

MANAGEMENT AGREEMENT

This Management Agreement (the "**Agreement**") is made and entered into as of the 1st day of February, 2007, by and between **National Heritage Academies, Inc.** a Michigan corporation ("**NHA**"), and Landmark Academy at Reunion, a Colorado charter school (the "**Academy**").

RECITALS

The Academy is a charter school, organized as a public school pursuant to C.R.S. §§ 22-30.5-101 et seq., which authorizes the formation of charter schools (the "**Charter School Law**"). In accordance with C.R.S. § 22-30.5-104(4), the Academy has been incorporated as a nonprofit Colorado corporation, which incorporation does not affect its status as a public charter school for any purposes under Colorado law. Except to the extent expressly waived in accordance with the terms of the Charter School Law, the Academy is subject to the Colorado laws applicable to Colorado public schools (the "**Colorado School Laws**"), including without limitation Article 22 of the Colorado Revised Statutes. The Academy submitted an application (the "**Application**") for, and was issued, a contract (the "**Charter Contract**") by the Brighton School District 27J (the "**Authorizer**") to organize and operate a public school charter school, with Authorizer as the authorizing body.

The Academy and NHA desire to create an enduring educational alliance, whereby the Academy and NHA will work together to promote educational excellence and innovation, based on NHA's school design, comprehensive educational program and management principles.

In order to facilitate the organization and opening of the Academy, and to implement an innovative educational program at the Academy, the parties desire to establish this arrangement for the management and operation of the Academy.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually agreed as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

A. Authority. The Academy represents that it is authorized by law to contract with a private entity for educational, business administration and management services. The Academy is vested with all powers necessary to operate the Academy and to implement the educational program contemplated in the Charter Contract.

B. Management Agreement. The Academy hereby contracts with NHA, to the extent permitted by law, for the provision of all labor, materials, equipment, facilities and supervision necessary for the provision of educational services to students, and the management, operation and maintenance of the Academy in accordance with the educational goals, curriculum, methods of pupil assessment, admission policy and criteria, school calendar and school day

schedule, age and grade range of pupils to be enrolled, educational goals, and methods used to monitor compliance with performance of targeted educational outcomes, all as adopted by the Academy's Board of Directors (the "**Board**") and/or included in the Academy's Charter Contract.

C. Designation of Agents. The Board designates the employees of NHA as agents of the Academy having a legitimate educational interest such that they are entitled to access to educational records under 20 U.S.C. §1232g, the Family Educational Rights and Privacy Act ("**FERPA**").

D. Status of the Parties. NHA is a for-profit Michigan corporation qualified to do business in Colorado, and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Charter School Law, and is not a division or part of NHA. The parties to this Agreement intend that the relationship created by this Agreement is that of an independent contractor and not employer - employee. Except as expressly provided in this Agreement, no agent or employee of NHA shall be deemed to be the agent or employee of the Academy. NHA shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship between NHA and the Academy is based solely on the terms of this Agreement, and the terms of any other written agreements between NHA and the Academy.

ARTICLE II

TERM

A. Term. This Agreement shall be effective as of February 1, 2007 and shall continue until termination or expiration of the Charter Contract. The first academic year of this agreement shall be from July 1, 2007 to June 30, 2008 and each academic year thereafter shall commence on July 1 and end on June 30 of the following year.

ARTICLE III

FUNCTIONS OF NHA

A. Responsibility. NHA shall be responsible and accountable to the Board for the administration, operation and performance of the Academy in accordance with the Charter Contract. NHA's responsibility is expressly limited by: (i) the Academy's budget as approved and amended from time to time by the Board (the "**Budget**"), and (ii) the availability of state funding to pay for said services. Neither NHA nor the Academy shall be required to expend Academy funds on services in excess of the amount set forth in the Budget.

B. Educational Program. NHA agrees to implement the educational goals and programs as set forth in the Charter Contract (the "**Educational Program**"). In the event NHA determines that it is necessary to materially modify the Educational Program, NHA shall inform the Board of the proposed changes and obtain Board approval, and if required under the Charter Contract, approval of the Authorizer. The parties hereto acknowledge that an essential principle

of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency. The Board and NHA each agree that they are interested in results and not in inflexible prescriptions. Not less than annually, and otherwise as requested, NHA will provide the Board with updated reports on progress towards implementing each of the educational goals set forth in the Educational Program.

C. Specific Functions. Subject to the oversight and authority of the Board as provided herein, NHA shall be responsible for the Educational Program and the management, operation, accounting and business administration of the Academy. Such functions include, but are not limited to:

1. Implementation and administration of the Educational Program, inclusive of the acquisition of instructional materials, equipment and supplies.
2. Employment of all personnel working at the Academy and management of all personnel functions as set forth in Article VII of this Agreement.
3. Securing a facility to be leased or otherwise provided to the Board, operation of the facility, and the installation in the facility of technology integral to the operation of the Academy. The facility shall comply with, or otherwise be approved with regard to, all state regulations governing the use of the facility as an elementary/middle school, as applicable. The facility shall be maintained in a condition that is safe, clean, attractive and without damage.
4. All aspects of the business administration.
5. All aspects of the accounting operation, including general ledger management and financial reporting.
6. Food service.
7. Marketing and development costs.
8. Any other function necessary or expedient for the administration of the Academy.

D. Purchases. Purchases made by NHA for the Academy with the Academy's funds, such as non-proprietary instructional and/or curriculum materials, books, supplies and equipment will be the property of the Academy (exclusive of capital items leased or purchased by NHA). NHA agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by NHA at the request of the Board.

E. Subcontracts. NHA reserves the right to subcontract any and all aspects of all services it agrees to provide to the Academy, including, but not limited to transportation and/or food service. However, NHA shall not subcontract the management or oversight of the teaching and instructional program, except as specifically permitted in this Agreement or with prior approval of the Board.

F. Place of Performance. To the extent not prohibited by the Charter Contract or applicable law, and except for educational instruction services, NHA reserves the right to perform the services it is providing pursuant to this Agreement off-site, such as purchasing, professional development and administrative functions.

G. Student Recruitment. NHA and the Board shall be jointly responsible for the recruitment of students. Students shall be selected in accordance with the procedures set forth in the Charter Contract and in compliance with the Charter School Law and other applicable law.

H. Due Process Hearings. NHA shall provide student due process hearings in conformity with the requirements of the Charter Contract and state and federal law regarding discipline, special education, confidentiality and access to records. The Academy shall retain the right to provide due process as required by law.

I. Legal Requirements. NHA shall provide educational programs that meet federal, state, and local requirements, and the requirements imposed by the Charter Contract, unless such requirements are waived. The Board shall interpret federal, state and local requirements liberally to give NHA flexibility and freedom to implement its educational and management programs.

J. Rules and Procedures. NHA shall recommend to the Board reasonable rules, regulations and procedures applicable to the Academy, and NHA is authorized and directed by the Board to enforce the rules, regulations and procedures adopted by the Board.

K. School Year and School Day. The school year and the school day schedule shall be approved by the Board as required under the Charter Contract.

L. Pupil Performance Standards and Evaluation. NHA shall implement pupil performance evaluations that permit evaluation of the academic progress of each Academy student. NHA shall be responsible and accountable to the Board for the academic performance of students enrolled at the Academy. NHA will utilize assessment strategies required by the terms of the Charter Contract. The Board and NHA will cooperate in good faith to identify academic goals and methods to assess the students' academic performance.

M. Services to Disabled Students and Special Education. NHA shall provide special education services to students who attend the Academy in conformity with the requirements of state and federal law. NHA may subcontract as necessary and appropriate for the provision of services to students with special needs. Such services shall be provided in a manner that complies with local, state and federal laws and applicable regulations and policies.

N. Charter Contract between the Academy and Authorizer. NHA will not act in a manner that would cause the Academy to be in breach of its Charter Contract.

O. Unusual Events. NHA agrees to timely notify the Board and/or Academy administrator of any anticipated or known: (i) material health or safety issues, (ii) labor,

employee or funding problems, or (iii) problems of any other type that could adversely affect the Academy in complying with its responsibilities under the Charter Contract or applicable law.

P. Student and Financial Records. All student and financial information related to the Academy shall be available for inspection at the Academy upon reasonable request consistent with applicable federal and state laws.

Q. Academy Records/Proprietary. The financial, educational and student records pertaining to the Academy are Academy property, and such records are subject to the provisions of all applicable federal and state laws concerning the maintenance and disclosure of student records, including, without limitation, the Colorado Open Records Law, C.R.S. §§ 24-72-204 et seq., and the Family Education Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, to the extent required by applicable law. All Academy records shall be physically or electronically available to NHA upon request at the Academy.

R. Intellectual Property Rights. The Academy will own all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by NHA at the direction of the Board with Academy funds dedicated for the specific purpose of developing such curriculum or materials (the “**Academy Materials**”). NHA shall own all proprietary rights to, and the Academy’s proprietary interest shall not include, curriculum or educational materials that were previously developed or copyrighted or similarly protected by NHA, or curriculum or educational materials that are developed by NHA with funds from the Academy that are not otherwise dedicated for the specific purpose of developing Academy curriculum or educational materials. NHA shall also own all intellectual property rights, including, without limitation, any copyright rights in and to the Educational Program and all Educational Materials (as that term is defined at the end of this Section R) relating thereto, as well as any non-curriculum materials created or provided by NHA in connection with, or related to, the implementation of the Educational Program, including all corrections, modifications and derivatives thereof (collectively all of the foregoing shall be referred to as the “**NHA Materials**”).

The parties acknowledge that to the extent the Academy’s Materials are derivative of NHA Materials, the Academy’s intellectual property ownership rights extend only to the new, original aspects of such works and not to any underlying or pre-existing material. Relevant Educational Materials and teaching techniques used by or at the Academy shall be subject to disclosure to the extent required under the Charter School Law and Colorado Open Records Act.

NHA hereby grants to the Academy the non-exclusive, non-transferable license to use the NHA Materials in furtherance of the Educational Program during the term of this Agreement or any renewal thereof, including without limitation, the right to reproduce, publicly display, distribute, and create derivatives of same, in hard copy format, or electronically via the Academy’s intranet, (whether or not the latter is hosted by the NHA, School Data Company, LLC or a third party). To the extent any part of the Academy Materials may be derivative of NHA Materials, the Academy shall have the non-exclusive, non-transferable right to use such NHA Materials, as same may have been previously embodied or incorporated in the Academy Materials, beyond the termination or expiration of this Agreement solely in connection with the

operation of the Academy and in the ordinary course of such operations. The Academy represents and warrants that during the term of this Agreement, or following the expiration or termination of this Agreement, the Academy will not exploit, or assist any third party in exploiting, the Academy Materials or any NHA Materials for commercial purposes. The Academy hereby grants NHA the non-exclusive, irrevocable, worldwide, assignable right to use, distribute, modify and display the Academy Materials solely for education purposes in any and all media now known or hereafter developed.

NHA hereby grants the Academy the non-exclusive, non-transferable license to use NHA's trade name and the trademark(s) specified in Exhibit A hereto to promote and advertise the Academy. No other use of the NHA trademarks is permitted without NHA's prior written permission. The Academy shall acquire no rights in the NHA trademarks, and all goodwill of the NHA trademarks shall inure to the benefit of and remain with NHA. NHA shall have pre-approval rights for each form and manner of public display of the NHA Trademarks.

"Educational Materials" shall include (without limitation) print and electronic textbooks, instructional materials, lesson plans, teacher guides, exercise, workbooks, tests and other curriculum-related materials.

ARTICLE IV

OBLIGATIONS OF THE BOARD

A. Good Faith Obligation. The Board shall be responsible for its fiscal and academic policy. The Board shall exercise good faith in considering the recommendations of NHA, including but not limited to, NHA's recommendations concerning policies, rules, regulations and budgets.

B. Assistance to NHA. The Board shall cooperate with NHA and shall furnish NHA with all documents, records and information necessary for NHA to properly perform its responsibilities under this Agreement, including but not limited to, timely notice of all Board meetings. The Board shall, with NHA's assistance, apply for and support the waiver of state laws, regulations and rules that NHA reasonably determines to interfere with the effective and efficient operation of the Academy to the extent consistent with the Charter Contract.

C. Unusual Events. The Board agrees to timely notify NHA of any anticipated or known: (i) material health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could adversely affect NHA in complying with its responsibilities hereunder.

D. NHA Office Space. The Board upon request shall provide NHA with suitable space at the Academy for NHA personnel and subcontractors. The space shall be provided without cost to NHA and shall be used by NHA only for NHA activities related to the Academy.

E. Retained Authority. The Board shall retain the authority to make reasonable regulations relative to anything necessary for the proper establishment, maintenance,

management, and operation of the Academy including, without limitation, regulations relative to the conduct of pupils while in attendance at the Academy or en route to and from the Academy. The Board shall further retain the responsibility, as provided in C.R.S. 22-32-109(1)(b) of the Colorado School Laws, to adopt written policies governing the procurement of supplies, materials and equipment.

ARTICLE V

NON-GOVERNMENTAL SOLICITATION OF FUNDS

NHA shall seek Board approval prior to receipt of non-governmental funds or contributions on behalf of the Academy. Any such funds so received may only be used in accordance with the purpose for which they were solicited, applicable donor restrictions, or as otherwise approved by the Board.

ARTICLE VI

FINANCIAL ARRANGEMENTS

A. Revenues. Except as hereinafter provided, all monies received by the Board shall be deposited in the Academy's depository account within three (3) business days with a financial institution acceptable to the Board. Interest income earned on Academy depository accounts shall accrue to the Academy. Except as specifically excluded by the terms of this Agreement, the term "**Revenues**" shall include all funds received by or on behalf of the Academy, including but not limited to:

1. Funding for public school students enrolled at the Academy.
2. Special education funding provided by federal and state governments that is directly allocable to special education students enrolled at the Academy.
3. Gifted and talented funding provided by federal and state governments that is directly allocable to gifted and talented students enrolled at the Academy.
4. At-Risk funding provided by federal and state governments that is directly allocable to at-risk students enrolled at the Academy.
5. Funding provided by federal and state governments that is directly allocable to students enrolled at the Academy with limited English proficiency.
6. All other federal and state funding sources, including but not limited to Title I and any start-up funding, allocable to the Academy.

7. All other funding, contributions and donations, public and private, received by the Academy (except to the extent NHA is not required or involved in soliciting, administering, or managing the contribution and/or donation).

8. Fees charged to students for extra services and to the extent permitted by law.

(All of the above are hereinafter collectively referred to as the “**Revenues**”).

The Revenues shall be expended by NHA in accordance with the Budget and as otherwise authorized by the Board. The expenditure of Revenues received from governmental entities shall be consistent with all applicable regulations and policies, and in the case of private donations, the directives of the donor where applicable.

B. Budget

1. Projected Budget. NHA shall provide the Board with an annual projected Budget that is in compliance with the School District Budget Law of 1964, C.R.S. § 22-44-101 et seq., For the Academy’s first academic year, the Budget shall be submitted prior to the beginning of the academic year. Thereafter, the Budget shall be submitted to the Board prior to May 1st for the next academic year.

2. Budget Detail. The Budget shall contain reasonable detail as requested by the Board. The Budget shall include all projected expenses and costs associated with operating the Academy including, but not limited to, the projected cost of all services provided by NHA pursuant to the terms of this Agreement, the Educational Program, leasehold and other lease or purchase costs incurred for the facility, maintenance, reasonable building and landscape renovations and upgrades as requested by the Board, and repairs to Academy facilities, capital improvements except as otherwise agreed upon, supplies and furnishings necessary to operate the Academy, all taxes of any kind that are assessed or imposed, insurance premiums, utilities, professional fees, and all other projected costs and expenses reasonably necessary to operate the Academy in accordance with the terms of this Agreement.

3. Approval. The Budget shall be prepared by NHA and submitted to the Board for approval, which approval shall not be unreasonably withheld. The Budget shall be amended from time to time as deemed necessary by NHA and the Board to comply with the Colorado School Laws and the Charter Contract. Additionally, the Board shall be entitled to request that the Budget include facility, and interior upgrades as necessary. Such requests shall not be unreasonably denied.

4. Expenditures. NHA shall not expend the Revenues in such a way as to deviate materially from the provisions of the Budget without Board approval.

5. Board Reserve. Notwithstanding any other provision of this Agreement, during the term of this Agreement there shall be reserved in the Academy’s account an amount not less than 3% of fiscal year spending in compliance with Article X, Section 20 of the Colorado

constitution (the Taxpayers Bill of Rights or TABOR). These funds may not be expended except under special circumstances allowed by law. Under any circumstance, the 3% reserve must be restored by June 30th of the applicable fiscal year.

C. Fee. NHA shall receive all Revenues as its Management Fee (the “Fee”), from which it shall pay all operating costs of the Academy identified in the Budget. NHA and the Board acknowledge that operating costs include Central Administrative Overhead Costs payable to the Authorizer. It is anticipated that NHA will be paid its Fee on the same frequency that the Academy receives its Revenues. NHA shall be entitled to retain as compensation for its services rendered pursuant to this Agreement the difference, if any, between the amount of the Academy’s Revenues and the amount of Revenues actually expended by NHA in operation and/or management of the Academy during the Academy’s fiscal year.

D. Availability of Funds. NHA shall only be required to perform its responsibilities under this Agreement to the extent that there are sufficient Revenues to make payments in accordance with the terms of the Budget.

E. Other Schools. The Academy acknowledges that NHA has entered into similar management agreements with other public schools. NHA shall maintain separate accounts for expenses incurred by and on behalf of the Academy and other schools, and shall reflect in the Academy’s financial records only expenses incurred by or on behalf of the Academy. If NHA incurs authorized expenses on behalf of the Academy and other schools which are incapable of precise allocation, then to the extent permitted by law, NHA shall allocate such expenses among all applicable schools, including the Academy, on a prorated basis based upon the number of students enrolled at the applicable schools, or upon such other equitable basis as is acceptable to the parties.

F. Financial Reporting. NHA shall provide the Board with:

1. The projected annual Budget as required by the terms of this Agreement.
2. Statements of Revenues, Expenditures and Changes in Fund Balance detailing all revenues received, and all direct expenditures for services rendered or expenses incurred on behalf of the Academy, whether incurred on-site or off-site, on a frequency determined by the Board, but not less frequently than four times per year.
3. Reports on Academy operations, finances and student performance, shall be provided upon request, but not less frequently than four times per year.
4. Such other information as the Board may reasonably request to enable the Board to: (i) evaluate the quality of the services provided by NHA to the Academy, and (ii) timely provide all reports and information that the Board is required to provide pursuant to its Charter Contract and/or the Charter School Law.

G. Access to Records. NHA shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in possession of NHA, and shall retain all of the aforereferenced records according to applicable state and federal requirements to which such books, accounts, and records relate. NHA and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law.

H. Review of Operational Budget. The Board shall be responsible for reviewing, revising and approving the annual Budget in accordance with the Charter Contract and applicable law.

I. Annual Audit. The Board shall select and retain an independent auditor to conduct an annual audit of the Academy in accordance with the Academy's Charter Contract and the Colorado School Laws. Subject to applicable law, all records in the possession or control of NHA that relate to the Academy, including but not limited to financial records, shall be made available to the Academy's independent auditor.

J. Start-up Financing. NHA will provide pre-operational funds for: (i) the development of curriculum, a technology system and a school operations plan, (ii) recruiting, selecting and training of staff members; and (iii) cleaning, renovating (to the extent necessary) and equipping of the Academy facility. In addition, NHA may, but need not, make contributions to the Academy in the event Academy expenses exceed revenues. NHA contributions, if any, shall be in amounts acceptable to NHA and the Board, shall be included in the Budget, and shall be repaid from Revenues as and when funds are available; however, the Academy shall not be legally obligated to repay NHA contributions made to or on behalf of the Academy.

K. Other Financing. The Board may apply to NHA for financing from time to time. Financing extended by NHA to the Academy shall be separately documented. The Academy shall repay financing extended by NHA from its Revenues.

ARTICLE VII

PERSONNEL & TRAINING

A. Personnel Responsibility. NHA shall select and hire qualified personnel to perform services at the Academy. NHA shall have the responsibility and authority to select, hire, evaluate, assign, discipline, transfer and terminate personnel consistent with the Budget and state and federal law. Personnel shall be employees of NHA, unless otherwise agreed by NHA and the Board. Each party shall be responsible for compensating their respective employees. However, the compensation of all NHA employees working at the Academy for time spent working on behalf of the Academy shall be included in the Budget. Upon Board request, NHA shall disclose to the Board detailed information concerning compensation and benefits provided to NHA employees assigned to the Academy. To the extent required by applicable law, all personnel hired by NHA to work in the Academy shall undergo a background check, including criminal history and unprofessional conduct disclosures, as required by law.

B. School Administrator. The accountability of NHA to the Academy is an essential foundation of this Agreement. Since the Academy administrator (the “**Administrator**”) is critical to the Academy’s success, NHA shall have the authority, consistent with subparagraph A above, to select and supervise the Administrator and to hold the Administrator accountable for the performance of the Academy. National Heritage Academies will seek the Board’s input and support with respect to the hiring of the Administrator. If the Board is reasonably dissatisfied with the performance of the Administrator, NHA will conduct a comprehensive review of the Administrator’s performance and present the results of the review to the Board. NHA will seek the board’s support with regard to corrective action. The duties of the Administrator, and the terms of the Administrator’s employment shall be determined by NHA subject to Board approval. The Administrator shall work with NHA in the operation and management of the Academy.

C. Teachers. NHA shall, consistent with subparagraph A above, provide the Academy with teachers qualified to teach their assigned subjects and grade level. The curriculum taught by the teachers shall be consistent with the Educational Program. The teachers may, at the discretion of NHA, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, the teacher(s) may also work at other schools managed or operated by NHA. Each teacher assigned to the Academy shall hold a valid teaching certificate issued by the Colorado Department of Education to the extent required by the Colorado School Laws (taking into consideration any applicable waivers).

D. Support Staff. NHA shall, consistent with subparagraph A above, provide the Academy with qualified support staff as needed to operate the Academy in an efficient manner. The support staff may, at the discretion of NHA, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, the support staff may also work at other schools managed or operated by NHA.

E. Training. NHA shall provide training in its methods, curriculum, program and technology to all teaching personnel on a regular basis. Instructional personnel shall receive at least the minimum hours of professional development as required by the Charter School Law. Non-instructional personnel shall receive training as NHA determines reasonable and necessary under the circumstances.

F. Terms of Employment. No member of the staff at the Academy shall be subject to any covenant not to compete or other employment restriction as part of the terms of his or her employment with NHA for services at the Academy.

G. Limitations on Discretion. All decisions made by NHA, and any discretion exercised by NHA, in its selection, evaluation, assignment, discipline, and transfer of personnel shall be consistent with the Budget, the parameters adopted and included within the Educational Program, and state and federal law.

ARTICLE VIII

TERMINATION OF AGREEMENT

A. Termination.

1. **By NHA.** NHA may, at its option, terminate this Agreement prior to the end of the terms specified in Article II in the event the Board fails to remedy a material breach within 30 days after notice from NHA. A material breach includes, but is not limited to, NHA's failure to receive for any reason compensation or reimbursement as required by the terms of this Agreement or the Academy's loss or suspension of its Charter Contract.

2. **By Academy.** The Academy may terminate this Agreement prior to the end of the terms specified in Article II in the event that NHA shall fail to remedy a material breach within 30 days after notice from the Board. A material breach includes, but is not limited to: (i) failure to account for its expenditures or to pay Academy operating costs in accordance with the terms of the Budget (provided funds are available to do so), (ii) failure to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board that are not in violation of the Charter Contract, this Agreement or law, or (iii) receipt by the Board of unsatisfactory reports from NHA or from an educational consultant retained by the Board about matters concerning NHA's performance or the performance of the Academy that are not adequately corrected or explained.

3. **By Either Party.** Either party may terminate this Agreement for any reason upon giving not less than 90 days notice to the other party.

B. Termination/Expiration.

1. **Effective Date of Termination.** In the event this Agreement is terminated by either party prior to the end of the term specified in Article II, absent a material breach or unusual and compelling circumstances, the termination will not become effective until the end of the then current academic year in which the notice of termination is issued.

2. **Removal of personal property.** Upon termination or expiration of this Agreement, NHA shall have the right to remove equipment and other assets owned or leased by NHA. Equipment and other assets owned by the Academy or leased by the Academy from third parties shall remain the property of the Academy.

3. **Advances/Out-of-Pocket Expenses.** Except as otherwise provided in this Agreement, upon termination or expiration of this Agreement for any reason, all advances or out-of-pocket expenses paid by NHA in accordance with the Budget shall be immediately repaid by the Academy unless otherwise agreed in writing by NHA.

C. **Transition.** In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, NHA may, for a fee reasonably acceptable to NHA, provide the Academy reasonable assistance for up to 90 days to assist in the transition to

another administrative or structural arrangement (although NHA need not provide any assistance to another management company or service provider).

ARTICLE IX

INDEMNIFICATION

A. Indemnification. To the extent permitted by applicable law, each party to this Agreement (the “**Indemnifying Party**”) does hereby agree to indemnify and hold the other party and the Authorizer (collectively the “**Indemnified Party**”), harmless from and against any and all claims, actions, damages, expenses, losses or awards which arise out of (i) the negligence of the Indemnifying Party, (ii) any action taken or not taken by the Indemnifying Party, or (iii) any noncompliance or breach by the Indemnifying Party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used in this subsection, “Indemnified Party” shall include the party's trustees, directors, officers, employees, agents, representatives and attorneys. Such indemnification may be achieved by the joint purchase of general liability and property insurance policies, or by such other means as the parties may mutually agree.

ARTICLE X

INSURANCE

A. Insurance Coverage. Each party shall maintain general liability insurance in the amount of One Million Dollars (\$1,000,000.00) per occurrence (or such greater amount if required by the terms of the Charter Contract or applicable law), with the other party listed as an additional insured. In addition, the Academy shall maintain an umbrella liability policy of two million dollars (\$2,000,000.00) (or such greater amount if required by the terms of the Charter Contract or applicable law), with NHA listed as an additional insured. The Academy shall maintain insurance on the facility and related capital items as required by the terms of its Real Estate Lease. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this paragraph. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

B. Workers' Compensation Insurance. Each party shall maintain workers' compensation insurance as required by law, covering their respective employees.

ARTICLE XI

WARRANTIES AND REPRESENTATIONS

A. Academy Warranties and Representations. The Board represents that, on behalf of and in the name of the Academy, it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement. The

Board warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

B. NHA Warranties and Representations. NHA warrants and represents that it is a corporation in good standing and is authorized to conduct business in the State of Colorado. NHA will comply with all registration and licensing requirements relating to conducting business under this Agreement. The Board agrees to assist NHA in applying for such licenses and permits and in obtaining such approvals and consents.

C. Mutual Warranties. The Academy and NHA mutually warrant to the other that there are no pending actions, claims, suits or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

ARTICLE XII

MISCELLANEOUS

A. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and NHA.

B. Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement in accordance with the termination provisions contained in this Agreement if sufficient grounds exist as provided in the Article governing termination.

C. State Governing Law/Waiver of Jury Trial. The rights of all parties hereto shall be subject to the jurisdiction of and be construed according to the laws of the State of Colorado. NHA and the Academy hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either NHA or the Academy against the other.

D. Agreement in Entirety. This Agreement (including attachments) constitutes the entire agreement of the parties.

E. Official Notices. All notices and other communications required by the terms of this Agreement shall be in writing and sent to the parties hereto at the facsimile number or address set forth below. Notice may be given by (i) by facsimile with written evidence of confirmed receipt by the receiving party of the entire notice, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by facsimile, date of delivery if given by personal delivery, or upon the date of postmark if sent by certified or registered mail. Notices to the Academy shall be sent to the current address of the then current Board President, with a copy to the then current Board attorney. The address of the parties hereto for the purposes aforesaid, inclusive of the address of the initial Board President and Board, are as follows:

The Academy: Landmark Academy at Reunion
Attn: Board of Director
Timothy Gallagher
10695 Nucla Street
Commerce City, CO
Telephone: (303) 227-3698
Facsimile: (303) 227-3698

WITH A COPY TO:

Brad Miller
15575 Curwood Drive
Colorado Springs, CO 80921
Telephone: 719-338-4189
Facsimile: 719-381-8464

NHA: National Heritage Academies, Inc.
Attn: Greg Lambert
3850 Broadmoor, S.E. Ste. 201
Grand Rapids, Michigan 49512
Telephone: (616) 954-3520
Facsimile: (616) 831-6311

WITH A COPY TO:

McShane & Bowie
Attn: John R. Grant
1100 Campau Square Plaza
99 Monroe Ave., N.W.
Grand Rapids, Michigan 49501
Telephone: (616) 732-5013
Facsimile: (616) 732-5099

F. Assignment. NHA may assign this Agreement with the prior consent of the Board.

G. Amendment. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by an authorized officer of NHA and the Board.

H. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

I. Cost and Expenses. If any party commences an action against another party as a result of a breach or alleged breach of this Agreement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

J. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to NHA powers or authority of the Board which are not subject to delegation by the Board under Colorado law.

K. Compliance with Law. The parties to this Agreement agree to comply with all applicable laws and regulations.

L. Compliance with Charter Contract. The parties to this Agreement agree to comply with the terms and conditions set forth in the Charter Contract. It is acknowledged that the Authorizer is not a party to this Agreement. The Academy has no authority to enter into any agreements that obligate the Authorizer in any manner whatsoever. The Authorizer has no financial obligation under this Agreement nor any obligation to undertake any action in furtherance of the contractual relationship established herein.

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

Date: Mar 19, 2007

NATIONAL HERITAGE ACADEMIES,
INC., a Michigan corporation

By: [Signature]

Its: R.V.P. / CFO

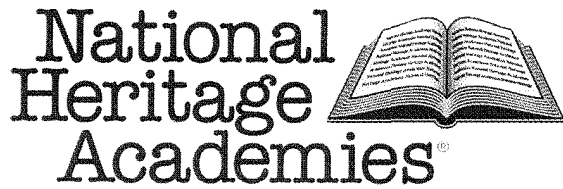
Date: February 27, 2007

LANDMARK ACADEMY AT REUNION,
a Colorado nonprofit corporation



By: Timothy M. Gallagher

Its: Board President

EXHIBIT A
CERTAIN TRADEMARKS AND TRADE NAMES



TRADEMARKS/SERVICE MARKS IN THE NAME OF
National Heritage Academies, Inc.

Mark	Country	App. Date/No.	Reg. Date/No.	Goods/Services
ACADEMY LINK and Design 	United States	9/2/1999 75/791174		Computer software for gaining access to an online database related to charter school, parent, and parent-student information, and featuring a database containing information related to charter schools, parents, and parents-students. Providing an online database containing information related to charter schools, parents, and parents-students.
Academy Link Logo 	United States	9/2/1999 75/791050	8/19/2003 2753428	Computer software for gaining access to an online database related to charter school, parent, and parent-student information, and featuring a database containing information related to charter schools, parents, and parents-students. Providing an online database containing information related to charter schools, parents,




				and parents-students.
ACADEMY LINK	United States	9/2/1999 75/791073		<p>Computer software for gaining access to an online database related to charter school, parent, and parent-student information, and featuring a database containing information related to charter schools, parents, and parents-students.</p> <p>Providing an online database containing information related to charter schools, parents, and parents-students.</p>
AMERICAN HERITAGE ACADEMIES	Canada	9/26/2003 1190562		<p>Business management services involving public schools at the primary and secondary levels; namely financial statement preparation and analysis, personnel placement and recruitment, personnel management, facilities management of technical operations, development and implementation of curriculum and providing courses of instructions, providing in school activities designed to encourage character development; administration of educational programs in public schools at the primary and secondary levels; educational services, namely, providing courses of instruction and curriculum at schools at the primary and secondary levels.</p>
ATSCHOOLS	Canada	8/15/2003 1186796		<p>Computer software for gaining access to an online database related to charter school, parent, and parent-student information, and featuring a database containing information related to charter schools, parents, and parents-</p>

				<p>students.</p> <p>Providing an online database containing information related to charter schools, parents, and parents-students.</p>
CHALLENGING CHILDREN TO ACHIEVE THEIR GREATEST POTENTIAL	Canada	10/22/2003 1193661		<p>Educational services, namely, development and implementation of curriculum in public schools at the primary and secondary levels for others, and providing courses of instruction in public schools at the primary and secondary levels, providing in-school activities designed to encourage character development, and providing after-school activities designed to teach sports and social skills; educational services, namely, administrating and providing courses of instruction and school activities in public schools at the primary and secondary levels; business management services for public schools at the primary and secondary levels, namely, administration of financial and personnel functions and facilities management.</p>
CHALLENGING CHILDREN TO ACHIEVE THEIR GREATEST POTENTIAL	United States	6/10/2002 76/419055		<p>Business management services for public schools at the primary and secondary levels, namely, financial statement preparation and analysis, personnel placement and recruitment, personnel management, facilities management of technical operations; providing academic course administration services for other academic institutions, namely, on-line course registration.</p>

				Educational services, namely, development and implementation of curriculum in public schools at the primary and secondary levels for others, and providing courses of instruction in public schools at the primary and secondary levels, providing in-school activities designed to encourage character development, and providing after-school activities designed to teach sports and social skills.
CHALLENGING CHILDREN TO ACHIEVE	United States	Pending		
CONSIDER THE POTENTIAL	Canada	10/22/2003 1193662		<p>Educational services, namely, administrating and providing courses of instruction and school activities in public schools at the primary and secondary levels, business management for public schools at the primary and secondary levels, namely, administration of personnel functions and facilities management.</p> <p>Educational services, namely, development and implementation of curriculum and providing courses of instructions in public schools at the primary and secondary levels, providing in-school activities designed to encourage character development and providing after school activities designed to teach sports and social skills.</p>
CONSIDER THE POTENTIAL	United States	6/10/2002 76/419054		Business management for public schools at the primary and secondary levels, namely, administration of personnel functions and facilities management.

				<p>Educational services, namely, development and implementation of curriculum and providing courses of instructions in public schools at the primary and secondary levels, providing in-school activities designed to encourage character development and providing after school activities designed to teach sports and social skills.</p>
INTERNATIONAL HERITAGE ACADEMIES	Canada	9/26/2003 1190560		<p>Jewelry, namely charms, jewelry lapel pins, bracelets, necklaces, brooches, jewelry pins, clocks and watches; clothing, namely sweatshirts, shirts, hats, jackets, t-shirts, shorts, sweat pants, neckties, scarves and athletic uniforms.</p> <p>Business management services involving public schools at the primary and secondary levels, namely, financial statement preparation and analysis, personnel placement and recruitment, personnel management, facilities management of technical operations, development and implementation of curriculum and providing courses of instructions, providing in-school activities designed to encourage character development; administration of educational programs in public schools at the primary and secondary levels; educational services, namely, providing courses of instruction and curriculum at schools at the primary and secondary</p>

NATIONAL HERITAGE ACADEMIES	Canada	10/22/2003 1193667		<p>levels.</p> <p>Jewelry, namely charms, jewelry lapel pins, bracelets, necklaces, brooches, jewelry pins, clocks and watches; clothing, namely sweatshirts, shirts, hats, jackets, t-shirts, shorts, sweat pants, neckties, scarves and athletic uniforms.</p> <p>Educational services, namely providing courses of instruction in public schools at the primary and secondary levels.</p> <p>Business management for public schools at the primary and secondary levels, namely financial statement preparation and analysis, personal placement and recruitment, personal management, facilities management of technical operations, development and implementation of curriculum and providing courses of instructions, providing in-school activities designed to encourage character development; administration of educational programs in public schools at the primary and secondary levels.</p>
NATIONAL HERITAGE ACADEMIES	United States	4/9/1998 75/465359	10/3/2000 2391981	Educational services, namely, providing courses of instruction in schools at primary and secondary level.
NATIONAL HERITAGE ACADEMIES and Book Design	United States	4/20/1998 75/470697	10/3/2000 2391993	Educational services, namely, providing courses of instruction in schools at primary and secondary level.

<p>National Heritage Academies</p> 				
<p>NATIONAL HERTIGATE ACADEMIES and Design</p> 	Canada	10/22/2003 1193663	11/30/04 2,907,129 11/30/04 2,907,129 These were divided on 7/7/04	<p>Jewelry, namely charms, jewelry lapel pins, bracelets, necklaces, brooches, jewelry pins, clocks and watches.</p> <p>Clothing, namely, sweatshirts, shirts, hats, jackets, t-shirts, shorts, sweat pants, neckties, scarves, and athletic uniforms.</p> <p>Business management services involving public schools at the primary and secondary levels; and administration of educational programs in public schools at the primary and secondary levels.</p> <p>Educational services, namely, providing courses of instruction in public schools at the primary and secondary levels.</p>
<p>NATIONAL HERITAGE ACADEMIES and Design</p> 	United States	7/11/2000 76/086306		<p>Business management services involving public schools at the primary and secondary levels; and administration of educational programs in public schools at the primary and secondary levels.</p> <p>Educational services, namely, providing courses of instruction in public schools at the primary and secondary levels.</p>
<p>NATIONAL HERITAGE ACADEMIES and Design</p>	United States	7/11/2000 76/977022	11/30/04 2,907,129	<p>Jewelry, namely charms, jewelry lapel pins, bracelets, necklaces, brooches, jewelry pins, clocks and watches.</p>

				Clothing, namely, sweatshirts, shirts, hats, jackets, t-shirts, shorts, sweat pants, neckties, scarves, and athletic uniforms.
NHA	United States	3/9/2004 76/580067		Business management services involving public schools at the primary and secondary levels; and administration of educational programs in public schools at the primary and secondary levels. Educational services, namely, providing courses of instruction in public schools at the primary and secondary levels.
NHA UNIVERSITY	United States	3/9/2004 76/580026		Educational services, namely, providing content-based training to educational staff to enhance educational staff knowledge in areas of academics and school culture development.
SCHOOLS FOR THE AMERICAN DREAM	United States	6/18/2003 76/523429		Educational services in the nature of primary and secondary schools; educational services, namely, conducting courses of instruction at the primary and secondary levels.
WELLSPRING PREPARATORY ACADEMY	United States	9/15/2004 78/483719		Educational services, namely, providing courses of instruction and schools at primary and secondary level.