



May 21, 2020

Members of the Board of Directors,
Legacy Education Group dba East Valley High School

Re: Letter of Intent between Vertex Education and East Valley High School

Members of EVHS Board of Directors and School Administration,

This letter sets forth the basic terms proposed for the negotiation of a management services agreement between Legacy Education Group dba East Valley High School (“EVHS”) and Vertex Education, LLC (“Vertex”).

Based on EVHS’s financial condition, the highest priority for Vertex is to strengthen EVHS’ financial standing by 1. Increasing student enrollment, and 2. Identifying and implementing prudent expense-savings measures, in close consultation with EVHS’ school administration.

As such, in connection with approving this letter of intent, EVHS and Vertex plan to enter into a short-term marketing consulting agreement in order to begin marketing efforts immediately. It is quite late in the enrollment season for 2020-2021, but Vertex believes its marketing efforts can still have a meaningful positive impact. That marketing consulting agreement will define Vertex’s marketing services on behalf of EVHS until the full management services agreement is in place, which will include a marketing component.

If EVHS finds the herein proposed management agreement terms acceptable, Vertex and EVHS will work together to enter into a formal management services agreement (the “Management Agreement”) that incorporates the terms proposed in this letter of intent.

The proposed terms are as follows:

1. The Management Agreement will be effective as of July 1, 2020, and will outline all services, responsibilities, and fees pertaining to Vertex’s support of EVHS. The Management Agreement provides detail regarding Vertex’s support in the following areas:
 - a. Academic Development and School Management
 - b. Exceptional Student Services
 - c. Accounting and Financial Services
 - d. Human Resources
 - e. Student Enrollment and Other Student Services
 - f. Grant Coordination

- g. School Branding, Marketing and Communications
 - h. Information Systems
 - i. Facilities Management
 - j. Food Services
 - k. Administrative Support for Board of Director Meetings, Government Accountability, and Representation
2. Vertex will conduct a full-scale assessment of EVHS's academic programs within 30 days following execution of the Management Agreement. This assessment would precede the creation of a full academic support plan.
 3. Vertex will charge a per pupil management fee of \$1,200 for all of its services as provided in the Management Agreement. As outlined in Section 5 below, Vertex may elect to defer payment of all or part of its management fees during the 20/21 school year in order to preserve EVHS cash for operational needs.
 4. Regarding the composition of EVHS's board of directors, Vertex believes it is in the best interest of EVHS and Vertex for the current board members to remain on the board in the near-term. Throughout the course of the 2020-2021 school year, Vertex proposes adding new board members, giving existing board members the opportunity to step down. Vertex will coordinate closely with Ms. Tolman regarding board changes. If departing board members have interest in continuing involvement with EVHS, Vertex and EVHS will explore the possibility of forming an advisory council.
 5. Vertex recognizes that EVHS's financial condition is weak and that cash flow is extremely tight. Vertex also recognizes that additional one-time funding from COVID-19 relief packages (PPP loan and CARES Act education funding) has extended EVHS's ability to continue funding its operations. Given these circumstances, coupled with the tight timeframe before the next school year, it is critical that EVHS support Vertex in Vertex's recommendations for operational efficiency and planning for the 20/21 school year. If Vertex's recommended measures cannot be supported by EVHS, or if EVHS' days cash on hand fall below 20 days, Vertex may elect to terminate the management agreement. Alternatively, Vertex may choose to, but would not be required to, defer payment of its management fees to preserve EVHS cash for other operating needs.
 6. Vertex supports EVHS's vision to increase enrollment and recognizes the need to demonstrate strong enrollment, academic, and financial results. Should EVHS desire to create additional campuses, Vertex has consistently shown the capacity to open multiple campuses each year and stands ready to assist EVHS in its long-term growth plans.

Given Vertex's long-standing experience supporting one of the largest and highest-rated charter school networks in Arizona, I am fully confident in our team's ability to bring unprecedented value to EVHS as it continues to change students' lives through education.

This letter is not intended to be binding and will not give rise to any right or obligation based on any legal or equitable theory (including any right to continue the negotiations), it being intended that only a

subsequent formal written contract, if executed and delivered by both parties, will bind the parties as to any matter which is the subject of this letter.

If this letter is acceptable and reflects basic terms that are agreeable to EVHS, please execute and return a copy of this letter to my attention following approval by the EVHS governing board.

Respectfully,

Agreed to and accepted by:

VERTEX EDUCATION, LLC, an Arizona limited liability company

By: _____

Name: Brandon Jones

Title: CEO

Date: May 21, 2020

LEGACY EDUCATION GROUP dba East Valley High School, an Arizona non-profit corporation

By: _____

Name: _____

Title: _____

Date: _____