

**LEASE AGREEMENT BETWEEN THE CITY OF PAHOKEE
AND THE EVERGLADES PREPARATORY ACADEMY**

THIS LEASE is made by and between The City of Pahokee, a Florida Municipal Corporation, together with its successors and assigns, herein after collectively referred to as "Landlord," and Everglades Preparatory Academy, Inc., a Florida Non Profit Corporation, herein after referred to as "Tenant."

WHEREAS, the City of Pahokee is the owner of certain real property, commonly known as "Old Pahokee High School"; and

WHEREAS, Everglades Preparatory Academy, Inc. ("Everglades") intends to operate a charter school in the City of Pahokee, and desires to lease space at the Old Pahokee High School for the operation of its charter school;

WHEREAS, the City of Pahokee desires to assist in providing quality education to its residents and thereby desires to lease space to Everglades for the purpose of operating a charter school;

WHEREAS, the parties recognize that the Old Pahokee High School is in need of repair, and that the City of Pahokee cannot afford to make the needed repairs;

WHEREAS, for the first five years, the City will charge a nominal rent to Everglades in exchange for making improvements to the building;

THEREFORE, the parties agree as follows:

1. CERTAIN LEASE PROVISIONS.

The description and amounts set forth below are qualified by their usage elsewhere in this Lease, including those sections referred to in parentheses following such descriptions:

1.1 Tenant's address and telephone number:

Tenant Name: Everglades Preparatory Academy.
Address: 541 East Main Street, Pahokee, Florida 33476.
Telephone: (561) 924-3002
Facsimile: (561) 924-3013
Authorized Representative: Alex Borell
Title/Position: Officer/Director; Attorney for Tenant
Cell phone: (786) 586-5562



I hereby certify that this is a true and correct copy of an original document which is on file with the City of Pahokee, Florida

J.P. McLean 5/18/07
J.P. McLean, City Clerk Date

- 1.2 Premises:** Old Pahokee High School
Tenant Space Number: Building C, Building D, Gymnasium and Cafeteria.
Building Address: 360 North Main Street, Pahokee, Florida 33476.

- 1.3 Leased Area:**
- | | |
|--------------------|--|
| Building "C" | available 24/7 |
| Building "D" | available 24/7 |
| Gymnasium | available 5:00 a.m. to 3:00 p.m. Mon. - Fri. * |
| Cafeteria | available 5:00 a.m. to 3:00 p.m. Mon. - Fri. * |
| Athletic Field | available 5:00 a.m. to 5:00 p.m. Mon. - Fri. |
| Parking Facilities | available 24/7 |

[Signature] *CB*

* Tenant has indicated that it does not need these facilities at night, and that any meetings after 3:00 p.m. will be held in a classroom in Building C or D.

1.3a Parking Spaces: Tenant is entitled to utilize the parking lot for parking of its employees' and visitors' vehicles.

1.4 Total Building Area: Four (4) buildings.

Building "C"	3,896 sq. ft.
Building "D"	2,756 sq. ft.
Gymnasium	9,699 sq. ft.
Cafeteria Building	6,038 sq. ft.

1.5 OMITTED.

1.6 Lease Term: 10 Years with an option to renew for 10 additional years.

1.7 Commencement Date: Feb. _____, 2007.

1.7a Rent Commencement Date: May 1, 2007.

1.8 Expiration Date: April 30, 2017.

Base Rent for Lease Term exclusive of Florida Sales Tax, electricity and other utility charges is set forth below:

Term	Rent per Foot	Monthly Rent
Annual	N/A	\$2500.00

1.9 The first and last month's rent plus Florida Sales Tax (if applicable) to be submitted upon execution of the lease, as well as the deposit per 1.17.

1.10 OMITTED.

1.11 (a) Address of Landlord for rent payments:

City of Pahokee
171 North Lake Avenue
Pahokee, Florida 33476

(b) Address of Landlord for notices: Same as 1.11a.

(c) Address of Tenant for Notices:

Everglades Preparatory Academy

541 East Main Street
Pahokee, Florida 33476

- 1.12 Utilities. Tenant shall be responsible for its proportionate share of all utilities, or determined by installation of separate meters. Tenant shall be responsible for obtaining and paying for its own phone service.
- 1.13 Common Area Maintenance (CAM): None for the first three years.
- 1.14 Landlord's Share of Operating Expenses: None.
- 1.15 Landlord's Share of Real Estate Taxes: N/A
Property Control Number is:
Property Control Number for Parking Lot is:
If Tenant's tax exemption is applied to property taxes, this Section shall not apply.
- 1.16 Electricity and Water: The Leased Premises is sub-metered for electricity and water. Tenant is responsible for all electrical and water usage within the Leased Premises.
- 1.17 Security Deposit: Five thousand dollars (\$5,000.00.) to be held in a non-interest bearing account. Payable upon execution of this lease.
- 1.18 Use: Charter School. Tenant is responsible to procure at its cost and expense, all Federal, State, and Local approvals necessary for the legal operation of its facility. Tenant will apply for a conditional use permit from the City of Pahokee. This lease is subject to approval by the City of Pahokee for such use.
- 1.19 Brokers: None.
- 1.20 Prepaid Rent: None.
- 1.21 Guarantor: N/A.
- 1.22 Improvements made by Tenant:

Tenant agrees to make, at a minimum, the following improvements:

a.	Electrical (bells, wiring for computers, etc.)	estimated cost \$100,000
b.	Roofing (repairs)	36,000
c.	Plumbing (toilets, draining, etc.)	40,000
d.	Security (alarms, fire extinguishers, monitors, etc.)	18,000
e.	Painting/Flooring/AC	45,000
f.	Windows	8,000
g.	Acoustics	3,000
h.	Other maintenance	25,000
i.	Misc.	15,000

Total Repairs

Approx. \$297,000

Upon request of Landlord, Tenant shall submit proof that these improvements have been made and that the contractors involved have been paid. Tenant understands that it is required to comply with all applicable state, county, city or other building code requirements regarding these improvements.

1. Demised Premises

Landlord leases to Tenant and Tenant rents from Landlord those certain premises described below which are within that certain section of the Facility having a leasable area of approximately 22,389 square feet (hereinafter referred to as "Facility") located at 360 North Main Street, City of Pahokee, State of Florida, which premises are more particularly described as follows: Building C, Building D, Gymnasium, Cafeteria Building, Athletic Field, and Parking Facilities ("Demised Premises"). The boundaries and location of the Demised Premises are outlined in a diagram of the Facility, which is attached hereto and made a part hereof and marked "Exhibit A." Said Rider sets forth the general layout of the Facility and shall not be deemed to be a warranty, representation or agreement on the part of the Landlord that said Facility will be exactly as indicated on said diagram. Landlord may increase, reduce or change the number, dimensions or location of the walks, building and parking areas as Landlord shall deem proper, and reserves the right to make alterations or additions to, and to build additional buildings on, the building in which the Demised Premises are contained and to add buildings adjoining same or elsewhere in the Facility, but in no event shall such alterations be made to the Leased Premises.

The use and occupation by Tenant of the Demised Premises shall include the right to the non-exclusive use, in common with others, of all such automobile parking areas, driveways, truck and service courts, walks and other facilities designated for common use, as have been installed by Landlord, and of such other and further facilities as may be provided or designated from time to time by Landlord for common use, subject however, to the terms and conditions of this Lease and to reasonable rules and regulations for the use thereof, as prescribed from time to time by Landlord.

2. Commencement of Term, Construction and Possession:

- (a) The term of this Lease shall commence as set forth in Section 1.7. Tenant shall, upon request of Landlord execute and deliver to Landlord a written declaration in recordable form stating and insuring the commencement and termination date thereof and certifying that the Lease is in full force and effect and there are no defenses or offsets thereto or stating those claimed by Tenant.
- (b) Tenant agrees to submit to Landlord within ten (10) days from the execution of this Lease, plans and specifications covering all work which Tenant proposes to do at Tenant's sole cost and expense in the Demised Premised. All work done by Tenant must be in full compliance with all local, state and federal ordinances, and be performed by licensed and fully insured contractors licensed by the State of Florida and licensed to do business in Palm Beach County and the City of Pahokee. Contractors' insurance must name Landlord as additional insured. Tenant agrees not to commence work upon any of the aforesaid Tenant's work until Landlord has approved such plans and specifications in writing. Landlord agrees to act with reasonable promptness with respect to such plans and specifications, and approval will not be unreasonably withheld.

3. Length of Term:

The term of this Lease shall be for 10 years following the rent commencement date, as defined in 1.7a above, with an additional ten (10) year option granted to the Tenant. Tenant shall notify Landlord no less than 90 days prior to the end of lease of Tenant's intent to renew or not renew said lease. In the required

notice is not provided to Landlord, then the lease shall automatically renew and the rent shall be adjusted accordingly.

4. Use of Premises:

- (a) Tenant shall use the Demised Premises solely for the purpose set forth 1.18. Such use shall be in full compliance with all government laws, ordinances and regulations and shall exclude the sale of alcohol, and lewd, lascivious, prurient, pornographic or obscene publications.
- (b) Tenant acknowledges that the Demised Premises are used as a voting precinct for local, general and special elections, and that these premises shall continue to be made available to the City and the Supervisor of Elections for Palm Beach County for such purpose. Landlord shall give reasonable notice to Tenant when the premises will be needed for voting purposes.
- (c) Tenant acknowledges that City of Pahokee has long-range plan to redevelop the City, and that said plans may eventually require Tenant to relocate. In such event, Landlord shall work with Tenant to find an alternative location, and under the then existing terms of the lease.

5. Rent:

BASE Rent & ADJUSTMENT AFTER 5 YRS

- (a) Maximum Rent: Tenant covenants and agrees to pay Landlord a minimum annual rental as set forth in this agreement, plus sales tax or any other charge which may be made on the rental by any federal, state or governmental authority, payable in equal monthly installments without notice, deductions or set-offs, on the first day of each calendar month during the term hereof. Such minimum rent shall commence to accrue on the "Rent Commencement Date." The minimum rental under this paragraph may be adjusted annually after the first five years, and any increase shall not exceed five per cent (5%) per year. In no event shall the rent exceed the existing market rate at the time of the increase.
- (b) Additional Rent: Both Tenant and Landlord expressly understand and agree that all other sums, excepting Base Rent as described in this Section 5, which may from time to time become due under this Lease, shall be deemed Additional Rent. Additional Rent shall include, but not be limited to, late charges, interest, pro-rata share of Operating Expenses and Real Estate Taxes, Attorney's Fees, Security Deposits, and any cash bonds which may by circumstance be required to be posted hereunder. Both Tenant and Landlord expressly understand and agree that all monies paid by Tenant hereunder shall be first credited to Additional Rent (and allocated among different items of Additional Rent as Landlord may determine), and only then to Base Rent. All payments of Additional Rent shall be in lawful money of the United States of America, shall be paid without and deduction, offset or abatement, and shall be payable to Landlord at the address stated in Section 1.11(a) or to such other persons or at such other places as Landlord may designate in writing. The obligation to make payments of Additional Rent hereunder shall be an independent covenant.
- (c) Pro-Rate Share of Operating Expenses: OMITTED.
- (d) Pro-Rate Share of Real Estate Taxes: If Tenant's tax exempt status is transferred to the Demised Premises so that Landlord does not pay any property taxes on the Demised Premises, this section will not apply.

Landlord agrees to expend as its share of Real Estate Taxes paid for and sustained by the Landlord during any calendar year an amount not greater than that specified in Section 1.15. Said sum shall constitute the maximum payable by Landlord as its contribution toward Real Estate Taxes. Real Estate Taxes shall include general and special taxes, assessments, duties and levies, charged and

levied upon or assessed against the Facility and/or any improvement situated on the real property on which the Facility stands, any leasehold improvement, fixtures, installations, additions and equipment used in the maintenance or operation of the Facility, whether owned by Landlord or Tenant, not paid directly by the Tenant. Further, if any time during the term of this Lease, the method of taxation of real estate prevailing at the time of execution hereof shall be or has been altered so as to cause the whole or any part of the taxes now or hereafter levied, assessed or imposed on real estate to be levied, assessed or imposed upon Landlord, wholly or partially, as a capital levy or otherwise, or on, or measured by the rents received from the Facility, then such new or altered taxes attributable to the Premises shall be deemed to be included within the term "Real Estate Taxes" for purposes of this paragraph. The reference to "building" in this subparagraph shall include, as allocated by the Landlord, improvements or facilities utilized in common by the Facility and other buildings upon or adjacent to the real property on which the Facility stands.

Commencing on the first January after the Commencement Date, and continuing thereafter during the term of this Lease, Tenant shall pay to Landlord monthly in advance on the first day of each month, without notice or demand and without any deduction, offset or abatement, in lawful money of the United States of America, the amount of the Tenant's Pro-Rata Share of the Shared Expenses as estimated by the Landlord to be incurred for the calendar year in which the monthly payments are to be made. If the Expiration Date is not December 31, the monthly payments owing hereunder during the last partial calendar year of the Lease shall be appropriately adjusted. For the period from Commencement Date to December 31 in the same calendar year, Tenant shall not pay estimated shared Expenses but shall be obligated for its actual Pro-Rata share of Shared Expenses for said period upon receipt of Landlord's Statement described below. The term "Shared Expenses" shall mean the amount by which Operating Expenses and Real Estate Taxes incurred in any period exceed the amount of Landlord's obligation for the same as specified in Section 1.14 and 1.15.

In each calendar year after the year in which the Commencement Date occurs, Landlord shall send to Tenant a Landlord's Statement which shall set forth the actual amount of shared Expenses, with the exception of those States in which real estate taxes are billed on other than a calendar year basis, in that event Landlord's statement of Real Estate Taxes will be based on the Real Estate Tax fiscal Year and sent within a reasonable time after receipt of Real Estate Tax Statements, and Tenant's Pro-Rata Share thereof for the preceding calendar year or portion thereof and the estimated amount of shared Expenses and Tenant's Pro-Rata Share thereof for the calendar year in which the Landlord's Statement is given. Landlord's failure to render a Landlord's Statement with respect to any period shall not eliminate or reduce Tenant's obligation to pay Shared Expenses and shall not prejudice Landlord's right to render a Landlord's Statement with respect to any subsequent period. The obligation of Tenant under the provisions of this paragraph with respect to any increase in rent shall survive the expiration or any sooner termination of the term of the Lease. Within 15 days next following the notification by Landlord of the contents of its Landlord Statement, Tenant shall pay to Landlord the entire amount of Tenant's Pro-Rata share of actual shared Expenses for the prior period covered by the Landlord's Statement less the amount of Shared Expenses actually paid by Tenant for said period, plus Tenant shall also then pay to Landlord such amount as is necessary to assure that, through the calendar month in which the Landlord's Statement is given, the Tenant has paid to Landlord the full amount of estimated Shared Expenses for the calendar year in which Landlord's Statement is given, as if the Landlord's Statement were given on January 1 of said calendar year. For each month following for the remainder of said calendar year, Tenant shall pay the monthly estimated Shared Expenses set forth in the Landlord's Statement. In the event that the estimated payments made by the Tenant in the calendar year preceding the date on which the Tenant is given notice of the Landlord's Statement exceed the Tenant's Pro-Rata Share of actual Shared Expenses for such calendar year, then should the Tenant not be otherwise in default hereunder, the amount of such

excess shall be applied by the Landlord to the next succeeding installments of monthly estimated payments of Shared Expenses.

- (e) Statements: Nothing in this Lease shall be construed to require Landlord to render the statements describe in Section 5 simultaneously or in any particular order. All reasonable determinations by Landlord pursuant to Section 5 shall be presumed to be correct. Until Tenant is advised of the adjustment in its obligation to pay Shared Expenses, if any, pursuant to the provisions of Section 5, Tenant's monthly rental shall continue to be paid at the then current rent (including all prior adjustments thereto pursuant to this Lease). Upon written notice to Landlord relating to the computation of Shared Expenses. All Shared Expenses shall be computed on the actual basis. In computing Shared Expenses, no cost or expenses may be accounted more than once, any expenses which are paid by the proceeds of insurance shall be excluded, and any expenses which are separately metered or billed directly to and separately paid by any other tenant shall be excluded. Tenant shall have the right to cause an audit to be made of Landlord's computation of Shared Expenses, at Tenant's sole expense, not more frequently than once per calendar year. Tenant shall not be entitled to withhold or deduct any portion of Base Rent or Additional Rent during the pendency of any such audit. Any errors disclosed by such audit shall be promptly corrected, provided that Landlord shall have the right to cause another independent audit to be made of such computations, and in the even of a disagreement between the auditors, the audit disclosing the least amount of deviation from Landlord's original computations shall be conclusively deemed to be correct.
- (f) Time and Place of Payment: Tenant shall promptly pay all rentals and other charges due hereunder and render all statements herein prescribed at the office of the Landlord or Landlord's agent set forth in Section 1.11, or to such other person or corporation, or at such other place as shall be designated by Landlord in writing, on or before the designated due date. If Landlord shall pay any monies or incur any expenses in correction of any violation of any covenant of Tenant herein set forth, the amounts paid or incurred shall, at Landlord's option and on notice to Tenant, be considered additional rentals payable by Tenant within the first installment of rental thereafter to become due and payable and may be collected or enforced as by law provided in respect of rentals. Landlord and Tenant hereby agree that Tenant shall pay rent by the 1st of each month. Tenant agrees to pay a late fee of 5% of the unpaid rent simultaneously with payments made to Landlord after the 15th of each month. Such fee will become due and payable after the 15th of each month and may be collected on enforced as provided under Paragraph 25 of this Lease.
- (g) RENT ADJUSTMENT TO CONSUMER PRICE INDEX: OMITTED.

6. Security Deposit:

- (a) Upon execution of this Lease, the Tenant shall deposit with the Landlord the sum set forth in Section 1.17 to be held as collateral security for the payment of any rentals and other sums of money payable by Tenant under this Lease, and for the faithful performance of all other covenants and agreements of Tenant hereunder; the amount of said deposit, without interest, to be repaid to Tenant after the termination of this Lease and any renewal thereof, provided Tenant shall have made all such payments, and performed all such covenants and agreements. Upon any default by Tenant hereunder all or part of said deposit may, at Landlord's sole option, be applied on account of such default, and thereafter Tenant shall promptly restore the resulting deficiency in said deposit. Should Landlord retain said deposit on account of default, the deposit shall in no way be construed as liquidated damages, and Landlord reserves its right to seek any additional damages sustained from default by Tenant. Tenant hereby waives the benefit of any provision of law requiring from Landlord and may be co-mingled by Landlord with its own funds.

- (b) Landlord may deliver the funds deposited hereunder by Tenant to the purchaser of Landlord's interest in the Demised Premises in the event that such interest be sold and provided purchaser assumes all of Landlord's obligations and duties under this Lease Agreement, thereupon Landlord shall be discharged from any further liability with respect to such deposit, and this shall also apply to any subsequent transfers.

7. Common Area Facilities:

All facilities furnished by Landlord and designated for the general use, in common, of occupants, including Tenant hereunder, their officers, agents, employees and customers, including, but not limited to parking areas, truckway or ways, loading docks, pedestrian sidewalks and ramps, landscaped areas, exterior stairways and other similar facilities shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to change the area, level, location and arrangement of such parking areas and other facilities above referred to, to restrict parking by tenants and their employees to employee parking areas, and to make rules and regulations pertaining to and necessary for the proper operation and maintenance of the common facilities. Landlord shall also have the right from time to time to establish, change, alter, amend and enforce against Tenant and the other users of the common facilities such reasonable rules and regulations (including the exclusion of employees' parking from the common facilities) as in its opinion are necessary or advisable for the proper and efficient operation and maintenance of the common facilities. The rules and regulations may include, without limitation, the hours during which the common facilities shall be open for use.

However, nothing in this lease shall be construed to relieve Tenant of its responsibility to immediately notify Landlord in writing upon becoming aware that any part of the common areas need repair. Further, Tenant acknowledges that it is not being charged for maintenance of the common areas during the first five years of this lease. Therefore, any damage to the common areas caused by Tenant or its employees, guests, invitees, volunteers, or agents shall be repaired by Tenant, and all direct and related expenses shall be borne by Tenant unless Landlord and Tenant otherwise agree in writing.

8. Public Utilities:

Tenant shall pay for its own electrical usage, water and sewer.

9. Repairs:

Tenant is fully aware of the current condition of the Demised Premises and has agreed to make substantial improvements necessary for operating a charter school. Tenant will keep the interior of the Demised Premises, together with all fixtures and all electrical, plumbing, heating, air conditioning and other mechanical installations whether located within or on the roof of the Demised Premises, all doors, and all plate glass and door and window glass, in good order and proper repair at its own expense, using materials and labor of kind and quality equal to the original work, and will surrender the Demised Premises at the expiration or earlier termination of this Lease in as good condition as when received, excepting only deterioration caused by ordinary wear and tear and damage by fire or other causality of the kind issued against in standard policies of fire insurance with extended coverage. Except as herein above provided, Landlord shall have no obligation to repair, replace, maintain, alter or modify the Demised Premises or any part thereof, or any plumbing, heating, electrical, air conditioning or other mechanical installation whether located within or on the roof of the Demised Premises. Under no circumstances shall Landlord be obligated to repair, replace or maintain and plate glass or door or window glass. In furtherance of Tenant's obligation to maintain and repair heating, air conditioning and other mechanical installations in or serving the Demised Premises, Tenant agrees to obtain and keep in full force during the

Roof is Landlord's Responsibility

term of the Lease, or any renewal thereof, a maintenance, repair and service contract on such equipment reasonably satisfactory to Landlord.

10. **Tenant's Right to Make Alterations:**

Tenant covenants and agrees that it will not make any alterations, improvements or additions to the Demised Premises during the term of this Lease or any extension thereof without first obtaining the written consent of the Landlord. Tenant will not cut or drill into, or secure any fixture, apparatus or equipment of any kind to any part of the Demised Premises without first obtaining written consent of the Landlord. All alterations, improvements, and additions made by Tenant as aforesaid shall remain upon the Demised Premises at the expiration or earlier termination of this Lease and shall become the property of the Landlord, unless Landlord shall, prior to the termination of this Lease, have given written notice to Tenant to remove same, in which event, Tenant shall remove such alterations, improvements and additions and restore the Demised Premises to the same order and condition in which it was at the commencement of this Lease. Should Tenant fail to do so, Landlord may do so, collecting, at Landlord's option, the cost and expense thereof from the Tenant as additional rent.

11. **Affirmative Covenants to Tenant:**

Tenant agrees:

- a) To comply with any and all requirements of any public authorities, and with the terms of any State or Federal statute or local ordinances or regulation applicable to Tenant or its use of the Demised Premises and save Landlord harmless from penalties, fines, costs, expenses or damages resulting from failure to do so.
- b) To give Landlord prompt written notice of any accident, fire burglary, theft or damage occurring on or the Demised Premises.
- c) That all loading and unloading of goods shall be restricted to the rear of the Facility and only at such times in the areas and through such entrances as may be designated for such purpose by the Landlord. Trailers or trucks shall not be permitted to remain parked overnight in any areas of the Facility, whether loaded or unloaded. Office supplies may be delivered through the front door.
- d) To keep all garbage and refuse in the kind of container specified by Landlord and to place the same outside of the Demised Premises, prepared for collection in the manner and at the times and places specified by Landlord and in accordance with municipal regulations.
- e) To keep the outside areas immediately adjoining the Demised Premises clean and not to burn, place or permit any rubbish, obstruction or merchandise in such areas.
- f) To keep Demised Premises clean, orderly and free from objectionable odors and from insects, vermin and other pests.
- g) To conduct its business in the Demised Premises in all respects in a dignified manner and in accordance with high standards operation.
- h) To comply with all reasonable rule and regulations of Landlord in effect at the time of the execution of this Lease or any time or times, and from time to time promulgated by Landlord in its sole discretion shall deem necessary in connection with the Demised Premises, the building of which the

Demised Premises are a part, or the Facility, including the installation of such fire extinguishers and other safety equipment as Landlord may reasonable required.

- i) Tenant shall pay for and maintain service contracts with: a) a waste management or other company that will supply Tenant its own dumpster; b) a local trash hauler who will remove trash at least twice a week; c) an exterminator who will exterminate the Leased Premises as necessary but in no event less than once a month; d) a janitorial contractor who will clean the Leased Premises on a daily basis; e) an HVAC contractor who will maintain the HVAC equipment within the Leased Premises.
- j) To be responsible for and to pay before delinquency all municipal, county or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned or placed in, upon or about the Demised Premises by Tenant.

12. **Negative Covenants of Tenant:**

Tenant agrees that it will not do any of the following without the prior consent of the Landlord in writing:

- a) Use or operate any machinery that, in Landlord's opinion, is harmful to the building or disturbing to other tenants in the building of which Demised Premises is a part.
- b) Do or suffer to be done, any act, matter or thing objectionable to the fire insurance companies whereby the fire insurance or any other insurance now in force or hereafter to be placed on the Demised Premises or any part thereof, or on the building of which the Demised Premises may be a part, shall become void or suspended, or whereby the same shall be rated as a more hazardous risk that at the date when Tenant receives possession hereunder. In case of a breach of this covenant, in addition to all other remedies of Landlord hereunder, Tenant agrees to pay Landlord as additional rent any and all increase or increases of premiums or insurance carried by Landlord on the Demised Premises, or any part thereof, or on the building of which the Demised Premises may be a part, caused in any way by the occupancy of Tenant.

13. **Signs:**

Tenant may, at Tenant's expense, erect signs which comply with state and local laws.

14. **Rights of Landlord:**

Landlord reserves the following rights with respect to the Demised Premises:

- a) At all reasonable times, by itself or on its duly authorizes agents, to go upon and inspect the Demised Premises and every part thereof and at its option to make repairs, alterations and additions to the Demised Premises or the building of which the Demised Premises are a part.
- b) To collect all rents, as well as any additional rent, percentage rent on any other charges due Landlord by Tenant, from any receiver, debtor in possession, or trustees which may be appointed for the account of Tenant.

15. **Damage to Premises:**

If the Demised Premises shall be partially damaged by any casualty insurable under the Landlord's insurance policy, Landlord shall, upon receipt of he insurance proceeds, provided same are sufficient to cover the cost, and, subject to the rights of any mortgagees, repair the same with reasonable speed, and a

just and proportionate part of the rent shall be abated until so repaired. The obligation of the Landlord hereunder shall be limited to the extent of its insurance proceeds. If more than fifty (50%) percent of the Demised Premises shall be rendered untenable or should be damaged as a result of a risk which is not covered by Landlord's insurance, of fifty (50%) percent or more of the gross leasable area of the Facility shall be damaged or destroyed by fire or other cause, notwithstanding that the Demised Premises may be unaffected by such an event, then or in any such event, Landlord may elect to repair the damage or cancel the Lease within forty-five (45) days of said occurrence by notice of cancellation to Tenant and Tenant shall vacate the Demised Premises. Unless this Lease is terminated by the Landlord, Tenant shall hold the proceeds of all insurance carried by Tenant on its property and improvements in trust for the purpose of repair and replacement. In the event Landlord elects to repair the damage, any abatement of rent shall end five (5) days after notice by Landlord to Tenant that the Demised Premises have been repaired. If any damage is caused by the negligence of Tenant or its employees, the damages shall be repaired by Landlord, upon receipt of the insurance proceeds, but there shall be no abatement of rent. Notwithstanding anything to the contrary herein, in the event the Demised Premises is damaged 50% or more, and Tenant cannot use the Demised Premises, rent shall be fully abated until the Demised Premises is repaired.

16. Indemnification, Public Liability Insurance and Other Insurance:

- a) Tenant will defend, indemnify and save Landlord, its agents, officers, and employees harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property occurring in or about, or arising out of, the use of the Demised Premises (including adjacent sidewalks, loading platforms, or any other common areas), under this agreement unless caused by the acts or omissions of Landlord.
- b) Tenant shall at all times during the term hereof keep in force at its own expense the following coverages of insurance:
 1. Public liability insurance, with a company authorized to do business in the state of Florida, sufficient to cover such indemnification and naming Landlord as an additional insured, with minimum limits of One Million (\$1,000,000.00) Dollars on account of bodily injuries to or death of, one person, and One Million (\$1,000,000.00) Dollars on account of damage to property, and *Tenant will provide a copy of the additional insured endorsement as well as the certificate of insurance prior to beginning renovations.*
 2. Plate glass insurance in the Demised Premises;
 3. Workers compensation insurance;
 4. Automobile liability insurance, with minimum limits of One Million (\$1,000,000.00) Dollars.
 5. Fire, flood, windstorm, and hurricane insurance equal to the replacement cost of Tenant's betterments and improvements on the Demised Premises.
 6. Coverage for theft and vandalism.
- c) All carriers must be licensed by the State of Florida and authorized by the Department of Financial Services to do business in Florida. Tenant will furnish Landlord, prior to beginning renovations, copies of policies or certificates of insurance evidencing coverages required by this Lease, including a

copies of all required endorsements naming the City as an additional insured. All policies shall be primary to those of the City.

- d) All policies required hereunder shall contain an endorsement providing that the insurer will not cancel or materially change the coverage of said policy or policies without first giving thirty (30) days prior written notice thereof to Landlord. In the event an insurer issues a notice of cancellation, Tenant shall immediately obtain replacement coverage prior to the expiration of said policy. Alternatively, the Landlord may obtain replacement insurance and shall charge the Tenant accordingly; or the Landlord may cancel the lease which would be effective upon the expiration of said policy.
- e) Tenant shall furnish Landlord with a certificate of insurance or other acceptable evidence that such insurance is in force, and evidence that the premiums have been paid by Tenant at least ten (10) days prior to the due date of the same.

17. **Waiver of Claims:**

Except for claims arising out of Landlord's willful, wanton, or negligent acts, the Landlord and Landlord's agents, employees and contractors shall not be liable for, and Tenant hereby releases all claims for, damage to person or property sustained by Tenant or any person claiming through Tenant resulting from fire, accident, occurrence or condition in or upon the Demised Premises or building of which they shall be a part, including but not limited to such claims for damage resulting from:

- a) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, water pipes, stairs, railing or walks;
- b) any equipment or appurtenances becoming out of repair;
- c) the bursting, leading or running of any tank, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about such building or premises;
- d) the backing up of any sewer pipe or downspouts;
- e) the escape of steam or hot water;
- f) water being upon or coming through the roof or any other place upon or near such building or premises or otherwise;
- g) the falling of any fixtures, plaster or stucco;
- h) broken glass; and
- i) any act or omission of co-tenants or other occupants of said building or adjoining or contiguous property or buildings.

Landlord and Tenant agree that in the event the Demised Premises or its contents are damaged or destroyed by fire or other insured casualty, the rights, if any, of either party against the other with respect to such damage or destruction are waived; and that all policies of fire and/or extended coverage or other insurance covering the Demised Premises or its contents shall contain a clause or endorsement providing in substance that the insurance shall not be prejudiced if the insured have waived right of recovery from any person or persons prior to the date and time of loss or damage, if any.

18. Trade Fixtures:

All trade fixtures installed by Tenant in the Demised Premises shall remain the property of Tenant and shall be removable at the expiration or earlier termination of this Lease or any renewal or extension thereof, provided Tenant shall not at such time be in default under any covenant or agreement contained in this Lease; and provided further that in the event of such removal, Tenant shall promptly restore the Demised Premises to their original order and condition. Any such trade fixture not removed at or prior to such termination shall be and become property of Landlord. Lighting fixtures, flooring, plumbing fixtures and air conditioning equipment, whether or not installed by Tenant, shall not be removable at the expiration of any renewal or extension thereof, and shall become the property of Landlord.

19. Assigning, Mortgaging, Subletting:

Tenant shall not assign, mortgage, pledge or encumber this Lease; in whole or in part, or sublet the whole part or any part of the Demised Premises by any license or concessionaire, without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld. Landlord's consent to any such assignment, sublease or use will not be deemed a consent to any subsequent assignment, sublease or use. If Tenant is a corporation, and if control thereof changes at any time during the term hereof, Landlord, at its option, may, by giving sixty (60) days prior written notice to Tenant, declare such change a breach of this Lease. Landlord reserves the right to charge a reasonable administrative service fee for the costs of processing such assignment, mortgage, or sublease documentation. Landlord shall be entitled to assign all of its rights and obligations under the Lease. Notwithstanding anything to the contrary contained herein, the local School Board or other governmental organization having authority over Charter Schools, may replace the current management and ownership of the Tenant without Landlord's consent, provided the local School Board or similar entity assumes all of the terms and conditions of this Lease.

20. Subordination:

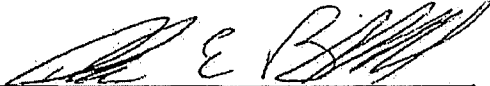
Tenant agrees that it does hereby subordinate its rights hereunder to the lien of any mortgage, ground lease or any other method of financing or refinancing now or hereafter placed against the land and/or the Demised Premises and/or any or all of the buildings now or hereafter built to be built on the Facility by Landlord and to any and all advances made or to be thereunder and to the interest thereon and to all renewals, replacements, consolidations and extensions thereof. This paragraph shall be self-operative and no further instrument of subordination shall be required. Tenant further agrees that it will enter into and execute all documents which any mortgagee or any ground lessor may reasonable request Tenant to enter into and execute, including, but not limited to, a subordination, nondisturbance and attornment agreement.

21. Nothing in this lease shall be construed to relieve Tenant of any obligations under the School District of Palm Beach County, regarding insurance, indemnification, or requirements for facilities used for Charter Schools as required by the School District policy/code; or any other applicable School District requirement.

City of Pahokee, Landlord


By: J.P. Sasser, Mayor

Everglades Preparatory Academy, Tenant


By: Authorized signer

Date: 3/27/07

Attest: Patricia McLean

By: Patricia McLean, City Clerk

Date: 3/27/07

Approved as to form:

Mimi McAndrews
Mimi McAndrews, City Attorney

Alex E. Borell
Print name of authorized signer

Date: 3-27-2007