

ASSET ACQUISITION AGREEMENT

This Asset Acquisition Agreement (“Agreement”) is made this 11th day of June 2014 (“Effective Date”) by and between [REDACTED] a District of Columbia non-profit corporation and charter school operator within the District of Columbia duly authorized by the District of Columbia Public Charter School Board (“PCSB”), with its offices located at [REDACTED] [REDACTED] and [REDACTED] (“[REDACTED] a District of Columbia non-profit corporation and public charter school duly authorized by the PCSB to operate a public charter school located at [REDACTED] [REDACTED] and [REDACTED] may each be referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, [REDACTED] operates a public charter school [REDACTED] Washington, D.C., offering instruction to approximately 624 students in Grades Pre-K through 5th Grade (the “School”); and

WHEREAS, [REDACTED] charter will expire on September 1, 2014 and will not be renewed by the PCSB, meaning that [REDACTED] must cease operating the School at the end of School Year (“SY”) 2013-14; and

WHEREAS, to provide a path forward for its students and their families, [REDACTED] determined to undertake efforts to arrange for [REDACTED] to become replacement operator of the School starting in SY 2014-15 and entered a Memorandum of Understanding with [REDACTED] for such purposes dated February 19, 2014 (“MOU”); and

WHEREAS, in furtherance of the MOU, [REDACTED] pursuant to the terms of this Agreement has determined to transfer certain assets of its School to [REDACTED] and arrange for the transfer of its students to [REDACTED] and [REDACTED] pursuant to the terms of this Agreement, has agreed to acquire such assets, including the school building, land and improvements [REDACTED] [REDACTED] (the “Premises”), to assume certain liabilities of [REDACTED] and to operate the School at the Premises as a public charter school starting in SY 2014-15 and accept [REDACTED] currently enrolled students into the School, subject to any approvals or clearances from the PCSB;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration provided herein, the receipt and sufficiency of which are hereby acknowledged, and with the intent to be bound, the Parties agree as follows:

TERMS AND CONDITIONS

1. **Sale and Purchase of Assets and Assumption of Liabilities.** For good and valuable consideration, consisting of the covenants and obligations set forth herein, at the closing of this transaction (“Closing”):

(a) [REDACTED] will sell, transfer and deliver all of the assets of [REDACTED] listed on Schedule 1 (the “Property”) free and clear of any liens, security interests, pledges, encumbrances, or conflicting ownership interests of any kind or nature (collectively, “Liens”), except such Liens of record as of the Effective Date, and exclusive of any other assets of [REDACTED] listed and described on Schedule 1 (the “Excluded Assets”); and

(b) [REDACTED] will assume those liabilities of [REDACTED] listed on Schedule 2 (“Assumed Liabilities”), excluding all other liabilities of [REDACTED] as set forth on Schedule 2 (“Excluded Liabilities”).

[REDACTED] will convey the Premises to [REDACTED] by special warranty deed. Subject to necessary approvals from the PCSB, [REDACTED] will unconditionally accept all students from [REDACTED] who fulfill the applicable District of Columbia residency requirement into its student enrollment at the School for SY 2014-15 in accordance with Section 6(c) hereof.

2. **The Closing.** Subject to the satisfaction or waiver of the conditions precedent in Section 3 below, the Closing contemplated by this Agreement will take place at the offices of [REDACTED] commencing at 11:00 a.m. local time, or at such other location and time as the Parties shall mutually determine, on June 27, 2014, or such other date as determined below (the “Closing Date”). In the event either Party gives notice to the other Party no later than June 25, 2014 that it will not be ready to close the transaction on June 27, 2014, the Closing shall take place on June 30, 2014, or such other date as the Parties may mutually determine.

3. **Conditions Precedent to Closing:**

(a) **Conditions to Obligations of [REDACTED]** The following conditions precedent must be satisfied, or waived in writing by [REDACTED] as of the Closing Date in order for [REDACTED] to be required to proceed to the Closing:

(i) **Representations and Warranties.** The representations and warranties of [REDACTED] set forth in Section 4 hereof shall be true and correct in all material respects at and as of the Closing Date;

(ii) **No Restraints.** To [REDACTED] knowledge, no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign

jurisdiction or before any arbitrator, whose outcome could reasonably be expected to have the effect of (A) preventing or restraining the consummation of any material aspect of the proposed transaction reflected in this Agreement, (B) causing the transaction reflected in this Agreement to be rescinded following its consummation, or (C) materially adversely affecting ██████ right, obligation or ability to (x) accept ██████ current students onto its rolls at the School beginning in SY 2014-15, or (y) operate the School during SY 2014-15;

(iii) PCSB Approval. The PCSB will have given final clearance to (A) any necessary changes to ██████'s program to effect the transaction, and (B) the transaction between ██████ and ██████ reflected in this Agreement, in both cases on the terms requested, and any other approvals or clearances listed on Schedule 3 shall have been obtained;

(iv) Real Estate Addendum Conditions. ██████ will have satisfied all conditions set forth in the Real Estate Addendum attached hereto dealing with pre-Closing matters related to transfer of the Premises;

(v) Cure or Waiver of Bank Defaults. ██████ and ██████ will have entered into a three-party agreement with ██████ establishing, *inter alia*, the terms for ██████ payment of One Million Seven Hundred Thousand Dollars (\$1,700,000) ("Bank Pay-off Amount") to cure or waive as of the Closing Date ██████ defaults, and for ██████ to assume ██████ obligations from and after the Closing Date, under the Loan Agreement between the District of Columbia and ██████ dated June 1, 2010 for \$7,200,000 of indebtedness by ██████ secured by the Premises ("Loan Agreement"), in relation to which M&T Bank serves as Trustee pursuant to an indenture;

(vi) Due Performance of Covenants. ██████ will have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(vii) Officer's Certificate. ██████ will have received a certificate, dated as of the Closing Date and executed by the Board Chair or an officer of ATA, stating that, as of the Closing Date, the conditions in Sections 3(a) (ii) and (iv) have been satisfied, and the conditions in Sections 3(a)(i) and (vi) have been satisfied as follows:

(A) the representations and warranties set forth in Section 4(a)-(b), (d), (i) and (l) are true and correct in all material respects;

- (B) to [REDACTED] knowledge, the representations and warranties set forth in Section 4(c), (e)-(h), (j)-(k), and (m)-(n) are true and correct in all material respects, it being understood that for purposes of this Agreement, “knowledge” means such knowledge as a Party would be expected to have after having made reasonable inquiry of Board members, officers, Head of School and Chief Operating Officer of the affected Party;
- (C) the pre-Closing covenants in Section 6(d), (g), (m), and (o) have been performed and complied with in all material respects; and
- (D) to [REDACTED] knowledge, the pre-Closing covenants in Section 6(a)-(b), (e)-(f), (h)-(k), and (n) have been performed and complied with in all material respects.

[REDACTED] sole and exclusive remedy for material error in the officer’s certificate provided by [REDACTED] hereunder or in any representation or warranty made by [REDACTED] under Section 4 is termination of the Agreement.

(viii) Further Actions. [REDACTED] shall have taken all reasonable actions required to be taken by it in connection with the consummation of the transaction reflected in this Agreement in form and substance reasonably satisfactory to [REDACTED]

[REDACTED] may waive any condition specified in this Subsection if it notifies [REDACTED] of same in writing at or prior to the Closing.

(b) Conditions to Obligations of [REDACTED] The following conditions precedent must be satisfied, or waived in writing by [REDACTED] as of the Closing Date in order for [REDACTED] to be required to proceed to the Closing:

- (i) Representations and Warranties. The representations and warranties of [REDACTED] set forth in Section 5 shall be true and correct in all material respects at and as of the Closing Date;
- (ii) PCSB Approvals. The PCSB will have given final clearance to (A) any necessary changes to [REDACTED] program to effect the transaction, and (ii) the transaction between [REDACTED] and [REDACTED] reflected in this Agreement, in both cases on the terms requested, and any other approvals or clearances listed on Schedule 3 shall have been obtained;

(iii) Compliance with Covenants. [REDACTED] will have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(iv) No Restraints. To [REDACTED] knowledge, no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator, whose outcome could reasonably be expected to have the effect of (A) preventing or restraining the consummation of any material aspect of the proposed transaction reflected in this Agreement; (B) causing the transaction reflected in this Agreement to be rescinded following its consummation; or (C) materially adversely affecting [REDACTED] right, obligation or ability to (x) accept [REDACTED] current students onto its rolls at the School beginning in SY 2014-15, or (y) operate the School during SY 2014-15;

(v) Officer's Certificate. [REDACTED] will have received a certificate, dated as of the Closing Date and executed by the Board Chair or an officer of [REDACTED] stating that, as of the Closing Date, the conditions in Section 3(b)(iv) have been satisfied, and the conditions in Sections 3(b)(i) and (iii) herein have been satisfied, as follows:

(A) the representations and warranties set forth in Section 4 are true and correct in all material respects;

(B) the pre-Closing covenant in Section 4(g) has been performed and complied with in all material respects; and

(C) to [REDACTED] knowledge, the pre-Closing covenants in Sections 6(a)-(c), (i)-(j), and (l) have been performed and complied with in all material respects.

[REDACTED] sole and exclusive remedy for material error in the officer's certificate provided by [REDACTED] hereunder or in any representation or warranty made by [REDACTED] under Section 5 is termination of this Agreement.

(vi) Assumption and Discharge of Bank Obligations. [REDACTED] and [REDACTED] shall have entered a three-party agreement with M&T Bank, establishing, *inter alia*, the terms for [REDACTED] to fully and completely assume and discharge all of ATA's obligations to M&T Bank in respect of the Loan Agreement effective at the Closing for the period from and after

the Closing Date, including any debt repayment, hedging, loan/lease and bond obligations; and

(vii) Further Actions. [REDACTED] shall have taken all reasonable actions required to be taken by it in connection with the consummation of the transaction reflected in this Agreement in form and substance reasonably satisfactory to [REDACTED]

[REDACTED] may waive any condition specified in this Subsection if it notifies [REDACTED] of same in writing at or prior to the Closing.

4. **Representations and Warranties of [REDACTED]** [REDACTED] represents and warrants to [REDACTED] that the statements contained in this Section are correct and complete as of the Effective Date, and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Section), except as set forth in the disclosure schedule accompanying this Agreement and initialed by the Parties (the "Disclosure Schedule"):

(a) **Organization of [REDACTED]** [REDACTED] is a non-profit corporation duly organized, validly existing and in good standing under the Nonprofit Corporation Act and laws of the District of Columbia, and it has no subsidiaries.

(b) **Authority to Undertake Transaction**. [REDACTED] has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the Board of Trustees of [REDACTED] has duly authorized the execution, delivery and performance of this Agreement by [REDACTED] and this Agreement constitutes the valid and legally binding obligation of [REDACTED] enforceable in accordance with its terms and conditions.

(c) **Noncontravention**. To [REDACTED] knowledge, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (i) violate any constitution, statute, rule or regulation (it being understood that securing the governmental approvals referred to in Section 3(a)(iii) shall be deemed to constitute compliance with all statutes, rules or regulations implicated by such approvals), injunction, judgment, order, decree or ruling that, by its express terms, is applicable to [REDACTED] or any provision of the charter or bylaws of [REDACTED] (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, debt instrument or other arrangement to which [REDACTED] is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any security interest upon any of the Property), the term of which extends beyond the Closing Date (unless specifically identified in Schedule 4), or (iii) require a consent,

approval or acknowledgement from, or the providing of any notice to, any governmental authority or third person other than as set forth in Schedule 3 to this Agreement.

(d) **No Broker's Fees.** No broker, finder or investment banker is entitled to any fee or commission in connection with the transaction reflected in this Agreement based on arrangements made by or on behalf of [REDACTED]

(e) **Title to Assets.** [REDACTED] has good and marketable title to all of the Property, in each case free and clear of any Liens except Liens of record as of the Effective Date.

(f) **Financial Statements and Other Financial Materials.** All financial reports, financial statements and other financial materials delivered in any form to [REDACTED] at its request or otherwise prior to the Closing Date (A) may be relied upon by [REDACTED] in its due diligence of the transaction reflected hereunder, and (B) to [REDACTED] knowledge, are true and correct in all material respects and not misleading. To [REDACTED] knowledge, [REDACTED] audited financial statements for SY 2012-13 and any audited financial statements for any part of SY 2013-14 that are available prior to the Closing (i) were or will be prepared from and are consistent with [REDACTED] books and records (which books and records are accurate and complete in all material respects) and have been prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly and accurately reflect the financial position of [REDACTED]

(g) **Undisclosed Liabilities; Compliance with Law.** To [REDACTED] knowledge, [REDACTED] has no material liability except for liabilities set forth and described in the most recent [REDACTED] financial statements provided to [REDACTED] and projected in the operating and closure budget ("Budget") (Attachment "B" hereto) provided to [REDACTED] under Section 6(e). To [REDACTED] knowledge, there is no present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand naming or involving [REDACTED] pending in any jurisdiction other than as identified in Part 2A of the Disclosure Schedule in Schedule 4. To [REDACTED] knowledge, [REDACTED] is, and at all times on and after July 1, 2011 has been, in material compliance with all applicable laws, permits and regulations, and has not at any time on and after July 1, 2011 received any notification from any governmental entity asserting a violation by it of any applicable laws, permits and regulations. To [REDACTED] knowledge, there are no undisclosed liabilities of [REDACTED] nor any legal action or investigation pending or threatened against [REDACTED] or any director, officer or employee of [REDACTED] including by any governmental authority, for fraud, embezzlement, unlawful gifts, bribes or other form of corruption that, in each case, could materially or adversely affect [REDACTED] ability to consummate the transaction reflected in this Agreement.

(h) **Real Property.** [REDACTED] has delivered to [REDACTED] correct and complete copies of all deeds, documents or agreements to which [REDACTED] is a party with respect to its rights,

SY 2013-14, involving a liability or obligation on [REDACTED] part greater than \$5,000, are identified in Part 2C of Schedule 4.

(n) **Full Disclosure.** The foregoing representations and warranties do not contain any untrue statement of material fact or omit to state any material fact necessary to make them accurate and complete and not misleading.

5. **Representations and Warranties of [REDACTED].** [REDACTED] represents and warrants to [REDACTED] that the statements contained in this Section are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Section):

(a) **Organization [REDACTED].** [REDACTED] is a non-profit corporation duly organized, validly existing and in good standing under the Nonprofit Corporation Act and laws of the District of Columbia, and it has no subsidiaries.

(b) **Authority to Undertake Transaction.** [REDACTED] has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. Without limiting the generality of the foregoing, the Board of Trustees of [REDACTED] and management have duly authorized the execution, delivery and performance of this Agreement by [REDACTED] and this Agreement constitutes the valid and legally binding obligation of [REDACTED], enforceable in accordance with its terms and conditions.

(c) **Financial Statements and Other Financial Materials.** All financial reports, statements and other financial materials delivered in any form to [REDACTED] at its request or otherwise prior to the Closing Date (A) may be relied upon by [REDACTED] in its due diligence of the transaction reflected hereunder, and (B) are true and correct in all material respects and not misleading, to [REDACTED] knowledge.

(d) **Noncontravention.** To [REDACTED] knowledge, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (i) violate any constitution, statute, rule or regulation (it being understood that securing the governmental approvals referred to in Section 3(b)(ii) shall be deemed to constitute compliance with the statutes, rules or regulations implicated by such approvals), injunction, or any judgment, order, decree or ruling that, by its express terms, is applicable to [REDACTED] or any provision of the charter or bylaws of [REDACTED] (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, debt instrument, or other arrangement to which [REDACTED] is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any security interest upon any of the Property), or (iii) require a consent, approval or acknowledgement from, or the providing of any notice to, any governmental authority or third person other than as set forth in Schedule 3 to this Agreement.

(e) **Undisclosed Liabilities; Compliance with Law.** To [REDACTED] knowledge, [REDACTED] has no material liability except for liabilities set forth and described in the most recent [REDACTED] financial statements provided to [REDACTED]. There is no present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand naming or involving [REDACTED] other than as identified in its financial statements. To [REDACTED] knowledge, [REDACTED] is, and at all times on and after July 1, 2011 has been, in material compliance with all applicable laws, regulations and permits. To [REDACTED] knowledge, [REDACTED] has not at any time on and after July 1, 2011 received any notification from any governmental entity asserting a violation by it of any applicable laws, regulations or permits. To [REDACTED] knowledge, there are no undisclosed liabilities of [REDACTED], nor any legal action or investigation pending or threatened against [REDACTED] or any director, officer or employee of [REDACTED] including by any governmental authority, for fraud, embezzlement, unlawful gifts, bribes or other form of corruption that, in each case, could materially or adversely affect [REDACTED] ability to consummate the transaction reflected in this Agreement.

(f) **No Broker's Fees.** No broker, finder or investment banker is entitled to any fee or commission in connection with the transaction reflected in this Agreement based on arrangements made by or on behalf of [REDACTED].

(g) **Full Disclosure.** The foregoing representations and warranties do not contain any untrue statement of fact or omit to state any fact necessary to make them accurate and complete and not misleading.

6. **Pre-Closing Covenants.** The Parties agree as follows with respect to the period between the Effective Date of this Agreement and the Closing:

(a) **General.** Each of the Parties will use its reasonable best efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transaction reflected in this Agreement (including the satisfaction, but not waiver, of the closing conditions set forth in Section 3 hereof). In preparation for the Closing, the Parties will exchange such drafts of consents, bills of sale, deeds, certificates or opinions of counsel as reasonably necessary to facilitate their being able to conclude the Closing on the Closing Date.

(b) **Notices and Consents; Filings with PCSB.** [REDACTED] will give all notices to third parties, and will use its reasonable best efforts to obtain any third-party consents, that [REDACTED] may request in connection with the matters referred to in this Agreement. Each of the Parties will give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, or approvals of governments and governmental agencies, including the PCSB and [REDACTED], in connection with the matters referred to above or the school closing process for [REDACTED] and will cooperate in good faith with the other Party and promptly comply with all reasonable requests of the other Party in securing same.

(c) **Guaranteed Acceptance of [REDACTED] Students at [REDACTED] [REDACTED]**

agrees to accept all of [REDACTED] current students (including special education students) as its own students at the School for SY 2014-15, without requiring such students to go through any lottery or other enrollment process to qualify for a seat at the School for SY 2014-2015, subject only to compliance with the legal requirement for incumbent students that their parents or guardians demonstrate residency in the District of Columbia each school year. The parents or guardians of current [REDACTED] students must satisfy such residency requirement and complete the on-line enrollment form for [REDACTED] by June 1, 2014. The enrollment of any [REDACTED] student at [REDACTED] is subject to and must be in compliance with the requirements of the "MySchoolDC" program for enrollment, with [REDACTED] being considered the "current school" for such purposes. [REDACTED] will not make any change to the academic program at the School that will limit or have the effect of limiting the enrollment of current [REDACTED] students at [REDACTED] for SY 2014-15, and will operate the School to serve Pre-K(3) through 5th Grade in SY 2014-15. [REDACTED] will comply with any recommendation of the PCSB following a parental complaint and investigation by the PCSB into a claim that [REDACTED] has not offered a seat at the School to a child who qualifies for such a seat for SY 2014-15.

(d) **Sole Control and Responsibility for [REDACTED] Operations and Academic Outcomes.** [REDACTED] through its Board of Trustees, will continue to have sole fiduciary responsibility for, and oversight of, the operation of [REDACTED] for SY 2013-14 and until the Closing.

(e) **Operation of Business.** [REDACTED] will operate the School in a reasonable, prudent manner and will use its reasonable best efforts to comply with all applicable laws, regulations and/or requirements of the PCSB. [REDACTED] will not engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business for a Closing School, with the understanding that filling open positions on its faculty or staff after the departure or termination of an employee for the remainder of SY 2013-14 at a level of compensation comparable to the compensation of the person who departed or was terminated will not be deemed to constitute action outside the Ordinary Course of Business for a Closing School. Without limiting the generality of the foregoing, [REDACTED] will not make any contracts or take on any new obligations having an aggregate value or required payment over the life of such obligation in excess of \$25,000 without giving prior written notice to [REDACTED] but whose consent shall not be required for such contract or obligation except as provided below. [REDACTED] will use its reasonable best efforts to operate in accordance with its Budget, a copy of which is attached hereto as Appendix B. [REDACTED] must secure [REDACTED] written approval for any new discretionary expense or category of expense in excess of \$25,000 that is not already reflected in its Budget, such approval not to be unreasonably withheld, conditioned or delayed. If [REDACTED] does not object to such expense in writing within five (5) days of being given written notice thereof by [REDACTED] including an explanation as to the basis for [REDACTED] objection, [REDACTED] shall be deemed to have approved the expense. For purposes hereof, a discretionary expense or

category of expense means only expenses that are voluntarily incurred by [REDACTED] and expressly does not include any expense required to be incurred by statute or regulation or any liability established through judicial or administrative proceedings, including, but not limited to, any expense required for the dissolution or winding up of [REDACTED] or a common law obligation related thereto.

(f) **Preservation of Status Quo.** From the date hereof until the Closing Date, [REDACTED] will operate and maintain the School and the Property in the Ordinary Course of Business for a Closing School, in accordance with good business practices, and will use its commercially reasonable efforts to preserve, maintain and protect the Property in material compliance with all applicable permits, contracts and laws. Without [REDACTED] prior written consent, [REDACTED] will not take, accede to, or agree or commit to any of the following actions through the Closing Date: (i) grant or allow any Lien to be placed on the Property; (ii) sell, transfer, lease, sublease, license or otherwise dispose of (including by waiver or release) any of the Property, other than the sale or disposition of obsolete or worthless assets; (iii) change (or add any persons to) the group of Signing Parties; (iv) enter into or settle any actions relating to the School, to the extent such settlement could result in a liability to or material restriction on (including any injunction or equitable relief applicable to) [REDACTED] or the School following the Closing; (v) except in the Ordinary Course of Business for a Closing School, enter into, adversely amend, terminate or waive any material right under any contract or arrangement relating to or included in the Property; (vi) enter into any contract or arrangement with any third party that would be binding on, or resulting in a liability to, [REDACTED] following the Closing; or (vii) except as contemplated by Section 7(a) hereof, transfer or relinquish, or take any action that reasonably would be likely to result in, the revocation of [REDACTED] charter to operate the School. Nothing contained herein shall prevent [REDACTED] from incurring such costs or expenses, including costs of Directors and Officers insurance coverage, as may be reasonably necessary to cover tasks or potential liabilities or obligations related to the period after the Closing, as referenced in the Excluded Liabilities in Schedule 2.

(g) **Maintenance of Existing Insurance Programs; Designation of [REDACTED] as Additional Insured.** Each of the Parties will maintain in full force and effect, with premiums fully paid up and current, its existing program of insurance for General Commercial Liability, Directors and Officers Liability, Fire and Property Damage and Workmen's Compensation coverages. No later than May 31, 2014, [REDACTED] will designate [REDACTED] as an "additional insured" on its General Commercial Liability policy and on its Fire and Property Damage insurance policy and promptly thereafter provide [REDACTED] with reasonably acceptable evidence of same. Each Party will promptly advise the other Party of any claims, actions or demands against it that are claimed to exceed or are otherwise determined likely to exceed \$25,000.

(h) **Inspection of Premises.** [REDACTED] will arrange for a comprehensive inspection of the Premises and report on same by [REDACTED], Inc. and paid for by [REDACTED] to determine the fitness of the Premises for operation of the School and compliance with building codes and other applicable laws and regulations. Access to the Premises for such inspection shall be governed by Section 6(i). [REDACTED] will arrange for [REDACTED] to be provided a copy of the inspector's report at or about the time it is provided to [REDACTED]. To the extent the inspection firm determines that the Premises are not in sound condition and repair for operation of the School for SY 2014-15 ("Sound Condition"), it shall identify the work that needs to be done to restore the Premises to Sound Condition and provide an estimate of the cost of such work based on its expertise or reasonable inquiry with contractors who are experienced in providing such work. [REDACTED] will create a separate cash account called the "Building Restoration Account," which shall be funded at the Closing and distributed to [REDACTED] in an amount up to the lesser of (i) the estimated costs provided by the inspection firm for restoring the Premises to Sound Condition, or (ii) One Hundred Thousand Dollars (\$100,000). [REDACTED] sole and exclusive remedy in the event the aforesaid funds are not available for distribution at Closing is to terminate this Agreement.

(i) **Access to Premises, Records and Board Materials.** [REDACTED] its contractors and representatives, at [REDACTED] sole cost and expense (except as otherwise provided herein), will be provided access to the Premises and to [REDACTED] contracts, books and records of the business, assets and operational affairs of [REDACTED] including legal and financial audits, and will be permitted to obtain all such information as may be necessary or desirable to permit [REDACTED] to conduct a full and complete evaluation of the condition of the Premises, the financial condition of [REDACTED] and the operation of the School. Notwithstanding the foregoing, [REDACTED] shall not be allowed access to any document or information that is (i) subject to an attorney-client privilege (provided that [REDACTED] may request a showing of the basis for any such claim of privilege), (ii) an employment record or information, except as permitted by Section 6(l) below, or (iii) despite the provisions of Section 7(d), barred from disclosure by legal obligation on ATA (provided that [REDACTED] may request a showing of the basis of such legal obligation). [REDACTED] will afford [REDACTED] and its representatives the foregoing access as [REDACTED] and such representatives may reasonably request on reasonable advance notice to [REDACTED] during normal business hours without unreasonably interfering with [REDACTED] orderly operation of the School. [REDACTED] will also make available its Board Chair, Head of School, Treasurer, building supervisor or other responsible personnel to answer the questions of [REDACTED] or its representatives relating to the affairs and condition of the School and the Premises on reasonable advance notice during normal business hours. All information provided to [REDACTED] as part of its due diligence shall be subject to the confidentiality requirements in Section 7(d). A representative of each of the Parties will be invited to attend all Board of Trustees meetings of the other Party for the duration of SY 2013-14, except when the Board meets in executive session, and shall be provided Board materials distributed to Trustees on or after the Effective

Date, including financial statements, Head of School Report and committee reports to the same extent as the duly selected members of the Board for the remainder of SY 2013-14. The foregoing notwithstanding, a Party shall not be entitled to receive the following documentation or information distributed to the other Party's Trustees: (i) documentation or information that is subject to an attorney-client privilege, (ii) any employment record, or (iii) any information the disclosure of which would violate a legal obligation.

(j) **Notice of Developments.** Each Party will give prompt written notice to the other Party of any material adverse development that causes a breach, or that with the passage of time could reasonably be expected to cause a breach, of any of such Party's representations and warranties hereunder. No disclosure by any Party pursuant to this Subsection however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

(k) **Exclusivity.** From the Effective Date until the Closing Date, neither [REDACTED] nor any of its trustees, officers or employees will, directly or indirectly, (i) solicit, initiate, or encourage the submission of any proposal or offer from any person or entity relating to the acquisition of any substantial portion of the Property, or seek to effect a transfer of its charter to any other entity, or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person or entity to do or seek any of the foregoing acts or undertakings.

(l) **Consideration of Personnel for Employment.** [REDACTED] will accept employment letters of interest from all current [REDACTED] employees for SY 2014-15 for open positions at the School or at any of the others schools in [REDACTED] network in Washington, DC, so long as any such letters of interest are submitted by March 21, 2014, and will offer all current [REDACTED] employees who timely seek a position at [REDACTED] an on-site interview for employment on a day to be designated by [REDACTED] in its sole discretion. [REDACTED] will make a hiring decision regarding all [REDACTED] employees who apply for positions at [REDACTED] by May 9, 2014, it being understood that any such decisions are in [REDACTED] sole and absolute discretion. On request by [REDACTED] and provided that the affected employee has first executed a release in a form that is reasonably satisfactory to [REDACTED] will make available performance information on its current personnel being considered for employment by [REDACTED] to the extent permitted by applicable law.

(m) **Bank Accounts.** From the date hereof until the Closing Date, [REDACTED] shall not change the Signing Parties for its bank accounts without the prior written consent of [REDACTED]

(n) **Projected Cash Balance At Closing.** [REDACTED] will provide [REDACTED] on the first Business Day of each month until Closing a projected cash balance at Closing ("Projected

Cash Balance”), which will represent █████ good faith estimate of the funds that will be left in █████ bank and investment accounts at Closing based on █████ books as of the end of the second month preceding the date of the report (*i.e.*, April 30 balance for June 1 report) after (i) subtracting the funds necessary to pay the Excluded Liabilities (without regard to any subordinated debt obligations incurred by █████ in connection with satisfying the Bank Pay-Off Amount), and (ii) adding the funds expected to be received by █████ from liquidation of receivables and other payments prior to dissolution. █████ agrees that it will update the Projected Cash Balance three (3) days before the Closing to reflect its projection based on the balance as of the end of the month immediately preceding the Closing (*i.e.*, May 31 balance for June 27 Closing), using the best available data if █████ has not fully completed the process of closing its books for the immediately preceding month. █████ will use reasonable efforts to review and refine the nature and amount of its expected sources and uses of cash and the timing of receipt and expenditure of funds and will update the Projected Cash Balance each month to incorporate the results of such review. The Projected Cash Balance represents an estimate only, and █████ makes no commitment that the Projected Cash Balance will, in fact, be in █████ bank accounts at Closing. █████ will also provide █████ with copies of the weekly 13-week forward cash flow projections it prepares for █████ at the same time that it provides such projections to █████, and will continue to prepare and provide to █████ the weekly 13-week forward cash projections after the Closing, supplemented to include in each report the current balance in █████ bank and investment accounts as of the report date, until such time as █████ notifies █████ that the reports are no longer necessary.

(o) **Employment Matters.** █████ will use its reasonable best efforts to secure general releases from each of its employees as to any employment matters, claims or liabilities, whether in tort, contract, statutory law or regulation, relating to or arising out of such employee’s employment at █████ and will provide █████ with reasonably acceptable evidence of same at the Closing.

7. **Post-Closing Covenants and Obligations.** The Parties agree as follows with respect to the period following the Closing Date:

(a) **Relinquishment of Charter and Dissolution of █████** █████ has no educational obligations to its current students after the Closing, including, but not limited to, the obligation to operate a summer school. Within a reasonable time after the Closing, but no later than August 1, 2014, █████ will send a letter to the PCSB stating that it is relinquishing its charter for operation of a public charter school in the District of Columbia. █████ will cause its corporate entity to be dissolved by September 30, 2014, and will use its reasonable best efforts to pay all Excluded Liabilities by October 31, 2014.

(b) **Employee Benefit Plans.** [REDACTED] will not adopt or assume any employee benefit plans that [REDACTED] maintains, but it will make available to former [REDACTED] employees who are hired by [REDACTED] for SY 2014-15 all such plans as are made available to [REDACTED] other employees on the terms and conditions reflected in such plans. [REDACTED] shall be solely liable for any severance or other obligations under contracts it may have with its employees who are terminated or otherwise eligible for severance in connection with the transaction hereunder, and [REDACTED] assumes no responsibility or liability with regard to any such [REDACTED] severance arrangements.

(c) **Discontinuance of Use of School Name.** [REDACTED] will discontinue use of the name [REDACTED] or any variant thereof or similar name in connection with any operation in Pre-K-8 education after June 30, 2014, but may continue to use the name as necessary to effectuate the dissolution of the corporation and winding up of its affairs subsequent to the Closing.

(d) **Confidentiality.** Except as stated below, neither Party will disclose the contents of this Agreement or any information or documents exchanged by the Parties in the course of negotiating this Agreement or conducting due diligence with respect to the transactions contemplated hereby (such documents and information to be referred to collectively as “Confidential Information”) to any third party or entity for a period of one year from the Effective Date without the prior written consent of the other Party, except disclosures of Confidential Information to:

- (i) the PCSB, OSSE or other governmental authority as required by such governmental authority, provided that the Party making such disclosure gives advance notice to the other Party and requests that the governmental authority to which disclosure is made accord confidential treatment to such Confidential Information to the extent permitted by applicable law;
- (ii) the advisors, attorneys, lenders, directors, officers, employees or agents of a Party, so long as the person to whom Confidential Information is provided is aware of the terms of this Section 7(d) and is under a confidentiality obligation commensurate with the obligation hereunder;
- (iii) any court or administrative body in connection with a legal action by a Party to enforce this Agreement or seek a determination of rights and obligations under this Agreement; or
- (iv) any person if the Confidential Information is already in the public domain for reasons not attributable to a breach of this Section 7(d) by the Party making

disclosure, or disclosure of such Confidential Information is required by the District of Columbia Freedom of Information Act or other applicable law.

Notwithstanding the foregoing, (i) after June 1, 2014, █████ may disclose this Agreement to any parent of an █████ student, any █████ student, any █████ employee or to anyone for whom disclosure is required in order to dissolve or wind up the business of █████ including, without limitation, the Attorney General of the District of Columbia, and (ii) after the Closing Date, █████ may disclose to any third party or entity, and Confidential Information shall not include, information related to the Property or the School.

8. Termination

(a) **Termination of Agreement.** The Parties may terminate this Agreement as provided below:

(i) The Parties may terminate this Agreement at any time prior to the Closing by mutual consent in writing;

(ii) Either Party may terminate this Agreement by providing written notice to the other Party in the event that (A) any governmental authority shall have issued an order or injunction preventing or restraining the consummation of the transaction reflected in this Agreement, and such order or injunction shall have become final and non-appealable, or (B) the Closing shall not have occurred by July 31, 2014; provided, that the right to terminate under this subpart (B) shall not be available to any Party whose breach of the Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to such date.

(iii) Either Party may terminate this Agreement at any time prior to the Closing on written notice to the other Party if (A) such other Party has breached a representation, warranty, covenant or other undertaking hereunder and such breach is not cured within twenty (20) days after the Party claiming breach provides written notice of same to the other Party, or (B) the satisfaction of any condition to the terminating Party's obligations under this Agreement becomes impossible or impracticable to discharge despite the use of commercially reasonable efforts, so long as the failure of such condition to be satisfied is not caused by a breach of this Agreement by the terminating Party, and the terminating Party is not then in material breach with respect to any of its representations, warranties, covenants or other undertakings contained herein.

(b) **Effect of Termination.** In the event of termination of this Agreement pursuant to this Section 8, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to the other Party, except for the liability of a Party then in

breach for the reasonable attorneys' fees incurred by the other Party to pursue the transaction reflected in this Agreement up until the time of termination.

9. Miscellaneous

(a) **Press Releases and Public Announcements.** Except as otherwise provided herein, no Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing Date without first clearing such action with the other Party. After June 1, 2014, [REDACTED] has the right to provide this Agreement to the parents of [REDACTED] students, [REDACTED] students, and [REDACTED] employees.

(b) **Third-Party Beneficiaries.** This Agreement does not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns.

(c) **Disclaimer of Warranties; Transfer of Title and Risk of Loss.** The sole representations and warranties in connection with this transaction are set forth in Sections 4 and 5 hereof, respectively. THE PARTIES DISCLAIM ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER ARISING BY LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE RELATED TO THE PROPERTY, AND EXPRESSLY ACKNOWLEDGE AND AGREE THAT ALL THE PROPERTY HEREUNDER IS BEING TRANSFERRED TO [REDACTED] IN "AS-IS" CONDITION. Transfer of title and risk of loss with respect to the Property shall pass to [REDACTED] with the delivery of the special warranty deed for the Premises and the bill of sale for the other Property at the Closing.

(d) **Entire Agreement.** This Agreement (including the other documents referred to herein and the Schedules attached hereto) constitutes the entire agreement between the Parties and, except as otherwise stated herein, supersedes any prior understandings, agreements, or representations or warranties by or between the Parties, written or oral, to the extent they are related in any way to the subject matter hereof. Notwithstanding the foregoing, the obligations in the MOU shall survive the execution and delivery of this Agreement and shall not be amended or superseded by this Agreement, except that, to the extent of any conflict between the terms of this Agreement and the MOU, the terms of this Agreement shall control. Time is of the essence for performance of the obligations set forth in this Agreement.

(e) **Succession and Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the other Party.

(f) **Counterparts; Electronic Imaging of Signatures.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, will constitute one and the same instrument. The delivery of the electronic image of a Party's signature duly inscribed on the signature page shall constitute delivery of an original signature for all purposes hereof.

(g) **Headings.** The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) **Notices.** All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given two business days after it is sent by certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using personal delivery, expedited courier, messenger service, facsimile, ordinary mail, or electronic mail, but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(i) **Governing Law; Venue.** The Parties acknowledge that this Agreement is executed, delivered and made in the District of Columbia and shall be governed by and construed in accordance with the laws of the District of Columbia. Any action seeking a determination of rights or obligations under this Agreement shall be brought in a court of competent jurisdiction in the District of Columbia.

(j) **Amendments and Waivers.** No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(k) **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation.

(l) **Expenses.** Except as specified in Section 6(h) and the Real Estate Addendum, each of the Parties shall be responsible for and bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions reflected herein.

(m) **Construction.** The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless

the context requires otherwise. The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance.

(n) **Incorporation of Appendices, Exhibits and Schedules.** Any Appendices, Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(o) **Waiver of Trial by Jury.** THE PARTIES WAIVE THE RIGHT TO TRIAL BY JURY IN ANY CIVIL ACTION TO DETERMINE RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT.

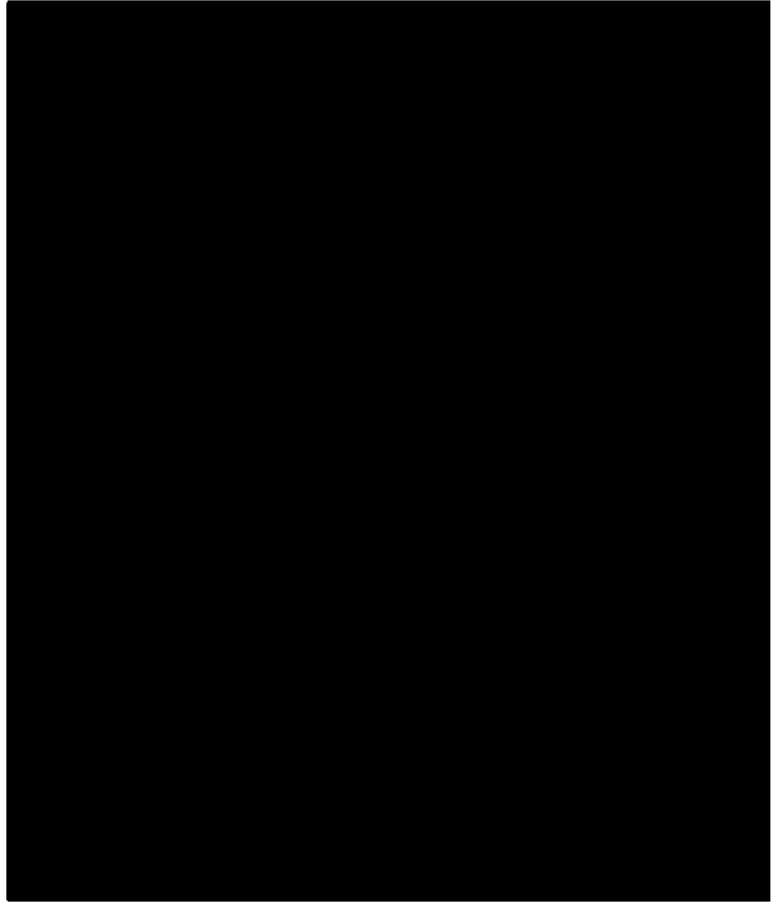
(p) **Specific Performance.** Each Party acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each Party agrees (i) that the other Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in a court in the District of Columbia having jurisdiction over the Parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity, and (ii) to waive any requirement for security or the posting of any bond in connection with any such remedy.

(q) **Further Assurances.** At any time and from time to time after the Closing Date, each of the Parties shall, without further consideration, execute and deliver to the other Party such other instruments of transfer and assumption, and shall take such other action, as the other Party may reasonably request to carry out the transactions reflected in this Agreement.

(r) **Unrelated Parties.** No trustee, director, officer, employee, member, attorney, accountant, auditor, agent or volunteer of a Party shall incur any financial responsibility or liability in connection with this Agreement, except in the case of fraud or intentional misconduct by such person. Absent fraud or intentional misconduct by the Party against whom a claim is made, each Party agrees that its sole and exclusive recourse for any claims, demands, actions, suits or other proceedings under this Agreement shall be against the assets of the other Party and not against any member organizations of such other Party or any individual officers, trustees, employees, attorneys, accountants, auditors, or agents of such other Party.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, and with the intent to be bound, the Parties hereto have executed this Agreement as of the date first above written.



SCHEDULE 1

PROPERTY

All of [REDACTED] right, title and interest in and to the following assets (of every kind and description), as the same shall exist immediately prior to the Closing (but excluding the Excluded Assets):

1. The Premises, conveyed by special warranty deed;
2. All tangible personal property and interest therein, including school furniture and equipment (a partial listing of which is attached as Appendix 1-A), teaching materials and curriculum guides, and textbooks and library books;
3. One-fourth of the cash in the Building Restoration Account, with the remainder to be transferred in accordance with Section 6(h);
4. All accounts, notes and other receivables not collected by [REDACTED] at or prior to the Closing, but only after [REDACTED] has paid or otherwise satisfied the Excluded Liabilities;
5. All permits, licenses and authorizations, and all pending applications therefor or renewals thereof, in each case to the extent transferable to [REDACTED] under applicable law;
6. Except to the extent identified as an Excluded Asset, all data, books, records, files and papers, whether in hard copy or computer format, related to the operations of [REDACTED] or the School, including student lists and records, referral sources, research and development reports and records, service and warranty records, equipment logs, operating guides and manuals, creative materials, advertising materials, promotional materials, studies, reports, correspondence and other similar documents and records;
7. All intellectual property, so long as there are no restrictions on such transfer;
8. All of the intangible rights and property of [REDACTED] including going concern value, goodwill, telephone, telecopy and e-mail addresses and listings;
9. All insurance benefits, including rights and proceeds, arising from or relating to the Property or the Assumed Liabilities, but not including any insurance benefits or proceeds arising from any Directors and Officers Liability Insurance;
10. All claims of [REDACTED] against third parties relating to the Property or the Assumed Liabilities, whether choate or inchoate, known or unknown, contingent or non-contingent;

11. All rights of [REDACTED] relating to deposits and prepaid expenses, claims for refunds and rights to offset in respect thereof, to the extent that such funds are available after [REDACTED] has paid or otherwise satisfied the Excluded Liabilities; and
12. Copies of all personnel records relating to any employee of [REDACTED] that is hired by [REDACTED] to the extent such transfer of personnel records is allowed by law.

EXCLUDED ASSETS

All assets of [REDACTED] other than the Property, including, without limitation, the following:

1. Rights of [REDACTED] under any contract with a third party that will not be assigned or transferred to [REDACTED] as part of the Property.
2. Cash in [REDACTED] bank accounts (including in the Building Restoration Account after the required distribution to [REDACTED] from such Account at the Closing) that [REDACTED] reasonably determines is necessary to pay or otherwise satisfy the Excluded Liabilities, including any reasonable contingencies, but not including any subordinated debt obligations incurred by [REDACTED] to satisfy the Bank Pay-Off Amount.
3. Any policy or policies of insurance that [REDACTED] purchases, including, but not limited to, Directors and Officers Liability Insurance, to insure its trustees from any liability that may arise as a result of closing, winding up, dissolving and liquidating [REDACTED] and the transactions contemplated by the MOU and this Agreement and any insurance benefits, including rights and proceeds, relating to such policies.
4. Personnel records on the employees of [REDACTED] and any records relating to the School or [REDACTED] that are requested to be transferred to the PCSB or to OSSE.

SCHEDULE 2

ASSUMED LIABILITIES

At the Closing, [REDACTED] shall assume only the following liabilities and obligations of [REDACTED]

1. Liability for discharging the remaining balance due under the Loan Agreement, including, but not limited to, any hedging obligations, loan or lease or bond obligations, after application of the Bank Pay-off Amount and any other required funds at Closing, if any, to such indebtedness, and any other obligations owed by [REDACTED] to [REDACTED] in connection with the Loan Agreement for the period from and after the Closing Date, and all reasonable costs and expenses incurred from and after the Closing Date, including any cost and expenses of counsel of [REDACTED], any bond issuer, bond counsel and other counsel, incurred in connection with the discharge, rescheduling or repayment of any obligations of [REDACTED] to [REDACTED].
2. Any special education extended school year obligations of [REDACTED] that continue beyond the end of SY 2013-14 for current students at the School who demonstrate DC residency and otherwise qualify for such programs, but expressly excluding instruction in [REDACTED] summer school for any students who have not re-enrolled at [REDACTED] for SY 2014-15 and demonstrated DC residency in accordance with the requirements of Section 6(c) of the Agreement.
3. [REDACTED] obligations under the Master Equipment Lease with [REDACTED], dated May 20, 2013, as amended, and General Security Agreement, dated May 20, 2013.
4. All liabilities relating to or arising from the business or operations of the School or the Property that arise from, or relate to events or circumstances that occur after the Closing.

EXCLUDED LIABILITIES

All other liabilities, obligations, debts, or commitments, or any costs, fees, penalties, taxes or expenses related thereto, of any kind or nature, whether accrued or fixed, known or unknown, absolute or contingent, or matured or unmatured, other than the Assumed Liabilities, including without limitation, the following:

1. Summer school instruction for current students at [REDACTED] who have not re-enrolled at [REDACTED] for SY 2014-15 and demonstrated DC residency in accordance with the requirements of Section 6(c) of the Agreement.
2. All liabilities that relate to closing the School and the dissolution of [REDACTED] including, but not limited to, the liabilities listed in the Budget (attached hereto as Appendix B), all school operating expenses through June 30, 2014 such as, for example, salaries, benefits, student expenses, debt service, office expenses, incentive payments to [REDACTED] employees in order to retain

their services for the balance of SY 2013-14, employee expense through July 31, 2014, all liabilities relating to funding the performance of [REDACTED] obligations under the Transition Plan, costs for insurance premiums to cover “tail” liabilities of [REDACTED] after it ceases operating the School, contingencies and costs associated with (including any taxes resulting from), post-Closing salaries, benefits, occupancy expenses, office expenses, professional fees and general expenses, the final non-profit tax filings of [REDACTED], final audit and expense of winding up the affairs and dissolving [REDACTED] [REDACTED] known or contingent claims or liabilities, the cost of Directors and Officers Liability Insurance, and attorneys’ fees relating to closure, winding up, liquidation and dissolution of [REDACTED] and the transfer of certain [REDACTED] assets and liabilities to [REDACTED] [REDACTED]

3. All liabilities relating to, based upon or arising from the business, operations or assets (including the Property) of [REDACTED] or otherwise based upon or arising from events or circumstances relating to [REDACTED] or the School, in each case, that arise, or relate to events or circumstances that occur, on or prior to the Closing (regardless of whether such liabilities are actually discovered or incurred prior to the Closing), including, without limitation (i) arising under environmental laws or concerning hazardous substances, (ii) relating to any indebtedness of [REDACTED] or any of its affiliates (except for [REDACTED] obligations to [REDACTED] under the Loan Agreement and other [REDACTED] loan-related obligations), or (iii) relating to any current or former employee or consultant of [REDACTED] (including, without limitation, any severance, termination or similar liabilities).

4. Any subordinated debt obligations incurred by [REDACTED] in connection with satisfying the Bank Pay-off Amount.

SCHEDULE 3

Required Governmental and Third-Party Approvals

1. PCSB's written approval of [REDACTED] application for charter amendment to operate the School to be located on the Premises and providing instruction for students in Pre-K through 5th Grade starting in SY 2014-15.
2. PCSB's written confirmation that the Parties' transaction as reflected in the Asset Acquisition Agreement, including, but not limited to, the transfer of [REDACTED]'s assets to [REDACTED] and [REDACTED] acceptance of [REDACTED] existing students onto the rolls of the School for SY 2014-15 for Pre-K through 5th Grade, is consistent with the transaction for [REDACTED] and [REDACTED] approved by the PCSB earlier in 2014.
3. Approval of Asset Acquisition Agreement, including the Bank Pay-off Amount, by [REDACTED] [REDACTED] to support waiver or cure of existing events of default by [REDACTED] under the Loan Agreement.

SCHEDULE 4

Disclosure Schedule

1. [REDACTED] disclosures: None.

2. [REDACTED] disclosures:

Part A: Settlements of Legal Actions/Claims/Investigations

Settlement of petition of [REDACTED]
[REDACTED] before the District of Columbia Office of State
Superintendent of Education, dated April 11, 2013.

Settlement of petition of [REDACTED]
[REDACTED], before the District of Columbia Office of State
Superintendent of Education, dated March 4, 2014.

Part B: Employment or Service Contracts Extending Beyond July 31, 2014¹

Administrative services from [REDACTED] (Chief Operating Officer), [REDACTED]
(Records Administrator) and [REDACTED] (Finance Assistant)

Legal services from [REDACTED]

Accounting/audit services from [REDACTED]

¹ The Parties recognize that all or most of [REDACTED] contracts with teachers and other employees extend through July 31, 2014, even though no services will be performed beyond the end of SY 2013-14. As a result, the listing of "post-Closing" contracts has been confined to only those contracts that extend beyond July 31, 2014.

Records custodian services from [REDACTED]

Such other services as necessary to complete the closure and wind-up of affairs of [REDACTED]

Part C: Other Contracts Extending Beyond Close of SY 2013-14

Check processing services from [REDACTED]

Payroll processing services from [REDACTED]

Technical support from [REDACTED]

D&O insurance and other tail insurance coverage from [REDACTED]

APPENDIX A
REAL ESTATE ADDENDUM

REAL ESTATE ADDENDUM

This Real Estate Addendum (this "Addendum") is executed as of the 11th day of June 2014 by and between [REDACTED] (" [REDACTED] a District of Columbia non-profit corporation and charter school operator within the District of Columbia duly authorized by the District of Columbia Public Charter School Board ("PCSB"), with its offices located at [REDACTED], and [REDACTED] [REDACTED] (" [REDACTED] a District of Columbia non-profit corporation and public charter school duly authorized by the PCSB to operate a public charter school located at [REDACTED] [REDACTED] (together, the Parties").

RECITALS:

WHEREAS, this Addendum is attached and made a part of that certain Asset Acquisition Agreement (the "Agreement") dated the 11th day of June 2014 ("Effective Date") by and between [REDACTED] as buyer (herein "Buyer") and [REDACTED] as seller (herein "Seller"), to set out the respective rights and obligations of the Parties with respect to the real property forming the subject matter of this Addendum and the Closing under the Agreement;

WHEREAS, Seller desires to sell and transfer the Premises (as defined below) and Buyer desires to purchase the Premises upon the terms and subject to the conditions stated in this Addendum and the Agreement; and

WHEREAS, the capitalized terms used in this Addendum shall have the same definition and meaning as is ascribed to such terms in the Agreement unless otherwise noted.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby mutually agree:

1. The Premises.

(a) The Premises, as defined in the Agreement and in this Addendum shall include the real property located at [REDACTED] in the District of Columbia, as more particularly described in Exhibit A, attached hereto and incorporated as if more fully set forward herein, together with all right, title and interest of Seller, if any, to the extent same may be appurtenant to such real property, with respect to any land lying in the bed of any existing, dedicated street, road or alley, all strips and gores adjoining thereto and all appurtenances, rights, privileges, licenses, easements, rights of way, covenants, development rights, tenements, or hereditaments incident or appertaining thereto (the "Land"), and also including the improvements situated thereon, and all right, title and interest of Seller in and to those fixtures situated thereon or exclusively used in connection with such improvements (collectively, the "Improvements"), and all after

acquired interests of every kind and nature therein (the Land and Improvements are hereinafter referred to as the "Premises");

(b) The Premises shall further include all of the fixtures, furnishings, equipment, machinery, heating, ventilation, air conditioning, and other equipment, supplies and other articles of personal property of Seller located in or attached to the Premises not otherwise specified in the Agreement unless specifically excluded herein, which are owned or leased by Seller and situated on the Land (the "Personal Property"); and

(c) The Premises shall further include Seller's interests in all unexpired warranties and guaranties given to, assigned to or benefiting Seller or the Premises or the Personal Property regarding the acquisition, construction, design, use, operation, management or maintenance of the Premises or the Personal Property (the "Warranties"), to the extent that such Warranties are assignable.

2. Title and Deed. On the Closing Date, Seller will sell and convey to Buyer insurable fee simple title to the Premises by special warranty deed in proper form acceptable to Buyer for recording (the "Deed"), subject only to (a) general property and ad valorem taxes (if any) and installments of special assessments, if any, not yet due and payable for the tax fiscal year in which the Closing Date occurs prorated in accordance with this Addendum, and all subsequent years, (b) the mortgage encumbrance of M&T Bank, provided the preconditions to Closing as set forward in Section 3(a)(v) of the Agreement have otherwise been resolved to Buyer's satisfaction, and (c) such other matters as may be shown in the "Title Commitment" (hereinafter defined) or the Survey (hereinafter defined) which in each instance are approved by Buyer or which are deemed approved by Buyer as provided in this Addendum. The matters identified in clauses (a), (b) and (c) of the preceding sentence, and only such other matters designated by Buyer as permitted exceptions to Buyer's title, are herein called the "Permitted Exceptions."

3. Title Commitment; Survey.

(a) Within two (2) days after the Effective Date, Buyer will, at Seller's expense, secure an updated standard owner's commitment for title insurance (the "Title Commitment"), covering the Premises (together with legible copies of the exception documents referenced therein), issued by a title company acceptable to Buyer and Seller (the "Title Company").

(b) Within two (2) days after the Effective Date, Buyer will, at Seller's sole expense, secure a current ALTA survey (the "Survey") of the Premises including such items and information as Buyer or the Title Company may reasonably request. The Survey will be certified to Buyer, Seller, Buyer's lender (if any), the Title Company, and any other party as reasonably requested by Buyer or Seller. The Survey will be prepared by a surveyor acceptable to Buyer and who is registered and licensed in the District of Columbia and will be accompanied by a current surveyor's certificate in a form reasonably acceptable to Buyer.

(c) Buyer will have a period expiring four (4) days after Buyer's receipt of both the Title Commitment and the Survey (the "Objection Period") within which to reasonably object in good faith to Seller in writing with respect to any matters shown in the Title Commitment and/or the Survey. If Buyer so objects, Seller shall have the right during the period ending seven (7) days after expiration of the Objection Period (the "Cure Period"), to cure such matters.

(d) If Seller fails, within the Cure Period, to cure any matter to which Buyer has reasonably and in good faith objected and requested Seller to cure as provided in paragraph (c), above, and Buyer does not waive such objectionable matter, Buyer may elect to cancel or terminate this Addendum and the Agreement by providing written notice to Seller given within two (2) days after the expiration of the Cure Period, in which event any monies paid or advanced by Buyer, if any, will be returned to Buyer and neither Party will have any further obligation or liability to the other hereunder. In the alternative, Buyer may elect to provide Seller with written notice of any exceptions to title which Buyer may deem Permitted Exceptions.

(e) If Buyer fails, within the Objection Period, to object in writing to any matters shown in the Title Commitment and/or the Survey, then Buyer will be deemed to have approved the Title Commitment and/or the Survey.

4. Inspection. Buyer's inspection of the Premises shall be as provided in Sections 6(h) and 6(i) of the Agreement.

5. Required Disclosures. In accordance with and pursuant to Title 42; Chapter 6, Section 42-608 of the District of Columbia Code, Buyer confirms that Seller has advised that the soil on the Premises is as described by the Soil Conservation Service of the U.S. Department of Agriculture in the Soil Survey of the District of Columbia as Urban Land. For further information, Buyer can contact a soil testing laboratory, the D.C. Department of Consumer and Regulatory Affairs or the Soil Conservation Service (U.S.D.A.). The foregoing is given pursuant to District of Columbia statutory requirements as to soil characteristics. In accordance with the requirements of the D.C. Underground Storage Tank Management Act of 1990, as amended (DC Law 8-242, D.C. Code Section 6-995.1 et seq.) and the D.C. Underground Storage Tank Regulations (20 DCMR Chapters 55-68), Seller hereby informs Buyer that Seller has no knowledge of the existence of any "underground storage tank" as that term is defined in the foregoing. In addition, Seller agrees to execute and deliver to Buyer at Closing the completed Underground Storage Tank Real Estate Transfer Disclosure Form attached hereto as Exhibit B and made a part hereof (the "UST Disclosure Form"). Information pertaining to underground storage tanks and underground storage tank removal of which the D.C. Government has received notification is on file with the D.C. Department of Consumer and Regulatory Affairs, Environmental Regulation Administration, Underground Storage Tank Branch, 2100 Martin Luther King, Jr. Avenue, S.E., Washington, D.C.

6. Real Estate Defaults. If Seller is unable to deliver marketable, insurable, fee simple title to the Premises to Buyer as set forth herein subject only to Permitted

Exceptions, and any such inability to convey is not rectified within ten (10) days after written notice to Seller, Buyer may elect to cancel or terminate this Addendum and the Agreement by providing ten (10) days' written notice to Seller and neither party will have any further obligation or liability to the other party hereunder.

7. Deposits, Closing Date, Closing Procedure.

(a) Within two (2) Business Days after the delivery of a fully executed original copy of this Addendum and the Agreement to Buyer, Buyer shall deposit a copy of this Addendum with the title company below, which shall open an escrow and administer it in accordance with this Addendum:



(b) Unless otherwise terminated or extended as provided in this Addendum, and except as hereinafter provided, the transfer of the Seller's interest in the Premises (the "Real Estate Closing") shall occur simultaneously with the Closing of the Agreement, except that Seller's ability to consummate the Real Estate Closing in accordance with this Addendum shall be a Buyer's condition precedent to the Closing of the Agreement. Provided Seller has fully performed the obligations on the part of the Seller to be performed as Buyer's conditions precedent thereto, then the Real Estate Closing shall occur at the Title Company, or at such other location as agreed by the Parties, on the Closing Date under the Agreement, or such earlier date mutually acceptable to both Parties (the "Real Estate Closing Date").

(c) The following will be deposited with the Title Company, as Escrow Agent, on or before the Closing Date :

(i) As a Buyer's condition to proceeding with the Closing, Seller shall deposit or cause to be deposited:

(1) The Deed, duly executed and acknowledged;

(2) A Blanket Bill of Sale, Transfer, and Assignment, in form reasonably acceptable to Buyer assigning Seller's interest in the Personal Property, Permits, and Warranties to Buyer;

(3) A FIRPTA Affidavit. An affidavit certifying that Seller is not a "foreign person" as that term is defined by Section 1445 of the Code, in the form prescribed by the regulations promulgated under the Code;

- (4) A closing statement prepared by the Escrow Agent and executed by Seller;
 - (5) Such affidavits or other instruments, signed and delivered by Seller, as are required by this Addendum and/or as are reasonably necessary or appropriate to induce the Title Company to issue the Title Policy, without exception except for Permitted Exceptions, together with such other items and instruments as the Title Company may reasonably require, and as are customary for transactions in the Washington, D.C. metropolitan area to consummate the sale contemplated by this Addendum;
 - (6) All keys to the Premises and access codes, cards and instructions for the security system for the Premises that are in Seller's possession;
 - (7) Special Documents. All such other documents reasonably required by the Title Company to determine that Seller is a validly existing entity qualified to transact business in the District of Columbia and that Seller is authorized to sell the Premises and execute all documents in connection therewith. If requested by Buyer or the Escrow Agent, Seller shall deliver the same within five (5) business days after request therefor; and
 - (8) By federal wire transfer to the Title Company of good funds into the escrow created for this transaction, an amount equal to the balance of any funds, as evidenced by the closing statement, necessary to fully pay for and satisfy any amounts imposed upon the Seller and any other Seller's obligations under the Agreement and/or this Addendum as herein provided.
- (ii) Buyer will deposit or cause to be deposited:
- (1) By federal wire transfer of good funds into the escrow created for this transaction, an amount equal to the balance of any funds, as evidenced by the closing statement, to pay for and satisfy any amounts imposed upon the Buyer under the Agreement and/or this Addendum as herein provided;
 - (2) Such documents and instruments as reasonably required to evidence the due authority of Buyer to enter into and perform its obligations under this Addendum; and
 - (3) A closing statement prepared by Escrow Agent and executed by Buyer.
 - (4) Special Documents. All documents reasonably required by the Title Company to determine that Buyer is a validly existing entity qualified to transact business in the District of Columbia and is authorized to buy the Premises and to execute all documents in connection therewith.

8. Prorations; Closing Costs.

(a) Seller is exempt from the payment of real property taxes and assessments with regard to the Premises. Buyer is exempt from the payment of real property taxes and assessments and shall be responsible to prepare and file any applications for exemption from real property taxes and assessments with regard to the Premises from and after the Closing Date. All District of Columbia transfer taxes payable in connection with the Deed or as a result of the Closing, if any, shall be payable by Seller; and in addition, the parties agree that all general taxes and installments of special assessments or other impositions (collectively, "Taxes"), if any, levied or assessed against the Premises will be paid by Seller if due and payable on or before the Closing Date. If the amount of Taxes cannot be determined as of the Closing Date, such calculation will be based on the Taxes for the immediately preceding calendar year. Buyer expressly acknowledges and agrees that any and all special assessments to which the Premises are subject which are payable in installments for the year following Closing and each year thereafter will continue to be paid in installments, and Seller will be obligated to pay only those installments which are due and payable for the Calendar Year of Closing, prorated to the Closing Date, and Buyer assumes and agrees to pay all installments thereof and all other Taxes which are due and payable after the Closing Date.

(b) Seller will pay:

(i) The cost of recording all assignments, assumptions or releases of existing mortgages and other financing instruments.

(ii) The cost of the Title Commitment and the premium in connection with the Title Policy, the cost of any extended owner's policy and the cost of any endorsements required by the Buyer;

(iii) The cost of the survey delivered by Seller to Buyer pursuant to Section 3 of this Addendum.

(iv) Any closing agent fee; and

(v) All real estate transfer and stamp taxes (if any) and District of Columbia recordation taxes payable in connection with the filing of the Deed; and

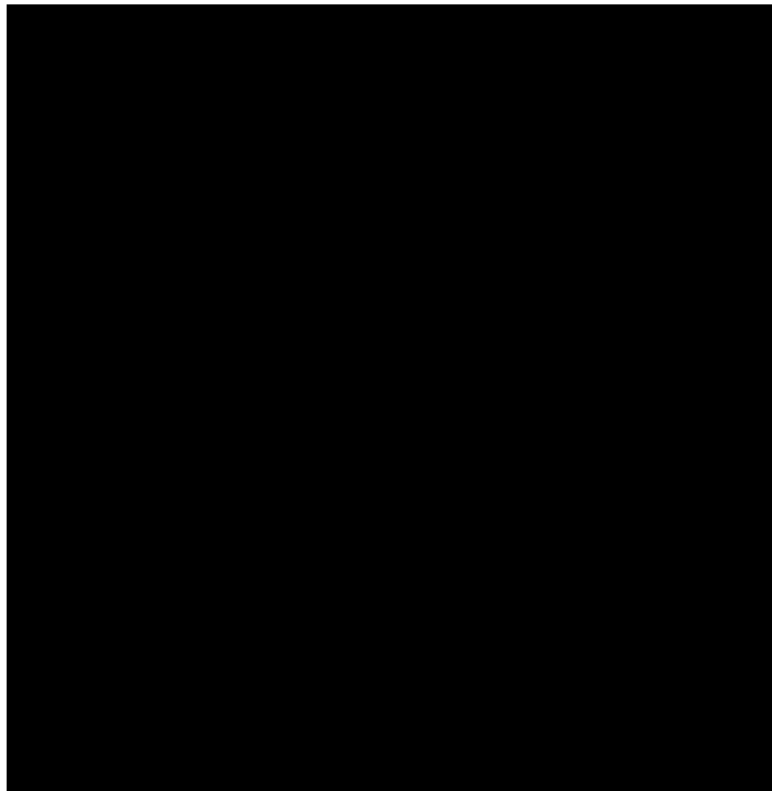
(vi) Any other charges or funding requirements imposed upon the Seller to pay at Closing as provided under the Agreement and/or this Addendum.

9. Possession. Possession of the Premises and any Keys will be delivered to Buyer at the Closing, subject only to the Permitted Exceptions.

10. Condemnation. If, prior to the Closing Date, all or a substantial part of the Premises is taken in any proceeding by any public authority, or any other body vested with the power of eminent domain, by condemnation or otherwise or is acquired for public or quasi-public purposes or condemnation proceedings therefor will have been

instituted, then (except as provided below) Seller shall notify Buyer, and Buyer will have the right to cancel or terminate this Addendum and the Agreement, said election to be exercised by Buyer by giving Seller written notice to such effect prior to the Closing Date. In the event that Buyer elects to cancel or terminate this Addendum and the Agreement, any earnest money or other deposits paid by Buyer shall be returned to Buyer and thereafter both Parties will be relieved and released of and from all further liability hereunder. Unless this Addendum and the Agreement to which it is appended is so canceled or terminated, it will remain in full force and effect with such equitable reduction in the Purchase Price on the part of the Buyer to be paid as shall be just and reasonable under the circumstances, and Seller will assign, transfer and set over to Buyer all of its right, title and interest in any awards that may be made for such taking and at the Closing, Seller will convey to Buyer such portion of the Premises as is not so taken.

IN WITNESS WHEREOF, and with the intent to be bound hereby, the Parties have executed this Addendum as of the date first above written.



instituted, then (except as provided below) Seller shall notify Buyer, and Buyer will have the right to cancel or terminate this Addendum and the Agreement, said election to be exercised by Buyer by giving Seller written notice to such effect prior to the Closing Date. In the event that Buyer elects to cancel or terminate this Addendum and the Agreement, any earnest money or other deposits paid by Buyer shall be returned to Buyer and thereafter both Parties will be relieved and released of and from all further liability hereunder. Unless this Addendum and the Agreement to which it is appended is so canceled or terminated, it will remain in full force and effect with such equitable reduction in the Purchase Price on the part of the Buyer to be paid as shall be just and reasonable under the circumstances, and Seller will assign, transfer and set over to Buyer all of its right, title and interest in any awards that may be made for such taking and at the Closing, Seller will convey to Buyer such portion of the Premises as is not so taken.

IN WITNESS WHEREOF, and with the intent to be bound hereby, the Parties have executed this Addendum as of the date first above written.



**Exhibit A to Real Estate Addendum
[Legal Description]**

All of those lots or parcels of land located in the District of Columbia, known as [REDACTED] and more particularly described as follows:

[REDACTED] in a subdivision made by [REDACTED], as per plat recorded in [REDACTED] among the Records of the Office of the Surveyor of the District of Columbia.

**Exhibit B to Real Estate Addendum
[UST Disclosure Form]**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
District Department of the Environment
Environmental Protection Administration

Underground Storage Tank Branch



Toxic Substance Division

UST REAL ESTATE TRANSFER

DISCLOSURE FORM

(FOR ALL PROPERTIES OTHER THAN SINGLE FAMILY HOMES)

The Underground Storage Tank (UST) Management Act of 1990, as amended, and implementing regulations, require that sellers of real property in the District of Columbia inform prospective purchasers in writing, prior to entering into a contract for sale, of the existence or removal of any USTs of which the seller has knowledge. If the sale is of commercial property, seller is also required to inform prospective purchasers of any prior use of the property of which seller has actual knowledge which suggests the existence of tanks on the property. For example, if seller knows there was formerly a gas station at the site, he is required to disclose this fact. Sellers of individual condominium or cooperative units are not subject to the disclosure requirements. Sellers of single family homes should use the appropriate form or provide disclosure in the sales contract.

Seller's Name: _____

Address of property to be sold: _____

To the best of your knowledge, are there any underground storage tanks (USTs) located on or under the above-referenced real property? Yes _____ No _____

- 2) If yes, how many USTs are located on the property?
 - a) What is the capacity of the tanks? _____
 - b) Are they presently in service _____ or abandoned _____?
 - c) If in service, for what purpose are they used? _____
 - d) If abandoned, have you complied with all requirements of the D.C. UST Regulations pertaining to closure of USTs? Yes _____ Don't know _____
- 3) Have you removed any USTs during the period of time you have owned the above-referenced property? Yes _____ No _____
- 4) If Yes, how many USTs did you remove? _____ When? _____
 - a) What were their capacities? _____
 - b) Have you complied with all requirements of the DC UST Regulations pertaining to closure of USTs? Yes _____ No _____ Don't know _____
- 5) Do you know of any prior uses of the property which suggest that USTs may be or have been used on the property? Yes _____ No _____
If yes, please describe the former use _____
- 6) Do you know of any contamination (soil/groundwater) on the property which resulted from prior use of the UST(s). Yes _____ No _____ Don't know _____

Seller: _____ **Date:** _____

PURCHASER ACKNOWLEDGES THAT PURCHASER HAS RECEIVED THE ABOVE DISCLOSURES PRIOR TO SIGNING A CONTRACT FOR PURCHASE.

Purchaser: _____ **Date:** _____

Information pertaining to USTs and UST removals of which the D.C. Government has received notification, is on file with the UST Branch at DDOE.



APPENDIX B
OPERATING AND CLOSURE BUDGET

Revised Budget for School Year 2013-2014

	FY 2014	FY 2014	Revised vs. Approved		Revised Budget Comments
	Approved	Proposed	\$ Change	% Change	
	Budget	Revised			
Student Enrollment	622	622	-	0%	
Revenues					
Per Pupil Charter Revenue	9,948,500	9,948,500	-	0%	
Federal Entitlement Revenue	503,300	503,300	-	0%	
Meals Reimbursements/Other Grants	712,700	662,700	(50,000)	-7%	Removed Creative Arts fundraising of \$50K
City Build Grant	-	-	-	-	
Investment Income	11,000	11,000	-	0%	
PAWS Tuition and Fundraising	145,000	145,000	-	0%	
Total Revenues	11,320,500	11,270,500	(50,000)	0%	
Expenses					
Salaries and Benefits	7,975,500	7,954,100	(21,400)	-0.27%	Upper Princial Paid as Consultant 4 Months
Direct Student Expenses	1,066,000	1,087,400	21,400	2%	Upper Princial Paid as Consultant 4 Months
Occupancy Expenses	610,000	610,000	-	0%	
Depreciation Expense	780,000	780,000	-	0%	
Office Expenses	311,500	285,500	(26,000)	-8%	Advertising Exp. Moved to School Closure
Professional Fees	503,000	588,000	85,000	17%	Legal Services & Consultants - School Closure
Interest Expense	266,000	266,000	-	0%	
General Expenses	121,500	121,500	-	0%	Insurance Renewal Increase
Total Expenses	11,633,500	11,692,500	59,000	1%	
Net Income	(313,000)	(422,000)	(109,000)		
Add back Depreciation Expense (a non-ca:	780,000	780,000			
Take out principal payments on 2010 bond	(180,000)	(180,000)			
Take out principal payments on capital lea:	(25,000)	(25,000)			
Take out capital expenditures (depreciable	(250,000)	(250,000)			
Net Cash Generated by Proposed Budget	12,000	(97,000)	350,000		Target for Facilities Life Cycle Schedule

All Closure Expenses 2014							
	JULY	AUGUST	SEPT	OCT	NOV	DEC	TOTAL
Salaries and Benefits							
Principal & Exec. Dir Salaries	7,833	7,833	7,833	7,833	7,833	7,833	47,000
Administrative Salaries	9,000	9,000	4,333	4,333	-	-	26,666
Other Employee Benefits	58,000	3,000	2,000	2,000	1,000	1,000	67,000
Performance Payments	55,000						55,000
Staff Incentives*	220,000	-	-	-	-	-	220,000
Total Salaries and Benefits	349,833	19,833	14,166	14,166	8,833	8,833	415,666
Occupancy Expenses							
Rent	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Total Occupancy Expenses	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Office Expenses							
Supplies	833	833	833	833	833	833	5,000
Records Management Fees	50,000	-	-	-	-	-	50,000
IT Technology Services	1,667	1,667	1,667	1,667	1,666	1,666	10,000
Total Office Expenses	52,500	2,500	2,500	2,500	2,499	2,499	65,000
Professional Fees							
Audit & Tax Return Fees	-	20,000	15,000	5,000	5,000	-	45,000
Closure Accounting Fees	3,500	3,500	3,500	3,500	3,500	3,500	21,000
Closure Legal Fees	35,000	10,000	10,000	5,000	5,000	5,000	70,000
	59,000	-	-	-	-	-	59,000
Payroll Processing Fees	2,500	500	500	500	500	500	5,000
Bank Fees	200	200	200	200	200	200	1,200
Survey Fees	11,000	-	-	-	-	-	11,000
Total Professional Fees	111,200	34,200	29,200	14,200	14,200	9,200	212,200
General Expenses							
Insurance	1,667	1,667	1,667	1,667	1,667	1,667	10,000
DC Unemployment	10,000	-	-	-	-	-	10,000
Other Expenses	2,000	2,000	2,000	2,000	2,000	2,000	12,000
Total General Expenses	13,667	3,667	3,667	3,667	3,667	3,667	32,000
Total Expenses	528,200	61,200	50,533	35,533	30,199	25,199	730,866
Notes							
** Staff Incentives are designed to encourage staff to maintain acceptable attendance, stay on board until the end of the school year and support school closure and transition activities.							

Closure