SOFTWARE LICENSE AND SUPPORT AGREEMENT

This Software License and Support Agreement ("**Agreement**") is entered into effective as of July 1, 2012 (**Effective Date**") by and between Illuminate Education, Inc., a California corporation ("**Illuminate**"), and San Leandro Unified School District ("**District**").

RECITALS

WHEREAS, District desires to implement a web-based software system for student data and assessment management;

WHEREAS, Illuminate has developed and owns such a system known as the Illuminate Data and Assessment Management System or "Illuminate DnA" (the "**Software**"); and

WHEREAS, District desires to license the Software and obtain the services as provided herein.

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

AGREEMENT

1. Term of Agreement. Unless earlier terminated as provided herein, the initial term of this Agreement shall be from the Effective Date through **June 30, 2015** (the "Initial Term"). This Agreement shall thereafter automatically renew for additional successive one year periods unless written notice of non-renewal is given by either party to the other at least 60 days prior to the end of the then-current term (each a "Renewal Term" and together with the Initial Term, the "Term"), unless sooner terminated as provided herein.

2. License of Software to District. Subject to the terms of this Agreement, Illuminate hereby grants to District during the term of this Agreement a limited, non-exclusive, non-sublicensable and non-transferrable license to District for District employees to use the Software for each of the District locations listed on Exhibit A hereto. As new school sites are added by the District, District and District employees will be provided access to the Software for those sites. The District may not use the Software outside such locations or for other than District operations. **The Software shall permit District to download, at no additional cost to District, GradeCam's software for automated grading of multiple choice exams.**

3. Annual Software License Fee. District agrees to pay to Illuminate an annual license fee for use of the Software as set forth below.

(a) Initial School Year. A fee of $4 per student (calculated based on **7,498 students)** for the initial school year beginning **July 1, 2012** and continuing through **June 30, 2013**

(b) Subsequent School Years During Initial Term. A fee of $4 per student (calculated yearly based on **7,498 students**) for each school year during the Initial Term after the initial school year, subject to an increase no more often than annually for changes in the cost of living. Estimated annual license fees for the Initial Term assuming no change in cost of living and 7,498 students would be as follows:

Product/Year	**Fee Structure**	**Estimate of Annual License Fee**
Software and GradeCam, 2012- 2013	$4 per student 7,498 students	$29,992
Staff Training (3 days)	No Charge	No Charge
Software and GradeCam, 2013- 2014	$4 per student 7,498 students	$29,992
Software and GradeCam, 2014 -2015	$4 per student 7,498 students	$29,992

(c) Renewal School Years. A fee per student (calculated based on **CBEDS**) for each school year after the Initial Term equal to that generally charged by Illuminate to school districts at the time of renewal.

(d) Payment. The annual license fee for each school year shall be paid within 30 days of receipt of an invoice from Illuminate.

(e) Failure to Make Payment. In the event District fails to pay the annual license fee or other fees due hereunder when due, upon notice from Illuminate, District agrees to immediately cease using the Software and Illuminate will have no further obligation to provide any maintenance or support to District.

4. Ownership of Software. Illuminate has and shall retain all right, title and interest in the Software and all derivative works, including but not limited to copyrights, patent rights, and trade secrets and all other intellectual property rights as may exist now and/or hereafter come into existence. District shall have no rights in the Software or any derivative works, except the license and related rights expressly set forth in this Agreement.

5. Software Implementation, Data Conversion, Hosting and Training Services. Illuminate agrees to provide the services associated with the implementation of the Software, data conversion, hosting and training of District employees on the use of the Software as follows:

(a) Task List. A preliminary list of tasks and associated targeted completion dates are set forth on Exhibit "B" attached hereto.

(b) Hosting. The Software and District's data will be hosted on Illuminate's server (included in the annual license fee).

(c) Importing of Data. Illuminate will import District's data into the Software within 45 business days after the receipt of useable data.

(d) Initial Training. Illuminate will provide training to District in the basic use of the Software **at No Charge (3 days)**, to be presented as both parties mutually agree.

(e) Additional Training and Services. Upon written request and authorization by District, Illuminate will conduct additional training and provide additional services to District. Custom development shall be at a rate of $120 per hour. **Training after initial training is exhausted shall be at a rate of $1,500 per day for on-site training and $500 per day for on-line training.** Fees for such services shall be due and payable within 30 days of receipt of an invoice from Illuminate.

6. Ownership of District Data. District shall retain ownership of all District data imported into the Software. Upon the termination of this Agreement, Illuminate agrees to transfer all District data back to District in an industry standard open format like SQL at no charge.

7. Responsibilities of District. District agrees to prepare and furnish to Illuminate upon request such information as is reasonably requested by Illuminate in order for Illuminate to perform its obligations under this Agreement.

8. Illuminate Software Maintenance and Support. Illuminate agrees to provide maintenance and support of the Software. Such maintenance and support will include coverage in the form of corrections to remove deficiencies in the Software, as reported to Illuminate; ongoing telephone and e-mail support for questions regarding operations of the Software; incorporate/change the Software as necessary for operation including all upgrades and new features; support to District in resolving problems/errors resulting from misuse or hardware/software failure; regular telephone or web conferences with District to address future growth or modifications to the Software. Maintenance and support of the Software is provided at no additional cost to District.

9. Confidentiality.

(a) Confidential Information Defined. Each party (the **"Disclosing Party"**) may from time to time during the term of this Agreement disclose to the other party (the **"Receiving Party"**) certain information regarding the Disclosing Party's business, including technical, marketing, financial, employee, planning, and other confidential or proprietary information (**"Confidential Information"**). The technology underlying the Software shall in all events be Confidential Information of Illuminate.

(b) Protection of Confidential Information. The Receiving Party will not use any Confidential Information of the Disclosing Party, except for the purpose of fulfilling its obligations under this Agreement. The Receiving Party will protect the Disclosing Party's Confidential Information from unauthorized use, access, or disclosure in the same manner as the Receiving Party protects its own confidential or proprietary information of a similar nature and with no less than reasonable care.

(c) Exceptions. The Receiving Party's obligations under this Section 9 with respect to any Confidential Information of the Disclosing Party will terminate if the Receiving Party can demonstrate that such information: (i) was already known to the Receiving Party at the time of disclosure by the Disclosing Party; (ii) is disclosed to the Receiving Party by a third party who had the right to make such disclosure without any confidentiality restrictions; (iii) is, or through no fault of the Receiving Party has become, generally available to the public; or (iv) is independently developed by the Receiving Party without access to, or use of, the Disclosing Party's Confidential Information. In addition, the Receiving Party will be allowed to disclose Confidential Information of the Disclosing Party to the extent that such disclosure is (i) approved in writing by the Disclosing Party, (ii) necessary for the Receiving Party to enforce its rights under this Agreement in connection with a legal proceeding; or (iii) required by law or by the order of a court or similar judicial or administrative body, provided that the Receiving Party notifies the Disclosing Party of such required disclosure promptly and in writing and cooperates with the Disclosing Party, at the Disclosing Party's reasonable request and expense, in any lawful action to contest or limit the scope of such required disclosure.

(d) Return of Confidential Information. The Receiving Party will either, at its option, return to the Disclosing Party or destroy all Confidential Information of the Disclosing Party in the Receiving Party's possession or control and permanently erase all electronic copies of such Confidential Information promptly upon the written request of the Disclosing Party or the expiration or termination of this Agreement, whichever comes first. Upon the written request of the Disclosing Party, the Receiving Party will certify in writing that it has fully complied with its obligations under this Section.

10. Privacy and Collection of Student Data. Each of Illuminate and District represents and warrants that it is familiar with the provisions of the Federal Education Privacy Rights Act ("**FERPA**") **and California Education Code Sections 49073 through 49078 inclusive**, and it agrees that it will comply with such provisions and take all measures reasonably necessary and consistent with industry standards to protect student data from unauthorized access and/or unauthorized release. In the event that any unauthorized access or release of student data occurs, each party agrees to advise the other immediately of such unauthorized access.

11. Illuminate Warranty.

(a) Software Warranty. Illuminate warrants to District that the Software as delivered, will materially comply with the published specifications of Illuminate for such Software. Illuminate's obligations under this warranty shall be limited to providing District with a copy of corrected Software. Illuminate does not warrant that the operation of the Software will be uninterrupted or error-free. IN PARTICULAR, FOR PURPOSES OF THE FOREGOING WARRANTY, ILLUMINATE AND DISTRICT ACKNOWLEDGE THAT THE SOFTWARE IS NOT AND CANNOT BE MADE TO BE 100% ACCURATE, AND THAT ANY ERRORS OR FAILURE TO PERFORM SHALL NOT BE DEEMED A BREACH OF SUCH WARRANTY UNLESS THEY ARE SIGNIFICANT AND NOT TO BE EXPECTED IN LIGHT OF THE LIMITATIONS OF SOFTWARE OF THIS TYPE.

(b) No Other Warranty. EXCEPT AS EXPRESSLY SET FORTH ABOVE, ILLUMINATE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD

TO ALL TECHNOLOGY, SOFTWARE OR DERIVATIVE WORKS PROVIDED OR OTHERWISE LICENSED TO DISTRICT IN CONNECTION WITH THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE AND NON-INFRINGEMENT.

12. Indemnification.

(a) By Illuminate. Illuminate agrees to defend, indemnify and hold harmless District and its directors, officers, employees, and agents from and against all damages, costs (including reasonable attorneys' fees), judgments and other expenses arising out of or on account of any third party claim: (i) alleging that the Software infringes or misappropriates the proprietary or intellectual property rights of any third party, except to the extent that such infringement results from District's misuse of or modifications to the Software; (ii) that results from the negligence or intentional misconduct of Illuminate or its employees, agents or servants; or (iii) that results from any breach of any of the representations, warranties or covenants contained herein by Illuminate.

(b) By District. District agrees to defend, indemnify and hold harmless Illuminate and its directors, officers, employees, and agents from and against all damages, costs (including reasonable attorneys' fees), judgments and other expenses arising out of or on account of any third party claim that results from (i) the negligence or intentional misconduct of District or its employees, agents or servants or (ii) any breach of any of the representations, warranties or covenants contained herein by District.

(c) Indemnification Procedure. The parties' obligation to indemnify is subject to the conditions that the party with the obligation to indemnify ("**Indemnifying Party**") is given prompt notice of any such claims and is given primary control of and all reasonably requested assistance (at the other party's cost) for the defense of such claims (with counsel reasonably satisfactory to the party being indemnified ("**Indemnified Party**")), provided that the Indemnified Party shall under no circumstances be required to admit liability, and provided further that any delay in notification shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the delay materially impairs its ability to indemnify. Without limiting the foregoing, the Indemnified Party may participate in the defense at its own expense and with its own counsel; provided that if the Indemnified Party reasonably concludes that the Indemnifying Party has conflicting interests or different defenses available with respect to such claim, the reasonable fees and expenses of one counsel to the Indemnified Party shall be borne by the Indemnifying Party. The Indemnifying Party shall not enter into or acquiesce to any settlement containing any admission of or stipulation to any guilt, fault, liability or wrongdoing on the part of the Indemnified Party or which would otherwise adversely affect the Indemnified Party without the Indemnified Party's prior written consent (which shall not be unreasonably withheld). The Indemnifying Party shall keep the Indemnified Party advised of the status of the claims and the defense thereof and shall consider in good faith the recommendations made by the Indemnified Party with respect thereto.

13. Insurance. Illuminate agrees to carry a comprehensive general and automobile liability insurance with limits of One Million Dollars ($1,000,000.00) per occurrence combined single limit for bodily injury and property damage in a form mutually acceptable to both parties

to protect Illuminate and District against liability or claims of liability which may arise out of this Agreement. Illuminate agrees to maintain workers' compensation insurance as required under applicable law.

14. Taxes. District shall be solely responsible and liable for payment of all sales, use, excise, value added or similar taxes, duties or charges imposed by any federal, state or local government or jurisdiction with respect to any fees or other payments to be made by District to Illuminate under this Agreement, excluding taxes based on Illuminate's overall net income. Illuminate is not liable for any taxes, including without limitation income taxes, withholdings, value added, franchise, gross receipts, sales, use, property or similar taxes, duties, levies, fees, excises, or tariffs incurred in connection with such payments. District takes full responsibility for all such taxes, including penalties, interest, and other additions thereon. Illuminate shall pay taxes imposed on its income.

15. Termination.

(a) Termination by District. The District may terminate this Agreement without cause prior to the expiration of the Term, effective upon the end of a District fiscal year, by giving Illuminate written notice of its intent to so terminate at least sixty (60) days prior to the end of such District fiscal year.

(b) Termination for Cause. Either party may terminate this Agreement prior to the expiration of the Term, effective immediately upon written notice to the other party, in the event of a material breach of this Agreement by the other party hereto, which breach remains uncured for more than thirty (30) days after written notice thereof. In addition, either party may terminate this Agreement upon ten (10) days written notice to the other party upon the occurrence of any one or more of the following: (i) the institution by or against the other party of insolvency, receivership, or bankruptcy proceedings or any other proceedings for the settlement of the other party's debts; (ii) the other party making an assignment for the benefit of creditors; or (iii) the other party's dissolution. The foregoing rights to terminate are in addition to, not in lieu of, all other rights and remedies which may be available to either party under this Agreement, at law and/or in equity.

(c) Effect of Termination/Survival. Upon termination or expiration of this Agreement, in addition to Illuminate's obligations with respect to District data set forth in Section 6, each party shall promptly return or destroy the other party's Confidential Information and, if requested, shall promptly certify in writing that all such materials of the requesting party have been returned or destroyed. The obligations in the following Sections will survive any expiration or termination of this Agreement: Sections 4, 6, 9, 10, 11, 12, 14, 15 and 16 and any obligations to pay for license fees, services or training pursuant to Sections 3 or 5 that were earned prior to termination.

16. Miscellaneous.

(a) Assignment; Successors and Assigns. Neither party may assign this Agreement or its obligations hereunder without the prior written consent of the other party hereto, except that either party may assign this Agreement in connection with a sale of all or substantially all its outstanding equity or assets without the consent of the other party hereto. Subject to the foregoing, this Agreement shall be binding upon, and inure to the benefit of, each of the parties hereto and, except as otherwise expressly provided herein, their respective legal representatives, successors and assigns.

(b) Entire Agreement; Counterparts. This Agreement and the other documents referred to herein or delivered pursuant hereto contain the entire agreement between the parties with respect to the transactions contemplated hereby and supersedes all prior negotiations, commitments, agreements and understandings between them with respect thereto. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, or by e-mail delivery of a ".pdf" data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

(c) Notices. Any notice or communication given pursuant to this Agreement by any party to any other party shall be in writing and shall be sufficiently given if personally delivered, sent by other means of electronic transmission (including electronic mail) or sent by mail, postage prepaid to the parties at the following addresses or to such other address as either party may hereafter designate to the others by like notice:

If to Illuminate:

Illuminate Education, Inc.
60 Bunsen
Irvine, California 92618
Attention: Lane Rankin, President
E-mail: lane@illuminateED.com

If to District:

San Leandro Unified School District
14735 Juniper Street
San Leandro California 94579
Attention: Daniel Chaja
E-mail: dchaja@sanleandro.k12.ca.us

(d) Amendments, Waivers and Severability. Except as otherwise provided herein, this Agreement may be amended, and compliance with any provision of this Agreement may be omitted or waived, only by written agreement duly signed by Illuminate and District. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall not invalidate or render unenforceable the remaining provisions of this Agreement.

(e) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of California, without regard to its principles of conflicts of laws. In the event of any dispute arising out of or relating to this Agreement, the parties consent to the exclusive jurisdiction of the federal and state courts sitting in Orange County, California for the purposes of resolving said dispute, except for claims for injunctive relief, which may be brought in any venue having jurisdiction over the parties hereto.

(f) Relationship of the Parties. Nothing contained in this Agreement shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties. The relationship between the parties shall at all time be that of independent contractors. Neither party shall have authority to contract for or bind the other in any manner whatsoever. This Agreement confers no rights upon either party except those expressly granted herein.

(g) Limitation of Liability. In no event shall either party be liable to the other party or to any third party for any incidental, special, indirect, punitive or consequential damages arising out of or relating to this Agreement, even if such party or any of its authorized representatives has been advised of the possibility of such damages. Each party's aggregate liability arising out of or relating to this Agreement for any loss or damages resulting from any claims, demands, or actions arising out of or relating to this Agreement shall not exceed the fees paid or due payable by District to Illuminate during the preceding twelve months pursuant to this Agreement.

(h) Force Majeure. Neither party shall be liable to the other for any delay or failure to perform due to causes beyond its reasonable control. Performance times shall be considered extended for a period of time equivalent to time lost because of any such delay by providing prompt written notice of such expected delay to the other party.

IN WITNESS WHEREOF, the parties have entered into this Agreement effective as of the Effective Date.

ILLUMINATE EDUCATION, INC.
By: _____
Lane Rankin, President

SAN LEANDRO UNIFIED SCHOOL DISTRICT
By: _____
Print: _____
Its: _____

EXHIBIT A

DISTRICT LOCATIONS

All San Leandro Unified School District locations and schools:

EXHIBIT B

TASK LIST

Date	Task
June/July, 2012	Initial implementation meeting
July/August, 2012	Data conversion and imports
August/September, 2012	District begins using Software