

AMERICAN ARBITRATION ASSOCIATION

COMMERCIAL ARBITRATION TRIBUNAL

In the Matter of the Arbitration between

Re: 69 180 Y 01864 07
Choice Foundation
vs.
Mosaica Education, Inc.

ADMINISTRATOR: Jeremy R. May

FINAL AWARD OF ARBITRATOR

I, THE UNDERSIGNED ARBITRATOR, having been designated in accordance with the arbitration agreement entered into by the above-named parties as part of their Management Agreement dated as of March 20, 2006 ("the Management Agreement"), and having been duly sworn and having duly heard the proofs and allegations of the Parties, do hereby, AWARD, as follows:

It is hereby declared that Mosaica Education, Inc. ("MEI") materially breached the Management Agreement and failed to remedy that breach within 30 days after written notice from Choice Foundation's ("Choice") Board, pursuant to Section 7.01(b) of the Management Agreement.

It is further hereby declared that the termination of the Management Agreement by Choice as of July 1, 2007 was lawful and effective.

MEI shall be liable to pay to Choice for its claim the sum of Three Hundred-Fifty Thousand Dollars (\$350,000). This sum shall be paid thirty (30) days from the date of this Award. MEI shall be liable to pay Choice post-award interest thereon at the legal rate of interest, commencing from the date of this Award until paid in full.

Choice shall be liable to pay MEI for its claim the sum of One Hundred Thousand Dollars (\$100,000), plus interest on any unpaid balance at the rate of 9% per annum accruing from July 6, 2007. The sum of \$50,000, together with all accrued and unpaid interest, shall be paid thirty (30) days from the date of this Award and an additional sum of \$50,000, together with all additional accrued and unpaid interest, shall be paid on July 1, 2008, provided that Choice may prepay all or part of these sums and accrued and unpaid interest before they would be due under this Award.

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The administrative fees and expenses of the American Arbitration Association totaling \$19,750.00 and the compensation and expenses of the arbitrator totaling \$16,975.00 shall be borne entirely by MEI. Therefore, MEI shall be liable to pay to Choice the sum of \$16,987.50 representing that portion of said fees and expenses in excess of the apportioned costs previously incurred by Choice.

This Final Award is in full settlement of all claims and counterclaims submitted to this Arbitrator. All claims and counterclaims not expressly granted herein are hereby denied.

SIGNED: Stephen Bullock
Stephen G. Bullock, Arbitrator

DATED: September 14, 2007