

# Master Lease Agreement

THIS IS A NON-CANCELABLE,  
LEGALLY BINDING CONTRACT



Master Lease Number: **L223879-000**

Lessee (Leasing Customer) - Use exact registered name if a corp., LLC or LP		Lessee's Chief Executive Office - Street		City
Village Charter School, Inc. (The)		219 N Roosevelt St		Boise
Tax ID #	State	County	Zip Code	Lessee's Telephone
<b>27-0716284</b>	ID		83708-1850	(208) 336-2000

In this Master Lease Agreement ("Master Agreement"), the words "You" and "Your" mean the Lessee named above. "We," "Us," "Our" and "Lessor" mean VAR Resources, Inc. "Schedule" means the form of lease schedule attached hereto as Exhibit A. "Supplier" means the equipment supplier supplying the Equipment (defined below) leased under a Schedule. This Master Agreement, together with each Schedule entered into pursuant hereto and the related and supporting documents entered into directly with Us in connection with the transaction represented in a Schedule ("Other Documents"), represent the final and only agreement between You and Us regarding the leasing of the Equipment identified in such Schedules and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. There are no unwritten oral agreements between You and Us. Neither this Master Agreement nor any Schedule may be changed except by a written agreement between You and Us. Other agreements not stated in this Master Agreement, Schedules and Other Documents (including those contained in any purchase agreement or order between You and the Supplier) are not binding on Us.

**1. LEASE OF EQUIPMENT.** Each Schedule executed by You represents your agreement to lease from Us the equipment listed therein (together with all existing and future accessories, embedded software programs, attachments, replacements, additions and repairs) (the "Equipment"), upon the terms stated in such Schedule and this Master Agreement. Each Schedule shall be substantially in the form of Exhibit A and shall be deemed to be a separate lease transaction (a "Lease") between You and Us. In the event of any conflict between the provisions of this Master Agreement and the provisions of any Schedule, the provisions of the Schedule shall control. You promise to pay to Us the Lease Payments shown on each Schedule in accordance with the payment schedule set forth therein, plus all other amounts stated herein and therein. Each Schedule is binding on You as of the date You sign it. After You sign a Schedule, We may (i) insert the Lease number thereon and any other information missing in such Schedule, and (ii) change the Lease Payment amount by not more than 15% due to a change in the Equipment configuration, cost or tax amount, or a payment miscalculation. No Schedule is binding on Us until We sign it. If You are other than a sole proprietorship, Your signature on this Master Agreement and on each Schedule constitutes Your representation that the execution and delivery by You of this Master Agreement, the Schedule and the Other Documents, and the performance of Your obligations hereunder and thereunder, have been authorized by all necessary company action, and that the person(s) signing this Master Agreement, the Schedule and the Other Documents has been duly authorized to do so.

**2. UNCONDITIONAL OBLIGATION TO PERFORM.** With respect to each Schedule, You agree that: (a) You, not We, selected the Equipment and the Supplier, (b) We are a separate company from the Supplier, manufacturer and any other vendor (collectively, "Vendors"), the Vendors are NOT Our agents, and no statement, representation or warranty by any Vendor is binding on Us, (c) Your duty to perform Your obligations under the Master Agreement and the Schedule is unconditional despite any equipment failure, the existence of any law restricting the use of the Equipment, or any other adverse condition whatsoever, (d) if You are a party to any maintenance, service, supplies or other contract with any Vendor, We are NOT a party thereto, such contract is NOT part of any Lease (even though We may, as a convenience to You and a Vendor, bill and collect monies owed by You to such Vendor), and no breach by any Vendor will excuse You from fully performing Your payment and other obligations to Us, and (e) if the Equipment is unsatisfactory or if any Vendor fails to provide any service or maintenance or fulfill any other obligation to You, You shall not make any claim against Us and shall continue to perform your payment and other obligations to Us.

**3. ORIGINAL TERM; END OF TERM OPTIONS; RENEWAL PROVISIONS.** The original term of each Lease represented by a Schedule will begin on a date designated by Us after We accept such Schedule (the "Commencement Date") and will continue for the number of months shown in the Schedule ("Original Term"). As used herein, "Present Term" means the term presently in effect, whether it is the Original Term or a Renewal Term (as defined below). With respect to each Schedule, unless You notify Us in writing at least 90 days but not more than 120 days before the end of a Present Term that, at the end of such Present Term, You intend to (i) return the Equipment, or (ii) exercise the purchase option, if any, specified in the Schedule, then: (a) the Schedule will automatically renew for an additional three-month Term (each a "Renewal Term"), and (b) the Lease Payment amount and the other terms of the Schedule and of this Master Agreement and Other Documents will continue to apply. If You do notify Us in writing within the time set forth above that You intend to return the Equipment or purchase the Equipment at the end of such Present Term, then, immediately upon the expiration of such Term, You shall return the Equipment subject to the Schedule pursuant to Section 13 of this Master Agreement or purchase the Equipment pursuant to Section 10 of the Schedule, as applicable.

**4. ACCEPTANCE OF EQUIPMENT; LEASE PAYMENTS.** With respect to each Schedule, You will inspect and test the operation of the Equipment upon its delivery and You will notify Us within ten (10) days of delivery if the Equipment is not satisfactory. YOU AGREE THAT IF YOU FAIL TO NOTIFY US THAT THE EQUIPMENT IS NOT SATISFACTORY WITHIN TEN (10) DAYS OF DELIVERY THEN THE EQUIPMENT SHALL BE IRREVOCABLY AND UNCONDITIONALLY ACCEPTED BY YOU. If requested, You will sign a separate Equipment delivery and acceptance certificate for each Schedule. We may at Our discretion verify by telephone such information regarding delivery and acceptance of the Equipment as we deem appropriate and any such telephone verification of Your acceptance will have the same effect as a written delivery and acceptance certificate signed by You. With respect to each Schedule, Customer agrees to pay a prorated Lease Payment for the period between the Equipment delivery date (i.e. the date of the related delivery and acceptance certificate) and the Commencement Date. This prorated or partial payment will be based on the Lease Payment shown on the related Schedule prorated on a 30-day calendar month and will be added to the Customer's first invoice. With respect to each Schedule, Lease Payments plus applicable taxes and other charges provided for herein are payable in advance periodically as stated herein and therein. Restrictive endorsements on checks will not be binding on Us. All payments received will be applied to past due amounts and then to the current amount due, in such order as We determine. We may add finance charges to any amount We advance on Your behalf, including, without limitation, taxes and insurance premiums, if any. Any security deposit or estimated future Governmental Charge (as defined in Section 10 below) that You pay is non-interest bearing, may be commingled with Our funds, may be applied by Us at any time to past-due amounts, and the unused portion will be returned to You within 90 days after the end of the final Present Term of the applicable Schedule. If We do not receive a payment in full on or before its due date, You shall pay (i) a fee equal to the greater of 10% of the amount that is late or \$28.00, plus (ii) interest on the part of the payment that is late in the amount of 1.5% per month ("Time-Value Interest") from the due date to the date paid. If any check is dishonored, You shall pay Us a fee of \$20.00.

**5. DELIVERY, LOCATION, OWNERSHIP, USE, MAINTENANCE OF EQUIPMENT.** We are not responsible for delivery or installation of the Equipment relating to any Schedule. You are responsible for Equipment maintenance. You shall not remove the Equipment from the Equipment Location designated in the applicable Schedule unless You first get Our permission. You shall give Us access to each Equipment Location so that We may inspect the Equipment, and You agree to pay Our costs in connection therewith, whether performed prior to or after the Commencement Date of the applicable Schedule. We will own and have title to all Equipment (excluding any software) throughout the Term of each Schedule. If the Equipment includes any software, You agree that (i) We don't own the software, (ii) You are responsible for entering into any necessary software license agreements with the owners or licensors of such software, (iii) You shall comply with the terms of all such agreements, if any, and (iv) any default by You under any such agreements shall also constitute a default by You under the applicable Lease. You agree that all Equipment is and shall remain personal property. You shall not permit it to become (i) attached to real property or (ii) subject to liens or encumbrances of any kind whatsoever. You represent that all Equipment will be used solely for commercial purposes and not for personal, family or household purposes. You shall use all Equipment in accordance with all laws, operation manuals, service contracts (if any) and insurance requirements, and shall not make any permanent alterations. At Your own cost, You shall keep the Equipment in good working order and warrantable condition, ordinary wear and tear excepted ("Good Condition").

**6. NO WARRANTIES; FINANCE LEASE.** WITH RESPECT TO EACH SCHEDULE, WE ARE LEASING THE EQUIPMENT TO YOU "AS IS". WE HAVE NOT MADE AND HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING BY APPLICABLE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. You agree that the transaction represented by each Schedule is a "finance lease" as defined in Article 2A of the Uniform Commercial Code ("UCC"). To the extent permitted by law, You hereby waive any and all rights and remedies conferred upon You under UCC Sections 2A-303 and 2A-508 through 522. If it is determined that the transaction represented by any Schedule is other than a "lease" as defined in Article 2A, then You hereby grant to Us a security interest in the Equipment and all proceeds thereof. You authorize Us to record (and amend, if appropriate) a UCC financing statement to protect Our interests. With respect to any one or more Schedules, You may be entitled under Article 2A to the promises and warranties (if any) provided to Us by the Vendor(s) in connection with or as part of the contract(s), if any, by which We acquire the Equipment. You may contact the Vendor(s) for an accurate and complete statement of those promises and warranties (if any), including any disclaimers and limitations of them or of remedies. We hereby transfer to You, without recourse to Us, all automatically transferable promises and warranties, if any, made to Us by the Vendor(s).

**NO SCHEDULE MAY BE TERMINATED EARLY. THE TERMS OF THIS MASTER LEASE ARE CONTINUED ON THE REVERSE OR NEXT PAGE -->**

VAR Resources, Inc.:	Customer:	Village Charter School, Inc. (The)	
<i>Shaw Wood</i> 9/22/15 (Date)	By: X	<i>Tony Richard</i>	8/25/15 (Date)
	Print Name:	Tony Richard	Title: Lead Administrator



**7. LIABILITY; INDEMNIFICATION.** We are not liable for any claims, actions, damages (whether direct, indirect, incidental or consequential), liabilities, losses or costs made against or incurred by You relating to the delivery, installation, possession, use, return, loss of use, defect or malfunction of any Equipment (collectively, "Equipment Matters") with respect to any Schedule. You shall indemnify and defend Us against, and hold Us harmless for, any and all claims, actions, damages, liabilities, losses, and costs (including reasonable attorneys' fees) made against or incurred by Us relating to Equipment Matters.

**8. LOSS; DAMAGE; INSURANCE.** You shall, during the Term, (i) bear the risk of loss and damage to all Equipment leased under all Schedules and shall continue performing all Your obligations to Us even if it becomes damaged or suffers a loss, (ii) keep all Equipment insured against all risks of damage and loss ("Property Insurance") in an amount equal to its replacement cost, with Us named as sole "loss payee," and (iii) carry public liability insurance covering bodily injury and property damage ("Liability Insurance") in an amount acceptable to Us, with Us named as "additional insured." You have the choice of satisfying these insurance requirements by providing Us with satisfactory evidence of Property and Liability Insurance ("Insurance Proof"), within 30 days of the Commencement Date of each Lease. Such Insurance Proof must provide for at least 30 days prior written notice to Us before it may be cancelled or terminated and must contain other terms satisfactory to Us. If You do not provide Us with Insurance Proof within 30 days of the Commencement Date of a Schedule, or if such insurance terminates for any reason, then (a) You agree that We have the right, but not the obligation, to obtain such insurance in such forms and amounts from an insurer of Our choosing in order to protect Our interests ("Other Insurance"), and (b) You agree that We may charge You a periodic insurance charge for such Other Insurance. The insurance charge will include reimbursement for premiums advanced by Us to purchase Other Insurance, a finance charge of up to 18% per annum (or the maximum rate allowed by law, if less) on any advances We make for premiums, billing and tracking fees, charges for Our processing costs associated with the Other Insurance, and other related fees. We and/or one or more of Our affiliated companies or agents will receive a portion of the insurance charge, which may include a profit. We are not obligated to obtain and may cancel Other Insurance at any time without notice to You. Any Other insurance need not name You as an insured or protect Your interests. The insurance charge may be higher than if You obtained Property and Liability Insurance on Your own.

**9. ASSIGNMENT; YOU SHALL NOT SELL, TRANSFER, ASSIGN, PLEDGE OR OTHERWISE ENCUMBER** (collectively, "Transfer") THIS MASTER AGREEMENT OR ANY SCHEDULE, OR TRANSFER OR SUBLEASE ANY EQUIPMENT, IN WHOLE OR IN PART. We may, without notice to You, Transfer Our interests in this Master Agreement, any one or more Schedules and/or any or all Equipment leased thereunder, in whole or in part, to a third party (a "New Owner"), in which case the New Owner will, to the extent of such Transfer, have all of Our rights and benefits but will not have to perform any of Our obligations (if any). You agree not to assert against the New Owner any claim, defense or offset You may have against Us or any predecessor in interest.

**10. TAXES AND OTHER FEES.** You are responsible for all taxes (including, without limitation, sales, use and personal property taxes, and excluding only taxes based on Our income), levies, assessments and license and registration fees and other governmental charges relating to each Lease and the ownership, leasing, sale, possession or use of the Equipment leased under each Schedule (collectively, "Governmental Charges"). We may periodically bill you for, and You agree to promptly pay, estimated future Governmental Charges. You authorize Us to pay any Governmental Charges when and as they may become due, and You agree to reimburse Us promptly upon demand for the full amount (less any estimated amounts previously paid by You). You hereby appoint Us as Your attorney-in-fact to sign Your name to any document for the purpose of filing tax returns. You agree to pay Us a fee for preparing and filing personal property tax returns. With respect to each Schedule, You also agree to pay Us upon demand (i) for all costs of filing, amending and releasing UCC financing statements and a fee for each filing and (ii) a processing fee of \$75.00 for each Lease to cover Our investigation, documentation and other administrative costs in originating the Lease. You agree that the fees set forth in this Master Agreement and in the Schedules may include a profit component.

**11. SAVINGS CLAUSE.** If it is determined that any amount charged or collected with respect to a Lease is greater than the amount allowed by law, including, without limitation, any amount that is determined to exceed applicable usury limits (an "Excess Amount"), then (i) any Excess Amount charged but not yet paid will be waived by Us and (ii) any Excess Amount collected will be applied to any amount then due and owing by You with respect to such Lease, adjusted to conform with applicable law, or, if there is no such amount then due and owing by You, will be refunded to You.

**12. DEFAULT.** You will be in default under a Schedule if, with respect to such Schedule, this Master Agreement or any other Schedule or agreement between You and Us, You fail to pay any amount within 15 days of the due date or fail to perform or observe any other obligation. If You are in default, We may do any one or more of the following, at Our option, concurrently or separately: (A) cancel the Lease represented by such Schedule and any one or more Lease(s) represented

by any other Schedules, (B) require You to return the Equipment leased under any one or more Schedule(s) pursuant to Section 13 of this Master Agreement, (C) take possession of and/or render unusable the Equipment leased under such Schedule(s), and for such purposes You hereby authorize Us and Our designees to enter Your premises, with or without prior notice or other process of law, (D) with respect to any one or more Schedules, require You to pay to Us, on demand, an amount equal to the sum of (i) all Lease Payments and other amounts then due and past due, (ii) all Lease Payments for the then-remaining Present Term(s) of such Schedules plus Our residual interest in the Equipment as indicated by Our records, discounted at a rate of 6% per annum (or the lowest rate permitted by law, whichever is higher), (iii) interest at the rate of Time-Value Interest on the amounts specified in clauses "i" and "ii" above from the date of demand to the date paid, and (iv) all other amounts that may thereafter become due hereunder to the extent that We will be obligated to collect and pay such amounts to a third party (such amounts specified in sub-clauses "i" through "iv" referred to below as the "Balance Due"), and/or (E) exercise any other remedy available to Us under law. You also agree to reimburse Us on demand for all reasonable expenses of collection and enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) and reasonable expenses of repossessing, holding, preparing for disposition, and disposition ("Remarketing") of the Equipment, plus Time-Value Interest on the foregoing amounts from the date of demand to the date paid. In the event We are successful in Remarketing the Equipment with respect to any Schedule, We shall give You a credit against the Balance Due under such Schedule in an amount equal to the present value of the proceeds received and to be received from Remarketing minus the above-mentioned costs (the "Net Proceeds"). If the Net Proceeds are greater than the Balance Due, We shall pay You such surplus. If the Net Proceeds are less than the Balance Due, You shall be liable for such deficiency. Any delay or failure to enforce Our rights under the Lease shall not constitute a waiver thereof.

**13. RETURN OF EQUIPMENT.** If You are required to return the Equipment under any Schedule, You shall, at Your expense, send the Equipment to any location(s) that We may designate. The Equipment must be properly packed for shipment, freight prepaid and fully insured, and must be received in Good Condition (as defined in Section 5 of this Master Agreement). If You are required to return the Equipment under Section 12 of this Master Agreement, You shall do so promptly upon demand. If You are required to return the Equipment under Section 3 of this Master Agreement, then (i) it must be received by Us in Good Condition within 15 days after the expiration of the then Present Term, (ii) if it is not received within 15 days of the date of demand, You agree to continue paying Lease Payments and all other amounts due hereunder until it is received and accepted by Us in Good Condition, and (iii) You agree to pay a handling and restocking fee of \$250.00 promptly upon demand. If You are required to return the Equipment under any provision of this Master Agreement and it is not in Good Condition when it is received by Us, You agree to pay Our reasonable costs that We incur in connection with repairing or restoring the Equipment to Good Condition (as defined in Section 5 of this Master Agreement).

**14. APPLICABLE LAW; VENUE; JURISDICTION.** Each Lease shall be governed by, enforced and construed in accordance with the laws of the state of Lessor's principal place of business or, with respect to any Lease that Lessor assigns to a New Owner, the laws of the state of the New Owner's principal place of business, and any dispute concerning a Lease shall be adjudicated in a federal or state court in such state or in any other court or courts having jurisdiction over You or Your assets, all at the sole election of Lessor or the New Owner. You hereby irrevocably submit generally and unconditionally to the jurisdiction of such courts and irrevocably waive any defense of an inconvenient forum to the maintenance of any such action or proceeding. YOU AND WE HEREBY WAIVE YOUR AND OUR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN ANY LEGAL ACTION. Each provision of this Master Agreement and of each Schedule shall be interpreted to the maximum extent possible so as to be enforceable under applicable law. If any provision is construed to be unenforceable, such provision shall be ineffective only to the extent of such unenforceability without invalidating the remainder of the Lease.

**15. MISCELLANEOUS.** You represent and covenant to Us that this Master Agreement is, and each Schedule will be, enforceable against You in accordance with its terms, and You acknowledge that this representation and covenant was a material inducement to Us to acquire the Equipment to be leased under each Schedule and to enter into this Master Agreement and each Schedule. This Master Agreement and any one or more Schedules may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute the same document. You acknowledge that You have received a copy of this Master Agreement, and You agree that a facsimile or other copy of this Master Agreement and of any Schedule and Other Document containing Your typed or copied signature shall be as enforceable as the original executed document.

Lessor: 





Exhibit A

Equipment Lease Schedule No. 1

This Equipment Lease Schedule (this "Schedule") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, by and between VAR Resources, Inc. (hereinafter "We," "Us" or "Our") and Village Charter School, Inc. (The) (hereinafter "You" or "Your"). This Schedule is entered into subject to that certain Master Lease Agreement No. L223879-000 (the "Master Agreement") between You and Us. All of the terms and conditions set forth in the Master Agreement are hereby reaffirmed and incorporated in and made part of this Schedule, as if fully set forth herein. The Master Agreement, together with this Schedule and the related and supporting documents entered into in connection with this Schedule, represent the final and only agreement between You and Us regarding the leasing of the Equipment identified below and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. There are no unwritten oral agreements between You and Us relating to the leasing of the Equipment. This Schedule may not be changed except by way of a written agreement between You and Us. Other agreements (including, without limitation, those contained in any purchase agreement or order between You and the Supplier of Equipment) not stated in the Master Agreement or in the Schedule or other supporting documents are not binding on Us. This Schedule, inclusive of the terms and conditions set forth in the Master Agreement, constitutes a separate lease between You and Us. Any amendment to the Master Agreement subsequent to the date of this Schedule shall be ineffective as to this Schedule unless otherwise expressly stated in such amendment. This Schedule may not be modified except in a writing signed by You and Us.

- 1. We hereby agree to lease to You, and You hereby agree to lease from Us, the following-described Equipment upon the terms and conditions set forth in this Schedule and in the Master Agreement:

Description of Equipment - INCLUDE MAKE, MODEL AND SERIAL NUMBERS (ATTACH ADDITIONAL PAGE IF NECESSARY)

See attached Schedule A

- 2. Equipment Supplier: VAR Resources, Inc.

- 3. Equipment Location Address: 219 N Roosevelt St., Boise, ID 83708-1850

- 4. Original Term: 36 Months

- 5. Commencement Date of this Lease: \_\_\_\_\_

- 6. Lease Payment Option: \$976.89 per: [X] Month [ ] Quarter [ ] Year [ ] Other:

- 7. Check here [ ] if Lease Payment amount includes sales/use tax

- 8. \$976.89 Lease Payment(s) is(are) due at the time this Schedule is signed, which shall be applied to the:

[X] First Lease Payment [ ] First and Last Lease Payments [ ] Other:

- 9. Security Deposit: \$ \_\_\_\_\_

- 10. Purchase Option at end of Original Term: [ ] None [ ] Fair Market Value as of end of Original Term [X] One Dollar (\$1.00) [ ] Other:

The above equipment purchase options may be exercised by You only at the end of the Original Term. If you are in default under the Master Agreement or this Schedule at the time you desire to exercise a purchase option, You must cure such default to Our satisfaction before having the right to exercise such option. If the "One Dollar" purchase option is checked above, then the last two sentences of Section 3 of the Master Agreement shall not apply to this Lease (in other words, the "automatic renewal" provisions in Section 3 shall not apply to this Lease). If the "Fair Market Value" option is checked above, then the purchase price will be the fair market retail value of the Equipment, as determined by Us in our sole but reasonable judgment, as of the end of the Original Term.

- 11. This Schedule is not binding upon Us unless and until We accept this Schedule by signing below. A facsimile copy of this Schedule shall have the same force and effect as the original. This Schedule is non-cancelable and may not be terminated early.

VAR Resources, Inc.

You: Village Charter School, Inc. (The)

By: X

Shawn Ashwood

By: X

Tony Richard

Date:

9/22/15

Name (Print): Tony Richard

Title: Lead Administrator

Date Signed:

8/25/15

## SCHEDULE "A"

Village Charter School, Inc. (The)

Quantity	Manufacturer	Description
1	Cisco	Cisco C240 M4 2U Rack Server 2x Intel Xeon E52650v3 Decacore(10Core) 2.30 GHz 2Processor Support 16GB Standard DDR4 SDRAMMaximum RAM 12Gb/s SAS RAID Supported, Serial Attached SCSI (SAS),Serial ATA Controller GigabitEthernet RAIDLevel: 0, 1, 5, 6, 10, 50, 60 2x 1.20 kW
6	Cisco	Cisco 8GB DDR42133MHzRDIMM/PC317000/single rank/x4 8GB (1 x 8GB) DDR4SDRAM 2133MHz DDR42133/PC4170001.20V RegisteredDIMM
1	Cisco	Cisco SAS Controller 12Gb/s SAS RAIDSupported 0,1, 5, 10, 50, 60,JBOD, 6 RAID Level 1GB Flash Backed Cache
4	Cisco	Cisco 600 GB 2.5" Internal Hard Drive SAS10000rpm HotPluggable
1		Cisco Intel I350 Quad Port 1Gb Adapter PCIExpress 4Port(s) 4xNetwork (RJ45)TwistedPair Fullheight,LowprofileHalflength
1		Cisco Riser Card 2x PCI Express 3.0 x8 , PCI Express 3.0 x16
1	Cisco	Cisco Grid K1 Graphic Card PCIExpress Fullheight
1		24X7X4 C240 M4 SPR SERVER 3Years
2	DELL	DELL SONICWALL TZ400 TOTALSECURE 1YR
2	Microsoft	Microsoft Windows Server 2012 R.2 Standard License2Processor VolumeMOLP:Open Business PCSingleLanguage
100	Microsoft	Microsoft Windows Remote Desktop Services 2012 License1User CAL VolumeMOLP:Open Business PCSingleLanguage
100	Microsoft	Microsoft Windows 2012 Server License1User CAL VolumeMOLP:Open Business PCSingleLanguage
2		Synology DiskStation NAS Server Dualcore(2 Core) 1.33 GHz 2x TotalBays 1GB RAM DDR3 SDRAM SerialATA/300 RAIDSupported 2x2.5"/3.5" Bay GigabitEthernet eSATANetwork(RJ45)3x USB Ports 12USB 3.0 Port(s) DiskStationManager
4		HGST Ultrastar 7K4000 4 TB 3.5" Internal Hard Drive SATA7200rpm 64MB Buffer
2	Cisco	Cisco SG30028Layer 3 Switch 28Ports Manageable2x ExpansionSlots 10/100/1000BaseTUplinkPort 26,2, 2 x Network, Uplink,Expansion Slot GigabitEthernet SharedSFP Slot 2x SFP Slots 3LayerSupported PowerSupply RackmountableLifetimeLimited Warranty
2	Cisco	Cisco SG30028PP28PortGigabit PoE+ Managed Switch 28Ports Manageable2x Expansion Slots 10/100/1000BaseTUplinkPort SharedSFP Slot 2x SFP Slots 3Layer Supported DesktopLifetimeLimited Warranty
1		Cisco Small Business Pro Service 3Year Service
1		Installation & Configuration

Lessee: Village Charter School, Inc. (The)

Signature

*Tony Richard*

Title

Lead Administrator



ADDENDUM TO LEASE

The Lessee understands that the Equipment being leased includes software which is supplied by Microsoft ("the Supplier"). The Lessor intends to assign the lease for financing purposes. Assignee will not be responsible for the satisfactory operation or support of the software, and the Lessee must continue to make payments to the Lessor or its Assigns regardless of any claims the lessee may have against the Supplier regarding the software.

**Date:**

8/25/15

Lessee: Village Charter School, Inc. (The)

**By:**

Tony Archaul

**Title:**

Lease Administrator



**Sheri Ashwood**

**From:** Doug Sato <dougsato@thevillagecharterschool.org>  
**Sent:** Monday, September 21, 2015 6:02 PM  
**To:** Rhonda Evans  
**Cc:** Team15; Sheri Ashwood  
**Subject:** Re: Delivery & Acceptance - Village Charter School, Inc. (The) (021318830)

**Delivery & Acceptance Certificate**

<b>Contract #:</b> 231371	<b>Schedule No. (if applicable):</b>	
<b>Customer:</b> Village Charter School, Inc. (The)	<b>Lender:</b>	VAR Resources, Inc.

The above Customer hereby unconditionally represents and certifies to the above Lender, and agrees, that:

1. The following equipment, other personal property and software, if any, provided to Customer or otherwise constituting collateral relating to the above Contract or Schedule (the "Goods"), has been fully delivered and is hereby irrevocably accepted by Customer.

"See Attached Equipment List"

2. There are no side agreements between Customer and any third party relating to the subject matter of the Contract, and no cancellation rights have been granted to Customer by the Lender or any third party. There is no "free demonstration" or "test" period for the Goods.

3. Customer has reviewed and understands all of the terms of the Contract, and Customer agrees that the Contract cannot be revoked or cancelled or terminated early for any reason.

Customer hereby directs the Lender to pay the vendor/supplier of the Goods. Customer agrees that (i) Lender may insert the Contract number above and the Delivery Date below if either is missing following the Customer's signature below and (ii) a facsimile of this document containing a facsimile of the Customer's signature shall be considered as valid and binding as the original for all purposes.

X   
Customer Authorized Signature

DOUGLAS J SATO  
Print name

September 21, 2015  
Delivery Date of the Goods

**BILLING CONTACT INFORMATION**

(Person in Charge of your Payables, Ex. A/P Clerk, Controller, etc.)

\_\_\_\_\_  
(Contact Name and Title)

\_\_\_\_\_  
(Contact Direct Phone Number and Ext.)



## Delivery & Acceptance Certificate

<b>Contract #:</b> 231371	<b>Schedule No. (if applicable):</b>	
<b>Customer:</b> Village Charter School, Inc. (The)	<b>Lender:</b>	VAR Resources, Inc.

The above Customer hereby unconditionally represents and certifies to the above Lender, and agrees, that:

1. The following equipment, other personal property and software, if any, provided to Customer or otherwise constituting collateral relating to the above Contract or Schedule (the "Goods"), has been fully delivered and is hereby irrevocably accepted by Customer.

**"See Attached Equipment List"**

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3. Customer has reviewed and understands all of the terms of the Contract, and Customer agrees that the Contract cannot be revoked or cancelled or terminated early for any reason.

Customer hereby directs the Lender to pay the vendor/supplier of the Goods. Customer agrees that (i) Lender may insert the Contract number above and the Delivery Date below if either is missing following the Customer's signature below and (ii) a facsimile of this document containing a facsimile of the Customer's signature shall be considered as valid and binding as the original for all purposes.

X   
Customer Authorized Signature

DOUGLAS J SATO  
Print name

September 21, 2015  
Delivery Date of the Goods

### BILLING CONTACT INFORMATION

(Person in Charge of your Payables, Ex. A/P Clerk, Controller, etc.)

\_\_\_\_\_  
(Contact Name and Title)

\_\_\_\_\_  
(Contact Direct Phone Number and Ext.)

\_\_\_\_\_  
(Contact E-Mail Address)



**Non-Revolving Promissory Note**  
(Non-Consumer Loan)

**Amount Borrowed: Up to \$25,000.00**

**Fixed Fee: \$1,000.00**

**Total Amount Due: Up to \$26,000.00, plus interest as described herein**

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FOR VALUE RECEIVED, the undersigned, The Village Charter School, an Idaho nonprofit corporation, (collectively "Maker") jointly and severally promise to pay to the order of:

Holder: American Charter Development, LLC  
775 West 1200 North, Suite 100  
Springville, UT, 84663

the principal sum of ("Total Amount Due"): TWENTY FIVE THOUSAND DOLLARS (\$25,000)

together with a fixed fee thereon of: ONE THOUSAND DOLLARS (\$1,000.00)

for a total amount due of: TWENTY SIX THOUSAND DOLLARS (\$26,000.00) ("**Total Amount Due**")

together with interest thereon from that date listed above, at a rate of 10% per annum ("**Initial Interest Rate**"), compounded, on the unpaid principal of even date herewith, the terms of which are hereby incorporated by this reference, at any time during the term of this Note, said principal and interest payable as follows:

AT MINIMUM, COMMENCING ON MARCH 1, 2018, MAKER SHALL MAKE EQUAL MONTHLY PAYMENTS IN THE AMOUNT OF TWO THOUSAND NINE HUNDRED THIRTY THREE AND 30/100 DOLLARS (\$2,903.30) EACH AND EVERY MONTH. PAYMENTS SHALL BE DUE ON OR BEFORE THE FIRST CALENDAR DAY OF EACH MONTH. THE TOTAL AMOUNT DUE, TOGETHER WITH ALL ACCRUED BUT UNPAID INTEREST, SHALL BE MADE ON OR BEFORE DECEMBER 31, 2018, IN FULL.

There shall be no penalty associated with the prepayment of this Note.

If default be made in the payment of the amounts of principal or interest described herein, TIME BEING OF THE ESSENCE HEREOF, or if Holder shall deem itself to be insecure, then the entire principal balance of this Note, together with all then accrued but unpaid interest, shall, at the election of Holder, and without notice of said election to Maker, at once become due and payable.

Anything herein contained to the contrary notwithstanding, the Initial Interest Rate ("IIR") shall automatically increase to the Initial Interest Rate plus ten percent (IIR + 10 %) per annum (the "Default Rate") in the event of the occurrence of a default on the part of Maker hereunder. The Default Rate shall remain in full force and effect at all times thereafter, both before and after judgment, until all amounts owed by Maker in connection with this Note and the Loan Documents are paid in full.

If this Note becomes in default as aforesaid, Maker agrees to pay to Holder enforcement and collection costs, including reasonable attorneys' fees and legal expenses, regardless of whether the default is ultimately cured, and regardless of whether formal legal proceedings are commenced. Holder may pay a third party to assist in enforcing Holder's rights hereunder, and Maker shall pay the costs and expenses of such enforcement. Costs and expenses shall include: (i) Holder's reasonable attorneys' fees and legal expenses, whether or not such expenses are incurred by a salaried employee of Holder, (ii) reasonable attorneys' fees and legal expenses for bankruptcy proceedings including, but not limited to, efforts to modify or vacate any automatic stay or injunction, (iii)



appeals to higher courts arising out of legal proceedings to enforce Maker's obligations hereunder, and (iv) any anticipated post-judgment collection services.

Maker and all endorsers, sureties, and guarantors hereof hereby jointly and severally waive presentment for payment, demand, protest, notice of protest, and of non-payment and of dishonor and consent to extension of time, renewals, waivers, or modifications without notice and further consent to the release of any security, or any part thereof, with or without substitution.

In addition to all other sums due hereunder, Holder may offset against this Note any account, debt, or other amounts owed by Holder, in any capacity, to Maker.

In the event that any payment of interest or principal under this Note shall not be paid within five (5) days of the date such payment is due, a late charge of five percent (5 %) of the amount of such payment (individually, a "Late Charge" or, collectively, the "Late Charges") shall be immediately due to Holder and shall accompany any such payment when made. Holder may, but is not required to, refuse to accept any payment which is not accompanied by the applicable Late Charge. Upon default, Holder may, at Holder's option, refuse to accept any payment, whether or not such payment is accompanied by a Late Charge, or any other payment which, when applied to amounts owing under this Note, will leave other payments delinquent, or when this Note is, at the time of such payment, otherwise in default. All payments received shall be applied first to any Late Charges, second to accrued interest, and the balance, if any, to the reduction of principal.

The terms and conditions of this Note shall be binding upon Maker, Maker's heirs, legal representatives, trustees, successors, and assigns.

This Note shall be governed by, and construed in accordance with, the laws of the State of Utah.

Maker expressly agrees and consents that, unless otherwise designated by Holder, the courts of Utah County, Utah shall have exclusive jurisdiction over all actions arising from, out of, or with respect to this Note.

No waiver by Holder of a default by Maker under the terms of this Note shall operate as a waiver of any other default, or of the same default in the future.

THE OBLIGATIONS OF MAKER HEREUNDER, ARE SECURED BY (1) THE OBLIGATIONS OF MAKER UNDER THAT CERTAIN LOAN AGREEMENT, OF EVEN DATE HERewith, BY AND BETWEEN MAKER AND HOLDER, AND (2) A UCC1 FINANCING STATEMENT ENCUMBERING ANY AND ALL ASSETS OF BORROWER, INCLUDING BUT NOT LIMITED TO AFTER ACQUIRED ASSETS AND (3) A PRESENT ASSIGNMENT OF ALL ACCOUNTS RECEIVABLE, AS OUTLINED IN THE LOAN AGREEMENT.

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement on the dates respectively set forth below.

DATED: the 18<sup>th</sup> day of October, 2017.

The Village Charter School, an Idaho nonprofit corporation

Lee Manning, Executive Director TVCS, Veritas Charter School Services

alt. FM



By:  
Title:



## LOAN AGREEMENT

THIS AGREEMENT dated the 12<sup>th</sup> day of October, 2017, by and between The Village Charter School, an Idaho nonprofit corporation jointly and severally (collectively "Borrower") and American Charter Development, LLC, an Arizona limited liability company ("Lender"), Borrower and Lender are sometimes hereinafter referred to collectively as the "Parties" or, individually, as a "Party."

### RECITALS

WHEREAS, Borrower desires that Lender loan a sum not to exceed \$25,000 to Borrower; and,

WHEREAS, Borrower desires to borrow funds, on a non-revolving basis, for a short term, in connection with Borrower's compliance to an agreement that Borrower entered into with Ada County Highway District, hereinafter referred to as "the Loan;" and,

WHEREAS, Lender is willing to loan to Borrower the amount requested, only upon the terms and conditions herein listed; and,

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

### ARTICLE I

The Recitals to this Agreement are incorporated herein by this reference and made a part hereof.

### THE LOAN

#### SECTION 1.01: THE LOAN, NOTE AND RATE

A. The Loan shall be in the principal amount (the Principal Loan Amount") of an amount up to but not to exceed Twenty Five Thousand Dollars (\$25,000.00), payable as described below.

B. The Loan shall be evidenced by a Non Revolving Promissory Note ("Note") in the Principal Loan Amount, plus a fixed fee, as described therein. The Note shall bear interest at the rate and be payable at the times described therein. Per diem interest shall be calculated on the basis of a 360 day year.

C. Pursuant to the terms and conditions set forth in the Note, the interest rate applicable to the Note shall be subject to a default interest rate as is set forth in the Note.

D. There shall be no prepayment penalty with respect to the Loan.

E. The Principal Loan Amount may be funded to Borrower in installments to accomplish the purpose of the Loan, as outlined in Section 1.04, at the reasonable discretion of the Lender.

#### SECTION 1.02: THE TERM AND REPAYMENT

The term of the loan shall not exceed December 31, 2018. The Note shall be repayable as described in the Non-Revolving Promissory Note.

#### SECTION 1.03: GUARANTIES/COLLATERAL

Lender requires, as an inducement to enter this Agreement, the personal guarantees, as included in this transaction, if applicable. In addition, as collateral for the Loan, Borrower hereby makes a present assignment of all of its account receivables to Lender until the Loan is repaid, in full,





with fees and interest. Borrower shall deliver or cause to be delivered in accord with applicable law to the appropriate officer or disbursing officer with respect to each account debtor holding a receivables an appropriate notice of this assignment executed by Borrower along with a cover letter indicating that any amounts due to Borrower have been assigned to Lender. In addition said letter shall further provide that the assignments cover all unpaid amounts payable under the accounts and shall direct payment with respect thereto as provided pursuant to this Agreement. Seller acknowledges that Lender shall also have the right to notify such account debtor of Lender's rights with respect to the accounts and direct account debtors to make payments of receivables directly to Lender.

#### SECTION 1.04: PURPOSE OF LOAN

The purpose of the Loan is to provide temporary loan proceeds to allow Borrower to operate its core business operations in its primary place of business. The Undersigned agrees that it will apply funds received by it under this Agreement in accordance with the stated purpose of this Agreement.

#### SECTION 1.05: RELATIONSHIP OF PARTIES

The Borrower acknowledges that it is in a debtor-creditor relationship with Lender. Lender is not a fiduciary of the Undersigned and owes no duty to the Undersigned other than to make the Loan. The Borrower acknowledges that nothing in Lender's past relationship with the Borrower, including, but not limited to, any meetings, associations with, advise or instructions given by Lender, or any of its agents or employees, with or to the Borrower have altered or modified the relationship of debtor-creditor. The Borrower acknowledges that Borrower has not relied upon any representations or discussions with Lender or its legal counsel, business or property opinions, business advice, business projections or economic forecasts from Lender, its agents or employees. The Borrower understands and acknowledges that Lender will service the Loan after it is made and that such servicing actions may include site visits, analysis of financial statements, discussions with the Borrower, and other investigation into the status of the property and small business which are the subject of the Loan Authorization. The Borrower acknowledges that none of these or related activities shall alter or modify the relationship of debtor-creditor. The Borrower waives any and all claims that Lender, its agents or employees, or its assigns, are fiduciaries, joint venturers or partners with respect to the Borrower. The Borrower further acknowledges that Lender may make or provide loans which may benefit the Borrower's competitors to the detriment of the Borrower. The Borrower agree that Lender and its assigns owe no duty to the Borrower to not make such other loans to the Borrower's competitors and the Lender, its agents and employees, are free to make such other loans and enter into such other relationships with third parties as, in their sole discretion, they desire. The Borrower shall not make any claim against Lender, its agents or employees, on account of such other loans or relationships.

### **ARTICLE II REPRESENTATIONS AND WARRANTIES**

The Borrower represents and covenants the following:

#### SECTION 2.01: LEGALLY BINDING INSTRUMENTS

When this Agreement is executed by the Borrower and the Lender, and when the Note is executed and delivered by the Borrower for value, each such instrument shall constitute the legal, valid, and binding obligation of the Borrower in accordance with its terms. Any Security Agreements and Instruments, Financing Statements, Mortgages, Trust Deeds, and other liens on chattel or real estate shall constitute legal, valid and binding liens free and clear of all prior liens and encumbrances except as provided for and allowed by Lender.

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SECTION 2.02: NO LEGAL SUITS

There are no legal actions, suits, or proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower before any court or administrative agency, which, if determined adversely to the Borrower, would have a material adverse effect on the financial condition or business of the Borrower.

SECTION 2.03: NO LEGAL AUTHORIZATION NEEDED

No authorization, consent or approval, or any formal exemption of any Governmental body, regulatory authorities (Federal, State or Local) or mortgagee, creditor or third party is or was necessary to the valid execution and delivery by the Borrower of the Loan Documents.

SECTION 2.04: NOT IN DEFAULT

The Borrower are not in default of any obligation, covenant, or condition contained in any bond, debenture, note, or other evidence of indebtedness or any mortgage, trust deed or collateral instrument securing the same.

SECTION 2.05: TAXES ARE PAID

The Borrower has filed all tax returns which are required and has paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments levied against the Borrower or its personal or real property by any taxing agency, federal, state or local. No tax liability has been asserted by the Internal Revenue Service or other taxing agency, federal, state, or local for taxes materially in excess of those already provided for and the Borrower knows of no basis for any such deficiency assessment.

SECTION 2.06: NO ADVERSE CHANGE

The Borrower certifies that there has been no adverse change since the date of loan application in the financial condition, organization, operation, business prospects, fixed properties, or personnel of the Borrower.

**ARTICLE III  
CONDITIONS OF LENDING**

The obligation of the Lender to make the Loan shall be subject to the fulfillment at the time of closing of each of the following conditions:

SECTION 3.01: EXECUTION AND DELIVERY OF NOTE AND LOAN AGREEMENT

The Borrower shall have executed and delivered to the Lender this Loan Agreement and the Note in a form satisfactory to the Lender and its counsel.

SECTION 3.02: EXECUTION AND DELIVERY OF SECURITY FOR REPAYMENT

The Borrower shall have executed and delivered to the Lender a Financing Statement in a form satisfactory to the Lender, giving the Lender security in any and all assets of Borrower, including but not limited to any asset after acquired. Borrower hereby represents that any and all assets of Borrower, is free and clear of all prior liens and encumbrances except as expressly allowed by Lender.



Said Financing Statements are to secure payment of the principal of the Note, the interest thereon, and any other sums payable by the Borrower hereunder.

SECTION 3.03: APPROVAL OF OTHERS

The Borrower shall have secured all necessary approvals or consents required with respect to this transaction by any mortgagor, credit or other party having any financial interest in the Borrower.

**ARTICLE IV  
AFFIRMATIVE COVENANTS OF THE BORROWER**

The Borrower agrees to comply with the following covenants from the date hereof until the Lender has been fully repaid with interest, unless the Lender or its Assigns shall otherwise consent in writing:

SECTION 4.01: PAYMENT OF THE LOAN

The Borrower agrees to pay punctually the principal and interest on the Note according to its terms and conditions and to pay punctually any other amounts that may become due and payable to the Lender.

SECTION 4.02: PAYMENT OF OTHER INDEBTEDNESS

The Borrower agrees to pay punctually the principal and interest due on any other indebtedness now or hereafter at any time owing by the Borrower to the Lender or any other Lender.

SECTION 4.03: INTENTIONALLY DELETED.

SECTION 4.04: MAINTAIN AND INSURE PROPERTY

The Borrower agrees at all times to maintain the property provided as security for this Loan in such condition and repair that the Lender's security will be adequately protected. The Borrower also agrees to maintain during the term of the Loan adequate hazard insurance policies covering fire and extended coverage and such other hazards as may be deemed appropriate in amounts and form sufficient to prevent the Borrower from becoming a co-insurer and issued by companies satisfactory to the Lender with acceptable loss payee clauses in favor of the Lender. The Borrower further agrees, if at any time during the life of the Loan the Borrower's property is declared to be within a flood hazard area, to purchase Federal Flood Insurance, if available.

Such insurance shall be in an amount equal to the lesser of: i) the amount of the loan; ii) the insurable value of the property; or iii) the maximum limit of coverage available. Upon request, Borrower will provide satisfactory evidence of proper insurance coverage. The Borrower further agrees to maintain adequate liability and workman's compensation insurance in amounts and form satisfactory to the Lender.

SECTION 4.05: PAY ALL TAXES

The Borrower agrees to duly pay and discharge all taxes, assessments, and governmental charges upon it or against its properties prior to the date on which the penalties attach thereto, except that the Borrower shall not be required to pay any such tax, assessment, or governmental charge which is being contested by it in good faith and by appropriate proceedings. Notwithstanding anything

A handwritten signature in black ink, appearing to be a stylized name, located in the bottom right corner of the page.



herein to the contrary, the Borrower shall pay any past due amount with the funding of any subsequent debt obligation of Borrower.

#### SECTION 4.6: PROVIDE FINANCIAL INFORMATION

The Borrower agrees to maintain adequate records and books of account, in which complete entries will be made reflecting all of its business and financial transactions, such entries to be made in accordance with generally accepted principles of good accounting practice consistently applied in the case of financial transactions.

In addition, the Borrower agrees to deliver to the Lender (quarterly or semi-annual as required by Lender) financial statements certified by an authorized officer of the Borrower, to be true and accurate copies within ninety (90) days of the close of each accounting period.

The Borrower further agrees to provide written notice to the Lender of any public hearing or meeting before any administrative or other public agency which may, in any manner, affect the chattel, personal property or real estate securing the Loan.

#### SECTION 4.7: RIGHT TO INSPECTION

The Borrower agrees to grant the Lender, until the Note has been fully repaid with interest, the right at all reasonable hours to inspect the chattel, and personal property used to secure the Loan; and the Borrower further agrees to provide the Lender free access to the Borrower's premises for the purpose of such inspection to determine the condition of the chattel and personal property.

#### SECTION 4.8: NULL AND VOID COVENANTS

The Borrower agrees, that in the event that any provision of this Loan Agreement or any of the Loan Documents executed at closing or the application thereof to any person or circumstances shall be declared null and void, invalid, or held for any reason to be unenforceable by a Court of competent jurisdiction, the remainder of such agreement shall nevertheless remain in full force and effect, and to this end, the provisions of all covenants, conditions, and agreements described herein are deemed separate.

#### SECTION 4.9: EXPENSES AND CLOSING COSTS

The Borrower agrees to pay all fees, and charges incurred with respect to the Loan, or its making, or transfer to the Lender in any way connected therewith, including, but not limited to, the fees, and out-of-pocket expenses, of local counsel employed by the Lender, title insurance and survey costs, recording and filing fees, mortgage taxes, documentary stamp, and any other taxes, fees and expenses payable in connection with this transaction and with the enforcement of this Loan Agreement and Note. In the event the processing of the loan is terminated, for whatever reason, Borrower agrees to pay all fees of legal counsel employed by Lender. Thirty (30) days after billing, interest shall accrue on unpaid fees at the Default Rate outlined in the Promissory Note.

#### SECTION 4.10: NOTICE OF DEFAULT

The Borrower agrees to give written notice to the Lender of any event, within 15 days of the event, which constitutes an Event of Default under this Loan Agreement as described in Article VI herein or that would, with notice or lapse of time or both, constitute an Event of Default under this Loan Agreement.

#### SECTION 4.11: INDEMNIFICATION



The Borrower agrees to indemnify and save the Lender or its Assigns harmless against any and all liability with respect to, or resulting from, any delay in discharging any obligation of the Borrower.

#### SECTION 4.12: EXPENSES OF COLLECTION OR ENFORCEMENT

The Borrower agrees, if at any time the Borrower defaults on any provision of this Loan Agreement, to pay the Lender or its Assigns, in addition to any other amounts that may be due from the Borrower, an amount equal to the costs and expenses of collection, enforcement or correction or waiver of the default incurred by the Lender or its Assigns in such collection, enforcement, correction, or waiver of default.

### **ARTICLE V NEGATIVE COVENANTS OF THE BORROWER**

The Borrower covenants and agrees that, from the date hereof until payment in full of the Note, unless the Lender or its Assigns shall otherwise consent in writing, it will not enter into any agreement or other commitment the performance of which would constitute a breach of any of the covenants contained in this Loan Agreement including, but not limited to the following covenants:

#### SECTION 5.01: ENCUMBER THE ACQUISITION ASSETS

The Borrower will neither create nor suffer to exist any mortgage, pledge, lien, charge, or encumbrance, including liens arising from Judgments on the Property.

#### SECTION 5.02: SELL THE ACQUISITION ASSETS

The Borrower will not sell, convey, or suffer to be conveyed, lease, assign, transfer, or otherwise dispose of the Acquisition Assets unless approved in writing by the Lender.

#### SECTION 5.03: CHANGE OWNERSHIP

The principals of the Borrower will not permit without the written permission of Lender any material change in the ownership structure, control, or operation of the Borrower including but not limited to i) merger into or consolidation with any other person, firm or corporation; ii) significant issuance of any shares of its capital stock having ordinary voting power for the election of members of the Board of Directors or other governing body of the Borrower; iii) changing the nature of its business as carried or at the date hereof; iv) substantial distribution, liquidation or other disposal of the Borrower's assets to the stockholders.

### **ARTICLE VI DEFAULT AND REMEDIES**

#### SECTION 6.01 TIME OF THE ESSENCE; Default.

TIME IS OF THE ESSENCE OF THIS AGREEMENT. Borrower and Lender expressly reaffirm that Lender has and retains, without waiver of any remedies, all of the remedies available to Lender under the Loan Documents, any other agreements, at law, or in equity if any breach, default, or Event of Default occurs with respect to this Agreement or any of the other Loan Documents.





The occurrence of any one (1) or more of the following events shall constitute a breach, default, and Event of Default under this Agreement and under all of the other Loan Documents:

A. Borrower fails in the timely payment or performance of any obligation, covenant, agreement, or liability created by, or a breach, default, or Event of Default occurs under or in connection with, this Agreement or any of the other Loan Documents, or any agreement, document, obligation, or transaction contemplated by this Agreement or any of the other Loan Documents;

B. The determination by Lender, in Lender's reasonable discretion, that any representation, warranty, or financial statement made by or on behalf of Borrower in any of the Loan Documents or any document contemplated by any of the Loan Documents is, or was, false or materially misleading when made or furnished.

C. Borrower is dissolved, any Guarantor dies, or, without Lender's prior written consent, any of the ownership interests in the Borrower's assets change, or are transferred or altered in any manner, whether by operation of law or otherwise;

D. A receiver, trustee, or custodian is appointed for all or any part of the Borrower's property or assets, or any part of the Borrower's property or assets is assigned for the benefit of creditors, or Borrower files a voluntary petition in bankruptcy or a voluntary petition seeking reorganization, adjustment, readjustment of debts, or any other relief under the United States Bankruptcy Code ( the "Bankruptcy Code"), as amended, or any insolvency act or law, state or federal, now or hereafter existing, or any involuntary petition is filed against Borrower in bankruptcy or seeking reorganization, arrangement, readjustment of debts, or any other relief under the Bankruptcy Code, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing ( the occurrence of any of the foregoing events is sometimes hereinafter referred to as an "Act of Bankruptcy");

E. The occurrence of a breach, default, or Event of Default in any term, condition or covenant of any guaranties at any time executed and delivered in connection with the Loan; the death or incapacity of any Guarantor; the occurrence of an Act of Bankruptcy with respect to any Guarantor; a determination, by Lender in Lender's sole and absolute discretion, that any Guarantor is insolvent or that such Guarantor's financial condition has been materially and adversely affected; or a determination, by Lender in Lender's sole and absolute discretion, that any Guaranty is, or may be, wholly or partially legally ineffective for any reason.

F. Any judgment is entered against Borrower which, in Lender's reasonable opinion, may materially and adversely affect Borrower's financial condition;

G. Borrower fails to timely pay Borrower's debts as they mature;

H. Any material adverse change in Borrower's financial condition takes place, or any event occurs which, in Lender's reasonable opinion, is substantially likely to cause a material adverse change in Borrower's ability to perform Borrower's obligations hereunder or under any of the other Loan Documents; or

I. Any of the Loan Documents executed and delivered in connection herewith shall for any reason cease to be in full force and effect in accordance with such document's specific terms.

#### SECTION 6.02 REMEDIES UPON BREACH, DEFAULT, OR EVENT OF DEFAULT

Upon the occurrence of a breach, default or Event of Default, all or any portion of the payment or other obligations due or to become due from Borrower to Lender, whether arising hereunder, under the Note, or in connection with any of the other Loan Documents, shall, at Lender's



option and without notice to Borrower, accelerate and become at once due and payable ( or performable as applicable) in full, and Lender shall have all rights and remedies created by or arising from the Loan Documents, together with all other rights and remedies existing at law, in equity, or by agreement including, but not limited to, the right to foreclose on the Real Property or any portion thereof.

Additionally, upon the occurrence of a breach, default, or Event of Default, and notwithstanding any notice provisions hereinabove set forth, Lender shall have the right, immediately and without prior notice or demand, to set-off against Borrower's obligations Lender, whether or not due, all money and other amounts owed by Lender in any capacity to Borrower or any entity controlled by or related to Borrower including, but without limiting the generality of the foregoing, checking accounts and savings accounts, and Lender shall be deemed to have exercised such right of set-off and to have made a charge against any such money or amounts immediately upon occurrence of a breach, default, or Event of Default, even though such charge is entered on Lender's books subsequent thereto.

In addition to the foregoing, and not in lieu thereof, upon the occurrence of a breach, default, or Event of Default, Lender shall be entitled to: (i) operate, manage, and maintain the business of Borrower, (ii) remove or replace members of the Board of Directors of Borrower, (iii) require Borrower to employ a professional management company, selected by Lender, (iv) enforce, terminate, modify, pay, and take any other act or acts which Lender, in its sole discretion, deems necessary or advisable with respect to the Loan, (v) pay all expenses or indebtedness incurred in the management and operation of the business of Borrower or otherwise related to the Collateral or the Other Security, (vi) establish and enforce rules and regulations for the business of Borrower, the Collateral, or the Other Security, (vii) pay taxes, special assessments, liens, utility charges, insurance premiums, and other charges involving or related to the business of Borrower and the Collateral or the Other Security, and cause such amounts to be added to the principal of the Loan and to become immediately due and payable, (viii) prosecute, defend, and settle disputes and suits arising out of or otherwise relating to the collateral, the Other Security, or this Agreement, (ix) execute such documents and instruments as Lender, in its sole and absolute discretion, deems necessary or advisable regarding the operation and management of the business of Borrower, the Collateral, or the Other Security, (x) do any and all acts which Borrower might do with respect to the operation and management of the business of Borrower, the collateral, or the Other Security, (xi) exercise all rights and remedies afforded Lender by agreement, in equity, and under all applicable Laws including, but not limited to, rights and remedies established for secured parties by the Uniform Commercial Code as adopted in Idaho and rights and remedies relating to injunctive relief. Nothing contained herein will be construed as making Lender a 'mortgagee in possession'.

No failure or delay on the part of Lender in exercising any remedy, right, power, or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other remedy, right, power, or privilege provided at law, in equity, or by agreement. The rights, remedies, powers, and privileges provided herein are cumulative and not exclusive of any other rights, remedies, powers, or privileges of Lender, whether at law, in equity, or by agreement.

#### SECTION 6.03. REMEDIES, RIGHTS, POWERS, AND PRIVILEGES CUMULATIVE

The remedies, rights, powers, and privileges herein conferred are cumulative and not exclusive of any other remedies, rights, powers, and privileges and shall be in addition to every other remedy, right power, and privilege that Lender may have, whether specifically granted herein, or hereafter existing at law, in equity, or by agreement; and any and all such remedies, rights, powers and privileges may be exercised from time to time and as often and in such order as Lender may deem expedient. The exercise of any remedy, right, power, or privilege shall not be deemed an election of





remedies, and Lender may exercise any remedy, right, power, or privilege, individually or collectively, at any time after the occurrence of a breach, default, or Event of Default.

#### SECTION 6.04. NO WAIVER OF RIGHTS

No delay or omission in the exercise or pursuance by Lender of any remedy, right, power, or privilege shall impair any such remedy, right, power, or privilege or shall be construed by Borrower to be a waiver thereof by Lender, and Lender is hereby expressly authorized to retroactively exercise any such remedy, right, power, or privilege.

#### SECTION 6.05. INDEMNIFICATION

Borrower agrees to defend Lender, indemnify Lender, and hold Lender harmless from, of, against, and with respect to any and all losses, damages, claims, causes of action, or other liabilities of any nature including, but not limited to, any claim for attorneys' fees, by any person or entity, arising as a result of on in connection with a breach, default, or Event of Default, by Borrower, of any of the terms, conditions, warranties, representations, and covenants of this Agreement or any of the other Loan Documents, or Lender's enforcement of any of Lender's remedies, rights, powers, or privileges under this Agreement or any of the other Loan Documents, or Lender's enforcement of any of Lender's remedies, rights, powers, or privileges under any other agreement, document or instrument between Borrower and Lender, whether or not such agreement, document, or instrument relates to the Loan.

### **ARTICLE VII MISCELLANEOUS**

#### SECTION 7.01: WAIVER OF NOTICE

No failure or delay on the part of the Lender in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No modification or waiver of any provision of this Loan Agreement or of the Note nor any consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

#### SECTION 7.02: AMENDMENTS

The Borrower and the Lender or its Assigns, with the concurrence of the Lender, hereby expressly reserve all rights to amend any provisions of this Agreement, to consent to or waive any departure from the provisions of this Loan Agreement, to amend or consent to or waive departure from the provisions of the Note, and to release or otherwise deal with any collateral security for payment of the Note provided, however, that all such amendments be in writing and executed by the Lender or its Assigns, the Borrower and the Lender.

#### SECTION 7.03: NOTICES

All notices, consents, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given to a party hereto if mailed by certified mail, prepaid, to the Lender, Borrower or any Guarantors as follows or at such other addresses as any party may have designated in writing to any other party hereto:



Lender: American Charter Development, LLC  
775 West 1200 North, Ste. 100  
Springville, Utah 84663

cc: Mark T. Morley  
PO Box 456  
Price, Utah 84501

Borrower: The Village Charter School  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

#### SECTION 7.04: PAYMENTS

The Borrower will make payments to the Lender in accordance with the terms, conditions and instructions contained in the Note and in the Loan Documents at Lender's address stated above, unless giving notice otherwise by Lender.

#### SECTION 7.05: SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All agreements, representations, and warranties made by the Borrowers herein or any other document or certificate delivered to the Lender in connection with the transactions contemplated by this Loan Agreement shall survive the delivery of this Agreement, and the Loan Documents, and shall continue in full force and effect so long as the Note is outstanding.

#### SECTION 7.06: SUCCESSORS AND ASSIGNS

This Loan Agreement and the Loan Documents shall be binding upon the Borrower, its Successors, and Assigns, except that the Borrower may not assign or transfer its rights without prior written consent of the Lender. This Agreement shall inure to the benefit of the Lender, its Successors, and Assigns, and, except as otherwise expressly provided in particular provisions hereof, all subsequent holders of the Note. Borrower acknowledges and agrees that Lender at any time shall be entitled to sell, assign, or otherwise transfer to one or more third parties all or a portion of Lender's interests in the Loan and the Loan Documents. Borrower acknowledges that such a transfer or sale shall not affect Borrower's duties and obligations under the Loan Documents.

Additionally, Borrower agrees that notwithstanding any transfer of participation interests by Lender to third parties, Lender shall be entitled, on Lender's own behalf and as the duly appointed representative of all of the Lender's transferees in the Loan, to enforce all of the rights and remedies set forth in the Loan Documents.

#### SECTION 7.07: COUNTERPARTS AND DUPLICATE ORIGINALS

This Loan Agreement and the Loan Documents may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Two (2) original sets of the Loan Documents shall be signed at closing and delivered to Lender.

#### SECTION 7.08: GOVERNING LAW





This Loan Agreement and the Note and Security Agreements, and Financing Statements shall be deemed contracts made in the State of Utah and for all purposes shall be construed in accordance with the laws of the State of Utah. Unless otherwise expressly designated by Lender, exclusive jurisdiction for any action arising out of or relating to this Agreement or to the Loan Documents shall be in the courts of Utah County, Utah.

SECTION 7.09: ARTICLE AND SECTION HEADINGS

Article and Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

SECTION 7.10: AUTHORITY TO MAKE INSERTION / CLERICAL ERRORS

Borrower agrees that Lender may, and hereby is authorized and appointed as Borrower's attorney-in-fact to correct any and all clerical errors in Loan Documents executed by Borrower, including but not limited to the correction of any erroneous loan numbers or references, incorrect street addresses or loan amounts and, further, to insert on behalf of Borrower the date of issuance, the date of maturity, the payment schedule (including the payment commencement date and payment termination date), the interest rate, the monthly payment amount, and the like on the signed Note, Trust Deed and Loan Documents.

SECTION 7.11: BORROWER DEFINED / USE OF PRONOUNS

(a) The word "Borrower" shall be deemed and taken to mean each and every person or party executing this document as a Borrower herein. If there is more than one person or organization set forth on the signature line as the Borrower, their liability hereunder shall be joint and several. If there is more than one Borrower, any notice required or permitted by the terms of this Loan Agreement may be given by or to anyone thereof, and shall have the same force and effect as if given by or to all thereof.

(b) The use of the neuter singular pronoun to refer to Borrower or Lender shall be deemed a proper reference even though Borrower or Lender may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Loan Agreement apply in the plural sense where there is more than one Borrower and the corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each fully expressed.

SECTION 7.12: OTHER LOAN DOCUMENTS

Borrower shall execute the following loan documents in connection with this Loan and such other documents as Lender deems necessary:

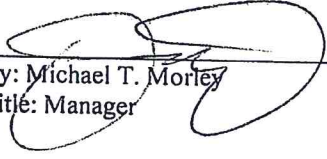
1. Loan Agreement
2. Non-Revolving Promissory Note

[REMAINDER OF THE PAGE IS INTENTIONALLY LEFT BLANK]


A handwritten signature in black ink, appearing to be initials or a stylized name, located in the bottom right corner of the page.

IN WITNESS WHEREOF, the parties hereto have each caused this Loan Agreement to be duly executed as of the day and year first written above.

Lender: American Charter Development, LLC

By:   
Title: Manager

Borrower: The Village Charter School, an Idaho nonprofit corporation

By:  , Executive Director TVCS  
Title: *Veritas Charter School Services*







## INFINITE CAMPUS END USER LICENSE AGREEMENT

This Infinite Campus End User License Agreement ("**Agreement**") is made between **Infinite Campus, Inc.**, a Minnesota corporation located at 4321 109<sup>th</sup> Avenue NE, Blaine, MN 55449-6794 ("**Company**") and **The Village Charter School**, with offices located at 219 North Roosevelt, Boise, ID 83706 ("**Licensee**").

### RECITALS

- A. Company has developed certain proprietary student information software and as updated and revised by Company from time to time (the "**Infinite Campus Product**"), and Company has licensed from third parties or developed such other products and services as offered by Company and as amended by Company from time to time (the "**Infinite Campus Additional Products**"). The Infinite Campus Product, and the Infinite Campus Additional Products are collectively referred to as the "**Infinite Campus Products**";
- B. Company or a Company authorized service provider provides certain services for the Infinite Campus Products, including software implementation services, software maintenance services, training services, product support services, technical support services and application hosting services (the "**Infinite Campus Services**");
- C. Company and Licensee desire to enter into this Agreement for the purpose of facilitating the licensing of certain Infinite Campus Products, and delivery of certain Infinite Campus Services, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the terms and conditions hereinafter stated, it is agreed as follows:

### 1.0 Grant of License

- 1.1 Type of License. Subject to the terms and conditions hereof, Company agrees to grant Licensee a non-exclusive, non-transferable, non-sublicensable, right and license to the Infinite Campus Products identified on Exhibit A and the related documentation ("**Documentation**") described on Exhibit A. Licensee shall install and use the Infinite Campus Products and the Documentation solely for its own internal use and for the purposes for which such Infinite Campus Products and Documentation were designed.
- 1.2 Additional Terms and Conditions. In addition to the terms of this Agreement,

## INFINITE CAMPUS END USER LICENSE AGREEMENT

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termination, Licensee and its employees and agents shall maintain the confidentiality of this information and not sell, license, publish, display, distribute, disclose or otherwise make available this information to any third party nor use such information other than to inform permitted users of the conditions and restrictions on the use of the Infinite Campus Products or the Documentation set, and to the extent permitted by law, Licensee will not disclose the terms and conditions of this Agreement without the prior written consent of Company.

### 3.0 Payment

- 3.1 Payment Terms. Licensee will pay Company or Company's Authorized Channel Partner the License Fees as provided in Exhibit A.
- 3.2 Taxes. All amounts set forth for payment are exclusive of applicable sales and similar taxes and it shall be Licensee's responsibility to add to the amounts payable, and to pay all such taxes, if applicable.

### 4.0 Indemnification; Warranties

#### 4.1 Indemnifications

- 4.1.a If Licensee notifies Company in writing and gives Company sole control over the defense and all related settlement negotiations, Company will defend, hold harmless and indemnify Licensee against any damages finally awarded or amounts paid in settlement as a result of any claim or threat of claim brought by a third party against Licensee to the extent based on an allegation that: (i) Products for which Licensee has licensed from Company infringes any U.S. patent, copyright, trademark, trade secret or other proprietary right of a third party, or (ii) a defective Product directly caused death or personal injury; provided that Licensee did not alter, modify, or otherwise change the Product or software that gave rise to such claim.
- 4.1.b To the extent permitted by law, Licensee will defend, hold harmless and indemnify Company against any claim or threat of claim brought by a third party against Company arising out of the acts or omissions of Licensee or its employees, excluding acts or omissions expressly required or prescribed by this Agreement.
- 4.1.c If either party seeks indemnification provided for in this Section, each party seeking indemnification will cooperate with and provide



BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES OF QUALITY OR PERFORMANCE, OR AS A RESULT OF A COURSE OF DEALING OR USAGE OF TRADE, WITH RESPECT TO THE INFINITE CAMPUS PRODUCTS AND ANY MAINTENANCE, SUPPORT OR OTHER SERVICES.

## 5.0 Limitations of Liability

EXCEPT TO THE EXTENT INCLUDED IN AN AWARD SUBJECT TO COMPANY'S INDEMNITY OBLIGATION, IN NO EVENT WILL COMPANY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES OF ANY NATURE, SUCH AS LOST BUSINESS PROFITS. COMPANY'S TOTAL LIABILITY WILL BE LIMITED TO THE LICENSE FEES ACTUALLY PAID BY LICENSEE TO INFINITE CAMPUS FOR THE APPLICABLE INFINITE CAMPUS PRODUCTS, SUBJECT HOWEVER TO A TWELVE (12) MONTH STRAIGHT LINE DEPRECIATION COMMENCING ON THE DATE OF DELIVERY OF SUCH INFINITE CAMPUS PRODUCTS.

## 6.0 Agreement Term and Termination

- 6.1 Agreement Term. The term of this Agreement (the "Agreement Term") shall begin upon the latest date indicated below the signature of either party ("Effective Date"), and shall remain in effect until terminated pursuant to Section 6.2.
- 6.2 Agreement Termination. This Agreement may be terminated as follows:
- 6.2.a either party may terminate this Agreement, with or without cause, with no less than thirty (30) days written notice.
  - 6.2.b either party may terminate this Agreement if one party's actions expose the other party to any violation of law and fails to cure such actions within 15 days of notice thereof;
  - 6.2.c either party may terminate this Agreement and any other active agreement with the other party if the other party fails to fully perform any material obligation under this Agreement with thirty (30) days to cure;
  - 6.2.d notwithstanding the foregoing, if the Licensee violates the provisions of Sections 2.0 of this Agreement the Company may terminate this Agreement immediately without notice.

Campus Products, as described in Exhibit C, in accordance with the payment terms set forth in Section 3.0 of this Agreement.

## 8.0 Application Hosting

Company and Licensee agree to the terms and conditions of Exhibit B, the Application Hosting Services, which is attached hereto and fully incorporated herein. Licensee shall be billed for the Infinite Campus Services for Application hosting, as described in Exhibit B, in accordance with the payment terms set forth in Section 3.0 of this Agreement.

## 9.0 Training, Data Conversion and Project Management Services

Training Services, Data Conversion Services, or Project Management Services requested by Licensee during the Initial Term or following the Initial Term shall be provided for an additional charge, in accordance with an Implementation Services Agreement provided by Infinite Campus or authorized service partner.

## 10.0 General Terms and Conditions

10.1 Assignment. Licensee shall not, voluntarily or involuntarily, sublicense, sell, assign, give or otherwise transfer this Agreement. Any such transfer or attempted transfer shall be null and void. Company has the right to assign or otherwise transfer its rights and obligations under any of this Agreement, whether voluntarily, involuntarily, or by operation of law.

10.2 Governing Law. This Agreement will be governed and interpreted under the laws of the state of Minnesota, U.S.A, without regard to its conflict of laws provisions. Any action arising out of or related to this Agreement must be brought within one (1) year from the first date such action could have been brought, despite any longer period provided by statute. If a longer period is provided by statute, the parties hereby expressly waive it.

10.3 Amendments; Waiver. This Agreement shall not be amended or modified except in writing by duly authorized representatives of the parties that refer specifically to this Agreement. The failure of either party to enforce at any time or for any period of time the provisions hereof shall not be construed to be a waiver of such provisions or of the right to enforce each and every such provision.

10.4 Severability. If a court of competent jurisdiction holds that any provision of this Agreement is invalid or unenforceable, the remaining portions of this Agreement



INFINITE CAMPUS END USER LICENSE AGREEMENT

Blaine, MN 55449-6794

Boise, ID 83706

Either party may give notice of its change of address for receipt of notices by giving notice in accordance with this section.

- 10.8 Applicable Law. Company complies with applicable laws governing online privacy, including the Child Privacy Protection and Parental Empowerment Act, the Family Educational Right to Privacy Act and the Children’s Online Privacy Protection Act. Licensee may review these laws and their related regulations by logging on to the U.S. Federal Trade Commission’s website at <http://www.ftc.gov>.
- 10.9 Export Rules. Licensee agrees that the Infinite Campus Products will not be shipped, transferred or exported into any country or used in any manner prohibited by the United States Export Administration Act or any other export laws, restrictions or regulations (collectively the “Export Laws”). In addition, if the Infinite Campus Products are identified as export controlled items under the Export Laws, Licensee represents and warrants that Licensee is not a citizen, or otherwise located within, an embargoed nation (including without limitation Iran, Iraq, Syria, Sudan, Libya, Cuba, North Korea, and Serbia) and that Licensee is not otherwise prohibited under the Export Laws from receiving the Infinite Campus Products. All rights to use the Infinite Campus Products under this Agreement are granted on the condition that such rights are forfeited if Licensee fails to comply with the terms of this Section 10.9.

IN WITNESS WHEREOF, this Infinite Campus End User License Agreement has been executed by the duly authorized representative of Company and Licensee as of the Effective Date below.

Infinite Campus, Inc.

By: *Eric Creighton*

Name: Eric Creighton

Title: Chief Operating Officer

Date: 10/24/11

The Village Charter School

By: *Teresa England*

Name: Teresa England

Title: Principal

Date: July 2011

## EXHIBIT B

### REMOTE APPLICATION HOSTING SERVICES

#### 1.0 Reference to Agreement

This Application Hosting Services Agreement is subject to and incorporates all of the provisions stated in the End User License Agreement between **Infinite Campus, Inc.**, ("**Company**") and **The Village Charter School**, ("**Licensee**") as of the Effective Date.

#### 2.0 Infinite Campus Services, Fees

During the Initial Term, Company shall provide Licensee with Infinite Campus Services according to the fees described in the table below:

Description	Quantity	Cost Per	Total
Annual Infinite Campus Services, Application Hosting Services – SIS	250	\$1.00	\$250.00
<b>Total Hosting Fee:</b>			<b>\$250.00</b>



#### 3.0 Reoccurring Annual Service Fee

Following the Initial Term, for each Subsequent Term, Licensee shall pay annual fees according to the then current fees for the Infinite Campus Services. Company shall have the right to review the number of students enrolled and, in the event that the total number of enrolled students is more than **two hundred fifty (250)**, increase the license count and add additional services fees according to the then current services fees for the licensed Infinite Campus Products.

#### 4.0 Services

During the term of the License, and subject to payment of the fees for the Infinite Campus Products and the fees for the Infinite Campus Services, Company shall provide the following services (the "Application Hosting Services") to Licensee:

##### 4.1 Included Services

4.1.a System Hardware. Company shall provide remote access to a digital information



4.1.g Disaster Recovery. Company shall maintain backup servers and data communications connections to such servers and maintain backups of Licensee Content (defined below) on such backup servers such that Company shall be capable of providing Application Hosting Services on and from such backup servers within seventy-two (72) hours of any disruption of Application Hosting Services.

4.2 Additional Services

4.2.a Network Analysis and Documentation. Prior to the installation of the Infinite Campus Products and System Hardware, a Network Analysis and resulting Documentation of the analysis is required. The resulting Documentation is the defined supported environment, identifying all network components, including firewalls, proxy servers, routers, switches, etcetera. This can be provided by the Licensee, accomplished with Licensee resources or can be provided by Company for an additional fee.

4.3 Excluded Services

- (a) Support of Client Desktops
- (b) Support or diagnosis of Local Area Network connectivity
- (c) Local Area Network device configuration such as proxy servers

5.0 Availability of Services

Subject to the terms and conditions of this Agreement, Company shall use its best commercial efforts to provide the Application Hosting Services for twenty-four (24) hours a day, seven (7) days a week throughout the term of this Agreement.

5.1 Downtime

Licensee agrees that from time to time the Application Hosting Services may be inaccessible or inoperable for various reasons, including (i) equipment malfunctions; (ii) periodic maintenance procedures or repairs which Company may undertake from time to time; or (iii) causes beyond the control of Company or which are not reasonably foreseeable by Company, including interruption or failure of telecommunications or digital transmission links, hostile network attacks, network congestion or other failures (collectively "Downtime").

5.2 Advance Notice

limitation, trade or service marks, images, photographs, illustrations, graphics, audio clips, video clips, e-mail or other messages, metatags, domain names, software and text (the "Licensee Content"). The Licensee Content shall also include any registered domain names provided by Licensee or registered on behalf of Licensee in connection with the Application Hosting Services.

## 8.2 Grant of Use

In consideration of Company's satisfactory performance of all obligations of this Agreement, for the term of this Agreement, Licensee grants to Company a nonexclusive, worldwide and royalty-free "Grant of Use" to copy, display, use and transmit on and via the Internet the Licensee Content, **solely for the benefit of Licensee** and in accordance with Company's performance or enforcement of this Agreement.

## 8.3 Alterations

Except as provided herein or by law, Company may not alter, modify, change, remove or disable access to all or any portion of the Site or Licensee Content stored on the Server.

## 8.4 Ownership of Licensee Content

Company acknowledges that the Licensee Content is owned solely by the Licensee. Following termination of this Agreement, Licensee shall remove or request that the Company remove on a fee for service basis, all Licensee Content from Infinite Campus Products and thereafter expunge all copies of the Infinite Campus Products from its computer(s) and server(s) and provide a certificate of an officer of Licensee confirming compliance with the same. Company further warrants that they shall not lease, sell, rent or otherwise disclose Licensee Content to any third party without prior consent of the Licensee.

## 9.0 Warranty Provisions

### 9.1 Warranty of Company

The warranty provisions contained in the End User License Agreement are incorporated herein by reference.

### 9.2 Warranty of Licensee



## EXHIBIT C

### SOFTWARE SUPPORT SERVICES

#### 1.0 Reference to Agreement

This Software Support Services Schedule is subject to and incorporates all of the provisions stated in the End User License Agreement between **Infinite Campus, Inc.**, ("Company") and **The Village Charter School**, ("Licensee") as of the Effective Date.

#### 2.0 Infinite Campus Services, Fees

During the Initial Term, Company shall provide Licensee with Infinite Campus Services according to the fees described in the table below:

Description	Quantity	Cost Per	Total
Infinite Campus Services, Software Support – SIS	250	Min.	\$3,500.00
<b>Total Support Fee:</b>			<b>\$3,500.00</b> ✓

Following the Initial Term, for each Subsequent Term Licensee shall pay annual fees according to the then current fees for the Infinite Campus Services. Company shall have the right to review the number of students enrolled and, in the event that the total number of enrolled students is more than **two hundred fifty (250)**, increase the license count and add additional services fees according to the then current services fees for the licensed Infinite Campus Products.

#### 3.0 Infinite Campus Services

During the term of the License, and subject to payment of the fees for the Infinite Campus Products and the fees for the Infinite Campus Services, Infinite Campus shall provide the following Infinite Campus Services (the "Software Support Services") to Licensee:

##### 3.1 Software Maintenance

Updates to the licensed Infinite Campus Products, electronic manuals, training modules, tech notes.

In the event Company performs services to diagnose a defect that Licensee claims exists in the Infinite Campus Products and Company subsequently demonstrates the Infinite Campus Products conforms to specifications as described in Section 4.2 of the Infinite Campus End User License Agreement, Licensee will reimburse Company for such services in accordance with this Agreement, or otherwise at then-current rates.

## 7.0 Major Alarm

### 7.1 Definition of a Major Alarm

A "Major Alarm" is defined as one of the following: (i) a complete failure of the Infinite Campus software system that results in the inability by Licensee to use the Infinite Campus software, (ii) the loss, corruption or unintended migration of Infinite Campus SIS data, (iii) the loss of an Infinite Campus function that supports an urgent business process (i.e. report card issuance), or (iv) an Infinite Campus interface failure that results in the inability by the Licensee to use the Infinite Campus software.

### 7.2 Definition of Response

"Response" is defined as contacting the Licensee in response to receipt of a trouble ticket and working with Licensee to solve the problem. Once a trouble ticket has been documented, updates will be provided to the Licensee a minimum of twice a day until a Major Alarm has been resolved or the urgency level associated with the trouble ticket has been down graded by the Licensee. Company will work diligently to solve all Licensee problems; however, Company cannot provide any guarantee as to when a Major Alarm will be resolved.

### 7.3 Response Time for a Major Alarm.

7.3.a E-support response time – within two (2) hours.

7.3.b Phone support – within one (1) hour.

## 8.0 Non-Major Alarm

### 8.1 Definition of Response

"Response" is defined as contacting the Licensee in response to receipt of a trouble ticket and working with the Licensee to solve the problem. Once a trouble ticket has been documented, updates will be provided to the Licensee on a reasonable ongoing basis until a Non-Major Alarm is resolved. Company will work diligently to solve all Licensee problems; however, Company cannot provide any guarantee as to when a





## INFINITE CAMPUS QUICK START KIT AGREEMENT

This Infinite Campus Quick Start Kit Agreement ("**Agreement**") is made between **Infinite Campus, Inc**, a Minnesota corporation located at 4321 109<sup>th</sup> Avenue NE, Blaine, MN 55449-6794 ("**Company**") and **The Village Charter School**, with offices located at 219 North Roosevelt, Boise, ID 83706 ("**Client**").

### RECITALS

- A. Client finds that the Company is willing to perform certain work hereinafter described in accordance with the provisions of this Agreement; and
- B. Client finds that the Company is qualified to perform the work, all relevant factors considered, and that such performance will be in furtherance of Client's business.
- C. Company has developed certain proprietary (i) student information software and as updated and revised by Company from time to time (the "**Infinite Campus Product**"), and (ii) such other products and services as offered by Company and as amended by Company from time to time (the "**Infinite Campus Additional Products**"). The Infinite Campus Product, and the Infinite Campus Additional Products are collectively referred to as the "**Infinite Campus Products**";
- D. Company provides a Quick Start Kit and certain services for the Infinite Campus Products, including remote project management and other services known collectively as "Infinite Campus University", (the "**Infinite Campus Services**");
- E. Company and Client desire to enter into this Agreement for the purpose of facilitating the use of the Quick Start Kit and related services of certain Infinite Campus Products subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the terms and conditions hereinafter stated, it is agreed as follows:

2.4 Survivorship

Those sections that by their nature survive expiration or termination of this Agreement will survive such expiration or termination.

3.0 Payment Terms

3.1 Payment Terms

Client will pay Company the Fees and Expenses monthly as incurred, net 30 days from date of invoice.

3.2 Taxes

All amounts set forth for payment are exclusive of applicable sales and similar taxes and it shall be Client 's responsibility to add to the amounts payable, and to pay all such taxes if applicable.

4.0 Limitations of Liability

EXCEPT TO THE EXTENT INCLUDED IN AN AWARD SUBJECT TO COMPANY'S INDEMNITY OBLIGATION, IN NO EVENT WILL COMPANY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE OR SPECIAL DAMAGES OF ANY NATURE, SUCH AS LOST BUSINESS PROFITS. COMPANY'S TOTAL LIABILITY WILL BE LIMITED TO THE LICENSE FEES ACTUALLY PAID BY LICENSEE TO INFINITE CAMPUS FOR THE APPLICABLE INFINITE CAMPUS PRODUCTS, SUBJECT HOWEVER TO A TWELVE (12) MONTH STRAIGHT LINE DEPRECIATION COMMENCING ON THE DATE OF DELIVERY OF SUCH INFINITE CAMPUS PRODUCTS.

5.0 General Terms and Conditions

5.1 Performance

Company represents and warrants that, (a) the work to be performed and services to be provided by it under this Agreement will be rendered using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel; (b) the work will be configured using commercially reasonable technical specifications; (c) the work will operate in conformance with the terms of this Agreement; (d) the work to be performed by it under this agreement will not violate any law, statute, ordinance or regulation (including without limitation the laws and regulations governing export control, unfair competition,



5.6 Headings and Construction

Paragraph headings are for reference only and will not be considered as parts of this Agreement. Wherever the singular is used, it includes the plural, and, wherever the plural is used, the singular is included.

5.7 Force Majeure

Except for the obligation to make payments, neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including acts of war, acts of God, earthquake, flood, embargo, riot, sabotage, labor shortage or dispute, governmental act or failure of the Internet (not resulting from the actions or inactions of Company), provided that the delayed party: (i) gives the other party prompt notice of such cause, and (ii) uses its reasonable commercial efforts to promptly correct such failure or delay in performance.

5.8 Entire Agreement

This Agreement supersedes all previous agreements and representations of, between or on behalf of the parties in regard to the subject matter herein. Any document, instrument, or agreement issued or executed contemporaneous or subsequent to this Agreement shall not alter the terms and conditions of this Agreement. This Agreement contains all of Company's and Client's agreements, warranties, understandings, conditions, covenants and representations in regard to the subject matter herein. Neither Company nor Client will be liable for any warranties, understandings, conditions, covenants or representations not expressly set forth or referenced in this Agreement. Client acknowledges that Company reserves the right to refuse any different or additional provisions in purchase orders, invoices or similar documents, and such refused provisions will be unenforceable.

5.9 Notices

Any notice under this Agreement, including notices of changes in the Specifications and Practices and Procedures, must be in writing and will be deemed given upon the earlier of actual receipt or ten (10) days after being sent by first class mail, return receipt requested, to the address set forth below for Company and to the address designated on page one (1) of this Agreement by Advocate for receipt of notices, or as may be provided by the parties

Infinite Campus, Inc.  
Sales Contracts Management

The Village Charter School



The Village Charter School  
219 North Roosevelt  
Boise, ID 83706  
Implementation: Infinite Campus/Joe Fox  
Current SIS: None-New School This year

Term Begin Date: July 1, 2011 **\*\*QUICK START KIT\*\***  
Target Go-Live Date: July 13, 2011  
Term End Date:  
Hosting: ASP  
Students: 250

Initial License Fee @ \$6.00 per student:	\$1,500.00
Initial Hosting Fee @ \$1.00 per student:	\$250.00
Initial Support Fee @ Minimum:	\$3,500.00
Messenger Fee @ \$0.90 per student:	\$
Messenger Support Fee @ \$0.25 per student:	\$
Messenger SMS Service Setup Fee @ \$500 (ShoutPoint collects):	\$
Messenger Remote Dial-In Setup Fee @ \$500:	\$
Food Service Fee @ \$2.00 per student:	\$
Food Service Support Fee @ \$0.40 per student:	\$
Campus Data Warehouse Server:	\$
Campus Data Warehouse Setup & Support:	\$
Infinite Campus University Training @ Minimum:	\$1,000.00
Data Health Check @ \$0.25 per student or Minimum:	\$
Continuous Backup @ \$0.75 per student or min/max:	\$
Campus Services; Quick Start Kit @ \$2,000:	\$2,000.00
Campus Services; Data Review Days @ \$1,200 per day:	\$
Campus Services; Data Import Days @ \$1,200 per day:	\$
Campus Services; Pre Go-live Site Review Days @ \$1,200 per day:	\$
Campus Services; Project Management Days @ \$1,200 per day:	\$
Hardware; IBM Terminals @ \$1,999 per unit:	\$
<b>Total Prepaid Campus Services:</b>	<b>\$2,000.00</b>
<b>Total Prepaid Annually:</b>	<b>\$6,250.00</b>