SUFFICIENTLY MADE ON ME BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO MY BILLING ADDRESS SET FORTH ABOVE.**

CUSTOMER'S INITIALS X



XAVIER CHARTER SCHOOL, INC.
Agreement No. EFA11234201

U.S. Patriot Act Form

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

When you apply for an account with us, we will ask for your name, address, date of birth and other information that will allow us to identify you. We will ask to see your driver's license or other identifying documents.
Signers and guarantors: please complete and return with contract documents the following information.

**CORPORATIONS, LLC'S, LLP'S PLEASE PROVIDE
FEDERAL TAX ID NO.**

20-9009576

Xavier Charter School
1218 North College Rd W
Twin Falls, ID 83301
(208) 734-3947

FIRST F.S.B. OF TWIN FALLS
92-701 741

4128

7/14/2011

PAY TO THE
ORDER OF

All- Lines Leasing

\$ 441.52/100

Four hundred forty one and 52/100

DOLLARS

Juste W. Santos
Deborah Burr

MEMO

⑈004128⑈ ⑆324170179⑆ 1 901349 9⑈

4128

Contract Services Agreement

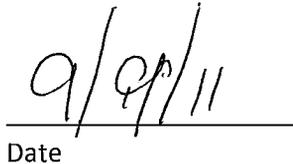
This contract shall be between Carpenter Calling Service and Xavier Charter School doing business at 1218 N College Road W, Twin Falls, ID. The length of contract shall be from September 6, 2011 continuing thru June 5, 2012. The contract shall be for services provided to the school under the direction of the business manager.

An annual fee of \$3,500 shall be charged to provide the services listed below:

- Answer phone calls from faculty and staff concerning absences.
- Contact pre-approved Substitutes to fill positions as calls come in.
- Email all substitutes for that day by 7:30am to: admin@xaviercharter.org
- Log the absentees and sub onto the attendance tracking spreadsheet.
- Send the attendance tracking spreadsheet to gcakebread@xaviercharter.org every Friday prior to noon for payroll processing.
- Schedule subs for staff members who have pre-arranged absences.
- Schedule subs for activity trips approved by administration.
- A Cell phone owned by Xavier Charter will be provided to you for the purpose of receiving calls from faculty/staff and calling substitutes. No personal calls should be answered or dialed from this phone.
- Monthly an updated list of Substitutes will be emailed to your email address to ensure we have approved the individual for use at Xavier Charter School.
- At any time you are not able to find a substitute to cover a classroom, you will contact the Principal on his cell phone to ensure he has knowledge of such problem.

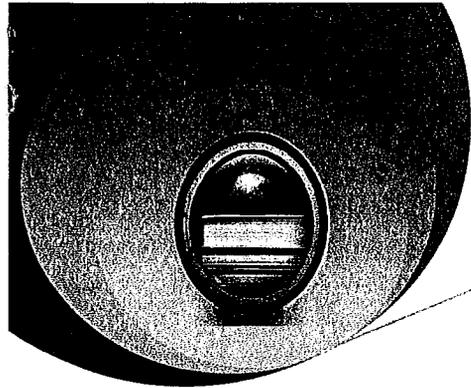
Contract payment shall be spread evenly over 9 month beginning September 15, 2011 and continuing on the 15th of every month ending May 15, 2012.


Carpenter Calling Service


Date


Business Manager


Date



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement

THIS AGREEMENT is entered into on this ___ day of _____ 2011, by and between EdWise LLC and Xavier Charter School for the 2011-2012 calendar school year. The parties to this Contract, in consideration of the mutual covenants and stipulations set out herein, agree as follows:

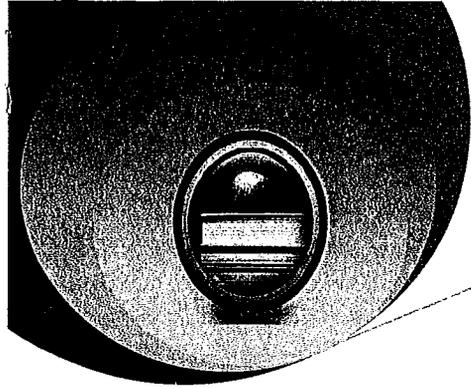
Article I: Scope of Services

- Special education and federal programs administration; specialized educational program and processes consultation; completion and filing of required reports for the Idaho State Department of Education and/or other state or federal agencies as requested and necessary

Pamela Houston-Powell, Ed.S, Idaho certified Director of Special Programs, Principal, Superintendent, Idaho State Department of Education Facilitator / Mediator, and owner of EdWise LLC will provide during the contract period administrative and consultative services, including special education directorship, Title I-A directorship, Section 504 coordination and case-management, and federal programs directorship and consultation as needed. EdWise LLC will be the exclusive and sole provider of special education and federal programs related administration and consultative services to Xavier Charter School during the contract period, unless each party mutually agrees otherwise.

- School psychological and RTI services

Sarah Wilkin, Ed.S, Idaho certified School Psychologist and independent contractor of EdWise LLC will provide during the contract period school psychological examinations and psychological consultative services, including psychological tests and other psychometric instruments used in determining eligibility for special education services as well as assisting teachers and administration in required Response to Intervention (RTI) processes and procedures. Testing protocols used during testing periods will be included in the invoice submitted by EdWise. Since these services qualify for Medicaid reimbursements to Xavier Charter School, Service Detail Reports (SDRs) will be completed and submitted to the school bookkeeper for any psychological tests and/or services rendered to Medicaid eligible students, so that Medicaid reimbursements for said tests and/or services can be obtained by Xavier Charter School. EdWise LLC will be the exclusive and sole provider of psychological services to Xavier Charter School during the contract period, unless each party mutually agrees otherwise.



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

- Social work services

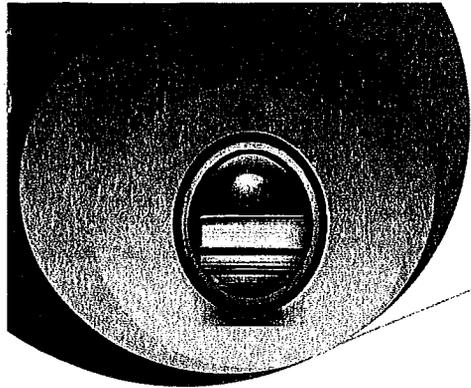
Callae Marcellus, M.Ed, LMSW, Idaho licensed social worker and independent contractor of EdWise LLC will provide mental health/behavioral examinations and mental health/behavioral consultative services, including social histories and other psychotherapeutic procedures used in determining eligibility for special education services as well as assisting families in navigating social agency service procedures. Testing protocols used during testing periods will be included in the invoice submitted by EdWise. Since these services qualify for Medicaid reimbursements to Xavier Charter School, Service Detail Reports (SDRs) will be completed and submitted to the school bookkeeper for any mental health/behavioral tests and/or services rendered to Medicaid eligible students, so that Medicaid reimbursements for said tests and/or services can be obtained by Xavier Charter School. EdWise LLC will be the exclusive and sole provider of psychological services to Xavier Charter School during the contract period, unless each party mutually agrees otherwise.

- Progress monitoring consultation

Jesse Mittlestadt, B.A, Idaho certified special education teacher and independent contractor of EdWise LLC will provide training and ongoing teacher support in progress monitoring and academic benchmarking using Xavier Charter School purchased AIMSweb software licenses. This information will be critical to the RTI processes and procedures, particularly when a student is referred for a special education evaluation. EdWise LLC will be the exclusive and sole provider of progress monitoring consultative services to Xavier Charter School during the contract period, with the exception of training provided by the Idaho State Department of Education.

- Discretionary services

Other services will be provided as needed (i.e., paraeducator training to meet Idaho Paraprofessional Standards, faculty inservice training, etc.).



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement, pg. 2

- Psychosocial rehabilitation services (PSR)

Robert Ransom, M.Ed, Idaho licensed PSR provider, art therapy counselor, and independent contractor of EdWise LLC will provide direct psychosocial rehabilitative services to any Xavier Charter School student whose IEP outlines the perimeters of said services.

Behavioral support at the school for students who do not have IEP-outlined PSR services is not included in the scope of this contract, though would be available if requested. The PSR provider will not provide PSR services at Xavier Charter School when the student receiving PSR services is absent from school or otherwise unavailable to receive said services. Since these services qualify for Medicaid reimbursements to Xavier Charter School, Service Detail Reports (SDRs) will be completed and submitted to the school bookkeeper for any mental health/behavioral tests and/or services rendered to Medicaid eligible students, so that Medicaid reimbursements for said tests and/or services can be obtained by Xavier Charter School. EdWise LLC will be the exclusive and sole provider of psychological services to Xavier Charter School during the contract period, unless each party mutually agrees otherwise.

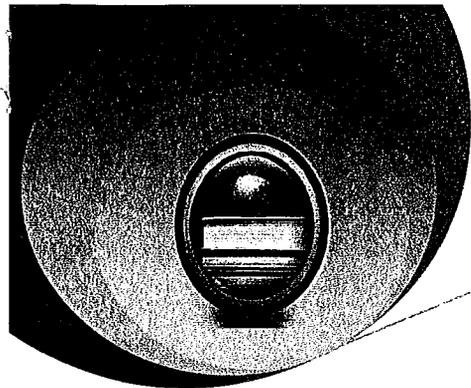
Article II: Schedule and Fees for Services

All services shall be regularly provided to Xavier Charter School as set forth herein:

- Special education and federal programs administration; specialized educational program and processes consultation; completion and filing of required reports for the Idaho State Department of Education.....20 hours per month @ \$65 per hour
- School psychological and RTI services.....12 hours per month @ \$65 per hour
- Discretionary services.....8 hours per month @ \$65 per hour
- Social work services (included in discretionary hours)
- Progress monitoring consultation (included in discretionary hours)

ANNUAL TOTAL (9 months) of EdWise LLC contract without PSR services.....\$23,400

MONTHLY TOTAL of EdWise LLC contract without PSR services.....\$2,600



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement, pg. 3

- Psychosocial rehabilitation services (PSR).....7 hours per day @ \$25 per hour

ANNUAL TOTAL (165 full student contact days; 2 partial student contact days) of EdWise LLC contract for expected PSR services.....\$29,050

MONTHLY TOTAL of EdWise LLC contract for expected PSR services.....\$3,228

NOTE: Medicaid reimbursable services include psychological, mental health/behavioral, and PSR services for which Xavier Charter School would recoup the majority portion of the costs for said services when students receiving these services are determined to Medicaid eligible.

Article III: Addendum Psychological Services

Xavier Charter School may request additional hours of any EdWise LLC services during the course of the contract term. The fee for each additional hour of service is \$65 (not PSR). The fee for each additional hour of direct student PSR services is \$25. The fee for each additional hour of direct student behavioral support (not PSR) is \$12.50.

Article IV: Payment for Services

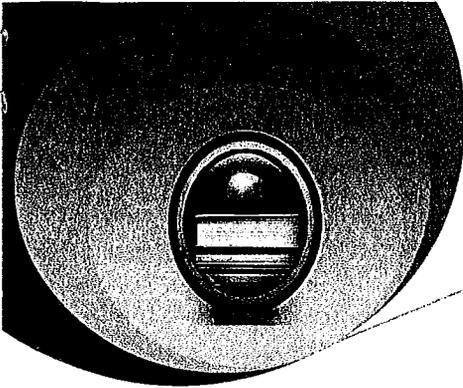
EdWise LLC shall provide an invoice to Xavier Charter School on a monthly basis. Xavier Charter School shall execute payment within 14 business days from the receipt of the invoice unless other arrangements are made that are agreeable to both parties.

Article V: Liability Insurance/Licensure

EdWise LLC agrees to maintain all appropriate documentation for independent contracted service providers and will provide copies of such documentation as requested by Xavier Charter School. Documentation includes licensure and/or certification information, background check information, and professional liability insurance coverage.

Article VI: Conditions / Limitations of Contract

All EdWise LLC service providers are gainfully employed by school districts within the Magic Valley area. When direct services to students are necessary, arrangements will be made to provide them during the course of the typical school day. Indirect services (i.e., administrative, training, etc.) will be provided after 4:00 p.m. unless other arrangements are made that are agreeable to both parties.



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement, pg. 4

A calendar of services for the school psychologist will be provided to Xavier Charter School. Adherence to this calendar is crucial as the school psychologist's service provision time is coordinated between Xavier Charter School and other area school districts. Any evaluation team meetings or RTI consultation meetings should be scheduled per this calendar if the school psychologist is needed.

This contract shall be subjected to review or modification by either party and may be terminated at any time by either party, subject to a thirty- (30) day written notice. Both parties have the right to discuss this option prior to submission of written notice.

Deborah Burr

Administrator, Board Member or Designee, Xavier Charter School

9-8-11

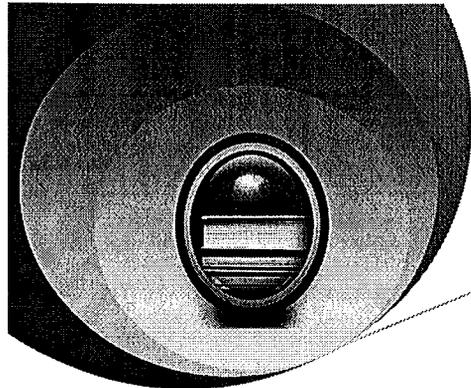
Date

Pamela Houston Powell

Owner, EdWise LLC

September 2, 2011

Date



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement, pg. 5

This contract shall be subjected to review or modification by either party and may be terminated at any time by either party, subject to a thirty- (30) day written notice. Both parties have the right to discuss this option prior to submission of written notice.

Administrator, Board Member or Designee, Xavier Charter School

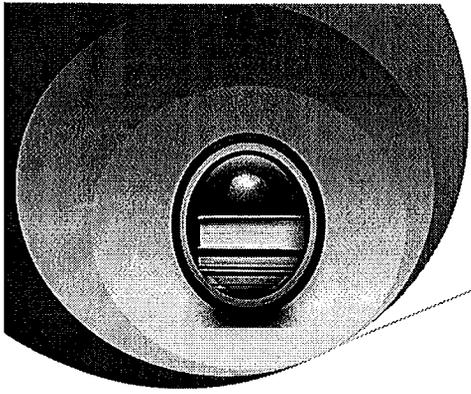
Date

Pamela Houston Powell

September 28, 2011

Owner, EdWise LLC

Date



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement Amendment

THIS AGREEMENT is entered into on this 28th day of September 2011, by and between EdWise LLC and Xavier Charter School for the 2011-2012 calendar school year. The parties to this Contract, in consideration of the mutual covenants and stipulations set out herein, agree to the amendments as follows:

Article I: Scope of Services

- Special education paraeducator services as described herein:
 - Angie Allen, Paraeducator – 2 hours per day for special education service provision (direct and indirect services)
 - Rachel Nickelson, Paraeducator – 2 hours per day for special education service provision (direct and indirect services)
 - Gayle Heinemann, Paraeducator – 2 hours per day for special education service provision (direct and indirect services)

Article II: Schedule and Fees for Services

All services shall be regularly provided to Xavier Charter School as set forth herein:

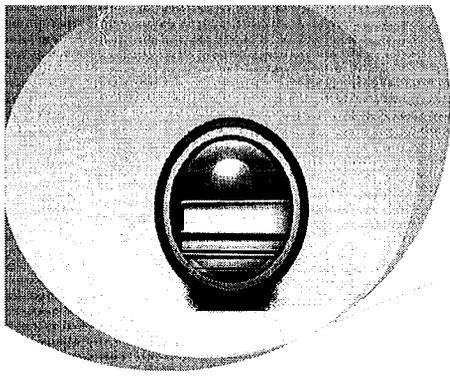
- Angie Allen, Paraeducator.....10 hours per week @ \$9.45 per hour
- Rachel Nickelson, Paraeducator.....10 hours per week @ \$9.00 per hour
- Gayle Heinemann, Paraeducator.....10 hours per week @ \$9.00 per hour

Article IV: Payment for Services

EdWise LLC shall provide an invoice to Xavier Charter School on a monthly basis. Xavier Charter School shall execute payment within 14 business days from the receipt of the invoice unless other arrangements are made that are agreeable to both parties.

Article VI: Conditions / Limitations of Contract

All EdWise LLC service providers are gainfully employed by school districts within the Magic Valley area. When direct services to students are necessary, arrangements will be made to provide them during the course of the typical school day. Indirect services (i.e., administrative, training, etc.) will be provided after 4:00 p.m. unless other arrangements are made that are agreeable to both parties.



EdWise LLC

Educational Consultation & Services

910 Green Tree Way

Twin Falls, ID 83301

208.308.2410

edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement

THIS AGREEMENT is entered into on this 8 day of Sept 2011, by and between EdWise LLC and Xavier Charter School for the 2011-2012 calendar school year. The parties to this Contract, in consideration of the mutual covenants and stipulations set out herein, agree as follows:

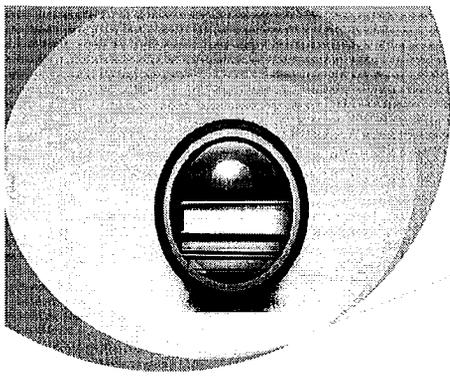
Article I: Scope of Services

- Special education and federal programs administration; specialized educational program and processes consultation; completion and filing of required reports for the Idaho State Department of Education and/or other state or federal agencies as requested and necessary

Pamela Houston-Powell, Ed.S, Idaho certified Director of Special Programs, Principal, Superintendent, Idaho State Department of Education Facilitator / Mediator, and owner of EdWise LLC will provide during the contract period administrative and consultative services, including special education directorship, Title I-A directorship, Section 504 coordination and case-management, and federal programs directorship and consultation as needed. EdWise LLC will be the exclusive and sole provider of special education and federal programs related administration and consultative services to Xavier Charter School during the contract period, unless each party mutually agrees otherwise.

- School psychological and RTI services

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EdWise LLC

Educational Consultation & Services

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Wise Approaches Affording Educational Benefit

- Social work services

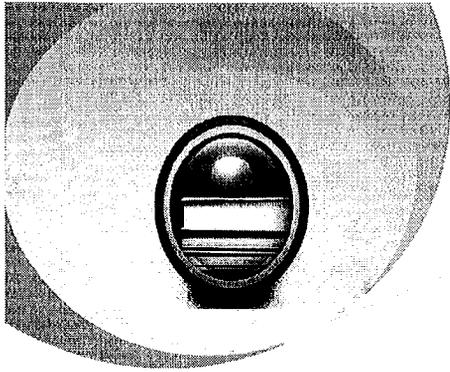
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- Discretionary services

Other services will be provided as needed (i.e., paraeducator training to meet Idaho Paraprofessional Standards, faculty inservice training, etc.).



EdWise LLC

Educational Consultation & Services

910 Green Tree Way
Twin Falls, ID 83301
208.308.2410
edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement, pg. 2

- Psychosocial rehabilitation services (PSR)

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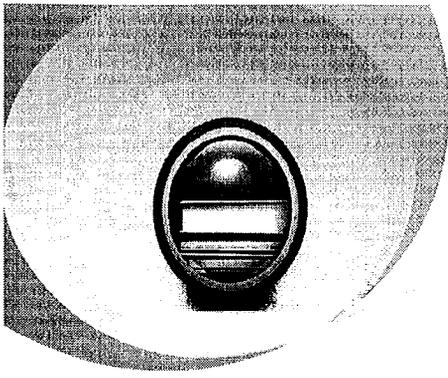
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ANNUAL TOTAL (9 months) of EdWise LLC contract without PSR services.....\$23,400

MONTHLY TOTAL of EdWise LLC contract without PSR services.....\$2,600



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Educational Consultation & Services

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edwisellc@aol.com

Wise Approaches Affording Educational Benefit

Contractual Agreement, pg. 3

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ANNUAL TOTAL (165 full student contact days; 2 partial student contact days) of EdWise LLC contract for expected PSR services.....\$29,050

MONTHLY TOTAL of EdWise LLC contract for expected PSR services.....\$3,228

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Article IV: Payment for Services

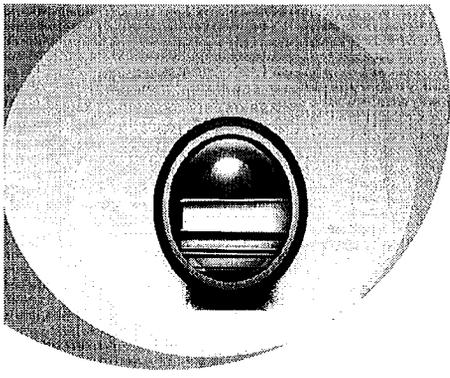
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Contractual Agreement, pg. 4

A calendar of services for the school psychologist will be provided to Xavier Charter School. Adherence to this calendar is crucial as the school psychologist's service provision time is coordinated between Xavier Charter School and other area school districts. Any evaluation team meetings or RTI consultation meetings should be scheduled per this calendar if the school psychologist is needed.

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Administrator, Board Member or Designee, Xavier Charter School

Sept 8, 2011

Date

Owner, EdWise LLC

September 2, 2011

Date

EMPLOYERS MUTUAL CASUALTY COMPANY

C H A N G E E N D O R S E M E N T

POLICY PERIOD: FROM 08/24/11 TO 08/24/12 *-----*
* POLICY NUMBER *
* 4 D 4 - 0 1 - 2 5 ---12 *

N A M E D I N S U R E D : P R O D U C E R :

XAVIER CHARTER SCHOOL STARLEY-LEAVITT INSURANCE
1218 N COLLEGE RD W AGENCY, INC.
TWIN FALLS ID 83301-5651 715 SHOSHONE ST N
PO BOX 1947
TWIN FALLS ID 83303-1947

DIRECT BILL AGENT: AP 6027
AGENT PHONE: 208-733-5136

T H I S E N D O R S E M E N T C H A N G E S T H E P O L I C Y .
P L E A S E R E A D I T C A R E F U L L Y .

* ENDORSEMENT EFFECTIVE DATES: 08/24/11 TO 08/24/12 *

IN CONSIDERATION OF THE ADDITIONAL PREMIUM
THE FOLLOWING CHANGES ARE APPLICABLE TO THIS POLICY:

CLASS 87767 & FORM CG7501 HAVE BEEN AMENDED ADDING
FIRST WESTERN BANK AND TRUST AS AN ADDITIONAL INSURED.

ADDITIONAL PREMIUM: \$ 21.00

EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: 4D4-01-25---12

XAVIER CHARTER SCHOOL

EFF DATE: 08/24/11

EXP DATE: 08/24/12

GENERAL LIABILITY POLICY
DECLARATIONS

ENDORSEMENT SCHEDULE

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
CG0001	12-07	COMMERCIAL GEN LIABILITY COV FORM	
CG0068	05-09	RECORD/DISTR MATRL INFO VIOL LAW EXC	
CG2147	12-07	EXCL-EMPLOYMENT RELATED PRACTICES	
CG2150	09-89	AMENDMENT/LIQUOR LIABILITY EXCLUSION	
CG2167	12-04	FUNGI OR BACTERIA EXCLUSION	
CG2170	01-08	CAP/LOSSES FROM CERT ACTS/TERRORISM	
CG2176	01-08	EXCL PUNITIVE DMGS ACTS OF TERRORISM	
CG2271	10-01	COLLEGES/SCHOOLS LIMITED FORM	
CG2426	07-04	AMENDMENT OF INSURED CONTRACT DEFIN	
CG7001A	04-10	GENERAL LIABILITY SCHEDULE	
CG7003	10-08	GL QUICK REFERENCE (OCCURRENCE)	
CG7117.10	07-97	TORT CLMS AGAINST GOV ENTITIES - ID	
CG7185	01-06	EXCLUSION - LEAD	
CG7255	12-09	CGL AMENDMENT -SCHOOLS	
CG7501	01-06	AI-DESIG PERSON/ORGAN-VICAR LIAB NAME/CONCESSIONAIRES/JOB TITLES/ POLITICAL ENTITY/ASSOC. OR ORG./ETC. TWIN FALLS SCHOOL DEVELOPMENT, LLC	
		FIRST WESTERN BANK AND TRUST	
CG7551	10-08	ABUSE OR MOLESTATION LIABILITY	
CG7583	01-06	MOTOR VEHICLE LAWS	
CG7584	10-08	MOBILE EQUIPMENT/AUTO AMENDMENT	
IL0021	09-08	NUCLEAR ENERGY LIAB EXCL/BROAD FORM	
IL0204	09-08	ID CHANGES - CANCELLATION/NONRENEWAL	
IL7028	10-05	ASBESTOS EXCLUSION	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
IL7137	01-08	EXCL MIXED DUST PNEUMOCONIOSIS	
IL7613	01-99	IDAHO COMPANY ELIMINATION	
IL8383.2	01-08	DISCL PURSUANT TERRSM RISK INS. ACT	\$ 22
IL8384A	01-08	TERRORISM NOTICE	
IL8576	09-09	MEDICARE IMPT NOTICE TO POLICYHOLDER	

DATE OF ISSUE: 08/03/11

FORM: IL7131A (ED. 04-01)

027 CK

4D40125 1202

EMPLOYERS MUTUAL CASUALTY COMPANY
 XAVIER CHARTER SCHOOL

EFF DATE: 08/24/11

POLICY NO: 4D4-01-25---12
 EXP DATE: 08/24/12

GENERAL LIABILITY SCHEDULE

 EACH OCCURRENCE LIMIT \$ 1,000,000
 DAMAGE TO PREMISES RENTED TO YOU LIMIT \$ 300,000 ANY ONE PREMISES
 MEDICAL EXPENSE LIMIT \$ 5,000 ANY ONE PERSON
 PERSONAL AND ADVERTISING INJURY LIMIT \$ 1,000,000 ANY ONE PERSON OR ORGANIZATION
 GENERAL AGGREGATE LIMIT \$ 2,000,000
 PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT \$ 2,000,000

LOCATION 001 ! ! ! !
 87767 ! ! ! ! \$ 40
 ADDITIONAL INSURED - DESIGNATED ! ! ! !
 PERSONS OR ORGANIZATIONS - ! ! ! !
 VICARIOUS LIAB -SEE FORM CG7501 ! ! ! !
 PREMIUM BASIS: ! ! ! !
 PER EA COV ! ! ! !
 EXPOSURE: 2 ! ! ! !
 (SUBLINE /334) ! ! ! !

TOTAL PREMIUM FOR CHANGES \$ 21.00

- (1) OTHER THAN NOT FOR PROFIT (2) NOT FOR PROFIT
- (3) INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS UNLESS OTHERWISE EXCLUDED
- (4) PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT
- (5) A \$250 PD DEDUCTIBLE PER CLAIM APPLIES TO CUSTOMERS AUTOS UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE
- (6) FOR SPRAY PAINTING OPERATIONS, A PD DEDUCTIBLE OF \$250 PER CLAIM APPLIES UNLESS A HIGHER DEDUCTIBLE IS OTHERWISE DESIGNATED FOR THIS CLASSIFICATION CODE

LOCATION OF ALL PREMISES OWNED, RENTED OR OCCUPIED:

RATED LOCATIONS:

LOC 001 1218 N COLLEGE RD W
 TWIN FALLS, ID 83301-5651

DATE OF ISSUE: 08/03/11 BPP

EMPLOYERS MUTUAL CASUALTY COMPANY

C H A N G E E N D O R S E M E N T

POLICY PERIOD: FROM 08/24/10 TO 08/24/11 *-----*
* POLICY NUMBER *
* 4 A 4 - 0 1 - 2 5 ---11 *

N A M E D I N S U R E D : P R O D U C E R :

XAVIER CHARTER SCHOOL STARLEY-LEAVITT INSURANCE
1218 N COLLEGE RD AGENCY, INC.
TWIN FALLS ID 83301-5576 715 SHOSHONE ST N
PO BOX 1947
TWIN FALLS ID 83303-1947

DIRECT BILL AGENT: AP 6027
AGENT PHONE: 208-733-5136

T H I S E N D O R S E M E N T C H A N G E S T H E P O L I C Y .
P L E A S E R E A D I T C A R E F U L L Y .

* ENDORSEMENT EFFECTIVE DATES: 08/03/11 TO 08/24/11 *

IN CONSIDERATION OF THE PREMIUM CHARGED
THE FOLLOWING CHANGES ARE APPLICABLE TO THIS POLICY:

FIRST WESTERN BANK AND TRUST HAS BEEN ADDED AS A LOSS
PAYEE & ASSIGNED TO PERSONAL PROPERTY OF YOUR BUSINESS
AT LOCATION 001.

ADDITIONAL PREMIUM: \$ 0.00

PLACE OF ISSUE: BISMARCK, ND
DATE OF ISSUE: 08/03/11
FORM: IL1201A (ED. 01-86)

COUNTERSIGNED BY:
025 CK

(CONTINUED)

4A40125 1103

EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: 4A4-01-25---11

XAVIER CHARTER SCHOOL

EFF DATE: 08/03/11

EXP DATE: 08/24/11

C O M M E R C I A L P R O P E R T Y P O L I C Y
D E C L A R A T I O N S

=====

ENDORSEMENT SCHEDULE

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
CP0140	07-06	EXCL OF LOSS DUE TO VIRUS/BACTERIA	
*CP7001A	01-86	COMMERCIAL PROPERTY SCHEDULE	
CP7123	01-10	SCHOOL PROPERTY COVERAGE FORM	
*CP7123.11	09-05	SCHOOL EARTHQUAKE/VOLCANIC ERUPTION	
CP8075	07-06	POLICYHOLDER NOTICE	
IL0204	09-08	ID CHANGES - CANCELLATION/NONRENEWAL	
IL0952	01-08	CAP/LOSSES/CERTIFD ACTS OF TERRORISM	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
IL7306	08-98	EXCLUSION OF CERTAIN COMPUTER LOSSES	
IL7613	01-99	IDAHO COMPANY ELIMINATION	
IL8383.2	01-08	DISCL PURSUANT TERRSM RISK INS. ACT	\$ 7
IL8384A	01-08	TERRORISM NOTICE	

FORM(S) DELETED WITH THIS TRANSACTION:

CP7123.11 01-10

DATE OF ISSUE: 08/03/11

FORM: IL7131A (ED. 04-01)

025 CK

4A40125 1103

EMPLOYERS MUTUAL CASUALTY COMPANY
 XAVIER CHARTER SCHOOL

POLICY NO: 4A4-01-25---11
 EFF DATE: 08/03/11 EXP DATE: 08/24/11

C O M M E R C I A L P R O P E R T Y S C H E D U L E

LOC 001 1218 N COLLEGE RD DESCRIPTION: 1 STORY MAS NONCOM BLDG
 TWIN FALLS, ID. IN PROTECTION CLASS 03
 83301-5576 OCCUPANCY: SCHOOL

DEDUCTIBLE PER OCCURRENCE: \$ 1,000 ON ALL COVERED CAUSES OF LOSS
 FOR INSPECTION CONTACT: BRANDON FAIRBANKS 208-933-9287
 PROTECTIVE SAFEGUARDS: SPRINKLER

ITEM	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	SPEC* INT COINS	OPTIONAL COVERAGES
01	PERSONAL PROPERTY OF YOUR BUSINESS	\$ 350,000	SPECIAL	01 90%	REPLACEMENT COST INFLATION GUARD 4%

*SPECIAL INTEREST

SPEC.
 INT. NO. 01 LOSS PAYEE - LOSS PAYABLE
 FIRST WESTERN BANK AND TRUST
 ADVANCE ACCEPTANCE ALL LINES
 LEASING
 100 PRAIRIE CENTER DR
 EDEN PRAIRIE, MN. 55344-5452
 REFERENCE NO: EFA11234201

TOTAL PREMIUM FOR CHANGES \$ 0

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DATE OF ISSUE: 08/03/11 (BPP)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHOOL EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

SCHOOL BUILDING AND PERSONAL PROPERTY COVERAGE FORM

A. Additional Covered Causes Of Loss

The following are added to the Covered Causes of Loss:

1. Earthquake;
2. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano;
3. Sprinkler Leakage resulting from Earthquake; and
4. Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

B. Exclusions, Limitations And Related Provisions

1. The Exclusions And Limitations section of the School Building and Personal Property Coverage Form applies to coverage provided under this endorsement, except as provided in **B.2.** and **B.3.** below.
2. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
3. The exclusion of collapse in the School Building and Personal Property Coverage Form does not apply to collapse caused by Earthquake or Volcanic Eruption.
4. The Additional Coverage – Collapse in the School Building and Personal Property Coverage Form does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.
5. We will not pay for loss or damage caused directly or indirectly by any of the following:
 - a. Flood, surface water, mudslide or mud flow, waves, tidal water, tidal wave or tsunami, overflow of streams or other bodies of water, or other spray, all even if attributable to an Earthquake or Volcanic Eruption or whether driven by wind; or
 - b. Release of water impounded by a dam, regardless of cause.

6. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
7. The Ordinance Or Law Exclusion in the School Building and Personal Property Coverage Form continues to apply with respect to any loss under the School Building And Personal Property Coverage Form including any loss under this endorsement.
8. We will not pay for loss of or damage to exterior masonry veneer (including stucco) caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.
9. As set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.
10. We will not pay for loss or damage to:
 - a. Property at any location covered under Coverage Extension **5.a.**, Newly Acquired Or Constructed Property, in the School Building and Personal Property Coverage Form; or
 - b. Property in transit.

C. No Coinsurance

The Coinsurance Condition in this policy, if any, does not apply to the coverage provided under this endorsement.

D. Limit Of Insurance

1. General Information

The term Limit of Insurance means the Limit of Insurance applicable to Earthquake – Volcanic Eruption for the Covered Property or Coverage under which loss or damage is sustained.

The Limit of Insurance applicable to Covered Property and Coverages for Earthquake – Volcanic Eruption is **\$150,000**.

EMPLOYERS MUTUAL CASUALTY COMPANY
 XAVIER CHARTER SCHOOL

POLICY NO: 4A4-01-25---12

EFF DATE: 08/24/11

EXP DATE: 08/24/12

 C O M M E R C I A L P R O P E R T Y S C H E D U L E

LOC 001 1218 N COLLEGE RD W DESCRIPTION: 1 STORY MAS NONCOM BLDG
 TWIN FALLS, ID. OCCUPANCY: SCHOOL
 83301-5651 IN PROTECTION CLASS 03

DEDUCTIBLE PER OCCURRENCE: \$ 1,000 ON ALL COVERED CAUSES OF LOSS
 FOR INSPECTION CONTACT: BRANDON FAIRBANKS 208-933-9287
 PROTECTIVE SAFEGUARDS: SPRINKLER

ITEM	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES OF LOSS	SPEC* INT COINS	OPTIONAL COVERAGES
01	PERSONAL PROPERTY OF YOUR BUSINESS	\$ 350,000	SPECIAL	01 90%	REPLACEMENT COST INFLATION GUARD 4%

*SPECIAL INTEREST

SPEC.
 INT. NO. 01 LOSS PAYEE - LOSS PAYABLE
 FIRST WESTERN BANK AND TRUST
 ADVANCE ACCEPTANCE ALL LINES
 LEASING
 100 PRAIRIE CENTER DR
 EDEN PRAIRIE, MN. 55344-5452
 REFERENCE NO: EFA11234201

 TOTAL PREMIUM FOR CHANGES \$ 0

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DATE OF ISSUE: 08/03/11 (BPP)

EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: 4D4-01-25---11

XAVIER CHARTER SCHOOL

EFF DATE: 08/03/11

EXP DATE: 08/24/11

GENERAL LIABILITY POLICY
DECLARATIONS

=====
ENDORSEMENT SCHEDULE

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
CG0001	12-07	COMMERCIAL GEN LIABILITY COV FORM	
CG0068	05-09	RECORD/DISTR MATRL INFO VIOL LAW EXC	
CG2147	12-07	EXCL-EMPLOYMENT RELATED PRACTICES	
CG2150	09-89	AMENDMENT/LIQUOR LIABILITY EXCLUSION	
CG2167	12-04	FUNGI OR BACTERIA EXCLUSION	
CG2170	01-08	CAP/LOSSES FROM CERT ACTS/TERRORISM	
CG2176	01-08	EXCL PUNITIVE DMGS ACTS OF TERRORISM	
CG2267	10-93	CORPORAL PUNISHMENT	
CG2271	10-01	COLLEGES/SCHOOLS LIMITED FORM	
CG2426	07-04	AMENDMENT OF INSURED CONTRACT DEFIN	
*CG7001A	04-10	GENERAL LIABILITY SCHEDULE	
CG7003	10-08	GL QUICK REFERENCE (OCCURRENCE)	
CG7185	01-06	EXCLUSION - LEAD	
CG7255	12-09	CGL AMENDMENT -SCHOOLS	
CG7501	01-06	AI-DESIG PERSON/ORGAN-VICAR LIAB NAME/CONCESSIONAIRES/JOB TITLES/ POLITICAL ENTITY/ASSOC. OR ORG./ETC. TWIN FALLS SCHOOL DEVELOPMENT, LLC	
		FIRST WESTERN BANK AND TRUST	
CG7551	10-08	ABUSE OR MOLESTATION LIABILITY	
CG7583	01-06	MOTOR VEHICLE LAWS	
CG7584	10-08	MOBILE EQUIPMENT/AUTO AMENDMENT	
IL0021	09-08	NUCLEAR ENERGY LIAB EXCL/BROAD FORM	
IL0204	09-08	ID CHANGES - CANCELLATION/NONRENEWAL	
IL7028	10-05	ASBESTOS EXCLUSION	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
IL7137	01-08	EXCL MIXED DUST PNEUMOCONIOSIS	
IL7613	01-99	IDAHO COMPANY ELIMINATION	
IL8383.2	01-08	DISCL PURSUANT TERRSM RISK INS. ACT	\$ 21
IL8384A	01-08	TERRORISM NOTICE	
IL8576	09-09	MEDICARE IMPT NOTICE TO POLICYHOLDER	

DATE OF ISSUE: 08/03/11

FORM: IL7131A (ED. 04-01)

025 CK

4D40125 1103

EMPLOYERS MUTUAL CASUALTY COMPANY
 XAVIER CHARTER SCHOOL

EFF DATE: 08/03/11

POLICY NO: 4D4-01-25---11
 EXP DATE: 08/24/11

GENERAL LIABILITY SCHEDULE

EACH OCCURRENCE LIMIT	\$	1,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$	300,000	ANY ONE PREMISES
MEDICAL EXPENSE LIMIT	\$	5,000	ANY ONE PERSON
PERSONAL AND ADVERTISING INJURY LIMIT	\$	1,000,000	ANY ONE PERSON OR ORGANIZATION
GENERAL AGGREGATE LIMIT	\$	2,000,000	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$	2,000,000	

LOCATION 001	!	!	!	!	
87767	!	!	!	!\$	40
ADDITIONAL INSURED - DESIGNATED	!	!	!	!	
PERSONS OR ORGANIZATIONS -	!	!	!	!	
VICARIOUS LIAB -SEE FORM CG7501	!	!	!	!	
PREMIUM BASIS:	!	!	!	!	
PER EA COV	!	!	!	!	
EXPOSURE: 2	!	!	!	!	
(SUBLINE /334)	!	!	!	!	

TOTAL PREMIUM FOR CHANGES \$ 20.00

- (1) OTHER THAN NOT FOR PROFIT (2) NOT FOR PROFIT
- (3) INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS UNLESS OTHERWISE EXCLUDED
- (4) PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT
- (5) A \$250 PD DEDUCTIBLE PER CLAIM APPLIES TO CUSTOMERS AUTOS UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE
- (6) FOR SPRAY PAINTING OPERATIONS, A PD DEDUCTIBLE OF \$250 PER CLAIM APPLIES UNLESS A HIGHER DEDUCTIBLE IS OTHERWISE DESIGNATED FOR THIS CLASSIFICATION CODE

LOCATION OF ALL PREMISES OWNED, RENTED OR OCCUPIED:

RATED LOCATIONS:

LOC 001 1218 N COLLEGE RD
 TWIN FALLS, ID 83301-5576

DATE OF ISSUE: 08/03/11 BPP

LEASE AGREEMENT

**TWIN FALLS SCHOOL DEVELOPMENT, LLC
AS LANDLORD**

-and-

**XAVIER CHARTER SCHOOL, INC.
AS TENANT**

PREMISES: Situated on approximately 10 acres, an approximate 46,734 square foot charter school facility located on North College Rd, Twin Falls Idaho

DATE: As of _____, 2010

THIS LEASE AGREEMENT (the “**Lease**”) is made as of _____, 2010, by and between **TWIN FALLS SCHOOL DEVELOPMENT, LLC**, a Utah limited liability company (“**Landlord**”), and **XAVIER CHARTER SCHOOL, INC.**, an Idaho not-for-profit corporation (“**Tenant**”).

W I T N E S S E T H:

1. Definitions. In addition to other terms which may be defined herein, the following terms shall have the meanings set forth in this Article 1 unless the context otherwise requires:

1.1 “Additional Rent” shall have the meaning set forth in Section 4.6.

1.2 “Affiliate” means, when used with reference to a specified Person (i) any Person who directly or indirectly controls, is controlled by or is under control with the specified Person, (ii) any Person who is an officer, member or trustee of, or serves in a similar capacity with respect to, the specified Person, or for which the specified Person is an officer, member or trustee or serves in a similar capacity, (iii) any Person who, directly or indirectly, is the beneficial owner of ten percent (10%) or more of any class of equity securities of the specified Person, or of which the specified Person, directly or indirectly, is the beneficial owner of ten percent (10%) or more of any class of equity securities of the specified Person, or of which the specified Person, directly or indirectly, is the owner of ten percent (10%) or more of any class of equity securities, and (iv) any relative of the specified Person.

1.3 “Building” shall mean the school facilities (in one or more structures) of approximately 46,734 total square feet and described in the attached **Schedule F**.

1.4 “Charter” means each and collectively those certain Charter School Agreements between Tenant and the Idaho State Department of Education (the “State”) (as amended, renewed, extended or reissued from time to time) pursuant to which Tenant operates or will operate a charter school on the Property (collectively, the “School”).

1.5 “Demised Premises” shall mean the Land and the Improvements.

1.6 “Environmental Laws” shall have the meaning set forth in Section 6.2.

1.7 “Event of Default” shall have the meaning set forth in Article 21.

1.8 “Expiration” and “Expiration Date” shall mean the date upon which this Lease actually expires or terminates, whether at the end of the Initial Term or Extended Term or upon any earlier termination hereof for any reason whatsoever.

1.9 “Extended Term” shall have the meaning set forth in Section 3.2.

1.10 “First Mortgage” shall mean a first mortgage lien that now or hereafter encumbers Landlord's fee or leasehold interest in the Property and is executed for the benefit of a First Mortgagee.

1.11 “First Mortgagee” shall mean Vectra Bank Colorado, National Association, or any future holder of a First Mortgage.

1.12 “Fixed Charges” shall mean as to any measuring period: (i) all base rent (i.e. payments under leases of real property or equipment of an original term of more than one year) due, plus (ii) all principal and interest due in respect of borrowed money (including payments under guaranties, financial support agreements and the like with respect to which the underlying obligation is in default for non-payment), plus (iii) all installment payments due in respect of installment purchase contracts of an original term of more than one year.

1.13 “Fixed Charge Coverage Ratio” shall mean, for any fiscal year of the Tenant, the ratio of (i) Net Revenues Available for Fixed Charge Payments to (ii) the total Fixed Charges for such period.

1.14 “Fixed Rent” shall have the meaning set forth in Section 4.1.

1.15 “Governmental Authorities” shall mean all federal, state, county, municipal, town, village and local governments, and all departments, commissions, boards, bureaus, agencies, offices and officers thereof, having or claiming jurisdiction over all or any part of the Property or the use thereof.

1.16 “Hazardous Materials” shall have the meaning set forth in Section 6.2.

1.17 “Impositions” shall mean all duties, taxes, water and sewer rents, rates and charges, assessments (including all assessments for public improvement or benefit), charges for public utilities, excises, levies, license and permit fees (excluding any license or permit fees relating to the development of the Initial Improvements), sales tax on rent, commercial rent tax, gross receipts tax based on rent, fees and assessments imposed by any owners’ association and other charges, ordinary or extraordinary, foreseen or unforeseen, of any kind and nature whatsoever, which have been or may be laid, levied, assessed or imposed upon or become due and payable during the Term out of or in respect of, or become a lien on, the Property, Tenant’s Personal Property or any other property or rights included in the Property, or any part thereof or appurtenances thereto, or which are levied or assessed against the rent and revenues (but not taxes levied with respect to the net income of the Landlord) received by Landlord from the Property, by virtue of any present or future law, order or ordinance of the United States of America, the State or of any state, county, city or local government or of any department, office or bureau thereof or any other Governmental Authority.

1.18 “Improvements” shall mean the improvements now or hereafter constructed on, over or under the Land, including, without limitation, the Building and all replacements thereof and additions thereto, all walkways, parking and road improvements of whatever nature, utility and sewage lines (to the extent of Landlord’s interest therein) and all apparatus, machinery, devices, fixtures, appurtenances and equipment necessary for the proper operation and maintenance of the foregoing now or hereafter owned by Landlord or hereafter acquired by Tenant and, as herein provided, to be surrendered to Landlord upon the Expiration of this Lease and attached to and used in connection with the Building and the Land.

- 1.19 “Indebtedness” shall mean any direct debt, capital lease or other encumbrance but shall not include any trade payables.
- 1.20 “Initial Term” shall have the meaning set forth in Section 3.1.
- 1.21 “Land” shall mean the land situated in Twin Falls County, Idaho and more particularly described in **Schedule A** annexed hereto and incorporated herein by reference.
- 1.22 “Landlord” shall mean TWIN FALLS SCHOOL DEVELOPMENT, LLC and its successors and assigns as landlord under this Lease.
- 1.23 “Landlord’s Mortgages” shall have the meaning set forth in Section 28.1.
- 1.24 “Law” or “Laws” shall have the meaning set forth in Article 9.
- 1.25 “Lease Date” shall mean the date that the facility (as described in **Schedule F**) is made tenantable and is approved for use by the charter school in writing but no sooner than August 15, 2010. The Landlord shall provide notice to Tenant on or before July 15, 2010, of Landlord’s reasonable conclusion that the Lease Date will be later than August 20, 2010.
- 1.26 “Lease Interest Rate” shall mean the lesser of (a) the highest lawful rate which at the time may be charged by Landlord to Tenant under the Laws of the State or (b) 15% per annum.
- 1.27 “Lease Year” shall mean the twelve (12) calendar month period commencing on each July 1, 2010 during the Term of this Lease.
- 1.28 “Net Revenues Available for Fixed Charges” shall mean, for any period, the sum of (i) all revenues of the Tenant (from any source) arising from core business functions of Tenant (i.e., business functions essential to maintenance of the Charter and similar charters), less (ii) the sum of all costs and expenses of operations and maintenance (determined in accordance with generally accepted accounting principles) of the Tenant in respect of such core business functions, except for Fixed Charges.
- 1.29 “Notices” shall have the meaning set forth in Section 24.1.
- 1.30 “Other Landlord” shall mean the entity, if any, identified as such in Section 32.1 hereof, and if no such entity is identified therein, then all other references to “Other Landlord” herein shall be of no effect.
- 1.31 “Owner” shall mean the Owner of the fee title to the Land.
- 1.32 “Permits” shall have the meaning set forth in Article 9.

1.33 “Permitted Encumbrances” shall mean those certain liens, easements, rights of way and other encumbrances set forth on **Schedule B** annexed hereto and incorporated herein by reference.

1.34 “Person” shall mean and include any individual, corporation, partnership, limited liability company, unincorporated association, trust, Governmental Authority or other entity.

1.35 “Pro Forma Fixed Charge Coverage Ratio” shall mean the Fixed Charge Coverage Ratio calculated upon the assumption that a particular additional Fixed Charge obligation is undertaken by Tenant, and that the associated revenues and other expenses accrue to Tenant, all such assumptions based upon reasonable business projections documented in writing to or by the board of Tenant, and forming the basis for the decision of the board of Tenant to undertake or not undertake such additional Fixed Charge obligation.

1.36 “Property” shall mean the Demised Premises.

1.37 “Provisions” shall have the meaning set forth in Article 30.

1.38 “Renewal Notice” shall have the meaning set forth in Section 3.2.

1.39 “Repairs” shall have the meaning set forth in Section 8.1.

1.40 “Restorations” shall have the meaning set forth in Section 16.2.

1.41 “State” shall mean the state in which the Demised Premises are located.

1.42 “Tenant” shall mean the Tenant named herein and its legal representatives and, at any given time, its permitted successors and assigns as tenant under this Lease.

1.43 “Tenant Alterations” shall mean each and every (a) demolition of the whole or any part of any Improvement now or hereafter erected upon the Land; (b) excavation at any time made or to be made in, on or about the Demised Premises; (c) repair, addition, installation, betterment, rebuilding, or fixturing made by Tenant of, to, in, on or about the Property or any part thereof; and (d) construction of any additional Improvements by Tenant upon the Land.

1.44 “Tenant’s Architect” and “Tenant’s Engineer” shall mean, respectively, a duly qualified architect and engineer, licensed in the State, selected and paid by Tenant.

1.45 “Tenant Deliveries” means the following instruments and documents to be executed, acknowledged and/or delivered by Tenant to Landlord and at such time or times as the same are reasonably requested by Landlord, including, without limitation, in conjunction with a sale of the Property by Landlord: (a) Tenant Estoppel Certificate in form acceptable to Landlord and its lenders or potential purchasers of the Property; (b) the Memorandum of Lease in the form attached hereto as **Schedule C**; (c) the insurance certificate required pursuant to Section 10.2;

(d) the subordination, non-disturbance and attornment agreement provided for in Section 28.2; and (e) one or more legal opinions from outside counsel for Tenant licensed in the jurisdiction of their state and nation of formation acceptable to Landlord (“Tenant’s Counsel Opinion”), stating that (A) Tenant is duly formed, validly existing, and in good standing under the laws of its state of formation; (B) the person executing the Lease is duly appointed and authorized by Tenant to execute the Lease; (C) the Lease has been duly authorized, executed and delivered by Tenant, and constitutes a legal, valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms subject to exceptions relating to bankruptcy, insolvency and the application of equitable principles; (D) Tenant has full power and authority to execute, deliver and perform its obligations under the Lease and to carry on its businesses as presently conducted; (E) to the current, actual knowledge of Tenant’s counsel based on due inquiry to Tenant, the execution, delivery and performance of the Lease will not conflict with or result in a breach or violation of any term or provision of, or constitute a default under (1) the Articles of Incorporation or Bylaws of Tenant, (2) any loan agreement, mortgage, deed of trust, lease, license or other agreement or instrument to which Tenant is a party or by which Tenant is bound, (3) any statute, order, rule or regulation of any governmental body or agency or instrumentality thereof, or (4) any order, writ, injunction or decree of any court or any arbitrator having jurisdiction over Tenant; and (F) such other matters as Landlord may reasonably require. Tenant shall permit, and shall cause Tenant’s counsel to permit, any holder of the First Mortgage to rely on Tenant’s Counsel Opinion if one or more subject matters of such opinion is (are) (x) required by the holder of the First Mortgage as a condition to the closing of the First Mortgage and (y) of the type customarily required by institutional lenders.

1.46 “Tenant’s Personal Property” shall mean (a) all items that are owned by third parties and leased to Tenant, (b) Tenant’s trade fixtures, (c) inventory and moveable equipment at the Demised Premises owned by Tenant, and (d) all other items of personal property purchased or otherwise acquired by Tenant, except in discharge of Tenant’s obligations hereunder.

1.47 “Term” shall have the meaning set forth in Article 3 and shall include the Initial Term and any Extended Term.

1.48 “Unavoidable Delays” shall mean causes or events which are beyond a party’s reasonable control which prevent such party’s performance under this Lease which events may include: acts of God, fire, earthquake, flood, storm, explosion, war, invasion, insurrection, civil commotion, embargo, riots, mob violence, vandalism, lockouts, strikes, sabotage, picketing, inability to procure or general shortage of labor, equipment, facilities, supplies or materials, failure of transportation, litigation, condemnation, requisition, governmental restriction, including inability or delay in obtaining governmental consents or approvals, material adverse weather conditions, or any other cause, whether similar or dissimilar to the foregoing, not within such party’s control; provided reasonably satisfactory evidence of the occurrence of each instance thereof shall be furnished by the party claiming Unavoidable Delays to the other party. Financial inability of a party shall not be the basis of an unavoidable delay.

2. Demise. Landlord, for and in consideration of the rents hereinafter reserved by Landlord and the Provisions herein contained on the part of Tenant to be paid, kept and performed, has leased, rented, let and demised, and by these presents does hereby lease, rent, let and demise to Tenant, and Tenant does hereby take and hire from Landlord, the Property, upon and subject to the Provisions herein set forth.

TOGETHER with all right and interest, if any, of Landlord in and to the land lying in the streets and roads in front of and adjoining the Demised Premises and in and to any easement appurtenant to the Demised Premises.

SUBJECT, however, to the following:

2.1 Present and future building, environmental, zoning, use and other laws of all Governmental Authorities.

2.2 The condition and state of repair of the Property or any part thereof as the property may be on the Date the Tenant takes possession and as described in **Schedule F**.

2.3 Rights, if any, of others relating to water, gas, sewer, electric, telephone and other utility lines, wires, poles, pipes, conduits and other equipment of any kind whatsoever and the maintenance thereof.

2.4 Liens for Impositions attributable to the period from and after Tenant takes possession (but not prior thereto).

2.5 The Permitted Encumbrances.

3. Term.

3.1 TO HAVE AND TO HOLD the Property unto Tenant, for a period commencing on the Lease Date and ending at 11:59 P.M. on August 14, 2030 (the "Initial Term"), unless extended as provided in Section 3.2 or sooner terminated as herein provided.

3.2 Tenant shall have the right to extend the Term for an additional period of five (5) years commencing on the day following the last day of the Initial Term and ending on the day preceding the fifth (5th) anniversary thereof (the "Extended Term") provided that (i) Landlord receives a notice from Tenant exercising its right to extend the Term (a "Renewal Notice") not less than one hundred and eighty (180) calendar days and not more than four hundred fifty (450) calendar days prior to the expiration of the Initial Term and (ii) there is no Event of Default outstanding at the time of the Renewal Notice or at the expiration of the Initial Term (unless such Event of Default is waived in writing by Landlord).

3.3 The Fixed Rent payable during the Extended Term shall be as set forth in Section 4.2. Upon the giving of the Renewal Notice, and the satisfaction of the conditions

applicable thereto, this Lease shall thereupon be deemed extended for the Extended Term with the same force and effect as if such Extended Term had been originally included in the Term.

3.4 All other terms, provisions, covenants and conditions of this Lease shall continue in full force and effect during the Extended Term except that Fixed Rent shall be as provided in Section 4.2.

4. **Rent.**

4.1 During the Initial Term, Tenant covenants and agrees to pay to Landlord rent for the Property ("Fixed Rent") in the amounts set forth in **Schedule D** attached hereto.

4.2 During the Extended Term, if any, Tenant covenants and agrees to pay to Landlord Fixed Rent in the amounts set forth in **Schedule E** attached hereto.

4.3 Fixed Rent shall be accounted for and paid by Tenant to Landlord in monthly payments, made in advance starting on the Lease Date, and thereafter on the first day of each calendar month during the Term. Fixed Rent for any period during the Term which is less than one full month shall be prorated based upon the actual number of days of the month involved.

4.4 All Fixed Rent and Additional Rent (as hereinafter defined) payable to Landlord will be paid by Tenant to Landlord by Tenant as follows:

(a) Tenant shall provide to the Idaho State Department of Education ("ISDE") an irrevocable directive that the Tenant's funding be paid directly to a control account maintained for the benefit of Tenant and established at a branch of Zions First National Bank under the control of First Mortgagee (the "Control Account").

(b) Tenant shall take all action required by First Mortgagee in order to ensure that the funding payments from the ISDE are made in this manner and to grant First Mortgagee a security interest in the Tenant's funding in order to secure payment of Fixed Rent and Additional Rent.

(c) From each of the five (5) disbursements Tenant receives from ISDE each year, First Mortgagee will retain in the Control Account an amount equal to twenty percent (20%) of the total Fixed Rent due for that Lease Year and transfer the balance of each disbursement to an operating account established at a branch of Zions First National Bank in Tenant's name. First Mortgagee will cause all interest earned on the balance in the Control Account to be transferred to such operating account at the end of each Lease Year.

(d) Each month, First Mortgagee will cause the amount of indebtedness due from Landlord to First Mortgagee to be paid, when due, to First Mortgagee from the funds retained in the Control Account and will transfer to Landlord, when due, the difference between the amount of such indebtedness and the Fixed Rent due each month.

(e) Tenant will pay to Landlord the amount of any Additional Rent at the address for Landlord set forth herein.

4.5 If Tenant fails to make payment of any installment of Fixed Rent or Additional Rent payable to Landlord hereunder within five (5) business days from the date upon which the same shall first have been due hereunder then and in each such event Tenant shall pay Landlord on demand, in addition to the installment or other payment due, as Additional Rent hereunder, to compensate Landlord for legal, accounting and other expenses incurred by Landlord in administering the delinquent account by reason of such late payment an additional sum of five (5%) percent of the amount due as a late payment fee. For the purposes of this Section 4.5, payments shall be deemed made upon the date of actual receipt by Landlord or as directed by Landlord at the place specified in or pursuant to Section 4.4 hereof. The late payment fee required to be paid by Tenant pursuant to this Section 4.5 shall be in addition to all other rights and remedies provided herein or by Law to Landlord for such nonpayment.

4.6 It is the purpose and intent of Landlord and Tenant that the Fixed Rent shall be net to Landlord and that Tenant shall pay as additional rent (“Additional Rent”), without notice or demand, and without abatement, deduction or set-off, (except as expressly provided in this Lease) and save Landlord harmless from and against, all costs, Impositions, insurance premiums to which the Demised Premises is subject and all other expenses and obligations of every kind and nature whatsoever related to, or arising in connection with, the use and occupancy of the Property or any portion thereof or as otherwise provided in this Lease (including reasonable attorneys’ fees and disbursements incurred in connection with any Event of Default hereunder, in the event that there is any Event of Default, whether or not a suit or proceeding is brought to enforce any right or remedy of Landlord) which may arise or become due prior to or during the Term, other than (a) payments under any mortgage or other indebtedness of Landlord; and (b) other obligations, if any, which are the specified responsibility of Landlord under the terms of this Lease. Tenant acknowledges that on the Lease Date it will give notice to all public and private utilities that it is in possession of the Demised Premises and will assume liability for all such charges imposed by such utility companies from and after the Lease Date to the Expiration of the Lease, including but not limited to, charges for water, gas, electric and other utilities and shall prorate with Landlord any utility bill for a period during which the Lease Date occurs. In the event of any nonpayment of any of the foregoing, Landlord shall have, in addition to all other rights and remedies, all of the rights and remedies provided for herein or by law in the case of nonpayment of Fixed Rent. Landlord agrees that it will give Tenant prompt notice of any intent to pay any sum which would be deemed Additional Rent and Landlord will make such payment only if it does not receive assurance to its reasonable satisfaction that such payment has been or is being timely made by or on behalf of Tenant within five (5) days of Tenant’s receipt of Landlord’s notice; provided however, nothing herein shall be deemed to preclude Landlord from paying any amount which would otherwise be deemed to be Additional Rent directly and immediately if, in Landlord’s judgment, there is an emergency or an extraordinary circumstance warranting such payment.

5. Payment of Impositions.

5.1 During the Initial Term and the Extended Term, Tenant shall pay all Impositions, or cause the same to be paid, as and when due and payable, before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof; provided however, that:

(a) If, by Law, any Imposition, at the option of the taxpayer may be, and customarily is, paid in installments, whether or not interest shall accrue on the unpaid balance of such Imposition, Tenant may, so long as no Event of Default shall then exist under this Lease, exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event shall pay such installments as may become due during the Term together with any interest thereon as the same respectively become due and before any fine, penalty, additional interest or cost may be added thereto; and

(b) Any Imposition (including assessments which have been converted into installment payments by Tenant) relating to a fiscal period of a taxing authority, a part of which is included within the Term and a part of which is included in a period of time prior to the Lease Date or after the Expiration Date shall (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Property, or any part thereof, or shall become due and payable during the Term) be prorated between Landlord and Tenant as of the Lease Date or the Expiration of this Lease, as the case may be so long as, in the case of any proration in favor of Tenant, no Event of Default shall then exist hereunder.

(c) Landlord causes the notices of Impositions and/or bills to be directed to Tenant in sufficient time for Tenant to pay same as and when due and before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof.

(d) In the event of any delay in payment due to Landlord's acts, and such delay results in the imposition of any fine, penalty, interest or cost, then Landlord shall be solely responsible for the payment of the applicable fine, penalty, interest or cost.

5.2 Except as provided in this Section 5.2, Tenant shall not be required to pay income taxes assessed against Landlord, or any capital levy, corporation franchise, or gross receipts tax based on Landlord's income, excess profits, estate, succession, inheritance taxes or transfer, documentary, excise or similar taxes of Landlord; provided however, that if at any time during the Term, the present method of taxation shall be changed so that in lieu of or as a substitute for the whole or any part of any Impositions on real estate and the improvements thereon there shall be levied, assessed or imposed on Landlord a new capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents or the present or future Improvements, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof, but only to the extent that the same would be payable if the Property were the only property of Landlord, and Tenant shall pay and discharge the same as herein provided in respect of the payment of Impositions. In the event that the present method of taxation is changed as aforesaid, Landlord and Tenant agree to meet to equitably adjust the Impositions to be paid by Tenant.

5.3 Tenant shall obtain and after payment shall furnish to Landlord official receipts of the appropriate taxing authority, or other evidence reasonably satisfactory to Landlord, evidencing the payment of any Impositions.

5.4 During the Initial Term and the Extended Term, Tenant shall have the right to contest the amount or validity, in whole or in part, of any Imposition, or to seek a reduction in the valuation of the Property as assessed for real estate or personal property tax purposes by appropriate proceedings diligently conducted in good faith, but only after payment of such Imposition unless such payment would operate as a bar to such contest or interfere materially with the prosecution thereof in which event Tenant shall have the right to postpone or defer payment of such Imposition, in each case only if:

(a) Neither the Property nor any part thereof would by reason of such postponement or deferment be in imminent danger of being subjected to foreclosure proceedings, forfeited or lost; and

(b) Tenant shall either (i) have posted with Landlord the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may be assessed against or become a charge on the Property or (ii) have posted with Landlord or with the authority imposing the Imposition or a court of competent jurisdiction security reasonably satisfactory to Landlord or a bond by a surety company approved by Landlord, whereby such surety undertakes to pay such Imposition in the event that Tenant shall fail to pay the same upon the final disposition of the contest (including appeals) or the Property or any part thereof is, in the reasonable judgment of Landlord in imminent danger of being forfeited or lost during the pendency of such contest. The initial deposit or bond shall be in an amount equal to 125% of the amount so contested and unpaid. Any deposit made by Tenant under the Provisions of this subsection 5.4(b), together with any additions thereto and all interest, if any, earned thereon, shall be held in trust and disposed of as hereinafter provided.

5.5 Upon the termination of any proceeding (including appeals), conducted pursuant to Section 5.4 hereof, or if Tenant should so elect, at any time prior thereto, Tenant shall pay the amount of such Imposition or part thereof as finally determined in such proceeding, the payment of which may have been deferred during the prosecution of such proceeding, together with any costs, fees, interest, penalties or other liabilities in connection therewith, and upon such payment, Landlord shall return any amount deposited with it (and not previously applied by it as herein provided) with respect to such Imposition. Such payment, at Tenant's request, shall be made by Landlord out of and to the extent of the amount deposited with it with respect to such Imposition, any balance due shall promptly be paid by Tenant, and any balance remaining shall be paid to Tenant with interest, if any, accrued thereon. If, at any time during the continuance of such proceeding, the Property or any part thereof is, in the reasonable judgment of Landlord, in imminent danger of being forfeited or lost, Landlord may require the amount theretofore deposited with Landlord to be applied to the payment of such Imposition (or Landlord may require application of the bonded amount by the surety company, if a bond has been furnished) as provided in the preceding sentence, any balance due shall promptly be paid by Tenant, and any balance remaining due shall be returned to Tenant with interest, if any, accrued thereon. Notwithstanding anything to the contrary set forth in this Section 5.5, no such deposit

held by Landlord, or any part thereof, or interest thereon, shall be returned to Tenant so long as any Event of Default shall then exist hereunder.

5.6 Landlord shall have the right: (a) to seek a reduction in the valuation of the Demised Premises and/or the Improvements and/or any portion or part thereof assessed for tax purposes if, within 30 days after Notice by Landlord, Tenant fails to commence a proceeding to secure such reduction; (b) at Landlord's expense to participate in any such proceeding commenced by Tenant at Landlord's insistence or otherwise; and (c) to commence a proceeding with Notice to Tenant, or to intervene in and prosecute any proceeding commenced by Tenant, for a reduction of such assessed valuation or valuations which shall in whole or in part be for any period of time subsequent to the Expiration of this Lease. Tenant shall be obligated to reimburse Landlord in connection with any proceeding referenced in clauses (a) and (c) above (including reasonable attorney's fees), but only to the extent of the aggregate amount of savings in Impositions that are actually realized by Tenant during the Term as a result of such proceeding.

5.7 To the extent to which any tax refund payable as a result of any proceeding which Landlord or Tenant may institute, or payable by reason of compromise or settlement of any such proceeding, may be based upon a payment made by or for the account of Tenant and shall not relate to a period prior to the Lease Date or subsequent to the Expiration of this Lease, subject to Tenant's obligation to reimburse Landlord forthwith as Additional Rent hereunder for any expense incurred by Landlord in connection with such proceeding (including reasonable attorney's fees), and so long as no Event of Default shall exist, Tenant shall be authorized to collect the same.

5.8 Landlord shall not be required to join in any proceeding referred to in Section 5.4 hereof unless the provisions of any Law at the time in effect shall require that such a proceeding be brought by and/or in the name of Landlord or any owner of the Property, in which event Landlord shall, upon written request, join in such proceeding or permit the same to be brought in its name, upon compliance by Tenant with the requirements of Section 5.4 and this Section 5.8. Tenant agrees to indemnify and hold Landlord harmless from and against any costs or expenses (including reasonable attorneys' fees) or liabilities in connection with any such proceeding, if such proceeding has been requested or initiated by Tenant.

5.9 The certificate, advice or bill of the appropriate official designated by Law to make or issue the same or to receive payment of any Imposition, of payment or non-payment of such Imposition, shall be prima facie evidence that such Imposition is paid or due and unpaid at the time of the making or issuance of such certificate, advice or bill.

5.10 The Landlord, with Tenant's cooperation, shall timely apply for any applicable tax exemption that may be allowed by law. In the event that the foregoing exemption is granted, then, the exempted amount of taxes (i.e. one of the types of Impositions) shall be deducted from the Additional Rent. This paragraph is meant to clarify the benefit to be derived by the Tenant and provided for by law, it being understood that the rent paid by Tenant herein is composed of Fixed Rent and Additional Rent and that the benefit derived by any exemption shall be applied against the Additional Rent.

6. Use and Operation of Property.

1.1 (a) Tenant shall have the right to use and occupy the Property for the sole purpose of operating a charter school and for such other lawful purposes as may be incidental thereto (including a pre-kindergarten program of Tenant's choice).

(b) Tenant agrees that it will at all times maintain the Property in a state of repair and maintenance as required under Article 8; will not commit waste, overload the floors or structure of the Building or subject the Demised Premises to any use that would damage the Demised Premises; and will provide adequate security for the Property.

6.2 (a) Without the prior written consent of Landlord, Tenant shall not use, maintain, permit or allow the use, or maintenance of the Demised Premises or any part thereof to treat, store, dispose of, transfer, release, convey or recover, or permit or suffer these to be present on, under or about the Demised Premises, any Hazardous Materials nor shall Tenant otherwise, in any manner, possess or allow the possession of any Hazardous Materials on or about the Demised Premises, unless in compliance with all Environmental Laws (as hereinafter defined), whether such Hazardous Materials existed on the Demised Premises prior to the Closing Date or after the Closing Date. As used herein, "Hazardous Materials" shall not be deemed to mean Hazardous Materials which may be present in: (i) maintenance supplies, cleaning agents and solvents, (ii) vehicles parked at the Demised Premises, or (iii) fertilizer, herbicides, insecticides, and pesticides applied by Tenant within the Demised Premises, provided that the storage, disposal, use or presence on, in or under the Land of such materials does not constitute or result in a violation of Environmental Laws or regulations. Should Landlord consent in writing to Tenant bringing, using, storing or treating any Hazardous Material(s) in or upon the Demised Premises or if Tenant is allowed to bring, use store or treat Hazardous Materials in or upon the Demised Premises pursuant to this Section, Tenant shall strictly obey and adhere to any and all Environmental Laws, which in any way regulate, govern or impact Tenant's possession, use, storage, treatment or disposal of said Hazardous Material(s).

(b) Subject to the provisions of Section 6.2(a), "Hazardous Materials" shall mean any solid, liquid or gaseous waste, substance or emission or any combination thereof which may (x) cause or significantly contribute to an increase in mortality or in serious illness, or (y) pose the risk of a substantial present or potential hazard to human health, to the environment or otherwise to animal or plant life, and shall include without limitation hazardous substances and materials described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Resource Conservation and Recovery Act, as amended; and any other applicable Laws (collectively "Environmental Laws").

(c) Tenant shall immediately notify Landlord of the presence or suspected presence of any Hazardous Materials, on or about the Demised Premises and shall deliver to Landlord any notice received by Tenant relating thereto.

6.3 Landlord and its agents shall have the right, but not the duty, to inspect the Demised Premises and conduct tests thereon at any time to determine whether or the extent to

which there is Hazardous Materials on the Demised Premises. Landlord shall have the right to immediately enter upon the Demised Premises to remedy any contamination found thereon. In exercising its rights herein, Landlord shall use reasonable efforts to minimize interference with Tenant's business but such entry shall not constitute an eviction of Tenant, in whole or in part, and Landlord shall not be liable for any interference, loss, or damage to Tenant's property or business caused thereby, unless such loss or damage results from Landlord's gross negligence or willful misconduct. If any lender or governmental agency shall ever require testing to ascertain whether there has been a release of Hazardous Materials, then, the reasonable costs thereof shall be reimbursed by Tenant to Landlord upon demand as Additional Rent. Tenant shall execute affidavits, representations and estoppels from time to time, in form reasonably acceptable to Landlord, at Landlord's request, concerning Tenant's knowledge and belief regarding the presence of any Hazardous Materials on the Demised Premises or Tenant's intent to store or use Hazardous Materials on the Demised Premises. Tenant shall indemnify and hold harmless Landlord from any and all claims, loss, liability, costs, expenses or damage, including reasonable attorneys' fees and other costs of remediation, incurred by Landlord in connection with any breach by Tenant of its obligations under this section. The covenants and obligations of Tenant hereunder shall survive the expiration or earlier termination of this Lease.

6.4 Tenant shall not use or occupy or permit the Property or any part thereof to be used or occupied, for any unlawful purpose or in violation of any certificate of occupancy, certificate of compliance, Permit or Law covering or affecting the use of the Property or any part thereof. Tenant shall not suffer any act to be done or any condition to exist on the Demised Premises or any part thereof which may, in Law, constitute a nuisance, public or private, or which may make void or voidable any insurance with respect thereto.

6.5 Tenant shall not use, occupy or improve or permit the Property or any part thereof to be used, occupied or improved, so as to violate any of the terms, conditions or covenants of the Permitted Encumbrances or any other easements, restrictions, covenants or agreements hereafter affecting the Property.

7. Surrender of the Property; Holding Over.

7.1 Tenant shall and will on the Expiration of this Lease, or upon any re-entry by Landlord upon the Demised Premises pursuant to this Lease, surrender and deliver up the Property into the possession and use of Landlord, without delay and in the same state of repair and maintenance as the state of repair and maintenance of the Property on the Lease Date, ordinary wear excepted and casualty damage excepted, free and clear of all lettings and occupancies, free and clear of all liens, charges and encumbrances except (i) the Permitted Encumbrances and any easements, restrictions, covenants, charges or other encumbrances existing as of the Lease Date, (ii) the First Mortgage, if any, together with any other instruments securing the indebtedness secured by the First Mortgage, and (iii) all those which Landlord causes after the Lease Date or to which Landlord expressly consents in writing (which, for the purposes of this Section 7.1, shall be deemed to be additional Permitted Encumbrances). On the Expiration of this Lease, title to and ownership of the Improvements shall automatically vest in Landlord without the execution of any further instrument and without any payment therefor by Landlord. On or about sixty (60) days prior to the Expiration of the Lease, Landlord and Tenant

shall conduct a joint inspection of the Property to determine its physical condition and Tenant's compliance with its obligations hereunder, including without limitation, those set forth in Article 8. Landlord's participation in such inspection shall not be deemed to preclude or stop Landlord from thereafter making a claim against Tenant with respect to any condition, circumstance or event related to the Property for which Tenant is responsible under this Lease or otherwise, provided that Landlord must make any claim for such condition, circumstance or event within ninety (90) days of the later of (a) the Expiration Date, and (b) the date on which Landlord regains physical possession of the Property, and provided further that the foregoing time limit on Landlord's right to assert claims shall not apply to conditions which are not readily ascertainable with reasonable diligence or without resort to invasive testing, including by way of example and not limitation, subsurface soil and water conditions that exist as a result of Tenant's use of the property. Tenant shall remove all its signs from the Property upon expiration of this Lease and shall promptly repair any damage to the Improvements and the Land resulting from such removal. Tenant shall remove Tenant's Personal Property upon Expiration of this Lease and Tenant shall promptly repair any damage to the Improvements and the Land resulting from such removal. Any of Tenant's signs or other Personal Property remaining on the Demised Premises in excess of sixty (60) days following the Expiration of this Lease shall, at the option of Landlord, be deemed abandoned and become Landlord's property. Tenant shall, on demand, execute, acknowledge and deliver to Landlord a written instrument, in recordable form, confirming such Expiration, as well as any further assurances of title to the Improvements as Landlord may reasonably request, together with instruments in recordable form evidencing the Expiration of this Lease and the Memorandum of this Lease of even date herewith.

7.2 In the event of any holding over by Tenant after expiration or other termination of this Lease or in the event Tenant continues to occupy the Property after the termination of Tenant's right of possession pursuant to this Lease, occupancy of the Property subsequent to such termination or expiration shall be that of a tenancy at sufferance and in no event for month-to-month or year-to-year, but Tenant shall, throughout the entire holdover period, pay rent (on a per month basis without reduction for any partial months during any such holdover if such holdover exceeds five (5) calendar days and on a per diem basis if such holdover is five (5) calendar days or less) equal to one hundred fifty percent (150%) of the Fixed Rent due for the period immediately preceding such holding over and the actual Additional Rent accruing on a prorata basis during the holdover period, provided that in no event shall Fixed Rent and Additional Rent during the holdover period be less than the fair market rental for the Property. No holding over by Tenant or payments of money by Tenant to Landlord after the expiration of the Term of this Lease shall be construed to extend the Term or prevent Landlord from recovery of immediate possession of the Property by summary proceedings or otherwise. Tenant shall be liable to Landlord for all actual damage which Landlord may suffer by reason of any holding over by Tenant, and Tenant shall indemnify Landlord against any and all proved claims made by any other tenant or prospective tenant against Landlord for delay by Landlord in delivering possession of the Property to such other tenant or prospective tenant.

7.3 The Provisions of this Article 7 shall survive the Expiration of this Lease.

8. Repairs and Maintenance.

8.1 Throughout the Term, Tenant, at its sole cost and expense, shall: (a) maintain in good condition and repair the interior and exterior of the Demised Premises, including but not limited to the electrical systems, heating and air conditioning systems, plate glass, windows and doors; sprinkler, plumbing and sewage systems and facilities; fixtures; interior and exterior walls; floors; ceilings; gutters, downspouts, sidewalks, parking lot pavement, parking areas, grounds, recreational and landscaped areas of the Demised Premises; all electrical facilities and equipment including without limitation interior and exterior lighting fixtures, lamps, fans and any exhaust equipment and systems; electrical motors; and kitchen and all other appliances, fixtures and equipment of every kind and nature located in, upon or about the Demised Premises; all glass, both interior and exterior; and any broken glass shall be promptly replaced at Tenant's expense by glass of like kind, size and quality. Tenant shall, at its expense, conduct seasonal preventive maintenance on the heating, ventilating and air conditioning systems which shall be subject to the reasonable approval of Landlord; (b) keep the Property in the same order, repair and condition as of the Lease Date, ordinary wear and tear excepted; and (c) make all necessary or appropriate repairs, replacements and renewals, and, subject to the provisions of Articles 11, 12 and 16 hereof, all necessary or appropriate alterations and restorations thereto, interior and exterior, ordinary and extraordinary, and foreseen and unforeseen (collectively, "Repairs"). If Tenant fails to perform any repair or maintenance for which it is responsible and such failure is not corrected within thirty (30) days after written notice from Landlord, Landlord may perform such work and be reimbursed by Tenant for the cost thereof, together with interest thereon at the rate provided for in this Lease, within thirty (30) days after demand therefor. Tenant shall bear the full cost of any repair of damage to any part of the Demised Premises that is caused solely by Tenant, its agents, employees, or contractors.

8.2 The necessity for and adequacy of Repairs to the Property made or required to be made pursuant to Section 8.1 shall be measured by standards which are appropriate for school buildings of similar age and containing similar facilities in the locality and which are necessary to maintain the Property in a state of repair and maintenance as close as reasonably possible to the state of repair and maintenance of the Property as at the Lease Date, ordinary wear and tear excepted. Whenever a portion of the Demised Premises must be replaced in order to comply with the requirements of this Article 8, new equipment and materials of a quality equal to or superior to the quality of the equipment and/or materials being replaced shall be used. Tenant shall, within thirty (30) days after demand by Landlord, begin to make such Repairs, or perform such items of maintenance, to the Property as Landlord may reasonably require in order to maintain the Property at the standards required by this Lease and thereafter Tenant shall diligently and continuously pursue and promptly complete such Repairs.

8.3 Except as provided in Articles 11 and 16, Landlord shall not be required to furnish any services or facilities or to make any Repairs in or about the Property or any part thereof, Tenant hereby assuming the full and sole responsibility for all Repairs to, and for the condition, operation, maintenance and management of, the Property as at the Lease Date and during the Term.

8.4 Tenant shall, at its sole cost and expense, keep the sidewalks, curbs, entrances, passageways, roadways and parking spaces, planters and shrubbery and public areas

adjoining (excluding areas not the responsibility of Landlord under applicable Law) or appurtenant to or constituting part of the Property in a clean and orderly condition, free of ice, snow, rubbish and obstructions.

8.5 Tenant shall be entitled to the benefit of any and all third-party warranties given or running in favor of Landlord with respect to the Property which would in any way be useful to Tenant in fulfilling its obligations under this Article 8; and Landlord shall have the obligation to cooperate with Tenant in making available to Tenant the benefit of any and all third-party warranties given or running in favor of Landlord with respect to the Property which would in any way be useful to Tenant in fulfilling its obligations under this Article 8. Further, Landlord agrees that it will cooperate with Tenant in connection with claims against third parties regarding Tenant's repair and maintenance obligations hereunder upon Tenant's request and provided Tenant shall be responsible for the reasonable costs and expenses incurred by Landlord as a result of such cooperation.

8.6 The foregoing obligations of Tenant and Landlord are subject to the provisions of Articles 11, 12, and 16 and, in the event of a conflict between this Article 8 and Articles 11, 12, or 16, the provisions of Articles 11, 12, or 16, as the case may be, shall control.

9. Compliance with Laws; Maintenance of Licenses and Charter; Rate Covenant; Operating Reserve.

9.1 Throughout the Term, Tenant, at its own sole cost and expense, shall comply with all present and future laws, ordinances, statutes, administrative and judicial orders, rules, regulations and requirements, including, without limitation, the Americans with Disabilities Act (each individually, a "Law," and collectively, "Laws") of all Governmental Authorities, foreseen and unforeseen, ordinary as well as extraordinary, applicable to the Property or any part thereof, the appurtenances thereof and, to the extent required by any Laws, the sidewalks, curbs, alleyways and passage-ways, adjoining the Demised Premises, or to the use or manner of use of the Property or the owners, tenants or occupants thereof whether or not any such Laws necessitate structural changes or improvements or interfere with the use or enjoyment of the Property. Tenant shall also procure, pay for and maintain all permits, licenses, approvals and other authorizations (collectively, "Permits,") necessary for the lawful operation of its business at the Demised Premises and the lawful use and occupancy of the Property in connection therewith.

9.2 Tenant shall, at its own sole cost and expense, observe and comply with all of the obligations of Tenant under the Charter, and shall operate the School in accordance therewith and with all applicable Laws. Tenant shall give immediate written notice to Landlord and First Mortgagee of any default or breach under the Charter, or of the termination, amendment or extension thereof. Tenant shall timely make application for extension of the Charter such that the Charter shall remain in full force and effect for the Term. Tenant shall conduct its operations in such a manner as to maintain the current enrollment and increase future enrollment consistent with projections provided to Landlord and First Mortgagee.

9.3 Tenant shall have the right, after Notice to Landlord, to contest by appropriate legal proceedings, conducted in good faith, in the name of Tenant or Landlord or both, the validity or application of any Laws of the nature referred to in Section 9.1, and Landlord, on written request, shall execute and deliver any appropriate papers which may be necessary or proper to permit Tenant so to contest the validity or application of any such Law, subject to the following:

(a) If by the terms of any such Law, compliance therewith pending the prosecution of any such proceedings may legally be delayed without subjecting Tenant or Landlord to any liability, civil or criminal, for failure so to comply therewith, or if any lien, charge or civil liability would be incurred by reason of any such delay, the same would not subject the Property or any part thereof to forfeiture, loss or suspension of operations, and Tenant (i) furnishes security reasonably satisfactory to Landlord against loss or injury by reason of such contest or delay and (ii) diligently and continuously prosecutes the contest to completion, then Tenant may delay compliance therewith until the final determination of any such proceeding.

(b) Tenant agrees that it will indemnify Landlord against any costs, expenses or liabilities it may sustain by reason of any act or thing done or omitted to be done by Tenant pursuant to this Section 9.3.

9.4 Tenant represents and warrants to Landlord that it has complied with the public meeting requirements applicable to it with respect to all meetings of its board concerning the execution and delivery of this Lease (including public notice), and with all Laws applicable to its operation of the School.

9.5 Tenant covenants and agrees to exercise such skill and diligence as will provide Net Revenues Available for Fixed Charge Payments sufficient to maintain, for each fiscal year of Tenant commencing with the July 1, 2010 fiscal year, a Fixed Charge Coverage Ratio of not less than 1.10 to 1.00. In the event of (i) Tenant's failure to comply with this covenant, or (ii) a default in the Lease Payment obligations of the Tenant and the applicability of a provision in respect of any first mortgage financing of the Demised Property requiring the same, (without limiting Landlord's right to exercise other remedies upon the occurrence of any such or other default hereunder), Tenant shall employ promptly a Financial Consultant for purposes of obtaining a report of such firm containing recommendations as to changes in the operating policies of Tenant designed to maintain its Lease Payment Coverage Ratio at not less than 1.10 to 1.00, and shall follow such recommendations to the full extent practicable until such failure is remedied.

9.6 In addition to the foregoing covenant, Tenant covenants and agrees that it will not undertake any additional material obligation for Fixed Charges unless the Pro Forma Fixed Charge Coverage Ratio is not less than 1.10 to 1.00.

9.7 Tenant shall deposit each fiscal year an amount equal to one-half of one percent (0.5%) of its gross revenues for such fiscal year into a (separate, if required by Landlord in writing) account to be maintained by Tenant at a branch of Zions First National bank (the "Operating Reserve Account"), until the balance in such account is at least five percent (5%) of the gross revenues of Tenant for the fiscal year in which such balance is calculated, and Tenant

shall thereafter maintain such account balance as provided herein. Tenant may withdraw funds from the Operating Reserve Account from time to time to pay the costs of repairs and maintenance of the Demised Premises, taxes or insurance in respect of the Demised Premises, Fixed Rent, Additional Rent, or any other operating expenses of Tenant; provided however that Tenant shall replenish such Operating Reserve Account withdrawals within one hundred twenty months of any such withdrawal in equal annual amounts (up to the maximum required balance in such account as set forth above). At any time there is a balance in the Operating Reserve Account in excess of the maximum required balance, Tenant may withdraw such excess and use such funds for any purpose whatsoever, without obligation to replenish such excess amount.

9.8 Tenant shall not incur any Indebtedness in excess of \$50,000 without the consent of Landlord and First Mortgagee.

9.9 Tenant shall enter into a charter school management agreement with Paragon Schools, LLC or another recognized charter school management company acceptable to Landlord and First Mortgagee pursuant to which a management company will provide financial and human resources services reasonably required for successful operation of the charter school. Tenant shall maintain such charter school management agreement for the term of the Lease. If Tenant determines that it is no longer in Tenant's best interest to continue to engage a charter school management company, Tenant will inform Landlord and First Mortgagee and will provide to Landlord and First Mortgagee a plan pursuant to which Tenant will ensure that its finances and human resources needs will continue to be professionally addressed as required for the continued successful operation of the charter school.

10. **Insurance.**

10.1 Tenant, at its sole cost and expense, shall throughout the Term procure and maintain:

(a) Comprehensive general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Demised Premises, such insurance to (i) be on the so-called "occurrence" form; (ii) afford immediate protection at the Closing Date to the limit of not less than \$1,000,000 per occurrence and \$5,000,000 aggregate (including any umbrella coverage); (iii) continue at not less than the said limits until required to be changed by Landlord in writing by reason of changed economic conditions making such protection inadequate; and (iv) cover at least the following hazards: (A) premises and operations; and (B) independent contractors on an "if any" basis;

(b) Workers' compensation insurance in an amount not less than the minimum amount required by applicable law and adequate employee's liability insurance covering all persons employed by Tenant at the Demised Premises;

(c) At all times when Tenant Alterations are being made, Tenant shall have insurance providing the following coverage for its Tenant Alterations (i) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned comprehensive general public liability insurance policy;

(ii) contractual liability insurance covering the indemnity contained in Section 20.1 hereof; and
(iii) builder's risk completed value coverage (A) for 100% of the contract price, (B) on a nonreporting form, (C) deleting all co-insurance provisions, (D) against all risks insured against pursuant to Section 10.1(a) hereof with the addition of damage due to faulty materials, workmanship and errors in design, and (E) including permission to occupy the Demised Premises;

(d) Casualty/property damage insurance on the Improvements (including flood insurance, if Property is in a designated flood zone) on a replacement cost basis and for an amount not less than the loan amount under any First Mortgage financing (with deductibles as to earthquake coverage not greater than 5%, and as to other coverages, not greater than \$100,000); and

(e) Such other insurance and in such amounts as may from time to time be reasonably required by Landlord, or the holder of the First Mortgage, if any, against other insurable hazards.

The insurance required of Tenant pursuant to this Lease may, at Tenant's option, be effected by blanket and umbrella policies covering the Property and other properties owned or leased by Tenant and/or its Affiliates, provided that evidence thereof satisfying the requirements of Section 10.3 is delivered to Landlord.

10.2 Notwithstanding the requirements of Section 10.1(d), in the event that Tenant believes that it is unable to procure the requisite coverages for casualty/property damage, Tenant shall give immediate written notice to Landlord, and Landlord and Tenant shall meet within two business days of such notice to determine a resolution of the matter. Failing agreement, each party shall select an experienced property insurance consultant to review the matter, and if such consultants agree on an insurance or loss recovery plan that is in their opinion financially feasible (the "Insurance Plan," which term includes a plan specified by the third insurance consultant referred to below, if the same is engaged under the terms of this Lease), Tenant shall undertake such plan. If no agreement between the consultants is reached within fifteen working days of the date of failure of Landlord and Tenant to agree, they shall refer the matter to a third insurance consultant selected by the two other consultants to resolve the issue. In the event of failure of Tenant to maintain such coverages as are determined under this section, Landlord may at its option place such insurance (or as similar thereto as Landlord is able to procure) and the cost thereof shall become Additional Rent due hereunder, or terminate this Lease.

10.3 All insurance provided for in this Article 10 shall be effected under valid and enforceable policies, in such forms and, from time to time after the Lease Date, in such amounts as is required hereunder, issued by financially sound and responsible insurance companies having a Best Policyholder Rating of not less than "A-", a financial rating of not less than XI or such higher rating as the holder of the First Mortgage may require, and authorized to do business in the State, to the extent commercially obtainable. On or before one day prior to the Lease Date and not less than 30 calendar days prior to the expiration dates of the policies theretofore furnished pursuant to this Article, Acord Form 27 certificates of insurance (or

substantively comparable certificates) evidencing such policies and payment therefore shall be delivered by the party responsible for obtaining the subject insurance to the other party. In addition, in the event that Landlord conveys its interest in the Property and this Lease, Tenant shall provide an Acord Form 27 certificate of insurance (or substantively comparable certificates) naming the grantee of such conveyance as an additional insured of the insurance required to be maintained by Tenant pursuant to this Article 10 (excluding workers' compensation insurance); such insurance certificate shall be delivered to Landlord within five (5) business days of its request therefor. Tenant shall not take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article 10 to be furnished by, or which may be reasonably required to be furnished by, Landlord unless Landlord is included therein as an additional insured, with loss payable to Landlord. Tenant shall immediately notify Landlord of the taking out of any such separate insurance and shall cause the certificates therefor to be delivered as required in this Section 10.3.

10.4 All policies of insurance provided for or contemplated by this Article to be obtained by Tenant shall name Tenant as the insured and, other than workers' compensation insurance, Landlord as an additional insured and loss payee and the holder of the First Mortgage as an additional insured and loss payees, as their respective interests may appear. Such policies of insurance shall, to the extent obtainable, contain clauses or endorsements to the effect that:

(a) No act or negligence of Tenant, or anyone acting for Tenant, which might otherwise result in a forfeiture of such insurance or any part thereof shall in any way affect the validity or enforceability of such insurance insofar as Landlord, or the holder of the First Mortgage are concerned;

(b) Such policies shall not be changed or canceled without at least 30 days' Notice to Landlord and; if required under the First Mortgage, to the holder thereof; and

(c) Neither Landlord nor the holder of the First Mortgage shall be liable for any premiums thereon or subject to any assessments thereunder.

10.5 All insurance policies required hereunder shall provide for waiver of subrogation as to both Landlord and Tenant.

11. Damage or Destruction by Fire or Other Casualty.

11.1 In the event of any damage or loss by fire or other casualty whatsoever (including by title defect) to the Demised Premises or any part or portion thereof during the Term, Tenant shall give immediate Notice thereof to Landlord. If, with respect to any such damage or loss, (a) the period to restore the Demised Premises, as reasonably estimated by Landlord and Tenant, or if Landlord and Tenant are unable to agree, according to the written estimate of a qualified contractor selected by Landlord and reasonably satisfactory to Tenant, exceeds one hundred eighty (180) days from the date of the damage, or (b) any such damage or loss occurs during the last year of the Term and the period of time to restore the Demised Premises, as reasonably estimated by Landlord and Tenant, or if Landlord and Tenant are unable to agree, according to the written estimate of a qualified contractor selected by Landlord and

reasonably satisfactory to Tenant, exceeds ninety (90) days from the date of the damage, then Landlord or Tenant may elect to terminate this Lease upon notice to the other party within thirty (30) days after the determination of the estimated restoration period. In addition, Landlord shall have the right to terminate this Lease upon the occurrence of any damage or loss by fire or other casualty whatsoever (including by title defect) which would require or permit Landlord to prepay in whole any Landlord's Mortgage financing applicable to the Demised Premises.

11.2 In the event of any damage or loss by fire or other casualty whatsoever to the Demised Premises for which neither Landlord nor Tenant has the right to terminate this Lease (or, if such right exists, but neither Landlord nor Tenant elects to terminate this Lease), then Landlord shall, but solely from insurance proceeds available under policies or other coverage maintained on the Demised Premises under Article 10 (including self-insured retention or deductible to be paid by Tenant, or repair reserves or other funds or obligations of Tenant required by any Insurance Plan, all of which funds shall be timely delivered by Tenant), as soon as reasonably possible, but in any event within sixty (60) days after the settlement of the insurance (or such other sums) with respect to such damage or loss, commence to rebuild or repair the Demised Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition in which they were immediately prior to the happening of the casualty, except that Landlord shall not be required to rebuild, repair or replace any part of Tenant's Personal Property or any Tenant Alterations which may have been placed by Tenant on the Premises. Notwithstanding any contrary provision contained herein: (i) in the event the holder of any Landlord's Mortgage should require that the insurance proceeds be used to retire the mortgage debt, or (ii) The insurance, Insurance Plan, or other loss proceeds are materially inadequate to pay the costs of rebuilding, repairing or replacing the damaged Demised Premises, then in either case Landlord shall have no obligation to rebuild and this Lease shall terminate upon notice to Tenant. Any insurance that is carried by Landlord against loss or damage to the Demised Premises shall be for the sole benefit of Landlord and under its sole control.

11.3 In the event of any damage or loss by fire or other casualty (including loss of title) to the Demised Premises, unless such damage or loss is the result of the negligence or intentional tortious conduct of Tenant or Tenant's employees, agents, contractors or invitees (excluding Landlord or any Affiliate of Landlord), then during the period from the occurrence of the damage or loss until the substantial completion of the required rebuilding or repairs, the Fixed Rent payable by Tenant hereunder shall be equitably reduced by an amount which takes into account the actual amount of the Improvements damaged, and the loss of any part of the Demised Premises or any other right, privilege or easement appurtenant to the Demised Premises which materially and adversely interferes with Tenant's permitted use of the Demised Premises. The foregoing shall not apply to the extent that such damage does not render more than 15% of the building space in the Building unusable by Tenant and so long as the number of students allowed to occupy the Building is not diminished.

11.4 Any replacement Improvements so to be constructed shall be as nearly as possible of a size, type and character equal to the damaged or destroyed Improvements, shall have a rentable area which is not less than the rentable area of such Improvements, shall be of a quality of not less than the quality of such Improvements, as the same existed immediately prior to such damage or destruction, and shall be of a quality not less than the quality of the items of

the Improvements which were damaged or destroyed by such fire or other casualty. Before commencing the construction of any replacement Improvements which are to be paid by proceeds of insurance or other coverage maintained by Tenant under Article 10 hereof, Landlord shall submit copies of the plans and specifications therefor to Tenant for Tenant's approval, which approval shall not be unreasonably withheld or delayed.

11.5 Except as otherwise specifically provided in this Article 11, no destruction of or damage to the Improvements or any part or item thereof, by fire or other casualty whatsoever, whether such damage or destruction be partial or total or otherwise, shall entitle or permit Tenant to surrender or terminate this Lease or shall relieve Tenant from its liability to pay in full the Fixed Rent and Additional Rent hereunder, or from any of its other obligations under this Lease.

11.6 All of Landlord's obligations set forth in this Article 11 shall be conditioned on the approval of First Mortgagee as required by the documents pursuant to which the First Mortgage was created.

12. Tenant Alterations.

12.1 Tenant shall have no right at any time to undertake or cause to be made, Tenant Alterations, except with the Landlord's express written consent in each case.

12.2 Without limiting the generality of the foregoing, Tenant covenants and agrees that any Tenant Alterations to which Landlord has given its consent will be made in compliance with, and Tenant hereby covenants that it will comply with, each of the following Provisions:

(a) All Tenant Alterations shall be made with reasonable diligence and dispatch (subject to Unavoidable Delays) in a first class manner and with materials and workmanship comparable to the quality of the Initial Improvements;

(b) Tenant shall furnish copies of plans and specifications prepared in connection with any Tenant Alteration to Landlord, which plans and specifications shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld or delayed.

(c) Before any Tenant Alterations are begun, Tenant shall procure, at its own sole cost and expense, all necessary Permits from all Governmental Authorities and shall deliver photocopies thereof to Landlord. Upon Tenant's request, Landlord shall join in the application for such Permits whenever such action is necessary, and Tenant covenants that Landlord will not suffer, sustain or incur any costs, expense or liability by reason thereof;

(d) All Tenant Alterations shall be made in compliance and conformity with all applicable (a) Laws of all Governmental Authorities (including all building and zoning Laws); (b) Permits; and (c) rules, regulations, orders and requirements of Insurance Boards.

(e) In making any Tenant Alterations, Tenant shall not violate the terms or conditions of any insurance policy obtained or required pursuant to the Provisions hereof affecting or relating to the Property or any part thereof, or the terms of any covenants, restrictions or easements affecting the Demised Premises;

(f) Promptly after the completion of any Tenant Alterations, Tenant shall procure, at Tenant's sole cost and expense, all Permits of Governmental Authorities, if any, for the complete Tenant Alterations as may be required by any applicable Laws of Governmental Authorities, and all Insurance Boards' approvals, if any, as may be required or customary in connection therewith, and on demand, shall promptly deliver photocopies thereof to Landlord;

(g) Tenant shall pay all costs, expenses and liabilities arising out of, in connection with, or by reason of any Tenant Alterations, and shall keep the Property free and clear of all liens, claims and encumbrances in any way arising out of, in connection with, or by reason of, any Tenant Alterations, subject to the Provisions of Article 13 hereof;

(h) No Tenant Alterations shall create any encroachment upon any easement, street or adjacent premises;

(i) No Tenant Alterations shall be made which would tie in or connect any Improvement with any other building or structure located outside the boundary lines of the Demised Premises;

(j) Unless Tenant Alterations (i) are performed entirely within the enclosed walls of any Improvement then existing on the Demised Premises, or (ii) would not be reflected on a survey of the Demised Premises, Tenant shall, upon completion thereof, promptly deliver to Landlord a copy of an ALTA "as built" survey of the Demised Premises showing such Tenant Alterations; and

(k) No Tenant Alterations shall be made which would render title to the Demised Premises or any part thereof unmarketable, or which would reduce the value of the Property for the uses permitted herein below the value thereof immediately prior to the making of such Tenant Alterations.

(l) Landlord shall not be required to make any contribution to the cost of any Tenant Alterations or any part thereof, and Tenant covenants that Landlord shall not be required to pay any cost, expense or liability arising out of or in connection with or by reason of any Tenant Alterations.

13. Discharge of Liens.

13.1 Tenant shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance or charge levied on account of any Imposition or any mechanic's, contractor's, subcontractor's, laborer's, or materialman's lien for which Tenant is

responsible under this Lease, or any mortgage, deed of trust or otherwise which might or does constitute a lien, encumbrance or charge upon the Property or any part thereof, or the income therefrom, unless the same arises prior to the Lease Date or from any act of Landlord, and, other than matters created by Landlord, Tenant will not suffer any other matter or thing whereby the estate, rights and interests of Landlord in the Property or any part thereof might be impaired; provided that any Imposition may, after the same becomes a lien on the Property, be paid or contested in accordance with Article 5 hereof, and any mechanic's, laborer's, or materialman's lien may be discharged in accordance with Section 13.2 hereof.

13.2 If any such mechanic's, laborer's or materialman's lien shall at any time be filed against the Property or any part thereof, other than matters created by Landlord, Tenant, within 30 days after filing thereof, shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged within such period then, in addition to any other right or remedy, Landlord may (after so notifying Tenant), but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor, with interest, costs and allowances. In any event, if any suit, action or proceedings shall be brought to foreclose or enforce any such lien (whether or not the prosecution thereof was so compelled by Landlord), Tenant shall, at its own sole cost and expense, promptly pay, satisfy and discharge any final judgment entered therein, in default of which Landlord, at its option, may so. Any and all amounts so paid by Landlord as in this Section provided, and all costs and expenses paid or incurred by Landlord in connection with any or all of the foregoing matters, including reasonable attorneys' fees, together with interest thereon at the Lease Interest Rate from the respective dates of Landlord's making of such payments, shall be paid by Tenant to Landlord on demand as Additional Rent hereunder.

13.3 Nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer, materialman, architect or engineer for the performance of any labor or the furnishing of any materials or services for or in connection with the Property or any part thereof. Notice is hereby given that Landlord shall not be liable for any labor or materials or services furnished or to be furnished to Tenant upon credit, and that no mechanic's or other lien for any such labor, materials or services shall attach to or affect the fee or reversionary or other estate or interest of Landlord in the Property or in this Lease. At Landlord's request, Tenant shall execute a written instrument to be recorded for the purpose of providing notice of the existence of the provisions of the preceding sentence.

14. Condition of and Title to Property.

Landlord hereby covenants to improve the Demised Premises substantially as shown in the plans and specifications prepared by James O. Chamberlain & Associates and acknowledged and signed by Tenant's authorized agent, (the "Plans"), as set forth in **Schedule F** attached hereto. Such Improvements shall be completed in tenantable condition (punch list items

excepted) on or before July 1, 2010, subject to force majeure events. In the event that Landlord is unable to deliver such Improvements in tenable condition by such date, Landlord shall give written notice thereof to Tenant not later than June 15, 2010. Tenant's sole remedy for delay by Landlord beyond July 10, 2010, subject to force majeure events, shall be the right to defer payment of Fixed Rent and Additional Rent due hereunder until delivery of such Improvements by Landlord (punch list items excepted) unless such delay lasts beyond September 15, 2010, in which event Tenant shall have the further right, as its sole remedy, to terminate this Lease. Tenant acknowledges and agrees that except as otherwise expressly set forth in this Lease, no representations, statements, or warranties, express or implied, as to merchantability, fitness for a particular purpose or use, or otherwise, have been made by or on behalf of Landlord in respect of the Demised Premises, the status of title, physical condition, income, profit potential or expenses of operation thereof, the zoning or other Laws, regulations, rules and orders applicable thereto, Impositions, or of any other matter or thing affecting or relating to the Property, and that Tenant has relied on no such representations, statements or warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE, LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY TENANT OF THE PROPERTY, OR ANY PORTION THEREOF. TENANT ACKNOWLEDGES THAT LANDLORD IS NOT A MANUFACTURER OF PORTIONS OF THE PROPERTY, AND THAT TENANT IS LEASING THE PROPERTY AS DESCRIBED IN SCHEDULE F.

15. Entry on Property by Landlord.

15.1 Tenant shall permit Landlord and its authorized representatives and designees to enter the Property at all reasonable times upon reasonable prior notice for the purposes of (a) completing improvements in accordance with the Plans, (b) inspecting the Property, and (c) making any Repairs thereto and performing any work therein that may be necessary by reason of Tenant's failure to perform the same for ten (10) days after Notice from Landlord (or without Notice in case of emergency). Nothing herein contained shall be construed as imposing any duty upon Landlord to do any work not otherwise required by the terms of this Lease. The performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same, and Landlord shall have the right to receive reimbursement in respect thereof as provided in Article 27.

15.2 Landlord may, during the progress of any work at the Demised Premises performed or caused to be performed by it in accordance with this Article, keep and store thereon all necessary materials, tools, supplies and equipment. Landlord shall not be liable for reasonable inconvenience, annoyance, disturbance, loss of business or other damage to Tenant by reason of the making of repairs pursuant to Section 15.1 or the performance of any such work, or on account of bringing materials, tools, supplies and equipment into or through the Demised Premises during the course thereof, except due to its gross negligence or willful misconduct, and the obligations of Tenant under this Lease shall not be affected thereby. In making any repairs pursuant to Section 15.1 or doing any such work, Landlord shall proceed with such work so as to avoid to the extent possible unreasonable inconvenience to Tenant, including dangerous or unsafe conditions for Tenant, staff, faculty and students.

15.3 Landlord and its designees shall have the right to enter the Demised Premises at all reasonable times during usual business hours upon reasonable prior notice for the purpose of showing the Property to prospective purchasers and mortgagees and, during the last two (2) years of the Term or following any Event of Default by Tenant for so long as such default remains uncured or if Tenant has vacated the Demised Premises for more than thirty (30) days, to prospective tenants.

15.4 In exercising its right of entry pursuant to this Article 15, Landlord shall use commercially reasonable efforts to minimize any disruption of Tenant's business operations at the Demised Premises.

16. Condemnation.

16.1 If at any time during the Term hereof all or a material portion (as defined in Section 16.7 hereof) of the Demised Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement in lieu of condemnation among Landlord, Tenant and those authorized to exercise such right (a) the obligations of Tenant to comply with the Provisions of this Lease which are unaffected by such taking shall continue unimpaired until the date of the taking; (b) this Lease and the Term shall Expire on the date of such taking; (c) the Fixed Rent and all Additional Rent hereunder shall be apportioned and paid to the date of such taking; and (d) the entire award received (exclusive of the award that Tenant is entitled to by virtue of the taking pursuant to Section 16.6) shall be paid to Landlord.

16.2 If at any time during the Term (a) less than all or a material portion of the Demised Premises shall be taken, or (b) if any appurtenances to the Demised Premises or any areas outside the boundaries of the Demised Premises or rights in, under or above the streets adjoining the Demised Premises, or the rights and benefits of light, air or access from or to such streets, shall be so taken, or the grade of any such streets shall be changed ("Partial Taking"), except as provided in Section 16.3 below, this Lease shall continue in full force and effect without reduction, abatement or effect of any nature whatsoever upon the Term or the liability of Tenant to pay in full the Fixed Rent or any Additional Rent hereunder. Tenant shall give prompt Notice of any Partial Taking to Landlord and Landlord shall proceed, with reasonable diligence, and to the full extent of the award for such Partial Taking, to perform any necessary repairs and restorations, including any necessary alterations (collectively, "Restoration"). All awards payable as a result of any such Partial Taking (exclusive of any award made directly to Tenant for any taking of Tenant's Personal Property or otherwise pursuant to Section 16.6) shall be paid to Landlord.

16.3 In the case of any Partial Taking, the Fixed Rent payable by Tenant hereunder shall be equitably reduced by an amount which takes into account the actual amount of the Improvements taken, any other part of the Demised Premises or any other right, privilege or easement appurtenant to the Demised Premises taken which materially and adversely interferes with Tenant's permitted use of the Demised Premises. The foregoing shall not apply to the extent that such taking does not render more than 15% of the building space in the

Building unusable by Tenant and so long as the number of students allowed to occupy the Building is not diminished.

16.4 If the temporary use of the whole or any part of the Demised Premises shall be taken at any time during the Term for any public or quasi-public purpose by any lawful power or authority or by the exercise of the right of condemnation or eminent domain or by agreement in lieu of condemnation between Tenant and those authorized to exercise such right, the Term shall not be affected in any way, and Tenant's obligations for the payment of Fixed Rent and Additional Rent hereunder shall continue unabated, and, subject to the other Provisions of this Section, Tenant shall be entitled to receive any award or payment for such use. If such award or payment made for such use is paid in a lump sum, such award shall be paid to Landlord, and after deducting an amount equal to the present value (computed on the basis of a discount equal to the current yield of United States Government securities having a term as near as possible to the period of such temporary taking) of the Fixed Rent and Additional Rent due or which will become due during the period covered by such lump-sum award (it being agreed that the amount of such lump sum award retained by Landlord shall be deemed to satisfy Tenant's Fixed Rent and Additional Rent obligation for such period), Landlord shall remit the balance to Tenant except to the extent allocable to a period subsequent to the Expiration of this Lease. In the event that such taking, condemnation or use is for the balance of the Term of this Lease and is for all or a material portion of the Demised Premises, the provisions of Section 16.1 shall apply. If and to the extent that the amount of any Additional Rent for such period is not ascertained or ascertainable as at the date of the payment of such lump-sum award, Landlord shall estimate the amount thereof, subject to adjustment at such time as the amount thereof is ascertained. For the purposes of this Section, the Fixed Rent during the Initial Term shall be deemed to be as set forth in Section 4.1. If such taking results in changes or alterations in the Demised Premises which would necessitate an expenditure, after repossession, to repair the Demised Premises to their former condition, and such award or payment includes an amount to compensate for such expenditure and is made prior to the Expiration of this Lease, then the amount of such award or payment specified as compensation for the expenses of such repair shall be paid to Landlord in trust, and if possession of the Demised Premises shall revert to Tenant prior to the Expiration of this Lease, Tenant shall, at its sole cost and expense, repair the Demised Premises so that the Demised Premises in every material respect shall, upon completion of such repair, be the same as though no such taking had occurred, and when Landlord shall have received evidence satisfactory to it that such repair has been completed and paid for, the portion of such award or payment deposited with and held by Landlord for such purpose shall be paid over to Tenant. The foregoing Provisions relating to the repair of the Demised Premises shall apply with like effect to any item constituting part of the Improvements. If Tenant shall not so repair the Demised Premises or any item constituting a part of the Improvements upon the Expiration of this Lease the sum so deposited with Landlord shall be paid to Landlord to be applied by Landlord toward Landlord's damages occasioned by such default. The foregoing shall not apply to the extent that such damage does not render more than 15% of the classroom space in the Building unusable by Tenant.

16.5 If, for the purposes of Sections 16.1, 16.2 and 16.4 hereof, Landlord and Tenant cannot agree on whether there has been a taking of all or a material portion of the Property, either party may submit the matter to binding appraisal by Notice to that effect to the

other party and shall in such Notice appoint an MAI Appraiser who has been a member of The American Institute of Real Estate Appraisers for not less than ten (10) years and has performed appraisals of net leased commercial properties in the State throughout that period (an "Appraiser") who shall have had experience in appraising commercial properties for financial institutions, as Appraiser on its behalf. Within twenty (20) days thereafter, the other party shall by Notice to the first party appoint a second disinterested Appraiser on its behalf. If the two Appraisers thus appointed cannot reach agreement on the question presented on the basis aforesaid within 45 days after the appointment of the second Appraiser, then the Appraisers thus appointed shall appoint a third disinterested Appraiser possessing all of the other aforesaid qualifications, and such third Appraiser shall alone as promptly as possible determine the question presented, provided that:

(a) If the second Appraiser shall not have been appointed as aforesaid, the first Appraiser shall alone proceed to determine such matter; and

(b) If the two Appraisers appointed by the parties shall be unable to agree, within 45 days after the appointment of the second Appraiser, either on the question presented or on the appointment of a third Appraiser, they or either of them shall give Notice of such failure to agree to the parties, and, if the parties fail to agree upon the selection of such third Appraiser within 15 days after the Appraisers appointed by the parties have given such Notice, then within 30 days thereafter either of the parties, upon Notice to the other party, may request such appointment by the American Arbitration Association (or any successor thereto) in the State or on its failure, refusal or inability to act, may apply for such appointment to a court of competent jurisdiction.

(c) The determination made as above provided shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. The Appraisers chosen by the parties, the sole Appraiser, if the second party does not choose an Appraiser, or the third Appraiser appointed as above provided, as the case may be, shall give Notice to the parties stating their or his determination, and shall furnish to each party a signed copy of such determination.

(d) Each party shall pay the fees and expenses of the Appraiser appointed by such party and one-half of the other expenses of the appraisal properly incurred hereunder.

16.6 Subject to the provisions of Section 16.4, as applicable, Landlord shall be entitled to receive the entire award in any proceeding with respect to any taking of the Demised Premises; provided, however, that Tenant shall have the right to make a separate claim with the condemning authority for (a) any moving expenses incurred by Tenant as a result of such taking, (b) any costs incurred and paid by Tenant in connection with any Tenant's Alterations, (c) the value of any of Tenant's Personal Property taken, and (d) any other separate claim which Tenant may be permitted to make, provided such other separate claim under this item (d) shall not reduce or adversely affect the amount of Landlord's award.

16.7 As used in this Article 16, a taking of all or a material portion of the Demised Premises (the consequences of which are set forth in Section 16.1 hereof) shall mean a taking: (a) of 16% or more of the net classroom area of the Buildings on the Demised Premises; or (b) which renders unavailable access to the Demised Premises, and access reasonably necessary for Tenant's operations cannot be restored; or (c) which otherwise renders the continued operation of the remainder of the Property not economically feasible as determined by Landlord in its reasonable discretion; provided, however, that an election to treat a taking as a taking of all or a material portion of the Demised Premises, as hereinabove provided, shall be made by Notice to the other party given within 45 days after the taking. Any dispute as to whether there has been a Partial Taking or a taking of all or a material portion of the Demised Premises shall be submitted to arbitration and appraisal in accordance with Section 16.5 hereof.

17. **Memorandum of Lease.** Concurrently with the execution hereof, Landlord and Tenant are executing and acknowledging a Memorandum of Lease, in form annexed as **Schedule C**, which shall be recorded in the appropriate public land records prior to the recordation of any Landlord's Mortgage.

18. **Estoppel Certificates.**

18.1 Tenant agrees at any time and from time to time, upon request from Landlord or the holder of Landlord's Mortgage, to execute, acknowledge and deliver, without charge, to Landlord or to any Person designated by Landlord or the holder of Landlord's Mortgage, a statement in writing certifying that: (i) this Lease is unmodified (or if there have been modifications, identifying the same by the date thereof and specifying the nature thereof), (ii) Tenant has not received any Notice of default or Notice of termination of this Lease (or if Tenant has received such a Notice, that it has been revoked, if such be the case), (iii) to the best of Tenant's knowledge, that no Event of Default exists hereunder (or if any such Event of Default does exist, specifying the same and stating that the same has been cured, if such be the case), (iv) that Tenant has no claims or offsets against Landlord hereunder (or if Tenant has any such claims or offsets, specifying the same), (v) the dates to which Fixed Rent and Additional Rent payable by Tenant hereunder have been paid and (vi) such other information as may be reasonably requested by Landlord or the holders of Landlord's Mortgage and can be supplied by Tenant without unreasonable expense. Failure to timely deliver the foregoing estoppel certificate shall constitute a material default under this Lease.

18.2 Landlord agrees at any time and from time to time, upon not less than fifteen (15) days' Notice by Tenant, to execute, acknowledge and deliver, without charge, to Tenant, or to any Person designated by Tenant, a statement in writing certifying that; (a) this Lease is unmodified (or if there be modifications, identifying the same by the date thereof and specifying the nature thereof) (b) that no Notice of default or Notice of termination of this Lease has been served on Tenant (or if Landlord has served such Notice, that the same has been revoked, if such be the case) (c) that to Landlord's knowledge, no Event of Default exists under this Lease (or if any such Event of Default does exist, specifying the same) (d) the dates to which Fixed Rent and Additional Rent have been paid by Tenant and (e) any other document required by law to be delivered to Tenant by Landlord.

19. Assignment and Subletting.

19.1 (a) Tenant shall not assign, sublease or transfer this Lease or any interest therein or grant any license, concession or other right of occupancy of the Property or any portion thereof or otherwise permit the use of the Property or any portion thereof by any party other than Tenant (any of which events is hereinafter called a "Transfer") without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed (it being understood that if Landlord does not give written indication of denial of consent to Tenant within sixty days of Landlord's receipt of a written request from Tenant under this Section, such consent of Landlord shall be deemed granted), provided however that Tenant may sublease a portion of the Property (not to exceed 2,500 square feet of building space) for the operation of a privately funded pre-kindergarten.

(b) In addition, except as set forth herein, Tenant shall not encumber, mortgage, assign or collaterally assign its interest in this Lease or the Property or any portion thereof as security for any loan, obligation or liability of Tenant or any affiliate of Tenant without Landlord's prior written consent which may be granted or withheld in its sole and absolute discretion for any reason or no reason.

(c) Any attempted Transfer in violation of the terms of this Article shall, at Landlord's option, be void. Consent by Landlord to one or more Transfers shall not operate as a waiver of Landlord's rights as to any subsequent Transfers.

(d) In the event Landlord consents to any such Transfer, the documentation effecting the assignment of this Lease or the sublease shall be in a form reasonably acceptable to Landlord, including but not limited to, a written agreement satisfactory to Landlord wherein the transferee assumes and agrees to be bound by all of the terms and conditions of this Lease, if an assignment, and if a sublease, an acknowledgement that such sublease is subject and subordinate to the terms and conditions of this Lease applicable to the portion of the Demised Premises being sublet, and Tenant shall bear all third party out-of-pocket costs and expenses incurred and paid by Landlord in connection with the review and approval of such documentation including reasonable attorneys' fees and expenses.

19.2 In addition to any other rights Landlord may have in connection with an Event of Default by Tenant hereunder which has not been cured after the giving of notice and the expiration of applicable cure periods, Landlord shall have the right to contact any transferee or subtenant and require that all payments made pursuant to the Transfer shall be made directly to Landlord up to the amount then due and payable by Tenant under the Lease.

19.3 If Tenant is a corporation and if at any time during the Term the person or persons who own the voting shares at the time of the execution of this Lease cease for any reason, including, but not limited to, merger, consolidation or other reorganization involving another corporation, to own a majority of such shares, or if Tenant is a partnership or limited liability company and if at any time during the Term the partner(s) or member(s) who own the partnership interests in the partnership or membership interests in the limited liability company

at the time of the execution (or, in the case of a permitted assignee, assumption) of this Lease, cease for any reason to own a majority of such interests (except as the result of transfers by gift, bequest or inheritance to or for the benefit of members of the immediate family of such original shareholder(s) or partner(s) or member(s)), such an event shall be deemed to be a Transfer. The preceding sentence shall not apply whenever either Tenant is a corporation the outstanding stock of which is listed on a recognized security exchange, or if at least eighty percent (80%) of its voting stock is owned by another corporation, the voting stock of which is so listed, or when the transfer of stock or other equity interest is from one stockholder or partner or member to one or more stockholders, partners or members.

19.4 Any Transfer hereunder (regardless of whether the consent of Landlord is required) shall be only for the permitted use pursuant to Section 6.1 and for no other purpose, and in no event shall any Transfer release or relieve Tenant or any guarantor or surety of Tenant's obligations under this Lease from any obligations under this Lease.

20. Indemnification; Subrogation.

20.1 Tenant shall indemnify and save Landlord harmless from and against, and shall reimburse Landlord for, all liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, whether founded in tort, in contract or otherwise, including reasonable architects' and attorneys' fees and costs, which may be imposed upon or incurred or paid by or asserted against Landlord or Landlord's interest in the Property by reason of or in connection with any of the following occurring during the Term of this Lease:

(a) The completion of any Tenant Alterations and anything done in, on or about the Property or any part thereof in connection therewith;

(b) The use, non-use, possession, occupation, condition, operation, maintenance or management of the Property, or any part thereof, or to the extent that Tenant is legally responsible therefore, any street, alley, sidewalk, curb, passageway or space adjacent thereto;

(c) Any negligent or tortious act on the part of Tenant or any of its agents, contractors, servants, employees, licensees or invitees;

(d) Any accident, injury, death or damage to any Person or property occurring in, or about the Property or to the extent that Tenant is legally responsible therefore, any part thereof of any street, alley, sidewalk, curb, passageway or space adjacent thereto;

(e) Any failure on the part of Tenant to perform or comply with any of the Provisions contained in this Lease on its part to be performed or complied with; and

(f) Any violation of the Permitted Encumbrances by Tenant, its officers, employees or agents.

20.2 Nothing contained in Section 20.1 shall be deemed to require Tenant to indemnify Landlord for any acts or omissions of Landlord, its agents, contractors, servants, employees, licensees or invitees or breach of this Lease by Landlord except to the extent covered by Tenant's insurance obligations under Article 10.

20.3 In case any action or proceeding is brought against Landlord by reason of any claim referred to in this Article 20, Tenant, upon Notice from Landlord, shall, at Tenant's expense, resist or defend such action or proceeding, in Landlord's name, if necessary, by counsel for the insurance company, if such claim is covered by insurance, otherwise by counsel approved by Landlord, which approval shall not be unreasonably withheld or delayed. Landlord agrees to give Tenant prompt Notice of any such claim or proceeding.

20.4 The Provisions of this Article 20 shall not in any way be affected by the absence in any case of any covering insurance or by the failure or refusal of any insurance company to perform any obligation on its part.

20.5 If any provision of this Lease requires that either Landlord or Tenant provide indemnification to the other with respect to any claim or liability identified therein, the indemnified party shall promptly give Notice of any such claim or liability to the indemnifying party and said indemnifying party shall have the right to participate in the prosecution and/or settlement of any such claim or liability.

20.6 Notwithstanding any contrary provision contained in this Lease, Landlord and Tenant hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property covered by any insurance of the releasing party then in force, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone from whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to any loss or damage occurring during such time as the policy or policies of insurance covering said loss shall contain a clause or endorsement to the effect that this release shall not adversely affect or impair said insurance or prejudice the right of the insured to recover thereunder.

21. Default Provisions.

21.1 The following shall constitute events of default ("Events of Default") hereunder:

(a) If default shall be made in the due and punctual payment to Landlord of any installment of Fixed Rent payable under this Lease when and as the same shall have become due and payable, and such default shall continue for a period of ten (10) days after Notice from Landlord; or

(b) If default shall be made in the due and punctual payment of any Additional Rent payable by Tenant under this Lease when and as the same shall become due and

payable, or if default shall be made in the delivery of any Tenant Deliveries and such default shall continue for a period of ten (10) days after Notice from Landlord; or

(c) If (i) the Demised Premises shall be abandoned by Tenant and Tenant shall fail to make adequate arrangements for the maintenance and security of the Property during the period Tenant is not occupying the Demised Premises or (ii) if default shall be made by Tenant in the performance of or compliance with any of the provisions contained in this Lease other than those referred to in the foregoing subsections 21.1(a) or 21.1(b), or if any representation or warranty of Tenant contained herein is untrue as of the date made, and either such default shall continue for a period of 30 days after Notice thereof from Landlord to Tenant, or, in the case of a default or a contingency which is susceptible of being cured but which cannot with due diligence be cured within such period of 30 days, Tenant fails to commence with all due diligence within such period of 30 days to cure the same and thereafter to continuously prosecute the curing of such default with all due diligence it being intended that in connection with a default susceptible of being cured but which cannot with due diligence be cured within such period of 30 days that the time of Tenant within which to cure the same shall be extended for such period as may be necessary to complete the curing thereof continuously and with all due diligence but in no event to exceed 120 days in the aggregate; or

(d) Subject to the Provisions of Section 21.3 hereof, if Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent or shall file any petition or answer seeking any reorganization, arrangement, recapitalization, readjustment, liquidation, dissolution or similar relief under any present or future Federal Bankruptcy Code or any other present or future applicable Law ("Bankruptcy Law") that is not discontinued or otherwise vacated within ninety (90) days, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as the same become due (collectively, "Acts of Bankruptcy"); or

(e) Subject to the Provisions of Section 21.3 hereof, if within ninety (90) days after the commencement of any proceedings against Tenant seeking any reorganization, arrangement, recapitalization, readjustment, liquidation, dissolution or similar relief under any Bankruptcy Law, such proceedings shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, or any trustee, receiver or liquidator of Tenant, or of all or any substantial part of its properties or the Property (other than a result of Landlord's acts unrelated to the enforcement of Landlord's rights under this Lease), such appointment shall not have been vacated or stayed on appeal or otherwise, or within ninety (90) days after the expiration of any such stay such appointment shall not have been vacated, or if within sixty (60) days, an execution, warrant, attachment, garnishment levied or fixed against the Property, or any part thereof, or against Tenant (other than as a result of Landlord's acts unrelated to the enforcement of Landlord's rights under this Lease), shall not be bonded, vacated or discharged (each of such events being an "Act of Bankruptcy"); or

(f) If there is any default under the Charter or the Charter fails to be in full force and effect for any reason.

21.2 Upon the occurrence of any Event of Default, Landlord at any time thereafter (but prior to the curing of such Event of Default) may give Notice to Tenant stating that this Lease and the Term shall expire on the date specified in such Notice, which shall be at least five (5) days after the giving of such Notice, and on the date specified in such Notice this Lease and the Term shall expire with the same force and effect as though the date so specified were the date herein originally fixed as the Expiration Date of the Term, but Tenant shall remain liable as hereinafter provided.

21.3 No Act of Bankruptcy of Tenant under any Bankruptcy Law set forth in subsection 21.1(d), and no proceeding or action of the nature described in subsection 21.1(e) occurring or taken by or against Tenant shall be grounds for the Expiration of this Lease pursuant to this Article unless the same shall be taken or brought by or against the Person which then is the owner of the interests of tenant under this Lease.

21.4 Upon any Expiration of this Lease pursuant to Section 21.2 hereof, or by or resulting from summary proceedings, re-entry or otherwise, Tenant shall quit and peaceably surrender the Property. Landlord, in addition to all other remedies herein reserved to it, upon or at any time after such Expiration, may, without further Notice, enter upon and re-enter the Demised Premises and possess and repossess itself thereof by summary proceedings, ejectment or otherwise, and may dispossess and remove Tenant and all other Persons and property from the Property, and may have, hold and enjoy the Property and the right to receive all income of and from the same.

21.5 At any time or from time to time after any such Expiration pursuant to Section 21.2 hereof, or by or resulting from summary proceedings or otherwise, Landlord may relet the Property or any part thereof, in the name of Landlord or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions (which may include concessions, free rent and alterations) as Landlord, in its reasonable discretion, may determine, and may collect and receive the rent therefore. Tenant agrees to pay Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination of the Lease, whether through inability to relet the Property on satisfactory terms or otherwise, including all costs of such reletting and any deficiency that may arise by reason of any reletting or failure to relet.

21.6 No Expiration of this Lease pursuant to Section 21.2 hereof, or by or resulting from summary proceedings or otherwise, shall relieve Tenant of its liability under this Lease, and such liability shall survive any such Expiration. In the event of any such Expiration, whether or not the Property or any part thereof shall have been relet, Tenant shall pay Landlord the Fixed Rent to be paid by Tenant up to the time of such Expiration of this Lease, and thereafter Tenant, until the end of what would have been the Term in the absence of such Expiration, shall be liable to Landlord for, and shall pay Landlord, as and for liquidated and agreed current damages for Tenant's default, (a) the equivalent of the amount of Fixed Rent which would be payable under this Lease by Tenant if this Lease were still in effect, less the

proceeds, if any, of any reletting effected pursuant to the Provisions of Section 21.5 hereof, and (b) an amount equal to all of Landlord's actual expenses in connection with such reletting, including, but not limited to, brokerage commissions, attorneys' fees, the cost of cleaning, renovation, repair and alteration of the Demised Premises, advertisements, marketing, the cost of caring for the Property while vacant, free rent and other concessions to a new tenant. Tenant shall pay the damages provided for in subdivision (a) above ("Deficiency") to Landlord monthly on the days on which Fixed Rent would have been payable under this Lease if this Lease were still in effect (provided that Landlord has given Tenant reasonable advance notice of the amount of the Deficiency then due), and Landlord shall be entitled to recover from Tenant each monthly Deficiency as the same shall arise or shall have the right to accumulate monthly Deficiencies and sue to recover the same from time to time as Landlord may determine. Tenant shall pay to Landlord the damages provided for in subdivision (b) above on demand. At any time after such Expiration, whether or not Landlord shall have collected any monthly Deficiency as aforesaid, Landlord, at Landlord's election, shall be entitled to recover from Tenant, and Tenant shall pay to Landlord on demand, as and for liquidated and agreed final damages for Tenant's default, an amount equal to the then present worth of the excess of the Fixed Rent reserved under this Lease from the date of such Expiration over the fair and reasonable rental value of the Property for what would be the then unexpired portion of the Term if the same had remained in effect (less any Fixed Rent paid by Tenant for the period after the Expiration Date), said present worth to be computed on the basis of a discount equal to the current yield of United States Government securities having a term as near as possible to the amount of time remaining on the Term of this Lease and on a net lease basis. For the purposes of this Section 21.6, to the extent the Fixed Rent for the unexpired portion of the Term cannot be ascertained with certainty, the highest annual Fixed Rent in effect during the three (3) most recently ended Lease Years or, if fewer than three (3) Lease Years shall have elapsed since the Lease Date, then during all prior Lease Years, or portions thereof, which have so elapsed.

21.7 Landlord and Tenant each agrees that it will refrain from exercising any legal or equitable remedy available to it until the expiration of the applicable cure periods set out herein.

21.8 No failure by either party to insist upon the strict performance of any Provision of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any breach, shall constitute a waiver of any such breach or such Provision. No Provision of this Lease to be performed or complied with by either party, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by the other party. No waiver of any breach shall affect or alter this Lease, but each and every Provision of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

21.9 Except as may be otherwise provided in this Lease, in the event of any breach or if Landlord has knowledge of a threatened breach by Tenant of any of the Provisions of this Lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed by Law, in equity or otherwise, as though re-entry, summary proceedings and other remedies were not provided for in this Lease. In addition, in the event Tenant is no longer engaging a charter school management company in

accordance with Section 9.9 and there is any breach of Tenant's obligations under this Lease, Landlord or First Mortgagee may require that Tenant enter into a charter school management agreement with a recognized charter school management company acceptable to Landlord and First Mortgagee.

21.10 Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing by Law, in equity or otherwise, and, subject to the provisions of Section 21.7, the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing by Law, in equity or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing by Law, in equity or otherwise.

21.11 Landlord shall not be deemed to be in default under this Lease unless (a) Tenant has given Notice to Landlord specifying the default claimed, and (b) Landlord has failed for thirty (30) days (or for such longer period as may be required with the exercise of due diligence) to cure such default, if curable, or to institute and diligently pursue reasonable corrective or ameliorative efforts towards a non-curable default. In the event Landlord shall fail to repair any damage or perform any other acts for which Landlord is responsible under this Lease and has had prior notice of such obligation and Tenant's intention to perform the same, or in the event Landlord's default results in an emergency or life threatening condition and such default is not promptly cured after notice from Tenant of such default and Tenant's intention to cure the same, Tenant shall have the right to perform such obligation and to receive reimbursement from Landlord of the reasonable costs associated therewith, plus interest at the Lease Interest Rate, within thirty (30) days after delivery to Landlord of invoices supporting such reimbursement claim.

21.12 In the event that either Landlord or Tenant commences a suit for the collection of any amounts for which the other may be in default or for the performance of any other covenant or agreement hereunder, the prevailing party, as determined by the court having jurisdiction over the suit, shall be entitled to recover its reasonable costs and expenses, including, but not limited to, all attorneys' fees and expenses incurred in enforcing such obligations and/or collecting such amounts, as determined by such court.

21.13 In addition to its other rights hereunder, in the event of a default hereunder by Tenant, Landlord shall have the right to engage a financial advisor to review the books, records, operating procedures, staffing, management and all other aspects of Tenant, and Tenant shall permit such financial advisor full access (to the extent permitted by law) to its books, records, facilities and personnel, and Tenant shall comply with the recommendations of such financial advisor to effect improvement to Tenant's business and financial condition. Failure by Tenant to comply with the requirements of this paragraph shall constitute an event of default hereunder.

21.14 Notwithstanding anything to the contrary contained herein, Landlord shall not be entitled to enforce a remedy herein or at law or in equity granted which would dispossess

Tenant so long as Tenant is and remains current in the payment of all Additional Rent and such portion of the Fixed Rent as will, in each month, be adequate in that month to satisfy Landlord's obligations for the payments due under any First Mortgage financing, to the extent such moratorium on enforcement is required under the terms of such First Mortgage financing.

22. Representations and Warranties of Tenant and Landlord.

22.1 Tenant represents and warrants to Landlord:

(a) *Organization and Power.* Tenant is a not-for-profit corporation duly organized, validly existing, and its status is "active" under the laws of the State of Idaho, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted. Tenant has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted.

(b) *Pending Litigation and Taxes.* Except as otherwise disclosed to Landlord, there are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of Tenant, after making due inquiry with respect thereto, threatened against or affecting Tenant in any court or by or before any governmental authority or arbitration board or tribunal, which involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of Tenant, or the ability of Tenant to perform its obligations under this Lease, or which, in any way, would adversely affect the validity or enforceability of any agreement or instrument to which Tenant is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby, nor is Tenant aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings. Tenant is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of Tenant have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by Tenant in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) *Agreements Are Authorized.* The execution and delivery by Tenant of this Lease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of Tenant, (ii) do not conflict with or constitute on the part of Tenant a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (except as set forth herein) upon any property of Tenant under the provisions of any bylaw, indenture, mortgage, deed of trust, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which Tenant is a party or by which Tenant or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over Tenant, or any of its activities or properties, and (iii)

have been duly authorized by all necessary and appropriate corporate action on the part of Tenant. This Lease is the valid, legal, binding, and enforceable obligation of Tenant, subject to the customary exceptions for bankruptcy and the application of equitable remedies. The officers of Tenant executing this Lease are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of Tenant.

(d) *Governmental Consents.* Neither Tenant nor any of its business or properties, nor any relationship between Tenant and any other Person, nor any circumstance in connection with the execution, delivery, and performance by Tenant of its obligations under this Lease is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of Tenant in connection with the execution, delivery, and performance of this Lease, consummation of any transaction herein contemplated, except as shall have been obtained or made and as are in full force and effect, other than the filing of financing statements or instruments effective as financing statements perfecting the security interests created by hereby.

(e) *No Defaults.* No event has occurred and no condition exists that would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. Tenant is not in default or violation in any material respect under the Charter, its charter documents, or other agreement or instrument to which it is a party or by which it may be bound. The Charter is in full force and effect and to the best of Tenant's knowledge, there are no grounds for termination prior to expiration of its term.

(f) *Compliance with Law.* Tenant is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, and conditions (financial or otherwise) of Tenant.

(g) *Restrictions on Tenant.* Except as otherwise disclosed to Landlord, Tenant is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its business, properties, assets, operations, or condition (financial or otherwise).

(h) *Tax-Exempt Organization.* As of the date of this Lease, (i) Tenant is a not-for-profit Idaho corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (a "Tax-Exempt Organization"), (ii) Tenant has received a determination letter from the Internal Revenue Service to the effect that it is a Tax-Exempt Organization, which letter has not been revoked or modified, (iii) Tenant is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax-Exempt Organization has not been adversely modified, limited, or revoked, and (v) the facts and circumstances which formed the basis for the status of Tenant, as represented to the Internal Revenue Service in the application for a determination letter, have not materially changed, and substantially exist for Tenant. Tenant is organized and operated

exclusively for charitable purposes and not for pecuniary profit and no part of the net earnings of Tenant inures to the benefit of any Person, private stockholder or individual.

(i) *Disclosure.* The representations of Tenant contained in this Lease and in any certificate, document, written statement, or other instrument furnished by or on behalf of Tenant to the Landlord or the School Board in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that Tenant has not disclosed to the Landlord that materially and adversely affects or in the future may (so far as Tenant can now reasonably foresee) materially and adversely affect the operation of the School or the properties, business, operations, prospects, profits, or condition (financial or otherwise) of Tenant, or the ability of Tenant to perform its obligations hereunder.

(j) *Compliance.* Once Tenant has taken possession of the Demised Premises, Tenant will comply with all presently applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of any and all governmental and quasi-governmental authorities having jurisdiction over any portion of the Demised Premises, including but not limited to, the State School Board and the Idaho State Department of Education.

(k) *Licenses and Permits.* Tenant currently has or will timely secure all necessary permits, consents, licenses and authorizations for the operation of the School from all appropriate governmental entities, agencies, departments and bureaus.

(l) *Financing Statements.* Except as set forth herein, there are no currently effective Uniform Commercial Code financing statements naming Tenant as debtor, except as shall have been disclosed by Tenant to Landlord prior to the effective date hereof.

22.2 Landlord represents and warrants to Tenant:

(i) *Organization and Power.* Landlord is an Idaho limited liability company duly organized, validly existing, and its status is “active” under the laws of the State of Idaho, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted.

(ii) *Pending Litigation.* There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of Landlord, after making due inquiry with respect thereto, threatened against or affecting Landlord in any court or by or before any governmental authority or arbitration board or tribunal, which involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of Landlord, or the ability of Landlord to perform its obligations under this Lease, or which, in any way, would adversely affect the validity or enforceability of any agreement or instrument to which Landlord is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby, nor is Landlord aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or

proceedings. Landlord is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal.

(iii) *Agreements Are Authorized.* The execution and delivery by Landlord of this Lease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (x) are within the power, legal right, and authority of Landlord, (y) do not conflict with or constitute on the part of Landlord a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (except as set forth herein) upon any property of Landlord under the provisions of any bylaw, indenture, mortgage, deed of trust, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which Landlord is a party or by which Landlord or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over Landlord, or any of its activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate action on the part of Landlord. This Lease is the valid, legal, binding, and enforceable obligation of Landlord, subject to the customary exceptions for bankruptcy and the application of equitable remedies. The officers of Landlord executing this Lease are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of Landlord.

(iv) *Governmental Consents.* Neither Landlord nor any of its business or properties, nor any relationship between Landlord and any other Person, nor any circumstance in connection with the execution, delivery, and performance by Landlord of its obligations under this Lease is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of Landlord in connection with the execution, delivery, and performance of this Lease, consummation of any transaction herein contemplated, except as shall have been obtained or made and as are in full force and effect.

(v) *No Defaults.* No event has occurred and no condition exists that would constitute an Event of Default on the part of Landlord or which, with the lapse of time or with the giving of notice or both, would become an Event of Default on the part of Landlord.

(vi) *Compliance with Law.* Landlord is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its business. At the time Tenant takes possession of the Demised Premises, the Demised Premises complies with all presently applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of any and all governmental and quasi-governmental authorities having jurisdiction over any portion of the Demised Premises, including but not limited to, the State School Board and the Idaho State Department of Education.

(vii) *Restrictions on Landlord.* Landlord is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its business, properties, assets, operations, or condition (financial or otherwise).

23. Invalidity of Particular Provisions. If any Provision of this Lease or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such Provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each Provision of this Lease shall be valid and be enforced to the fullest extent permitted by Law.

24. Notices.

24.1 All notices, requests, demands, consents, approvals and other communications which may or are required to be served or given hereunder (“Notices”) shall be in writing and shall be personally delivered with a receipt signed by the recipient or sent by a nationally recognized courier service providing evidence of delivery addressed as follows:

If to Landlord: TWIN FALLS SCHOOL DEVELOPMENT, LLC
352 North Flint Street
Kaysville, Utah 84037
Attention: Manager

with a copy to: Vectra Bank Colorado, National Association
2000 South Colorado Blvd., Suite 2-1200
Denver, CO 80222
Attention: Toni Keenan

If to Tenant: XAVIER CHARTER SCHOOL, INC.
771 North College Rd
Twin Falls, Idaho 83301

24.2 Either party may, by Notice, change its address for all subsequent Notices, except that neither party may require Notices to it to be sent to more than four addresses. Notice given by counsel for a party shall be deemed Notice by such party.

24.3 Except where otherwise expressly provided to the contrary in this Lease, Notices shall be deemed given when received or, when delivery is refused.

25. Quiet Enjoyment. Landlord covenants that Tenant, upon paying when due Fixed Rent and Additional Rent herein provided for and observing and keeping all Provisions of this Lease on its part to be observed and kept, shall quietly have and enjoy the Property during the Term of this Lease, without hindrance or molestation by Landlord, or anyone claiming by, through or under Landlord, subject, however, to the exceptions, reservations, and Provisions of this Lease.

26. Excavation and Shoring. If any excavation shall be made or contemplated to be made for building or other purposes upon property or streets adjacent to or nearby the Property from and after the Lease Date, Tenant shall do or cause to be done all such work as may be necessary to preserve any of the walls or structures of the Improvements from injury or damage and to support the same by proper foundations. All such work done by Tenant shall be at Tenant's sole cost and expense. Tenant shall not, by reason of any such excavation or work, have any claim against Landlord for damages or indemnity, except work done by or on behalf of Landlord, or for suspension, diminution, abatement or reduction of rent under this Lease.

27. Landlord's Right to Perform Tenant's Covenants.

27.1 If Tenant shall at any time fail to pay any Imposition in accordance with the Provisions of Article 5 hereof, or to take out, pay for, maintain or deliver any of the insurance policies to be provided by Tenant in Article 10 hereof, or shall fail to make any other payment on its part to be made, then Landlord, after five (5) business days' Notice to Tenant, except when other Notice is expressly provided for in this Lease (or without Notice in case of emergency) and without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to):

- (a) Pay any Imposition payable by Tenant pursuant to the Provisions of Article 5 hereof; or
- (b) Take out, pay for and maintain any of the insurance policies to be provided by Tenant in Article 10 hereof; or
- (c) Make any other payments on Tenant's part to be made as provided in this Lease; and
- (d) May enter upon the Property for any such purpose and take all reasonable action thereon as may be necessary therefor.

27.2 All sums so paid by Landlord and all reasonable costs and expenses incurred by Landlord in connection with the performance of any such act, together with interest thereon at the Lease Interest Rate from the respective dates of Landlord's making of each such payment or incurring of each such cost and expense, shall be paid by Tenant to Landlord on demand as Additional Rent hereunder, and Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep in force insurance as aforesaid to the amount of the insurance premium or premiums not paid or incurred by Tenant and which would have been payable upon such insurance, but Landlord shall also be entitled to recover as damages for such breach the uninsured amount of any loss, to the extent of any deficiency in the minimum amount of insurance required by the Provisions of this Lease, and damages, costs and expenses of suit suffered or incurred by reason of damage to, or destruction of, the Improvements occurring during any period when Tenant shall have failed or neglected to provide such insurance.

28. Landlord's Right to Mortgage, Sell or Assign Rents.

28.1 Landlord shall have the right at any time and from time to time to place one or more mortgages (including the First Mortgage) on all or any part of the Property (the First Mortgage and all such mortgages and any increases, renewals, modifications, consolidations, refinancings, replacements and extensions thereof being collectively called "Landlord's Mortgages"). It is understood and agreed that wherever in this Lease Tenant may be required to make any policies of insurance payable to the holder of the First Mortgage, such requirements shall apply to the holder of any Landlord's Mortgage of which Landlord gives Tenant Notice, but (as to insurance) only to the extent of Landlord's entitlement to such proceeds under the Provisions of this Lease.

28.2 Except as otherwise provided in this Section 28.2 and Article 33, nothing contained in this Lease shall be deemed in any way to limit, restrict or otherwise affect Landlord's absolute right at any time or times to convey its interest in the Property, subject to this Lease, or to assign its interest in this Lease, or to assign (other than for collateral purposes which Landlord may do from time to time without notice to or consent from Tenant) from time to time the whole or any portion of Fixed Rent or Additional Rent at any time paid or payable hereunder by Tenant to Landlord, to a transferee which assumes in writing Landlord's obligations under this Lease and is designated by Landlord in a Notice to Tenant, and in any such case Tenant shall pay Fixed Rent and Additional Rent payable by Tenant to Landlord, or the portion thereof so assigned, subject to the Provisions of this Lease, to Landlord's designee at the address mentioned in any such Notice.

29. Subordination and Non-Disturbance.

29.1 Subject to the provisions of Section 29.2, Tenant accepts this Lease subject and subordinate to any Landlord's Mortgage, and to any renewals, modifications, refinancings and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required. In the event Tenant fails to execute a subordination document consistent with this Article 29 within ten (10) business days of receipt of a request by Landlord and Tenant provides no reasonable objection to Landlord's request, Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any Landlord's Mortgage, and Tenant agrees upon demand to execute such further instruments subordinating this Lease, acknowledging the subordination of this Lease or attorning to the holder of any such Landlord's Mortgage as Landlord may request. If any person shall succeed to all or part of Landlord's interests in the Property whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease or otherwise, and if and as so requested or required by such successor-in-interest, Tenant shall, without charge, attorn to such successor-in-interest, provided said successor-in-interest shall agree that so long as no uncured Event of Default exists under the Lease, Tenant's right to quiet possession shall not be disturbed and the terms of the Lease shall remain unchanged.

29.2 The mortgage loan documents with respect to the First Mortgage and any other Landlord's Mortgage shall provide (or shall require that the holder thereof shall enter into

an agreement providing) for subordination, non-disturbance and attornment with respect to Tenant's rights and obligations under this Lease, which shall provide that Tenant's rights under this Lease shall not be disturbed in the event of foreclosure, sale or otherwise, so long as Tenant attorns to such mortgagee or transferee and there is not otherwise an uncured Event of Default under this Lease. Tenant shall promptly execute and deliver any such requested agreement.

30. Unavoidable Delays. Except for the obligation to pay Fixed Rent and other charges payable hereunder which shall continue, whenever a party is required to perform an act under this Lease by a certain time, said time shall be deemed extended so as to take into account events of Unavoidable Delays.

31. Financial Statements.

31.1 Tenant will provide to Landlord and First Mortgagee copies of all budgets, filings, financial reports and correspondence to and from Tenant's chartering district and/or the Idaho State Department of Education concerning Tenant's finances.

31.2 Tenant shall keep adequate records and books of account with respect to its business activities in which proper entries are made in accordance with generally accepted accounting principles ("GAAP") reflecting all its financial transactions, and cause to be prepared and furnished to Landlord and First Mortgagee the following (all to be prepared in accordance with GAAP applied on a consistent basis, unless the Tenant's certified public accountants concur in any change therein and such change is disclosed to Landlord and is consistent with GAAP):

(a) not later than one hundred twenty (120) days after the close of each fiscal year, Tenant's audited financial statements (which term includes balance sheets and statement of activities and changes in net assets) as of the end of such year, certified by a firm of independent certified public accountants of recognized standing selected by Tenant and reasonably satisfactory to Landlord;

(b) not later than thirty (30) days after the close of each fiscal quarter, Tenant's financial statements as of the end of such quarter, certified by the chief financial officer of Tenant, together with student enrollment information and discussion of variances to budget, in form and substance reasonably satisfactory to Landlord, and such other financial statements reasonably requested by Landlord; and

(c) not later than thirty (30) days after the date on which such survey is required to be delivered to the Board, each enrollment survey in respect of the School. Tenant

32. Obligations Absolute. Fixed Rent, Additional Rent and all other sums payable by Tenant pursuant to this Lease are the absolute and unconditional obligations of Tenant, and shall not be subject to set-off, deduction, counterclaim or abatement, and except as expressly set forth to the contrary in this Lease, Tenant shall not be entitled to any credit against such payment obligations for any reason whatsoever, including, but not limited to: (i) any accident or unforeseen circumstances; (ii) any damage or destruction of the Property or any part thereof; (iii) any restriction or interference with Tenant's use of the Property; (iv) any defects, breakdowns,

malfunctions, or unsuitability of the Property or any part thereof; or (v) any dispute between Tenant and Landlord, any vendor or manufacturer of any part of the Property, or any other person.

33. Tenant's Right of First Refusal. Landlord may not sell or transfer the Property, except to an affiliate of Landlord, unless Landlord has received a bona fide offer to purchase the Property (whether solicited or not) and Landlord provides Tenant a right of first refusal to purchase the Property pursuant to the following provisions of this Article 33. However, Tenant's right of first refusal set forth herein shall not apply to any transfer of the Property to First Mortgagee or any transfer of the Property made as a result of the exercise of any remedies of First Mortgagee under the First Mortgage.

33.1 Landlord shall give Tenant written notice at least thirty (30) days' prior to any proposed sale of the Property. Such notice shall be accompanied by a copy of an executed, legally binding purchase agreement (the "Third Party Purchase Agreement") between Landlord and the proposed purchaser setting forth the terms and conditions of such proposed sale.

33.2 Tenant shall have the right, but not the obligation, to purchase the Property from Landlord on the same terms set forth in the Purchase Agreement by notifying Landlord in writing, within thirty (30) days of the receipt of such notice from Landlord, of its intention to purchase the Property and delivering to Landlord an executed contract for the purchase of the Property on the same terms and conditions set forth in the Third Party Purchase Agreement; however, the date for settlement of Tenant's purchase of the Property shall be either the settlement date set forth in the Third Party Purchase Agreement or a date which is not less than ninety (90) days from the date of Landlord's notice to Tenant of the Third Party Purchase Agreement, whichever is later.

33.3 If Tenant does not give timely notice of its intention to purchase the Property or, having given such notice, does not timely close on the purchase the Property, Landlord may then sell the Property to the proposed purchaser pursuant to the Third Party Purchase Agreement. If Landlord does not then sell and convey the Property pursuant to the Third Party Purchase Agreement, any subsequently proposed transaction shall again trigger the provisions of this Article 33.

33.4 If Tenant purchases the Property pursuant to this Article 33, this Lease shall terminate on the date title vests in Tenant, and Landlord shall remit to Tenant all prepaid and unearned rent, and any security deposit paid by Tenant pursuant to the Lease.

33.5 This right of first refusal shall remain in effect for the entire term of this Lease and shall be applicable to any proposed sale of the Property by the Landlord, its successors, or its assigns.

34. Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed an original, all such counterparts together shall constitute one and the

same instrument, and signature pages from one counterpart may be removed and added to another counterpart to create a single, integrated counterpart with all necessary signatures.

35. Provisions Deemed Conditions and Covenants. All of the terms, covenants, agreements, limitations, conditions and provisions of this Lease (collectively, “Provisions”) shall be deemed and construed to be “conditions” and “covenants” as though the words specifically expressing or importing covenants and conditions were used in each separate Provision hereof.

36. Reference to Termination. Any reference herein to the termination of this Lease shall be deemed to include any termination hereof by Expiration, or pursuant to Article 11, 16, or 21 hereof, or otherwise.

37. No Waste. Tenant shall not do or suffer any waste to the Property or any part thereof.

38. Captions and Construction.

37.1 The captions and table of contents in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of this Lease nor in any way shall affect this Lease or the construction of any Provision hereof.

37.2 The terms “include,” “including” or words of like import shall be construed as meaning “including, without being limited to.”

37.3 Wherever the context so requires in this Lease, the neuter gender includes the masculine and/or feminine gender, and the singular number includes the plural.

37.4 The phrase “provided no default [or Event of Default] shall exist hereunder . . .” and any similar phrase shall be construed in this Lease as meaning “provided no uncured default [or Event of Default] exists as to the payment of a liquidated sum of money, and no other uncured default [or Event of Default] exists as to which Landlord has notified Tenant; however, if any such default [or Event of Default] exists and is later cured within the applicable time period set forth in this Lease, but in any event before the Expiration of this Lease, all remaining rights of Tenant hereunder shall be restored, including but not limited to the right to receive funds or proceeds but for such default [or Event of Default].”

39. No Partnership or Joint Venture. Nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other Person, or cause Landlord to be responsible in any way for the debts or obligations of Tenant or any other Person.

40. Oral Change or Termination. This Lease and the documents referred to herein contain the entire agreement between the parties pertaining to the subject matter hereof, and any executory agreement hereafter made shall be ineffective to change, modify or discharge it in whole or in part unless such executory agreement is in writing and signed by the party against

whom enforcement of the change, modification or discharge is sought. This Lease cannot be changed or terminated orally.

41. **Successors and Assigns.** The Provisions in this Lease shall bind and inure to the benefit of Landlord and Tenant, and, except as otherwise provided in this Lease, their respective legal representatives, executors, successors and assigns.

42. **Governing Law.** This Lease shall be governed by, and interpreted under, the laws of the State.

43. **SUITS BY TENANT.** TENANT HEREBY COVENANTS THAT, PRIOR TO THE FILING OF ANY SUIT FOR AN ALLEGED DEFAULT BY LANDLORD HEREUNDER, IT SHALL GIVE ALL MORTGAGEES WHOM TENANT HAS BEEN NOTIFIED HOLD MORTGAGES ON THE PROPERTY (TOGETHER WITH THEIR RESPECTIVE NOTICE ADDRESSES), NOTICE AND TIME TO CURE SUCH ALLEGED DEFAULT BY LANDLORD AS ARE PROVIDED IN SECTION 21.11.

44. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD HEREUNDER) TO SUITS BY TENANT FOR ANY MONETARY DAMAGES OR JUDGMENT SHALL BE LIMITED TO THE INTEREST OF LANDLORD IN THE PROPERTY (INCLUDING RENTAL INCOME AND THE PROCEEDS FROM THE SALE OF THE PROPERTY), AND TENANT AGREES TO LOOK SOLELY TO LANDLORD'S INTEREST IN THE PROPERTY FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST THE LANDLORD, IT BEING INTENDED THAT LANDLORD SHALL NOT BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY.

45. **Purchase or Sale Option.** Landlord shall have the option to sell the Property to Tenant, and Tenant shall have the option to purchase the Property from Landlord, on the terms and conditions below.

45.1 **Sale Option.** Landlord shall have the option at its sole discretion to sell the Property to Tenant at the Purchase Price (defined below), and Tenant shall be required to purchase the Property, at any time of Landlord's choosing during the term of this Lease, subject to Tenant's ability to obtain financing for such purchase that gives Tenant an annual debt service payment amortized over thirty (30) years equal to or less than the current Fixed Rent. If Tenant is able to obtain such financing, then such sale of the Property shall take place within 120 days after Landlord notifies Tenant in writing of Landlord's exercise of this option and Landlord and Tenant have executed a purchase agreement for the sale of the Property.

45.2 **Purchase Option.** Subject to Section 45.1, Tenant shall have the option at its sole discretion to purchase the Property from Landlord, and Landlord shall be required to sell the Premises, at any time of Tenant's choosing during the term of this Lease after Dec 1, 2010, at the Purchase Price (defined below). Such sale of the Property shall take place within 120 days

after Tenant notifies Landlord in writing of Tenant's exercise of this option after the Purchase Price has been established and Landlord and Tenant have executed a purchase agreement.

45.3 Purchase Price. The parties hereto agree that the purchase price for the Property shall be the Fair Market Value of the Premises, as determined by an MAI real property appraiser selected and paid for by Landlord, such selection subject to Tenant's consent not to be unreasonably withheld, provided however that in no event shall such purchase price be an amount less than Landlord's cost to construct the Property, including without limitation hard costs, soft costs and reasonable profits and developer's fee, (the "Purchase Price"). In the event Tenant wishes to exercise its purchase option, then Tenant shall notify Landlord in writing of such desire and Landlord will provide an appraisal as specified in the previous sentence within thirty (30) days to determine the Purchase Price, and Tenant shall reimburse Landlord for the reasonable costs of such appraisal. Such appraiser shall have substantial experience in appraising charter schools in the State of Idaho or surrounding states (the "Intermountain Region"), and have previously appraised at least five different charter schools in the Intermountain Region. Landlord and Tenant may agree to a different Purchase Price than such appraised value.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have duly executed this instrument as of the day and year first above written.

WITNESSES:

Name: _____

Name: _____

LANDLORD:

TWIN FALLS SCHOOL DEVELOPMENT, LLC,
a Idaho limited liability company

By: _____
Name: Jed Stevenson
Title: Manager

TENANT:

XAVIER CHARTER SCHOOL, INC.,
a Idaho not-for-profit corporation

Name: _____

Name: _____

By: _____
Name: Scott Hunsaker
Title: President

SCHEDULE A

LEGAL DESCRIPTION OF LAND

[[INSERT LEGAL]]

SCHEDULE B

PERMITTED ENCUMBRANCES

SCHEDULE C

MEMORANDUM OF LEASE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
TWIN FALLS SCHOOL DEVELOPMENT, LLC
Attn: Jed Stevenson
352 North Flint Street
Kaysville, UT 84037

MEMORANDUM OF LEASE

This Memorandum of Lease (this "Memorandum") is made and entered into as of [[INSERT DATE]], 2010 by and between Twin Falls School Development, LLC a Idaho limited liability company ("Landlord") and Xavier Charter School, Inc., a Idaho not-for-profit corporation ("Tenant").

1. DEMISE. By a certain lease dated [[INSERT DATE]], 2010 (the "Lease") between Landlord and Tenant, Landlord has leased to Tenant, and Tenant has leased from Landlord, the Premises located in the City of Twin Falls, County of Twin Falls, State of Idaho, and more particularly described in Attachment A hereto.

All provisions of the Lease are incorporated herein by reference.

2. TERM. The term of the Lease is twenty (20) years commencing on [[INSERT DATE]], 2010, and ending on [[INSERT DATE]], 2030.
3. OPTION TO RENEW. Upon the expiration of the initial term, Tenant has the right and option to renew the Lease. If so renewed by Tenant, the Lease term will end on [[INSERT DATE]], 2035.
4. USE OF PROPERTY. Tenant shall have the right to use and occupy the property for the sole purpose of operating a charter school and for such other lawful purposes as may be incidental thereto.

[REMAINDER OF PAGE LEFT BLANK. SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Memorandum of Lease is executed on [INSERT DATE], 2010.

LANDLORD

Twin Falls School Development, LLC

Jed Stevenson, Manager

STATE OF UTAH

COUNTY OF DAVIS

On the ____ day of February, 2010, before me, a Notary Public in and for the above state and county, personally appeared Jed Stevenson, Manager of Twin Falls School Development, known to me or proved to be the person named in and who executed the foregoing instrument, and being first duly sworn, such person acknowledged that he or she executed said instrument for the purposes therein contained as his or her free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires: _____

TENANT

Xavier Charter School, Inc.

Scott Hunsaker, Board President/Chair

STATE OF IDAHO

COUNTY OF TWIN FALLS

On the ____ day of February, 2010 before me, a Notary Public in and for the above state and county, personally appeared Scott Hunsaker, President/Chairman of Xavier Charter School, Inc., known to me or proved to be the person named in and who executed the foregoing instrument, and being first duly sworn, such person acknowledged that he or she executed said instrument for the purposes therein contained as his or her free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires: _____

SCHEDULE D
FIXED RENT

ATTACHED TO AND A PART OF THE LEASE AGREEMENT ("LEASE")
DATED AS OF [[INSERT DATE]], 2010 BETWEEN

TWIN FALLS SCHOOL DEVELOPMENT, LLC
and
XAVIER CHARTER SCHOOL, INC.

Fixed Rent. The Fixed Rent (annually, subject to adjustments as set forth below) for the First Lease Year (partial or otherwise) shall be computed as product obtained by multiplying the amount of \$16.82 per square foot of Building times the square footage of the Building (i.e. 46,734 square feet). The Building is estimated to contain 46,734 square feet (not subject to re-measurement; the parties acknowledging that there are substantial ancillary facilities and other improvements within the Property that would compensate for any shortage of square footage in the Building). In calculating the square feet, air conditioned and un-air conditioned spaces were included. The yearly Fixed Rent shall be adjusted annually ("Adjusted Fixed Rent") as set forth below in paragraphs A and B.

A. Annual Adjustment of Fixed Rent. Commencing with the first day of the Second Lease Year, and thereafter on each annual anniversary of such date during the Initial Term other than each of the Market Adjustment Years (defined below), the Fixed Rent shall be adjusted as follows:

(x) The Fixed Rent in effect for each Lease Year shall be equal the product of (i) the prior Lease Year's Fixed Rent, multiplied by (ii) the greater of (A) one (1) or (B) the fraction in which the Adjustment CPI (as defined below) is the numerator and Base CPI (as defined below) is the denominator. In no event shall any adjustment made pursuant to this Schedule or any decrease in the CPI ever result in a decrease in the Fixed Rent for any Lease Year below the Fixed Rent in effect at the end of the prior Lease Year, which Fixed Rent shall, in that event, continue in effect until the next adjustment hereunder. Payment of the Adjusted Fixed Rent amount shall begin on the first day of the first calendar month of the Lease Year to which such Adjusted Fixed Rent applies.

(y) If (i) the CPI (as defined below) ceases using the 1982-1984 average of 100 as the basis of calculation, (ii) a significant change is made in the number or nature (or both) of items used to determine the CPI, (iii) Landlord and Tenant agree that the Adjustment CPI does not accurately reflect, in relationship to the Base CPI, the purchasing power of the dollar, or (iv) the CPI shall be discontinued for any reason, the Bureau of Labor Statistics shall be requested to furnish a new index comparable to the CPI, together with information which will make possible the conversion to the new index in computing the Adjusted Fixed Rent hereunder. If for any reason the Bureau of Labor Statistics does not furnish such an index and such information, Landlord and Tenant shall instead accept and use such other index or comparable statistics on the cost of living in the city or region in which the Premises is located that is computed and published by an agency of the United States or a responsible financial periodical of recognized authority.

Xavier Charter School
Lease Agreement

(z) As used herein, the term "CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) for the United States, All Items (1982-84 = 100), published by the Bureau of Labor Statistics, United States Department of Labor. As used herein, the term "Base CPI" means the most recently published CPI as of the last day of the last month immediately preceding the Commencement Date. As used herein, the term "Adjustment CPI" means the most recently published CPI as of the last day of the last month immediately preceding the commencement of the Lease Year for which the adjustment in Fixed Rent is being determined. Unless otherwise specifically defined in this Schedule, capitalized terms shall have the same respective meanings as set forth in the Lease.

B. Market Year Adjustments. Commencing with the fifth anniversary of the first day of the first Lease Year (or partial Lease Year), and on each successive fifth anniversary thereof (each, a "Market Adjustment Year"), the Fixed Rent shall be subject to a market-determined increase to a per square foot amount equal to 98% of the fair market rental rate as set forth in this paragraph B. Not less than 90 days (provided that failure of Landlord to give such notice timely shall only defer the computation of the adjustment provided herein which upon its conclusion as set forth herein shall apply retroactively, without interest, to the beginning of the applicable Market Adjustment Year) prior to each Market Adjustment Year, Landlord shall provide to Tenant written notice of its determination of the fair market fixed rent amount for comparable construction and aged retail space in the general vicinity of the Demised Premises (the "Fair Market Rent"), and within 20 days thereof Tenant shall either accept such determination or declare its disagreement therewith; provided that Tenant's failure to so respond in writing shall be deemed acceptance of such determination by Tenant. In the event that Tenant timely declares its disagreement, then Landlord and Tenant shall attempt to agree upon a single appraiser to determine the Fair Market Rent for the applicable Market Adjustment Year. In the event Landlord and Tenant cannot agree upon a single appraiser within 15 days after delivery of the Tenant's disagreement notice, Landlord and Tenant shall each appoint an MAI real estate appraiser within 10 days thereafter, each of whom shall have a minimum of 10 years' experience in the valuation of retail and commercial real estate properties in Twin Falls County, Idaho, and neither of whom shall be employees or former employees of either Landlord or Tenant or any affiliate thereof. The two appraisers shall, within 10 days after their selection, select a third appraiser who shall meet the same standards. The three appraisers shall meet in Twin Falls, Idaho, at the earliest practicable date -- and in no event later than 10 days after the selection of the third appraiser -- and shall, by majority vote, determine the Fair Market Rent. In the event that the first 2 appraisers cannot agree upon a third appraiser or that no 2 of the 3 appraisers can agree upon a Fair Market Rent, the matter shall be submitted to arbitration in Boise, Idaho, to be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association and the provisions of this Lease. The determination made as above provided shall be conclusive upon the parties and judgment upon the same may be entered in any court having jurisdiction thereof. Each party shall pay one-half of the fees and expenses of the appraisers and of the other expenses of the appraisals properly incurred hereunder.

SCHEDULE E
FIXED RENT FOR EXTENDED TERM

ATTACHED TO AND A PART OF THE LEASE AGREEMENT
DATED AS OF [[INSERT DATE]], 2010 BETWEEN

TWIN FALLS SCHOOL DEVELOPMENT, LLC
and
XAVIER CHARTER SCHOOL, INC.

Renewal Period Fixed Rent. During the Renewal Term, if any, the Fixed Rent for the first Lease Year shall be the sum agreed upon as such by Landlord and Tenant as the fair market fixed rent amount for comparable construction and aged retail space in the general vicinity of the Demised Premises (as adjusted below, the "Renewal Fair Market Rent"), and within twenty (20) days thereof Tenant shall either accept such determination or declare its disagreement therewith. In the event that Landlord and Tenant cannot agree upon the Renewal Fair Market Rent within thirty (30) days after delivery of the Renewal Notice, the Renewal Notice shall be and become null and void, and the Lease shall terminate at the end of the Initial Term.

Adjustment Computation. Commencing with the first day of the second Lease Year during the Extended Term, and thereafter on each annual anniversary of such date during the Extended Term, the Renewal Term Fixed Rent shall be adjusted from time to time as follows:

(a) The Fixed Rent in effect for each such Lease Year shall be equal the product of (i) the prior Lease Year Fixed Rent, multiplied by (ii) the greater of (A) one (1) or (B) the fraction in which the Adjustment CPI (as defined below) is the numerator and Base CPI (as defined below) is the denominator. In no event shall any adjustment made pursuant to this Schedule or any decrease in the CPI ever result in a decrease in the Fixed Rent for any Lease Year below the Fixed Rent in effect at the end of the preceding Lease Year, which Fixed Rent shall, in that event, continue in effect until the next adjustment hereunder. Payment of the Adjusted Fixed Rent amount shall begin on the first day of the first calendar month of the Lease Year to which such Adjusted Fixed Rent applies.

(b) If (i) the CPI (as defined below) ceases using the 1982-1984 average of 100 as the basis of calculation, (ii) a significant change is made in the number or nature (or both) of items used to determine the CPI, (iii) Landlord and Tenant agree that the Adjustment CPI does not accurately reflect, in relationship to the Base CPI, the purchasing power of the dollar, or (iv) the CPI shall be discontinued for any reason, the Bureau of Labor Statistics shall be requested to furnish a new index comparable to the CPI, together with information which will make possible the conversion to the new index in computing the Adjusted Fixed Rent hereunder. If for any reason the Bureau of Labor Statistics does not furnish such an index and such information, Landlord and Tenant shall instead accept and use such other index or comparable statistics on the cost of living in the city or region in which the Premises is located that is computed and published by an agency of the United States or a responsible financial periodical of recognized authority.

(c) As used herein, the term "CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) for the United States, All Items (1982-84 = 100), published by the Bureau of Labor Statistics, United States Department of Labor. As used herein, the term "Base CPI" means the most recently published CPI as of the last day of the last month immediately preceding the Commencement Date. As used herein, the term "Adjustment CPI" means the most recently published CPI as of the last day of the last month immediately preceding the commencement of the Lease Year for which the adjustment in Fixed Rent is being determined. Unless otherwise specifically defined in this Schedule, capitalized terms shall have the same respective meanings as set forth in the Lease.

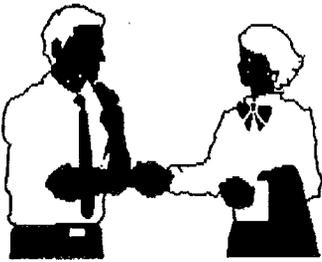
SCHEDULE F
DESCRIPTION OF FACILITY

The facility shall be delivered to Tenant in “turn key” condition such that the facility shall be immediately tenantable and able to be occupied by Tenant as a charter school facility; provided however that no furnishings, fixtures (other than standard building systems shown in the Plans), or equipment (other than standard building systems components shown in the Plans). In addition, the facility shall be computer ready, painted and ready for occupancy. Rent shall commence upon delivery of occupancy (subject to punch list items) to Tenant.

The Landlord shall timely proceed to obtain a final certificate of occupancy and shall perform any conditions that may be required under the terms of any temporary certificate of occupancy.

The facility shall be substantially completed as described in the Plans, and shall include parking spaces as described in the Plans.

The facility shall consist of approximately 46,734 gross square feet as shown on the Plans, together with any ancillary site improvements as shown on the plans.



CONTRACT FOR SERVICES

MAGIC VALLEY COLLECTIONS & RECOVERY, INC.

P.O. Box 2371

704 2ND AVENUE NORTH

TWIN FALLS, ID 83303-2371

208-733-4171 (VOICE)

208-733-4317 (FAX)

mvcric@cableone.net

*Owned and operated by Mary Lou Webb
In business since 1953*

This agreement is to outline the **BASIC GUIDELINES** for Collection Services to be provided by Magic Valley Collections & Recovery, Inc., hereinafter referred to as **MVCR**, for the firm of

XAVIER CHARTER SCHOOL

Here in after referred to as the **CLIENT**, who will, from to time, refer delinquent accounts to **MVCR** for collection and skip tracing activity.

All accounts will be serviced at the rate agreed upon between **MVCR** and the **CLIENT** (copy attached as Rate Structure). All interest accrued from the Date of Referral will be retained by **MVCR** unless otherwise agreed upon on attached Rate Structure.

MVCR will follow all Local, State and Federal Laws in its collection procedures used while representing the accounts of the **CLIENT**.

MVCR will remit on a monthly basis, that portion of any monies collected and owed to the **CLIENT**. Month end is normally done on the last day of each month and the remittance statements are normally in the hands of the **CLIENT** by the 15th of the following month.

The **CLIENT** will advise **MVCR** of all money paid directly to their firm at any time during the month and this information will appear on the remittance statement. All previously agreed rates will apply to these payments made directly to the **CLIENT** and the statement will reflect such rates.

The **CLIENT** will advise **MVCR** of any interest rates and figures charged on all accounts turned for collection. The **CLIENT** will clearly itemize all charges on any account, in accordance with all State and Federal Laws.

The CLIENT has the right to request the return of any and all accounts previously turned for collection to MVCR, at no charge, with the exception of the following:

Those accounts involved in Legal Activity through the services of MVCR and it's Attorney;

Any accounts currently involved in a payment arrangement with MVCR;

or any accounts that have been forwarded out of the immediate collection area to another collection agency.

THE CLIENT MAY NOT WITHDRAW AN ACCOUNT SO THAT THE CONSUMER MAY PAY THEM DIRECTLY AND HAVE THE ACCOUNT REMOVED FROM HIS OR HER PERSONAL CREDIT RECORD.

The CLIENT may choose to accept a payment from the consumer, however, this should not be done without the consent of MVCR to preserve accurate balance information and credit reporting data. The CLIENT is held responsible, along with MVCR, for the accuracy in all account balance information provided to MVCR and any credit reporting entities.

This agreement is continuous, but may be canceled by either party as to future assignments; this supersedes and replaces any prior agreement, understandings, or arrangements, and may be modified, amended, or terminated only in writing duly signed by both parties.

SIGNED THIS 29 DAY OF September

CLIENT NAME: XAVIER CHARTER SCHOOL

*AUTHORIZED SIGNATURE: *Justin Lanting*
PRINTED NAME AND TITLE: JUSTIN LANTING

MVCR: _____

AUTHORIZED SIGNATURE: *Linda Brown*
PRINTED NAME AND TITLE: LINDA BROWN OFFICE MGR?SALES REP

**MEMBER OF THE INTERNATIONAL COLLECTORS ASSOCIATION
And
THE IDAHO COLLECTORS ASSOCIATION**



CONTRACT FOR SERVICES / RATE STRUCTURE FOR THE FIRM OF:

XAVIER CHARTER SCHOOL

DATE: 9-28-11

REGULAR COLLECTION RATE: 50 %

EXPLANATION: _____

LEGAL COLLECTION RATE: 50 %

EXPLANATION: _____

FORWARD COLLECTION RATE: 50 %

EXPLANATION: _____

FEE FOR RETURNED EQUIPMENT: _____ %

EXPLANATION: _____

COMMENTS:

MAGIC VALLEY COLLECTIONS & RECOVERY, INC.

P.O. Box 2371

704 2ND AVENUE NORTH

TWIN FALLS, ID 83303-2371

208-733-4171 (VOICE)

208-733-4317 (FAX)

mvcric@cableone.net

Owned and operated by Mary Lou Webb

*Thank you for your continued business and the opportunity to serve as your
Accounts Receivable and Collection Agency.*

Please feel free to call us with any questions or needs you may have.

Member of the International Collectors Association

In business since 1953

MAGIC VALLEY COLLECTIONS & RECOVERY, INC.

P.O. Box 2371
704 2ND AVENUE NORTH
TWIN FALLS, ID 83303-2371
208-733-4171 (PH)
208-733-4317 (FAX)
mvrinc@cablcone.net

Owned and Operated by Mary Lou Webb
Established in 1952

LISTING SHEET FOR COLLECTION ACTIVITY

DATE: 9-28-11
YOUR BUSINESS NAME: XAVIER CHARTER SCHOOL
NATURE OF BUSINESS: _____

YOUR BUSINESS MAILING ADDRESS: 1218 NORTH COLLEGE RD W
PHYSICAL ADDRESS: _____
CITY: TWIN FALLS ST: ID ZIP: 83301

YOUR BUSINESS PH: 208-734-3947 FAX: 208-733-1348
E-MAIL: _____

* AUTHORIZED SIGNATURE: 
PRINTED NAME: JUSTIN LANTING TITLE: * Business Manager

YOUR CLIENT NAME & INFORMATION YOU ARE TURNING IN FOR
COLLECTION: ACCT: # _____ NAME: _____

ADDRESS: _____
PH: _____ CELL: _____ MSG: _____
SSN: _____ DOB: _____
BALANCE DUE: \$ _____ DATE OF LAST SERVICE: _____
DATE OF LAST PAYMENT: _____
COMMENTS: _____

PLEASE ATTACH A COPY OF THE LAST BILLING STATEMENT SENT TO
YOUR CLIENT AND A COPY OF THE ORIGINAL DOCUMENTS CREATING
THE DEBT.

ANY SIGNED DOCUMENTS OR ADDITIONAL INFORMATION YOU MAY
HAVE, SUCH AS YOUR ORIGINAL CREDIT APPLICATION, WILL ALSO BE
OF GREAT VALUE TO US IN OUR SKIP TRACING DEPARTMENT.

THANK YOU FOR LISTING WITH US. WE ALSO OFFER SERVICES IN
REPOSSESSIONS, SKIP TRACING, BILLING AND ALL AVENUES OF
COLLECTIONS FOR YOUR ACCOUNTS RECEIVABLE NEEDS.

CALL US TODAY FOR FURTHER INFORMATION ON ANY OF THESE
SERVICES.

Member of the American Collectors Association

MAGIC VALLEY COLLECTIONS & RECOVERY, INC.

704 / 712 2ND AVENUE NORTH.

TWIN FALLS, ID 83301

Phone Number 208-733-4171 OR TOLL FREE @ 877-856-5493

Fax Number 208-733-4317

Web Address mvrinc.com

Email mvrinc@cablone.net

Fax Transmittal Form

To: Xavier Charter School
Name: Cinda
CC:
Phone:
Fax: 733-1348

From: Cinda
Date Sent: 9-28-11
Number of Pages: 5

Message: Please keep copies for your records
and return originals

Thank you
Cinda

NATIONAL BENEFIT SERVICES, LLC
Customer Care • Knowledge and Expertise • Organizational Excellence

POP Plan (Premium Only) Document Request

Client Account Information	Employer Legal Name: <u>Xavier Charter School, Inc.</u>		Contact Person: <u>Brandon Fairbanks</u>
	<input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corporation <input type="checkbox"/> Sub S Corporation <input checked="" type="checkbox"/> Other <u>Non-Profit Corp</u> <small>(Owners with more than 2% ownership may only participate in the POP if the entity is a C Corporation)</small>		
	Address, City, State, Zip Code: <u>1218 North College W.</u>		Number of employees on Group Insurance:
	Phone Number: <u>(208) 734-3947</u>	Fax Number: <u>(208) 933-9287</u>	
Email Address: <u>xavierch@xaviercharter.org</u>		Employer Tax I.D. Number: <u>20-5009576</u>	
Affiliated Companies (list address and Tax ID Numbers on a separate page): <u>n/a</u>			
Agent Information	Agency Name: <u>McQueen Insurance</u>		Agent/Broker Name: <u>Cody McQueen</u>
	Email Address: <u>cody-mcqueen@hotmail.com</u>		Phone Number: <u>(208) 420-2397</u>
Premium Only Plan Information	Do you currently have a POP/FSA Plan? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Plan Number <input checked="" type="checkbox"/> 501 <input type="checkbox"/> 502 <input type="checkbox"/> Other _____
	If yes, original effective date of plan:		
	What day will NBS begin/takeover the plan administration? <u>04/01/2010</u>		
	Plan Year Ends: <input type="checkbox"/> Dec 31st <input checked="" type="checkbox"/> <u>7/31/2010</u>		
	Exclude Part Time Employees from plan? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	Part Time Employee is less than: <input type="checkbox"/> 30hr/wk <input type="checkbox"/> _____ hours/week		
	Employee eligibility is the first day of the month following: <u>Hire date, with the exception of-if hired on the</u> <input type="checkbox"/> 30 <input type="checkbox"/> 60 <input type="checkbox"/> 90 _____ Days of employment <u>1st day of the month</u>		
	Are you COBRA eligible? (over 20 employees) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	Are you FMLA eligible? (over 50 employees) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	Insurance Options: <input checked="" type="checkbox"/> Cancer <input checked="" type="checkbox"/> Dental <input checked="" type="checkbox"/> Accident <input checked="" type="checkbox"/> Vision <input checked="" type="checkbox"/> Disability <input checked="" type="checkbox"/> Group Medical <input checked="" type="checkbox"/> Group Term Life		
Notes	<u>HSA also</u>		
			NBS Use Only: Reviewed by _____ on : _____

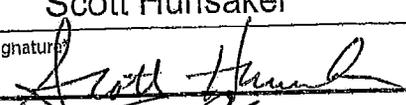
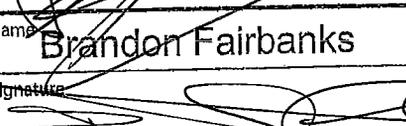
Available Health Plans
 A Wells Fargo HSA for employees can only be offered in conjunction with an HSA-compatible health plan.

1. Health Insurance Carrier Name **Regence Blue Shield #10002020**

2. Health Insurance Carrier Name

3. Health Insurance Carrier Name

Authorized List
 The persons listed below are authorized by your company to provide direction to Wells Fargo regarding your company's Health Savings Account (HSA) program.

Name*	Scott Hunsaker	Title*	Chairman
Signature		Email*	scotth@hcmholmstead.com
Name	Jeff Bulkley	Title	Treasurer
Signature		Email	jeffbulkley@hotmail.com
Name	Brandon Fairbanks	Title	Business Manager
Signature		Email	brandon@paragoncharterschools.com
Name		Title	
Signature		Email	

Referral Source

Broker or Agent (Please complete fields below) Existing Wells Fargo Customer Carrier Wells Fargo Insurance

Other (please specify): _____

Broker/Agent Name **Cody McQueen**

Phone XXX-XXX-XXXX (208) 420-2397 Email **cody_mcqueen@hotmail.com**

Note: For broker/agent referrals, please access wells Fargo.com/hsa or call (866) 449-9929 for additional information.

Authorization and Payment

I hereby authorize Wells Fargo Health Benefit Services to provide services based on and in accordance with the information provided in this application. By signing this application, I certify that I have full authority to execute this application on behalf of Company and, and I authorize Wells Fargo Health Benefit Services to initiate electronic debits and credits to the identified account(s) as indicated in the "ACH Debit Set-up" section above. Company understands that Wells Fargo's initiation of ACH transactions will comply with applicable U.S. Law, and that this authorization will remain in effect until Wells Fargo HBS is notified at 1-866-449-9929 of its revocation in such time and manner as to allow a reasonable opportunity to act on it.

Authorized Signer	Date (MM/DD/YYYY)
	02/07/2010

Mail completed Application Packet to:
 Wells Fargo Health Benefit Services, P.O. Box 413042, Salt Lake City, UT 84141-3042

Questions? Please contact Customer Service at 866-449-9929.
 Web site: wells Fargo.com/hsa

ADOPTING RESOLUTION

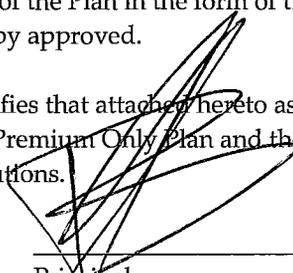
The undersigned Principal of Xavier Charter School, Inc. (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on _____, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of Cafeteria Plan effective April 1, 2010, presented to this meeting is hereby approved and adopted and that the duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

RESOLVED, that the Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

RESOLVED, that the duly authorized agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the Cafeteria Plan by delivering to each employee a copy of the summary description of the Plan in the form of the Summary Plan Description presented to this meeting, which form is hereby approved.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of Xavier Charter School, Inc. Premium Only Plan and the Summary Plan Description approved and adopted in the foregoing resolutions.



Principal

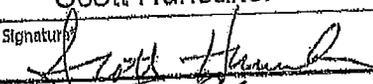
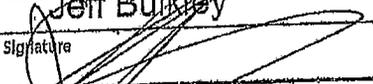
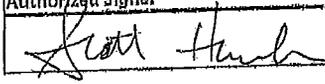
Date: 6/10/10

Health Savings Account (HSA) Employer Application

Please complete the most current application found at wellsfargo.com/hsa.



Company Information * required field			
Company Name* Xavier Charter School		Web site Address www.xaviercharter.org	
Street Address* (may not be a P.O. Box) 1218 North College W		City* Twin Falls	State* ID
Mailing Address Same as above		City	State Zip
Federal Employer Tax ID* 205009576	State of Incorporation (if applicable) Idaho	Type of Industry (NAIC Code)* 8211	Wells Fargo HSA Program Start Date* 04/26/2010
<p>The USA PATRIOT ACT OF 2001 requires financial institutions to obtain, verify and record information to confirm the identity of each individual or entity that opens an account. What this means for you: before you open an account, we will ask for your name, address, date of birth (if you are an individual), taxpayer identification number (TIN), and other information that will allow us to identify you. For entities, opening new accounts, we will ask you for documentation that may include annual reports, government issued business licenses or partnership agreements.</p>			
Employer Entity* (check one) <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input checked="" type="checkbox"/> Nonprofit Organization <input type="checkbox"/> Limited Liability Corporation <input type="checkbox"/> Government Entity or Church			
Business Principals Please list all business principals. Omission of business principals will delay the setup process.			
Chairman of the Board Name (if applicable) Scott Hunsaker		CEO/President/Managing Partner Name	
CFO Name		Other Equivalent Position (Other Business Principals) Name/Title Jeff Bulkley, Treasurer	
Other Equivalent Position (Other Business Principals) Name/Title		Other Equivalent Position (Other Business Principals) Name/Title	
HSA Contact Information			
<i>This should be the person at your company who will receive HSA communication.</i>			
Primary Contact* Brandon Fairbanks		Title* Business Manager	
Phone* XXX-XXX-XXXX & ext 801-231-2406	Fax* XXX-XXX-XXXX (801) 497-0461	Email* brandon@paragoncharterschools.com	
Administrative Information			
Monthly Service Fee paid by* <input checked="" type="checkbox"/> Employer <input type="checkbox"/> Employee <input type="checkbox"/> Other (specify):		Contributions will be made by* <input checked="" type="checkbox"/> Employer Contributions <input type="checkbox"/> Employee Payroll Deductions	
		Number of Employees Eligible to Contribute to an HSA* 35 Number of Employees Expected to Enroll* 17	
ACH Debit Set up Please complete the section below for ACH debit for contributions and fees. If you would like to have a separate account set up to fund contributions and pay for fees, please contact Client Services at 866-449-9929.			
Checking Account Number 19013499		Account Name Xavier Charter School	
Routing Number (RTN) 324170179		Important Note: If there are currently any restrictions on debits to your account, please add Wells Fargo's ACH origination IDs to your debit filter: HB5CON8115 and HOGANHSASF.	
Financial Institution Name First Federal Savings Bank			
Address 383 Shoshone Street North			
City Twin Falls		State ID	Zip 83301

Available Health Plans	
A Wells Fargo HSA for employees can only be offered in conjunction with an HSA-compatible health plan.	
1. Health Insurance Carrier Name	Regence Blue Shield #10002020
2. Health Insurance Carrier Name	
3. Health Insurance Carrier Name	
Authorized List	
The persons listed below are authorized by your company to provide direction to Wells Fargo regarding your company's Health Savings Account (HSA) program.	
Name*	Scott Hunsaker
Title*	Chairman
Signature	
Email*	scotth@hemholmstead.com
Name	Jeff Bulkley
Title	Treasurer
Signature	
Email*	jeffbulkley@hotmail.com
Name	Brandon Fairbanks
Title	Business Manager
Signature	
Email	brandon@paragoncharterschools.com
Name	
Title	
Signature	
Email	
Referral Source	
<input checked="" type="checkbox"/> Broker or Agent (Please complete fields below) <input type="checkbox"/> Existing Wells Fargo Customer <input type="checkbox"/> Carrier <input type="checkbox"/> Wells Fargo Insurance	
<input type="checkbox"/> Other (please specify): _____	
Broker/Agent Name: Cody McQueen	
Phone XXX-XXX-XXXX	Email
(208) 420-2397	cody_mcqueen@hotmail.com
Note: For broker/agent referrals, please access Wellsfargo.com/hsa or call (866) 449-9929 for additional information.	
Authorization and Payment	
I hereby authorize Wells Fargo Health Benefit Services to provide services based on and in accordance with the information provided in this application. By signing this application, I certify that I have full authority to execute this application on behalf of Company and, and I authorize Wells Fargo Health Benefit Services to initiate electronic debits and credits to the identified account(s) as indicated in the "ACH Debit Set-up" section above. Company understands that Wells Fargo's initiation of ACH transactions will comply with applicable U.S. Law, and that this authorization will remain in effect until Wells Fargo HBS is notified at 1-866-449-9929 of its revocation in such time and manner as to allow a reasonable opportunity to act on it.	
Authorized Signer	Date (MM/DD/YYYY)
	4/28/10

Mail completed Application Packet to:
Wells Fargo Health Benefit Services, P.O. Box 413042, Salt Lake City, UT 84141-3042

Questions? Please contact Customer Service at 866-449-9929.
Web site: wellsfargo.com/hsa

**HEALTH SAVINGS ACCOUNT (HSA)
ADMINISTRATIVE SERVICES AGREEMENT**

This Health Savings Account Administrative Services Agreement (the "Agreement") is entered into this 23 day of April 2010 (the "Effective Date") by and between Wells Fargo Health Benefit Services, a division of Wells Fargo Bank, N.A. ("Wells Fargo"), and Xavier Charter School, Inc. (the "Employer") (collectively, the "parties"), with respect to administrative services for "Health Savings Accounts" (each an "HSA"), as this term is defined in Section 223 of the Internal Revenue Code of 1986, as amended (the "Code"), maintained by employees (each an "Account Holder") of Employer, in their sole discretion.

RECITALS

WHEREAS, Employer would like to allow certain employees who participate in a qualified High Deductible Health Plan ("HDHP"), as defined in Section 223 of the Code, to open and fund HSAs; and

WHEREAS, Wells Fargo is a national banking association incorporated under the laws of the United States that qualifies to serve as trustee or custodian of HSAs in accordance with the provisions of Section 223(d)(1)(B) of the Code; and

WHEREAS, Wells Fargo provides HSA enrollment and contributions processing services to employers; and

WHEREAS, the parties wish to enter into the following agreement governing the administrative services to be rendered by Wells Fargo to Employer with respect to the HSAs of Account Holders.

NOW, THEREFORE, for and in consideration of their mutual promises herein contained and other valuable consideration, the parties covenant and agree as follows:

AGREEMENT

Section 1. HSA Services.

(a) **Role as Trustee/Custodian.** Wells Fargo will serve as trustee and will administer the HSAs in accordance with the provisions of Section 223(d)(1)(B) of the Code and subject to the powers and duties set forth in a separate trust agreement ("Trust Agreement") between Wells Fargo and each Account Holder. Notwithstanding the foregoing, the parties acknowledge that Wells Fargo will no longer serve as a trustee but will serve as a custodian of such HSAs, effective as of the date that Wells Fargo amends its existing Trust Agreements to reflect such change in capacity and, as a result, all references to "trustee" and "trust" herein will be amended to mean "custodian" and "custodial account".

(b) **Administrative Services.** In connection with the administration of the HSAs, Wells Fargo will:

(i) Open and maintain HSAs in the name of Wells Fargo, as trustee, for the benefit of each Account Holder who establishes an HSA.

(ii) Accept HSA contributions from Employer and Account Holders, including transfers from other financial institutions, up to the maximum amount allowed by law.

(iii) Hold assets in compliance with the nonforfeitability rules applicable to HSAs, including, but not limited to, the provisions restricting recoupment by employers to circumstances described in Internal Revenue Service ("IRS") Notice 2008-59, Q&A 23-25 or any future guidance issued regarding the nonforfeitability of Employer contributions to HSAs.

(iv) Act upon the written directions of Account Holders, including settling investment transactions and making distributions from the HSA; provided, however, that Wells Fargo is not required to determine whether a requested distribution is for the payment or reimbursement of qualified medical expenses or to maintain records sufficient to show that the distribution is tax free.

(v) Provide and service debit cards used to access HSA funds as permitted by law.

(vi) Maintain Account Holder records reflecting the assets of the HSAs and all activity transacted during the current year.

(vii) Prepare and deliver reports to Employer setting forth information including, but not limited to, contribution and reconciliation data. Such reports may be delivered electronically to the extent permitted by law.

(viii) Prepare tax reporting with respect to contributions and distributions for Account Holders as required by Section 223(h) of the Code or the regulations thereunder.

(ix) Take written direction from Account Holders with respect to the voting or tender of proxy materials.

(x) Designate a contact to be responsible for responding to all inquiries and requests made by Account Holders and Employer with respect to HSAs.

Section 2. Employer Obligations.

Employer will:

(a) Promptly provide Wells Fargo with information regarding each employee who establishes an HSA with Wells Fargo pursuant to this Agreement as required by law, including but not limited to the following: (i) notification of the Account Holder's termination of employment; (ii) notification of Account Holder's cessation of participation in Employer's HSA program; and (iii) information as requested by Wells Fargo from time to time to prepare any report required by Section 223(h) of the Code and the regulations thereunder.

(b) Ensure that the HDHP it offers satisfies the applicable requirements of Section 223 of the Code, if Account Holders are enrolled in an HDHP sponsored by Employer.

(c) Ensure that each Account Holder on behalf of whom Employer is providing contributions is not covered under a non-HDHP sponsored by Employer; provided, however, that the Account Holder will at all times be entitled to have "permitted coverage," as this term is defined in Section 223(c)(1)(B) of the Code.

(d) Promptly transfer HSA contributions to Wells Fargo, in no event later than five (5) business days after such amounts are withheld from the Account Holder's wages. Employer will simultaneously transmit data to Wells Fargo, by means of a secure file transfer method acceptable to Wells Fargo, indicating how such contributions will be allocated to HSAs and such data will reconcile to the amount of funds transferred. Employer understands that any Employer contributions it makes to HSAs are non-forfeitable and subject to the rules restricting recoupment by employers described in IRS Notice 2008-59, Q&A 23-25 or any future guidance issued by the IRS on the nonforfeitability of Employer contributions.

(e) Consult with its tax advisor regarding the treatment of HSA contributions for purposes of its wage reporting, employment tax obligations, and comparability testing, if Employer does not have a cafeteria plan arrangement under Section 125 of the Code. Employer acknowledges that it must make comparable contributions to HSAs for comparable participating employees under Section 4980G of the Code and the applicable regulations and that Wells Fargo does not perform comparability testing. Employer further acknowledges that Wells Fargo does not provide a cafeteria plan that allows for HSA contributions and that, if Employer desires to sponsor such a plan, it must develop one on its own.

Section 3. Additional Obligations for Employers Using Enrollment Files for Enrollment.

In addition to the obligations set forth in Section 2 of this Agreement, if Employer assists employees in enrolling in HSAs by sending electronic files with enrollment information ("Enrollment Files") to Wells Fargo, the following additional provisions apply:

(a) Special Agent of Employee for Account Opening Purposes. Employer will ensure that an employee who wishes to open an HSA with Wells Fargo designates Employer as his/her special agent for account opening purposes.

Acting in its capacity as special agent, Employer accepts the following notice provided by Wells Fargo on behalf of each Employee who designates Employer as his/her special agent for Account opening purposes:

"IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT---To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents."

(b) Credit Report Authorization. Employer will obtain, on Wells Fargo's behalf, from each employee who is interested in establishing an HSA with Wells Fargo, an authorization to order a credit report.

(c) Account Authorization Form. To fulfill 3(a) and 3(b) above, Employer will:

- (i) Use the content of the form attached hereto as Addendum C ("Account Authorization Form") to have an employee appoint Employer as special agent for account opening purposes and to obtain the authorization for ordering a credit report.
- (ii) Maintain a copy of each Account Authorization Form completed by an employee for the period of time the individual is employed by Employer.
- (iii) Allow Wells Fargo to review Employer's records in order to confirm that the requirements contained in this Section 3 have been satisfied.
- (iv) Not include information in the Enrollment File for any employee who has not appointed Employer as its special agent for account opening purposes and who has not authorized the ordering of a credit report.

- (v) As part of the Enrollment File, provide to Wells Fargo (and in such format and through such electronic, magnetic, or other means or media as Wells Fargo may specify from time to time) the employee's name, street address, social security number, date of birth and country of citizenship has provided by an employee on the Account Authorization Form.

Section 4. ERISA.

Employer represents and warrants to Wells Fargo that the arrangement covered by this Agreement is not a "plan" subject to the terms and conditions of the Employee Retirement Income Security Act of 1974, or any rules or regulations issued thereunder (collectively, "ERISA"), and that Employer will not take any action that would cause the arrangement described in this Agreement to be subject to ERISA, or omit to take any action that would be required to stop the arrangement described in this Agreement from becoming subject to ERISA.

Section 5. Fees.

Attached as Addendum A is a fee schedule. The schedule includes the Monthly Service Fee that Wells Fargo will charge each HSA, whether paid by Employer, an insurance carrier, or Account Holders. In the event that Employer pays the Monthly Service Fee for an Account Holder, Employer will continue to be liable for such fee on behalf of the Account Holder until the first of the month following thirty one (31) calendar days after the date Employer provides written notice to Wells Fargo that Employer will no longer pay such fees on behalf of the Account Holder. If, at any time, Employer fails to pay the Monthly Service Fee when due, such fee may be charged to each Account Holder's HSA.

Wells Fargo will disclose the Monthly Service Fee to Account Holders in certain enrollment materials and agreements governing the HSA. Employer acknowledges that Wells Fargo or its affiliates may indirectly receive other fees, including, but not limited to: float, interchange, and mutual fund investment advisory fees, as may be disclosed to Account Holders in agreements governing the HSA.

Addendum A may be amended by Wells Fargo to change the Monthly Service Fee or to add fees to be charged to the Employer upon thirty (30) days prior written notice to Employer,

Section 6. Commercial Electronic Office® ("CEO®") Health Benefit Services.

In the event that Employer uses the Internet to access the Health Benefit Services web pages of the CEO, Wells Fargo's electronic banking portal, the terms and conditions set forth in Addendum B will apply.

Section 7. Renewal and Termination.

This Agreement will have an initial term of one (1) year, commencing on the Effective Date. This Agreement will thereafter automatically renew for additional one (1) year terms on the anniversary of the Effective Date. Notwithstanding the foregoing and except as provided in Section 8(a), either party may terminate this Agreement at any time upon at least sixty (60) calendar days prior written notice to the other party.

Section 8. Amendment

(a) Except as provided in Sections 5 and 8(b), Wells Fargo may, in its sole discretion, amend this Agreement or change this Agreement upon prior written notice to Employer. Employer will be deemed to have consented to an amendment of, or change to, this Agreement if Employer does not object in writing within thirty (30) calendar days after the date the notice of such amendment or change was postmarked and continues to use the HSA services. If Employer objects to an amendment or change, Employer may immediately terminate this Agreement within this thirty (30) day period, notwithstanding the notice provision in Section 7.

(b) Amendments that Wells Fargo deems, in its sole discretion, are required because of legislative, regulatory or legal requirements do not require the consent of Employer. Such amendments will be provided by Wells Fargo in writing to Employer and will become effective as follows: (i) if the legislative, regulatory or legal requirement on which the amendment is based identifies an effective date, upon such effective date; (ii) if the legislative, regulatory or legal requirement on which the amendment is based requires prior approval of or notice to any federal or state regulatory agency, the effective date will be when all necessary approvals have been granted; and (iii) if the legislative, regulatory or legal requirement on which the amendment is based identifies a required notice period, the effective date will be upon the expiration of such notice period. If an effective date cannot be determined by the foregoing clauses (i), (ii) or (iii), the effective date will be thirty (30) calendar days following the date that Wells Fargo sent the written amendment to Employer.

Section 9. Communications.

Wells Fargo is authorized to accept directions and/or data transmitted to Wells Fargo through the following means by authorized representatives, including duly appointed third parties, of Employer.

(a) Facsimile Transmissions. Wells Fargo is authorized to act on written direction conveyed by facsimile transmission, notwithstanding the fact that such direction does not bear an original authorized signature, provided the direction acted upon: (i) appears to be signed by a person(s) entitled to give binding instructions to the Wells Fargo, and (ii) is consistent with the established authority of such person(s).

(b) **Electronic Direction/Data Transmissions.** Wells Fargo is authorized to act on written directions or data transmissions conveyed by electronic mail or other electronic means, notwithstanding the fact that such directions or data do not bear an authorized signature, provided the directions or data acted upon: (i) appear to have been sent from the computer of a person(s), or by a person(s), entitled to give binding directions to Wells Fargo, and (ii) are consistent with the established authority of such person(s).

(c) **Transmissions By U.S. Mail or Other Means Not Described in Subsections (a) or (b) Above.** Wells Fargo is authorized to act on written direction conveyed by U.S. mail or other means not described in subsections (a) or (b) above ("Mail and Other Transmissions"), provided the direction acted upon: (i) appears to be signed by a person(s) entitled to give binding instructions to the Wells Fargo, and (ii) is consistent with the established authority of such person(s).

(d) **Acknowledgement.** Employer acknowledges its responsibility for the accuracy and completeness of any facsimile, electronic direction/data transmissions, and Mail and Other Transmissions it submits to Wells Fargo, including facsimile, electronic direction/data transmissions or Mail and Other Transmissions from duly appointed third party agents, and is solely responsible for any adverse consequences that may result from errors or inaccuracies caused by the quality of such transmissions. Wells Fargo may fully rely on any facsimile, electronic direction/data transmission or Mail and Other Transmissions received, and will have no obligation to review it or verify its accuracy. Employer understands the risk associated with communicating time sensitive matters by facsimile, electronic means or Mail and Other Transmission and acknowledges that, if it elects to do so, Wells Fargo will act within a reasonable time of receipt of the facsimile, electronic direction/data transmission, or Mail and Other Transmission by the person(s) to whom it was sent. Wells Fargo will not be liable for any loss of the confidentiality of directions and data prior to receipt by Wells Fargo.

(e) **Indemnity.** Employer agrees to indemnify and hold harmless Wells Fargo, its agents, affiliates, successors and assigns from and against any liability, claim, loss or expense, including attorney's reasonable fees and expenses, Wells Fargo may directly or indirectly incur as a result of its good faith actions or failures to act in accordance with directions and data received from authorized parties, including Employer and duly appointed third parties, or in the absence of such directions or data where required under the terms of this Agreement.

Section 10. Limitation of Liability.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR ANY DAMAGES ARISING FROM OR IN CONNECTION WITH EMPLOYER'S INDEMNIFICATION OBLIGATIONS, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES OR COSTS ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF THE PARTIES HAVE KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES OR COSTS AND WHETHER OR NOT SUCH DAMAGES OR COSTS ARE FORESEEABLE.

Section 11. Dispute Resolution.

The parties will cooperate in good faith to resolve any and all disputes (each, a "Dispute") that may arise under or in connection with this Agreement. The existence or resolution of any Dispute as to a matter will not reduce or otherwise affect the payment or performance by Employer or Wells Fargo of their obligations under this Agreement as to any other matter, unless pursuant to the terms of any such resolution. Employer and Wells Fargo will attempt in good faith to resolve any Dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Either party may give the other party written notice of any Dispute not resolved in the normal course of business. Within fifteen (15) calendar days after delivery of the notice, the receiving party will submit to the other party a written response. The notice(s) and the response(s) will each include (i) a statement of each party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within thirty (30) calendar days after delivery of the disputing party's notice(s), the executives of the parties subject to the dispute will meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the Dispute. All reasonable requests for information made by one party to the other will be honored. If the matter has not been resolved within sixty (60) calendar days of the disputing party's notice, or if the parties fail to meet within thirty (30) calendar days, either Party may submit the controversy or claim for arbitration in the manner set forth in Section 12.

Section 12. Arbitration.

If the parties are unable to resolve any Dispute as contemplated by Section 12 of this Agreement, such Dispute will be resolved by binding arbitration in accordance with the terms of this Section as set forth below. Any party may by summary proceedings, bring an action in court to compel arbitration of a Dispute. Any party who fails or refuses to submit to arbitration following a lawful demand by any other party will bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute.

(a) **Governing Rules.** Arbitration proceedings will be administered by the American Arbitration Association ("AAA") or such other administrator as the parties will mutually agree upon. Arbitration will be conducted in accordance with the AAA Commercial Arbitration Rules. If there is any inconsistency between the terms hereof and any such rules, the terms and procedures set forth herein will control. All Disputes submitted to arbitration will be resolved in accordance with the Federal Arbitration Act (Title 9 of the United States Code). The arbitration will be conducted at a mutually-agreed upon location in the state whose laws are set forth in Section 15(h) of this Agreement as the governing law for the Agreement ("Arbitration State"), as selected by the AAA or other administrator; the parties hereby waive any claim of *forum non conveniens*. All statutes of limitation applicable to any Dispute will apply to any arbitration proceeding. All discovery activities will

be expressly limited to matters directly relevant to the Dispute being arbitrated. Judgment upon any award rendered in an arbitration may be entered in any court having jurisdiction; provided, however, that nothing contained herein will be deemed to be a waiver, by any party that is a bank, of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(b) No Waiver: Provisional Remedies. No provision hereof will limit the right of any party to obtain provisional or ancillary remedies, including injunctive relief, attachment or the appointment of a receiver, from a court of competent jurisdiction in the Arbitration State or elsewhere before, after or during the pendency of any arbitration or other proceeding. The exercise of any such remedy will not waive the right of any party to compel arbitration or reference hereunder.

(c) Arbitrator Qualifications and Powers. Arbitrators must be active members of the State Bar in the Arbitration State or retired judges of the state or federal judiciary of the Arbitration State, with expertise in the substantive laws applicable to the subject matter of the Dispute. Arbitrators are empowered to resolve Disputes by summary rulings in response to motions filed prior to the final arbitration hearing. Arbitrators will resolve all Disputes in accordance with the substantive law of the Arbitration State, without regard to such state's conflict of laws provisions (ii) may grant any remedy or relief that a court of the Arbitration State could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award, and (iii) will have the power to award recovery of all costs and fees, to impose sanctions, and to take such other actions as they deem necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure or the Rule of Civil Procedure in the Arbitration State.

(d) Judicial Review. Notwithstanding anything herein to the contrary, in any arbitration relating to the ownership of intellectual property rights or in which the amount in controversy exceeds \$5,000,000, the arbitrators will be required to make specific, written findings of fact and conclusions of law.

(e) Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties will take all action required to conclude any arbitration proceeding within one hundred-eighty (180) calendar days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business, by applicable law or regulation, or to the extent necessary to exercise any judicial review rights set forth herein. This arbitration provision will survive termination, amendment or expiration of this Agreement or any relationship between the parties.

Section 13. Intellectual Property.

Employer recognizes that Wells Fargo owns certain trademarks, service marks, logos and trade names ("Marks") that identify its product and Employer acknowledges that it has no ownership right or interest in the Marks of Wells Fargo and that it will not use the Marks in any way unless it has Wells Fargo's prior written permission.

Section 14. Confidentiality.

Wells Fargo will implement appropriate measures designed to ensure the security and confidentiality of information pertaining to the HSAs and Account Holders, protect against reasonably foreseeable threats or hazards to the security or integrity of such information, and protect against unauthorized access to or use of such information. Such measures will include, without limitation, the establishment and maintenance of policies, procedures and technical, physical and administrative safeguards. Wells Fargo will use the same degree of care in ensuring the security and confidentiality of information pertaining to the HSAs and Account Holders as Wells Fargo uses with respect to its own confidential information and the confidential information of other Wells Fargo account holders, and in all events no less than a reasonable degree of care. Wells Fargo will comply with Regulation P to the extent applicable.

To the extent Employer has information about HSAs and Account Holders, Employer will implement appropriate measures designed to ensure the security and confidentiality of information pertaining to the HSAs and Account Holders, protect against reasonably foreseeable threats or hazards to the security or integrity of such information, and protect against unauthorized access to or use of such information. Employer will use the same degree of care in ensuring the security and confidentiality of information pertaining to HSAs and Account Holders as Employer uses with respect to its own confidential information and in all events no less than a reasonable degree of care.

Notwithstanding the foregoing, if Employer was referred to Wells Fargo through an insurance carrier or third party administrator with which Wells Fargo has a joint marketing relationship, Wells Fargo may share aggregate information about Account Holders affiliated with Employer with the insurance carrier or third party administrator, including, but not limited to, the name of Employer and the number of Account Holders affiliated with Employer.

Section 15. Miscellaneous.

(a) Authority. The undersigned hereby represents and warrants that he or she has been duly authorized to sign this Agreement.

(b) Authorized Representatives. Employer will furnish a list to Wells Fargo of persons authorized to act on behalf of Employer for the purpose of transmitting contributions and instructions to Wells Fargo. This list will be amended from time to time as changes occur and will be effective upon Wells Fargo's receipt of such changes.

(c) Agreement to Perform Necessary Acts. Each party to this Agreement agrees to perform any further acts and to execute and deliver any documents that may be reasonably necessary to perform its obligations under this Agreement.

(d) Representations Regarding Student Loans. If Employer is a post-secondary educational institution, the parties hereto represent and warrant to each other that the pricing and other terms and conditions for the services provided under this Agreement are unrelated to whether the post-secondary educational institution refers student loan business to Wells Fargo or to the amount of any such referrals.

(e) Successors and Assigns. This Agreement will be freely assignable by (i) Wells Fargo to any affiliate, which will mean Wells Fargo & Company, and any present or future company that controls, is controlled by, or is under common control with Wells Fargo, including any subsidiary of Wells Fargo & Company as defined under 12 U.S.C. §1841(d); and (ii) Employer to any entity controlling, controlled by or under common control with Employer. Each party agrees to provide to the other party prompt written notice of any such assignment. This Agreement may not be assigned by either party to an unrelated third party without the prior written consent of the other party, which will not be unreasonably withheld.

(f) Severability. If any provision of this Agreement is rendered invalid or unenforceable by any local, state, or federal law, rule or regulation, or declared null and void by any court of competent jurisdiction, the remainder of this Agreement will remain in full force and effect.

(g) Notices. Any notice required or desired to be given relating to this Agreement will be in writing and will be either hand delivered, or sent by U.S. mail, postage prepaid and return-receipt requested (receipt will be deemed to be five calendar days after postmark by the U.S. Postal Service), or overnight courier or sent by email and addressed as provided below:

Wells Fargo:	Wells Fargo Health Benefit Services Wells Fargo Bank, N.A. P.O. Box 419042 Salt Lake City, UT 84141-3042
Employer:	Xavier Charter School 1218 North College W Twin Falls, Idaho 83301 Attn: Brandon Fairbanks Email: brandon@paragoncharterschools.com Facsimile: (801) 497-0461

Any notice of termination or breach under this Agreement must be delivered by hand or courier, charges prepaid, or by U.S. mail as provided above.

Notices given hereunder will be deemed given upon documented receipt. The addresses to which notices are to be sent may be changed by written notice given in accordance with this Section 15(g).

(h) Governing Law. The laws of the State of Minnesota will govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereunder, without giving effect to principles of conflicts of law.

(i) Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts, either with original signatures or facsimile signatures, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(j) Entire Agreement. This Agreement supersedes any and all other agreements, either oral or written, between the parties with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement will be valid or binding.

(k) Independent Advice. Employer understands that Wells Fargo is not giving Employer or the Account Holder any legal, tax or financial advice concerning any of the matters relating to this Agreement. Employer acknowledges that it has had the opportunity to consult with its independent legal, tax and financial advisors and is not relying on Wells Fargo for any such advice and is not expecting Wells Fargo to provide any such advice to an Account Holder.

(l) Force Majeure. Neither Wells Fargo nor Employer will be liable for any delay in, or failure of, its performance of any of its obligations under this Agreement if such delay or failure is caused by events beyond the reasonable control of the affected party, including but not limited to strikes (other than strikes within such party's own labor force), riots, war, fire, acts of God, disruption or failure of electronic or mechanical equipment or communication lines, telephone or other interconnections, unauthorized access, theft, or acts in compliance with any law or government regulation.

(m) Waiver. Neither party may by its conduct alone waive the right to any performance owed under this Agreement, and any effective waiver of any breach will not be construed as a waiver of any other breach.

(n) Survival. The provisions of this Agreement that by their operation or effect apply after the expiration or termination of this Agreement will apply after such expiration or termination, including but not limited to Sections 9(e) (Indemnification), 10 (Limitation of Liability), 11 (Dispute Resolution), 12 (Arbitration), 13 (Intellectual Property), 14 (Confidentiality), and Section 15 (Miscellaneous).

(o) Subcontracting. Wells Fargo may, in its sole discretion, subcontract any of its obligations under this Agreement. Wells Fargo agrees that it will enter into a subcontract dealing directly with the performance of obligations hereunder that is consistent with the terms and conditions of this Agreement. Wells Fargo agrees to be solely responsible to pay any subcontractor that it engages under this Agreement (each, a "Subcontractor") and for the performance of any Subcontractor.

(p) No Third Party Beneficiaries. Nothing in this Agreement is intended to create, or will be deemed or construed to create, any rights or remedies in any third party including, without limitation Account Holders. Nothing contained herein will operate (or be construed to operate) in any manner whatsoever to increase the rights of any such person or entity or the duties or responsibilities of Wells Fargo or Employer with respect to such persons or entities.

(q) Addenda. Each Addendum to this Agreement is made a part of this Agreement as though set forth fully herein. Unless otherwise specifically set forth in an Addendum, any provision of this Agreement that is in conflict with any provision set forth in an Addendum will take precedence and supersede the conflicting provision of the Addendum with respect to the subject matter covered by that provision of this Agreement.

(r) Headings. The headings in this Agreement have been included solely for reference and are to have no force or effect in interpreting its provisions.

[The remainder of this page is intentionally left blank.]

SIGNATURE PAGE

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

EMPLOYER

By: Scott Hank
Board Chair
Title:

4/26/10
Date

Wells Fargo Health Benefit Services, a division of Wells Fargo Bank, N.A.

By: _____

_____ Date

Title: _____

Addendum A
Fee Schedule

HSA Account Holder Monthly Service Fee \$ 4.25

(To the extent the HSA Account Holder Monthly Service Fee is not paid by Employer or an insurance carrier, each HSA will be responsible for payment of this fee.)

Addendum B

Commercial Electronic Office® (CEO®) Health Benefit Services Service Description

1. **Introduction.** This *Commercial Electronic Office* ("CEO") Health Benefit Services Service Description ("Service Description") is part of the Health Savings Account Administrative Services Agreement ("Agreement"). The "Employer" is the company identified in the Agreement as "Employer".
2. **Description of Service.** The CEO is Wells Fargo's electronic banking portal that is accessed via the Internet. Authorized Representatives (see Section 3) may access the Health Benefit Services web pages on the CEO (a) to administer an HSA benefit program ("HSA Services") and (b) to access third-party sites Wells Fargo may make available through the CEO. Wells Fargo offers different channels through which Employer may access the CEO that may include without limitation personal computers and mobile devices. Wells Fargo may add or eliminate channels at any time. An HSA Service or third party site accessible through one channel may not be accessible through another channel. This Service Description applies only to the Health Benefit Services web pages on the CEO, the portion of the portal applicable to HSA Services. Employer may access other services via the CEO, e.g. treasury management and money transfer services, that are covered under separate Service Descriptions with Wells Fargo.
3. **Access to the CEO.** When Employer enrolls in the CEO and as Wells Fargo may determine is necessary after enrollment, Wells Fargo will (in accordance with Section 4) provide one or more secure means of accessing the HSA Services (each a "Log-On Credential") to the persons who are authorized to access the CEO on Employer's behalf (each an "Authorized Representative"). Log-On Credentials may include without limitation Employer and user IDs, passwords, token IDs and other means of providing secure access to the HSA Service that Wells Fargo adopts after the date Employer begins using the CEO and may be changed by Wells Fargo at any time. Wells Fargo will have no obligation to Employer to authenticate separately any communication Wells Fargo receives in Employer's name through the CEO, whether or not an Authorized Representative actually issued the communication. Wells Fargo may, at Wells Fargo's sole option, contact Employer with respect to any communication Wells Fargo receives in Employer's name, but Wells Fargo's election to contact Employer with respect to one or more communication will not obligate Wells Fargo to contact Employer with respect to any subsequent communication Wells Fargo receives in Employer's name.
4. **Administration of the CEO.**
 - 4.1. **General.** Wells Fargo offers two options for administering the HSA Services via the Health Benefit Services web pages of the CEO: (a) self-administration and (b) Wells Fargo administration.
 - 4.2. **Self-Administration.** If Employer enrolls in Wells Fargo's self-administration option, there are three categories of Authorized Representatives: "Employer Administrator", "Administrator" or "User". Wells Fargo provides Wells Fargo's then-current Log-On Credentials only to Employer's initial Employer Administrator(s) who will (a) assign Wells Fargo's Log-On Credentials to other individuals and (b) designate each such individual as (i) an Employer Administrator, who may perform all functions of Employer's initial Employer Administrator; (ii) an Administrator, who may perform all the functions of an Administrator including without limitation designating other Administrator(s) and User(s); or (iii) a User, who may access those HSA Services as designated by an Employer Administrator or an Administrator and those in which Wells Fargo's permits a User to self-enroll. Employer will promptly revoke the Log-On Credentials of any Authorized Representative when that individual is no longer an Authorized Representative.
 - 4.3. **Wells Fargo Administration.** If Employer does not enroll in Wells Fargo's self-administration option, there is one category of Authorized Representatives: Users. Wells Fargo will assign Wells Fargo's then-current Log-On credentials to each User Employer designates. Each User Employer designates will remain authorized until Wells Fargo has a reasonable time to act after receiving Employer's notification that the User is no longer so authorized.
5. **Restricting or Terminating Access to the CEO.** Wells Fargo will not be obligated to permit any Authorized Representative to use any HSA Service through the Health Benefit Services web pages of the CEO if Wells Fargo determines such use is (a) not in accordance with any term applicable to the CEO; (b) not permitted by any state or federal law or regulation; (c) not authorized by Employer or any third person whose authorization Wells Fargo believes is necessary for such use; or (d) should be denied for Employer's or Wells Fargo's protection (without Wells Fargo agreeing to, or being required to, make this determination in any circumstance).
6. **Employer Representations and Warranties.** Employer represents and warrants to Wells Fargo:
 - 6.1. Employer's governing body has duly authorized each Authorized Representative, regardless of whether Employer enrolls in Wells Fargo's self-administration option, Wells Fargo Administration or whether the individual is designated to act as Employer Administrator, Administrator or User; and
 - 6.2. Employer will preserve the confidentiality of the Log-On Credentials and immediately notify Wells Fargo if Employer becomes aware or suspects that any Log-On Credential may have been compromised.

7. **Employer's Agreement to Indemnify Wells Fargo.** Employer will indemnify and hold Wells Fargo, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents harmless from and against all losses, damages, claims, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered by any of them arising directly or indirectly from or related to any material breach in a representation, warranty, covenant, or obligation of Employer contained in this Service Description.
8. **Survival.** Sections 3, 4, 5, 6, and 7 will survive termination of the HSA Services.
9. **Priority.** In event of a conflict between this Service Description and the Agreement, this Service Description will control.

XAVIER CHARTER SCHOOL INC

Sincerely,

A handwritten signature in cursive script that reads "Robert Choi". The signature is written in dark ink and is positioned above the printed name and title.

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC



NATIONAL BENEFIT SERVICES, LLC
Customer Care • Knowledge and Expertise • Organizational Excellence

**PREMIUM ONLY PLAN
FEE SCHEDULE**

PLAN DOCUMENT SERVICES

Plan Document.....\$150 Setup

Includes:

- 1. Consultation
- 2. Plan Document
- 3. Summary Plan Description

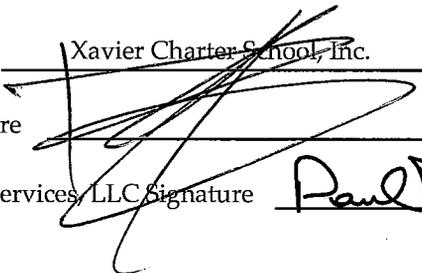
OPTIONAL SERVICES

No Monthly Service Fee.....\$0

Tax Form 5500/Non-Discrimination Testing (Only required if more than 100 participants)..... \$200/Year

Plan Amendment.....\$150/Amendment

Company Name Xavier Charter School, Inc.

Employer Signature  Date 6/10/10

National Benefit Services, LLC Signature Paul R. Lovell Date 4/1/2010

National Benefit Services, LLC prides itself on providing quality benefit administration at a fair price. We value your business and look forward to being of service.

8523 S. Redwood Rd., West Jordan, UT 84084 • (801) 532-4000, (800) 274-0503 • www.NBSbenefits.com



247 River Vista Place, Suite 102
Twin Falls, ID 83301

Regence BlueShield of Idaho is an independent
Licensee of the Blue Cross and Blue Shield Association

June 27, 2011

XAVIER CHARTER SCHOOL INC
ATTN: GROUP ADMINISTRATOR
1218 N COLLEGE RD WEST
TWIN FALLS, ID 83301-5651

Renewal Effective Date: September 01, 2011
Group Number: 10002020

Dear Group Administrator:

It is a pleasure to provide health care coverage to XAVIER CHARTER SCHOOL INC; your contract/policy will renew on September 01, 2011. At Regence we know our purchasers have many options when selecting a health plan. Providing services that earn your trust is the highest priority for our team. We look forward to continuing our partnership in the coming year.

Regence is committed to providing the highest quality health care coverage and service to you and your employees. We continually strive to provide information, tools, and resources that help take the burden out of managing your benefits, empower your employees to become more engaged in their care, and increase the value your group realizes from your health plan.

Take the hassle out of managing your benefits

With Regence Employer Center, you have access to forms and support tools, and can view or print benefit booklets with 24/7 secure access.

Empower your employees with information and resources on myRegence.com

Improved tools on myRegence.com provide members with a wealth of resources to help them become better health care consumers and make more informed health care decisions. New features include:

- An enhanced Provider Search tool gives members greater details, such as provider treatment philosophy and patient demographics.
- A new Hospital Advisor tool allows members to search for hospitals using specific criteria that are important to them, and compare hospitals for cost and quality.
- Improved Treatment Cost Estimator lets members research estimated out-of-pocket costs for medical procedures and services.

The enclosed renewal summarizes the assumptions used in developing rates. Several factors may impact your renewal rates, including state and federal insurance reform, group demographics at renewal time and increased claims risk of the group pool under which coverage is provided.

Please take a moment to complete the enclosed Employee Renewal Certification form, and return it in the envelope provided. If we don't hear from you by the 1st of the month prior to your renewal date, your benefits will renew as indicated in this letter.

If you have questions, need additional information, or general assistance, please contact our Group Sales Unit at 1 (800) 632-2022 ext. 7809, or by email at idrpsalesunit@regence.com. For the most up to date resources, provider information, and product details, visit www.id.regence.com.



Regence

247 River Vista Place, Suite 102
Twin Falls, ID 83301

Regence BlueShield of Idaho is an independent
Licensee of the Blue Cross and Blue Shield Association

Sincerely,

Barb Turner

Barb Turner
Account Executive
(208) 737-4115
(208) 736-0757 fax

cc: CODY MCQUEEN
Enclosures: Employee Renewal Certification
Renewal Premiums
Official Proxy Notice



Regence BlueShield of Idaho is an Independent Licensee of the Blue Cross and Blue Shield Association

Group Name: XAVIER CHARTER SCHOOL INC
Agent: CODY MCQUEEN

Effective Date: 09/01/2011
Barb Turner, Account Executive

Underwriting Assumptions Idaho Employer Groups of 2–50 Eligible Employees

General

1. Rates are based on the information provided for this offer. We reserve the right to withdraw the quote or revise the rating if any of the group information changes including but not limited to any census, risk, or other demographic changes.
2. Rates are assumed for 12 months from the effective date quoted except as allowed in the group contract.
3. All rates assume that none of the deductible, coinsurance or copays will be paid by the employer (except on an HSA Healthplan 2.0 product). Additionally, no member is allowed to opt off coverage in lieu of compensation.
4. Documentation of employment may be required. Acceptable proof would be a copy of the employer's most recently filed Quarterly Wage Detail Report showing employee counts and/or payroll records.
5. For groups headquartered in our service area, the majority of eligible employees must be employed in our service area. Additional eligibility requirements may apply if the group is not headquartered within the Plan's service area. Please contact your Regence representative for more information. Employees who reside in the state of Hawaii are not eligible for coverage.
6. Employer must carry Workers' Compensation on all medical enrollees; however, 24-hour coverage is available and required for business owners who are not covered by Workers' Compensation.
7. Rates assume Regence is the sole medical and dental carrier, if applicable.
8. Completed, signed and dated enrollment materials must be received 15 days prior to effective date.
9. If you have a broker or agent, they may receive bonuses, commissions, administrative service fees, or other compensation, including non-cash compensation, from Regence. Incentives may be based on several factors, including the size of the group's business, the products you buy, your broker or agent's volume of business with Regence and the other services your agent or broker provides to you. These incentives may have an indirect impact on your rates. For more information, please contact your broker or agent.

Enrollment

1. Minimum medical enrollment is 2 eligible employees (1 enrolled) subject to participation requirements.
2. Minimum dental enrollment is 2 enrolled employees, when sold with medical coverage.
3. Minimum enrollment for freestanding dental is 10 enrolled employees.
4. Minimum enrollment for the orthodontic rider is 26 enrolled employees.
5. If a vision rider is selected, medical and vision enrollment must match.
6. Benefit riders must match when purchasing a dual option offering, with the exception of a dual option offering that includes an HSA Healthplan 2.0 product.
7. Health statement applications must be signed and dated within 60 days prior to the requested effective date.
8. Medical and dental enrollment must match.
9. Freestanding dental versus medical and dental coverage will have an impact on group rates.
10. Groups enrolling on a medical product must elect a pharmacy benefit, with the exception of the Revive product.
11. Groups enrolling on Engage, Activate or HSA Healthplan 2.0 product are required to offer maternity coverage regardless of group size.
12. Groups enrolling on an Innova or Revive medical product with no maternity coverage are required to complete and submit a Waiver of Maternity Coverage Form.



Regence BlueShield of Idaho is an Independent
Licensee of the Blue Cross and Blue Shield Association

Group Name: XAVIER CHARTER SCHOOL INC
Agent: CODY MCQUEEN

Effective Date: 09/01/2011
Barb Turner, Account Executive

Eligibility

1. Commonly owned and/or related companies that are otherwise acceptable will be rated together if eligible to file a consolidated tax return.
2. All employees (appearing on the group's regular payroll system) working the contractual minimum hours per week are considered eligible and subject to participation guidelines. Temporary, seasonal, and/or substitute employees, may not be considered eligible employees.
3. Retirees are not eligible for coverage (except for public employers as required by state laws).

Contribution & Participation

1. The minimum employer contribution towards the cost of coverage for employees is 50% of the employee rate. This applies to medical benefits only.
2. The minimum employee participation is 85% for groups with 2–19 eligible employees after excluding those waiving due to other qualifying coverage and those currently serving their probationary period. The minimum employee participation is 75% for groups with 20–50 eligible employees after excluding those waiving due to other qualifying coverage and those currently serving their group's probationary period.
3. A waiver of coverage form must be collected for all employees and their dependents waiving coverage.

Dual Option

1. Minimum enrollment for groups requesting an Innova/Engage dual option is 15 enrolled employees.
2. Minimum enrollment for groups requesting an Innova/Engage dual option that includes an Activate product is 25 enrolled employees.
3. Minimum enrollment for groups requesting an Innova/Engage dual option that includes an HSA Healthplan 2.0 product, or an HSA Healthplan 2.0 dual option is 10 enrolled employees.
4. Minimum of 2 employees must be enrolled on each plan when a dual option is sold with Innova, Engage or HSA Healthplan 2.0 products.
5. Minimum of 5 employees must be enrolled on each plan when a dual option is sold with an Activate product.
6. Dual option is not allowed with a Revive product.



Regence BlueShield of Idaho is an Independent Licensee of the Blue Cross and Blue Shield Association

Group Name: XAVIER CHARTER SCHOOL INC
Agent: CODY MCQUEEN

Effective Date: 09/01/2011
Barb Turner, Account Executive

Existing Products and Rates	
Network	Regence PPO
Benefit Category	Regence Innova
Base Medical	Innova Unlimited Visits, \$30/45 Copay, \$1,000 Ded, 70/50/50 Coins, \$2,000 Coins Max, Maternity
Pharmacy	\$10 Generic/ \$0 Ded for Brand RX/ \$35 Formulary/ \$75 Nonformulary/ No Out-of-Pocket Max RX
Complementary Care	Complementary Care – Chiro, Acupuncture & Naturopathic – \$500 maximum
Riders (Optional)	Vision
Mental Health and Chemical Dependency	Mental Health and Chemical Dependency 50% coinsurance with Limits
Maternity	Maternity – Innova

Medical Rates		
	Rate	Count
Employee	\$ 338.00	29
Employee/Spouse	\$ 813.00	1
Employee/1 Child	\$ 483.00	4
Employee/2+ Child	\$ 643.00	1
Family	\$ 1,009.00	4

Vision Rates	
	Rate
Employee	\$ 10.00
Family	\$ 19.00

Rate Summary			
	Premium Amount	Employer Contribution	Employer Responsibility
Employees	\$ 13,572.00	100.00 %	\$ 13,572.00
Dependent	\$ 4,134.00	5.00 %	\$ 206.70
Total	\$ 17,706.00		\$ 13,778.70

INDIVIDUAL AND GROUP RATES ARE BASED ON THE COMPLETE ACCURACY OF THE HEADCOUNT AT THE TIME OF RENEWAL CALCULATION



Regence BlueShield of Idaho is an Independent Licensee of the Blue Cross and Blue Shield Association

Group Name: XAVIER CHARTER SCHOOL INC
Agent: CODY MCQUEEN

Effective Date: 09/01/2011
Barb Turner, Account Executive

Existing Products and Rates	
Network	Regence PPO
Benefit Category	Regence HSA Healthplan 2.0
Base Medical	HSA 2.0 – \$2,500 Ind / \$5,000 Fam Ded, 80/60/60 Coins, \$5,000 Ind / \$10,000 Fam OOPM, Maternity
Pharmacy	Major Medical – Subject to deductible; coinsurance is the same as the medical benefit
Riders (Optional)	Vision
Mental Health and Chemical Dependency	Mental Health and Chemical Dependency 50% coinsurance with Limits
Maternity	Maternity

Medical Rates		
	Rate	Count
Employee	\$ 229.00	29
Employee/Spouse	\$ 550.00	1
Employee/1 Child	\$ 327.00	4
Employee/2+ Child	\$ 435.00	1
Family	\$ 683.00	4

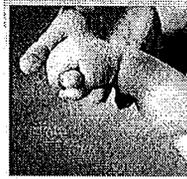
Vision Rates	
	Rate
Employee	\$ 10.00
Family	\$ 19.00

Rate Summary			
	Premium Amount	Employer Contribution	Employer Responsibility
Employees	\$ 9,321.00	100.00 %	\$ 9,321.00
Dependent	\$ 2,825.00	5.00 %	\$ 141.25
Total	\$ 12,146.00		\$ 9,462.25

INDIVIDUAL AND GROUP RATES ARE BASED ON THE COMPLETE ACCURACY OF THE HEADCOUNT AT THE TIME OF RENEWAL CALCULATION



Xavier Charter School



McQueen Insurance

Protecting Your Health & Life

MEDICAL

	Option #1	Option #2
	Regence Blue Shield \$1000 Deductible	Regence Blue Shield HSA \$2500/5000 Fam Deductible
	Regence PPO	Regence PPO
OFFICE VISITS	\$30/45	None
CO-INS	70/30	80/20
DEDUCTIBLE	\$1000 (3x per family)	\$2500 ind./ \$5000 Fam
MAX OUT OF POCKET	\$2000 (3x per family)	\$5000 ind./ \$10,000 Fam
MATERNITY	YES	YES
PRESCRIPTION	\$10/\$35/\$75	Applied to Ded. Then 20%
COMPLEMENTARY CARE	\$500/yr. No Deductible	None
PREVENTATIVE	Copay then Diagnostic ben.	20% No Deductible
DIAGNOSTIC LAB \$ X-RAY	First \$400/yr. No Ded.	Deductible
IMMUNIZATIONS	100% Childhood/ 90% Adult	20% No Deductible
Lifetime Max	\$2,000,000	\$2,000,000

Note: The dependent rates listed below have already had the employee rates and 5% dependent rate relief subtracted out. For example, the total cost for a family on option #2 HSA would be:

Employee rate (paid by Xavier)	\$248.50
Family dependent rate	\$454.48
5% dependent rate relief	\$23.92
Total	\$726.90

Monthly Health Premium Cost

	Option #1	Option #2
Employee (Paid by Xavier)	\$ 374.00	\$ 248.50
Spouse	\$ 492.29	\$ 325.19
1 Child	\$ 160.65	\$ 109.54
2+ Children	\$ 321.48	\$ 214.04
Family (Spouse & Children)	\$ 691.22	\$ 454.48

Monthly HSA Contributions from Xavier

\$	125.00
\$	208.00
\$	208.00
\$	208.00
\$	208.00
\$	208.00

VISION

*One routine eye exam per year
*Hardware limited to \$150 per calendar year.
*Not subject to medical deductible

*Vision is included in the medical premium.

DENTAL

	PPO Network	Premier Network
Diagnostic/Preventative	100%	80%
Basic Services	80%	70%
Major Restorative Services	50%	40%
Deductible	\$50 ind. / \$150 Fam	\$50 ind. / \$150 Fam
Annual Maximum Benefit	\$1,250	\$1,000
Child Orthodontic-To Age 19	50% up to \$1000 max.	50% up to \$1000 max.

Monthly Dental Premium Cost

Employee (Paid by Xavier)	\$ 36.35
Spouse	\$ 36.35
1 Child	\$ 36.30
2+ Children	\$ 59.85
Family (Spouse & Children)	\$ 93.75

Health Savings Account (HSA)

Helping you get more for every healthcare dollar

What is an HSA?

A Wells Fargo Health Savings Account is a personal savings account that works in conjunction with an HSA-compatible health plan being offered by your employer. You can use your HSA to pay for current and future qualified medical expenses – tax free.¹ The Wells Fargo HSA is backed by one of the largest and most-recognized financial services companies in the nation – and one of the first banks to offer HSAs.

Benefit from tax savings

The money you contribute to your HSA is tax-deductible and can be used to pay for qualified medical expenses not only for yourself, but also for your spouse and tax dependents.¹ The chart below shows how you can benefit from tax savings when you contribute to an HSA.

Income-tax savings²

Income	\$1,000	\$1,000
HSA contribution	\$0	\$1,000
25% federal income tax ²	-\$250	\$0
Funds left to pay for qualified medical expenses	\$750	\$1,000

Flexible online funding

The maximum amount the IRS allows you to contribute to your HSA is \$3,050 for single and \$6,150 for family coverage, plus catch-up contributions of \$1,000 for those 55 and older—but you don't have to contribute it as a lump sum.⁴

Check with your employer to see if you can contribute to your HSA through pre-tax payroll deductions. Or you can make online contributions to your HSA up to

the annual IRS contribution limits. It's entirely up to you—but the more you contribute, the more you have available to pay for qualified medical expenses.



Convenient payment options

With a swipe of your Wells Fargo Visa[®] HSA debit card you can pay for prescriptions, doctor visits, dental expenses, and more. Funds will automatically be deducted from your HSA. You can also withdraw funds by visiting any convenient Wells Fargo store or Wells Fargo or Wachovia ATM. You can use HSA checks to pay for qualified medical expenses. Checks may be ordered for an additional fee by calling Wells Fargo HSA Customer Service.

Together we'll go far





Contact List for Xavier Employees

Health Insurance

Agent:

Cody McQueen/McQueen Insurance
149 3rd Ave East
Twin Falls, Id 83301
Tel: 208-420-2397
Fax: 208-736-0754
Email: cody_mcqueen@hotmail.com
Web: www.mcqueeninsuranceid.com

Carrier:

Regence Blue Shield of Idaho
Website: www.myregence.com (login required)
Customer Service: 888-367-2117

Dental Insurance

Agent:

Cody McQueen (Info above)

Carrier:

Delta Dental of Idaho
Website: www.deltadentalid.com
Customer Service: 208-489-3580

Voluntary Benefits

McQueen Insurance (Info above)

Checklist of Forms

- **Dual Option Election Form** – Needs to be completed to be enrolled in health insurance plan
- **Health Insurance Application** – Needs to be completed to be enrolled or add any dependents to the health insurance plan
- **Waiver of Coverage Form** – Needs to be completed if you or any dependents do not want health insurance from the school
- **Delta Dental Enrollment/Change Form** – Needs to be completed to be enrolled or add dependents into the dental plan.

Please contact McQueen Insurance if you need any forms.

CURRENT RENEWAL



Regence BlueShield of Idaho is an Independent Licensee of the Blue Cross and Blue Shield Association

Group Name: XAVIER CHARTER SCHOOL INC
Agent: CODY MCQUEEN

Effective Date: 09/01/2011
Barb Turner, Account Executive

Option 1 (Renewal Products and Rates)	
Network	Regence PPO
Benefit Category	Regence Innova
Base Medical	Innova Unlimited Visits, \$30/45 Copay, \$1,000 Ded, 70/50/50 Coins, \$2,000 Coins Max, Maternity
Pharmacy	\$10 Generic/ \$0 Ded for Brand RX/ \$35 Formulary/ \$75 Nonformulary/ No Out-of-Pocket Max RX
Complementary Care	Complementary Care – Chiro, Acupuncture & Naturopathic – 12 Visits
Riders (Optional)	Vision
Mental Health and Chemical Dependency	Mental Health and Chemical Dependency 50% coinsurance with Limits
Maternity	Maternity – Innova

Medical Rates		
	Rate	Count
Employee	\$ 374.00	29
Employee/Spouse	\$ 892.20	1
Employee/1 Child	\$ 543.10	4
Employee/2+ Child	\$ 712.40	1
Family	\$ 1,101.60	4

Rate Summary			
	Premium Amount	Employer Contribution	Employer Responsibility
Employees	\$ 14,586.00	100.00 %	\$ 14,586.00
Dependent	\$ 4,443.40	5.00 %	\$ 222.17
Total	\$ 19,029.40		\$ 14,808.17

INDIVIDUAL AND GROUP RATES ARE BASED ON THE COMPLETE ACCURACY OF THE HEADCOUNT AT THE TIME OF RENEWAL CALCULATION

I acknowledge this document includes all selected benefit options and rates associated with these benefits. I understand any options not specifically listed have not been selected and will not be included in the policy. I agree to the effective date of coverage as indicated in this document.

Signature: _____

Date: _____

CURRENT RENEWAL



Regence BlueShield of Idaho is an Independent Licensee of the Blue Cross and Blue Shield Association

Group Name: XAVIER CHARTER SCHOOL INC
Agent: CODY MCQUEEN

Effective Date: 09/01/2011
Barb Turner, Account Executive

Option 2 (Renewal Products and Rates)	
Network	Regence PPO
Benefit Category	Regence HSA Healthplan 2.0
Base Medical	HSA 2.0 – \$2,500 Ind / \$5,000 Fam Ded, 80/60/60 Coins, \$5,000 Ind / \$10,000 Fam OOPM, Maternity
Pharmacy	Major Medical – Subject to deductible; coinsurance is the same as the medical benefit
Riders (Optional)	Vision
Mental Health and Chemical Dependency	Mental Health and Chemical Dependency 50% coinsurance with Limits
Maternity	Maternity

Medical Rates		
	Rate	Count
Employee	\$ 248.50	29
Employee/Spouse	\$ 590.80	1
Employee/1 Child	\$ 363.80	4
Employee/2+ Child	\$ 473.80	1
Family	\$ 726.90	4

Rate Summary			
	Premium Amount	Employer Contribution	Employer Responsibility
Employees	\$ 9,691.50	100.00 %	\$ 9,691.50
Dependent	\$ 2,942.40	5.00 %	\$ 147.12
Total	\$ 12,633.90		\$ 9,838.62

INDIVIDUAL AND GROUP RATES ARE BASED ON THE COMPLETE ACCURACY OF THE HEADCOUNT AT THE TIME OF RENEWAL CALCULATION

I acknowledge this document includes all selected benefit options and rates associated with these benefits. I understand any options not specifically listed have not been selected and will not be included in the policy. I agree to the effective date of coverage as indicated in this document.

Signature: _____

Date: _____



Regence BlueShield of Idaho is an Independent
Licensee of the Blue Cross and Blue Shield Association

Group Name: XAVIER CHARTER SCHOOL INC
Agent: CODY MCQUEEN

Effective Date: 09/01/2011
Barb Turner, Account Executive

Summary Group Headcount

Age	Employee		Spouse	
	Male	Female	Male	Female
15-19	0	0	0	0
20-24	0	2	0	0
25-29	0	1	0	1
30-34	4	2	0	0
35-39	2	5	1	0
40-44	2	6	0	0
45-49	1	3	1	0
50-54	1	4	0	0
55-59	1	4	0	0
60+	1	0	1	1

Children	
1 Child	6
2 Children	3
3+ Children	0



247 River Vista Place, Suite 102
Twin Falls, ID 83301

Regence BlueShield of Idaho is an Independent
Licensee of the Blue Cross and Blue Shield Association

June 27, 2011

XAVIER CHARTER SCHOOL INC
ATTN: Group Administrator
1218 N COLLEGE RD WEST
TWIN FALLS, ID 83301-5651

Renewal Effective Date: September 01, 2011
Group Number: 10002020

Dear Group Administrator:

Regence BlueShield of Idaho, Inc., is a mutual insurance company. Therefore, policyholders of Regence BlueShield of Idaho are entitled to vote at the annual meeting on matters of corporate business, including election of the Board of Directors.

A policyholder wishing to be represented by proxy at the annual meeting may designate the Board of Directors of Regence BlueShield of Idaho as the policyholder's proxy by reading, signing and returning this form.

Sincerely,

Marc C. Johnson
Chair of Board

Official Proxy Notice

If you wish to designate the Board of Directors of Regence BlueShield of Idaho as your Proxy
Here is all you do...

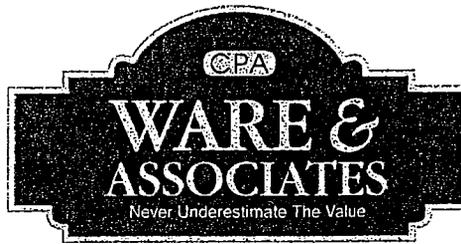
1. Read the official proxy notice below in its entirety.
2. Sign and date the form.
3. Return to Regence BlueShield of Idaho, P.O. Box 1106, Lewiston, ID 83501.

I hereby appoint the Board of Directors ("Board") of Regence BlueShield of Idaho as my proxy to act on my behalf at all annual meetings of the policyholders of the Company. This appointment shall include such persons as the Board may designate by resolution to act on my behalf. This proxy gives the Board, or its designee, full power to vote for me on all matters that may be voted upon at any annual meeting. This proxy shall remain in effect for three years, or until revoked in writing or by termination of membership in the company.

Employer Signature

Date

COPY



Audit Engagement Letter

July 11, 2011

Xavier Charter School, Inc.
District 462
1218 N College Road W
Twin Falls, Idaho 83301

Board of Trustees

We are pleased to confirm our understanding of the services we are to provide Xavier Charter School, Inc. for the Year ended June 30, 2011. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of Xavier Charter School, Inc. as of and for the Year ended June 30, 2011. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Xavier Charter School, Inc.'s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Xavier Charter School, Inc.'s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The Management's Discussion and Analysis RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

We have also been engaged to report on supplementary information other than RSI that accompanies Xavier Charter School, Inc.'s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

Schedule of expenditures of federal awards

COPY

pl, Inc.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

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Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Xavier Charter School, Inc. and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review when we begin the audit. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

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Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures-Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

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An audit is not assigned to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Xavier Charter School, Inc.'s compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other requirements that could have a direct and material effect on each of Xavier Charter School, Inc.'s major programs. The purpose of these procedures will be to express an opinion on Xavier Charter School, Inc.'s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor' reports, and corrective action plan) along with the Data Collection form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

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ation for this engagement is the property of Ware & Associates and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to other agencies providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Ware & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by agencies aforementioned. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 6, 2011 and to issue our reports no later than October 17, 2011. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc) except that we agree that our gross fee, including expenses, will not exceed \$10,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes sixty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2008 peer review report accompanies this letter.

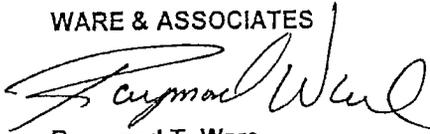
Xavier Charter School, Inc.

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We appreciate the opportunity to be of service to Xavier Charter School, Inc. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

WARE & ASSOCIATES



Raymond T. Ware

RESPONSE:

This letter correctly sets forth the understanding of Xavier Charter School, Inc.

By: Deborah C. Burr

Title: Chairman of the Board - Xavier Charter School

Date: 7-12-11



7/12/11

JANITORIAL CLEANING PROPOSAL FOR:

**Xavier Charter School
771 N. North College
Twin Falls, ID 83301**

**Contact :Justin Lanting
Phone:208-734-3947
Fax:
Email:**

An Equal Opportunity Employer

7/12/11

Western Building Maintenance
3275 Brown Street
Boise, ID 83714

Dear Justin Lanting :

Thank you for giving Western Building Maintenance the opportunity of bidding your facility.

WBM is licensed, bonded, and insured. WBM carries Compensations Insurance, Contractor's Public Liability Insurance, and pays all Federal Old Age Benefits, and State Unemployment Insurance taxes.

WBM will provide all janitorial supplies equipment and labor necessary to properly perform the work detailed in this agreement. Tissue, hand soap, and garbage can liners will either be furnished by owner or can be purchased from Western Building Maintenance.

WBM has been operating in Idaho since 1962. We specialize in the general care and maintenance of all types of office and professional buildings. We hope that you will recognize our standard of excellence in making your final decision. Enclosed is our janitorial bid for your building. After your review, we hope you will find our services excellent and rates competitive.

WBM will provide an experienced, well-supervised crew to perform the scheduled cleaning. This training and supervision is on-going and repetitive in order to provide the best service possible to our client.

Please review the enclosed specifications. If you have questions or concerns please contact us.

SPECIFICATIONS FOR:

PROVIDED BY:

WESTERN BUILDING MAINTENANCE, INC.
SPECIALISTS IN BUILDING MAINTENANCE

SPECIFICATION SHEET FOR THE OFFICE AREA.

1.	SCHEDULE	5x Week	3x a Week	Weekly	Every other Week	Monthly	Other
A.	All Garbage's (Teachers will set out by door)	✓					
B.	Student Bathrooms (Gym bathroom)	✓					
C.	Sweep & mop common areas		✓				
D.	Vacuum foyer	✓					
E.	Windows in Front and Side Doors (inside)		✓				
F.	Windows (inside and outside)					✓	
G.	Vacuum Hall		✓				
H.	Vacuum Classroom			✓			
I.	Spray all door handles (disinfectant)			✓			
J.	Faculty Bathroom (Men's)		✓				
K.	Vacuum Offices (Stacey will do)						
L.	Vacuum Library			✓			
M.	Mop Library Office					✓	
N.	Sweep Gym			✓			
O.	Mop Gym				✓		
P.	Dressing rooms			✓			
Q.	Wax Floors						2x a year
R.	Shampoo Carpets						2x a year
S.	Sweep Outside				✓		
T.	Change Furnace Filters						2x a year

Monthly Price Break Down

Daily Items

5 days a week	\$838.50
3 days a week	\$438.75
1 day a week	\$136.37
Every other week	\$56.94

Total **\$1470.56**

Per Time (Other) Costs

Carpet shampoo	\$764.28
Hard Floor Scrub & Wax	\$2782.56
Gym Hard Floor Scrub	\$993.60
Filter Change	\$180.00
Windows Interior/Exterior	\$150.00

Total Annual Cost

Janitorial	\$17646.72
Carpet shampoo	\$1528.56
Hard Floor Work	\$7552.32
Filters	\$360.00
Windows	\$150.00

Total **\$27237.60**

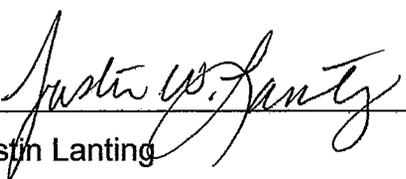
Extra Work

Day Porter **\$2408.00 Per Month**

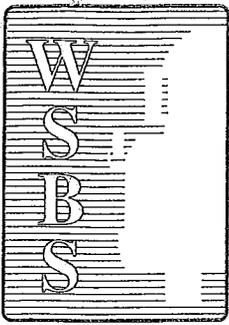
Western Building Maintenance will provide these specified services for janitorial cleaning as listed above for the specified prices outlined in above page. Payments are due by the 5th of the month following the month of service.

Tonda Moseley
Western Building Maintenance Inc

Acceptance by:


Justin Lanting
Xavier Charter School

This proposal price may be withdrawn after 60 days, if not accepted



Western States Bus Services, Inc.

September 26, 2011

Justin Lanting, Business Manager
Xavier Charter School
771 North College Rd.
Twin Falls, Idaho 83301

Administrative Office

Mid-Columbia Bus Co., Inc.
73458 Bus Barn Lane
Pendleton, OR 97801
541-278-1444
541-276-5205 FAX

RE: Transportation Agreement FY 2011/12

Dear Justin:

This letter is to advise you that WSBS is going to provide the Xavier Charter School with 0% on the CPI provisions of the transportation agreement. With the freeze in CPI, the rates for the 2011-2012 school year will be the same as 2010-11 school year.

I have attached the rate page for the 2011-12. The available CPI worksheet is attached and reflects WSBS is deferring a 3.63% CPI.

I have provided a place below to sign acknowledging the rates for 2011-12. Please sign both copies with an original. Keep one for your records and forward back to my office.

Based on the continuing poor economic times WSBS feels it is essential for us to continue to provide our support for conservative cost measures for the school.

WSBS looks forward to serving the Xavier Charter School with safe and reliable transportation this coming school year.

Sincerely,

Tony Barnhart
CEO

XAVIER CHARTER SCHOOL

I approve and acknowledge the change in home to school and kindergarten rates for transportation effective 2011-12.

(Signature)

Date: 10-12-2011

Title: Business Manager

Cc: Michele Dameron, Location Manager



- Home
- Subject Areas
- Databases & Tools
- Publications
- Economic Releases
- Beta

Databases, Tables & Calculators by Subject

FONT SIZE: A

Change Output Options: From: 2001 To: 2011

include graphs

[More Formatting Options](#)

Data extracted on: September 26, 2011 (1:28:42 PM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWUR0000SAO
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	171.7	172.4	172.6	173.5	174.4	174.6	173.8	173.8	174.8	174.0	173.7	172.9	173.5	173.2	173.8
2002	173.2	173.7	174.7	175.8	175.8	175.9	176.1	176.6	177.0	177.3	177.4	177.0	175.9	174.9	176.9
2003	177.7	179.2	180.3	179.8	179.4	179.6	179.6	180.3	181.0	180.7	180.2	179.9	179.8	179.3	180.3
2004	180.9	181.9	182.9	183.5	184.7	185.3	184.9	185.0	185.4	186.5	186.8	186.0	184.5	183.2	185.8
2005	186.3	187.3	188.6	190.2	190.0	190.1	191.0	192.1	195.0	195.2	193.4	192.5	191.0	188.8	193.2
2006	194.0	194.2	195.3	197.2	198.2	198.6	199.2	199.6	198.4	197.0	196.8	197.2	197.1	196.3	198.0
2007	197.559	198.544	200.612	202.130	203.661	203.906	203.700	203.199	203.889	204.338	205.891	205.777	202.767	201.069	204.466
2008	206.744	207.254	209.147	210.698	212.788	215.223	216.304	215.247	214.935	212.182	207.296	204.813	211.053	210.309	211.796
2009	205.700	206.708	207.218	207.925	208.774	210.972	210.526	211.156	211.322	211.549	212.003	211.703	209.630	207.883	211.377
2010	212.568	212.544	213.525	213.958	214.124	213.839	213.898	214.205	214.306	214.623	214.750	215.262	213.967	213.426	214.507
2011	216.400	217.535	220.024	221.743	222.954	222.522	222.686	223.326						220.196	

April, 2011 221.743
 April, 2010 213.958
 $7.785 / 213.958 = 3.63\%$

- | | | | | |
|--|--|--|--|---|
| <p>TOOLS</p> <ul style="list-style-type: none"> Areas at a Glance Industries at a Glance Economic Releases Databases & Tables Maps | <p>CALCULATORS</p> <ul style="list-style-type: none"> Inflation Location Quotient Injury And Illness | <p>HELP</p> <ul style="list-style-type: none"> Help & Tutorials FAQs Glossary About BLS Contact Us | <p>INFO</p> <ul style="list-style-type: none"> What's New Careers @ BLS Find It! DOL Join our Mailing Lists Linking & Copyright Info | <p>RESOURCES</p> <ul style="list-style-type: none"> Inspector General (OIG) Budget and Performance No Fear Act USA.gov Benefits.gov Disability.gov |
|--|--|--|--|---|

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U.S. Bureau of Labor Statistics | Postal Square Building, 2 Massachusetts Avenue, NE Washington, DC 20212-0001
www.bls.gov | Telephone: 1-202-691-5200 | TDD: 1-800-877-8339 | [Contact Us](#)

XAVIER #1 – 2011 - 2012

P.M. Route

Check In : 1415

Depart Yard: 1425

10/11/11--md

STOP 40 – 1 bus length from all INTERSECTIONS STOP 10' back from ALL waiting STUDENTS
Underlined addresses - students cross the road

	R Hwy 30	Fillmore / Fawnbrook
	R 2500E	L Cheney
	R Hwy 93	R Blue Lakes
	R Grandview	L N College
	R North College	R Locust
	R 2 nd entrance to school	L Targhee
1440*	Xavier Charter School	1536* Targhee / Galena
	Unload in back of the school	L Madrona
1500*	Depart Xavier	R Candleridge
	L North College	1538* Candleridge / Clear Water
	L Grandview	R Mountain View
	R Cheney	1540* Mountain View / Julie Lane
	R Anny Dr W	1541* Mountain View / Bitterroot
	L Anny Dr E	L Falls
1503*	1518 Anny Dr E	L Eastland
	R Cheney	R Julie
	R Wendell	1545* Julie / Eastridge
1504*	Wendell / North Pointe	R Eastridge
	L North Colege	R Eastbrook
	R Sparks	R EastGlen
1507*	Sparks / Northstar	L Julie
1509*	Sparks / Robbins	L Eastland
	R Robbins	R Falls
	L Wendell	L Sunrise
1511*	Wendell / Alyssa	R Stadium
	L Filer	L Granada
	L Quincy	1550* Cascade Park
1517*	Quincy / Meadows	L Alturus
	L Falls	R Stadium
	R Washington	Cross Madrona
	Cross Poleline	1554* Tennis Courts
	L Avenida Del Rio	Behind TFHS
	L Camarillo Way	R Locust
	R Manzanita	L Falls
1524*	Manzanita / Avenida Del Rio	L Blue Lakes
	R Avenida Del Rio	R Addison
	R Washington	1606* Bus Yard
	L Poleline	1611* Check Out
	R Fillmore	
1529*	Fawnbrook Apts	

XAVIER #2 – 2011 - 2012

P.M. Route

Check In : 1415

Depart Yard: 1425

10/11/11 - md

STOP 40 – 1 bus length from all INTERSECTIONS STOP 10' back from ALL waiting STUDENTS

Underlined addresses - students cross the road

	R Hwy 30	R Elizabeth
	R 2500E	1541* Harmon Park
	R Hwy 93	By Power pole before YMCA
	R Grandview	R Madrona
	R North College	L 4 th Ave E
	R 2 nd entrance to school	1543* 4 th Ave E / Lenore
1440*	Xavier Charter School	R Morningside
	Unload in back of the school	R 2 nd Ave E
	R North College	L Madrona
	L Falls	R Kimberly Rd
	Cross Washington	L Locust
	Cross Blue Lakes	RR Crossing
	Cross Eastland	R Highland
	R College	Cross Blue Lakes
1512*	College / Dorm	Onto Canyon
	L Dorm Way	R Canyon
	R Cento	R. Buena Vista
	R Stadium	1552* Buena Vista
1516*	Stadium / White Pine	R Commercial
	L. Rimview	R Blue Lakes S
1517*	Stadium / Rimview	L 3700N (Orchard)
	L Rimview	R Eastland (3100E)
	L Filer	R Camille Lane
	R Buckingham	1556* 3090 Camille Lane
1519*	Buckingham / Castle	R Dickson
	L Longbow	R Booth
1520*	Longbow / Longbow cir	R Jasper
	R Whispering Pine	L Camille Lane
1522*	Carriage Lane Apts.	R Eastland (3100E)
	R Carriage Lane	R 3500N
	R Addison	1603* 3095E 3500N
	R Sunrise	L 3000E
1525*	Sunshine Kids Day Care	1607* 3000E 3500N
	L Heyburn	L 3400N
1527*	Heyburn / Teton Court	R 3200E
1528*	Heyburn / Maurice	1614* 3200E 3300N
1530*	Heyburn / Elm	R 3300N
	L Blue Lakes	1615* 3137E 3300N
	R Jerome	R 3100E
1536*	Jerome / 3 rd Ave E	L 3400N
	R 3 rd Ave E	R 2700E
	R Idaho	L Hwy 30
	R 6 th Ave E	1640* Bus Yard
	Cross Blue Lakes	1645* Check out
	L Locust	

XAVIER #3 – 2011 - 2012

P.M. Route

Check In : 1415

Depart Yard: 1425

10/11/11 - md

STOP 40 – 1 bus length from all INTERSECTIONS STOP 10' back from ALL waiting STUDENTS
Underlined addresses - students cross the road

	R Hwy 30	1532*	Carriage / Sagebrush
	R 2500E		R 4 th Ave E
	R Hwy 30		L Aspenwood
	R Grandview	1535*	163 Aspenwood
	R North College		R Kimberly Road
	R 2 nd entrance to school		R Eastland
1440*	Xavier Charter School		R 9 th Ave E
	Unload in back of the school		L into Lighthouse Church
1500*	Depart Xavier	1540*	Lighthouse Day Care
	L North College		R Eastland
	R Grandview		L Addison
	L Falls		Travel approx. 2.25 miles
1503*	756 Falls Ave		L Grandview
	Turf Club Parking Lot	1550*	Rock Creek Trailer Park
	R Eastland	1551*	Grandview / Welch
	L Stadium		R 3800N
1512*	Stadium / Morningsun		L 2700E
	L Meadowview	1553*	<u>2700E / 3800N (1st drive on L)</u>
	R Falls	1555*	<u>2700E / 3700N (1st Drive on R)</u>
	L Skyline	1556*	2700 Burr Lane
1514*	1036 Skyline		L Hillcrest
1515*	1165 Skyline		L 2800E
	R Hankins		L 3700N
1517*	Hankins/ Heatherwood	1600*	2683E 3700 N (Clayborn)(White Fence)
1518*	Hankins / Highlawn		R 2600E
	L Addison		L 3800N
1520*	3239 Addison Ave E		L Elkhorn Estates
	L Woodridge	1608*	Elkhorn Estates (Settlersway)
1523*	Woodridge / Hankins		White fence with flags on South side
	L Hankins		Go through Rock Gate
	Cross Addison		follow around to the right
1525*	Hankins / 9 th Ave E		R. Raygens
	R Elizabeth	1609*	2628E Shetlers Way
1526*	Elizabeth / Meadowview		House In Turnaround
	R Trotter	1610*	2536E Shelters Way
	L 9 th Ave E		2 nd House on Left
1528*	9 th Ave E / Carriage		L. Shelters Way
1529*	9 th / Cypress		L 3800 N
	L Aspenwood		R 2500 E
1530*	819 Aspenwood		R Hwy 30
	L Elizabeth	1618*	Bus Yard
	R Carriage Lane	1623*	Check out

XAVIER #4 – 2011 - 2012

P.M. Route

Check In :

Depart Yard:

10/11/11--md

STOP 40 – 1 bus length from all INTERSECTIONS STOP 10' back from ALL waiting STUDENTS

Underlined addresses - students cross the road

R Hwy 30	Cross Highland
R 2500E	1538* South Park
R Hwy 30	R Noble
R Grandview	1540* Noble / Detters
R North College	R Park
R 2 nd entrance to school	L Harrison
1440* Xavier Charter School	1542* Harrison / Bluebell
Load in back of the school	R Hailee
1500* Depart Xavier	1543* Hailee / Parkwood
L North College	L Parkwood
R Grandview	R Clinton
L Filer Ave W	1544* Clinton / Stanley
R Blake N	L Washington
1508* Harry Barry Park	L El Camino
L Heyburn	R Caliente
Cross Washington	1548* Caliente / Aztec
1511* Heyburn / Monroe	R Aztec
1512* Heyburn / Harrison	1549* Aztec / Coronado
1514* Heyburn / Fillmore	L Pheasant
1515* Heyburn / Lincoln	R Valencia
R Blue Lakes	1551* Valencia / Southwood
R Hansen	R Southwood
R 4 th Ave E	R Ponderosa
1520* City Park	L Southwood
Cross Shoshone	Cross Washington
R Fairfield	1551* Atlantic / Southwood
1522* Fairfield / 7 th Ave N	L Sommer
L Eden	1556* Sommer / Sundown
1523* Eden / 4 th Ave N	L Hwy 74 (3600N)
Cross 2 nd Ave N	L Washington
Cross Main	L Pheasant W
Cross 2 nd Ave W	R Golden Pheasant
R 3 rd Ave W	1559* Quail / Golden Pheasant
1528* 3 rd Ave W / Dierkes	1600* Golden Pheasant/ Partridge
L Dierkes	R Partridge
R Washington	R Kenyon
L 3 rd Ave W	L Orchard (3700N)
L Blake	R 2600E
1531* Blake / 4 th Ave W	L Hwy 30
L 4 th Ave W	1615* Bus Yard
R Washington	1620* Check Out
Becomes 6 th Ave W	
R Shoshone	
RR Crossing	
L Highland	