

DELTA MANAGED SOLUTIONS, INC.
2015 PROMISSORY NOTE, SERIES A

<u>Rate of Interest:</u>	<u>Note Date:</u>	<u>Maturity Date:</u>	<u>Purchase Price:</u>
6.50%	January 27, 2015	August 1, 2015	97.00%

OWNER: DELTA MANAGED SOLUTIONS, INC.

PRINCIPAL AMOUNT: ONE HUNDRED FORTY FOUR THOUSAND,
THREE HUNDRED AND FIFTY DOLLARS

FOR VALUE RECEIVED, HIGHLANDS COMMUNITY CHARTER SCHOOL, a California nonprofit corporation (the "Borrower"), acknowledges itself indebted to and promises to pay the Owner identified above, the Principal Amount specified above, in lawful money of the United States of America, on or before the Maturity Date, specified above, together with interest thereon at the Rate of Interest per annum set forth above (computed on the basis of a 360-day year of 12 30-day months) in like lawful money from the Note Date specified above until payment in full of said principal sum.

It is hereby certified, recited and declared that this Note is a valid and binding obligation of the Borrower, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law.

The principal amount of the Note, together with the interest thereon, shall be payable from income, revenue, loan proceeds, cash receipts and other moneys that are received or accrued by the Borrower during fiscal year 2014-2015. As security for the payment of the principal of and interest on the Notes, the Borrower has pledged (i) all assets of the Borrower, including and not limited to: cash, investments, equipment, supplies, and real and personal property owned by the Borrower, subject to existing recorded liens on the date of issuance of the Notes; and (ii) all other allocations, loan proceeds, grants or other monies to be received by the Borrower.

This Note is prepayable in whole or in part on any date, at a prepayment price equal to the principal amount of the portion of the Note being prepaid and interest through the date of prepayment, without premium.

The Borrower may deem and treat the Note Holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Borrower shall not be affected by any notice to the contrary.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name and on its behalf.

Dated: January 26, 2015.

HIGHLANDS COMMUNITY
CHARTER SCHOOL, INC.

DELTA MANAGED SOLUTIONS, INC.

By: _____

By: _____

Kelly McDole, CEO

Name: _____

Date: _____

Title: _____

Date: _____