

AGREEMENT AND PLAN OF MERGER

for

DAISY EDUCATION CORPORATION,

an Arizona nonprofit corporation

and

SONORAN SCIENCE ACADEMY PHOENIX METRO,

AN ARIZONA NONPROFIT CORPORATION

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") is made and entered into as of January 17, 2014, by and between Daisy Education Corporation, an Arizona nonprofit corporation ("DEC"), and Sonoran Science Academy Phoenix Metro, an Arizona nonprofit corporation ("SSA Phoenix Metro").

RECITALS

A. SSA Phoenix Metro desires to merge with and into DEC and thereby transfer to DEC all rights and property owned by SSA Phoenix Metro, real and personal, tangible and intangible, wheresoever situated, together with all obligations and liabilities related thereto.

B. DEC desires to merge with SSA Phoenix Metro and, as the surviving corporation of the merger (the "Merger"), thereby acquire all of the rights and property of SSA Phoenix Metro, tangible and intangible, real and personal, wheresoever situated, and thereby assume all of the obligations and liabilities of SSA Phoenix Metro, on the terms and conditions set forth in this Agreement.

AGREEMENTS

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

**ARTICLE 1
PLAN OF MERGER**

As of the Effective Date (defined below), SSA Phoenix Metro shall be merged with and into DEC in accordance with Arizona Revised Statutes §§ 10-11101 through 10-11106. DEC shall be the surviving entity of the Merger under its present name. When (a) the Merger has been effected in accordance with Arizona law, and (b) Articles of Merger have been duly filed with the Arizona Corporation Commission:

1.1 **Single Corporation.** The separate existence of SSA Phoenix Metro shall cease, and thereupon DEC shall be a single nonprofit corporation.

1.2 **Transfer of Rights and Property.** DEC shall possess all the rights, privileges, immunities and franchises, of a public as well as of a private nature, of SSA Phoenix Metro. All property, real, personal and mixed, tangible and intangible, and all debts due on whatever account, and all other choses in action, and all and every other interest of or belonging to or due to SSA Phoenix Metro, shall be taken and deemed to be transferred to and vested in DEC without further act or deed. The title to any real estate, or any interest therein, vested in SSA Phoenix Metro shall not be in any way impaired by reason of the Merger. If required by applicable law, or if otherwise necessary to carry out any transaction contemplated in connection with the Merger, SSA Phoenix Metro shall execute, deliver and record a deed or deeds or other instrument(s) of transfer or conveyance reflecting that title to any real estate or other assets owned by SSA Phoenix Metro is vested in DEC as a consequence of the Merger.

1.3 **Liabilities.** DEC shall be responsible and liable for all the liabilities and obligations of SSA Phoenix Metro, and any claim existing or action or proceeding pending by or against SSA Phoenix Metro may be prosecuted as if such Merger had not taken place. Neither the rights of creditors nor any liens upon the property of either nonprofit corporation shall be impaired by the Merger.

1.4 **Articles of Incorporation.** The Articles of Incorporation of DEC, as in effect immediately prior to the Effective Date, shall be the Articles of Incorporation of DEC.

1.5 **Bylaws.** The Bylaws of DEC, as in effect immediately prior to the Effective Date, shall be the Bylaws of DEC.

1.6 **Directors and Officers.** The directors and officers of DEC, as in office immediately prior to the Effective Date, shall be the directors and officers of DEC.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF SSA PHOENIX METRO

SSA Phoenix Metro hereby represents and warrants to DEC that the statements contained in this Article 2 are true, correct and complete as of (a) the date hereof and (b) as of the Effective Date.

2.1 **Capacity.** SSA Phoenix Metro is a nonprofit corporation duly incorporated, validly existing and in good standing under the laws of the State of Arizona. SSA Phoenix Metro has the requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

2.2 **Articles of Incorporation; Bylaws.** SSA Phoenix Metro has provided a complete and correct copy of the Articles of Incorporation and the Bylaws of SSA Phoenix Metro to DEC. Such Articles of Incorporation and the Bylaws are in full force and effect. SSA Phoenix Metro is not in violation of any provision of its Articles of Incorporation and its Bylaws.

2.3 **Authority; Enforceable Contract.** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly

authorized by SSA Phoenix Metro. No other act or proceeding on the part of SSA Phoenix Metro is necessary to authorize this Agreement or the transactions contemplated thereby. Upon execution, this Agreement constitutes the valid and binding agreements of SSA Phoenix Metro and is enforceable against it in accordance with its terms

2.4 **No Conflict or Violation.** The execution, delivery and performance by SSA Phoenix Metro of this Agreement and the consummation by SSA Phoenix Metro of the transactions contemplated hereby and thereby do not and will not conflict with or constitute a violation or breach of or default under (with due notice or the passage of time or both) SSA Phoenix Metro's articles of incorporation, bylaws or similar organizational documents, any applicable law, order, decision or regulation, any applicable court or administrative decree or order, or any existing contract, agreement or instrument to which SSA Phoenix Metro is a party or by which SSA Phoenix Metro is otherwise subject or bound. SSA Phoenix Metro has taken all action necessary or required with respect to any necessary consents of third parties necessary to transfer good and marketable title to the assets to Buyer.

2.5 **No Pending Litigation.** There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, county, municipal or other governmental authority, pending or threatened, nor any basis therefor, against or affecting SSA Phoenix Metro or its business.

2.6 **Ownership of Assets; Sufficiency of Identification of Assets.** SSA Phoenix Metro has provided to DEC a list of all of all assets owned or leased by SSA Phoenix Metro, including but not limited to equipment, vehicles, inventory, intellectual property rights and office equipment (collectively, the "Assets"). SSA Phoenix Metro has good and marketable title to all of the Assets, free and clear of any mortgage, pledge, conditional sales contract, lien, security interest, right of possession in favor of any third party, charge, encumbrance, claim, demand, cause of action, right or interest of any kind or nature.

2.7 **Compliance with Laws.** SSA Phoenix Metro has conducted its business in compliance with and is presently in compliance with all applicable statutes, laws, ordinances, codes, rules, regulations, judgments, orders and decrees of every nature and description, excepting only instances which would not individually or in the aggregate have a material adverse effect.

2.8 **Contracts.** SSA Phoenix Metro has provided to DEC copies of all agreements, contracts and commitments to which SSA Phoenix Metro is a party, or by which SSA Phoenix Metro or the Assets are bound and which are necessary, appropriate or useful in the operation of SSA Phoenix Metro's business.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF DEC**

DEC hereby represents and warrants to SSA Phoenix Metro that:

3.1 **Organization and Authority.** DEC is a nonprofit corporation duly incorporated, validly existing and in good standing under the laws of the State of Arizona. DEC has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby and thereby. No other act on the part of DEC is necessary to authorize this Agreement or the transactions contemplated hereby or thereby.

3.2 **Enforceable Contract.** This Agreement constitutes the valid and binding agreements of DEC enforceable against DEC in accordance with its terms.

**ARTICLE 4
CLOSING CONDITIONS**

4.1 **Conditions to Obligations of SSA Phoenix Metro.** The obligations of SSA Phoenix Metro to effect the Merger is subject to the satisfaction or waiver of the following conditions:

(a) **Board Approval.** A resolution of DEC's Board of Directors authorizing and approving the transactions contemplated hereby and authorizing the execution and delivery of this Agreement.

4.2 **Conditions to Obligations of DEC.** The obligation of DEC to effect the Merger is subject to satisfaction or waiver of the following condition:

(a) **Board Approval.** A resolution of SSA Phoenix Metro's Board of Directors authorizing and approving the transactions contemplated hereby and authorizing the execution and delivery of this Agreement.

**ARTICLE 5
TERMINATION; WAIVER**

5.1 **Termination.** This Agreement may be terminated at any time prior to the Effective Date by mutual consent of SSA Phoenix Metro and DEC.

5.2 **Effect of Termination.** In the event of the termination of this Agreement pursuant to Section 5.1, this Agreement shall forthwith become void, there shall be no liability on the part of any party hereto, or any of their respective officers or directors, to the other and all rights and obligations of any party hereto shall cease; provided, however, that nothing herein shall relieve any party from liability for the willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

5.3 **Waiver.** At any time prior to the Effective Date, either SSA Phoenix Metro, on the one hand, or DEC, on the other, may (a) extend the time for the performance of any of the

obligations or other acts of the other party hereto, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant hereto, and (c) waive compliance by the other party with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by both SSA Phoenix Metro and DEC.

ARTICLE 6 EFFECTIVE DATE

The Merger will become effective on the date (the “Effective Date”) on which the Articles of Merger required under Arizona law shall have been executed and delivered to the Arizona Corporation Commission and shall have been accepted for filing by such agency.

ARTICLE 7 MISCELLANEOUS

7.1 **Effectiveness of Representations, Warranties and Agreements.** The representations, warranties and agreements in this Agreement shall terminate at the Effective Date or upon the termination of this Agreement pursuant to Article 6, except that the agreements set forth in Article 1 shall survive the Effective Date.

7.2 **Successors.** This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

7.3 **Entire Understanding.** This Agreement and the documents executed in connection with the consummation of the transaction contemplated in this Agreement constitute the entire understanding of the parties and supersede any and all prior and contemporaneous statements, representations, agreements or understandings of the parties.

7.4 **Further Assurances.** At any time, and from time to time after the Effective Date, each party will execute such additional instruments, provide such additional information and take such additional action as may be reasonably requested by the other party to carry out the intent and purposes of this Agreement.

7.5 **Waiver.** Any failure on the part of either party hereto to comply with any of its obligations, agreements or conditions hereunder may be waived in writing by the party to whom such compliance is owed.

7.6 **Amendment.** This Agreement may be amended, modified, superseded or canceled and any of the terms, covenants, representations, warranties or conditions hereof may be waived only by a written instrument executed by both parties.

7.7 **Headings.** All headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

7.8 **Governing Law.** This Agreement shall be construed and governed in accordance with the laws of the State of Arizona.

Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused their duly authorized representative to execute this Agreement and Plan of Merger as of the date first above written.

DAISY EDUCATION CORPORATION

SSA PHOENIX METRO

By: 

Fatih Karatas
President

By: 

Abdullah Yilmaz
Chairman



Sonoran Science Academy Peoria

STEM EDUCATION, COLLEGE PREPARATION

17667 N. 91st Ave. | Peoria, AZ 85382 | T: (623) 776-9344 | F: (480) 940-5458 | www.sonoranschools.org/peoria

March 25, 2014

Arizona State Board for Charter Schools

Re: Sonoran Science Academy Phoenix Metro dba Sonoran Science Academy Peoria/Daisy Education Corporation

Dear Sir or Madam,

The purpose of this letter is to state and confirm that no consideration, payment or benefit was received or will be received by any party in the merger transaction between the above referenced parties.

Additionally, pursuant to Paragraph 4 of the Assignment and Assumption Agreement, Sonoran Science Academy Phoenix Metro ("SSA Phoenix Metro") will transfer any and all student, financial, all other types of records of SSA Phoenix Metro to Daisy Education Corporation ("DEC") and DEC will maintain the same.

Abdullah Yilmaz, Chairman of the Board
Sonoran Science Academy Phoenix Metro

Fatih Karatas, President
Daisy Education Corporation

DAISY EDUCATION CORPORATION

As described in its bylaws, Daisy Education Corporation has and will retain a dual board structure with one Corporate Board and a Governing Body for each Charter. Below is a summary of the roles of each board.

Corporate Board: Key Roles

The Governing Body's scope of authority is limited to planning and carrying out the educational policies of the school. All corporate decisions are reserved to the Corporate Board who shall oversee the Governing Bodies to ensure that the Governing Body's decisions and school operations in general are in accordance with the charter agreement. The Corporate Board makes all financial and personnel decisions, including but not limited to, budget approval, facility and spending expenses, hiring/firing, wages and staffing. They monitor the Governing Body's decisions and school operations. Staying true to its responsibilities enacted by the charter agreement, the Corporate Board may request the Governing Body to address issues related to the charter.

To ensure that the Governing Boards' volunteer leadership capacity is replenished as experienced board members leave or retire, the board of directors systematically plan for identifying and training qualified potential new board members to succeed the board's departing members, as well as to prepare its existing board members for leadership positions on the board. The Corporate Board appoints the members of Governing Boards from the selected members of the community based on their qualifications and possible roles they can play in the Governing Body. For the open positions in the Governing Body, a person can be nominated by the Corporate Board, the Governing Body, school admin team or parents. A person can nominate himself/herself for the open board positions as well.

Governing Body (School Board): Key Roles

Each Governing Body has the ultimate responsibility of assuring the academic success of the Charter it governs; that is, each Governing Board is accountable for student progress. The Governing Body will meet regularly to oversee the activities at its school. A majority of the active members is required to be present to conduct a meeting. The Governing Body's meetings are conducted according to Open Meeting Law. Meetings ensure full access for community members

to participate. Board members have one vote and the right to participate in all Board discussions, meetings, and presentations.

Main functions of the Governing Body, not limited to, can be summarized as follows:

- ❖ Monitoring general policies of the school related to admissions, health and safety, curriculum and assessment, facility use and the implementation of these policies by the school administration.

- ❖ Making major academic policy decisions for the school within the boundaries of the Charter.

- ❖ Assuring the school adheres to all applicable federal, state, and local laws and regulations as well as regulations in the Charter.

- ❖ Financial decisions: Approving and ratifying the school's annual budget, overseeing the school's fiscal affairs, contracting with outside sources for operations oversight and audit, receiving funds for the operation of the school in accordance with the charter school law, solicitation and receipt of grants and donations consistent with the mission of the school.

- ❖ Assuming all other responsibilities provided by Arizona law, the Articles of Incorporation, Bylaws, and the Charter necessary to ensure the proper operation of the school and in compliance with the conflict of interest provision as described in the Bylaws.

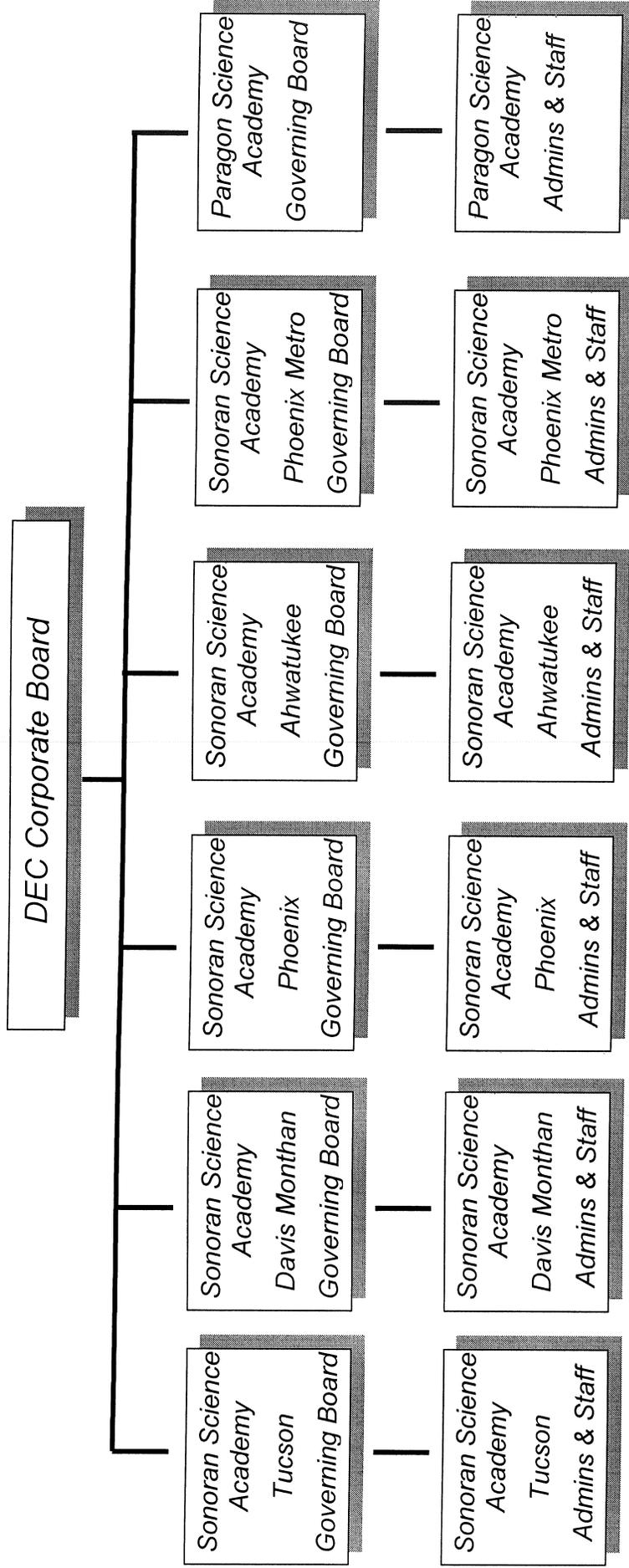
The Governing Board assures that the education vision as per the charter application is maintained. The day-to-day implementation of this plan is the responsibility of the school principal. The school principal is responsible for the evaluation of the faculty and reports at least on an annual basis as per that evaluation. The Governing Body institutes policies within the guidelines of Federal and State law, to assure the effective, efficient, and safe operation of the school. The Governing Body exercises its responsibilities in a manner that assures that the staff, under the authority of the school principal, has the freedom and authority to do his or her work without interference, but also that the Governing Body is fully accountable to the community for the results.

Corporate Board of Directors	
Dr. Abdullah Yilmaz	Mr. Volkan Tekin

Governing Body		
Name	Role	Profession
Dr. Abdullah Yilmaz	Director of the Board, in charge of business activities	Senior Engineer at Texas Instrument
Mr. Volkan Tekin	Board member, in charge of Expansion activities	Businessman
Mrs. Becky Kirkpatrick	Board member, in charge of community outreach and fundraising	President of Parent Association
Mrs. Gokcan Hart	Board member, in charge of community outreach	HR Department at DM AFB
Mrs. Erica Jagdeo	Board member, in charge of Academic supervision	Educator

- ❖ In the next two pages, please see the post-merger organizational structure of Daisy Education Corporation and organizational chart of the schools and their day-to-day operation. The organizational chart provides information about the management roles and responsibilities of key administrators.

Daisy Education Corporation (DEC) Post Merger Organizational Chart



Daisy Education Corporation (DEC) Organizational Chart

