



North Park High School
 3400 NW 35th Street
 Opa Locka, Fl. 33054
 Phone: 305-720-2995

October 30, 2012

Mr. Julio C. Miranda, CPA, CFE
 Assistant Chief Auditor Management and Compliance Audits
 Office of Management and Compliance Audits
 1450 N.E. 2nd Avenue, Suite 415
 Miami, Florida 33132

2012 OCT 31 PM 4:09
 MANAGEMENT AND COMPLIANCE AUDITS

RE: Response regarding questions and concerns of the audited financial statements for the year ended June 30, 2012 of North Park High School

Dear Mr. Miranda:

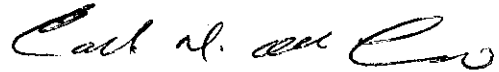
We have responded below to your six questions and concerns noted in your correspondence dated October 16, 2012 (Original Attached).

1. We have attached a Budgeted Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds for the year ending June 30, 2013, a Budgeted Statement of Activities for the year ending June 30, 2013, and a Budgeted Statement of Net Assets as of June 30, 2013. In addition, we have attached a Budgeted Schedule of Excess Cash Flows for the year ending June 30, 2013. These financial statements and Excess Cash Flows schedule were prepared based on information included In the School's FY 2013 Budget. The budgeted financial statements and Excess Cash Flows schedule reflect continuing improvement in the financial operations and stability of the School from FY 2012 to FY 2013. The School's actual October 2012 FTE was 359. The 2013 budget was prepared using October 2012 FTE of 325 and February 2013 FTE of 350.
2. For purposes of the financial statements noted above in Item 1, we made a conservative assumption that the capital outlay funds earned in FY 2012 would be received in FY 2013 and the capital outlay funds earned in FY 2013 would be received in FY 2014.
3. The amount Due to Management Company at June 30, 2012 was comprised of the following:

a. Management fees and Educational fees	\$188,000
b. School Operating Costs	\$664,000
	\$852,000
4. The debt balance of \$437,000 as of June 30, 2012 owed to Building Hope is shown in the Statement of Net Assets within the caption Long-term liabilities: Portion due or payable within one year of \$71,687 and Portion due or payable after one year of \$365,313.
5. We have attached a copy of the executed note from Building Hope and a schedule of the uses/expenditures of the proceeds from the loan.
6. In addition to the management and education contracts, Accelerated Learning Solutions, Inc., the management company, guarantees the Building Hope Loan noted on #4 above (attached), and the building lease for the school. There are no other related party transactions.

We appreciate our continuing partnership of educating students and preparing them for their future after graduating from High School.

Sincerely,

A handwritten signature in black ink, appearing to read "Carolos del Cuadra". The signature is fluid and cursive, with a prominent initial "C" and a long, sweeping tail.

Mr. Carolos del Cuadra, Principal
Florida High School for Accelerated Learning- North Park High School



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Alberto M. Carvalho

Chief Auditor
Jose F. Montas de Oca, CPA

Miami-Dade County School Board
Perla Tabares Hantman, Chair
Dr. Lawrence S. Feldman, Vice Chair
Dr. Dorothy Bendross-Mindingall
Carlos L. Curbelo
Renier Diaz de la Portilla
Dr. Wilbert "Tea" Holloway
Dr. Martin Karp
Dr. Marta Pérez
Raquel A. Regalado

October 15, 2012

Bishop Thomas Douglas, Chairperson
Florida High School for Accelerated Learning
Ticonsult1@aol.com

Mr. Patrick Min
Accelerated Learning Solutions, Inc.

DELIVERY VIA ELECTRONIC MAIL

North Park High School – Mr. Carlos del Cuadro – cdcuadro@dadeschools.net

RE: QUESTIONS AND CONCERNS REGARDING THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Dear Bishop Douglas, Mr. Min, and Mr. del Cuadro:

As part of the sponsoring School Board's oversight responsibilities pursuant to section 1002.33, Florida Statutes, we have reviewed the June 30, 2012 audited financial statements for North Park High School and have the following questions and concerns:

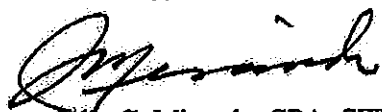
- The School had a deficit unassigned fund balance of \$(111,331), a deficit fund balance of \$(23,643), and a deficit net asset position of \$(174,258) as of June 30, 2012. Please provide a current Budgeted Statement of Revenues, Expenditures and Changes in Fund Balance, a current Budgeted Statement of Activities and a current Budgeted Statement of Net Assets for fiscal year 2012-13, and respond to our concern as to the School's financial stability for future operation as a charter school.
- The amount of \$121,430 is reflected as FY 2011-12 capital outlay monies due from the State and/or District. However, the School may not be entitled to these funds based on academic performance. If that amount is not collectable, the School's tenuous financial position is exacerbated.
- The financial statements reflect a "due to management company" of \$851,883. Please provide the detail of that amount's composition.
- Where is the \$437,000 debt due to Building Hope (note 4) reflected in the financial statements?
- Please provide a copy of the executed note from Building Hope and a detail of the uses/expenditures of the proceeds from the loan.
- Other than the management and education contracts described in note 6, are there any direct or indirect related party transactions between Accelerated Learning Solutions, Inc., or affiliated parties, and the School?

Please respond to us in writing by Wednesday October 31, 2012.

Please note that the referenced school(s) will not be considered for capital outlay disbursement until these concerns are adequately satisfied. Subsequent to receipt of your response to these inquiries, you will be required to appear before the Capital Outlay Plan Review Committee (COPRC) for final determination of eligibility for capital outlay funds. The office of Charter School Operations will contact you with the details of the COPRC meeting.

Should you have any questions, you may contact me at 305-995-1314 (JMiranda2@dadeschools.net) or Mr. Jon Goodman at 305-995-1323 (jgoodman@dadeschools.net).

Sincerely,



Julio C. Miranda, CPA, CFE
Assistant Chief Auditor
Management and Compliance Audits

JCM:lh
L011

cc: Mr. Jose F. Montes de Oca
Mr. Walter J. Harvey
Dr. Daniel Tosado
Dr. Richard H. Hinds
Ms. Milagros R. Fornell
Dr. Helen S. Blanch
Ms. Judith M. Marte
Ms. Connie Pou
Ms. Melinda L. McNichols
Ms. Tiffanie A. Pauline
Mr. Jon Goodman
McCrary, Hess and Ruth, CPA's cpa@mhrcpas.com

North Park High School
FY 2013 Budget - Statement of Net Assets

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Assets		
Cash	669,927	619,122
Restricted Cash	87,688	87,688
Due from other agencies	150,567	121,430
Capital assets, net	<u>222,385</u>	<u>286,385</u>
Total Assets	<u><u>1,130,567</u></u>	<u><u>1,114,625</u></u>
Liabilities		
Due to management company	923,570	851,883
Long-term liabilities:		
Due within one year	102,500	71,687
Due after one year	<u>262,813</u>	<u>365,313</u>
Total Liabilities	<u><u>1,288,883</u></u>	<u><u>1,288,883</u></u>
Net Assets		
Invested in capital assets, net	(126,927)	(62,927)
Restricted - Capital purchases or debt servik	87,688	87,688
Unrestricted	<u>(119,077)</u>	<u>(199,019)</u>
Total Net Assets	<u><u>(158,316)</u></u>	<u><u>(174,258)</u></u>
Total Liabilities and Net Assets	<u><u>1,130,567</u></u>	<u><u>1,114,625</u></u>

North Park High School
 FY 2013 Budget - Statement of Revenues, Expenditures and Changes in Fund Balances

Description	Total Governmental Funds	
	General Fund	Capital Outlay Fund
Enrollment (B=325 in Oct 2012 and 360 in Feb 2013)	337,50	-
FEFP Rate, excluding Transportation and Excess Admin Fee	\$ 5,375.67	-
FEFP Revenue, excluding Transportation and Excess Admin Fee	1,814,289	1,814,289
Transportation	13,452	13,452
Capital Outlay (PECO and Excess Admin Fee)	-	150,567
	<u>1,827,741</u>	<u>1,978,308</u>
Salary & Wage Expense		
Salary & Wage Expense - Teachers & AP	493,500	493,500
Salary & Wage Expense - Principal, EA and IT Support	136,533	136,533
Salary & Wage Expense - Support Specialists	173,667	173,667
	<u>803,700</u>	<u>803,700</u>
Benefits	112,157	112,157
Payroll taxes	76,352	76,352
	<u>982,208</u>	<u>982,208</u>
Total Compensation		
Education	6,080	6,080
Classroom Supplies	900	900
Classroom Equipment	1,250	1,250
Textbooks	2,700	2,700
Student Incentives	5,000	5,000
Graduation	14,400	14,400
Computer maintenance agreements	42,000	42,000
Curriculum licenses	6,250	6,250
Copy/Binding	<u>78,560</u>	<u>78,560</u>
Student Support		
Food service	300	300
Transportation expenses	80,400	80,400
	<u>80,700</u>	<u>80,700</u>
Facility		
Contract Labor - Security	-	-
Contract Labor - Janitorial	19,800	19,800
Property Taxes	-	-
Utilities - Water	24,000	24,000
Utilities - Electric	16,800	16,800
Utilities - Trash	2,400	2,400
Repairs & Maintenance - Building	3,000	3,000
Repairs & Maintenance - Other	12,000	12,000
Maintenance Service Agreements	2,700	2,700
Telephone	36,000	36,000
Cell phones	1,800	1,800
Computer repairs	450	450
Leased equipment	21,000	21,000
Office furniture/equipment	1,800	1,800
Janitorial supplies	2,400	2,400
Kitchen supplies/Bottled Water	600	600
	<u>23,433</u>	<u>174,000</u>
Rent Expense		
	<u>168,163</u>	<u>318,750</u>

North Park High School
 FY 2013 Budget - Statement of Revenues, Expenditures and Changes in Fund Balances

	Capital	Governmental	Total
General Administration			
Contract Labor - Other	10,770		10,770
Insurance other than D&O	15,000		15,000
Special Ed expenses	6,000		6,000
Consulting Fees	45,700		45,700
Marketing Fees	11,000		11,000
Social Marketing	8,000		8,000
Office supplies	9,750		9,750
Dues & Subscriptions	1,500		1,500
Postage/Shipping	2,400		2,400
Staff/Parent/Community meetings	2,000		2,000
Employee recognition	1,000		1,000
Training - Other	900		900
Travel - Airfare	1,800		1,800
Travel - Meals	1,200		1,200
Travel - Hotel	3,600		3,600
Travel - Car Expenses	1,800		1,800
Travel - Other	240		240
Recruiting - Background Checks	6,000		6,000
	<u>128,660</u>	<u>-</u>	<u>128,660</u>
Total Direct Operating Costs	1,448,311	150,567	1,598,878
School District Administrative Fee	68,583		68,583
Management & Educational fees (15%)	258,536		258,536
Depreciation on School Assets	-		-
Total School Expenditures	1,775,431	150,567	1,925,998
Expenses	52,310	-	52,310
Deferral of Management & Educational fees	82,209		82,209
Excess of Revenues over Expenditures after deferral of Management & Educational fees	114,519	-	114,519
Board expenses			
Legal	4,500		4,500
Audit	7,200		7,200
Accounting and Tax Preparation	11,400		11,400
Interest expense - Building Hope	32,580		32,580
Board Training & D&O Insurance	4,200		4,200
	<u>59,880</u>	<u>-</u>	<u>59,880</u>
Excess of Revenues over Expenditures before additional depreciation on school assets, principal repayments and additional deferral of Management & Educational fees	54,628	-	54,628
Additional depreciation on school of assets	-		-
Principal repayments in FY 2013	(71,687)		(71,687)
Additional deferral of Management & Educational fees	97,000		97,000
depreciation on school assets, principal repayments in FY 2013 and deferral of additional Management & Educational fees	79,942	-	79,942

North Park High School
 FY 2013 Budget - Statement of Revenues, Expenditures and Changes in Fund Balances

	Capital	Total Governmental
Net assets at beginning of year	(23,843)	(23,843)
Net assets at end of year	56,299	56,299

North Park High School
 FY 2013 Budget - Statement of Activities

Description	General Fund	Capital Outlay Fund	Total Governmental Funds
Enrollment (B=325 in Oct 2012 and 350 in Feb 2013)	337,567		
FEFP Rate, excluding Transportation and Excess Admin Fee	\$ 5,375.67		
FEFP Revenue, excluding Transportation and Excess Admin Fee	1,814,289		1,814,289
Transportation	13,452		13,452
Capital Outlay (PECO and Excess Admin Fee)		150,567	150,567
	1,827,741	150,567	1,978,308
Salary & Wage Expense	493,500		493,500
Salary & Wage Expense - Teachers & AP			
Salary & Wage Expense - Principal, EA and IT Support	136,533		136,533
Salary & Wage Expense - Support Specialists	173,667		173,667
	803,700		803,700
Benefits	112,157		112,157
Payroll taxes	76,352		76,352
Total Compensation	992,208		992,208
Education	6,060		6,060
Classroom Supplies	900		900
Classroom Equipment	1,250		1,250
Textbooks	2,700		2,700
Student Incentives	5,000		5,000
Graduation	14,400		14,400
Computer maintenance agreements	42,000		42,000
Curriculum licenses	6,250		6,250
Copy/Binding	78,560		78,560
Student Support	300		300
Food service	80,400		80,400
Transportation expenses	80,700		80,700
Facility			
Contract Labor - Security	19,800		19,800
Contract Labor - Janitorial			
Property Taxes	24,000		24,000
Utilities - Water	16,800		16,800
Utilities - Electric	2,400		2,400
Utilities - Trash	3,000		3,000
Repairs & Maintenance - Building	12,000		12,000
Repairs & Maintenance - Other	2,700		2,700
Maintenance Service Agreements	36,000		36,000
Telephone	1,800		1,800
Cell phones	450		450
Computer repairs	21,000		21,000
Leased equipment	1,800		1,800
Office furniture/equipment	2,400		2,400
Janitorial supplies	600		600
Kitchen supplies/Bottled Water			
Rent Expense	23,433	150,567	174,000
	168,163	150,567	318,750

North Park High School
 FY 2013 Budget - Statement of Activities

	Capital	Governmental	Total
General Administration			
Contract Labor - Other	10,770	10,770	
Insurance other than D&O	15,000	15,000	
Special Ed expenses	6,000	6,000	
Consulting Fees	45,700	45,700	
Marketing Fees	11,000	11,000	
Social Marketing	8,000	8,000	
Office supplies	9,750	9,750	
Dues & Subscriptions	1,500	1,500	
Postage/Shipping	2,400	2,400	
Staff/Parent/Community meetings	2,000	2,000	
Employee recognition	1,000	1,000	
Training - Other	900	900	
Travel - Airfare	1,800	1,800	
Travel - Meals	1,200	1,200	
Travel - Hotel	3,600	3,600	
Travel - Car Expenses	1,800	1,800	
Travel - Other	240	240	
Recruiting - Background Checks	6,000	6,000	
	<u>128,650</u>	<u>-</u>	<u>128,650</u>
Total Direct Operating Costs	1,448,311	150,567	1,598,878
School District Administrative Fee	68,583		68,583
Management & Educational fees (15%)	258,536		258,536
Depreciation on School Assets	18,000		18,000
	<u>1,793,431</u>	<u>150,567</u>	<u>1,943,998</u>
Total School Expenditures			
Expenses	34,310	-	34,310
Deferral of Management & Educational fees	62,209	-	62,209
Excess of Revenues over Expenditures after deferral of Management & Educational fees	96,519	-	96,519
Board expenses			
Legal	4,500	4,500	
Audit	7,200	7,200	
Accounting and Tax Preparation	11,400	11,400	
Interest expense - Building Hope	32,590	32,590	
Board Training & D&O Insurance	4,200	4,200	
	<u>59,890</u>	<u>-</u>	<u>59,890</u>
Excess of Revenues over Expenditures before additional depreciation on school assets, principal repayments and additional deferral of Management & Educational fees	36,629	-	36,629
Additional depreciation on school of assets	(46,000)		(46,000)
Principal repayments in FY 2013	(71,687)		(71,687)
Additional deferral of Management & Educational fees	97,000		97,000
depreciation on school assets, principal repayments in FY 2013 and deferral of additional Management & Educational fees	15,942	-	15,942

North Park High School
FY 2013 Budget - Statement of Activities

	Capital	Total Governmental
Net assets at beginning of year	(174,258)	(174,258)
Net assets at end of year	(158,316)	(158,316)

North Park High School
 FY 2013 Excess Cash Flows

Description	General Fund	Capital Outlay Fund	Total Governmental Funds
Enrollment (B=325 in Oct 2012 and 350 in Feb 2013)	337,50		
FEFP Rate, excluding Transportation and Excess Admin Fee	\$ 5,375.67		
FEFP Revenue, excluding Transportation and Excess Admin Fee	1,814,289		1,814,289
Transportation	13,452		13,452
Capital Outlay (PECO and Excess Admin Fee)		150,567	150,567
	1,827,741	150,567	1,978,308
Salary & Wage Expense			
Salary & Wage Expense - Teachers & AP	493,500		493,500
Salary & Wage Expense - Principal, EA and IT Support	136,533		136,533
Salary & Wage Expense - Support Specialists	173,667		173,667
	803,700		803,700
Benefits	112,157		112,157
Payroll taxes	76,352		76,352
Total Compensation	992,208		992,208
Education			
Classroom Supplies	6,060		6,060
Classroom Equipment	900		900
Textbooks	1,250		1,250
Student Incentives	2,700		2,700
Graduation	5,000		5,000
Computer maintenance agreements	14,400		14,400
Curriculum licenses	42,000		42,000
Copy/Binding	6,250		6,250
	78,560		78,560
Student Support			
Food service	300		300
Transportation expenses	80,400		80,400
	80,700		80,700
Facility			
Contract Labor - Security			
Contract Labor - Janitorial	19,800		19,800
Property Taxes			
Utilities - Water	24,000		24,000
Utilities - Electric	16,800		16,800
Utilities - Trash	2,400		2,400
Repairs & Maintenance - Building	3,000		3,000
Repairs & Maintenance - Other	12,000		12,000
Maintenance Service Agreements	2,700		2,700
Telephone	36,000		36,000
Cell phones	1,800		1,800
Computer repairs	450		450
Leased equipment	21,000		21,000
Office furniture/equipment	1,800		1,800
Janitorial supplies	2,400		2,400
Kitchen supplies/Bottled Water	600		600
Rent Expense	23,433	150,567	174,000
	188,183	150,567	318,750

North Park High School
FY 2013 Excess Cash Flows

	Capital	Governmental	Total
General Administration			
Contract Labor - Other	10,770		10,770
Insurance other than D&O	15,000		15,000
Special Ed expenses	6,000		6,000
Consulting Fees	45,700		45,700
Marketing Fees	11,000		11,000
Social Marketing	8,000		8,000
Office supplies	9,750		9,750
Dues & Subscriptions	1,500		1,500
Postage/Shipping	2,400		2,400
Staff/Parent/Community meetings	2,000		2,000
Employee recognition	1,000		1,000
Training - Other	900		900
Travel - Airfare	1,800		1,800
Travel - Meals	1,200		1,200
Travel - Hotel	3,600		3,600
Travel - Car Expenses	1,800		1,800
Travel - Other	240		240
Recruiting - Background Checks	5,000		5,000
	<u>128,680</u>	<u>-</u>	<u>128,680</u>
Total Direct Operating Costs	1,448,311	150,567	1,598,878
School District Administrative Fee	68,583		68,583
Management & Educational fees (15%)	258,536		258,536
Depreciation on School Assets	18,000		18,000
	<u>1,793,431</u>	<u>150,567</u>	<u>1,943,998</u>
Total School Expenditures	34,310	-	34,310
Expenses	62,209		62,209
Deferral of Management & Educational fees	96,519	-	96,519
Excess of Revenues over Expenditures after deferral of Management & Educational fees	4,500		4,500
Board expenses	7,200		7,200
Legal	11,400		11,400
Audit	32,590		32,590
Accounting and Tax Preparation	4,200		4,200
Interest expense - Building Hope	59,890		59,890
Board Training & D&O Insurance			
Excess of Revenues over Expenditures before additional depreciation on school assets, principal repayments and additional deferral of Management & Educational fees	36,629	-	36,629
Additional depreciation on school of assets	(46,000)		(46,000)
Principal repayments in FY 2013	(71,687)		(71,687)
Additional deferral of Management & Educational fees	97,000		97,000
depreciation on school assets, principal repayments in FY 2013 and deferral of additional Management & Educational fees	15,942	-	15,942

North Park High School
 FY 2013 Excess Cash Flows

	Capital	Total Governmental
Add back depreciation expense	64,000	64,000
Excess cash flows before adjustment for capital outlay funds	79,842	79,842
Adjust for collection in FY 2013 of capital outlay earned in FY 2012 and defer FY 2013 capital outlay earned until FY 2014 for collection purposes		(28,137)
Excess Cash Flows		50,805

Add back depreciation expense

Excess cash flows before adjustment for capital outlay funds

Adjust for collection in FY 2013 of capital outlay earned in FY 2012 and defer FY 2013 capital outlay earned until FY 2014 for collection purposes

Excess Cash Flows

DATE RUN 10/11/12
 TIME RUN 23.33.30

MIAMI-DADE COUNTY PUBLIC SCHOOLS
 SIMULATION SCHOOL FUNDING CERTIFICATION REPORT

PRODUCT NUMBER T13240901
 PAGE NUMBER 1

SCHOOL 7069 - NORTH PARK HIGH SCHOOL

(SINGLE SESSION SCHOOL)

FISCAL YEAR - 12 13 SURVEY CODE - 2

	INVALID GRADE	6TH GRADE	7TH GRADE	8TH GRADE	9TH GRADE	10TH GRADE	11TH GRADE	12TH GRADE	PGM TOTAL
BASIC EDUCATION									
101 PK-3 BASIC	-	-	-	-	-	-	-	-	-
102 4-8 BASIC	-	-	-	-	-	-	-	-	-
103 9-12 BASIC	-	-	-	10.5000	39.0000	42.3000	49.5000	141.3000	-
130 ESOL	-	-	-	2.0000	2.0000	5.2000	5.0000	14.2000	-
GRADE TOTALS	-	-	-	12.5000	41.0000	47.5000	54.5000	155.5000	-
EXCEPTIONAL EDUCATION									
111 PK-3 BASIC WITH ESE	-	-	-	-	-	-	-	-	-
112 4-8 BASIC WITH ESE	-	-	-	-	-	-	-	-	-
113 9-12 BASIC WITH ESE	-	-	-	3.0000	6.0000	7.0000	8.0000	24.0000	-
254 MATRIX LEVEL 4	-	-	-	-	-	-	-	-	-
255 MATRIX LEVEL 5	-	-	-	-	-	-	-	-	-
GRADE TOTALS	-	-	-	3.0000	6.0000	7.0000	8.0000	24.0000	-
VOCATIONAL EDUCATION									
300 VOCATIONAL 6-12	-	-	-	-	-	-	-	-	-
GRADE TOTALS	-	-	-	-	-	-	-	-	-
SCHOOL GRADE TOTALS	-	-	-	15.5000	47.0000	54.5000	62.5000	179.5000	-

***** GRAND TOTAL

North Park

Building Hope Loan Proceeds

	507,000.00	Received Loan Proceeds from Building Hope
	(10,141.72)	Loan Fees
	(188,149.48)	Leasehold Improvements/ Construction/ Design
	(161,610.45)	Dell Computers
	(30,094.31)	Furniture/ Equipment
	(37,677.14)	Presidio IT Networking
	(1,539.40)	Laser Printers
	(7,000.00)	IT Cabling/ Networking
	(787.50)	TABE Technology Programs
	<u>70,000.00</u>	
2/27/12 Balance		
	<u>(70,000.00)</u>	Principal Payment to Building Hope- 2/27/12
	<u> </u>	

Closing Index

Lender: Building Hope...a Charter School Facilities Fund

Borrower: Florida High School for Accelerated Learning
Miami-Dade Campus, Inc.

Loan Amount: \$507,000.00

Closing Date: September 20th, 2011

Miami-Dade Campus, Inc.

1. Closing Statement
2. Promissory Note
3. Security Agreement
4. Guaranty and Subordination Agreement
5. Borrower Certificate
6. Borrower's Affidavit
7. Guarantor Certificate
8. Guarantor's Affidavit
9. Certification as to Resolutions - Board of Directors - Miami-Dade Campus, Inc.
10. Certification as to Resolutions - Board of Directors - Accelerated Learning Solutions, Inc.
11. Unanimous Written Consent Action of Board of Directors - Accelerated Learning Solutions, Inc.
12. UCC-1
13. Blocked Deposit Account Control Agreement
14. Opinion Letter - Harwell Howard Hyne Gabbert & Manner, P.C.
15. Opinion Letter - Johnson, Anselmo, Murdoch, Burke, Piper & Hochman, P.A.

Closing Statement

LENDER: Building Hope...A Charter School Facility Fund
BORROWERS: Florida High School for Accelerated Learning; Greater Miami Campus, Inc.;
Miami-Dade Campus, Inc.; and Miami Campus, Inc.
Transaction: Three Term Loans For Leasehold and Capital Expenses
Closing Date: September 26th, 2011

Loan Amounts:

Greater Miami Campus	\$ 332,600.00
Miami-Dade Campus	\$ 507,000.00
Miami Campus	<u>\$ 461,170.00</u>

Total Loan Amount: \$1,300,770.00

Loan Expenses (aggregated for all three loans):

Commitment Fee Balances (\$6,879.00 prepaid):	\$ 6,128.70
Lender's Administrative Fees (Lender):	\$ 1,000.00
Lender's Legal Fees (Philip M. Battles, III):	\$ 8,900.00
Documentary Stamps:	\$ 4,552.30
Recording Fees-Miami-Dade County:	\$ 55.50
Filing Fees-Secretary of State	\$ 114.00
Search Fees-CSC:lien;litigation; tax;bankruptcy	\$ 944.00
Certificates of Good Standing-Secretary of State	\$ 26.25
Borrower's Legal Fees (JAMBG):	\$ 4,250.00
Borrower's Miscellaneous Costs (JAMBG):	<u>\$ 150.00</u>

Total Expenses: \$26,120.75

Net Funding to Borrowers: \$1,274,649.25

Approved by:

LENDER:

By: _____
Title:

Approved by:

BORROWERS:

By: _____
Title: Chairman of the Board

PROMISSORY NOTE

\$507,000

September ^{30th}, 2011

For value received, Florida High School of Accelerated Learning, Miami-Dade Campus, Inc. (the "Borrower"), hereby promises to pay to the order of Building Hope...A Charter School Facilities Fund, its successors and assigns ("Building Hope" or the "holder") at 910 17th Street, NW, Suite 1100, Washington, DC 20006 or such other place as the holder of this Promissory Note may designate in writing, the principal sum of up to Five Hundred Seven Thousand and 00/100 Dollars (\$507,000.00) or such other amount as may be advanced from time to time and remain outstanding (the "Principal Loan Balance"), plus interest on such Principal Loan Balance as set forth in this Promissory Note (the "Loan").

1. **Maturity Date.** The entire Principal Loan Balance, together with all accrued but unpaid interest is due and payable in full on September 30th, 2016, (the "Maturity Date").

2. **Principal and Interest**

(a) **Borrowing.** The purpose of this borrowing is for leasehold improvements and furniture, fixtures, equipment and technology located at 3400 N.W 135th Street – Building A, Opa Locka, Florida 33054 (the "Project").

(b) **Interest Rate; Debt Service Payments.** The unpaid Principal Loan Balance will bear interest from the date hereof at the rate of Eight percent (8%) per annum (the "Note Rate"), computed on the basis of the actual number of days elapsed over a 360-day year. On the first day of each month commencing November 1, 2011, and continuing through September 1, 2012, Borrower shall pay interest only at the Note Rate based on the outstanding Principal Loan Balance as of the last day of the previous month. On the first day of each month commencing on October 1, 2012 and continuing through September 1, 2016, Borrower shall pay principal based on a four (4) year amortization schedule together with interest at the Note Rate based on the outstanding Principal Loan Balance as of the last day of the previous month. All such debt service payments not otherwise made as required hereunder are not forgiven, but shall be deferred and paid first when debt service payments otherwise become due hereunder, and if not otherwise paid, shall be deemed to be and become part of principal and shall be due and payable in accordance with the terms hereof.

(c) Within five (5) business days after receipt of the Federal Charter School Implementation Grant funds, Borrower shall make a principal payment of Two Hundred Twenty-five Thousand (\$225,000) against the outstanding Principal Loan Balance.

(d) **Interest on the Principal Loan Balance on the Maturity Date.** If all or any of the accrued interest under this Promissory Note shall not be paid for any reason by the Maturity Date, then all accrued and unpaid interest at such date shall be added to and become part of the unpaid Principal Loan Balance due at the Maturity Date or the date of acceleration, whichever is applicable.

(e) **Principal Loan Balance on the Maturity Date.** To the extent not otherwise paid, the outstanding Principal Loan Balance shall be due and payable in full on the Maturity Date.

(f) **Highest Lawful Rate.** The foregoing notwithstanding, in no event shall the amount paid or agreed to be paid to the holder of this Promissory Note for the use, forbearance or detention of money advanced under this Promissory Note exceed the highest lawful rate permissible under the laws of the State of Florida which a court of competent jurisdiction may deem applicable.

3. **Prepayment.** Borrower may prepay the Principal Loan Balance and/or the accrued but unpaid interest on the Principal Loan Balance, in whole or in part, without penalty or premium, at any time.

4. **Application of Payments.** All payments made under this Promissory Note shall be applied first to the costs and expenses of the holder, then to accrued and unpaid interest and then to the Principal Loan Balance.

5. Covenants. Until payment in full of the Loan, Borrower:

(i) Shall not create, incur, assume or suffer to exist any liability for borrowed money, or permit any subsidiary so to do without the prior written consent of the holder; (ii) shall not create, incur, assume or suffer to exist any mortgage, pledge, lien or other encumbrance of any kind upon, or any security interest in, or otherwise transfer or convey, any of its property or assets, whether now owned or hereafter acquired, or permit any of its subsidiaries so to do without the prior written consent of the holder; (iii) shall notify the holder promptly after the discovery by any officer of Borrower of the occurrence of any Event of Default, or any event which with the giving of notice of lapse of time, or both, would constitute an Event of Default, or any material litigation or proceedings that are instituted against Borrower or its subsidiaries or any of their respective assets, or any other development in the business or affairs of Borrower or its subsidiaries which could be reasonably expected to have a material adverse effect on the business, properties, financial condition or operations, present or prospective, of Borrower and its subsidiaries, taken as a whole, in each case describing the nature thereof and the action Borrower proposes to take with respect thereto; and (iv) shall comply with the financial covenants set out in Exhibit "A" attached hereto.

6. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Promissory Note: (i) the failure of Borrower to pay within five (5) days after due any principal or interest or other monetary payment due and payable under this Promissory Note; (ii) the failure of Borrower to perform its non-monetary obligations within thirty (30) days after written notice, if required, under this Promissory Note or any other document evidencing or securing this Loan provided that if such non-monetary default is curable, and if Borrower has commenced to cure such default and is diligently and in good faith pursuing such cure, and such default shall not materially adversely impact holder's Collateral or its value, then Borrower shall have an additional period of time, but not to exceed sixty (60) additional days, to cure such non-monetary default; (iii) Borrower is no longer in good standing under the laws of the jurisdiction of its incorporation or the jurisdiction where it is doing business; (iv) all authorizations, charters, consents, approvals, registrations, exemptions and licenses with or from governmental authorities which are necessary for its continued existence, its business or its operations are no longer in full force and effect; (v) any material litigation or proceedings have been instituted against Borrower or its subsidiaries or any of their respective assets which could be reasonably expected to have a material adverse effect on the business, properties, financial condition or operations, present or prospective, of Borrower and its subsidiaries, taken as a whole; (vi) Borrower or any of its subsidiaries makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any receiver of or any trustee for Borrower or any subsidiary or any substantial part of its property, commences any proceeding relating to Borrower or any subsidiary under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or there is commenced against Borrower or any subsidiary any such proceeding which remains undismissed for a period of thirty (30) days, or Borrower or any subsidiary by any act indicates its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or any trustee for Borrower or any subsidiary or any substantial part of its property, or suffers any such receivership or trusteeship to continue undischarged for a period of thirty

(30) days; (vii) there are obtained or filed one or more judgments against Borrower or any of its subsidiaries or attachments against its property the result of which could be to interfere materially and adversely with the conduct of the business of Borrower or any subsidiary, remain unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of thirty (30) days; or (viii) if there exists an event of default under either of the Promissory Note dated September 30, 2011 made by Florida High School of Accelerated Learning, Miami Campus Inc. to Lender or any related loan documents or the Promissory Note dated September 30, 2011 made by Florida High School of Accelerated Learning, Greater Miami Campus Inc. to Lender or any related loan documents.

7. Remedies. If any Event of Default shall occur, the holder (i) may, by notice to Borrower, declare this Promissory Note, together with all accrued but unpaid interest and all other amounts payable under this Promissory Note to be immediately due and payable, upon which the unpaid Principal Loan Balance under this Promissory Note, together with all accrued and unpaid interest, and all such other amounts shall be immediately due and payable by Borrower; (ii) exercise its rights under any documents evidencing or securing the Loan; and (iii) exercise its rights against any collateral given by Borrower to secure this Loan. All remedies conferred upon the holder of this Promissory Note by this Promissory Note or any other instrument or agreement connected with, or related to, this Promissory Note, shall be cumulative and none is exclusive, and such remedies may be exercised concurrently or consecutively at such holder's option.

8. The unpaid Principal Loan Balance shall bear interest from and after an Event of Default at the rate of twelve percent (12%) *per annum* until the date the Event of Default is cured or the date the Loan and all amounts due thereunder are paid in full, whichever is later. In addition to all other sums due hereunder, and without limitation on any remedies of holder, the holder may collect a late charge not to exceed five percent (5%) of any installment of principal, interest or other sums which is not paid within ten (10) days of the due date thereof.

9. Payment of Costs and Expenses. Borrower agrees to pay on demand all reasonable costs and expenses including reasonable attorneys fees incurred in connection with the enforcement of this Promissory Note and any other instruments and documents delivered in connection with this Promissory Note, including, without limitation, reasonable costs and expenses sustained as a result of a default by Borrower in the performance of its obligations contained in this Promissory Note or any other instrument or document delivered in connection with this Promissory Note.

10. Amendments; Waiver. The holder of this Promissory Note shall not by any act of omission or commission be deemed to waive any of its rights or remedies under this Promissory Note unless such waiver is in writing and signed by such holder and then only to the extent specifically set forth in such waiver; provided that the holder's waiver on any one occasion shall not be construed as a waiver of such right or remedy on any other occasion.

11. Invalidity of any Provisions in this Promissory Note. If, for any reason, any of the terms or provisions of this Promissory Note are found to be invalid, illegal, unenforceable or contrary to any applicable law, such invalidity, illegality or unenforceability shall not affect any other provision of this Promissory Note, but this Promissory Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Promissory Note, and

the Borrower hereby agrees that this Promissory Note shall still remain in full force and effect subject only to the exclusion of those terms or provisions that have been found invalid, illegal, unenforceable or contrary to any such applicable law.

12. **Notices.** All notices, demands, requests or other communications which may be or are required to be given by any party to any other party under this Promissory Note must be in writing and mailed, couriered, delivered or faxed:

If to Borrower, to: Florida Miami-Dade Campus, Inc.
3206 South University Drive
Miramar, FL 33025
Attention: Thomas Douglas, Chairman
Facsimile: 954-916-7564

With a copy to: Accelerated Learning Solutions, Inc.
2636 Elm Hill Pike
Suite 500
Nashville, TN 37214

If to Holder, to: Building Hope . . . A Charter School Facilities Fund
910 17th Street, NW
Suite 1100
Washington, DC 20006
Attention: S. Joseph Bruno
Facsimile: (202) 457-1980

With a copy to: Counsel for Building Hope
910 17th Street, NW
Suite 1100
Washington, DC 20006
Attention: Philip M. Battles, III, Esq.
Facsimile: (202) 457-1980

or to such other addresses or to the attention of such other persons and officers as the Borrower or the holder of this Promissory Note shall have furnished to the other in writing. All such notices will be effective (i) three business days after the date such notice is mailed by certified mail, postage prepaid, return receipt requested, (ii) on the next business day if sent by a nationally recognized overnight courier service, (iii) on the date of delivery by personal delivery and (iv) on the date of transmission if sent by facsimile during business hours on a business day (otherwise on the next business day).

13. Governing Law. This Promissory Note shall be governed by and construed in accordance with the laws of the State of Florida without giving effect to its choice of laws rules.

14. Term of this Promissory Note. This Promissory Note will be in effect until the full payment of any and all amounts due under this Promissory Note.

15. Disbursements. Upon execution of this Promissory Note, and then upon the written request of Borrower to Building Hope, delivered together with invoices as applicable, at any time during the term of this Promissory Note, Building Hope will disburse the proceeds of the Loan to Borrower in the amounts as requested, but not to exceed the total amount of Five Hundred Seven Thousand and 00/100 Dollars (\$507,000.00) in the aggregate.

16. Security. The Loan and this Promissory Note evidencing the Loan shall be secured by (i) a first lien on all the assets of Borrower, (ii) a first lien on the Federal Charter School Implementation Grant funds ((i) and (ii) as evidenced by a Security Agreement and a UCC-1 Financing Statement), (iii) a third party guaranty by Accelerated Learning Solutions, Inc. (ALSI) and (iv) the subordination of all management fees payable to ALSI in connection with the Project ((iii) and (iv) as evidenced by a Guaranty and Subordination Agreement).

(SIGNATURE PAGE FOR PROMISSORY NOTE)

WITNESS:

Miami-Dade Campus, Inc.

By:  _____

Name: Thomas Douglas

Title: Chairman, Board of Directors

STATE: Washington

COUNTY: DC

On this day personally appeared before me, to me known to be the individual or individuals described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 20th day of September, 2011.



Notary Public

LEONARD A. SMITH, JR.
Notary Public, District of Columbia
My Comm. Expires Sept 14, 2014

My Commission Expires: _____

EXHIBIT A

1. Throughout the term of this Promissory Note, Borrower shall provide the following reports and information to Lender:

(a) Borrower's quarterly unaudited financial statements within forty-five (45) days of the end of each quarter, such financial statements shall be *prepared by an independent CPA of recognized standing*. Borrower's quarterly reports shall identify the amount of principal and interest outstanding under the Promissory Note, whether Borrower is in default under the Promissory Note and any other information requested by Lender.

(b) Borrower's annual audited financial statements at the time such statements are provided to the Lender, but in no event more than one hundred eighty (180) days after the end of the Borrower's fiscal year and copies of any other reports that the Borrower provides to the Lender at the time such reports are so provided.

(c) On each anniversary of the Closing Date, Borrower shall provide a certification from the entity that granted the Borrower's charter stating that: (i) its charter is currently in effect; (ii) the Borrower has not been given notice of probation; and (iii) the Borrower is in compliance with all laws, rules and regulations applicable to charter schools in the State of Florida.

(d) Within forty-five (45) days of the end of each School year, Borrower shall provide Lender a copy of the annual report provided to the authorizing entity that granted the Borrower's charter. The annual report shall document 1) the previous year's progress of Borrower in meeting the performance-based goals identified in the Borrower's charter petition on the Annual Borrower Report Card and 2) all state mandated test scores and other accountability indicators, including proficiency rates and Annual Yearly Progress (AYP) results as required under the federal No Child Left Behind Act of 2001.

2. Throughout the term of this Promissory Note, Borrower agrees to provide Lender with other information regarding the Loan, the collateral, and the Borrower's operation, revenues and expenses within thirty (30) days after receiving a written request for such information from Lender.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made this 20th day of September, 2011, by Florida High School for Accelerated Learning, Miami-Dade Campus, Inc. (the "Grantor"), located at 3400 N.W. 135th Street - Building A, Opa Locka, Florida 33054 for the benefit of Building Hope...A Charter School Facilities Fund, a District of Columbia non-profit corporation (the "Lender"), located at 910 17th Street N.W., Suite 1100, Washington, D.C. 20006.

1. COLLATERAL

Grantor hereby jointly and severally grants Lender a security interest in the following property:

- a. All of the funds (and collections thereof) due from the Board or the Florida Department of Education to fund the charter schools local chapter operated by Grantor in accordance with the provisions of Section 1002.33 and 1013.62, 1013.71, 1013.72, 1013.735, and 1013.737, Florida Statutes, as amended from time to time, all the funds received under the Federal Charter School Implementation Grant and all other accounts receivable, right to receive payments from any source or for any reason, fees, and income of Grantor.
- b. All of the personal property of all kinds now or hereafter owned by Grantor and related to or used or useful in the operations of Grantor at the facility located at 3400 N.W. 135th Street - Building A, Opa Locka, Florida 33054 (the "Property") including without limitation: all school equipment, office equipment, office furniture, computers, computer software, modems, interface equipment, computer terminals, printers, peripheral computer equipment, accessory equipment, hand and power tools, trucks, automobiles, heavy equipment and other motor vehicles, machinery and equipment of all classes; all right of Grantor in and to all awards or payments, including interest thereon and the right to receive the same, growing out of or resulting from any exercise of the power of eminent domain (including the taking of all or any part of the Property), or any alteration of the grade of any street upon which the Property abuts, or any other injury to, taking of, or decrease in the value of the Property or any part thereof; and any hazard, casualty, liability, or other insurance policy carried for the benefit of Grantor with respect to the property or the collateral herein described, including without limitation any unearned premiums and all insurance proceeds or sums payable in lieu of or as compensation for any loss of or damage to all or any portion of the Property.
- c. The tenant's interest in the Lease dated May , 2011 from 3400, LLC as Landlord and Grantor as Tenant.

- d. Construction, architect, engineering contracts and all related contracts, subcontracts, plans, specifications and permits in connection with any construction at or on the Property.

All of the above is hereinafter referred to as the "Collateral".

5. OBLIGATIONS SECURED

The security interests herein granted are to secure: (a) payment of that certain indebtedness (the "Loan") evidenced by that certain Promissory Note dated of even date herewith and made by Grantor, as borrower, payable to the order of Lender in the face amount of up to \$507,000 with interest and other fees and costs as therein provided, and any renewals, modifications, or extensions thereof, the provisions of which are incorporated herein by reference (said Promissory Note and any such renewals or modifications thereof being collectively referred to hereinafter as the "Promissory Note"); (b) the performance of all other obligations imposed by the Promissory Note, this Agreement, and all other Loan documents; (c) all reasonable expenditures by Lender incurred in connection herewith, including expenditures for taxes, insurance, repairs to and maintenance of the Collateral and all reasonable expenses of collecting the indebtedness and enforcing the Promissory Note and this Agreement; and (d) payment of any and all other present and future monetary liabilities of Grantor to Lender, whether direct or indirect, contingent or noncontingent, matured or unmatured, accrued or not accrued, related or unrelated to the Loan, whether or not of the same character or class as the Loan, and including, without limitation, whether or not secured under any other document, instrument or statutory or common law provision, as well as all renewals, refinancings, consolidations, re-castings, modifications and extensions of any of the foregoing.

6. COVENANTS

Grantor (each individually for itself and also collectively) expressly warrants and covenants as follows:

(a) The Collateral will be used primarily for the business purpose of operating a charter school located at the Property. The address of Grantor's principal place of business (for both notice and business purposes) is 3206 South University Drive, Miramar Florida 33025.

(b) Grantor warrants that the only names by which Grantor is known or does business are shown in the first paragraph of this Agreement. Grantor shall notify Lender immediately upon any change in Grantor's organizational name or upon any merger by the Grantor with or acquisition by any other person or entity, or upon any other change in Grantor's state of organization.

(c) Grantor is the sole entity entitled in interest to the Collateral free from all liens, encumbrances and claims of any other parties (and its successors and assigns). Grantor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(d) Grantor will not permit the Collateral to be moved from the accounts in which it is held without Lender's prior written consent.

(e) Grantor warrants that it has full power and authority to enter into this Agreement to execute and deliver all documents and instruments required hereunder, and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper corporate and other action, and no consent or approval of any person, including, without limitation, shareholders or members of Grantor or any public authority or regulatory body which has not heretofore been obtained is required as a condition to the validity or enforceability hereof or thereof.

(f) It is the intention of Grantor that no part of the Collateral is or will be fixtures, shall be affixed to real estate, or otherwise is or will become so related to particular real estate that an interest in it arises under real estate law.

(g) The Federal Charter School Implementation Grant moneys shall be immediately wired to or deposited in a certain collateral account at / and said funds shall be controlled by a Collateral Control Agreement.

/ Citibank, N.A.

7. CARE OF COLLATERAL

Grantor will (a) deal with the Collateral in all such ways as are considered good practice by owners of similar collateral and in accordance with the terms and provisions of the Promissory Note and all documents related thereto; (b) in accordance with Section 6 below, allow Lender to inspect the books and records of Grantor relating to the Collateral at any reasonable time; (c) pay when due all taxes and assessments now or hereafter imposed upon the Collateral; and (d) not permit any other security interest to be created in the Collateral other than as described above

Grantor shall be in default hereunder upon the occurrence or happening, from time to time, of an Event of Default pursuant to the terms of and as defined under the Promissory Note (an "Event of Default").

Upon any such Event of Default, and at any time thereafter, at Lender's option, without further demand, notice or presentment except as hereinafter provided, Lender may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same. In addition to the remedies provided herein and in the Promissory Note and in the other documents securing the Promissory Note, Lender shall have all rights and remedies available at law or in equity, including those under the Uniform Commercial Code as enacted in the State of Florida. Each right, power and remedy of Lender shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

Grantor agrees that upon any such Event of Default Lender may operate, manage and control the Collateral, or permit the Collateral or any portion thereof to remain idle, or store the same, and collect all rents and revenues therefrom and sell or otherwise dispose of any or all of the Collateral upon such terms and under such conditions as Lender, in its sole discretion, may determine, all without any prior notice or demand, and may purchase or acquire any of the

Collateral at any such sale or other disposition, all to the extent permitted by applicable law. Lender may require Grantor to assemble the Collateral and make it available to Lender at any place to be designated by Lender which is reasonably convenient to both parties. Where notice is required by law, Lender may give Grantor notice of intended disposition of the Collateral by sending notice by regular mail, at least five (5) business days in advance, to Grantor at the address indicated in the first paragraph of this Agreement. It is mutually agreed that commercial reasonableness and good faith require Lender to give Grantor no more than five (5) business days prior written notice of the time and place of any public disposition of the Collateral or of the time after which any private disposition or any other intended disposition is to be made. If any portion of the Collateral includes motor vehicles, it is agreed that disposition by private sale is commercially reasonable, but private sale shall not be deemed to be Lender's exclusive remedy, it being understood that Lender may elect to dispose of the Collateral in any other commercially reasonable manner.

Grantor agrees that upon any such Event of Default Lender shall have an immediate right to possession of the Collateral. Possession may be obtained by Lender retaking of possession without the prior intervention of any court or other proceeding provided that the act of taking possession is not in breach of the peace. In the event that Lender cannot or does not desire to personally repossess the Collateral, Lender may proceed to obtain a court order which may be given without prior hearing. Grantor specifically waives any right to notice that the Lender intends to repossess and also waives all right to a hearing prior to a taking of possession by the Lender.

Effective upon the occurrence of any such Event of Default, Grantor hereby designates and appoints Lender and its designees as attorney-in-fact of Grantor, irrevocably and with power of substitution, with authority to endorse Grantor's name on any notes, acceptances, checks, drafts, money orders, instruments or other evidences of payment or proceeds of the Collateral that may come into Lender's possession; to execute proofs of claim and loss; to execute any endorsements, assignments, or other instruments of conveyance or transfer; to adjust and compromise any claims under insurance policies; to execute releases; and to perform all other acts necessary and advisable, in Lender's sole discretion, to carry out and enforce this Agreement. All acts of said attorney or designee are hereby ratified and approved by Grantor. This power of attorney is coupled with an interest and is irrevocable so long as any of the obligations secured hereby remain unpaid or unperformed.

Any required notice of default hereunder shall be deemed complete upon (a) three business days after the date of a single mailing by certified or registered mail, postage prepaid, return receipt requested, (b) one business day after delivery to a nationally recognized overnight carrier, or (c) on the date of delivery if by personal delivery, addressed to Grantor at its address set forth hereinabove, or to any such other address as may be furnished in writing by the Grantor to Lender.

The notice and cure periods provided for herein shall run concurrently with the cure periods provided for in the Promissory Note and any and all other instruments securing, guarantying, or governing the Loan.

8. INSPECTION

Grantor will maintain or cause to be maintained full, complete, accurate and adequate records and books of account in accordance with generally accepted accounting principles consistently applied relating to the Collateral, and will permit the Lender and the duly authorized agents, attorneys and accountants of the Lender to examine, copy and inspect such records and books of account at all reasonable times upon reasonable advance notice.

9. GENERAL

(a) Grantor agrees to pay all fees for the filing of financing statements and agrees to take such other actions as might be necessary for the perfection, continuation and/or termination of the security interests hereby granted Lender.

(b) Grantor agrees that in the performance of Grantor's obligations, time is of the essence.

(c) Grantor acknowledges that this instrument has been executed and delivered to the Lender by the undersigned or the undersigned's agent within the State of Florida. The undersigned Grantor hereby consents to the exclusive venue and jurisdiction of the courts of the State of Florida concerning any matter arising out of or relating to this Agreement or any related document, the undersigned waives any defense based upon jurisdiction or venue in any action commenced in any State of Florida court upon this Agreement or any related document, and the undersigned agrees not to institute, transfer or remove any litigation to any court other than the courts of the State of Florida if such litigation arises out of or relates to this Agreement or any related document. Nothing herein, however, shall be construed to limit the ability of the Lender to seek redress from all courts in the State of Florida or elsewhere to obtain possession of the Collateral or to otherwise enforce its rights under this Agreement.

(d) Loss, injury to, or destruction, either partial or total, of the Collateral shall not release or affect Grantor's obligation under this Agreement.

(e) No amendment hereto or waiver on the part of Lender shall be binding unless signed in writing by Lender. No act, delay or omission by Lender shall operate hereafter as a waiver of any right, remedy or default.

(f) Grantor in good faith shall maintain all insurance (to the extent obtainable at a less than prohibitive cost) as required by the Indenture or other documents related thereto and provide evidence thereof to Lender.

(g) In addition to all other available remedies, should Grantor fail to perform any obligation herein required, Lender shall have the right, at its option, to perform such obligation on Grantor's behalf, and Grantor shall promptly reimburse Lender the reasonable cost and expenses thereof. Grantor further agrees and hereby authorizes that, in such event, Lender may, in Lender's sole and reasonable discretion, but Lender shall not be obligated to, advance funds on behalf of Grantor without prior notice to Grantor, in order to insure Grantor's compliance with any covenant, warranty, representation or agreement of Grantor made in or pursuant to this Agreement or any instrument secured hereby, to preserve or protect any right or interest of Lender in the Collateral or under or pursuant to this Agreement or any of the installments

secured hereby, including without limitation, the payment of any installment premiums or taxes and the satisfaction or discharge of any judgment or any lien upon the Collateral; provided, however, that the making of any such advance by Lender shall not constitute a waiver by Lender of any default with respect to which such advance is made nor relieve Grantor of any such default. Grantor shall pay to Lender upon demand all such advances made by Lender with interest thereon at the highest rate provided for the principal sums advanced and outstanding under the Note. All such advances shall be deemed to be secured by the security interest granted Lender hereunder.

(h) Intentionally Deleted.

(i) Intentionally Deleted.

(j) Grantor will at all times keep accurate and complete records covering each item of Collateral, including the proceeds therefrom, and Lender or any of its agents, shall have the right to call at Grantor's place or places of business at intervals to be reasonably determined by Lender, and upon reasonable notice, without hindrance or delay, to inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral and Grantor's business or to any other transaction between the parties hereto, and Grantor will at its expense furnish Lender copies thereof upon request.

(k) The security interest granted herein may be publicized by the recording of the original or a carbon, photographic or other reproduction of this Agreement or any financing statement executed hereunder. If any accounts receivable or proceeds of inventory covered hereby arise from obligations due the Grantor from any governmental body or organization, Grantor shall immediately notify Lender in writing and execute all documents and take all steps requested by Lender to ensure recognition by such governmental body or organization of the rights of Lender.

(l) Grantor agrees to pay and be liable for any and all reasonable expenses, including reasonable attorneys' fees and court costs, incurred by Lender in exercising or enforcing any of its rights hereunder or under the instruments secured hereby, together with interest thereon at the rate and determined in the manner provided in the Note. Lender may apply all Collateral and proceeds of all Collateral to the obligations secured hereby in any manner which Lender, in its sole and reasonable discretion, deems appropriate.

(m) Grantor hereby waives, to the extent the same may be waived under applicable law: (1) all claims, causes of action and rights of Grantor against Lender on account of actions taken or not taken by Lender in the exercise of Lender's rights or remedies hereunder or under the instruments secured hereby; (2) all claims of Grantor for non-material failure of Lender to comply with any requirement of applicable law relating to enforcement of Lender's rights or remedies hereunder; (3) all rights of redemption of Grantor with respect to the Collateral; (4) in the event Lender seeks to repossess any or all of the Collateral by judicial proceedings, any bond(s) or demand(s) for possession which otherwise may be necessary or required; (5) presentment, demand for payment, protest and notice of non-payment and all exemptions; (6) trial by jury in any action or proceeding of any kind or nature in connection with this Agreement or any of obligations secured hereby; (7) any and all other notices or demands which by applicable law must be given to or made upon Grantor by Lender, preserving, however, such

notices as may be required by the instruments secured hereby. Grantor hereby consents to the settlement, compromise, modification, renewal, extension or release of the obligations of any person primarily or secondarily liable upon any of the obligations secured hereby, and consents to the substitution, impairment, exchange or release of any collateral security for any of the obligations secured hereby, all without impairing or releasing the security interest established by this Agreement. Grantor agrees that Lender may exercise any or all of its rights and/or remedies hereunder and under the other instruments securing the Note without resorting to and without regard to any other collateral security or sources of liability with respect to any of the obligations secured hereby.

(n) The use of any gender or the neuter herein shall also refer to the other gender or the neuter and the use of the plural shall also refer to the singular, and vice versa.

(o) All of the grants, covenants, terms, provisions and conditions of this Agreement shall apply, bind and inure to the benefit of the successors and assigns of the Grantor and the endorsees, transferees, successors and assigns of the Lender, and all persons claiming under or through any of them.

(p) In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and unenforceability of the remaining provisions contained herein shall in no way be affected or impaired thereby.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Guarantor has executed this Agreement under seal as of the date first above written.

GUARANTOR:

Miami-Dade Campus, Inc. a Florida nonprofit corporation

Witness: [Signature] By: [Signature]
Name: JOHN CARROLL
Title: VP

Name: CHRISTOPHER E. DONOFR
Date: 9/20/2011

[SIGNATURE PAGE TO SECURITY AGREEMENT]

GUARANTY AND SUBORDINATION AGREEMENT

This Guaranty and Subordination Agreement (this "Guaranty") is made, executed and delivered this 16 day of September, 2011 by Accelerated Learning Solutions, Inc. (together with its successors and permitted assigns, the "Guarantor") in favor of BUILDING HOPE...A CHARTER SCHOOL FACILITIES FUND, a District of Columbia nonprofit corporation (together with its successors and assigns, the "Lender").

In order to induce Lender to grant credit to Florida High School for Accelerated Learning, Miami-Dade Campus, Inc. ("Borrower") and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged:

1. Guarantor hereby absolutely and unconditionally guarantees to Lender and its successors and assigns the prompt payment, performance and discharge when due (whether upon maturity, acceleration or otherwise) of all of Borrower's debts, obligations and liabilities to Lender pursuant to (a) that certain Promissory Note made by Borrower of even date herewith in the principal amount of \$507,000.00 (as may be extended, renewed, amended or otherwise modified from time to time, the "Note") and (b) all other documents, instruments and other agreements executed and/or delivered in connection with the Note (together with the Note, the "Loan Documents"), including, without limitation, the indefeasible payment in full of (i) the principal amount of, and interest on, the Note; (ii) all amounts previously or hereafter advanced under the Note, and all renewals and extensions thereof; (iii) all reasonable attorney's fees, costs and other expenses incurred in collection on any Loan Document, including this Guaranty; (iv) all future advances made by Lender for taxes, levies, insurance or similar items under the Note or any security document relating thereto; and (v) all interest and other amounts accruing under the Note and the other Loan Documents during the pendency of any proceeding under bankruptcy or similar insolvency laws instituted by or against, or otherwise affecting, Borrower or Guarantor (collectively, the "Obligations"). This Guaranty is a guaranty of payment and not of collection.

2. Guarantor hereby (a) waives, to the extent permitted by applicable law, presentment, notice of extension of credit, notice of adverse change in Borrower's financial condition, demand, notice of demand, notice of acceleration of maturity, protest, notice of protest, notice of nonpayment, notice of dishonor, and any other notice required to be given under the law to Borrower or Guarantor and (b) consents to (i) any and all delays, extensions, renewals or other modifications of the Note or any other Loan Document, including, without limitation, any security documents, (ii) any and all waivers of any term of the Note or any other Loan Document, including, without limitation, any security document, (iii) any and all releases, substitutions or exchanges of any collateral, deposit or other security for, or guarantor of, the payment of the Note, and (iv) any failure to act on the part of Lender and/or any indulgence shown by Lender, in one or more instances (without notice to or further assent from Guarantor) and Guarantor agrees that no such action, failure to act or failure to exercise any right or remedy on the part of Lender shall in any way be construed as a waiver by Lender of, or otherwise affect, any of Lender's rights hereunder.

3. The obligation and liability of Guarantor hereunder shall be a primary and not a secondary obligation and liability, payable immediately upon demand without recourse first having been had by Lender against Borrower, any other person or entity or any collateral or other

security or liens for the Obligations available to Lender. Guarantor hereby waives any and all right to require that an action be brought against Borrower or any other person or entity or to require that resort be had to any collateral or other security or to any balance of any deposit account or credit on the books of Lender in favor of Borrower or any other person or entity.

4. Lender shall have a lien upon and a right of set-off to any and all deposits, credits and other property of Guarantor now or at any time in the possession of Lender as security for any and all obligations of Guarantor to Lender, no matter how or when arising and whether under this or any other agreement or otherwise.

5. Guarantor agrees to pay all expenses incurred by Lender in connection with enforcement of Lender's rights under this Guaranty, including without limitation all court costs, collection charges and reasonable attorney's fees and disbursements.

6. Guarantor represents, warrants and covenants to Lender, as an inducement to Lender to grant credit to Borrower, that:

(a) such financial statements as have been delivered by Guarantor to Lender are true and correct in all material respects as of the dates of such statements;

(b) since the date of the aforementioned financial statements, there has been no material adverse change in the financial condition of Guarantor;

(c) Guarantor shall immediately give Lender written notice of any material adverse change in such Guarantor's financial condition, including but not limited to any (i) active, pending or threatened litigation against Guarantor, (ii) tax lien imposed against Guarantor personally or against any part of Guarantor's property, (iii) default under any material indebtedness of Guarantor or (iv) bankruptcy or other insolvency proceeding commenced by or against Guarantor;

(d) Guarantor shall, at such reasonable times as Lender requests, furnish current financial statements to Lender and permit Lender or its representatives to inspect Guarantor's financial records and properties upon reasonable notice and during normal business hours, and make extracts therefrom in order to evaluate the financial condition of Guarantor;

(e) This Guaranty is the valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

(f) Guarantor's execution, delivery and performance of the terms and provisions of this Guaranty do not violate any of the terms, conditions or provisions of, or constitute a default under, (A) any judgment, order, injunction, decree, regulation or ruling of any court or other governmental authority to which Guarantor or Guarantor's property is subject or by which Guarantor or Guarantor's property is bound, or (B) any material agreement or contract to which Guarantor is a party or to which Guarantor or Guarantor's property is subject.

(g) Other than those that have already been obtained, no authorization, consent, order, approval or license from, filing with, or other act by any governmental authority or other person is or will be necessary to permit the valid execution and delivery by Guarantor of this Guaranty or the performance by Guarantor of Guarantor's obligations under this Guaranty.

(h) Guarantor has not commenced (within the meaning of Title 11 of the U.S. Code and any similar state law for the relief of debtors (each a "Bankruptcy Law")) a voluntary case, consented to the entry of an order for relief against Guarantor in an involuntary case, or consented to the appointment of a receiver or custodian of Guarantor or for any part of Guarantor's property, nor has a court of competent jurisdiction entered an order or decree under any Bankruptcy Law that is for relief against Guarantor in an involuntary case or appointed a receiver or custodian of for Guarantor or any part of Guarantor's property. Guarantor is currently able to pay Guarantor's obligations as they become due.

(i) With respect to Guarantor, Guarantor (i) is mentally competent, (ii) has reached the age of majority under the laws of Guarantor's state of residence, (iii) is sophisticated in business matters and fully understands the obligations Guarantor is undertaking with respect to this Guaranty and (iv) has had the benefit of counsel in connection with Guarantor's entering into this Guaranty;

(j) Guarantor is fully aware of the financial condition of Borrower. Guarantor delivers this Guaranty based solely upon Guarantor's own independent investigation and in no part upon any representation or statement of Lender with respect thereto.

7. Guarantor hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the Borrower with respect to the payment and performance of all of the Obligations, it being the intention of the parties hereto that the Obligations shall be the joint and several obligations of Guarantor and Borrower, without preferences or distinction among them. Guarantor is accepting joint and several liability with Borrower hereunder in consideration of the financial accommodation to be provided by the Lender to the Borrower under the Note and the other Loan Documents, for the mutual benefit, directly and indirectly, of Guarantor, and in consideration of the undertakings of Guarantor to accept joint and several liability for the obligations of Guarantor and Borrower hereunder.

8. This Guaranty is a primary and original obligation of Guarantor and is an absolute, unconditional, continuing and irrevocable guaranty of payment. Guarantor agrees that all the rights, benefits and privileges herein conferred upon Lender shall vest in, and be enforceable by, Lender, its successors and assigns. This Guaranty shall be binding upon Guarantor's heirs, executors, administrators, personal representatives, successors and assigns, and shall remain in force until the earlier of (a) indefeasible payment and performance in full of all of the Obligations or (b) a written notice from Lender to Guarantor revoking this Guaranty.

9. This Guaranty shall be governed, construed and interpreted according to the laws of the State of Florida.

10. This Guaranty may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.

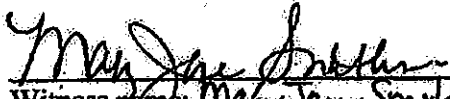
11. Unless otherwise provided herein, all notices, requests and other communications provided for hereunder shall be in writing and shall be given (a) if to Lender, at the address set forth in the Note and (b) if to Guarantor, at the address for Guarantor set forth below Guarantor's signature below. Any such notice, request or other communication shall be made and be effective in the same manner as set forth in the Note.

12. No amendment, modification, supplement, termination, or waiver of any provision of this Guaranty, and no consent to any departure by Guarantor herefrom, may in any event be effective unless in writing signed by the parties hereto, and then only in the specific instance and for the specific purpose given.


13. Guarantor acknowledges that it has executed a Management Agreement dated January 25, 2011 with Borrower to manage that certain Charter School located at 3400 N.W. 135th Street -- Building A, Opa Locka, Florida 33054 and that it is paid certain management fees (the "Management Fees") pursuant to the terms of said Agreement. Guarantor hereby agrees that the Management Fees and all rights and privileges of Guarantor to the Management Fees are hereby and shall at all times continue to be subject and subordinate in all respects to any and all amounts due and owing by Borrower to Lender. Notwithstanding anything to the contrary herein, unless or until Guarantor has been notified of an event of default under the Loan Documents and Lender has made demand against Guarantor under the terms of this Guaranty, Lender agrees Borrower may make payments of the then currently owed Management Fees to the Guarantor, but not for payment of future Management Fees not yet due and payable.

WHEREFOR, Guarantor has executed this Guaranty and caused his signature to be witnessed, as of the date first above written.

WITNESS:


Witness name: Mary Jane Smith

GUARANTOR:
ACCELERATED LEARNING SOLUTIONS,
INC., a Tennessee corporation

By: 
Name: Patrick C. Hill
Title: CEO
Address: 2636 Elm Hill Pike
Nashville, TN 37214
Facsimile: 615-850-3854

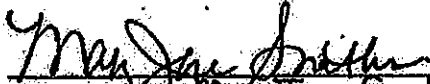
BORROWER hereby joins in this Guaranty to acknowledge Paragraph 13 above and Borrower agrees that it shall not make any payment of the Management Fees to the Guarantor or take any other action in contravention of the provisions thereof.

WITNESS:


Miami-Dade Campus Inc
By: _____
Name: Thomas Douglas
Title: Chairman, Board of Directors

WHEREFOR, Guarantor has executed this Guaranty and caused his signature to be witnessed, as of the date first above written.

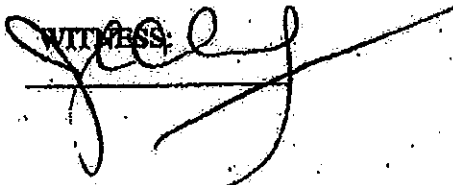
WITNESS:



Witness name: Mary Jane Smith

GUARANTOR:
ACCELERATED LEARNING SOLUTIONS,
INC., a Tennessee corporation

By: 
Name: Patrick C. Smith
Title: CEO
Address: 2636 Elm Hill Pike
Nashville, TN 37214
Facsimile: 615-850-3854

BORROWER hereby joins in this Guaranty to acknowledge Paragraph 13 above and Borrower agrees that it shall not make any payment of the Management Fees to the Guarantor or take any other action in contravention of the provisions thereof.

WITNESS: 

Miami-Dade County Inc
By: 
Name: Thomas Douglas
Title: Chairman, Board of Directors

BORROWER CERTIFICATE

The undersigned Florida High School of Accelerated Learning-Miami-Dade Campus, Inc., ("Borrower") hereby certifies to Building Hope...A Charter School Facilities Fund ("Lender") as follows:

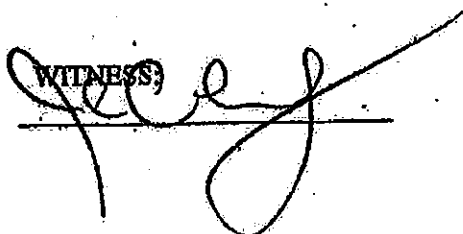
1. Building Hope is making a secured loan to Borrower in the amount of \$507,000.00 ("Loan"), which Loan is related to leasehold improvements and acquisition of furniture, fixtures, equipment and technology located at 3400 N.W. 135th Street-Building A, Opa Locka, FL 33054 ("Property").

2. Borrower presently leases the Property from 3400, LLC ("Landlord") pursuant to the terms of a Lease dated May ____, 2011 (the "Lease").

3. Borrower makes the representations and warranties set forth in Paragraph 4 below, knowing that Lender will rely on said representations and warranties in making the Loan to Borrower.

4. Borrower hereby represents and warrants to Lender that the Lease currently is in full force and effect and free from default on the part of both Landlord and Borrower as Tenant thereunder and to the best of Borrower's knowledge, information and belief, there is no event or condition presently existing which could cause an event of default on the part of either Landlord or Borrower as Tenant under the Lease.

WITNESS the following signature on behalf of the Borrower as to the above certification.

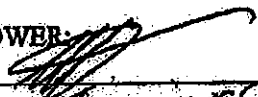


WITNESS:


BORROWER:

Name:

Title:

Date:




9/20/11

BORROWER'S AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Thomas Douglas of Florida High School of Accelerated Learning-Miami-Dade Campus, Inc., a Florida corporation ("Borrower"), who deposes and states:

1. That Borrower is not a party to any pending litigation in which it has been named as a defendant or is applicable to its assets or property or in which a counterclaim or crossclaim has been filed against it or against its assets or property by any defendant or third-party, which, if adversely determined, would impair the ability of the Borrower to meet its obligations to Building Hope...A Charter School Facilities Fund under loan documents executed by the Borrower dated September 20th, 2011, (the "Loan Documents") for a \$507,000.00 Term Loan.

2. That he is not aware of any threatened litigation against Borrower, which, if adversely determined, would impair the Borrower's ability to meet its obligations under the Loan Documents.

3. That the execution and delivery of the Loan Documents does not conflict with or result in a violation of any law, regulation, agreement, contract, instrument, order, writ, judgment or decree to which the Borrower is a party or to which the assets or property of the Borrower may be subject.

4. That the Borrower is not in default of any payment on account of indebtedness for borrowed money or in violation of or in default under any material term in any indenture, contract, mortgage, deed of trust or other agreement, instrument, undertaking, or order, decree or judgment of any court, arbitration or governmental to which it is a party or by which it is bound and the execution and delivery of the Loan Documents will not conflict with nor violate any such documents, undertaking or order, decree of judgment.

5. That the Borrower has obtained or caused to be obtained all necessary consents and approvals, if any, to execute and deliver the Loan Documents.

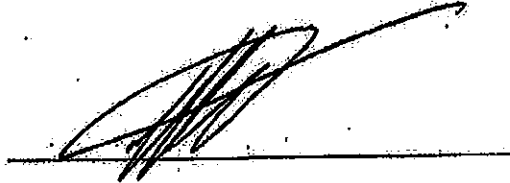
6. That there are no threatened or pending criminal proceedings against the Borrower.

7. Neither the Borrower nor its assets or property is the subject of an existing or threatened administrative or regulatory proceeding.

8. That there are no existing facts (or facts, which but for notice or passage of time)

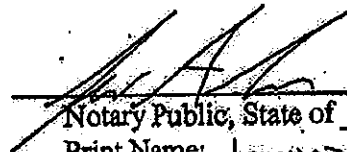
which constitute a default or would cause Borrower to be in default under any of the Loan Documents as of this date or in the immediate future.

FURTHER AFFIANT SAYETH NAUGHT.



STATE OF Washington)
COUNTY OF DC)

The foregoing instrument was acknowledged before me this ___ day of September, 2011, by Thomas Douglas, as Board Chair of Florida High School of Accelerated Learning-Miami-Dade Campus, Inc., who is personally known to me or has produced FLDL as identification.



Notary Public, State of WASHINGTON DC
Print Name: Leonard Smith
My Commission Expires: 2/12/14

LEONARD A. SMITH, JR.
Notary Public, District of Columbia
My Comm. Expires Sept 14, 2014

GUARANTOR CERTIFICATE

The undersigned Accelerated Learning Solutions, Inc., ("Guarantor") herby certifies to Building Hope...A Charter School Facilities Fund ("Lender") as follows:

1. Building Hope is making a secured loans to various borrowing entities of Florida High School for Accelerated Learning in the aggregate amount of \$1,300,770.00 (collectively the "Loan"), which Loan is guaranteed by the Guarantor in accordance with a Guaranty and Subordination Agreement of even date in favor of the Lender.
2. Guarantor is currently a party to and subject to a Forbearance Agreement dated March 31, 2011 with First Bank, a Tennessee banking corporation (the "Forbearance Agreement").
3. Guarantor makes the representations and warranties set forth in Paragraph 4 below, knowing that Lender will rely on said representations and warranties in making the Loan.
4. Guarantor hereby represents and warrants to Lender that the Forbearance Agreement is currently in full force and effect and free from default on the part of the Guarantor or any other party thereunder and to the best of Guarantor's knowledge, information and belief, there is no event or condition presently existing which could cause an event of default on the part of the Guarantor or any other party under the Forbearance Agreement.

WITNESS the following signature on behalf of the Guarantor as to the above certification.

WITNESS:
Mary Jane Smithson

GUARANTOR:
[Signature]
Name: Patricia G. Hill
Title: CEO
Date: 9/15/11

GUARANTOR'S AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared PATRICK G. HIN, CEO of Accelerated Learning Solutions, Inc., a Tennessee corporation ("Guarantor"), who deposes and states:

1. That Guarantor is not a party to any pending litigation in which it has been named as a defendant or is applicable to its assets or property or in which a counterclaim or crossclaim has been filed against it or against its assets or property by any defendant or third-party, which, if adversely determined, would impair the ability of the Guarantor to meet its obligations to Building Hope...A Charter School Facilities Fund under loan documents executed by the Guarantor dated September 20th, 2011, (the "Loan Documents").
2. That he is not aware of any threatened litigation against Guarantor, which, if adversely determined, would impair the Guarantor's ability to meet its obligations under the Loan Documents.
3. That the execution and delivery of the Loan Documents does not conflict with or result in a violation of any law, regulation, agreement, contract, instrument, order, writ, judgment or decree to which the Guarantor is a party or to which the assets or property of the Guarantor may be subject.
4. That the Guarantor is not in default of any payment on account of indebtedness for borrowed money or in violation of or in default under any material term in any indenture, contract, mortgage, deed of trust or other agreement, instrument, undertaking, or order, decree or judgment of any court, arbitration or governmental to which it is a party or by which it is bound and the execution and delivery of the Loan Documents will not conflict with nor violate any such documents, undertaking or order, decree of judgment.
5. That the Guarantor has obtained or caused to be obtained all necessary consents and approvals, if any, to execute and deliver the Loan Documents.
6. That there are no threatened or pending criminal proceedings against the Guarantor.
7. Neither the Guarantor nor its assets or property is the subject of an existing or threatened administrative or regulatory proceeding.
8. That there are no existing facts (or facts, which but for notice or passage of time)

which constitute a default or would cause Guarantor to be in default under any of the Loan Documents as of this date or in the immediate future.

FURTHER AFFIANT SAYETH NAUGHT.



STATE OF TN)
COUNTY OF Williamson)

The foregoing instrument was acknowledged before me this 16~~th~~ day of September, 2011, by Patrick Min, as CEO of Advanced Learning Solutions, Inc., who is personally known to me or has produced as identification.



D. Renee Warren

Notary Public, State of TN

Print Name: D. Renee Warren

My Commission Expires: 8/19/13

**CERTIFICATION AS TO RESOLUTIONS
OF THE BOARD OF DIRECTORS OF
FLORIDA HIGH SCHOOL OF ACCELERATED
LEARNING-MIAMI-DADE CAMPUS, INC.**

The undersigned, being the Secretary of Florida High School of Accelerated Learning-Miami-Dade Campus, Inc., a Florida corporation, does hereby certify that the following is a true and complete copy of resolutions adopted at a duly called meeting of the Board of Directors of said corporation on July 26, 2011, which resolutions have not been revoked, rescinded, cancelled or modified and remain in full force and effect.

RESOLVED, that Florida High School of Accelerated Learning-Miami-Dade Campus, Inc. (hereinafter referred to as the "Corporation") borrow from Building Hope...A Charter School Facilities Fund (hereinafter referred to as the "Lender") in the principal sum of \$507,000.00 (hereinafter referred to as the "Loan"), all such borrowings to be evidenced by the Corporation's Promissory Note in the sum of \$507,000.00, to be secured by a perfected first lien on the tangible and intangible personal property described in Security Agreement given by the Corporation to the Lender; and it is further

RESOLVED, that all borrowings under the Loan shall bear a rate of interest in accordance with the Promissory Note above-referenced; and it is further

RESOLVED, that the Corporation is authorized to execute all other documents which may be required by the Lender in order to consummate the loan transaction; and it is further

RESOLVED, that to effectuate the purposes stated in the foregoing Resolutions, the Corporation be and hereby does authorize and empower its Chairman to enter into, execute, deliver and issue the Promissory Note and other Loan documents in the form required by the Lender, and such other agreements, instruments, certificates, writings and documents as may be required pursuant thereto; and it is further

RESOLVED, that the Chairman of the Corporation is further authorized, empowered and directed to do all such further acts, execute and deliver all such papers, documents, instruments and agreements and otherwise take any action as may be necessary or

or appropriate in connection with the aforesaid transaction with the Lender; and it is further

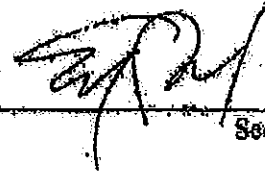
RESOLVED, that the Chairman of the Corporation authorized to take the action set forth in the foregoing resolutions is

Thomas Douglas

I FURTHER CERTIFY that said resolutions are still in full force and effect and have not been amended or revoked.

I FURTHER CERTIFY that neither applicable law, the Articles of Incorporation of the Corporation, nor the By-Laws of the Corporation impair or restrict the Corporation's ability to execute and deliver the documents required by the Lender.

IN WITNESS WHEREOF, I have executed this Certification and have affixed hereto the seal of the Corporation, this 14 day of September, 2011.



Secretary

(Corporate Seal)

**CERTIFICATION AS TO RESOLUTIONS
OF THE BOARD OF DIRECTORS OF
ACCELERATED LEARNING SOLUTIONS, INC.**

The undersigned, being the Secretary of Accelerated Learning Solutions, Inc, a Tennessee corporation, does hereby certify that the following is a true and complete copy of resolutions adopted at a duly called meeting of the Board of Directors of said corporation on August 31, 2011, which resolutions have not been revoked, rescinded, cancelled or modified and remain in full force and effect.

RESOLVED, that Accelerated Learning Solutions, Inc. (hereinafter referred to as the "Corporation") guaranty the three loans from Building Hope...a Charter School Facilities Fund (hereinafter referred to as the "Lender") to Florida High School of Accelerated Learning-Greater Miami Campus, Inc., Florida High School of Accelerated Learning-Miami-Dade Campus, Inc., and Florida High School of Accelerated Learning-Miami Campus, Inc. (hereinafter collectively referred to as "Borrower") in the principal sums of \$332,600.00, \$507,000.00, and \$461,170.00 respectively (hereinafter collectively referred to as the "Loan"), all such borrowings to be evidenced by the Borrower's Promissory Notes in the sums referenced above and to be secured by a perfected first lien security interest in the Borrower's tangible and intangible personal property described in loan documents executed and delivered by the Borrower, and it is further

RESOLVED, that all borrowings under the Loan shall bear a rate of interest in accordance with the Promissory Notes above-referenced; and it is further

RESOLVED, that the Corporation is authorized to execute a Guaranty in the form required by the Lender; and it is further

RESOLVED, that the Corporation is authorized to execute all other documents which may be required by the Lender in order to consummate the loan transaction, including but not limited to a subordination of the management fees to be paid to it by the Borrower to the repayment of the Loan; and it is further

RESOLVED, that to effectuate the purposes stated in the foregoing Resolutions, the Corporation be and hereby does authorize and empower its President and CEO to enter into, execute, deliver and

issue the Guaranty in the form required by the Lender, and such other agreements, instruments, certificates, writings and documents as may be required pursuant thereto; and it is further

RESOLVED, that the Authorized Officer of the Corporation is further authorized, empowered and directed to do all such further acts, execute and deliver all such papers, documents, instruments and agreements and otherwise take any action as may be necessary or appropriate in connection with the aforesaid transaction with the Lender; and it is further

RESOLVED, that the Authorized Officer of the Corporation authorized to take the action set forth in the foregoing resolutions is Patrick Min.

I FURTHER CERTIFY that said resolutions are still in full force and effect and have not been amended or revoked.

I FURTHER CERTIFY that neither applicable law, the Articles of Incorporation of the Corporation, nor the By-Laws of the Corporation impair or restrict the Corporation's ability to execute and deliver the documents required by the Lender.

IN WITNESS WHEREOF, I have executed this Certification and have affixed hereto the seal of the Corporation, this 16 day of September, 2011.



Secretary

(Corporate Seal)

**UNANIMOUS WRITTEN CONSENT ACTION
OF THE BOARD OF DIRECTORS OF
ACCELERATED LEARNING SOLUTIONS, INC.**

August 31, 2011

Pursuant to the provisions of the Tennessee Business Corporation Act and the Charter and Bylaws of Accelerated Learning Solutions, Inc., a Tennessee corporation, the undersigned, constituting all the members of the Board of Directors, waiving all notice, hereby adopt the following resolutions, effective on the date set forth above:

RESOLVED, that Accelerated Learning Solutions, Inc. (hereinafter referred to as the "Corporation") guaranty the three loans from Building Hope...a Charter School Facilities Fund (hereinafter referred to as the "Lender") to Florida High School of Accelerated Learning-Greater Miami Campus, Inc., Florida High School of Accelerated Learning-Miami-Dade Campus, Inc., and Florida High School of Accelerated Learning-Miami Campus, Inc. (hereinafter collectively referred to as "Borrower") in the principal sums of \$332,600.00, \$507,000.00, and \$461,170.00 respectively (hereinafter collectively referred to as the "Loan"), all such borrowings to be evidenced by the Borrower's Promissory Notes in the sums referenced above and to be secured by a perfected first lien security interest in the Borrower's tangible and intangible personal property described in loan documents executed and delivered by the Borrower, and it is further

RESOLVED, that all borrowings under the Loan shall bear a rate of interest in accordance with the Promissory Notes above-referenced; and it is further

RESOLVED, that the Corporation is authorized to execute a Guaranty in the form required by the Lender; and it is further

RESOLVED, that the Corporation is authorized to execute all other documents which may be required by the Lender in order to consummate the loan transaction, including but not limited to a subordination of the management fees to be paid to it by the Borrower to the repayment of the Loan; and it is further

RESOLVED, that to effectuate the purposes stated in the foregoing Resolutions, the Corporation be and hereby does authorize and empower its President or Chief Financial Officer, Vice President and Secretary (the "Authorized Officer") to enter into, execute, deliver and issue the Guaranty in the form required by the Lender, and such other agreements, instruments, certificates, writings and documents as may be required pursuant thereto; and it is further

RESOLVED, that the Authorized Officer of the Corporation is further authorized, empowered and directed to do all such further acts, execute and deliver all such papers, documents, instruments and agreements and otherwise take any action as may be necessary or appropriate in connection with the aforesaid transaction with the Lender; and it is further

RESOLVED, that the Authorized Officer of the Corporation authorized to take the action set forth in the foregoing resolutions is Patrick Min.

IN WITNESS WHEREOF, this Written Consent Action of the Board of Directors may be signed in one or more original, facsimile or other electronically transmitted counterparts, each of which when so executed shall be deemed to be an original for any and all purposes and such counterparts together shall constitute one and the same instrument.

Robert Essink 9/1/2011

Robert Essink

Patrick Min

Min

Patrick Min

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM**

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON Philip M. Battles, III, Esq. 202-457-1997	
B. SEND ACKNOWLEDGEMENT TO: Name Philip M. Battles, III, Esq.	
Address 910 17th Street, NW	
Address Suite 1100	
City/State/Zip Washington, DC 20006	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1a OR 1b) - Do Not Abbreviate or Combine Names

1.a ORGANIZATION'S NAME FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING, MIAMI-DADE CAMPUS, INC.				
1.b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1.c MAILING ADDRESS Line One 3602 South University Drive				
MAILING ADDRESS Line Two Building A				
CITY Miramar		STATE FL	POSTAL CODE 33025	COUNTRY USA
1.d TAX ID# 26-4029840	REQUIRED ADD'L INFO RE: ORGANIZATION/DEBTOR	1.e TYPE OF ORGANIZATION Domestic Nonprofit	1.f JURISDICTION OF ORGANIZATION Florida	1.g ORGANIZATIONAL ID# N08000009089 <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b) - Do Not Abbreviate or Combine Names

2.a ORGANIZATION'S NAME				
2.b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2.c MAILING ADDRESS Line One				
MAILING ADDRESS Line Two				
CITY		STATE	POSTAL CODE	COUNTRY
2.d TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION/DEBTOR	2.e TYPE OF ORGANIZATION	2.f JURISDICTION OF ORGANIZATION	2.g ORGANIZATIONAL ID# <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR/S) - INSERT ONLY ONE SECURED PARTY (3a OR 3b)

3.a ORGANIZATION'S NAME BUILDING HOPE... A CHARTER SCHOOL FACILITIES FUND				
3.b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3.c MAILING ADDRESS Line One 910 17th Street, NW				
MAILING ADDRESS Line Two Suite 1100				
CITY Washington		STATE DC	POSTAL CODE 20006	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

See the attached Exhibit "A"

5. ALTERNATE DESIGNATION (if applicable)	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR
	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING	<input type="checkbox"/> SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.

Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA (State of Florida)

EXHIBIT A

Debtor hereby jointly and severally grants Secured Party a security interest in the following property:

a. All of the funds (and collections thereof) due from the Board or the Florida Department of Education to fund the charter schools local chapter operated by Debtor in accordance with the provisions of Section 1002.33 and 1013.62, 1013.71, 1013.72, 1013.735, and 1013.737, Florida Statutes, as amended from time to time, all the funds received under the Federal Charter School Implementation Grant, and all other accounts receivable, right to receive payments from any source or for any reason, fees, and income of Debtor.

b. All of the personal property of all kinds now or hereafter owned by Debtor and related to or used or useful in the operations of Debtor at the facility located at 3400 N.W. 135th Street - Building A, Opa Locka, Florida 33054 (the "Property") including without limitation: all school equipment, office equipment, office furniture, computers, computer software, modems, interface equipment, computer terminals, printers, peripheral computer equipment, accessory equipment, hand and power tools, trucks, automobiles, heavy equipment and other motor vehicles, machinery and equipment of all classes; all right of Debtor in and to all awards or payments, including interest thereon and the right to receive the same, growing out of or resulting from any exercise of the power of eminent domain (including the taking of all or any part of the Property), or any alteration of the grade of any street upon which the Property abuts, or any other injury to, taking of, or decrease in the value of the Property or any part thereof; and any hazard, casualty, liability, or other insurance policy carried for the benefit of Debtor with respect to the property or the collateral herein described, including without limitation any unearned premiums and all insurance proceeds or sums payable in lieu of or as compensation for any loss of or damage to all or any portion of the Property.

c. The tenant's interest in the Lease dated May__, 2011 between 3400, LLC as Landlord and Debtor as Tenant.

d. Construction, architect, engineering contracts and all related contracts, subcontracts, plans, specifications and permits in connection with any construction at or on the Property.

Blocked Deposit Account Control Agreement



This Blocked Deposit Account Control Agreement (the "Agreement") is entered into as of this day of September, 2011 among Florida High School for Accelerated Learning, Miami-Dade Campus, Inc. (the "Customer"), Building Hope... A Charter School Facilities Fund (the "Secured Party") and Citibank, N.A. (the "Bank").

RECITALS

- A. The Customer maintains deposit account number 9119795641 in the name of the Customer at the Bank (whether individually or collectively, the "Account").
- B. The Customer and the Secured Party have notified the Bank that, in connection with a certain loan, financial or other transaction, the Customer has granted the Secured Party (for itself and/or as agent for other parties) a security interest in the Account.
- C. The Secured Party and the Customer desire to enter into this Agreement to perfect the Secured Party's security interest in the Account and to describe the respective rights and duties of the parties hereto with respect to the Account.

Therefore, the parties agree as follows:

1. **Definitions.** In this Agreement, the following terms have the following meanings or interpretations:
 - (a) "Account-related Agreements" means the Citibusiness Client Manual, funds transfer agreement, any lockbox operating agreement, and any cash management or other agreements entered into between the Bank and the Customer with respect to the Account, each as may be amended, modified or supplemented from time to time.
 - (b) "Business Day" means any day of the week that is not a Saturday, Sunday, bank holiday or other day that the Commercial Banking Servicing Department of the Bank is closed.
 - (c) "Disposition Notice" means written instructions received by the Bank from the Secured Party directing the disposition of funds in the Account, in the form of Exhibit A hereto or as set forth on Schedule 1 hereto.
 - (d) "Release Notice" means a written notice from the Secured Party to the Bank in the form of Exhibit B, notifying the Bank that the Secured Party is terminating the Agreement and releasing its security interest in the Account.
 - (e) "UCC" means the Uniform Commercial Code of the jurisdiction whose law governs this Agreement.
2. The parties hereto agree that, in accordance with the terms of this Agreement, the Bank shall comply with the instructions originated by the Secured Party directing the disposition of the funds in the Account without further consent by the Customer. The parties hereto further agree that from the date hereof,
 - (a) the Bank will not comply with any instructions from the Customer with respect to the Account with respect to any withdrawal, transfer or other release of funds in the Account;
 - (b) to the extent that the Bank and the Customer are party to a lockbox operating agreement, pursuant to which a lockbox is associated with the Account (the "Lockbox"), (i) the Bank will not comply with any instructions from the Customer with respect to any checks or other items received in the Lockbox and (ii) the Bank will pick up and process the checks and other items and correspondence received in the Lockbox, including depositing the checks and other items of payment, only to the Account, all in accordance with the lockbox operating agreement;
 - (c) the Bank will block the Account in a manner that will prevent the Customer from having any rights of withdrawal from the Account, and
 - (d) the Secured Party (but not the Customer) may direct the disposition of the funds in the Account and Lockbox (if applicable) by delivering a Disposition Notice to the Bank.

The Customer acknowledges and agrees that the Bank shall have no obligation to inquire or investigate whether the Customer is in default in the payment or performance of its obligations to the Secured Party or to any other party. The Customer further acknowledges and agrees that the Bank will not be liable to the Customer for complying with any direction of the Secured Party even if the Customer notifies the Bank that a default had not occurred and/or that the Secured Party was not justified in issuing a Disposition Notice.

3. To the extent that the Secured Party desires to provide disposition instructions to the Bank simultaneously with the execution of this Agreement, such instructions are set forth on Schedule 1 hereto (the "Standing Wire Instructions"). The Standing Wire Instructions (if set forth on Schedule 1) constitute a Disposition Notice originated by the Secured Party, and the Bank agrees to process such Disposition Notice in accordance with the terms of the Account-related Agreements within a reasonable time not to exceed the later of (a) two (2) Business Days after the Bank's receipt of a fully executed copy of this Agreement and (b) the "Beginning Date" specified in the Standing Wire Instructions. If the Bank receives a fully executed

copy of this Agreement after noon, Central Standard Time, on any day, then this Agreement will be deemed to have been received on the following Business Day. Any instructions by the Secured Party to amend or terminate the Standing Wire Instructions will constitute a new Disposition Notice and must be in writing, in the form of Exhibit A, and delivered in accordance with the notice requirements set forth in this Agreement for Disposition Notices.

4. **Notices.**

(a) In order for any Disposition Notice (other than the Standing Wire Instructions, if any, set forth on Schedule 1), Release Notice or any other notice sent to the Bank to be binding upon the Bank, such notice must be delivered to the Commercial Banking Servicing Department of the Bank by facsimile transmission to:

Facsimile Number: (210) 357-9515 or (210) 357-9527

Attention: Citibank, N.A. CBG Servicing Re: Control Agreement

with a written copy sent to the address set forth for the Bank on the signature pages hereto. Such copy must be delivered by hand, mailed by United States registered or certified first class mail, postage prepaid and return receipt requested, sent by overnight courier or delivered via facsimile or email transmission, to the extent that a facsimile number or email address has been provided for the purpose of receiving such notices.

(b) Notices to all other parties, must be in writing and delivered by hand, mailed by United States registered or certified first class mail, postage prepaid and return receipt requested, sent by overnight courier or delivered via facsimile transmission or email, to the extent that a facsimile number or email address has been provided for the purpose of receiving such notices.

(c) Any notice or communication shall be deemed to have been duly given or made and to have become effective at the time of the receipt thereof by the recipient. Any party may change its mailing or email address or facsimile number for notices by notifying the other parties hereto in accordance with the notice provisions set forth in this Section.

5. The Bank will not be obligated to follow, nor shall it be liable to the Secured Party or the Customer for failing to follow a Disposition Notice

(a) that is not fully completed or that does not have attached to it a fully executed copy of this Agreement,

(b) that requires the disposition of funds from the Account that are not immediately available at the time such funds are to be transferred;

(c) that requires the disposition of funds from the Account if the Bank has not received evidence reasonably required by the Bank (in the form of an incumbency certificate signed by a secretary of the Secured Party in the form of Exhibit C attached hereto or other authorizing form satisfactory to the Bank) as to the authority of the person giving the Disposition Notice to act on behalf of the Secured Party;

(d) that requires funds be sent to more than one recipient;

(e) that requires the Bank to make more than one disposition of funds unless the disposition of funds will be pursuant to an automated standing wire in accordance with the Bank's wire procedures;

(f) that requires the disposition of funds in the Account by a method not available to the Customer under the Account-related Agreements; or

(g) that requires the disposition of funds to a location outside of the United States.

In addition, the Bank will not be liable to the Secured Party or the Customer for any failure to follow or any delay in following any Disposition Notice (including any funds transfer requests) or any provision of this Agreement due to a computer malfunction, interruption of communication facilities, labor difficulties, act of God, war, terrorist attack, or other cause beyond the Bank's reasonable control.

6. If at any time, (a) the Customer becomes subject to a voluntary or involuntary proceeding under the United States Bankruptcy Code, (b) the Bank is otherwise served with a court order which the Bank in good faith believes affects the Account, or (c) the Bank determines that acting upon the instructions of either the Customer or the Secured Party would result in the violation of any applicable law, rule or regulation, the Bank may cease acting upon the instructions of both the Customer and the Secured Party and suspend disbursements from the Account otherwise required by the terms hereof or any Disposition Notice, until such time as the Bank receives assurances reasonably satisfactory to the Bank that funds in the Account may continue to be disbursed.

7. The Bank represents and warrants to the Secured Party that the Bank (a) is an organization engaged in the business of banking and (b) maintains the Account as a deposit account in the ordinary course of the Bank's business. The Bank has not entered into any currently effective control agreement with respect to the Account for the benefit of any person other than the Secured Party and the Bank will not enter into a control agreement with respect to the Account for the benefit of any person other than the Secured Party during the term of this Agreement. The Bank agrees that it will not change the name or account number of the Account without the prior written consent of the Secured Party.

8. Subordination.

- (a) Except for amounts referred to in clause (b) of this Section, the Bank (i) subordinates any security interest, lien or other encumbrance it may have against the Account to the Secured Party's security interest and (ii) will not exercise any right of recoupment, setoff or debit against the Account. This subordination will not apply to any security interest that the Bank has in an item under the UCC Article 4 as a collecting bank.
 - (b) Notwithstanding subparagraph (a) of this Section, and regardless of any agreement of the Customer to compensate the Bank by means of balances in the Account, the Bank may charge the Account, to the extent permitted by any of the Account-related Agreements or applicable law, for (i) the face amount of a check, draft, money order, instrument, wire transfer of funds, automated clearing house entry, other electronic transfer of funds or other item (A) deposited in or credited to the Account and returned unpaid or otherwise uncollected or subject to an adjustment entry, whether for insufficient funds or for any other reason and without regard to the timeliness of the return or adjustment or the occurrence or timeliness of any other person's notice of nonpayment or adjustment, or (B) subject to a notice against the Bank for breach of transfer, presentment, encoding, retention or other warranty under Federal Reserve regulations or Operating Circulars, clearing house rules, the UCC or other applicable law, (ii) any adjustments or corrections of any posting or encoding errors, and (iii) fees and expenses chargeable by the Bank in respect of the Account or any related services, including those services specified in the Account-related Agreements.
9. This Agreement shall be absolute and continuing and shall remain in effect until terminated as hereinafter provided.
 10. This Agreement shall apply only to the Account and shall not apply to any other accounts of the Customer now existing or hereafter created at the Bank except pursuant to a written amendment to this Agreement executed by the parties hereto.
 11. Except with respect to the obligations and duties expressly provided in this Agreement, this Agreement shall not impose or create any obligations or duties upon the Bank that are greater than or in addition to the usual and customary obligations and duties, if any, of the Bank with respect to the Account or the Customer. The Bank shall have no obligation or duty whatsoever to interpret the terms of any agreements between the Customer and the Secured Party or to determine whether any default exists thereunder.
 12. The Customer hereby irrevocably authorizes and instructs the Bank to perform and comply with the terms of this Agreement. The Account-related Agreements will continue to apply to the Account and any services provided in connection with the Account (including any funds transfers); provided, however, that to the extent there is any conflict between this Agreement and any Account-related Agreement, the provisions of this Agreement will control. Notwithstanding the foregoing, this Agreement will not (a) derogate from any claim or defense that the Bank may have against the Customer under any Account-related Agreements or (b) create any third-party beneficiary rights under any of the Account-related Agreements in favor of the Secured Party.
 13. Unless the Bank becomes obligated to close the Account under any statute, rule or regulation, court order or any legal process binding upon the Bank, neither the Customer nor the Bank will close the Account prior to termination of this Agreement. This Agreement may not be terminated by the Customer, except by a notice to the Bank given jointly with the Secured Party. This Agreement may be terminated (a) by the Secured Party at any time by providing a Release Notice to the Customer and the Bank and (b) by the Bank (i) immediately upon notice to the Customer and the Secured Party if the Bank becomes obligated to terminate this Agreement or to close the Account under any statute, rule or regulation, court order or any legal process binding upon the Bank, (ii) otherwise upon thirty (30) days' notice to the Customer and the Secured Party. If the Bank terminates this Agreement pursuant to clause (i) of this Section, the Bank will, unless a previously delivered and continuing effective Disposition Notice directs otherwise, remit any available funds in the Account on the date of termination, by check mailed to the address of the Secured Party for receiving communications under this Agreement. If the Bank terminates this Agreement pursuant to clause (ii) of this Section, the Bank will, unless a previously delivered and continuing effective Disposition Notice directs otherwise, remit any available funds in the Account on the effective date of termination (A) at the direction of the Secured Party if the direction is received by the Bank prior to the effective date of termination of this Agreement or (B) if no such direction is received by the Bank prior to such date by check mailed to the address of the Secured Party for receiving communications under this Agreement. Any obligation of the Bank to remit any funds to or at the direction of the Secured Party under this subsection is subject to Sections 5 and 6 hereof. The termination of this Agreement will not affect any rights created or obligations incurred under this Agreement before the termination.
 14. To the extent that a Lockbox is associated with the Account, upon the termination of this Agreement by the Bank, the Bank will follow the procedures set forth in this Section for a period of thirty (30) days following the termination of this Agreement or for such shorter period of time as the Secured Party specifies in Instructions to the Bank (the "Post-

Termination Period²⁰). During the Post-Termination Period, the Bank will forward to the Secured Party all checks and other items or correspondence received in the Lockbox, including checks and other items received in the Lockbox as of the termination of this Agreement by the Bank and not at the time already deposited to the Account. The Customer, and to the extent not paid by the Customer, the Secured Party, will pay to the Bank any fees customarily charged by the Bank, and will reimburse the Bank for any out of pocket costs or expenses incurred by the Bank, in maintaining the Lockbox and forwarding the checks and other items and correspondence during the Post-Termination Period. The Bank reserves the right to condition its maintenance of the Lockbox and forwarding of the checks and other items and correspondence on the receipt of such payments and reimbursements to the Bank in advance. Any checks or other items or correspondence forwarded to the Secured Party by the Bank pursuant to this Section will be forwarded in the form received, without the Bank supplying any endorsements for the checks or other items.

15. The Customer shall indemnify and hold harmless the Bank from and against any and all claims, actions and suits (whether groundless or otherwise), losses, damages, costs, expenses (including reasonable attorney's fees and disbursements) and liabilities of every nature and character arising out of or related to this Agreement or the transactions contemplated hereby or any actions taken or omitted to be taken by the Bank hereunder, except to the extent directly caused by the Bank's gross negligence or willful misconduct. The Secured Party shall indemnify and hold harmless the Bank against all claims, actions, losses, damages, costs and expenses (including reasonable attorney's fees and disbursements) incurred, sustained or payable by the Bank arising from the Bank following a Disposition Notice or from the Bank's remittance of funds pursuant to Section 2 or 3 or arising from the services provided by Bank under Section 14 (if applicable), except to the extent directly caused by the Bank's gross negligence or willful misconduct. The foregoing indemnity provisions shall survive any termination of this Agreement.
16. The Bank may act upon any instrument or other writing believed by it in good faith to be genuine and to have been signed or presented by a person purporting to be the Secured Party or the Customer (or any agent thereof), as the case may be. The Customer and the Secured Party hereby agree that the procedures set forth in this Agreement, together with the execution of this Agreement, are commercially reasonable for each of them and that no other security procedures, as such term is defined in Article 4A of the UCC, are necessary or desired, including, without limitation, those involving any call back to the Secured Party or other methods of verification of authority with respect to Disposition Notices or any other writings. The Bank shall not be liable in connection with the performance or non-performance of its duties hereunder, except for its own gross negligence or willful misconduct. The Bank's duties shall be determined only with reference to this Agreement and applicable laws, and the Bank shall not be charged with knowledge of, or any duties or responsibilities in connection with, any other document or agreement. The Bank shall have no liability to any party for any incidental, punitive or consequential damages resulting from any breach by the Bank of its obligations hereunder.
17. If the Secured Party so requests the Bank will provide to the Secured Party, a copy of each periodic account statement relating to the Account ordinarily furnished by the Bank to the Customer. The Bank's liability for failing to provide the account statement will not exceed the Bank's cost of providing the statement. The Customer authorizes the Bank to provide to the Secured Party such statements and any other information concerning the Account that the Bank may agree to provide to the Secured Party at the Secured Party's request.
18. This Agreement may not be amended or modified without the prior written consent of the Bank, the Customer and the Secured Party (except that amendments to the Standing Wire Instructions may only be made by the Secured Party in accordance with this Agreement and any such amendments will be deemed to be a Disposition Notice and not an amendment to this Agreement).
19. No delay or omission on the part of the Secured Party, the Customer or the Bank in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Agreement. No waiver of any right under this Agreement shall be effective unless in writing and signed by the party waiving such right, and no waiver on one occasion shall be construed as a bar to or waiver of any such right on any other occasion.
20. This Agreement and any waiver or amendment hereto may be executed in counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Agreement may be executed and delivered by pdf format via email transmission or by facsimile transmission, all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

21. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to the conflicts of law principles thereof) and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. The Bank's jurisdiction for purposes of Part 9 of Article 9 of the UCC is New York.
22. This Agreement, together with any Schedules and Exhibits attached hereto, constitutes the entire agreement, and supersedes any prior agreements, of the parties concerning its subject matter. In the event a provision of this Agreement is unenforceable, this Agreement shall be construed to the extent possible as if the unenforceable provision were omitted.
23. EACH OF THE SECURED PARTY, CUSTOMER AND THE BANK HEREBY KNOWINGLY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION ARISING OUT OF OR DIRECTLY OR INDIRECTLY RELATING TO THIS AGREEMENT.

Secured Party

Name of Secured Party _____

Signature of Authorized Signer _____

Printed Name of Authorized Signer _____

Title of Authorized Signer _____

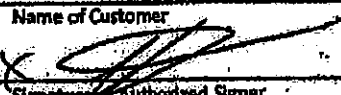
Address - Line 1 _____

Address - Line 2 _____

Attention: _____

Customer Florida High School for Accelerated Learning, Miami-Dade Campus Inc.

Name of Customer _____

Signature of Authorized Signer 

Printed Name of Authorized Signer Thomas E. Douglas Thomas Douglas


Title of Authorized Signer Chairman of the Board

Address - Line 1 3206 South University Drive

Address - Line 2 Miramar, Florida 33025

Attention: Thomas Douglas

Citibank, N.A.

Signature of Authorized Signer 

Printed Name of Authorized Signer Elsio Suengas

Title of Authorized Signer Vice President

ELSIO SUENGAS
 Commercial Bank Relationship Manager
 FI 844448 / GEO 000444181
 Citibank, N.A.
 8750 Collins Blvd / 7th Floor
 Miami, FL 33178
 Ph: 305-699-5411 / 305-699-5999 Fax

Address for Notices:
 Facsimile Number: (210) 357-9515 or (210) 357-9527
 Attn: Citibank, N.A. CBG Servicing Re: Control Agreement

With a copy to:

Address Line 1 _____

Address - Line 2 _____

Attention: _____

21. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to the conflicts of law principles thereof) and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. The Bank's jurisdiction for purposes of Part 3 of Article 9 of the UCC is New York.
22. This Agreement, together with any Schedules and Exhibits attached hereto, constitutes the entire agreement, and supersedes any prior agreements, of the parties concerning its subject matter. In the event a provision of this Agreement is unenforceable, this Agreement shall be construed to the extent possible as if the unenforceable provision were omitted.
23. EACH OF THE SECURED PARTY, CUSTOMER AND THE BANK HEREBY KNOWINGLY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION ARISING OUT OF OR DIRECTLY OR INDIRECTLY RELATING TO THIS AGREEMENT.

Secured Party
Building Hope...A Charter School Facilities Fund
 Name of Secured Party _____
 Signature of Authorized Signer _____
 Printed Name of Authorized Signer: **Paul R. Keleck**
 Title of Authorized Signer: **CFO**
 Address - Line 1: **910 17th Street, NW-Suite 1100**
 Address - Line 2: **Washington, DC 20006**
 Attention: **Paul R. Keleck**

Customer Florida High School for Accelerated Learning, Miami Trade Campus Inc.
 Name of Customer _____
 Signature of Authorized Signer _____
 Printed Name of Authorized Signer: **Thomas Douglas**
 Title of Authorized Signer: **CHAIR Chairman of the Board**
 Address - Line 1: **3206 South University Drive**
 Address - Line 2: **Miramar, Florida 33025**
 Attention: **Thomas Douglas**

Citibank, N.A.
 Signature of Authorized Signer _____
 Printed Name of Authorized Signer: **Elsio Suenegas**
 Title of Authorized Signer: **Vice President**

ELSIO SUENEGAS
 Commercial Banking / Relationship Manager
 P# 5441448 / CEO 000144488
 Citibank, N.A.
 8750 Dowd Blvd / 7th Floor
 Miami, FL 33178
 Ph: 305-598-5411 / 305-598-5893 Fax
 9/22/11

Address for Notices:
 Facsimile Number: (210) 357-9515 or (210) 357-9527
 Attn: Citibank, N.A. CBG Servicing Re: Control Agreement

With a copy to:

Address Line 1 _____

Address - Line 2 _____

Attention: _____

Schedule 1 to Blocked Deposit Account Control Agreement

Standing Wire Instructions by Secured Party

Customer Name		Secured Party Name	
Account Number		Account Name	
Standing Wire Instruction Information			
Beginning Date		Stop Date (if applicable)	
Frequency (Business Days) <input type="checkbox"/> Each Business Day <input type="checkbox"/> Once a week <input type="checkbox"/> Twice a month Enter date of second monthly transfer _____ <input type="checkbox"/> Once a month		Approximate transfer time <input type="checkbox"/> 6:00 am ET <input type="checkbox"/> 12:00 pm ET <input type="checkbox"/> 4:00 pm ET	
US Dollar Amount			
Fixed amount: _____			
All available funds: _____			
Percentage of available funds: _____			
All available funds less: _____			
All available funds up to: _____			
Amount in Words			
Beneficiary Information			
Beneficiary Name			
Account Name		Account Number	
Bank Name		Bank ABA	
Special Instructions			

EXHIBIT A
FORM OF DISPOSITION NOTICE

[LETTERHEAD OF THE SECURED PARTY]
BLOCKED DEPOSIT ACCOUNT CONTROL AGREEMENT DISPOSITION NOTICE

DATE: _____

CITIBANK, N.A.:

Facsimile: (210) 357-9515 or (210) 357-9527
Attention: Citibank, N.A. CBG Servicing Re: Control Agreement

WITH A COPY TO:

Attn:

Re: Account number: _____ (the "Account")

Ladies and Gentlemen:

This is a Disposition Notice, as defined in the Blocked Deposit Account Control Agreement dated _____, 20 _____ attached hereto (as currently in effect, the "Control Agreement"), among Citibank, N.A. (the "Bank"), us and _____ (the "Customer"). Capitalized terms used in this Disposition Notice have the meanings assigned to them in the Control Agreement.

To the extent that Schedule 1 to the Control Agreement sets forth Standing Wire Instructions, we hereby terminate such Standing Wire Instructions. We further direct the Bank to initiate a funds transfer, in accordance with the wire instructions set forth on Schedule 1 attached hereto.

We recognize that, as a condition to the Bank complying with this Disposition Notice and to the extent that we have not already done so, we must provide to the Bank evidence reasonably required by the Bank (in the form of an incumbency certificate signed by a secretary of the Secured Party or such other form satisfactory to the Bank) as to the authority of the person signing this Disposition Notice to act for us. We also recognize that the Bank's obligation to comply with this Disposition Notice is subject to the other terms of the Control Agreement, including without limitation, Sections 5 and 6 thereof.

Very truly yours,

[SECURED PARTY]

By: _____

Name: _____

Title: _____

Schedule 1 to Disposition Notice

Wire Instructions By Secured Party

Customer Information	
Customer Name	Secured Party Name
Account Number	Account Name
Transfer Dates (Start/End/Stop Date)	
Beginning Date	Stop Date (if applicable)
Frequency (Business Days) <input type="checkbox"/> One Time Wire <input type="checkbox"/> Each Business Day <input type="checkbox"/> Once a week <input type="checkbox"/> Twice a month Enter date of second monthly transfer _____ <input type="checkbox"/> Once a month	Approximate transfer time <input type="checkbox"/> 6:00 am ET <input type="checkbox"/> 12:00 pm ET <input type="checkbox"/> 4:00 pm ET
US Dollar Amount Fixed amount: _____ All available funds: _____ Percentage of available funds: _____ All available funds less: _____ All available funds up to: _____	
Amount in Words	
Beneficiary Information	
Beneficiary Name	
Account Name	Account Number
Bank Name	Bank ABA
Special Instructions	

EXHIBIT B
FORM OF RELEASE NOTICE

[LETTERHEAD OF THE SECURED PARTY]

BLOCKED DEPOSIT ACCOUNT CONTROL AGREEMENT RELEASE NOTICE

DATE: _____

CITIBANK, N.A.
Facsimile: (210) 357-9515 or (210) 357-9527
Attention: Citibank, N.A. CBG Servicing Re: Control Agreement

With a copy to:

CITIBANK, N.A.
_____ address line 1
_____ address line 2

Re: Account number: [_____] (the "Account")

Ladies and Gentlemen:

This is a Release Notice, as defined in the Blocked Deposit Account Control Agreement dated [_____] (as currently in effect, the "Control Agreement"), among [_____] (the "Customer"), us and Citibank, N.A. (the "Bank") attached hereto. Capitalized terms used in this Release Notice have the meanings given them in the Control Agreement.

We hereby give you notice that we have released our security interest in the Account and are hereby terminating the Control Agreement, effective upon your receipt of this notice. To the extent we have delivered any Disposition Notices instructing the Bank to block the Customer's access to the Account or directing the disposition of funds from the Account, such instructions are hereby terminated and we agree that we no longer have any rights to provide instructions with respect to the Account.

We recognize that, as a condition to the Bank complying with this Release Notice and to the extent that we have not already done so, we must provide to the Bank evidence reasonably required by the Bank (in the form of an incumbency certificate signed by a secretary of the Secured Party or such other form satisfactory to the Bank) as to the authority of the person signing this notice to act for us.

Very truly yours,

<Secured Party Name>

By: _____
Name: _____
Title: _____

**EXHIBIT C
FORM OF CERTIFICATE OF INCUMBENCY**

The undersigned, [Assistant] Secretary of [_____] (the "Secured Party"), does hereby certify that:

1. The following named person whose name, title and signature appears below is duly elected or appointed, qualified and an acting representative of the Secured Party and holds, on the date of this Certificate, the office set forth opposite his or her name, and the signature set forth opposite his or her name is a genuine signature.

NAME	SIGNATURE	TITLE
_____	_____	_____
_____	_____	_____

2. The person designated to serve in the above-entitled capacity is duly authorized to act on behalf of and to bind the Secured Party and to execute and deliver any document or notice in connection with the Blocked Deposit Account Control Agreement between the Secured Party and Citibank, N.A., including any amendments, disposition notices or release notices.
3. Pursuant to the Secured Party's organizational documents, the undersigned has the power and authority to execute this certificate on behalf of the Secured Party and that he/she has so executed this certificate this _____ day of _____, 20_____.

Name: _____

Title: [Assistant] Secretary



HARWELL HOWARD HYNE
GABBERT & MANNER, P. C.

JONATHAN HARWELL *
LIN S. HOWARD *
ERNEST B. HYNE II
CRAIG V. GABBERT, JR.
MARK MANNER
GLEN ALLEN CIVITTS
GLENN B. ROSE
JOHN N. POPHAM IV

JOHN M. BRITTINGHAM
SUSAN V. SIDWELL
JOHN F. BLACKWOOD
D. ALEXANDER PARDON
MICHAEL R. FILL
DAVID COX
CURTIS CAPELING
BARBARA D. HOLMES

ALEX COULTER CROSS
KIM KEAP
J. GREG GIFFEN
LESLIE B. WILKINSON, JR. *
DAVID P. CARAS
WM. JAY HARKELSON *
TRACY M. LUJAN
JONATHAN STANLEY

KENNETH S. BYRD
JEFFREY J. MILLER
J. DAVID MCDOWELL
D. MATTHEW FOSTER
JACOB A. FELDMAN
RENÉE M. BACON
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LARA A. FLATAU
* Of Counsel

September 20, 2011

Johnson, Anselmo, Murdoch, Burke, Piper & Hochman, P.A.
2455 East Sunrise Blvd., Suite 1000
Fort Lauderdale, FL 33304

Building Hope...A Charter School
Facilities Fund
910 17th Street, NW, Suite 1100
Washington, DC 20006

Re: Building Hope Term Loans to: (1) Florida High School of Accelerated Learning - Greater Miami Campus, Inc. (\$332,600.00); (2) Florida High School of Accelerated Learning - Miami-Dade Campus, Inc. (\$507,000.00); and (3) Florida High School of Accelerated Learning - Miami Campus, Inc. (\$461,170.00) (collectively, the "Borrower"), guaranteed by Accelerated Learning Solutions, Inc. (the "Guarantor") and secured by a lien upon certain tangible and intangible personal property owned by the Borrower.

Ladies and Gentlemen:

This opinion is furnished to you ("Lender") by us as counsel for the Guarantor and is solely for your benefit and is rendered solely in connection with the above-referenced loan transactions. This Opinion Letter is furnished as part of the three separate loan transactions described in this letter's reference section above (collectively, the "Loan").

I. BACKGROUND

1.1. Documents Reviewed. As Guarantor's counsel we have reviewed the Guaranty and Subordination Agreement (the "Guaranty") executed by Guarantor and delivered to Lender. In addition to reviewing the Guaranty, we have also examined and relied upon the Charter and By-Laws of the Guarantor and certain certificates, affidavits, resolutions provided to us by the Guarantor and a certificate of existence for the Guarantor.

1.2. Opining Jurisdiction. Inasmuch as we are admitted to practice law only in the State of Tennessee, the law covered by the opinions expressed in this Opinion Letter (the "Law") is limited to the generally applicable Law of the State of Tennessee in force and effect as of the date hereof. We disclaim and express no opinion concerning the laws of any other jurisdiction, or the effect thereof. We further express no opinion concerning the statutes and ordinances, the

administrative decisions, and the rules and regulations of counties, towns, municipalities and special political subdivisions (whether created or enabled through legislative action at the Federal, state or regional level) and judicial decisions to the extent that they deal with any of the foregoing.

1.3. Scope of Review. In connection with the opinions hereinafter set forth, we have limited the scope of our review to the Guaranty. The opinions expressed herein do not consider or extend to any documents other than the Guaranty, whether or not referred to in the Guaranty and whether or not delivered to us. In addition, we have given consideration to such matters of law and fact, as we have deemed appropriate, in our professional judgment, to render such opinions. We have not examined the records of any court, agency, administrative tribunal, regulatory body or other similar entity in connection with this Opinion Letter.

1.4. Reliance. In connection with the opinions regarding the valid existence contained in Opinion 2.1 below, we have relied solely upon the Certificate of Existence listed on Schedule 1 hereto. The opinion regarding valid existence is limited to the meaning ascribed to such certificates by the applicable state agency.

II. OPINIONS

Based upon and subject to the foregoing, and to the qualifications and limitations set forth below, we are of the opinion that:

2.1. The Guarantor is a Tennessee corporation, duly organized and validly existing under the laws of the State of Tennessee.

2.2. The Guarantor has all requisite power and authority to execute and deliver the Guaranty and to perform the Guarantor's obligations thereunder.

2.3. Based on the foregoing and subject to the qualifications and limitations stated in this letter, we are of the opinion that the Guaranty has been properly executed and delivered by the Guarantor and that such execution is duly authorized and performed.

III. LIMITATIONS

3.1. Legal Issues. This Opinion Letter deals only with the specific legal issues that are addressed by it. No opinion may be inferred or implied beyond the matters expressly contained herein. Further, this Opinion Letter is rendered as of the date hereof, and we undertake no, and hereby disclaim any, obligation to advise you of any changes in Law or any new developments subsequent to the date hereof which might affect any matters or Opinions set forth herein.

September 20, 2011

Page 3

3.2. No Guarantee. Our advice on each legal issue addressed in this Opinion Letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the jurisdiction upon whose law our opinion on that issue is based. The manner in which any particular issue would be treated in any actual court case would depend in part on facts and circumstances particular to the case, and this Opinion Letter is not intended to guarantee the outcome of any legal dispute which may arise in the future.

3.3. Date. This Opinion Letter is rendered as of the effective date set forth above, and we express no opinion as to circumstances or events which may occur subsequent to such date.

3.4. Use of Opinions. The Opinions expressed in this Opinion Letter are solely for the use and benefit of the addressees hereof and the use and benefit of their assignees and participants permitted by the Guaranty in connection with the Loan. Without our prior written consent, this Opinion Letter may not be used or relied upon by the addressees hereof or their permitted assignees and participants for any other purpose whatsoever, except for the use of this Opinion Letter (i) in connection with review of the Guaranty by a regulatory agency having supervisory authority over the addressees hereof for the purpose of confirming the existence of this Opinion Letter, (ii) in connection with the assertion of a defense as to which this Opinion Letter is relevant and necessary, or (iii) in response to a court order. This Opinion Letter may not be delivered or quoted to any other person or entity (other than the accountants, attorneys and other professional advisors of addressees and their permitted assigns and participants), or relied upon for any other purpose, or in any other context, or by any other person or entity, without our prior express written consent.

Sincerely,

Harold Howard Hays

Gallagher & Mann, P.C.

SCHEDULE 1

Certificate of Good Standing/Existence

<u>Name</u>	<u>Jurisdiction</u>	<u>Certificate of Good Standing/Existence</u> <u>Issuance Date</u>
Accelerated Learning Solutions, Inc.	Tennessee	August 26, 2011

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† BOARD CERTIFIED APPELLATE LAWYERS

September 20, 2011

**Building Hope... A Charter School
Facilities Fund
910 17th Street, NW-Suite 1100
Washington, DC 20006**

Re: Building Hope Term Loans to: (1) Florida High School of Accelerated Learning - Greater Miami Campus, Inc. (\$332,600.00); (2) Florida High School of Accelerated Learning - Miami-Dade Campus, Inc. (\$507,000.00); and (3) Florida High School of Accelerated Learning - Miami Campus, Inc. (\$461,170.00) (collectively, the "Borrower"), guaranteed by Accelerated Learning Solutions, Inc. (the "Guarantor") and secured by a lien upon certain tangible and intangible personal property owned by the Borrower (the "Property").

Ladies and Gentlemen:

This opinion is furnished to you by us as special counsel for the Borrower and the Guarantor and is solely for your benefit ("Lender") and is rendered solely in connection with the above-referenced loan transactions. This opinion may be relied upon only in connection with these transactions and may not be relied upon by any other party without our prior written consent. In addition, this opinion is rendered as of the date of this letter and this firm assumes no obligation to update or supplement this opinion. We are licensed to practice law in the State of Florida and, therefore, our opinion is limited solely to the laws of the State of Florida.

This opinion is furnished as part of the three separate loan transactions described in this letter's reference section above (collectively, the "Loan").

In addition, the scope of this opinion and the interpretation of any terms contained in this letter and the extent of the opinions set forth herein are governed by the Report On Standards for Opinions of Florida Counsel of the Special Committee on Opinion Standards of the Florida Bar Business Law Section adopted September, 1998.

September 20, 2011

Page 2

As Borrower's or Guarantor's special counsel, we have reviewed the following documents:

- (a) Promissory Notes
- (b) Guaranty and Subordination Agreement
- (c) Security Agreement
- (d) UCC-1 Financing Statement to be recorded in Miami-Dade County and filed with the State of Florida.

The above listed documents are hereafter collectively referred to as the "Loan Documents". In addition to reviewing the Loan Documents, we have also examined and relied upon the Articles of Incorporation and By-Laws of the Borrower (the "Organizational Documents") and certain certificates, affidavits, and resolutions provided to us by the Borrower, certificates of good standing for the Borrower and Uniform Commercial Code searches we have obtained from the Florida Secretary of State and from local county Public Records ("Supporting Documents"). Except as to the matters related to the validity and enforcement of the Guarantor's guaranty under Florida law, regarding any aspects of this opinion related to the Guarantor, a Tennessee corporation governed by the laws of that state, we have relied upon the supplementary legal opinion of Harwell Howard Hyne Gabbert & Manner, P.C., which is attached to and made a part of this opinion and upon any certificates, affidavits and resolutions provided to us by the Guarantor.

In rendering the following opinions, we have relied, as to factual matters that affect our opinions, solely on our examination of the Loan Documents, Organizational Documents and the Supporting Documents and have made no independent verification of the facts contained in those documents, including the representations and warranties of the Borrower or Guarantor contained therein. Our firm has represented the Borrower and Guarantor solely in this transaction and we have not represented the Borrower or Guarantor in any other legal matters and, therefore, there may be matters of a legal nature affecting the Borrower or Guarantor of which we are not aware unless disclosed to us by the Borrower or Guarantor. Therefore, any of the following opinions, which are limited to our knowledge, are provided based solely upon any additional matters of which the Borrower or Guarantor have advised us, or upon the Organizational Documents and Supporting Documents. We have also assumed the genuineness of all signatures on the originals of the copies of the executed Loan Documents furnished to us, as well as the conformity of such copies to the originals.

Based upon the foregoing, we are of the opinion that:

JOHNSON, ANSELMO, MURDOCH, BURKE, PIPER & HOCHMAN, P.A.

September 20, 2011

Page 3

1. The Borrower is a Florida not-for-profit corporation, duly organized and existing in good standing under the laws of the State of Florida.

2. The Guarantor is a Tennessee corporation, duly organized and existing in good standing under the laws of the State of Tennessee.

3. The Borrower and Guarantor have all requisite power and authority to execute and deliver the Loan Documents to which the Borrower or Guarantor are a party and to perform the Borrower's or Guarantor's obligations thereunder.

4. Based on the foregoing and subject to the qualifications and limitations stated in this letter, we are of the opinion that the Loan Documents have been properly executed and delivered by the Borrower and Guarantor and that such execution is duly authorized and performed.

5. Subject to the limitations contained in the next paragraph, the Loan Documents are valid and binding obligations of the Borrower and Guarantor, enforceable against them under the laws of the State of Florida.

Our opinion concerning the validity, binding effect and enforceability of the Loan Documents, means that (a) the Loan Documents constitute effective agreements of the Borrower and Guarantor under applicable law; (b) the Loan Documents are not invalid in their entirety because of any specific statutory prohibition or public policy and are not subject in their entirety to a defense; and (c) subject to the last sentence of this paragraph, some remedy is available if the Borrower is in material default under the Loan Documents and the ultimate realization of the practical benefits and/or security provided by the Loan Documents will not be precluded by any limitations set forth in this opinion. This opinion does not mean that (a) any particular remedy is available upon default or (b) every provision of the Loan Documents will be upheld or enforced in any or each circumstance by a court. Furthermore, the validity, binding effect and enforceability of the Loan Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statutes, rules, regulations or other laws affecting the enforcement of creditors' rights and remedies generally and (b) the unavailability of, or limitation on the availability a particular right or remedy (whether in a proceeding in equity or at law) because of an equitable principal or a requirement as to commercial reasonableness, conscionability or good faith.

6. Upon timely recording and filing of the UCC-1 Financing Statements, the Lender will obtain a perfected first lien security interest in the Property of the Borrower

JOHNSON, ANSELMO, MURDOCH, BURKE, PIPER & HOCHMAN, P.A.

September 20, 2011

Page 4

described in the Security Agreement and UCC-1 Financing Statements; provided, however, that a security interest in any leasehold interest of the Borrower is limited by the terms of the leases under which the Borrower maintains its occupancy of the particular premises described in the lease and the right to any funds from the Florida Department of Education or the Federal Charter School Implementation Grant is necessarily limited by the terms of the State funding or Federal grant. Furthermore, the wiring of the Federal grant to the Lender controlled collateral account and the control of such funds will depend upon the instructions of the Borrower to the funding entity and the terms of the collateral control agreement or similar instrument.

7. To our knowledge, neither the Borrower nor the Guarantor is a party to any pending litigation which, if adversely determined, would impair the ability of the Borrower or Guarantor to meet their respective obligations under the Loan Documents to the Lender. To our knowledge, there are no litigation matters or regulatory proceedings, pending or threatened against the Borrower or the Guarantor which, if adversely determined, would impair the ability of the Borrower or Guarantor to meet its obligations under the Loan Documents to the Lender.

8. To our knowledge, the execution and delivery of the Loan Documents will not conflict with or result in a violation of any agreement, contract, instrument, order, writ, judgment or decree to which the Borrower or Guarantor is a party or to which the Borrower or Guarantor is subject.

Very truly yours,



Robert E. Murdoch
For the Firm