

edPal, LLC

EDCENTER AGREEMENT

This edCenter Agreement is entered into as of the date set forth below with respect to the provision of internet based educational courses, between edPal, LLC, a California limited liability company ("edPal") and the sponsoring educational institution designated below (the "District"). edPal and the District agree to provide Courses to students through edPal's online education center on the terms and conditions set forth in the attached Terms & Conditions which are incorporated herein by reference. For purposes of this Agreement, the following definitions shall apply:

"District" means: _____

The principal contact person at the District shall be:

Email: _____
Telephone: _____

"Courses" means online courses to offer on the District's edCenter which edPal makes available to the District from time to time from its then existing repository of courses and which the District selects.

"edCenter" means an online education center for the District developed and maintained by edPal through which students may take Courses. "edCenters" shall mean the District's edCenter and the edCenters maintained by edPal on the behalf of others.

"Agreement Date" means _____, 200_.

edPal, LLC

THE DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

edPal, LLC

EDCENTER AGREEMENT

TERMS & CONDITIONS

1. THE EDCENTER

(a) Creation. edPal agrees that during the term of this Agreement and subject to this Agreement's terms and conditions, it will create, maintain and support the edCenter on the District's behalf through which students will be able to attend Courses.

(b) Responsibility/Ownership. edPal shall administer the edCenter and manage all class schedules, Course delivery, enrollment and payment for Courses through the edCenter. In addition, edPal shall have the sole responsibility for the creation and operation of the edCenter and for support of its continuing operation. edPal shall own all technology and intellectual property rights associated with the creation, operation and support of the edCenter and, except as provided herein, the District shall have no rights therein.

(c) District Assistance. The District will maintain and keep current the contact and District relevant information on the edCenter. In addition, the District will actively promote the edCenter on District websites, publications and at relevant District events.

(d) Administration. edPal, working in consultation with the District, shall have the responsibility and authority to establish Course pricing. edPal shall be responsible for all administrative and accounting services in connection with selling the Courses through the edCenter. edPal will have responsibility for eCommerce and all financial transactions and disbursement of revenue share to the District. edPal shall have the right of credit approval or credit refusal for Course purchasers. edPal shall render all invoices for Courses directly to the Course purchasers. Payments shall be made directly to edPal except when previously agreed in writing by both parties.

(e) Independent Contractors. The relationship of edPal and the District established by this Agreement is that of independent contractors, and, except as expressly provided herein, nothing contained in this Agreement shall be construed to: (i) give either party the power to direct and control the day-to-day activities of the other, (ii) constitute the parties as partners, joint ventures, co-owners or otherwise as participants in a joint undertaking, or (iii) allow edPal to create or assume any obligation on behalf of the District for any purpose whatsoever or allow the District to create or assume any obligation on behalf of edPal for any purpose whatsoever. All financial and other obligations associated with edPal's business and operations are the sole responsibility of edPal and all financial and other obligations associated with the District's business and operations are the sole responsibility of the District.

2. COURSE PAYMENTS

(a) Course Net Revenues. The District shall be entitled to a percentage of the Net Revenues received by edPal from providing Courses on the edCenter in the following amounts:

(A) Twenty percent (20%) of the Net Revenues on courses with 2 academic units or below, or

(B) Twenty Five percent (25%) of the Net Revenue on courses with at least 3 academic units.

(b) Net Revenues. For purpose of the payments to be paid to the District as set forth above, "Net Revenues" shall mean the amount paid to edPal for Courses, less

(i) Instructor pay,

(ii) A student administration fee of \$25.00 charged once per new student, and

(iii) Charges for handling, shipment, sales taxes, C.O.D. charges, and other finance charges, if any.

(c) Reporting. edPal shall submit to the District within forty-five (45) days following the end of each calendar quarter, quarterly statements of the payments due and payable to the District with reference to the Courses for which the payments are being made. Reporting is based on Courses completed after all refunds and cancellations.

(d) Time of Payment. Course payments shall be due and payable to the District no later than forty-five (45) days after the end of the calendar quarter in which edPal receives payment for such Courses. Payment is based on Courses completed, after all refunds and cancellations.

(e) Inspection of Records. The District shall have the right, at its own expense and not more than once in any twelve (12) month period (or more frequently if any prior audit shall have disclosed any under-reporting or under-payment), to authorize its independent auditors to inspect at reasonable times edPal's relevant accounting records to verify the accuracy of payments made by edPal under the terms of this Agreement.

3. OWNERSHIP

edPal shall own all technology and intellectual property rights associated with the creation, operation and support of the edCenter and, except as provided herein, the District shall have no rights therein. All course development technology and production processes owned by edPal, and all intellectual property rights therein, shall remain the property of edPal.

4. TERM AND TERMINATION

(a) Term. This Agreement shall continue in force for a fixed term of five (5) years from the date hereof unless terminated earlier under the provisions of this Section. At the end of the fixed term, this Agreement may be extended or renewed by mutual written agreement.

(b) Termination for Breach. If either party defaults in the performance of any provision of this Agreement, then the non-defaulting party may give written notice to the defaulting party that if the default is not cured within sixty (60) days the Agreement will be terminated. If the non-defaulting party gives such notice and the default is not cured during the sixty-day period, then the Agreement shall automatically terminate at the end of that period.

(c) Termination for Insolvency. This Agreement shall be terminable at the District's option, without notice, (i) upon the institution by or against edPal of insolvency, receivership, or bankruptcy proceedings or any other proceedings for the settlement of edPal's debts, (ii) upon edPal's making an assignment for the benefit of creditors, or (iii) upon edPal's dissolution.

(d) Limitation on Liability. In the event of termination by either party in accordance with any of the provisions of this Agreement, neither party shall be liable to the other, because of such termination, for compensation, reimbursement or damages on account of the loss of prospective profits or anticipated sales or on account of expenditures, investments, leases or commitments in connection with the business or goodwill of either party hereto.

(e) Effect of Termination. Notwithstanding expiration or termination of this Agreement, edPal shall remain to be responsible for, and shall pay to the District, the payments due pursuant to Section 2 for all Courses sold or distributed prior to expiration or termination, and for providing reports and allowing audits relating thereto. The provisions of Sections 3, 4(d), 4(e), 5 and 7 shall survive the expiration or termination of this Agreement for any reason. All other rights and obligations of the parties shall cease upon termination of this Agreement.

5. CONFIDENTIALITY, INDEMNIFICATION, AND LIMITATION ON LIABILITY

(a) Confidentiality. Each party shall treat as confidential any information disclosed by one party to the other which is marked "confidential", "proprietary" or in some other manner to indicate its confidential nature, or which is of a variety generally deemed confidential in nature ("Confidential Information"). Neither party shall use or disclose any Confidential Information of the other party other than to perform its obligations set forth in this Agreement. Without limiting the foregoing, each of the parties shall use at least the same degree of care it

uses to prevent the disclosure of its own confidential information of like importance, to prevent the disclosure of Confidential Information of the other party. Confidential Information excludes information that: (i) was in the public domain at the time it was disclosed or has become in the public domain through no fault of the receiving party; (ii) was known to the receiving party, without restriction, at the time of disclosure, as demonstrated by files in existence at the time of disclosure; (iii) is disclosed with the prior written approval of the disclosing party; (iv) was independently developed by the receiving party without any use of the Confidential Information; (v) becomes known to the receiving party, without restriction, from a source other than the disclosing party, without breach of this Agreement, by the receiving party; or (vi) is disclosed generally to third parties by the disclosing party without restrictions similar to those contained in this Agreement. The receiving party may disclose the other party's Confidential Information to the extent such disclosure is required by law.

(b) Indemnification. Each party (as "Indemnitor") will indemnify, defend and hold harmless the other party (as "Indemnitee") against any third party claim, including any costs, losses, liabilities and expenses, including court costs, reasonable expenses and reasonable attorneys' fees: (i) alleging that any Course content or other material provided by the Indemnitor infringes the intellectual property rights of any third party or is defamatory or violates any right of privacy or publicity; (ii) arising from the activities, operations or services of the Indemnitor in connection with this Agreement; or (iii) arising from the Indemnitor's breach of any of the representations, warranties or covenants of this Agreement. If any party entitled to indemnification under this Section makes an indemnification request to the other, the Indemnitee will permit the other Indemnitor to control the defense, disposition or settlement of the matter at the Indemnitor's expense; provided that the Indemnitee will not, without the consent of the Indemnitor, enter into any settlement or agree to any disposition that imposes an obligation on the Indemnitee that is not wholly discharged or dischargeable by the Indemnitor. The Indemnitee will notify the Indemnitor promptly of any claim for which the Indemnitor is responsible and will cooperate with the Indemnitor as commercially reasonable to facilitate defense of any such claim; provided that the Indemnitee's failure to notify Indemnitor will not diminish the Indemnitor's obligations under this Section except to the extent that the Indemnitor is materially prejudiced as a result of such failure. An Indemnitee will at all times have the option to participate in any matter or litigation through counsel of its own selection and at its own expense.

(c) Limitation On Liability. Excluding any claims for personal injury or damage to tangible property, any use of a party's courses or trademarks in a manner not expressly authorized by this agreement, or any breach of the confidentiality or indemnification obligations of the parties set forth in this agreement, in no event shall a party hereto be liable to the other or any other entity for any special, consequential, incidental, or indirect damages however caused, on any theory of liability, and notwithstanding any failure of essential purpose of any limited remedy.

6. GENERAL PROVISIONS

(a) Governing Law and Jurisdiction. This Agreement shall be governed by and construed under the laws of the State of California. The federal and state courts within the State

of California shall have exclusive jurisdiction to adjudicate any dispute arising out of this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the party to be charged.

(c) Notices. Any notice required or permitted by this Agreement shall be deemed given if sent by certified or registered mail, postage prepaid, addressed to the other party at the address shown at the beginning of this Agreement or at such other address for which such party gives notice hereunder. Delivery shall be deemed effective three (3) days after deposit with postal authorities.

(d) Force Majeure. Nonperformance of either party shall be excused to the extent that performance is rendered impossible by strike, fire, flood, governmental acts, orders or restrictions, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-performing party.

(e) Non-Assignability and Binding Effect. Neither party's rights and obligations under this Agreement may be transferred or assigned directly or indirectly. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

(f) Legal Expenses. The prevailing party in any legal action brought by one party against the other and arising out of this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees.

(g) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

For The District

By: _____
Title: _____
Date: _____

For edPal, LLC

By: _____
Title: _____
Date: _____