

**Equipment/Payment Change Amendment**

**Add-on Schedule #:** 7542067-004  
**Total Image Management Agreement #:** 7542067-003

AMENDMENT ("Amendment"), dated as of October 24, 2012, to that certain Total Image Management Agreement referenced above (the "Agreement") between GENERAL ELECTRIC CAPITAL CORPORATION ("Lessor/Owner") and IDAHO VIRTUAL ACADEMY INCORPORATED ("Lessee/Customer"). All capitalized terms used but not defined in this Amendment will have the meanings given to them in the Agreement. Except to the extent modified by this Amendment, the terms and conditions of the Agreement will remain unchanged and shall continue in full force and effect.

**EQUIPMENT INFORMATION**

Activity:	Manufacturer & Model No.	Attachment Description:	Serial Number	Beginning / End Meter Read
Add Asset	Xerox			
	Phaser 3635MFP/X			

**NEW PAYMENT INFORMATION**

Monthly Payment:	PREVIOUS	NEW		Remaining Term (months):	54
Minimum Payment	\$ 1,790.00	\$ 1,890.11	plus applicable taxes	Effective with Payment Due On:	1-1-2013
<b>Black &amp; White Images</b>				Document Fee: \$	75.00
Minimum No. Of Images	27,000	28,000		(Included on Next Invoice)	
Excess Per Image Charge	0.008000	0.013100		Excess Image Billing Frequency:	Quarterly
<b>Color Images</b>				*** Excess Images to be billed by Supplier ***	
Minimum No. Of Images	2,700	2,700			
Excess Per Image Charge	0.065000	0.065000			

**TERMS & CONDITIONS**

Lessee/Customer is applying to Lessor/Owner to amend the Agreement as described above. Any change to the equipment and/or payment as described above will be effected on a "co-terminous" basis to the above Agreement through execution of this Amendment (that is, the term for this Amendment will expire on the same date as the term of the Agreement for the original equipment).

LESSOR/  
OWNER: GENERAL ELECTRIC CAPITAL CORPORATION

By: A. Hughes  
Signature of authorized signer  
Name: Angela Hughes  
Print Name

Title: C.A.  
Print Title

Date: 11-30-12  
Date of Signature

LESSEE/  
CUSTOMER: IDAHO VIRTUAL ACADEMY INCORPORATED

By: Allen L. Wenger  
Signature of authorized signer  
Name: Allen L. Wenger  
Print Name

Title: Business Manager  
Print Title

Date: 10/24/12  
Date of Signature



**TOTAL IMAGE MANAGEMENT<sup>SM</sup>**  
R12

Agreement # 7542067-003

EQUIPMENT		
Equipment Model & Description	Serial Number	Accessories
1-Xerox 7775		Smart Doc Travel, LCT, Finisher, Fax, Scan
1-Xerox 5655		Finisher, Print, Scan, Fax, 2-1500 sheet paper
2- Xerox 3635		Memory upgrade, 2nd 500 sheet tray, print, scan

See attached schedule for additional Equipment / Accessories

Equipment Location (if different from Billing Address) \_\_\_\_\_

**SUPPLIER**

**Bosie Office Equipment**

Name  
**330 N Ancestor Place**

Address  
**Bosie Idaho 83704**

City State Zip

**TRANSACTION TERMS**

Minimum Monthly Payment **\$1,790.00** Term **60** months  
(plus applicable taxes)

Image Type	Minimum Number of Images	Excess Per Image Charge
Black & White Copies	<b>27,000</b>	<b>.008</b>
Color Copies	<b>2,700</b>	<b>.065</b>
Black & White Prints		
Color Prints		
Scan Images		

Excess Per Image Billing Preference (monthly if not checked)  
 Monthly  Quarterly  Semi-Annually  Annually

The following additional payments are due on the date this Agreement is signed by you:

SECURITY DEPOSIT \$ **0.00**  
 ADVANCE PAYMENT \*\$ **0.00** (plus applicable taxes) \*Applied to:  first  last

DOCUMENT FEE \$75.00 (included on first invoice)

YOU HAVE SELECTED THE EQUIPMENT. THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT OUR AGENTS AND ARE NOT AUTHORIZED TO MODIFY THE TERMS OF THIS AGREEMENT. YOU ARE AWARE OF THE NAME OF THE MANUFACTURER OF EACH ITEM OF EQUIPMENT AND YOU WILL CONTACT EACH MANUFACTURER FOR A DESCRIPTION OF YOUR WARRANTY RIGHTS. WE MAKE NO WARRANTIES TO YOU, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY OR OTHERWISE. WE PROVIDE THE EQUIPMENT TO YOU AS-IS. WE SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES.

YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF IOWA.

BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE RECEIPT OF PAGE 2 OF THIS AGREEMENT, AND AGREE TO THE TERMS ON BOTH PAGES 1 AND 2. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL.

**CUSTOMER ("You")**

**Idaho Virtual Academy Inc.**

Full Legal Name  
**1965 South Eagle Road**

Billing Address  
**Meridian Idaho 83642**

City State Zip  
**Allen Wenger 208-322-3559**

Contact Name Phone E-mail Address

By: Allen Wenger  
Signature of Authorized Signer

Name: Allen L. Wenger  
Please Print

Title: Financial Manager 4/25/12

Date: \_\_\_\_\_ Fed Tax ID 01-0726150  
Date of Signature

**OWNER ("We", "Us")**

**General Electric Capital Corporation**  
1961 Hirst Drive, Moberly, MO 65270

By: Angela Hughes

Name: Angela Hughes

Title: C.A.

Date: 6-11-12

**Unconditional Personal Guaranty**

In consideration of Owner entering into this Agreement, the undersigned unconditionally and irrevocably guarantees to Owner, its successors and assigns, the prompt payment and performance of all existing and future obligations of Customer to Owner, including this Agreement. I agree that (a) this is a guaranty of payment and not of collection, and that Owner can proceed directly against me personally without resorting to any security or seeking to collect from Customer, (b) I waive all suretyship defenses including impairment of collateral, failure to properly perfect a security interest in the collateral, and all notices, including those of protest, presentment and demand, (c) Owner may renew, extend or otherwise change the terms of this Agreement without notice to me and I will be bound by such changes, and (d) I will pay all of Owner's costs of enforcement and collection, including reasonable attorneys' fees and costs. This guaranty survives the bankruptcy of Customer and binds my administrators, successors and assigns. My obligations under this guaranty continue even if Customer becomes insolvent or bankrupt or is discharged from bankruptcy and I agree not to seek to be repaid by Customer in the event I must pay Owner, until you have been paid all amounts owed. This guaranty shall be governed by the laws of Iowa. Based on Owner's mutual agreement set forth above, I WAIVE ALL RIGHTS TO A JURY TRIAL.

Global 1872(0) r12 05/07

## ADDITIONAL TERMS AND CONDITIONS OF AGREEMENT

**1. COMMENCEMENT OF AGREEMENT.** Commencement of this Agreement and acceptance of the Equipment shall occur upon delivery of the Equipment to you. You agree to inspect the Equipment upon delivery and verify by telephone or in writing such information as we may require. The Equipment is accepted by you under this Agreement unless you notify us within three (3) days of delivery that you do not accept the Equipment and specify the defect or malfunction. In that event, we will replace the defective item of Equipment or cancel this Agreement and you will assume all our rights under any purchase order or agreement entered into by us to buy the Equipment. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing this Agreement you assign to us all of your rights, but none of your obligations under it. All attachments, accessories, replacements, replacement parts, substitutions, additions and repairs to the Equipment shall form part of the Equipment under this Agreement.

**2. SECURITY DEPOSIT.** The Security Deposit will be held by us, without interest, and may be commingled (unless otherwise required by law), until all obligations under this Agreement are satisfied, and may be applied at our option against amounts due under this Agreement. The Security Deposit will be returned to you upon termination of the Agreement, provided you are not in default, or applied to the Minimum Monthly Payment due at the end of the Term, or to the amount we may quote for any purchase or upgrade of the Equipment.

**3. IMAGE CHARGES.** Each month during the Term of this Agreement, you agree to remit to us the "Minimum Monthly Payment" and all other sums when due and payable at the address we provide to you from time to time. In return for the Minimum Monthly Payment, you are entitled to produce the Minimum Number of Images for each applicable Image Type each month. You also agree to pay us the applicable Excess Per Image Charge (plus applicable taxes) for each metered image that exceeds the applicable Minimum Number of Images. We may estimate the number of images produced if you do not provide us with meter readings within seven (7) days of request. We will adjust the estimated charge for excess images upon receipt of actual meter readings. Notwithstanding any adjustments, you will never pay us less than the Minimum Monthly Payment. You agree that we may increase the Minimum Monthly Payment and/or Excess Per Image Charge for each Image Type each year during the term of this Agreement by an amount not to exceed ten percent (10%) of the Minimum Monthly Payment and/or Excess Per Image Charge in effect at the end of the prior annual period, or the maximum percentage permitted by law, whichever is lower. At our option, you will (a) provide us by telephone or facsimile the actual meter readings when requested by us, (b) provide us (or our agent) access to the Equipment to obtain meter readings, or (c) allow us (or our agent) to attach an automatic meter reading device to the Equipment. We may audit any automatic meter reading device periodically. Minimum Monthly Payments are due whether or not you are invoiced. If you have a dispute with the Supplier regarding the Equipment, you shall continue to pay us all Minimum Monthly Payments and Excess Per Image Charges without deduction or withholding any amounts. You authorize us to adjust the Minimum Monthly Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer/supplier.

**4. OTHER CHARGES.** You agree to: (a) pay all premiums and other costs of insuring the Equipment; (b) reimburse us for all costs and expenses (including reasonable attorneys' fees and court costs) incurred in enforcing this Agreement; and (c) pay all other costs and expenses for which you are obligated under this Agreement. You agree, at our discretion, to either (1) reimburse us annually for all personal property and other similar taxes and governmental charges associated with the ownership, possession or use of the Equipment, or (2) remit to us each month our estimate of the pro-rated equivalent of such taxes and governmental charges. You agree to pay us an administrative fee for the processing of taxes, assessments or fees which may be due and payable under this Agreement. We may take on your behalf any action required under this Agreement which you fail to take, and upon receipt of our invoice you will promptly pay our costs (including insurance premiums and other payments to affiliates), plus reasonable processing fees. Restrictive endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge of \$25.00 for any check which is returned by the bank for any reason (not to exceed the maximum amount permitted by law).

**5. LATE CHARGES.** For any payment which is not received within five (5) of its due date, you agree to pay a late charge equal to the higher of 5% of the amount due or \$22.00 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

**6. MAINTENANCE AND SERVICE, OWNERSHIP AND USE.** The Supplier identified on Page 1 of this Agreement has agreed to provide FULL SERVICE MAINTENANCE DURING NORMAL BUSINESS HOURS, INCLUDING ALL TONER, DEVELOPER AND PARTS NECESSARY TO PRODUCE IMAGES. YOU MUST PURCHASE COPIER PAPER AND STAPLES SEPARATELY. You acknowledge that (a) we are not responsible for any service, repair or maintenance of the Equipment, and (b) we are not a party to any service maintenance agreement. You agree to pay for service maintenance outside of the Supplier's normal business hours for service required by your negligence or misuse of the Equipment at Supplier's customary rates. We reserve a security interest in the Equipment to secure all of your obligations under this Agreement. We own the Equipment and you have the right to use the Equipment under the terms of this Agreement. If this Agreement is deemed to be a secured transaction, you grant us a security interest in the Equipment to secure all of your obligations under this Agreement. We hereby assign to you all our rights under any manufacturer or supplier warranties, so long as you are not in default hereunder. You must keep the Equipment free of liens. You may not remove the Equipment from the address indicated on the front of this Agreement without first obtaining our approval. If we grant permission to move the Equipment, the Minimum Monthly Payments and Excess per Image Charges may be increased by us at our sole discretion to cover the additional costs of service, maintenance and supplies. You agree to: (a) keep the Equipment in your exclusive control and possession; (b) USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES; (c) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (d) keep the Equipment repaired and maintained in good working order and as required by the manufacturer's warranty and specifications; and (e) give us reasonable access to inspect the Equipment and its maintenance and other records.

If any Equipment is designated "Service Only", you acknowledge and agree that (1) we do not own such Equipment; (2) we are not providing such Equipment to you pursuant to the terms of this Agreement; (3) Supplier has agreed to provide full service maintenance of such Equipment pursuant to the terms outlined above; and (4) that portion of the Minimum Monthly Payment attributable to such Equipment includes only the full service maintenance of such Equipment and not the use or rental of the Equipment.

**7. INDEMNITY.** You are responsible for all losses, damage, claims, infringement claims, injuries and reasonable attorneys' fees and costs ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. You agree to defend and indemnify us against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. This indemnity continues beyond the termination of this Agreement, for acts or omissions which occurred during the Term of this Agreement. You also agree that this Agreement has been entered into on the assumption that we will be entitled to certain tax benefits

available to the owner of the Equipment. You agree to indemnify us for the loss of any income tax benefits caused by your acts or omissions inconsistent with such assumption or this Agreement. In the event of any such loss, we may increase the Minimum Monthly Payments and other amounts due to offset any such adverse effect.

**8. LOSS OR DAMAGE.** If any item of Equipment is lost, stolen or damaged you will, at your option and cost, either: (a) repair the item or replace the item with a comparable item reasonably acceptable to us; or (b) pay us the sum of: (i) all past due and current Minimum Monthly Payments, Excess Per Image Charges and other charges, (ii) the present value of all remaining Minimum Monthly Payments and other charges for the item, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher), and (iii) the Fair Market Value of the Equipment. We will then transfer to you all our right, title and interest in the Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE. Insurance proceeds shall be applied toward repair, replacement or payment hereunder, as applicable. In this Agreement, "Fair Market Value" of the Equipment means its fair market value at the end of the Term, assuming good order and condition (except for ordinary wear and tear from normal use), as estimated by us.

**9. INSURANCE.** You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee; and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. The policy must be issued by an insurance carrier acceptable to Owner, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us.

**10. DEFAULT.** You will be in default under this Agreement if: (a) you fail to remit to us any payment within ten (10) days of the due date or breach any other obligation under this Agreement; (b) a petition is filed by or against you or any Guarantor under any bankruptcy or insolvency law; or (c) you default under any other agreement with us.

**11. REMEDIES.** If you default, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Minimum Monthly Payments, Excess Per Image Charges and other charges, (ii) the present value of all remaining Minimum Monthly Payments, Excess Per Image Charges and other charges, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher) and (iii) the Fair Market Value of the Equipment; (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 12, or take possession of the Equipment, in which case we shall not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within the Equipment, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds, less reasonable selling and administrative expenses, to the amounts due hereunder; (d) charge you interest on all amounts due us from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, reasonable attorneys' fees and court costs. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

**12. END OF TERM OPTIONS: RETURN OF EQUIPMENT.** If you are not in default, at least 60 days (but not more than 120 days) prior to the end of the Term (or the Renewal Term) you shall give us written notice of your intention at the end of the Term (or the Renewal Term) which election cannot be revoked, to return all of the Equipment. IF YOU FAIL TO PROVIDE US WITH SUCH 60 DAY PRIOR WRITTEN NOTICE, OR HAVING NOTIFIED US, YOU FAIL TO RETURN THE EQUIPMENT THE TERM OF THIS AGREEMENT SHALL AUTOMATICALLY RENEW FOR ONE ADDITIONAL TERM OF TWELVE (12) MONTHS (the "Renewal Term") and all of the provisions of this Agreement shall continue to apply, including your obligation to remit Minimum Monthly Payments, Excess Per Image Charges and other charges. If you are in default, or at the end of the Term (or the Renewal Term), you shall return all of the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the continental United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications. You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with this Agreement or for damages incurred in shipping and handling.

**13. ASSIGNMENT.** You may not assign or dispose of any rights or obligations under this Agreement or sub-lease the Equipment, without our prior written consent. We may, without notifying you, (a) assign this Agreement or our interest in the Equipment; and (b) release information we have about you and this Agreement to the manufacturer, supplier or any prospective investor, participant or purchaser of this Agreement. If we do make an assignment under subsection 13(a) above, our assignee will have all of our rights under this Agreement, but none of our obligations. You agree not to assert against our assignee claims, offsets or defenses you may have against us.

**14. MISCELLANEOUS.** Notices must be in writing and will be deemed given 5 days after mailing to your (or our) business address. You represent that: (a) you have authority to enter into this Agreement and by so doing you will not violate any law or agreement; and (b) this Agreement is signed by your authorized officer or agent. This Agreement is the entire agreement between us, and cannot be modified except by another document signed by us. This Agreement is binding on you and your successors and assigns. All financial information you have provided is true and a reasonable representation of your financial condition. You authorize us or our agent to: (a) obtain credit reports and make credit inquiries; (b) furnish payment history to credit reporting agencies; and (c) file UCC financing statements. Any claim you have against us must be made within two (2) years after the event which caused it. If a court finds any provision of this Agreement to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on this Agreement, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Agreement, you agree to pay a fee for such privilege. THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE ("UCC"). YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC.