

MIAMI-DADE COUNTY PUBLIC SCHOOLS



***Investigation of Allegations
Concerning Academy of Arts
and Minds Charter High
School***

June 2012

OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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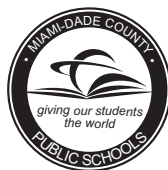
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Miami-Dade County Public Schools

giving our students the world

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June 19, 2012

Members of the School Board of Miami-Dade County, Florida
Members of the School Board Audit and Budget Advisory Committee
Mr. Alberto M. Carvalho, Superintendent of Schools

Subject: Report on Investigation of Allegations Concerning Academy of Arts and
Minds Charter High School

Ladies and Gentlemen:

In May 2011, the administration of Miami-Dade County Public Schools (M-DCPS) received a written complaint signed by six members of the Academy of Arts and Minds Charter School (A&M) PTSA Executive Board and six other Concerned Parents of Students at A&M.

At its September 2011 meeting, the School Board's Audit and Budget Advisory Committee approved the conduct of an investigation into the complaint's allegations as part of the Office of Management and Compliance Audit's 2011-12 Annual Audit Plan. This plan was also approved by the School Board at its meeting of October 2011. The scope of our investigation was to investigate and draw conclusions about whether or not the allegations were substantiated, and make recommendations for consideration by M-DCPS and the Academy of Arts and Minds Charter High School.

This report's Executive Summary begins on page 1, and our recommendations and corresponding responses begin on page 23. We would like to recognize the cooperation during this investigation process of the Academy of Arts and Minds Charter High School's current Governing Board and management, and those current and former employees and contractors who agreed to meet with us. We also appreciate the assistance and cooperation provided to us by certain M-DCPS departments, including: School Choice/Charter School Operations; Office of the School Board Attorney; Food and Nutrition; and Governmental Affairs and Land Use.

Sincerely,

Jose F. Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

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EXECUTIVE SUMMARY

In May 2011, the administration of Miami-Dade County Public Schools (M-DCPS) received a written complaint signed by six members of the Academy of Arts and Minds Charter School (A&M) PTSA Executive Board and six other Concerned Parents of Students at A&M. The written complaint contains four fundamental allegations as follows:

- A&M does not have an independent Governing Board that functions in the best interest of the school, students, teachers or parents. Persons acting in the role of the Governing Board appear to have improperly delegated their authority to the landlord, Mr. Manuel Alonso-Poch, and/or are acting to protect Mr. Alonso's interests and control.
- The school's financial interests are not being protected by the Governing Board. (*The building lease and food service provider, companies owned by Mr. Alonso-Poch, are specifically referenced.*)
- There may be violations of law in connection with the school.
- There are concerns regarding the flow of monies received from Miami-Dade County Public Schools and used to pay expenses.

At its September 2011 meeting, the School Board's Audit and Budget Advisory Committee approved the conduct of an investigation into the complaint's allegations as part of the Office of Management and Compliance Audit's (OMCA) 2011-12 Annual Audit Plan. The scope of our investigation was to investigate and draw conclusions about whether or not the four fundamental allegations were substantiated, and make recommendations for consideration by M-DCPS and Academy of Arts and Minds Charter High School.

Our investigation found the four above fundamental allegations to be largely substantiated. Notwithstanding this conclusion, for certain subcategories of the allegations in the complaint, specifically potential violations of the Jessica Lunsford Act (Florida Statute which requires screening and background checks for staff and others who will have access to the school's campus) and physical plant issues, the school had been cited for non-compliance on several occasions. However, the school has worked with Miami-Dade Public Schools and/or other agencies so that it is currently in substantial compliance.

We found that Mr. Manuel Alonso-Poch, a founding Board member of the school, who served as a voting member of the non-profit school's Board from its inception through 2006, has been the controlling force behind the school's policies and major operational decisions and actions. The school's Governing Board (Board), rather than having been appropriately engaged, informed, independent and accountable to its students, parents/guardians and the community at large, has been perfunctory and subservient.

Mr. Alonso-Poch is the owner of three for Profit entities that have substantial contracts with the school: the school's landlord, Commodore Plaza Parking, L.C.; its contracted food service vendor, A&M Square Food Services, LLC; and its management company, EDU Management, LLC. Mr. Alonso-Poch continues to officially serve as the school's "Spokesman of the Board", a non-voting, unpaid position, and as a legal advisor and a substantial donor to the non-profit school. His son Daniel Alonso, an insurance and benefits consultant, has an exclusive arrangement with the school to provide its teachers and other staff insurance benefits, and his co-founder, Ms. Ana L. Renteria, held the position of President of Abanico Performing Arts, Inc., a Florida Profit corporation whose principal address is the fourth floor theater (Abanico Theater) of the school.

In our opinion, the condition of an individual and his family serving as a for Profit contractor in multiple capacities while simultaneously controlling the Governing Board and actions of a tax exempt 501(c)(3) charter school, represents a conflict of interest. Internal Revenue Service rules state: "A section 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests."

It is noteworthy that, without substantial contributions that were made to the school by Mr. Alonso-Poch and forgiveness of rent from Commodore Plaza Parking, L.C., which totaled \$1,219,000 and \$722,364, respectively, from FY 2008 through FY 2011, the school would have met a condition of Section 218.503, Florida Statutes (Determination of Financial Emergency) in each of the past four years and would have been at substantial risk of closure for failure to meet generally accepted standards of fiscal management.

We found that the school has paid rent of \$4,217,000 to its landlord, Commodore Plaza Parking, L.C., for the five year period ended June 30, 2011. Annual rent and total operation of plant costs as a percentage of the school's total revenues ranged from 23.1% to 29.8% and 32.5% to 39.5%, respectively during the said five year period.

We contracted with the law firm Shutts & Bowen, LLC, and the appraisal firm Real Estate Analysts to assist in the evaluation of the lease agreement and valuation of the school's leased facility. The law firm opined that the lease contract is "sufficiently definite that it would be enforced by a Florida court" but that it contains irregular or unusual provisions, "Landlord-oriented" provisions and that "Overall, the lease is not well drafted." The appraiser appraised the current market rent of the building at "\$30.00 per square foot, on a net basis, of leasable building area." The appraiser also noted "The subject's current net rent is \$30.64 per square foot per year and falls within the range of the adjusted rents in our survey. This would be based upon the entire building with 29,092 square feet of rentable area."

We found that the school has not had exclusive use of its leased facility from 2007 through present, which should have been the case based on the lease contract as interpreted by Shutts & Bowen, LLC; as assumed by the appraisal firm Real Estate Analysts pursuant to its review of the lease; and used as a basis in the appraiser's calculation of the lease's current contract unit rent of \$30.64 per square foot. In consideration of this, it is apparent that the effective rent per square foot has likely far exceeded the current contract unit rent of \$30.64 per square foot and the appraisal's estimated market rent of \$30.00 per square foot.

Our investigation concludes that the lease, as well as the food service and management agreements the school has with corporations owned by Mr. Alonso-Poch, had been executed and in place without the due diligence or adequate monitoring by the school's Governing Board.

The Academy of Arts and Mind's landlord (Commodore Plaza Parking, L.C.), owned by Manuel Alonso-Poch, has claimed and received a 65% charter school ad valorem tax exemption on three adjoining properties - folio #'s 4121-047-(0180), (0190) and (0230), from 2005 to the present.

Those properties constitute a commercial parking lot in reasonably close proximity to the school, and are also owned by Commodore Plaza Parking, L.C. However, the evidence obtained suggested that these properties were not leased or used by the school, except very minimally. We informed the Office of the Miami-Dade County Property Appraiser of our concerns and they conducted their own investigation which found that for each of the three properties "the property did not meet the required use for a charter school" and "pursuant to Florida Law, the property was not entitled to a 65% exemption for the tax years 2005-2010." Tax liens, including back taxes, interest and penalties were placed on the three properties totaling \$182,736, pending the final outcome of the Miami-Dade County Property Appraiser's investigation.

Our report contains seven recommendations, five of which are primarily directed to the Governing Board and management of Academy of Arts and Minds Charter High School, and two of which are for consideration by Miami-Dade County Public Schools. The respective responses to our recommendations in their entirety are also included in our report in Appendices J and k starting on page 109.

INTRODUCTION

In May 2011, the administration of Miami-Dade County Public Schools (M-DCPS) received a written complaint signed by six members of the Academy of Arts and Minds Charter School (A&M) PTSA Executive Board and six other Concerned Parents of Students at A&M (see Appendix A). The written complaint contains four fundamental allegations as follows:

- A&M does not have an independent Governing Board that functions in the best interest of the school, students, teachers or parents. Persons acting in the role of the Governing Board appear to have improperly delegated their authority to the landlord, Mr. Manuel Alonso-Poch, and/or are acting to protect Mr. Alonso's interests and control.
- The school's financial interests are not being protected by the Governing Board. (*The building lease and food service provider, companies owned by Mr. Alonso-Poch, are specifically referenced.*)
- There may be violations of law in connection with the school.
- There are concerns regarding the flow of monies received from Miami-Dade County Public Schools and used to pay expenses.

Upon receipt of the complaint by the administration of M-DCPS, it was forwarded to the Office of Management and Compliance Audits (OMCA) and the Office of the Inspector General (OIG) with a formal request for an investigation. In lieu of conducting its own investigation, the OIG referred the complaint to the M-DCPS Police and communicated the same to OMCA. At its September 2011 meeting, the School Board's Audit and Budget Advisory Committee approved the conduct of an investigation into the complaint's allegations as part of OMCA's 2011-12 Annual Audit Plan.

The scope of our investigation was to investigate and draw conclusions about whether the four fundamental allegations were substantiated, and make recommendations for consideration by M-DCPS and Academy of Arts and Minds Charter High School. We conducted this investigation as a non-audit service pursuant to our Office's compliance with Generally Accepted Government Auditing Standards, promulgated by the United States Government Accountability Office.

Our investigation found the four above fundamental allegations to be largely substantiated. Notwithstanding this conclusion, for certain subcategories of the allegations in the complaint, specifically potential violations of the Jessica Lunsford Act (Florida Statute which requires screening and background checks for staff and others who will have access to the school's campus) and physical plant issues, the school had been cited for non-compliance on several occasions. However, the school has worked with Miami-Dade Public Schools and/or other agencies so that it is currently in substantial compliance.

CHARTER SCHOOLS

Section 1002.33, Florida Statutes, delineates the School District's responsibilities as a sponsoring district to monitor and oversee its charter schools. Charter schools are part of the state's program of public education. The sponsoring school board is charged with certain responsibilities including fiscal oversight and monitoring the school's revenues and expenditures. Like traditional public schools, charter schools are funded with local, state and federal tax dollars. The funding is largely derived from the Florida Education Finance Program (FEFP) in which the magnitude of funding is determined by weighted full time equivalent (FTE) / enrollment in the school during date-certain survey periods in October and February. Those public funds to operate the charter school are distributed to the school throughout the school year by the sponsoring school district. Charter schools in Florida are required to be organized as, or be operated by, a nonprofit organization. The schools typically have a tax exempt status under Section 501(c)3 of the Internal Revenue Code and their facilities are exempt from ad valorem taxes pursuant to Section 196.1983, Florida Statutes.

THE SCHOOL

On November 19, 2003, the Miami-Dade County School Board approved the charter school application submitted by the Board of Directors of Acting for All, Inc. for Academy of Arts and Minds Charter High School. Acting for All, Inc. is a nonprofit organization incorporated under the laws of the State of Florida and its purpose includes operating a charter school. Based on documents filed with the Florida Department of State, its founding Board members were Manuel Alonso-Poch, Ana L. Renteria and Jorge Guerra. The Academy of Arts and Minds charter was approved by the Miami-Dade County School Board on February 12, 2004, and is effective until June 30, 2015. According to the school's charter agreement with Miami-Dade County Public Schools, "Academy of Arts and Minds is dedicated to a philosophy that stresses the awareness of and development in the arts in concert with high academic standards. Students who are accepted will demonstrate these interests and will audition to determine placement in the areas of dance, drama, music and visual arts." For the year ended June 30, 2011, enrollment was 454 students in grades 9 through 12. Based on the school's audited financial statements, the school's Governing Board members as of June 2011 were:

Ms. Ruth Montaner, Chairperson and President (2004 through present)
Ms. Cecilia S. Holloman, Vice-President (2008 through present)
Mr. Percy Aguila, Treasurer (2011 through present)
Mr. Ignacio Ortiz-Petit, Secretary (2007 through present)
Mr. Jorge Guerra-Castro, Member (2004 through present)

The Principals of record for the school have been as follows:

Mr. Tom Shaw: June 2004 through August 2005
Mr. Alex Tamargo: September 2005 through June 2008
Mr. William Machado: July 2008 through April 2011
Mr. Kevin Sawyer: May 2011 through September 2011
Mr. Jorge Suarez: October 2011 through present

The school's grades reported under the State of Florida's academic accountability system since its inception have been as follows:

School Year	Grade
2004-05	C
2005-06	B
2006-07	C
2007-08	B
2008-09	B
2009-10	A
2010-11	A

FINANCIAL REPORTING AND PERFORMANCE

State statutes allow for the presentation of special purpose audited financial statements of a charter school that is a component of a not-for-profit charitable entity and not its own legal entity. In this case, special purpose audited financial statements are prepared for Academy of Arts and Minds Charter High School, but not for the legal entity Acting For All, Inc. of which the school is an accounting entity. This financial reporting model, with its absence of a requirement to provide audited financial statements for the parent legal entity, likely increases the risk that a charter school's expenses and liabilities could be obscured or its revenues and assets inflated in the charter school's special purpose financial statements. It should be noted that we have no evidence of such financial statement manipulation in this case.

Based on the special purpose audited financial statements of Academy of Arts and Minds Charter High School, the following table reflects the school's revenues, expenses, net operating surplus (deficit), and net asset position for the past five years. Also included in the table are contributions from Mr. Alonso-

Poch and Commodore Plaza Parking, L.C. (the landlord owned by Mr. Alonso-Poch) in the form of donations and forgiveness of facility rent, respectively.

Financial Performance of Academy of Arts and Minds Charter High School

FISCAL YEAR	Revenues	Expenses	Net Operating Surplus (Deficit)	Net Assets at Year-End	Manuel Alonso-Poch Contributions	Commodore Plaza Parking, L.C. Rent Forgiveness
2006-07	\$1,947,156	\$2,004,612	\$(57,456)	\$8,529	-	-
2007-08	3,190,714	3,189,881	833	9,362	\$255,000	-
2008-09	3,109,291	3,054,553	54,738	64,100	522,500	-
2009-10	3,311,843	3,272,205	39,638	103,738	441,500	\$390,364
2010-11	3,654,796	3,570,551	84,245	187,983	-	332,000
TOTAL	\$15,213,800	\$15,091,802			\$1,219,000	\$722,364

Source: School's Audited Financial Statements

During the 2006-07 fiscal year, the school incurred a \$(57,456) operating deficit and had a net asset position of \$8,529 at the year end. In each of the next four fiscal years, the school's operating surpluses ranged from \$833 to \$84,245 and its net asset balances ranged from \$9,362 to \$187,983. It is noteworthy that, without the aforementioned contributions from Mr. Alonso-Poch and forgiveness of rent from Commodore Plaza Parking, L.C., (see two far right columns on the table above) which totaled \$1,219,000 and \$722,364, respectively, over the past four years, the school would have incurred substantial operating deficits and would have had deficit net asset balances in each the last four years as follows:

Financial Performance Without Contributions From Manuel Alonso-Poch and Forgiveness of Rent From Commodore Plaza Parking, L.C.

FISCAL YEAR	Net Operating Surplus (Deficit)	Net Assets at Year-End
2007-08	\$(254,167)	\$(245,638)
2008-09	(467,762)	(713,400)
2009-10	(792,226)	(1,505,626)
2010-11	(247,755)	(1,753,381)

Without said contributions and forgiveness of rent, the school would have met a condition of Section 218.503, Florida Statutes (Determination of Financial Emergency) in each of the past four years and would have been at substantial risk of closure¹ for failure to meet generally accepted standards of fiscal management.

¹ Section 1002.34 (6), Florida Statutes states: "The sponsor may decide not to renew or may terminate a charter if the charter school or charter technical career center fails to correct the deficiencies noted in the corrective action plan within 1 year after being notified of the deficiencies or exhibits one or more financial emergency conditions specified in s. 218.503 for 2 consecutive years."

FINDINGS

GOVERNANCE

State Statute and the Charter Agreement between the School Board of Miami-Dade County and Acting For All, Inc. on behalf of the Academy of Arts and Minds, establish the expected role of the school's Governing Board. Section 1002.33,(9)(i) Florida Statutes, states, "The governing body of the charter school shall exercise continuing oversight over charter school operations." The Charter Agreement states, "The school's governing board will be held accountable to its students, parents/guardians, and the community at large through a continuous cycle of planning, evaluation, and reporting set forth in Florida's Charter School Legislation...The school's governing board will be diverse and provide a broad based coalition of parents/guardians, educators, community activists, academicians, and professionals."

We found that Mr. Manuel Alonso-Poch, a founding Board member of the school, who served as a voting member of the non-profit school's Board from its inception through 2006, has been the controlling force behind the school's policies and major operational decisions and actions. The school's Governing Board (Board), rather than having been appropriately engaged, informed, independent and accountable to its students, parents/guardians and the community at large, has been perfunctory and subservient.

The selection and composition of the school's current Governing Board appears to have been heavily influenced by Mr. Alonso-Poch. The Chair of the Board, Ms. Ruth Chuny Montaner, who has served on the Board since the school's inception in 2004, is Mr. Alonso-Poch's first cousin. She signed on behalf of the non-profit Board on the three contracts with the for Profit companies owned by Mr. Alonso-Poch. As discussed later in this report, those contracts appear to have been executed without the due diligence of Ms. Montaner or the Board.

The current Vice-Chair of the Board, Ms. Cecilia Holloman, has served on the school's Board from February 2008 through present, while Mr. Alonso-Poch has served as a paid contractor in three separate capacities for the school. During the overlapping two year period from 2007 through 2009, the arrangement had been reversed, where Ms. Holloman served as paid staff of the Urban Empowerment Corporation (UEC), a Florida non-profit corporation, and Mr. Alonso-Poch served as a member of UEC's governing board of directors (see Appendices H and I).² Additionally, Ms. Holloman and Mr. Alonso-Poch jointly served on the Board of Directors of Coconut Grove Ventures, Inc. a Florida for Profit Company from 2008 until its dissolution in 2010 (see Appendix H).

² Documents filed with the Internal Revenue Service for the Urban Empowerment Corporation (UEC) show that Mr. Alonso-Poch served as President of the non-profit corporation's governing board and Ms. Holloman served as Executive Director with annual compensation of \$78,000 for each of the two years.

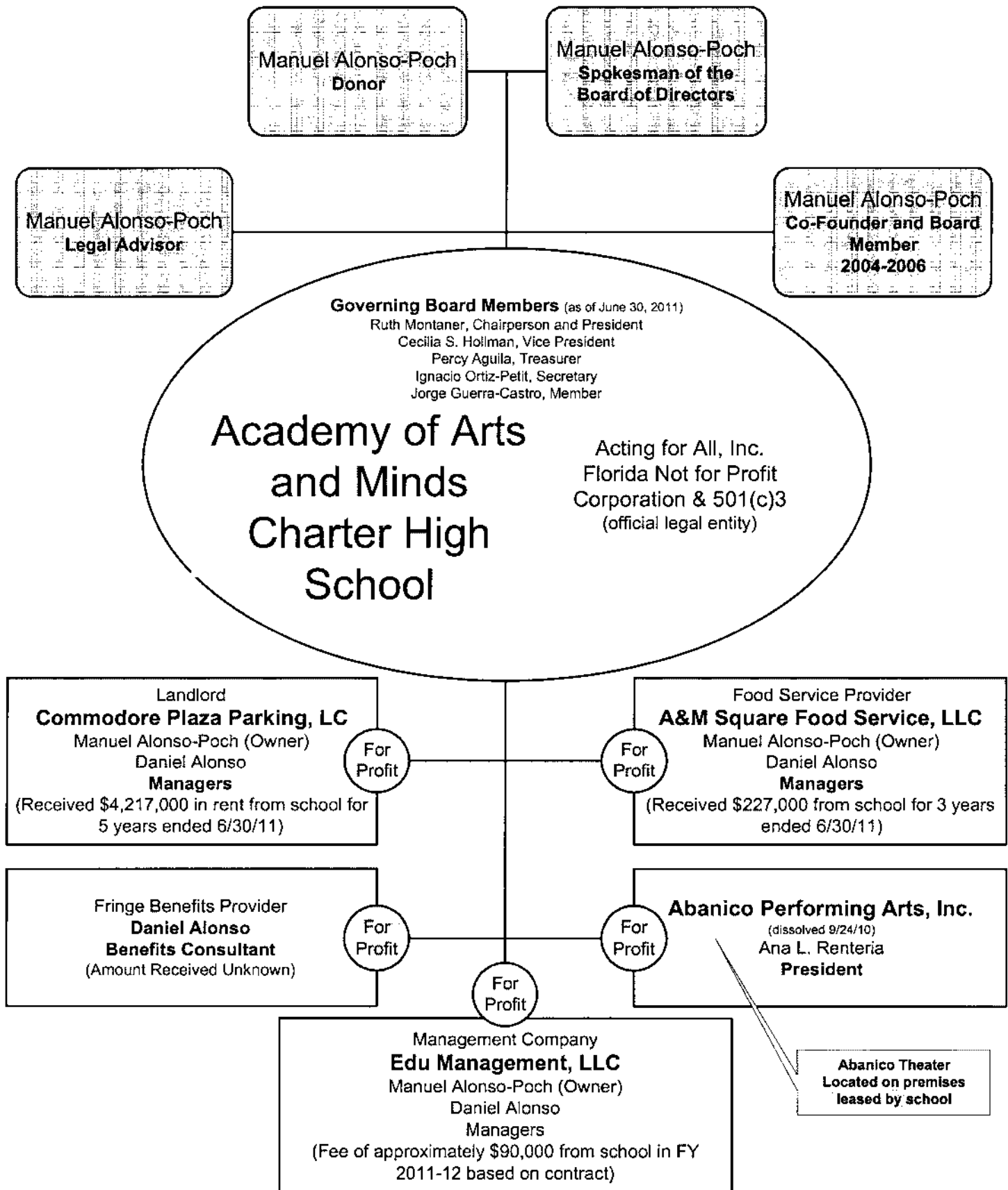
Current Board members Ignacio Ortiz-Petit (2007 through present), a non-practicing attorney who works as a communications professional for political campaigns, and Percy Aguila (2011 through present), a public finance professional, both told us they were asked to join the Board by Manuel Alonso-Poch. Mr. Aguila indicated to us that he has known Mr. Alonso-Poch for 15-20 years, had previously served on the Board of a private school in Miami and that his clients include charter schools in the State of Florida.

The final Board member of record, based on the school's June 30, 2011 audited financial statements, is Jorge Guerra-Castro. According to Mr. Alonso-Poch and Mr. Jorge Suarez (A&M's current Principal), Mr. Guerra-Castro has not been present at a Board meeting during the last four years, and his contact information provided by the school indicates he is domiciled in Lima, Peru.

Mr. Alonso-Poch is the owner of three for Profit entities that have substantial contracts with the school: the school's landlord, Commodore Plaza Parking, L.C.; its contracted food service vendor, A&M Square Food Services, LLC; and its management company, EDU Management, LLC. Mr. Alonso-Poch continues to officially serve as the school's "Spokesman of the Board", a non-voting, unpaid position, and as a legal advisor and a substantial donor to the non-profit school. His son Daniel Alonso, an insurance and benefits consultant, has an exclusive arrangement with the school to provide its teachers and other staff insurance benefits, and his co-founder, Ms. Ana L. Renteria,³ held the position of President of Abanico Performing Arts, Inc., a Florida Profit corporation whose principal address is the fourth floor theater (Abanico Theater) of the school (see Appendix H).

³ Ms. Renteria declined to interview with us in person but offered to answer our questions in writing.

Entity Relationships Chart



When we interviewed the four active Board members in February 2012, we found their understanding and familiarity with the school's business and contractual operations to be limited both individually and in the aggregate. Although they were all aware that the landlord and food service operator were owned by Mr. Alonso-Poch, they lacked knowledge of important conditions, terms and provisions of the school's contracts and business operations such as the actual demised premises in the school's lease agreement, the portion of the facility actually used by the school (as opposed to being leased and/or used by other companies), the basic terms of the food service contract and the nature and character of the school's food service expenses (which totaled \$141,000 during the 2010-11 fiscal year). The school did not have its own, distinct legal representation when entering into contracts with Mr. Alonso-Poch's private for Profit companies, nor was there a competitive process such as bids or requests for proposals (RFP) when procuring the aforementioned services (i.e. lease, food service, management services, fringe benefits).

As discussed later in this report, it appears that the Governing Board did not adequately oversee the use of ad valorem tax exemptions claimed by its landlord.

Testimony of Academy of Arts and Minds Principals

We interviewed each of the school's three principals immediately preceding Mr. Jorge Suarez, the current principal. Their terms of service were as follows:

Mr. Alex Tamargo: September 2005 through June 2008
Mr. William Machado: July 2008 through April 2011
Mr. Kevin Sawyer: May 2011 through September 2011

All three principals, whose collective tenure spanned for more than six years, indicated and detailed to us that Mr. Alonso-Poch, as opposed to the Board or principal, was effectively and ultimately in charge of the school. Mr. Tamargo indicated that he had no involvement with the school's Governing Board, and that most staff and parents were not aware of the Board's existence. According to Mr. Tamargo, Mr. Alonso-Poch was viewed as the landlord and school's owner. Mr. Machado stated that the Governing Board of the School was "non-existent" and "the members had no understanding of the school." He further indicated that Mr. Alonso-Poch effectively ran the Board meetings. Mr. Sawyer stated in his interview with us that "Manuel Alonso-Poch runs everything."

The principals also cited numerous examples evidencing Mr. Alonso-Poch's influence over school operations, staffing and academic management as follows:

- Manuel Alonso-Poch not the Board, hired and negotiated contracts to be the Principal with Alex Tamargo in September 2005 and William Machado in July 2008. Mr. Machado did not meet the Governing Board until a

month later at its meeting in August 2008, and he was surprised that the Board had not been active in his hiring and contract negotiation process.

- Mr. Alonso-Poch exerted pressure to effect the resignation of the school's Artistic Director in July 2010 against Principal Machado's objection.
- Mr. Alonso-Poch suspended the school's auditioning process/requirement beginning September 2011 against Principal Sawyer's objection.
- Mr. Sawyer had no budget control at Arts & Minds and he found this different than the principal's role from when he was an administrator in the Broward School system and as an administrator at a charter school in Broward County.
- Mr. Tamargo stated that Mr. Alonso-Poch was in charge of business administration, the building lease, food service, budget, and had significant input into hiring/firing staff.
- Mr. Tamargo "buted heads" with Ms. Renteria and Mr. Alonso-Poch over the time and use of the Abanico Theater. Mr. Tamargo wanted more space and usage for the school/students.
- Mr. Machado indicated that he insisted on development of a general calendar to allay battles he was having with Ms. Renteria and Mr. Alonso-Poch regarding the use of the Abanico Theater by the school versus its use by her "paying" clients.
- Mr. Machado stated that he was adamant that the Governing Board members adhere to the laws and rules which require screening, fingerprinting, background checks and proper governance training. According to Mr. Machado, despite his efforts, the Board members were uninterested in complying, as evidenced in notifications from Charter School Operations to the school.
- Mr. Machado requested from Mr. Alonso-Poch the use of specifically designated Florida Education Finance Program (FEFP) funds to purchase textbooks. Based on various monitoring visits by Charter School Operations, the existing textbooks were out of date. According to Mr. Machado, Mr. Alonso-Poch told him that there was no money for books. Mr. Machado had to resort to buying "good quality" used textbooks from Amazon.com using Internal Fund monies (e.g. funds raised by the school through activities).
- According to Mr. Sawyer, during his tenure, both the general and arts education programs were deficient and had inadequate resources (e.g. not enough textbooks and digital textbooks, lack of band instruments, insufficient supplemental resources such as for science labs).
- The school staff's fringe benefits (i.e. health insurance, dental, vision, life insurance, disability, etc.) were handled by Mr. Alonso-Poch's sons. According to Mr. Machado, he was inundated with inquiries and complaints from teachers and staff regarding requests for service and poor quality of service. According to Mr. Machado, he had no involvement in hiring Mr. Alonso-Poch's sons or the company they were affiliated with. A Parent of a student and husband of a teacher who was involved in the insurance/benefits industry inquired about bidding on the contract and

thought the school could do much better. According to Mr. Machado, he forwarded the inquiry to Mr. Alonso-Poch but was unable to have the school consider the offer.

- According to Mr. Sawyer, the school's fringe benefits were handled by Mr. Alonso-Poch's son and the service was not at a "professional" level.

Conflict of Interest

In our opinion, the condition of an individual and his family serving as a for Profit contractor in multiple capacities while simultaneously controlling the Governing Board and actions of a tax exempt 501(c)(3) charter school, represents a conflict of interest. Internal Revenue Service rules state: "A section 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests."

The National Resource Center on Charter School Finance & Governance, an organization funded by a grant from the US Department of Education to help charter school operators, authorizers and policy makers, issued a report in November 2008 entitled, *Creating and Sustaining High-Quality Charter School Governing Boards*. That fairly comprehensive research contemplates governing board composition and recruitment practices that will maintain that "School-based governance is a cornerstone of the charter school concept of autonomy," while increasing stakeholder participation and reducing conflicts of interest. The report considers such issues as to whether the Board should include parents and teachers, be appointed or elected, have slots for members to be appointed by the authorizer, and whether there should be prohibitions against serving on multiple charter school boards.

FACILITY LEASE

The school's leased facility is located at 3138 Commodore Plaza, Miami, FL in the Coconut Grove commercial district and is owned by Commodore Plaza Parking, L.C., a for Profit entity owned by Manuel Alonso-Poch (see Appendix H). The building has a subterranean parking garage and three floors above grade, for a total of four floors. It has approximately 29,092 square feet of rentable area and is situated on a site of 15,000 square feet. The property was purchased by Commodore Plaza Parking, L.C. in December 2003 for a recorded price of \$3,400,000.

The Academy of Arts and Minds has leased the facility from Commodore Plaza Parking, L.C. since 2004 on a triple net basis (most costs incurred by tenant) and currently pays a base rent of \$74,272 per month or \$891,264 per year. According to the school's audited financial statements, total annual rent paid to Commodore Plaza Parking, L.C. ranged from \$449,000 in 2006-07 to \$984,000 in 2010-11. Total Operation of Plant, which includes maintenance and operation of the building as well as rent, ranged from \$769,416 in 2006-07 to \$1,188,837 in 2010-11. The following table displays the school's rent and Operation of Plant costs and their percentage of total revenues for the past five fiscal years.

School's Rent and Operation of Plant Costs as a Percentage of Total Revenues⁴

(1) FISCAL YEAR	(2) Total Revenues	(3) Total Rent	(4) Total Operation of Plant Costs	(5) Percentage of Total Operation of Plant Costs/ Total Revenues	(6) Percentage of Total Rent/Total Revenues
2006-07	\$1,947,156	\$449,000	\$769,416	39.5	23.1
2007-08	3,190,714	928,000	1,161,851	36.4	29.1
2008-09	3,109,291	928,000	1,150,400	37.0	29.8
2009-10	3,311,843	928,000	1,146,022	34.6	28.0
2010-11	3,654,796	984,000	1,188,837	32.5	26.9
TOTAL	\$15,213,800	\$4,217,000	\$5,416,526		

Source: School's Audited Financial Statements

Column (6) shows that annual rent as a percentage of total revenues ranged from 23.1% to 29.8% during the five year period. Total annual Operation of Plant cost (column 5) as a percentage of total revenues ranged from 32.5% to 39.5% during the period.

⁴ Forgiveness of Rent by Commodore Parking Plaza, L.C. totaled \$390,364 and \$332,000 in years 2009-10 and 2010-11, respectively. These amounts are included in total revenues (column 2) and rent and operation of plant costs (columns 3 and 4) for the said years.

Lease

The executed lease on file with M-DCPS and represented to us as the lease in place by the school and landlord had been restated on June 1, 2007, commencing on July 1, 2004, and comprises a lease term of one (1) year with thirty (30) one (1) year renewal options (see Appendix B). The restated lease was signed by Mr. Manuel Alonso-Poch as Manager of the landlord, and his first cousin Ms. Ruth Chuny Montaner, as Chairperson on behalf of the school's Governing Board. Our investigation concludes that the lease had been executed and in place since 2007 without the due diligence or adequate monitoring by the school's Governing Board.

We learned that the school did not have its own distinct legal representation in negotiating and executing the lease with Commodore Plaza Parking, L.C. Also, Mr. Alonso-Poch, an attorney with substantial real estate expertise licensed in Florida, has served as a pro bono legal advisor to the non-profit school since 2002. Mr. Alonso-Poch⁵ therefore, appears to have represented the school during the time when the lease was signed, while simultaneously owning the landlord company, Commodore Plaza Parking, L.C.

The minutes of the July 3, 2007 Board meeting reflect that the June 1, 2007 lease agreement and the rent payment schedule for 2007-08 were ratified by the Governing Board. Although the tenant had the ability to negotiate the terms of the lease every year, there is scant evidence in the Board meeting minutes during the four year period from July 2007 through September 2011, to indicate that the Board had at all contemplated the lease terms and conditions or considered exercising its right to negotiate the terms and conditions. Additionally, all four active Board members we interviewed in February 2012 stated that either the lease terms and conditions had not been contemplated by the Board since 2007 (or during their respective tenures on the Board), and/or indicated that they had only very general knowledge about the lease terms and conditions.

We engaged the law firm of Shutts & Bowen, LLP to evaluate the June 1, 2007 restated lease (see Appendix E). The firm opined that the lease contract is "sufficiently definite that it would be enforced by a Florida court" but that it contains irregular or unusual provisions, "Landlord-oriented" provisions and that "Overall, the lease is not well drafted." The evaluation noted the following:

- The description of the "Demised Premises" in the Lease is confusing. It is very unusual for the demised premises not to be clearly indicated in a lease.
- "Based on our interpretation and the labeling in the upper left-hand corner of Exhibit 1, it appears that Exhibit 1 is intended to describe the entire

⁵ At the time of the lease negotiation and execution in 2007, Mr. Alonso-Poch also served as "Spokesman of the Board", Donor, and owner of A&M Square Food Service, LLC.

building...There do not appear to be any "carve-outs" for Landlord or other tenants to occupy any portion of the Building. Since the core of a lease is the right to possession of certain space, it is unusual for that space not to be clearly defined."

- It appears that Tenant is supposed to be the only occupant of the Building; however, Section 27.1 states that "Tenant hereby acknowledges the existing tenants as co-tenants." We do not understand this and find it irregular.
- The hours of access to and from the Demised Premises are not stated. Usually in a lease of this type, there is "24 hour access, 365 days a year" or access "weekdays from 8:00 a.m. to 5:00 p.m. unless advance written notice is provided" or similar language. It is unusual that the issue is not addressed at all.
- Regarding the lease term of one (1) year with thirty (30) one (1) year renewal options, "Usually a tenant that has a site specific license or permit negotiates for a term longer than one (1) year."
- Regarding the statement that the rental rate for option terms will be at "prevailing market rates", "A central component of any lease transaction is the rent to be paid. It is irregular for rental provisions to be as vague as they are here."
- The lease does not stipulate the number of parking spaces available to the school.
- The 10% Landlord administrative cost in connection with Common Area Maintenance cost is unusually high.
- The Lease does not appear to cover any property other than 3138 Commodore Plaza.

Property Appraisal

We also engaged Real Estate Analysts, an independent real estate appraiser and consultant to determine whether the rent being paid by the school to the landlord was reasonable and in line with market rates (see Appendix F). The appraisal noted the following:

- Real Estate Analysts appraised the current market rent of the building at "\$30.00 per square foot, on a net basis, of leasable building area."
- The appraisal report states: "The adjusted net rents range from \$24.70 to \$40.00 per square foot net on an annual basis with an average of \$31.11 per square foot. The subject's current net rent is \$30.64 per square foot per year and falls within the range of the adjusted rents in our survey. This would be based upon the entire building with 29,092 square feet of rentable area."
- The appraisal letter also states: "In reviewing the occupancy history it was found there have been other tenants that (3 known based on leases provided) have used the subject premise which is atypical...Other unusual operating characteristics, the owner has a food service agreement which authorizes the subject premises to sell food to the

general public. Also it was reported that the subject owner has used and/or is currently using the subject premises as office space for non-school business."

- The appraisal report also states: "Market lease terms are 1 to 3 year leases with annual adjustments based on Consumer Price Index (CPI). Lease terms for the entire building would typically involve a longer term."

Actual Non-Exclusive Use of Facility

We found substantial evidence that since June 1, 2007, significant portions of the building have been leased to and/or used by private, for Profit entities other than the school. Therefore, the school has not had exclusive use of the building during the said period, as follows:

- Unit 101 of the subject property was leased by Commodore Plaza Parking, L.C. to a private consignment business from April 1, 2006 through March 31, 2009, at a base rent of \$2,800 per month in the initial year.
- Unit 109 of the subject property was leased by Commodore Plaza Parking, L.C. to a private nail salon business from September 1, 2006 through August 31, 2011, at a base rent of \$4,500 per month in the initial year.
- Unit 104 of the subject property was leased by Commodore Plaza Parking, L.C. to a private salon and spa business from February 1, 2005 through January 31, 2008, at a base rent of \$1,750 per month in the initial year.
- The Florida Department of State records currently show 3138 Commodore Plaza Suite 102 as the principal addresses of Manuel Alonso-Poch, P.A. (a law office) and Florida National Title Company, LLC (see Appendix H). Upon our inquiry, Mr. Alonso-Poch acknowledged that his law office/title company occupied Room 318 of the building, totaling 625 square feet from approximately 2004 through 2008, and that use was without a lease.

The following for Profit corporations, which have contracts or arrangements with the school, also have (or have the contractual right) other non-school business operations located at the school's leased facility: Commodore Plaza Parking, L.C.; A & M Square Food Service, LLC; EDU Management, LLC; and Abanico Performing Arts, Inc. Daniel Alonso and Manuel Alonso-Poch serve as Managers of the former three entities and Ana L. Renteria served as President of Abanico Performing Arts, Inc. Additionally, Mr. Tamargo and Mr. Machado, the school's Principals from 2005 through 2011, both indicated substantial non-school use of the school's theater and the cafeteria/food service area.

Other corporate entities showing 3138 Commodore Plaza as their principal address on the Department of State records during 2007 through present, the period during which the lease indicates the school has exclusive use of the

building (based on the interpretations of our contracted attorneys and appraisers), include:

Name of Entity	Status	Notes
7331 Investment Corporation	Active	Manuel Alonso is Officer/Director
Bluem Investments, LLC	Active	
Conquest 275, LLC	Inactive as of 9/2010	Manuel Alonso-Poch is Manager
DOCMIAAMI Film Festival, Inc.	Inactive as of 9/2010	Ana L. Renteria is Director/Treasurer
Doral Reserve Townhouse, LLC	Inactive as of 9/2009	Manuel Alonso-Poch is Manager
Fountainbleau Investments, LLC	Active	
Miami Sunrise Partners, LLC	Active	
Network One, LLC	Active	Daniel Alonso is Manager Manuel Alonso-Poch is Manager
P.L. Associates, L.C.	Active	Manuel Alonso-Poch is Manager
Rockerman Road Homeowners Association, Inc.	Inactive as of 9/2008	Manuel Alonso-Poch is Officer/Director Ana L. Renteria is Officer/Director
Terra Doral Townhouse, LLC	Inactive as of 9/2009	Manuel Alonso-Poch is Manager

Source: Florida Department of State Records

According to Mr. Alonso-Poch, the school has not been remunerated for space or utilities used by any of the above-mentioned entities. Additionally, the Governing Board's Chair, Ms. Montaner, when asked, did not know whether the school had been remunerated or the extent of non-school usage.

In conclusion, the school has not had exclusive use of the property from 2007 through present, which should have been the case based on the lease contract as interpreted by Shutts & Bowen, LLC; and as assumed by the appraisal firm Real Estate Analysts pursuant to its review of the lease. The appraiser's calculation of the lease's current contract unit rent of \$30.64 per square foot was based on the assumption that the school had exclusive use of the entire premises. Regarding the above entities, it is not clear the extent to which all of the corporations listing 3138 Commodore Plaza as their principal address conducted non-school business, if any, at the school's facility. However, the evidence clearly shows substantial non-school business use during the subject period by a consignment business, nail salon, salon and spa, law practice, title company, commercial parking business, restaurant and the Abanico theater. That business activity included use of the school's space and utilities for which the school was not remunerated. When considering the above, it is apparent that the effective rent per square foot has likely far exceeded the current contract unit rent of \$30.64 per square foot and the appraisal's estimated market rent of \$30.00 per square foot.

OTHER CONTRACTS AND ARRANGEMENTS

Food Service

The school contracts with A&M Square Food Service, LLC, which was established in November 2004 and is owned by Mr. Alonso-Poch, who is also listed in the Florida Department of State records as Manager. The contract currently in place between the two entities is dated August 2010 and signed by Mr. Alonso-Poch and Ms. Montaner, on behalf of the company and the school, respectively (see Appendix D). Based on information obtained during interviews with the active Board members, the school did not have its own, distinct legal representative when negotiating and executing this contract, nor were competitive bids or requests for proposals sought. In FY 2010-11, the school incurred food service costs of \$141,364 with A&M Square Food Service, LLC, to subsidize the school's free and reduced lunch program. In addition, the food service operator would have received revenues directly from its sales to students, teachers and parents, etc.

The contract states that "Operator shall have the exclusive right and privilege to sell food within the Academy of Arts and Minds' campus from 7:00 AM to 3:00 PM. Operator shall occupy the kitchen and food service area at 3138 Commodore Plaza Miami, Florida 33133 without charge or expense and shall be allowed to serve to the public after 3:30 PM weekdays and all day Saturdays, Sundays, Holidays and at any other time when the Academy of Arts & Minds High School is not in regular session."

In fact, we obtained significant documentary and testimonial evidence that shows the subject food service operator has sold to the general public through Al Fresco restaurant. Additionally, A&M Square Food Service, LLC has maintained a license to sell beer and wine from December 2005 through March 2013.

Management Agreement

The school entered into an agreement with EDU Management, LLC for a five year term commencing July 1, 2011 and ending June 30, 2016 (see Appendix C). EDU Management, LLC was established in April 2011 and is owned by Mr. Alonso-Poch who is listed in Florida Department of State records as Manager (see Appendix H). The agreement outlines the responsibilities assigned to the management company, which include cafeteria management services, employee benefits, faculty development, annual school operating budget, contract administration and coordination of parent activities. The base management fee to be paid by the school is \$200 per pupil per year, and it includes a provision for the management company to subcontract for the performance of responsible services. Actual fees paid to EDU Management, LLC, since July 1, 2011, if any, are yet to be determined pending issuance of the school's FY 2011-12 audited financial statements.

The agreement had been submitted to the M-DCPS Charter School Operations department in August 2011 in accordance with policies and procedures for charter schools. It was signed by Mr. Alonso-Poch and Ms. Montaner, on behalf of the company and the school, respectively. Based on interviews with the active Board members, the school did not have its own, distinct legal representative when negotiating and executing this contract with EDU Management, LLC, nor were competitive bids or requests for proposals sought.

The first paragraph of the agreement states that the agreement "...is made and entered into as of the 23rd day of December, 2003..." When we showed this agreement to Ms. Cecelia Holloman, the Board member designated to oversee this contractual arrangement, and asked her why the execution date was shown as 2003 and the effective date shown as 2011, she stated that "it was probably a typo." When we later asked Mr. Alonso-Poch about this apparent inconsistency, he stated: "The date of December 23, 2003 on the Agreement is a typo. The effective date of the Agreement is July 1, 2011. The Contract was submitted to Charter School Operations for review. The contract will be executed as soon as Charter School Operations provides written instructions that the Contract has been reviewed and approved."

We question how these contracts could have been executed, or at a minimum in the case of the management agreement, signed by the school's Governing Board, while containing said terms or obviously erroneous language.

TAX EXEMPTIONS

Charter schools, and sometimes their contractors, are typically exempt from paying various Federal, State and local taxes. It is noteworthy that these taxes are the principal source of funding for traditional public schools and charter schools alike.

Section 196.1983, Florida Statutes states in part: "Any facility, or portion thereof, used to house a charter school whose charter has been approved by the sponsor and the governing board pursuant to s. 1002.33(7) shall be exempt from ad valorem taxes. For leasehold properties, the landlord must certify by affidavit to the charter school that the lease payments shall be reduced to the extent of the exemption received."

We found that Academy of Arts and Mind's landlord (Commodore Plaza Parking, L.C.), owned by Manuel Alonso-Poch, has claimed and received a 65% charter school ad valorem tax exemption on three adjoining properties - folio #'s 4121-047-(0180), (0190) and (0230), from 2005 to the present.

Those properties constitute a commercial parking lot in reasonably close proximity to the school, and are also owned by Commodore Plaza Parking, L.C. However, the evidence obtained suggested that those properties were not leased or used by the school, except very minimally.⁶ We informed the Office of the Miami-Dade County Property Appraiser of our concerns and they conducted their own investigation which found that for each of the three folios "the property did not meet the required use for a charter school" and "pursuant to Florida Law, the property was not entitled to a 65% exemption for the tax years 2005-2010." Tax liens (see Appendix G), including back taxes, interest and penalties, were placed on the three properties totaling \$182,736, pending the final outcome of the Miami-Dade County Property Appraiser's investigation.

The landlord also claimed and received the charter school exemption on the building leased by the school, 3138 Commodore Plaza, Miami, FL 33133 (folio # 4121-047-0130) as follows:

⁶ According to Mr. William Machado, the school's Principal from July 2008 through April 2011, the school's use of this commercial parking lot was about 3 parking spaces (during school hours) in 2009-10 and at most 5 parking spaces (during school hours) in 2010-11. Mr. Alex Tamago, the school's Principal from September 2005 through June 2008, as well as Mr. Machado, testified to us that the garage parking lot in the 3138 Commodore Plaza building (the school's facility) was also used substantially for non-school and commercial parking after school hours.

Ad Valorem Tax Exemptions Taken on the School's Leased Property

FOLIO#	01-4121-047-0130				
ADDRESS	3138 Commodore Plaza, Miami, FL				
Year	Assessed Value	Amount Exempt	Percentage Exempt	Millage	Taxes Exempt
2005	\$4,061,534	\$3,074,581	0.7569999	25.473	\$78,318.19
2006	4,061,534	3,046,151	0.7500001	24.644	75,070.26
2007	4,061,534	3,046,151	0.7500001	22.155	67,487.78
2008	4,061,534	3,046,151	0.7500001	22.636	68,952.98
2009	3,836,534	2,877,401	0.7500001	22.992	66,157.49
2010	3,311,534	2,483,651	0.7500002	24.208	60,124.47
2011	3,236,534	3,154,973	0.9747999	22.746	71,763.96
					487,875.13

Source: Office of the Miami-Dade County Property Appraiser Records

Based on the building's non-exclusive use by the charter school as detailed in the Lease Section of this report, the propriety and basis for calculating these exemptions taken is not apparent or transparent. We have also communicated these concerns to the Office of the Miami-Dade County Property Appraiser for their review and possible investigation.

Additionally, as detailed in the Governance Section of this report, we also question the validity of the school's status as a Section 501(c)(3) corporation exempt from Federal income taxes.

RECOMMENDATIONS

1. The Governing Board and management of the Academy of Arts and Minds should work with the Miami-Dade County Public Schools in consultation with other oversight agencies such as the Florida Department of Education and the Internal Revenue Service to eliminate the structural conflicts of interests identified. Consideration should be given to noted governance best practices which will help ensure an engaged, informed and independent Board that is accountable to its students, parents/guardians and the community at large.

Academy response: The governing board will take steps to engage the services of an independent lawyer to review items coming before the governing board that may present conflict of interest situations. If any conflict of interest situations arise the independent attorney will guide the governing board on the manner in which to properly and legally deal with them. It is worthy noting that under the current governing structure of the Academy there are no structural conflicts in the governance of the school. The issues of structural conflicts have been raised by a small group of disgruntled parents most likely misguided by errant administrators who did not clearly understand the governance structure or most likely felt they could ignore the controls in place within the Academy's governance structure when they did not agree with the decisions taken by the governing board. We suggest that a review of the Governance Board Training Manual and board minutes confirm our position.

OMCA's Comment: The current arrangement contains structural conflicts of interest and may not comport with the operations of an IRS Section 501(c) 3 tax exempt corporation.

2. The Governing Board of the Academy of Arts and Minds Charter School should revisit the terms of its major contracts and analyze expenses in order to strive to achieve a self sufficient operation not reliant on large contributions by Mr. Alonso-Poch and Commodore Plaza Parking, L.C.

Academy Response: The governing board has a record of actions showing this they are always striving to make the Academy not only self-sufficient but also abundantly funded through budgeting and fundraising. The board recently negotiated a management contract with the lowest cost in the marketplace at only 3% of student FTE revenues. Secondly, the governing board will take no action that diminishes the integrity of the Academy or the governing board's integrity and will honor all contracts currently in effect. The governing board is not in a position of creating the risk of lawsuits against the Academy by not honoring current contracts. However, if vendors are willing to renegotiate their contracts before they term out then the board will entertain those options. The board will have an independent advisor assist in reviewing

the Food Service contract and agrees to follow the procurement standards suggested by the National School Lunch Program.

OMCA's Comment: The OMCA does not recommend that the Board not honor its contracts. The recommendation is to "revisit" the terms (the lease is on a year-to-year basis) and negotiate the contracts where possible. The "vendor" for the three major contracts referenced is Mr. Manuel Alonso-Poch.

3. An independent Governing Board of the Academy of Arts and Minds should renegotiate the lease as an arm's length transaction. The Board should be represented by its own distinct legal counsel who does not have an interest in the landlord or facility. The lease should be restated with clear, unambiguous terms and conditions so that the school knows its demised premises, whether it has exclusive use of the premises, or whether certain square footage and/or time slots will be "carved out" for use by other tenants or entities. If other tenants or entities will be entitled to use portions of the premises, the school should be remunerated or the lease rate amended, accordingly.

Academy Response: The lease is up for renewal this month., (June 2012). The governing board will retain independent counsel to review the lease and negotiate with the landlord. The lease, as confirmed in the minutes of the governing board, was negotiated with full disclosure of Mr. Alonso-Poch ownership. Mr. Alonso-Poch did not represent the Academy in the negotiation of the lease. The process followed the Florida Statutes completely as confirmed by the minutes of the governing board. The renegotiation of a lease can take place only if the landlord and the tenant are willing to negotiate. The Academy's lease is up for renewal July 1, 2012. The governing board will take steps to retain independent legal counsel to review and negotiate a clarification of the terms of the lease, and the board will explore retaining a real estate consultant to present a process of site selection and at the appropriate time to explore on a parallel track the possibility of current building acquisition negotiations.

4. An independent Governing Board of the Academy of Arts and Minds should renegotiate the Management Agreement, Food Service Contract and the benefits consultant arrangement. The Board should use a competitive procurement process such as bids or request for proposals, and should be represented by its own distinct legal counsel who does not have an interest in the school's vendors. If a vendor will have an opportunity to profit from the arrangement while occupying the school's premises and using its utilities (i.e., the food service contract), the school's Board should negotiate to be commensurately compensated. It is incumbent on the school's Governing Board to adequately review contracts and arrangements with vendors prior to contracting with them and to ensure that these contracts are negotiated to the best possible advantage of the school and are properly monitored after execution.

Academy Response: The independent governing board of the Academy is retaining a consultant to guide this process relating to food service and benefits consulting and to engage independent counsel to review the contracts before they are approved by the governing board. However, the Management Contract has yet to be approved by the District after a 10 month review. The management contract has the lowest contract price in the marketplace for these services. The governing board requests a response and comments by the District, if any, on the management contract and where it is deficient before concurring on a renegotiation.

5. The Governing Board and management of Academy of Arts and Minds should put controls in place to ensure that the Board is adequately informed of Federal, State and Local Charter School tax exemptions claimed and granted on its behalf, and ensure that the non-profit charter school receives the full benefits derived from such tax exemptions as intended.

Academy Response: The board agrees to place on its agenda an annual update on various governmental tax exemptions. This is appropriately done when the legislative update occurs during the spring/summer board meetings.

6. Miami-Dade County Public Schools, as part of its statutorily mandated duties for the sponsor to "monitor the revenues and expenditures of the charter school", should coordinate with the various taxing authorities to help ensure the propriety of tax exemptions taken by its charter schools and their landlords and contractors.

Schools of Choice/Charter School Operations Response:

At the present time, Charter School Operations (CSO) monitors all federal and state mandated requirements, including financial oversight and monitoring for the 109 charter schools currently in operation. Recommendation #6 provides for a deeper review of charter school properties and related tax exemptions which goes beyond the minimum oversight requirements and the professional expertise of the CSO department; therefore, such a review will have to be developed in conjunction with the School Board Attorney's Office and the Office of Facilities Management. CSO staff is committed to establish a working group with all pertinent offices to evaluate this issue and potentially develop a process to implement this recommendation.

7. In order to minimize the risk of obscuring a charter school's expenses and liabilities or inflating its revenues and assets, Miami-Dade County Public Schools should consider putting forth in its legislative agenda process a requirement that charitable organizations which are the parent legal entity of a charter school, as is the case with Acting For All, Inc. and Academy of Arts and Minds, must submit to the sponsoring county School Board as charter

schools are presently required to do, independently audited financial statements.

Schools of Choice/Charter School Operations Response:

CSO is in agreement with Recommendation #7. We will work with the Office of Intergovernmental Affairs, Grants Administration, and Community Affairs to propose potential legislation as part of the District's legislative platform for the 2013 legislative session.

APPENDIX A

COMPLAINT

2 May 2011

Ms. Tiffanie Pauline
Administrative Director
M-DCPS Charter School Operations
1450 N.E. 2nd Ave
Room 812
Miami, FL 33132

RE: Complaint Relating to the Governing Board of the Academy of Arts and Minds

Dear Ms. Pauline:

Thank you for your response to our letter dated April 21, 2011 in which we brought to your attention the exigent circumstances occurring at our school, the Academy of Arts and Minds ("A&M" or the "School"). We are now submitting this expanded list of concerns, and we request that the Office of Charter School Operations, Office of Management and Compliance Audits, and/or the School Board of Miami Dade County Public Schools please investigate and take all appropriate actions to remedy the situation.

In the interest of efficiency we are providing a very broad description of our concerns. We have, however, documentation and other information that served as the foundation for the claims made herein. We would be happy to share our source materials with you upon request.

Our concerns stem from various sources. We have reviewed documents relating to the School; the Governing Board of Acting for All, Inc., the non-profit corporation that holds the charter and runs the School; Commodore Plaza Parking L.C. ("Commodore Plaza"), the building owner and landlord of the School; and A&M Square Food Service ("A&M Food Service"), the School's food service provider. We have had discussions with numerous present and former Governing Board members, administration, teachers, staffers and other persons who have interacted with the school's founder and principal of Commodore Plaza, Manuel Alonso-Poch and with the persons acting as the Governing Board. We have also had our own interactions with these persons.

The information we have gathered and reviewed strongly suggests that the persons acting in the role of the Governing Board are not managing the school in compliance with the charter agreement with M-DCPS or with Florida law. Instead we believe that Mr. Alonso-Poch, one of the co-founders of the school and the principal of the landlord and the food service provider, is in effect acting as the Governing Board and is using his authority to operate the school in his own interests, not the interests of the school and its community.

We understand that these are serious claims, and we do not make them lightly. As parents of students at A&M, however, we cannot continue to stand by and watch what appears to be a dismantling of a thriving arts charter school for apparently no good reason. We can no longer ignore the fact that whatever is going on behind the scenes at A&M does not appear to be for the benefit of our children—instead our children and the school appear to be pawns in some elaborate game to protect certain financial interests. This is not the role of a charter school; this is not fair for the students. We do not want this school to fail; we want to see it thrive, just as it had been thriving until just three months ago. We need your help to bring some real independence to the Governing Board of A&M in order to sort out and resolve the many issues that are threatening our school.

I. A&M does not have an independent Governing Board that functions in the interest of the school, its students, teachers or parents. Instead persons acting in the role of the Governing Board appear to have improperly delegated their authority to the landlord, Manuel Alonso Poch, and/or are acting to protect Mr. Alonso's interests and control.

- Prior to February 2011 the school community was generally unaware that the school had a Governing Board.
- The By-Laws of Acting for All that set forth rules for the Governing Board appear to be inconsistent with the operation of a charter school and in conflict with the charter contract and M-DCPS Rules and Regulations.

M:AM-/4265545.3

- 'RS Form 990 for Acting for All, Inc. lists Mr. Manuel Alonso-Poch as the person who possesses the books and records of the organization and who is the Authorized Representative of Acting for All, Inc.
- The persons who have been acting over the years as the Governing Board consist of family members, friends, and/or business associates of Mr. Alonso-Poch, whom only he recommended for membership.
- The Governing Board appears to have held its first ever public meeting on 7 March 2011 (prior Board meetings were not properly noticed or calendared).
- Prior board meetings were privately catered dinners by invitation from Mr. Alonso-Poch, directed by Mr. Alonso-Poch and held at the restaurant at the school site, which is owned by Mr. Alonso-Poch.
- The school has always been housed at a building owned by Mr. Alonso-Poch's company.
- Mr. Alonso-Poch has always maintained a law office and other unrelated businesses on the school premises and exercises constant oversight and vigilance over all school activities.
- Mr. Alonso-Poch had been the Governing Board's chairperson when the school began, but he was informed in 2006 that he had to resign his position because he was also the school's landlord and food service provider and was in direct breach of the Charter.
- The minutes of the meeting at which Mr. Alonso-Poch resigned indicate that the Governing Board delegated its authority to Mr. Alonso-Poch to act on behalf of the Board.
- Mr. Alonso-Poch has always hired and fired administrative staff on his own authority.
- Mr. Alonso-Poch has continued to act with full authority over the school and its finances.

II. The school's financial interests are not being protected by the Governing Board.

The Building Lease:

- The school's landlord has always been Mr. Alonso-Poch's company.
- The original lease was signed by Mr. Alonso-Poch, on behalf of the company that owns the building, and by Ana L. "Lili" Renteria on behalf of Acting for All, Inc.
- Mr. Alonso-Poch was the chairperson of the Governing Board at the time of the original lease.
- Ms. Renteria is also a co-founder of the school. She has represented herself over the years to students, teachers, parents and the community as an officer and authorized representative of the school.
- Ms. Renteria and Mr. Alonso-Poch resided together at least for several years and have represented themselves as a couple in the past. Mr. Alonso-Poch and Ms. Renteria have also been involved in numerous business ventures together.
- Ms. Renteria was listed as a Manager for the landlord company from 2007-2011.
- Ms. Renteria has been listed as Executive Director, Artistic Director, and Activities Director for Acting for All and is or was the signatory on the Acting for All account.
- Neither the original lease nor any of the subsequent modifications have stated the specific square footage leased by the school; the lease only refers to the entire building. It is a commercial lease with terms unrelated to the use of the building as a charter school.
- There is no indication that the Governing Board or any other person negotiated this lease on behalf of the school or has otherwise done any review to ensure that the school's interests have been protected.
- The Governing Board Chairperson, Ruth "Chuny" Montaner, signed the most recent lease agreement on behalf of Acting for All. Ms. Montaner is Mr. Alonso-Poch's first cousin as well as his client.
- There is no indication on the lease or on any other available documents that the school is obtaining the property tax credit pursuant to FSS 196.1983. Instead the lease states that it is the tenant's responsibility to pay real estate taxes.

The Food Service Provider

- The school's food service provider has always been Mr. Alonso-Poch's company.
- Co-founder Ana L. Renteria was listed as Managing Member/Manager for the food service company from 2007-2011.

- There is no indication that any Requests for Proposals and/or Bids were sought in connection with food service at the school, or consideration by the Governing Board of any other vendor.
- In 2010 A&M staff looked into bringing the school's food service into compliance with the National School Lunch Program for food cost reimbursement.
- The school has always paid the cost of food for students who qualify for free or reduced cost lunches out of its budget; the school's financial statement listed the cost as \$59,076.00 in 2010.
- It appears that the food being served by Mr. Alonso's company does not meet the quality and nutritional standards of the National School Lunch Program.
- Importantly, daily lunch costs for students are approximately \$5.00-\$6.00/day, well in excess of the M-DCPS school lunch average cost of approximately \$2.75/day.
- It appears that Mr. Alonso-Poch decided that it would be too administratively burdensome for the school to comply with the federal standards.
- The Governing Board minutes of 20 January 2011 report that the Board voted not to pursue reimbursement for the school through the National School Lunch Program, with no indication of any discussion regarding the decision not to seek available additional funds for the school, or any cost-benefit analysis.
- The net result is that Mr. Alonso's company can continue to prepare food for our kids and charge them its own prices without restrictions, and the school cannot apply to receive otherwise available funds.

Other Vendors

- There is no evidence that any school contracts have been put out to bid.
- One of the current Board members, Ignacio Ortiz-Petit, is the Vice-President of the company that Mr. Alonso hired to provide IT services, INDRA USA. There have been numerous complaints by the teachers and administration, as documented in EESAC meetings, of disruption of the internet service and its interference with their work, which had previously worked well.
- Mr. Alonso's son, Daniel Alonso, was hired as the agent or representative to offer and/or manage employee benefits for the teachers.
- The school building includes a theater that is used for school performances. The theater has been used by Abanico Performing Arts, Inc., a for-profit entity owned by co-founder Ana L. Renteria, for performances open to the public. There is no indication that there has been any payment to the school for the use of the theater.

III. There may be violations of law in connection with the School.

Non-school related persons and businesses on school property.

- Mr. Alonso-Poch has a private office located on the second floor of the building that houses the school. From this office he operates numerous non-school related companies.
- There is a private tenant, a spa, located on the first floor of the building that houses the school, which we believe has a lease with Mr. Alonso-Poch's company.
- Mr. Alonso-Poch hires people through Acting for All, Inc. and does not clear such persons through the front office of A&M to be properly screened as required by M-DCPS.

Jessica Lunsford Act.

- It is likely that the school is in violation of the Jessica Lunsford Act since persons hired by Mr. Alonso-Poch through Acting for All, Inc.; persons hired by other companies operated by Mr. Alonso-Poch; persons entering Mr. Alonso-Poch's office on the second floor of the school; and/or persons entering the spa have not been properly cleared.
- In particular there are at least two people, Ms. Renteria and Mily Lopez, who are employed by Acting for All and are working at the school, with and among students. Neither has been screened through the school for clearance under Florida law. In addition, there may be other individuals such as maintenance food service, administrative, etc that have not been properly screened

Property Tax Issues under the Lease.

- The lease suggests that the entire building is leased by the school, so that the whole building would be tax exempt.
- If the portion of the property that is being used by Mr. Alonso-Poch or leased by Mr. Alonso-Poch's company is reported as being used by the school, there could be violations of tax and/or other laws.
- The applicable tax exemption credit to the rent payable under the lease is not reflected in the lease or in other school records provided to us.

Violations of Florida Sunshine Laws.

- One of our concerned parents, Carlos M. Hernandez, has been making public records requests since 24 March 2011.
- He did not receive a formal response to his requests until 14 April 2011 and 22 April 2011 when the Board acknowledged receipt of some of the requests and indicated that a request had been referred to the Board's attorney, Humberto Cancio. Previously CC Holloman had sent him an email in her capacity as a member of the Board that chided him for making the requests, and Board member Percy Aguila complained to him in an email that his request wasn't clear enough.
- To date, no information has been provided to Mr. Hernandez by the Governing Board or by anyone acting on the Board's behalf.
- The only address listed for Acting for All, Inc. and for the Governing Board is the school property. This is a small organization. There is no apparent reason that records couldn't have been made available for inspection and copying within a week of each request.
- The vast majority of the Minutes of Governing Board meetings are vague and non-descriptive.
- The Governing Board had not noticed and held a public meeting until 2011 despite being put on notice of the requirement in 2006.
- The Governing Board has not met since the resignation of Director William Machado on April 8th, yet has undertaken various actions.
- Since April 8th, the Board has at least hired and authorized an attorney to appear unannounced at a PTSA meeting to argue with the parents on behalf of the Board; has appointed Mr. Alonso-Poch's co-founder and signatory on Acting for All's checking account, Ana L. Renteria, in a key position at the school, despite the fact that she does not speak, read, or write English and has not been cleared; has made demands of the Acting Director, Ileana Valdes, including a request that she write her own job description and provide her own contract for review; has failed to request that the registrar, Sandi Sellers, continue in service at the school, instead asking her to spend some of her last days in the office writing her own job description and her own contract; and apparently has been interviewing persons for positions at the school to replace William Machado, who resigned under pressure from the Board through CC Holloman.
- All of these actions are school governance issues that should be discussed at a public meeting.
- The Governing Board has also failed to provide any productive response to the PTSA's letters to the Governing Board describing parents' concerns.

Physical Plant/Life-Safety Issues.

- There have been several life safety issues which have resulted in injuries on school property that were brought to the attention of the Governing Board, including a door that has closed on persons causing injury.
- The Governing Board has failed to address these serious issues and the City of Miami noticed the school of the violations.
- Last week the City Of Miami posted a violation notice at the school and an employee of Acting for All angrily removed the notice in front of an audience of students.
- The use of school property for retail uses and by Mr. Alonso's other companies for other unrelated uses serves to further exacerbate the overcrowded conditions at the school.

IV. There are concerns regarding the flow of monies received from MDCPS and used to pay school expenses.

- Acting for All, Inc. receives all monies from M-DCPS and pays teacher and staff salaries.
- Mr. Alonso-Poch has always exercised control over the Acting for All, Inc. bank accounts.
- Ana L. Renteria, has been the signatory on the Acting for All, Inc. account for years, despite the fact that she does not speak, read or write English. During that time, she has also had an ownership interest in both the building and food service vendor.
- Ms. Renteria signs the IRS Tax Forms 990 on behalf of Acting for All, Inc.
- The Board, quite possibly through unauthorized actions, just appointed the signatory on the Acting for All, Inc. account, Ms. Renteria, to a key position at the school.
- Acting for All, Inc. has not provided full access to financial records.
- The school's director does not have access to the Acting for All, Inc. accounts.
- Mr. Alonso-Poch has always indicated that there isn't enough money to support the school, including for basic expenses like buying textbooks.
- Mr. Alonso-Poch files Special Purpose Financial Statements for A&M which do not include the statements of financial position, activities, and cash flows of Acting for All, Inc. despite the fact that the Governing Board and Mr. Alonso-Poch stated in the March 7, 2011 board meeting that Acting for All Inc exists exclusively for the purpose of operating Academy of Arts & Minds Charter High School.
- Acting for All, Inc.'s tax return, Form 990, seems to be in conflict with the Special Purpose Financial Statements filed for the same time period. Acting for All, Inc.'s tax returns indicate that the corporation has debt with Mr. Alonso-Poch and is being charged interest. They also reflect a loan from Commodore Plaza Parking LLC (landlord) that appears to have been paid off in FYE 2008. Neither of these loans are reflected on the Special Purpose Financial Statements.
- There are concerns that persons may be getting paid by Acting for All, Inc. using public funds but are working for non-school entities as directed by Mr. Alonso-Poch.
- There are concerns that services paid by the school such as internet, telephone, copy services, etc. are being utilized by non-school companies owned and/or operated by Mr. Alonso-Poch.

This list is not complete. We have a number of other concerns that are not covered here. In particular we have serious concerns regarding what appear to be retaliatory discharges of school staff after such persons asked questions regarding school finances. We suggest, however, that this list of issues is more than enough for your office to initiate an investigation. If it is not, please let us know-- we would be happy to share more concerns and provide you with additional information supporting them.

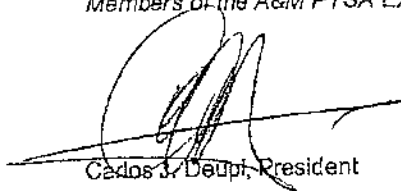
We are bringing these issues to the attention of your office for one reason only--the interests of our children and of all students and teachers at the Academy of Arts and Minds. Since 2008 A&M has been developing into a superb school of choice due to the work and dedication of great teachers and staff. The A&M community is not being well served, however, by Mr. Alonso-Poch and his Governing Board. A school is not just a building; a school is comprised of its teachers and staff and students, who are there each day teaching and learning. The persons acting as the Governing Board, however, seem to be allowing Mr. Manuel Alonso-Poch to exercise control over the school in his own interest, to the detriment of the school community. Mr. Alonso-Poch's financial interests in the building will continue to be served as long as there are enough student bodies enrolled to pay his rent and buy his food. The school's interests, however, will continue to suffer as long as A&M is being run by persons who are acting in concert with Mr. Alonso-Poch's interests.

We hereby request that M-DCPS please investigate this school and take whatever actions are necessary to correct these serious violations, including ensuring that the school is overseen by a truly independent Governing Board, so that the Academy of Arts and Minds can again be on the path to being a fabulous performing arts charter school


Please let us know if you would like additional information. We look forward to hearing back from you soon and we thank you for your attention and assistance.

Very truly yours,

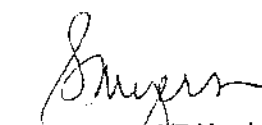
Members of the A&M PTSA Executive Board:



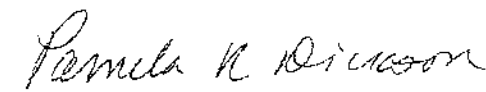
Carlos J. Deupi, President



Sandra Avila, Recording Secretary, EESAC Board member



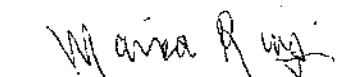
Sherri Myers, VP Membership



Pamela Dickson, VP Hospitality




Loly Mastrapa, Treasurer




Monica Ruiz, Corresponding Secretary

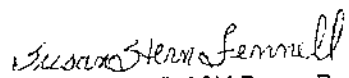
and other Concerned Parents of Students at A&M:




Ivelisse Berio LeBeau



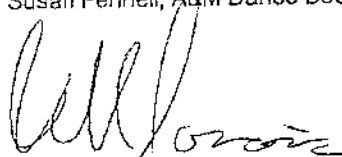
Carlos M. Hernández



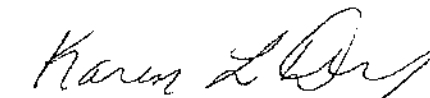
Susan Fennell, A&M Dance Boosters



Linda Marks, Music Boosters, EESAC Board Member



Robert Norona



Karen Dorway, EESAC Board member

APPENDIX B

LEASE AGREEMENT

RESTATED COMMERCIAL LEASE ARTS & MINDS CENTER Basic Lease Information

Landlord: Commodore Plaza Parking LC., a Florida limited liability company
Address: 3138 Commodore Plaza Coconut Grove, Florida 33133
Tenant: Acting For All Inc., a Florida not-for-profit corporation.
Address: 3138 Commodore Plaza Suite 317 Miami, Florida 33133
Demised Premises: See Exhibit 1
Use: Charter School
Term: One Year
Options to Extend: Thirty (30) Options One (1) year each.
Restatement Date: June 1, 2007
Commencement of Term: July 1, 2004
End of Term: June 30, 2034.
Rent Commencement Date: July 1, 2004
Parking Fee: \$75.00 per space (fee will vary according to market rates)
Security Deposit: Twenty Four Thousand Dollars and 00/100 (\$24,000.00).
Common Area Maintenance: Paid by Tenant.
Real Estate Taxes: Paid by Tenant.
Premises Insurance: Paid by Tenant.
Sales Tax: Paid by Tenant
Tenant's Share of Expenses: 100%
Beginning CPI Index: September 2003

WITNESSETH

SECTION 1 DEMISED PREMISES AND SITE PLAN EXHIBITS

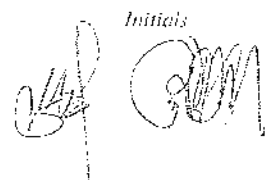
1.1 Landlord demises unto Tenant and Tenant leases from Landlord, for the term and upon the terms and conditions set forth in this Lease, the Demised Premises defined above the Basic Lease Information Page of this Lease lying and being in the City of Miami, Miami-Dade County, Florida, ("the Premises or the Demised Premises").

1.2 The term "Building" shall mean the building formerly known as Grove Harbour Plaza and now known as Arts & Minds Center or in the future known by such other name as the Landlord may in Landlord's sole discretion choose and having an address of 3138 Commodore Plaza, Miami, Florida 33133, together with all improvements, grounds, landscaping, parking areas, and other appurtenances relating thereto

1.3 The use and occupation by the Tenant of the Demised Premises shall include the right to the non-exclusive use, in common with others, of driveways, truck and service courts, walks and other facilities designated for common use, as may be installed by Landlord as hereinafter provided, 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 regulations for the use thereof, as prescribed from time to time by Landlord.

SECTION 2 POSSESSION AND CONSTRUCTION

2.1 Delivery of Possession. Tenant is taking possession of space that has been previously occupied. Tenant acknowledges that Tenant has had the opportunity to cause the Demised Premises to be thoroughly inspected and

Initials


examined and has either, caused said inspection and examination to be made or has elected not to do so, and that Tenant is fully familiar with the Demised Premises and with the condition and state of repair thereof. Tenant accepts the Demised Premises in its "AS IS" condition. Tenant acknowledges that Landlord has not made, and does not make, and Tenant is not relying upon, any representations or warranties as to the physical condition or any other matter or thing affecting or relating to the Demised Premises or any part or use thereof, unless expressly provided to the contrary in Exhibit "2" attached hereto and made a part hereof. Tenant shall take possession of the Demised Premises upon the execution date of this Lease.

2.2 Plans for Tenant's Work. Within twenty (20) days after the execution date of this Lease Tenant agrees to submit to Landlord plans and specifications (working drawings) covering all work which Tenant proposes to do in the Demised Premises. Such working drawings shall be prepared in such detail as Landlord may require and Tenant agrees not to commence work upon any of the aforesaid Tenant's work until Landlord has approved such working drawings. Landlord agrees to act with reasonable promptness with respect to such plans and specifications.

2.3 Changes in Plans. After Landlord's approval of the working drawings, no change shall be made therein except with the prior written consent of Landlord. All construction work necessitated by any change shall be performed at the expense of Tenant.

2.4 Construction of Tenant Improvements. All construction work to be done by Tenant pursuant to Exhibit "B" (except that work related to installation of Tenant's personal property) shall be awarded by Tenant to a Florida licensed contractor approved in writing by the Landlord.

2.5 Construction. The Demised Premises shall be constructed in accordance with said approved plans and drawings, and Tenant's Contractor shall pursue the construction work of said improvements diligently to completion, complying with all City, County and State ordinances, rules and regulations relating thereto.



2.6 Prompt Completion of Work. Tenant agrees that upon receiving possession of the Demised Premises from Landlord, it will, with due diligence, proceed to install such fixtures and equipment and to perform such other work as shall be necessary or appropriate in order to prepare the Demised Premises for the opening of business. In the event that Tenant does not open the Demised Premises for the conduct of its business within sixty (60) days after receiving possession of the Demised Premises from Landlord, Landlord, in addition to all other remedies hereunder and not as a limitation thereof, shall have the option of terminating this Lease by giving Tenant written notice of such termination, whereupon this Lease shall be terminated unless by the date of the giving of said written notice, Tenant shall have opened the Demised Premises for the conduct of its business.

SECTION 3 USE

3.1 Tenant shall use and occupy the Demised Premises solely for the conduct of a charter school. Tenant shall secure and have in place and current all licenses and permits applicable to Tenant's business. In no event shall Tenant engage in a business which is in violation of any exclusive or restricted use in the Building. Landlord makes no representations and accepts no responsibility for Tenant being allowed to operate a charter school on the Demised Premises. Tenant is not allowed to sell lottery tickets. Rent for any other use of the Premises shall be subject to negotiation by the parties.

3.2 Tenant shall not use and occupy the Demised Premises for any other use or uses without the express prior written approval of Landlord. Tenant shall operate under the name or style Academy of Arts & Minds.

3.3 Tenant shall continuously during the full term of this Lease and every extension thereof keep the entire Demised Premises occupied and open for business during the hours specified in this Lease.

Initials
 

SECTION 4 TERM

4.1 The term of this Lease shall commence on the date the Landlord shall deliver and the Tenant shall take possession of the Demised Premises to Tenant, as provided in Paragraph 2 hereof, and shall end (unless sooner terminated as hereinafter provided) at Midnight on the date of the expiration of twelve (12) months from the first day of the calendar month next succeeding the "Rental Commencement Date". The "Rental Commencement Date" is defined as either (a) the day after Tenant opens for business in the Demised Premises or (b) on the date which is thirty (30) days after the Landlord has delivered and the Tenant has taken possession of the Demised Premises, whichever date shall be the earlier, said date being herein referred to as the "Rental Commencement Date". The first rent payment date hereunder shall be the first day of the first calendar month following the Rental Commencement Date.

4.2 **Lease Year, Calendar Year.** The following words shall have the following definitions throughout this Lease:

(1) The term "Lease Year" shall mean: The first Lease Year, that period commencing with the Rental Commencement Date and ending on the last day of the 12th full calendar month following the Rental Commencement Date; and for each succeeding Lease Year, that period commencing with the first day of the calendar month after termination of the preceding Lease Year, and ending on the last day of the 12th month thereafter.

(2) The term "Calendar Year" shall mean: For the first Calendar Year, the period commencing with the Rental Commencement Date and ending December 31st of the year in which the term of this Lease commenced; and for each succeeding Calendar Year, that period commencing on January 1st, and ending December 31st of that year; and

(3) For the last Calendar Year, that period commencing January 1st, of the last year of the term of this Lease or on January 1st, of the last year of any option exercised, and ending on the termination date of the initial term of this Lease or the termination date of any extension that has been duly exercised by Tenant.

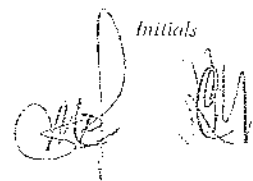
SECTION 5 RENT

5.1 **Minimum Rent.** Tenant agrees to pay to Landlord at the office of Landlord, or at such other place designated by Landlord, without any prior demand therefor and without any deduction or set-off whatsoever, as the fixed minimum rent the sum During the fourth year of this Lease Tenant shall pay Landlord the sum of EIGHT HUNDRED THIRTY FIVE THOUSAND ONE HUNDRED NINETY SEVEN DOLLARS 00/100 (\$835,197.00), payable in monthly installments of \$69,599.75, in advance on the first day of the month and on the first day of each and every calendar month thereafter during the term of this Lease. Rent for any extension shall be negotiated based on prevailing market rent rates, utilization of the leased premises and overall student population of Tenant.

Such minimum rent shall commence to accrue on the Rental Commencement Date. The first rent payment date hereunder shall be the first day of the first calendar month following the Rental Commencement Date.

5.2 **Additional Rent.** In addition to the Base Rent the Tenant shall pay on a monthly basis, as Additional Rent Tenant's portion of Common Area Expenses, Real Estate Taxes, Utility Charges, Building Maintenance and Repair expenses and any other expenses payable by the Tenant's under this Lease in the proportion identified in the Basic Lease Information Page of this Lease as Tenant's Share of Expenses. Additional Rent to be determined by the parties on a case by case basis, shall be due to the Landlord for any use of the premises resulting from Tenant activities after 3:30 pm daily and Saturdays and Sundays not directly related to the operation of a charter high school. No other activity, other than the operation of a charter high school, shall be conducted by the Tenant, within the Demised Premises, without the Tenant first obtaining the Landlord's written consent and approval which consent and approval shall be given in Landlord's absolute discretion. Additional Rent shall be due and payable to the Landlord for activities conducted by the Tenant within the Demised Premises other than the operation of the charter high school.

5.3 **Parking Fee.** Subject to all of the terms, provisions, covenants, and conditions contained herein, Tenant shall lease from Landlord the number of parking spaces indicated in the Basic Lease Information Page of this Lease in

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the Building garage. A fee for such parking spaces shall be at the prevailing monthly parking rate for said Building parking facilities. The Parking Fee for parking spaces is payable in advance on the first day of each month throughout the term of this Lease. Parking space fees due hereunder shall be deemed Additional Rent, payable in the same manner as Minimum Rent and shall be subject to all of the terms, provisions, conditions, and covenants of this Lease pertaining to the default in the payment of Rent, including, but not limited to, any provisions pertaining to late charges. Landlord shall not be liable for any damage to automobiles of any nature whatsoever to, or any theft of, automobiles or other vehicles or the contents thereof, while in or about the Building garage.

5.4 Relationship of Parties. Anything in the foregoing to the contrary notwithstanding, it is agreed that Landlord shall in no event be deemed to be a partner or engaged in a joint venture with, or an associate of, Tenant in the conduct of its business, nor shall Landlord be liable for any debts incurred by Tenant in the conduct of its business. Nothing in this Lease contained shall be deemed or construed to confer upon Landlord any interest in the business of the Tenant. The relationship of the parties during the term of this Lease shall at all times be that of Landlord and Tenant.

5.5 Time and Place of Payment. Tenant will promptly pay all rent and other charges and render all statements herein prescribed at the office of Landlord, 2100 Ponce de Leon Blvd. Suite 901 Coral Gables, Florida 33134, or to such other person or corporation, and at such other place, as shall be designated by Landlord in writing at least ten (10) days prior.

5.6 Advance Rent. No advance Rent shall be required from Tenant.

5.7 Security Deposit. Tenant shall deposit with Landlord the sum of **Twenty Four Thousand Dollars and 00/100 (\$24,000.00)** to be held as collateral security for the payment of any rent 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 extension thereof, provided Tenant shall have made all such payments and performed all such covenants and agreements. Upon any default by Tenant, 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. Tenant hereby waives the benefit of any provision of law requiring such deposit to be held in escrow or in trust, and said deposit shall be deemed to be the property of Landlord and may be co-mingled by Landlord with its own funds. In the event a mortgagee becomes the owner of the property comprising the Demised Premises and does not receive the security deposit from the Landlord, then Tenant agrees to look only to the original or predecessor Landlord for the refund of any such security deposit.

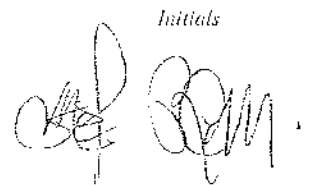
5.8 Transfer of Security Deposit. Landlord may deliver the funds deposited hereunder by Tenant to the purchaser of Landlord's interest in the Demised Premises, in the event that such interest be sold and thereupon Landlord shall be discharged from any further liability with respect to such deposit.

5.9 Taxes Attributable to the Premises. In addition to the Rent and other charges to be paid by Tenant hereunder, Landlord and Tenant agree that Tenant shall, upon demand, reimburse Landlord for any and all taxes and other impositions, of any kind or nature, whether known or unknown, and whether customary or within the contemplation of the parties hereto, paid by Landlord (other than net income taxes) upon, measured by, or attributable to, the cost or value of Tenant's equipment, furniture, fixtures, personal property, or leasehold improvement(s) made in or to the Premises by or for Tenant (other than building standard Tenant improvements made by Landlord) regardless of whether title to such improvements shall be in Tenant or Landlord.

5.10 Sales Taxes. Tenant shall pay to Landlord monthly sales taxes, if any are due, from time to time imposed in connection with all rents paid by Tenant under this Lease. Tenant shall furnish Landlord monthly with copies of all Sales Tax Reports filed by Tenant with the State of Florida from time to time.

SECTION 6 COMMON AREA AND FACILITIES

6.1 Definition. All areas within the exterior boundaries of the Building which are not now or hereafter held out for

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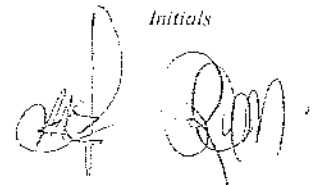
lease by Landlord or used by other persons entitled to occupy floor space in the Building

6.2 Use. Tenant and its employees and invitees shall be entitled to use the common areas during the lease term, in common with Landlord and with other persons authorized by Landlord from time to time to use such areas, subject to such reasonable rules and regulations relating to such use as Landlord may from time to time establish.

6.3 Control of Landlord. Landlord shall operate, manage, equip, police, light, repair, insure and maintain the common areas in such manner as Landlord may in its sole discretion determine to be appropriate. Landlord may temporarily close any common area for repairs or alterations, to prevent a dedication thereof or the accrual of prescriptive rights therein, or for any other reason deemed sufficient by Landlord at Landlord's sole discretion. All automobile parking areas, driveways, entrances and exits thereto, common areas, and other facilities furnished by Landlord, including all parking areas, truck way or ways, loading areas, pedestrian walkways and ramps, landscaped areas, stairways, corridors and other areas and improvements provided by Landlord for the general use, in common, of Tenants, their officers, agents, employees, servants, invitees, licensees, visitors, patrons, and customers, shall be at all times subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify, and enforce reasonable rules and regulations with respect to all such facilities and areas and improvements; to police same; from time to time to change the area, level, and location and arrangement of parking areas and other facilities hereinabove referred to; to restrict parking by, and enforce parking charges (by operation of meters or otherwise) to, Tenants, their officers, agents, invitees, employees, servants, licensees, visitors, patrons, and customers; to close all or any portion of said areas or facilities to such extent as may, in the opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein; to close temporarily all or any portion of the public areas, common areas, or facilities; to discourage non-Tenant parking; to charge a fee for visitor or customer parking; and to do and perform such other acts in and to said areas and improvements as, in the sole judgment and discretion of Landlord, the Landlord shall determine. Landlord will operate and maintain the common areas and other facilities referred to in such manner as Landlord shall determine from time to time. Without limiting the scope of such discretion, Landlord shall have the full right and authority to designate a manager of the parking facilities and common areas and other facilities who shall have full authority to make and enforce rules and regulations regarding the use of the same or to employ all personnel and to make and enforce all rules and regulations pertaining to and necessary for the proper operation and maintenance of the parking areas and Common Areas and other facilities. Reference in this paragraph to parking areas and facilities shall in no way be construed as giving Tenant hereunder any rights or privileges in connection with such parking areas and facilities unless such rights or privileges are expressly set forth herein. The rights of Tenant in and to the common areas shall at all times be subject to the rights of Landlord and the other tenants of Landlord in the Building to use the same in common with Tenant, and Tenant shall keep said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation. If in the sole discretionary opinion of Landlord unauthorized persons are using any of said areas by reason of the presence of Tenant in the Building, Tenant, upon demand of Landlord, shall restrain such unauthorized use by appropriate proceedings. Nothing herein shall affect the right of Landlord at any time to remove any such unauthorized person from the common areas nor to prohibit the use of any said areas by unauthorized persons.

6.4 Tenant and its employees shall park their vehicles only in those portions of the parking areas as are from time to time designated for that purpose by Landlord. Tenant shall furnish Landlord with the names of its and its employees and their vehicle license numbers within five (5) days after taking possession of the Demised Premises and Tenant shall thereafter notify Landlord of any change in such list within five (5) days after such change occurs. Tenant hereby assumes responsibility for compliance by its employees with the parking provisions contained herein. Tenant further agrees that upon the second notice by the Landlord or its representatives, that if the Tenant and/or its employees shall have parked their vehicles in a portion of the parking area not so designated for parking by that employee, then and in that event, Landlord shall have, at Landlord's option, the power to remove the vehicle from the parking garage or require the Tenant to pay to Landlord the sum of Twenty Five Dollars (\$25.00) per day for each day the violation shall continue.

6.5 Common Area Rules and Regulations. Landlord or such other person(s) as Landlord may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable Rules and Regulations with respect thereto. Tenant agrees to abide



by and conform to all such Rules and Regulations, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Landlord shall not be responsible to Tenant for the non-compliance with said rules and regulations by other Tenants of the Property.

6.6 Common Area Changes. Landlord shall have the right, in Landlord's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Property to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

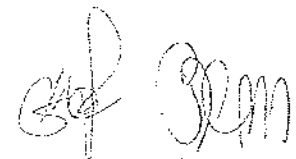
(e) To use the Common Areas while engaged in making additional Improvements, repairs or alterations to the Property, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in to or with respect to the Common Areas and Property as Landlord may, in Landlord's sole discretion and business judgment, Landlord deems to be appropriate.

6.7 Common Area Maintenance Costs. Tenant agrees to pay as provided in Paragraph 5.2 above, as Additional Rent, Common Expenses as designated by the Landlord. Tenant's share of Common Area Expenses is defined as all costs and expenses of every kind and nature as may be paid or incurred by Landlord during the lease term (including, without limitation, appropriate reserves) in operating, managing, insuring, equipping, lighting, watering, repairing, replacing and maintaining the Building and its common areas and in providing such security protection and fire protection for the Building as Landlord deems necessary, as determined in accordance with generally accepted accounting principles and allocated to any particular Calendar Year on the accrual method of accounting. Such costs and expenses shall include, but shall not be limited to general maintenance and repairs, resurfacing, striping and cleaning of the parking and driveway areas, cleaning and repair of sidewalks, curbs, elevated walkways, elevators and stairways, maintenance and repair of the landscaping and the irrigation systems, maintenance and repair of the Building signs and the directional signs, the lighting systems in the parking and walkway areas, janitorial service, maintenance and repair of the air conditioning systems, roofing, fire protection systems, storm drainage and sanitary sewer systems, trash disposal or other utility systems, the cost of water service, the cost of electricity for lighting; the wages and related payroll costs of personnel employed by Landlord to implement such services; premiums for Landlord's public liability, property damage, fire, wind and extended coverage insurance for the entire Building and all buildings and improvements therein; personal property taxes; fees for required licenses and permits; supplies, depreciation on maintenance and operating machinery and equipment (if owned by Landlord) and rental paid for such machinery and equipment (if rented by Landlord), and administrative costs equal to ten percent (10%) of the total cost paid or incurred by Landlord under this Paragraph 7. Landlord shall not be liable in damages or otherwise for any failure or interruption of any common area services being furnished the Building, and no such failure or interruption shall entitle Tenant to terminate this Lease.

6.8 Proportionate Payment. Tenant shall pay Tenant's Share of Common Expenses of such common area maintenance expenses as such share is designated by the Landlord.

6.9 Prior to the commencement of each Calendar Year, Landlord shall give Tenant a written estimate of Tenant's share of such common area maintenance expenses for the ensuing Calendar Year. Tenant shall pay such estimated amount to Landlord as additional rent in equal monthly installments, in advance on the first day of each calendar month. Within ninety (90) days after the end of each Calendar Year, Landlord shall furnish to Tenant a statement showing in



reasonable detail the costs and expenses incurred by Landlord for the operation and maintenance of the common areas during such Calendar Year, and the parties shall promptly make any payment or allowance necessary to adjust Tenant's estimated payment to Tenant's actual proportionate share of common area maintenance expenses as shown by such annual statement.

SECTION 7 PUBLIC UTILITIES

7.1 **Utility Charges.** Tenant shall pay, as Additional Rent, in advance, all charges for gas, water, sewer, waste removal, electricity, telephone and other utility services used in the Demised Premises during the lease term. If any such charges are not paid when due, Landlord may pay the same, and any amount so paid by Landlord shall thereupon become due to Landlord from Tenant as additional rent.

7.2 **Furnishing of Services.** If Landlord shall elect to furnish any waste removal or utility services to the Demised Premises, Tenant shall purchase its requirements thereof from Landlord so long as the rates charged therefor by Landlord do not exceed those which Tenant would be required to pay if such services were furnished it directly by a private collection agency or utility company.

7.3 **Interruption of Service.** Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility service being furnished the Demised Premises by Landlord, unless such failure or interruption of utility service is the result of negligence on the part of Landlord or Landlord's agents and Landlord does not restore such service within a reasonable time after written notice from Tenant of the existence of such problems with utility service; provided, however, no such failure or interruption shall entitle Tenant to cancel this Lease.

SECTION 8 TAXES

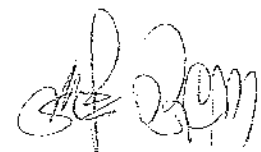
8.1 **Real Property Taxes.** Prior to the commencement of each Calendar Year, Landlord shall give Tenant a written estimate of Tenant's share of real property taxes for the ensuing Calendar Year. On the first day of each month during the lease term Tenant shall pay to Landlord as Additional Rent, in advance, Tenant's proportionate share of an amount of the real property taxes applicable to the Demised Premises obtained by dividing by twelve (12) the total of all real property taxes payable during each Calendar Year in which the month in question falls. Within ninety (90) days after the end of each Calendar Year, Landlord shall furnish to Tenant a statement of the cost and expense incurred by Landlord for real property taxes during such Calendar Year and the parties shall promptly make any payment or allowance necessary to adjust Tenant's estimated payment to Tenant's actual proportionate share of real property taxes as shown by such statement.

8.2 **Definitions.** The term "real property taxes" shall include all taxes, assessments and governmental charges levied upon or with respect to the real property and improvements, or any future tax levied in lieu of real property taxes, within the Building, or any other tax, or such other costs and fees incurred by Landlord. Tenant shall pay Tenant's Proportionate Share (shown as a percentage in the Basic Lease Information of such real property taxes. Any portion of the Building assessed as a separate parcel and which taxes thereon are paid by the tenant of that separately taxed parcel shall not be included within the computation of the amount of real property taxes which shall be borne proportionately by the Tenant.

8.3 **Personal Property Taxes.** Tenant shall pay before delinquency all personal property taxes and assessments on the furniture, fixtures, equipment and other property of Tenant located in the Demised Premises and on additions and improvements in the Demised Premises belonging to Tenant.

SECTION 9 INSURANCE

9.1 **Liability Insurance - Demised Premises.** Tenant shall at all times during the term hereof and at its cost and expense, maintain in effect workmen's compensation insurance and comprehensive general, public liability and property damage insurance having minimum limits of coverage of One Million Dollars (\$1,000,000.00). Said insurance shall be

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endorsed to name Landlord as an additional insured thereunder. Said insurance shall be the primary insurance as respects Landlord and not participating with any other available insurance. In no event shall the limits of said policies be considered as limiting the liability of Tenant under this Lease.

9.2 Fire Insurance – Fixtures, Furniture and Equipment. Tenant shall at all times during the term hereof, and at its cost and expense, maintain in effect policies of insurance covering (a) its fixtures and equipment located in and on the Demised Premises, in an amount not less than ninety percent (90%) of their replacement value, providing protection against any peril included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage, vandalism and malicious mischief and (b) all plate glass on the Demised Premises. The proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair or replace the fixtures, equipment and plate glass so insured.

9.3 Fire Insurance - Demised Premises; Rent Abatement Insurance. Landlord shall at all times during the term hereof maintain in effect a policy or policies of insurance covering the Demised Premises, providing protection against any peril included within the classification "Fire and Extended Coverage," together with insurance against sprinkler damage, vandalism, malicious mischief, earthquake damage and abatement or loss of rent in case of said insured casualties. Such insurance shall be paid for by the Tenant, in the proportions and in accordance with the time limitations provided in Paragraph 6.8 hereof, and shall be as part of the common area maintenance expenses payable by Tenant.

9.4 Insurance Policies. All insurance required to be carried by Tenant hereunder shall be in companies, on forms and with loss payable clauses satisfactory to Landlord and copies of policies of such insurance or certificates evidencing such insurance shall be delivered to Landlord by Tenant. No such policy shall be cancelable except after ten (10) days prior written notice to Landlord.

9.5 Waiver. Landlord and Tenant each hereby waives any and all rights of recovery against the other or against any other tenant or occupant of the Building or against the officers, employees, agents, representatives, customers and business visitors of such other party or of such other tenant or occupant of the Building, for loss of or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under the standard form of fire insurance policy with all permissible extension endorsements covering additional perils or under any other policy of insurance carried by such waiving party in lieu thereof. Tenant shall obtain and furnish evidence to Landlord of the waiver by Tenant's workmen's compensation carrier of any right of subrogation against Landlord.

9.6 Indemnity. Tenant hereby indemnifies Landlord and saves Landlord harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney's fees and costs of litigation, including appeal) in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Demised Premises, or the occupancy or use by Tenant of the Demised Premises or any part thereof, including claims for violations of the Americans with Disabilities Act, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, Tenants or concessionaires. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorney's fees incurred or paid by Landlord in connection with such litigation.

9.6 Exemption of Landlord. Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers or any other person in or about the Demised Premises caused or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Demised Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Demised Premises or upon other portions of the building of which the Demised Premises are a part, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Building.

9.7 Landlord shall have all the remedies for the collection of Tenant's share of taxes and insurance premiums as are

provided Landlord under the terms of this Lease for the collection of rent.

SECTION 10 LANDLORD'S OBLIGATIONS

10.1 Subject to the provisions of Section 10, Landlord shall, during the term of this Lease keep in good order, condition and repair only the foundation, exterior walls, (excluding the interior surface of the exterior walls and excluding all windows, doors, plate glass and showcases), downspouts, gutters and roof of the Demised Premises, except for any damage thereto caused by any negligent act or omission of Tenant or its agents, employees or invitees, and except for reasonable wear and tear; provided, however, that Landlord shall have no obligation to repair until a reasonable time after the receipt by Landlord of written notice of the need for repairs. Tenant waives the provisions of any law permitting Tenant to make repairs at Landlord's expense. Notwithstanding anything to the contrary in this Lease, there is reserved to Landlord the use of the exterior walls and roof and the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires through the Demised Premises in locations which will not materially interfere with Tenant's use thereof.

SECTION 11 TENANT'S OBLIGATIONS

11.1 Tenant shall pay Landlord, as Additional Rent, for Tenant's proportionate share, as set forth in the Basic Information Page of this Lease, of all costs and expenses incurred by Landlord for the foregoing maintenance and repair. Such costs shall exclude partial or complete restoration necessitated by casualty.

11.2 Tenant's proportionate share of such costs will be that proportion thereof as set forth in the Basic Information Page of this Lease, and said share shall be due and payable within ten (10) days after receiving a bill from the Landlord therefor.

11.3 **Tenant's Obligations to Maintain Equipment in the Demised Premises.** Subject to the provisions of Paragraph 10 hereof and sub-paragraph 9.1. of this Paragraph 9, Tenant shall during the term of this Lease keep in first-class order, condition and repair the Demised Premises and every part thereof, including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical and lighting facilities and equipment within the Demised Premises, fixtures, interior walls and interior surface of exterior walls, ceilings, windows, doors, plate glass, showcases, skylights, entrances and vestibules located within the Demised Premises. Tenant shall paint the interior walls and interior surface of exterior walls as often as may be required to keep the Demised Premises neat and attractive. Tenant shall during the term of this Lease replace the heating, air conditioning and ventilating equipment, light bulbs and floor coverings whenever replacement of said equipment is required.

11.4 **Cleanliness; Waste and Nuisance.** Tenant shall keep the Demised Premises at all times in a neat, clean and sanitary condition, shall neither commit nor permit any waste or nuisance thereon, and shall keep the walkways and corridors adjacent thereto free from Tenant's waste or debris.

11.5 If Tenant fails to perform its obligations under this Section 11, Landlord may at its option, after five (5) days' written notice to Tenant, enter upon the Demised Premises and put the same in good order, condition and repair and the cost thereof shall become due and payable as Additional Rent by Tenant to Landlord upon demand.

11.6 On the last day of the term hereof, or on any sooner termination, Tenant shall surrender the Demised Premises to Landlord in the same condition as existed on the date Tenant opened for business within the Demised Premises, ordinary wear and tear and damage by insured casualty excepted.

SECTION 12 LANDLORD'S RIGHT OF ACCESS

12.1 **Landlord's Right of Access.** Landlord and its agents shall have free access to the Demised Premises during all reasonable hours for the purpose examining and inspecting the same to ascertain if they are in good repair, making reasonable repairs which the Landlord may be required or permitted to make hereunder and exhibiting same to

prospective purchasers, tenants or mortgagees.

SECTION 13 RESTORATION OF DAMAGED PREMISES

13.1. **Insured or Minor Damage.** Subject to the provisions of Paragraph 10.2, if at any time during the term hereof the Demised Premises are destroyed or damaged and either (1) such damage is not "substantial" as that term is hereinafter defined, or (2) such damage was caused by a casualty required to be insured against in Paragraph 9.3, the Landlord shall commence the repair of such damage within ninety (90) days following Landlord's receipt of insurance proceeds and this Lease shall continue in full force and effect.

13.2. **Major Damage.** Subject to the provisions of Paragraph 1-3.3, if at any time during the term hereof the Demised Premises are destroyed or damaged and if such damage is "substantial" as that term is hereinafter defined, and if such damage was caused by a casualty not required to be insured against under Paragraph 13.3, then Landlord at its option shall either (1) commence the repair of such damage at Landlord's expense, in which event this Lease shall continue in full force and effect, or (2) cancel and terminate this Lease as of the date of the occurrence of such damage by giving Tenant written notice of its election to do so within sixty (60) days after the date of occurrence of such damage.

13.3 **Damage Near End of Term.** If the Demised Premises are destroyed or damaged during the last eighteen (18) months of the term of this Lease and the estimated cost of repair exceeds ten percent (10%) of the fixed minimum rent then remaining to be paid by Tenant for the balance of the term, Landlord may at its option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to Tenant of its election to do so within thirty (30) days after the date of occurrence of such damage. If Landlord shall not so elect to terminate this Lease, the repair of such damages shall be governed by Paragraph 13.1 or Paragraph 13.2, as the case may be.

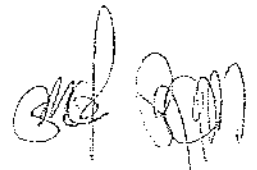
13.4. Abatement of Rent; Tenant's Remedies.

(1) If the Demised Premises are destroyed or damaged and Landlord repairs or restores them pursuant to the provisions of this Paragraph, Tenant shall continue the operation of its business in the Demised Premises to the extent reasonably practicable from the standpoint of prudent business management, and the fixed minimum rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's use of the Demised Premises is impaired, but only to the extent of any proceeds received by Landlord from the rent abatement insurance described in Paragraph 12.3 hereof.

(2) If the Landlord is obligated to restore or repair the Demised Premises under the provisions of this Paragraph and shall not commence such restoration or repair within ninety (90) days after such obligation shall accrue, Tenant may at its option, as its sole and exclusive remedy against Landlord, cancel and terminate this Lease as of the date of occurrence of such damage by giving Landlord written notice of its election to do so at any time prior to the commencement of such repair or restoration.

13.5 **Reconstruction of Improvements.** In the event of any reconstruction of the Demised Premises under this Paragraph 14.1, said reconstruction shall be in strict conformity with the provisions of Exhibit "2" hereof and to the extent of the work as therein set forth as work to be done by Landlord and work to be done by the Tenant. Notwithstanding that all reconstruction work shall be performed by Landlord's contractor unless Landlord shall otherwise agree in writing, Landlord's obligation to reconstruct the Demised Premises shall be only to the extent of the work as described as "Landlord's Work" in Exhibit "2" hereof. To the extent that the work described as "Tenant's Work" in Exhibit "2" is not covered by Tenant's insurance proceeds under Section 9 of this Lease, Tenant, at its sole cost and expense, shall be responsible for the repair and restoration of all items as set forth as "Tenant's Work" in said Exhibit "2" and the replacement of its stock in trade, trade fixtures, furniture, furnishings and equipment and merchandise hereof promptly upon delivery to it of possession of the Demised Premises and shall diligently pursue, in a workmanlike manner, such repair, restoration and replacement to completion.

13.6 **Termination.** Upon any termination of this Lease under any of the provisions of this Paragraph, the parties



shall be released thereby without further obligations to the other party coincident with the surrender of possession of the Demised Premises to the Landlord except for items which have theretofore accrued and be then unpaid. In the event of termination for reason of damage by fire or other perils covered by Tenant's Fire and Extended Coverage insurance under Paragraph 10. E. (1), all such proceeds covering the items specified as "Tenant's Work" in Exhibit "B", and Tenant's leasehold improvements, but excluding proceeds for trade fixtures, merchandise, signs and other personal property, shall be disbursed and paid to the Landlord.

13.7 Definitions.

(1) For the purpose of this Paragraph, "substantial" damage to the Demised Premises shall be deemed to be damage, the estimated cost of repair of which exceeds one-fourth (1/4th) of the then estimated replacement cost of the Building, of which the Demised Premises are a part, or damage to the Building, the estimated cost of repair of which exceeds one-fourth (1/4th) of the then estimated replacement cost of the portion of the Building damaged.

(2) The determination in good faith by Landlord of the estimated cost of repair of any damage and/or of the estimated replacement cost of any building shall be conclusive for the purpose of this Paragraph.

SECTION 14 COVENANTS OF TENANT

14.1 General Covenants.

14.1.1 **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. 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 Landlord, unless Landlord, prior to the termination of this Lease, shall have given written notice to Tenant to remove the same, in which event Tenant shall remove such alterations, improvements and additions and restore the Demised Premises to the same good order and condition in which it was at the time Tenant opened for business within the Demised Premises. Should Tenant fail so to do, Landlord may do so, collecting, at Landlord's option, the cost and expense thereof from the Tenant as additional rent.

14.1.2 The Landlord reserves the right before approving any such changes, additions or alterations, to require the Tenant to furnish it, from a bonding company acceptable to Landlord, good and sufficient performance and/or payment bonds conditioned that said bonding company will save Landlord harmless from the payment of any claims, either by way of damages and/or liens. The Tenant hereby protects, indemnities and saves harmless the Landlord from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney's fees and costs of litigation, including appeal) on account of any injury to third persons or property by reason of any changes, additions or alterations, and hereby so protects, indemnities and saves harmless Landlord from the payment of any claim of any kind or character on account of bills for labor or material in connection therewith. Any equipment or work other than those items specifically enumerated in said Exhibit "B" which the Landlord installs or constructs in the Demised Premises on the Tenant's behalf shall be paid for by Tenant within fifteen (15) days after receipt of a bill therefor at cost, plus twenty percent (20%) for overhead and supervision.

14.2 Tenant's Affirmative Covenants.

14.2.1 Tenant agrees:

14.2.1.1 To comply with any and all requirements of any of the constituted public authorities, and with the terms of any State or Federal statute or local ordinance or regulation applicable to Tenant or its use of the Demised Premises, and to save Landlord harmless from penalties, fines, costs, expenses or damages resulting from failure to do so.

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14.2.1.2 To give to Landlord prompt written notice of any accident, fire or damage occurring in, on or to the Demised Premises.

14.2.1.3 That all loading and unloading of goods shall be done only at such times in the areas and through such entrances as may be designated for such purposes by Landlord. Trailers or trucks shall not be permitted to remain parked, overnight, in any area of Building, whether loaded or unloaded.

14.2.1.4 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, and to furnish to Landlord evidence of a

14.2.1.5 To keep the outside areas immediately adjoining the Demised Premises clear and not to burn, place or permit any rubbish, obstruction or merchandise in such areas.

14.2.1.6 To keep the Demised Premises clean, orderly, sanitary and free from objectionable odors and from insects, vermin and other pests.

14.2.1.7 To keep its display windows, including window or shadow boxes, in the Demised Premises dressed and illuminated and its signs and exterior lights well lighted during all the customary hours during which the major tenants in the Building are open for business. Tenant agrees that its store shall be open for business by no later than 11:00 A.M. and shall remain open at least to 9:00 P.M. each day, Monday through Saturday each week, and on Sunday from Noon to 8:00 P.M., as permitted by law.

14.2.1.8 To conduct its business in the Demised Premises in all respects in a dignified manner and in accordance with high standards of store operation.

14.2.1.9 Tenant shall not commit or suffer to be committed any waste upon the Demised Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the building in which the Demised Premises may be located, or in the Building, or which may disturb the quiet enjoyment of any person within five hundred (500) feet of the boundaries of the Building.

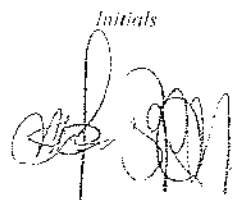
14.2.1.10 In the event any labor, materials or equipment are furnished to Tenant in, on or about the Demised Premises with respect to which any mechanic's or materialmen's lien might be filed against the Demised Premises, or against Landlord's interest therein, Tenant agrees to take appropriate action prior to the furnishing thereof to assure that no such lien will be filed; and Tenant agrees to pay, when due, all sums of money that may become due for any such labor, materials or equipment and to cause any such lien to be fully discharged and released promptly upon receiving notice thereof.

14.2.1.11 To warehouse, store and/or stock in the Demised Premises only such goods, wares and merchandise as Tenant intends to offer for sale at retail at, in, from or upon the Demised Premises. This shall not preclude occasional emergency transfers of merchandise to the other stores of Tenant, if any, not located in the Building.

14.2.1.12 Tenant shall use, at Tenant's cost, a pest extermination contractor at such intervals as may be necessary to keep Demised Premises free of pests.

14.2.1.13 All mechanical apparatus shall be kept free of vibrations and noise which may be transmitted beyond the Demised Premises, and no objectionable odors shall be permitted to emanate or be dispelled from the Demised Premises.

14.2.1.14 Tenant shall install such fire extinguishers and other safety equipment as Landlord shall require.

Initials


14.3 Tenant Negative Covenants.

14.3.1 Tenant agrees:

14.3.1.1 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 the Demised Premises is a part; nor shall Tenant use any loud speakers, televisions, phonographs, radios or other devices in a manner so as to be heard or seen outside of the Demised Premises, nor display merchandise on the exterior of the Demised Premises either for sale or for promotional purposes.

14.3.1.2 Do or suffer to be done any act, manner 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. Upon the breach of this covenant, in addition to all other remedies of Landlord and not as a limitation thereof, Tenant agrees to pay to Landlord as additional rent any and all increase or increases of premiums on 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.

14.3.1.3 Conduct any auction, fire, bankruptcy, selling-out, or going-out-of-business sale on or about the Demised Premises.

SECTION 15 SIGNS, AWNINGS, CANOPIES, FIXTURES

15.1 **Installation by Tenant.** All fixtures installed by Tenant shall be new or completely reconditioned. Tenant shall not make or cause to be made any alterations, additions, or improvements or install or cause to be installed any trade fixture, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades or awnings or make any changes to the store front without first obtaining Landlord's written approval and consent. Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought.

15.2 **Removal and Restoration by Tenant.** All alterations, decorations, additions and improvements made by the Tenant, or made by the Landlord on the Tenant's behalf by agreement under this Lease, shall remain the property of the Tenant for the term of the Lease, or any extension or renewal thereof. Such alterations, decorations, additions and improvements shall not be removed from the Demised Premises prior to the end of the term hereof without prior consent in writing from the Landlord. Upon expiration of this Lease, or any renewal term thereof, at Landlord's option, the Tenant shall remove all such alterations, decorations, additions and improvements, and restore the Demised Premises as provided in Paragraph 13 hereof. If the Tenant fails to remove such alterations, decorations, additions and improvements and restore the Demised Premises, then upon the expiration of this Lease, or any renewal thereof, all such alterations, decorations, additions and improvements shall become the property of the Landlord. Tenant shall not remove heating and air conditioning system or equipment.

15.3 **Signs, Awnings and Canopies.** Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the Demised Premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Demised Premises without first obtaining Landlord's written approval or consent. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times. See Exhibit "3", attached hereto and made a part hereof.

SECTION 16 RIGHTS OF LANDLORD

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

16.1.1 At all reasonable times, by itself or its duly authorized 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

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the building of which the Demised Premises are a part.

16.1.2 To display a "For Sale" sign at any time, and also, after notice from either party of intention to terminate this Lease, or at any time within three (3) months prior to the expiration of this Lease, a "For Rent" sign, or both "For Rent" and "For Sale" signs, and all of said signs shall be placed upon such part of the Demised Premises as Landlord shall require, except on display windows or door or doors leading into the Demised Premises. Prospective purchasers, tenants or mortgagees authorized by Landlord may inspect the Demised Premises at reasonable hours at any time.

16.1.3 To install or place upon, or affix to, the roof and exterior walls of the Demised Premises equipment, signs, displays, antennae, and any other object or structure of any kind, provided the same shall not materially impair the structural integrity of the building or interfere with Tenant's occupancy.

16.1.4 Landlord hereby reserves the right at any time to make alterations or additions to and to build additional stories on the building in which the Demised Premises are contained and to build adjoining the same. Landlord also reserves the right to construct other buildings or improvements in the Building from time to time and to make alterations thereof or additions thereto and to build additional stories on any such building and/or buildings and to build adjoining same and/or to construct double-deck or elevated parking facilities.


SECTION 17. ASSIGNMENT AND SUBLETTING

17.1 **Landlord's Consent Required.** Tenant shall not voluntarily or by operation of law assign, transfer, mortgage or otherwise encumber all or any part of Tenant's interest in this Lease, Tenant's fixtures or in the Demised Premises, and shall not sublet all or any part of the Demised Premises and, if Tenant is a corporation, shall not permit a transfer of effective voting control of Tenant without the prior written consent of Landlord in each instance. Landlord's consent shall not be unreasonably withheld provided Landlord is assured that substantially the same type, class, nature and quality of business, merchandise, services and management, including, without limiting the generality of the foregoing, similarity and nature, type, quality, retail price structure and volume of merchandise, goods or services sold or offered for sale, and prestige, reputation and financial soundness of ownership and management, is maintained and will continue to be furnished in a manner compatible with the high standards contemplated by this Lease, and provided further that each and every covenant, condition or obligation imposed upon it by this Lease, and each and every right, remedy or benefit offered Landlord by this Lease, is not or will not be impaired or diminished. Notwithstanding assignor's continuing liability hereunder, the financial ability of any proposed assignee, and of the required sureties, shall be deemed to be material in Landlord's consideration of any proposed assignment hereunder.

17.2 **Assignment Without Consent Invalid.** Any attempted assignment, transfer, mortgage, encumbrance or subletting, without such consent, shall, at the option of the Landlord, constitute grounds for termination of this Lease or an event of default of Paragraph 17.1.7 of this Lease. Landlord shall have the right to require Tenant to furnish Landlord with any information requested by Landlord relating to the proposed assignee's financial condition, the financial condition of the proposed assignee's other business operations, the proposed assignee's business history and background, including that of the principals, and the financial condition of any required sureties. If it shall be determined that Landlord's consent be unreasonably withheld, Landlord shall in no event be liable for any money judgment by any reason hereof.

17.3 **No Release of Tenant.** No subletting or assignment, even with the consent of Landlord, shall relieve Tenant of its obligation to pay the rent and to perform all of the other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any assignment or subletting.

17.4 **Written Instrument.** Each subletting or assignment to which Landlord has consented shall be by an instrument in writing in form satisfactory to Landlord, and shall be executed by the sub-Landlord or assignor and by the sub-Tenant or assignee in each instance, as the case may be, and each sub-Tenant or assignee shall agree in writing for the benefit of the Landlord herein to assume, to be bound by, and to perform the terms, covenants and conditions of this

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Lease to be done, kept and performed by the Tenant. One original executed copy of such written instrument shall be delivered to the Landlord.

17.5 **Assignor's Interest In The Assigned Lease.** In the event this Lease is assigned with the Landlord's consent, then upon said assignment and the assumption by the assignee, the Tenant (assignor) shall have no further interest under this Lease and/or in the Demised Premises, notwithstanding the fact of any subsequent failure by the assignee in paying any rent due under the Lease and further notwithstanding the continuing liability of the assignor to make such payments.

17.6 **Attorney's Fees and Approval Fees Relating to Assignment or Subletting.** Tenant agrees to reimburse Landlord for Landlord's reasonable attorneys' fees and such other reasonable charges which Landlord incurs or causes to be incurred in conjunction with the processing and documentation of any such requested subletting or assignment of this Lease or Tenant's interest in and to the Demised Premises, such payment being due from Tenant to Landlord simultaneously with the Landlord granting such consent.

SECTION 18 EMINENT DOMAIN

18.1 **Entire or Substantial Taking.** If the entire Demised Premises, or so much thereof as to make the balance not reasonably adequate for the conduct of Tenant's business notwithstanding restoration by Landlord as hereinafter provided, shall be taken under the power of eminent domain, this Lease shall automatically terminate as of the date on which the condemning authority takes possession.

18.2 **Partial Taking.** In the event of any taking under the power of eminent domain which does not so result in a termination of this Lease, the fixed minimum rent payable hereunder shall be reduced, effective as of the date on which the condemning authority takes possession, in the same proportion which the floor area of the portion of the Demised Premises taken bears to the floor area of the entire Demised Premises prior to the taking. Following receipt of the award payable for said taking, Landlord shall restore the portion of the Demised Premises not so taken to as near its former condition as is reasonably possible, and this Lease shall continue in full force and effect.

18.3 **Awards.** Any award for any taking of all or any part of the Demised Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold, for taking of the fee, or otherwise. Nothing contained herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord any interest in, any award to Tenant for loss of or damage to Tenant's trade fixtures and removable personal property or for damages for cessation or interruption of Tenant's business.

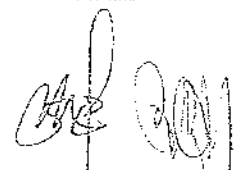
18.4 **Sale Under Threat of Condemnation.** A sale by Landlord to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes under this Paragraph.

SECTION 19. OFFSET STATEMENT, ATTORNMENT, SUBORDINATION

19.1 **Offset Statement.** Within ten (10) days after request therefor by Landlord, or in the event that upon any sale, assignment or mortgaging of the Demised Premises and/or the Building, an offset statement shall be required from Tenant; Tenant agrees to deliver in recordable form a certificate to any proposed mortgagee or purchaser, or to Landlord, certifying (if such be the case) that this Lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Tenant, and such other matters as such purchaser or mortgagee shall require.

19.2 **Attornment.** Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by the Landlord covering the Demised Premises, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease.

19.3 **Subordination.** Upon request of the Landlord, Tenant will subordinate its rights hereunder to the lien of any

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mortgage or mortgages, or the lien resulting from any other method of financing or refinancing, now or hereafter in force against the land and/or buildings of which the Demised Premises are a part or against any buildings hereafter placed upon the land of which the Demised Premises are a part, and to all advances made or hereafter to be made upon the security thereof.

19.4 **Attorney-in-Fact.** The Tenant, upon request of any party in interest, shall execute promptly such instruments or certificates to carry out the intent of Paragraphs 15.2 and 15.3 above as shall be requested by the Landlord. The Tenant hereby irrevocably appoints the Landlord as attorney-in-fact for the Tenant with full power and authority to execute and deliver in the name of the Tenant any such instruments or certificates. If fifteen (15) days after the date of a written request by Landlord to execute such instruments, the Tenant shall not have executed the same, the Landlord may, at its option, cancel this Lease without incurring any liability on account thereof, and the term hereby granted is expressly limited accordingly.

SECTION 20. PERFORMANCE OF TENANT'S COVENANTS

20.1 Tenant covenants and agrees that it will perform all agreements herein expressed on its part to be performed, and that it will promptly upon receipt of written notice of non-performance thereof, comply with the requirements of such notice; and further, that if Tenant shall not comply with such notice to the satisfaction of Landlord within forty-eight (48) hours after delivery thereof, (or, if such compliance cannot reasonably be completed within forty-eight [48] hours, if Tenant shall not commence to comply within such period and thereafter proceed to completion with due diligence), Landlord may, at its option, do or cause to be done any or all of the things specified in said notice, and in so doing Landlord shall have the right to cause its agents, employees and contractors to enter upon the Demised Premises and in such event shall have no liability to Tenant for any loss or damage resulting in any way from such action; and Tenant agrees to pay promptly upon demand any expense incurred by Landlord in taking such action, any such sum to be collectible from Tenant as additional rent hereunder.

20.2 The Tenant shall pay as additional rent all sums of money or charges required to be paid by Tenant under this Lease, whether or not the same be designated "additional rent." If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectible as additional rent with the next installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of Landlord.

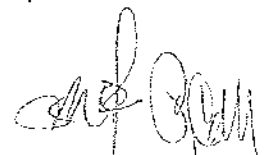
20.3 **Past Due Rent and Additional Rent.** If Tenant shall fail to pay, when the same is due and payable, any rent or additional rent, or amounts or charges of the character described in Paragraph 16.1 and 16.2 hereof, such unpaid amounts shall bear interest from the due date thereof to the date of payment at the highest rate of interest allowed by law, but not to exceed eighteen percent (18%) per annum.

20.4 **Service Charge.** A service charge of \$50.00 will be assessed to Tenant on the payment of rent received later than three (3) days after the due date thereof. In the event that any check, bank draft, order for payment or negotiable instrument given to Landlord for any payment under this Lease shall be dishonored for any reason whatsoever not attributable to Landlord, Landlord shall be entitled to make an administrative charge to Tenant of \$50.00 or any amount provided by law, whichever is greater. In addition, Landlord shall be reimbursed by Tenant for any costs incurred by Landlord as a result of said payment being dishonored.

SECTION 21. EVENTS OF DEFAULT

21.1 The occurrence of any of the following shall constitute an event of default hereunder:

21.1.1 Failure of Tenant to pay when due any installment of rent hereunder or any other sums herein required to be paid by Tenant.



21.1.2 Failure of Tenant to commence business within the time period specified in Paragraph 2.6 hereof.

21.1.3 Discontinuance by Tenant of the conduct of its business in the Demised Premises.

21.1.4 The filing of a petition by or against Tenant for adjudication as a bankrupt or insolvent, or for its reorganization or for the appointment of a receiver or trustee of Tenant's property; an assignment by Tenant for the benefit of creditors; or the taking possession of the property of Tenant by any governmental office or agency pursuant to statutory authority for the dissolution or liquidation of Tenant.

21.1.5 Vacation or desertion of the Demised Premises or permitting the same to be empty and unoccupied.

21.1.6 Tenant's removal or attempt to remove, or manifesting an intention to remove Tenant's goods or property from or out of the Demised Premises otherwise than in the ordinary and usual course of business without having first paid and satisfied Landlord for all rent which may become due during the entire term of this Lease.

21.1.7 Failure of Tenant to perform any other covenant or condition of this Lease.

SECTION 22 RIGHTS OF LANDLORD UPON DEFAULT BY TENANT

22.1 If the Tenant is in default as defined in Section 17 of this Lease then the Landlord, in addition to all the rights and remedies granted under the laws of the State of Florida and not as a limitation thereof, shall have any or all of the following rights:

22.1.1 To re-enter and remove all persons and property from the Demised Premises, and such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby.

22.1.2 Elect to declare the entire Minimum Rent and any Additional Rent for the balance of the term due and payable forthwith.


22.1.3 To terminate the Lease and relet the Demised Premises for account of the Landlord or within the sole discretion of the Landlord the Demised Premises may be relet for the account of the Tenant.

22.1.4 Except as to a default under Paragraph 17.1.3, Landlord shall have the right, at its option, to collect not only the minimum rent herein provided, but additional rent for each day of default equal to 1/30th of the monthly minimum rent, said additional rent being compensation to the Landlord for expenses incurred as the result of Tenant's default and not a penalty payable by Tenant. Said additional rent shall be paid by Tenant weekly as the same occurs.

22.1.5 Except as to a default under Paragraph 17.1.3, Landlord shall have the right, at its option, to require that the minimum rent be paid in semi-annual installments, in advance, for the remainder of the term or extended term of this Lease, the said semi-annual rent to commence effective as of the first day of the month in which said default by Tenant occurs.

22.2. In the event collection of any amounts owed by Tenant becomes necessary or the enforcement of any covenant in this Lease becomes necessary, Tenant agrees to pay for the reasonable costs of collection and or enforcement, including attorneys' fees. In the event suit shall be brought by Landlord because of the breach of any covenant of this Lease, the Tenant shall pay all costs of Landlord in connection with said litigation, including, without limitation, a reasonable attorney's fee.

22.3 Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the

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Demised Premises, by reason of the violation by Tenant of any of the covenants or conditions of this Lease, or otherwise.

22.4 If this Lease is breached by Landlord, Tenant will provide written notice of such breach to the Landlord. If the Landlord does not cure the breach of this agreement within thirty (30) days from the receipt of the written notice (or if such breach cannot reasonably be cured in thirty (30) days, if the Landlord is not diligently pursuing the remedy), ("the Cure Period"), then Tenant may terminate the Lease by giving Landlord notice of such termination within thirty (30) days after the expiration of the Cure Period.

SECTION 23 FINANCING AGREEMENT

23.1 Tenant agrees not to enter into, execute or deliver any financing agreement that can be considered as a priority to any mortgage or deed of trust that Landlord may have placed upon the Demised Premises and, in the event Tenant does so execute or deliver such financing agreement, such action on the part of the Tenant shall be considered a breach of the terms and conditions of this Lease entitling Landlord to such remedies as are provided for herein.

SECTION 24 CONDUCT OF BUSINESS BY TENANT

24.1 **Use of Premises.** Tenant shall occupy the Demised Premises within one hundred and twenty (120) days after receiving possession of the Demised Premises and shall conduct continuously in the Demised Premises the business above stated. Tenant will not use or permit, or suffer the use of, the Demised Premises for any other business or purpose.

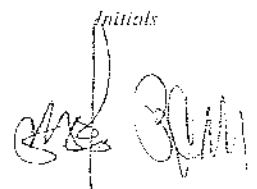
24.2 **Operation of Business.** Tenant shall operate at the Demised Premises during the entire term of this Lease with due diligence and efficiency unless prevented from doing so by causes beyond Tenant's control. Subject to inability by reason of strikes or labor disputes, Tenant shall carry at all times in the Demised Premises a stock of merchandise of such size, character and quality as shall be reasonably designed to produce the maximum return to Tenant. Tenant shall conduct its business in the Demised Premises during the regular customary days and hours for such type of business in the City or trade area in which the Building is located, and will keep the Demised Premises open for business during the same days, nights and hours as provided in the Basic Lease Information Page of this Lease. Tenant shall install and maintain at all times displays of merchandise in the display windows of the Demised Premises. Tenant shall keep the display windows and signs, if any, in the Demised Premises well lighted during the hours from sundown to 11:00 o'clock P.M., unless prevented by causes beyond the control of Tenant.

24.3 **Advertised Name and Address.** Tenant shall operate its business under the name designated in Basic Lease Information Page of this Lease and under no other or different name without the prior written consent of Landlord.

24.4 Tenant shall use as its advertised business address the name of the Building. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Demised Premises, and Tenant shall not acquire any property right in or to any name which contains the name of the Building as a part thereof. Any permitted use by Tenant of the name of the Building during the term of this Lease shall not permit Tenant to use, and Tenant shall not use, such name of the Building either after the termination of this Lease or at any other location.

24.5 Tenant agrees to use in its advertising and promotional activities for its business in the Demised Premises such references to the name of the Building and such identifying lettering, marks, or symbols referring to the Building as Landlord shall specify from time to time. Tenant shall include the name of the Building in its address for the Demised Premises and shall subscribe to a listing in the yellow pages of the local telephone directory which shall be printed in bold type.

24.6 **Rules and Regulations.** The rules and regulations appended to this Lease are hereby made a part of this Lease, and Tenant agrees to comply with and observe the same. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement said rules and regulations and to adopt

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and promulgate additional rules and regulations applicable to Demised Premises and the Building. Notice of such additional rules and regulations, and amendments and supplements, if any, shall be given to Tenant, and Tenant agrees thereupon to comply with and observe all such rules and regulations, and amendments thereto and supplements thereof.

SECTION 25 NOTICES

25.1 Wherever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease such Notice shall be given to the Landlord or the Tenant by Certified Mail Return Receipt Requested to the address appearing on the Basic Lease Information Page of this Lease. Such addresses may be changed from time to time by either party by serving notices as above provided.

SECTION 26 ENVIRONMENTAL LAWS AND HAZARDOUS WASTE

26.1 Compliance. Tenant shall strictly comply, at its sole cost and expense, with any and all applicable federal, state and local environmental laws, rules, regulations, permits and orders affecting the Premises and the business operation of Tenant conducted in the Premises, whether now in effect or as may be promulgated hereafter, and as may be amended from time to time (hereinafter referred to as "Environmental Laws"), and Tenant shall obtain and strictly comply with, at its sole cost and expense, all federal, state and local permits and other governmental approvals in connection with Tenant's use and occupancy of the Premises.

26.2 Hazardous Materials. Without limiting the generality of Section 22.1, Tenant, at its sole cost and expense, shall strictly comply with any and all applicable Environmental Laws relating to the recycling, reuse, storage, handling, disposal and presence of any "Hazardous Materials" (as hereinafter defined) in or about the Premises. Tenant shall not permit or allow any "Hazardous Materials" in or about the Premises except when necessary in the operation of Tenant's business. As used in this Section, the term "Hazardous Material(s)" shall mean any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "toxic substances," "contaminants" or other pollution under any applicable Environmental Laws. Tenant shall not permit or allow, and shall take all actions necessary to avoid, the occurrence of any spills of Hazardous Materials in or about the Premises. Tenant shall promptly advise Landlord in writing immediately upon becoming aware of:

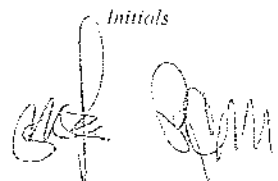
(i) the existence of any spills, releases or discharges of Hazardous Materials that occur in or about the Premises, on or away from the Premises as the result of any use of the Premises, and of any existing or threatened violation of this Section;

(ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened by any governmental authority with respect to the Center from time to time under any applicable Environmental Laws;

(iii) any and all claims made or threatened by any nongovernmental party against Tenant or the Center relating to damage, contribution, costs, recovery, compensation, loss or injury resulting from any Hazardous Materials or any violation of applicable Environmental Laws; and

(iv) Tenant's discovery of any occurrence or condition on any real property adjoining or in the immediate vicinity of the Center that could cause the Center or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Center under any Environmental Laws.

26.3 Waste Discharge. Without limiting the generality of Section 22.1, at all times during the term of this Lease and any renewals or extension hereof, Tenant, at its sole cost and expense, shall comply with any and all applicable laws, regulations, ordinances, permits and orders regulating the type and quantity of waste that may be discharged into the sanitary sewer system serving the Premises. Tenant agrees to limit its discharges of waste into the sanitary sewer system to "Domestic Waste Water," as such term is defined by Rule 17-6.030(22) of the Florida Administrative

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Code as amended from time to time, or as the term may be defined by other laws, regulations, ordinances, permits or orders presently in effect or hereafter enacted, as such laws, regulations, ordinances, permits or orders may be amended from time to time. In no event, however, shall Domestic Waste Water be construed to mean or include any "NonDomestic Waste Water" that has undergone "Pretreatmpnt" as the latter term is defined in Rule 17-6.030(63) of the Florida Administrative Code or as defined by other laws, regulations, ordinances, orders or permits presently in effect or hereafter enacted, as such laws, regulations, ordinances, orders or permits may be amended from time to time.

26.4 Environmental Claims. Without Landlord's prior written consent, Tenant shall not enter into any settlement, consent or compromise with respect to any "Environmental Claim(s)", as hereinafter defined, provided, however, the Landlord's prior consent shall not be necessary for Tenant to take any remedial action if order by a court of competent jurisdiction or if the presence of Hazardous Materials at the Center poses an immediate, significant threat to the health, safety or welfare of any individual otherwise requires an immediate remedial response. As used in this Section, "Environmental Claim(s)" shall mean any claim(s) or cause(s) of action resulting from the failure of Tenant or the Premises to comply with any Environmental law relating to Hazardous Materials, industrial hygiene, or environmental conditions. In any event, Tenant shall promptly notify Landlord of any action so taken.

SECTION 27 MISCELLANEOUS PROVISIONS

27.1 Acceptance of Demised Premises. The Tenant acknowledges that a portion of the Building containing the Demised Premises was in existence at the commencement of this Lease. Tenant hereby accepts (1) the existing tenants as co-tenants; (2) the design and construction of the Building; (3) the existing parking and access areas; (4) the other common areas, as satisfactory. In addition, the Tenant recognizes that the Demised Premises is existing and accepts the said Premises in their existing condition.

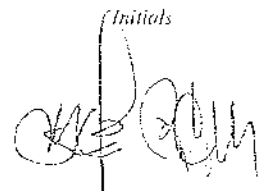
27.2 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent; nor shall any endorsement or statement on any check or any letter be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedies in this Lease provided.

27.3 Brokers. Tenant represents and warrants that there are no claims for brokerage commission or finders fees in connection with the execution of this Lease and hereby indemnities and holds Landlord harmless from and against all liabilities arising from any such claim, including, without limitation, attorney's fees and costs of litigation.

27.4 Exculpation. Tenant agrees that it shall look solely to the estate and property of the Landlord in the land and building comprising the Building of which the Demised Premises are a part for the collection of any judgment (or any other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed and performed by Landlord, and no other property or estates of Landlord shall be subject to levy, execution or other enforcement procedures for the satisfaction of Tenant's remedies.

27.5 Waiver. The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease as shall be deemed to have been waived by Landlord, unless such waiver be in writing signed by Landlord.

27.6 Partial Invalidity. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such

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term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, covenant and condition of this Lease shall be valid and enforced to the fullest extent permitted by law.

27.7 **Location.** The location of the Demised Premises is as shown on Exhibit "A".

27.8 **Waiver of Jury Trial and Counterclaims.** The parties hereto waive trial by jury in connection with proceedings or counterclaims brought by either of the parties hereto against the other. In the event of suit by the Landlord to collect rent, Tenant shall not interpose any counterclaim in such proceeding, provided, however, Tenant may assert such counterclaim in a separate action brought by Tenant.

27.9 **Holding Over.** If the Tenant remains in possession of the Demised Premises after the expiration of the term of this Lease without written consent of the Landlord, such holding over shall, if rent is accepted by the Landlord for any period after the expiration of the term of this Lease, create a tenancy at sufferance from month to month with respect to the Demised Premises on all the same terms and conditions as are in effect on the last day of the preceding term.

27.10 **Entire Agreement.** This Lease and the Exhibits, and Rider, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Demised Premises, and there are no covenants, promises, inducements, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by the Landlord and Tenant.

27.11 **Captions and Paragraph Numbers.** The captions, paragraph numbers, sub-paragraph numbers and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such paragraphs or sub-paragraphs of this Lease or in any way affect this Lease.

27.12 **Transfer of Landlord's Interest.** In the event of any transfer or transfers of Landlord's interest in the Demised Premises or in the Building, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Landlord accruing from and after the date of such transfer. All of the provisions of this Lease shall bind and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns.


27.13 **Term of Lease.** The "term of this Lease", "Lease term" or "term hereof" as used in this Lease means the initial term and any extensions or renewals of the Lease, if any and if exercised.

27.14 **Interest on Past Due Obligations.** Any amount due from Tenant to Landlord hereunder which is not paid when due shall bear interest at the highest rate of interest allowed by law (but not to exceed eighteen percent [18%] per annum) from the date due until paid unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease.

27.15 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor. All reference to "days" as used in this Lease shall mean calendar days.

27.16 **Recording.** The Landlord shall have the right to record this Lease or any memorandum of this Lease and, at the request of the Landlord, the Tenant agrees to execute a memorandum of lease or the necessary acknowledgment required to record the Lease. Tenant shall not record this Lease without the prior written consent of Landlord.

27.17 **Radon Gas.** Radon gas is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, it may present health risks to persons who are exposed to it over a period of time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Initials


27.18 Successors and Assigns. All rights, obligations and liabilities of this Lease given to, or imposed upon, the Landlord or Tenant hereto shall extend to and bind the several and respective heirs, executors, administrators, successors, sub-Tenants and assigns of said parties, subject to the provisions of Paragraph 18. If there shall be more than one Tenant or the Tenant is a partnership, each Tenant and each partner of Tenant shall be bound jointly and severally by the terms, covenants and agreements of this Lease. The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein; and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. No rights shall inure to the benefit of any subtenant or assignee of Tenant unless the subleasing to such subtenant or the assignment to such assignee has been approved by Landlord in writing.

27.19 Quiet Enjoyment. Upon payment by the Tenant of the minimum rent, percentage and additional rent and all other sums due hereunder and upon the observance and performance of all covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Demised Premises for the term of this Lease without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless, to the terms and conditions of this Lease.

27.20 Applicable Law. The laws of the State of Florida shall govern the validity, interpretation, performance and enforcement of this Lease.

27.21 Authorization. In the event that the Tenant is a corporation or a partnership, the individual executing this Lease on behalf of the Tenant hereby warrants and represents that the

27.22 Offer to Lease. The submission of this Lease by Landlord to Tenant does not constitute an offer to lease on the part of the Landlord, and Landlord will not execute this Lease unless and until the terms and conditions of this Lease have been approved by Landlord's attorneys. This Lease shall not be binding upon the Landlord, and Tenant shall have no rights in and to the Demised Premises, until execution by the Landlord and delivery to Tenant of a fully executed copy of this Lease.

27.23 Agency Disclosure. In compliance with the Florida Real Estate Commission, the Tenant acknowledges that Urban Realty Management Services Inc. is acting as Agent on behalf of Commodore Plaza Parking LLC. The Tenant acknowledges that this Agency Disclosure was read and understood prior to the execution of this Lease agreement.

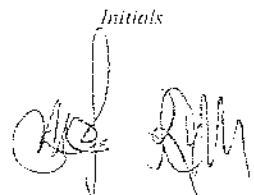
27.24 Option to Renew. Provided that Tenant is not in default under any of the terms and conditions of this Lease, including, without limitation, the payment of rent, Tenant shall have the right and option to extend the term of this Lease for thirty (30) terms of one (1) year each (hereinafter referred to as "Extension Terms"). Said right and option shall only be exercisable by Tenant sending written notice thereof to Landlord on or before the date that is at least six (6) months prior to the expiration of the initial term, but in no event sooner than nine (9) months prior to said date (hereinafter referred to as an "Extension Notice").

27.24.1 In addition to all other terms and conditions of this Lease and not as a limitation thereof, if, on the day immediately preceding the commencement date of the Extension Term, Tenant is in default under any of its obligations under this Lease, then Tenant shall not be entitled to extend the term of this Lease, as aforesaid, and Tenant's Extension Notice as to said Extension Term shall, at the Landlord's option, be deemed to be null and void ab initio.

27.24.2 If the right and option to extend the term of this Lease for the Extension Term is exercised by Tenant, the Extension Term shall be upon all of the same terms and conditions of this Lease, and minimum rent will continue to be adjusted as in the original term of the Lease.

27.25 Roll Down Security Gates. Tenant shall be permitted to install a roll down security gate on the interior of Tenant's store front. The specifications for the installation of the storefront are subject to the Landlord's written approval, and compliance with all applicable codes.

27.26 Energy Efficiency. Tenant is advised that pursuant to Florida Statutes section 553.996, Tenant may have

Initials


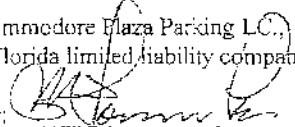
the energy efficiency rating of the building determined.

27.27 General Indemnity and Hold Harmless. Except for Landlord's gross negligence and/or breach of an express warranty included in this Lease, Tenant shall indemnify, protect, defend and hold harmless the Demised Premises, the Landlord, Landlord's agents, employees, partners, and lenders, from and against any and all claims, loss of rents, damages, costs, expenses, liens, judgments, penalties, legal and administrative proceedings, permits, attorneys' fees, consultant's fees, obligations and/or liabilities arising out of, involving or in any way dealing with the occupancy of the Demised Premises by Tenant, the conduct of Tenant's business, any act or omission of Tenant, the neglect or gross negligence of Tenant or Tenant's agents, employees, contractors, invitees and/or any default or breach by the Tenant of the performance, in a timely manner, of any duty or obligation on Tenant's part to be performed under this Lease. The foregoing shall include, but not be limited to, the defense or pursuit of any claim or any action or proceeding involved therein and whether or not (in the case of claims made against the Landlord) litigated and/or reduced to judgment and whether well founded or not. In case any action or proceeding is brought against the Landlord by reason of any of the foregoing matters, Tenant, upon notice from Landlord shall defend the same at Tenant's expense, by counsel satisfactory to Landlord, and Landlord shall cooperate with Tenant in such defense. Landlord need not have first paid such claim or demand in order to be so indemnified.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

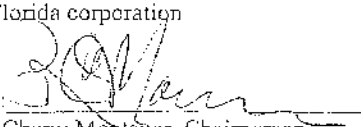
LANDLORD:

Commodore Plaza Parking L.C.,
a Florida limited liability company

By: 
Manuel Alonso-Poch, Manager

TENANT:

Acting For All Inc.,
a Florida corporation

By: 
Chuny Montaner, Chairperson

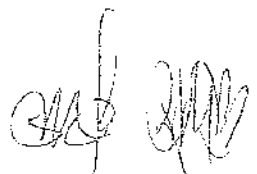


EXHIBIT "1"

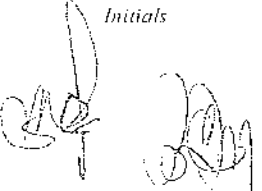
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EXHIBIT "2"

DESCRIPTION OF LANDLORD'S AND TENANT'S WORK

Landlord's Work

Tenant acknowledges that the Demised Premises was previously constructed under the terms of a prior lease and that Tenant accepts the Demised premises in an "AS IS" condition. The description of Landlord's Work contained herein is provided solely to delineate the responsibilities of the parties in the event that the Demised Premises are to be reconstructed as provided for in Section 2 of this Lease.

A. Structure

1. Structural frame consisting of columns and beams in accordance with governing and applicable building codes.
2. All exterior walls enclosing the Demised Premises including party walls separating adjacent tenants and including storefront.
3. Concrete floor slab.
4. Rough concrete ceiling.

B. Plumbing

None.

C. Heating and Air Conditioning

Existing Systems.

D. Electrical

Existing Systems.

E. Fire Sprinklers

Existing Automatic fire sprinkler system.

F. Paint.

Existing

2. Tenant's Work

Tenant shall be responsible for completing all work required to open the Demised Premises for business with the public, except that in the event that the Demised Premises is to be reconstructed in accordance with the provisions of Paragraph 12 of this Lease Tenant shall not be responsible for these

B. Furniture, Fixtures and Signs

All furnishings, trade fixtures, signs and related parts, including installation. Location, size and design of all signs subject to prior written approval of Landlord.

C. Hot Water Heater

Install hot water heater, if required.

D. Utilities Services

Upon its occupancy of the Demised Premises Tenant, at Tenant's expense, shall cause meters for all utility services to be installed and shall pay for all such services with the commencement of such occupancy.

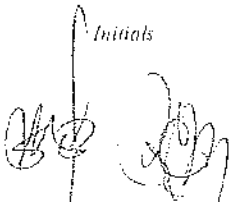
Initials


EXHIBIT "3"
SIGN REQUIREMENTS

TENANT'S OUTDOOR SIGN SPECIFICATIONS

Tenant shall be required to conform with the following construction specifications unless Tenant obtains a waiver thereof in writing from Landlord:

1. LOCATION OF SIGN

The location of the Tenant's outdoor sign shall be on the face of the building where the current sign hanging bracket is located.

2. SIZE OF TENANT SIGN

Size of sign shall fit within the standard sign board for the Demised Premises.

3. PROJECTION OF TENANT'S SIGN

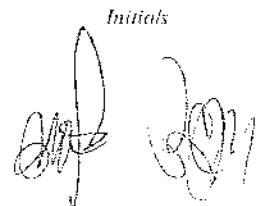
- (a) The sign shall not project outside of the sign board.

ERECTION AND REMOVAL OF TENANT'S SIGN

- (a) All sign work shall be done in workmanlike manner and approved by Landlord before installation.
- (b) Any damage to facia shall be repaired by Tenant at Tenant's expense and to Landlord's satisfaction and approval.
- (c) All local ordinances must be complied with.
- (d) No painting of any type will be permitted on facia.
- (f) Upon vacating the Demised Premises Tenant shall remove sign and restore facia to original condition at the Tenant's expense, and to the satisfaction and approval of the Landlord.

6. APPROVAL



The shop drawing for Tenant's sign must be submitted to the Landlord in duplicate for approval and no work is to commence until said approval is received by the Tenant from the Landlord. Landlord's approval shall not relieve the Tenant from the duty of conforming with any and all applicable city and county ordinances, laws, regulations and inspections.

Initials


Rules & Regulations

Tenant agrees to comply with, abide and be bound by the following Rules and Regulations for the use of the Building, as the same may be amended, supplemented and/or modified from time to time by the Landlord.

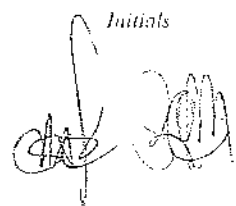
1. All trash shall be disposed of daily in the trash receptacle at the rear of the Building.
2. The parking of vehicles used by Tenant and Tenant's employees shall be restricted to the area designated by the Landlord.
3. No person shall use any roadway, sidewalk, or walkway, except as a means of egress or ingress to any floor area and automobile parking areas within the Building, or adjacent public streets. Such use shall be in an orderly manner, and in accordance with the directional and other signs or guides. Roadways shall not be used for parking or stopping, except for the immediate loading or unloading of passengers. No sidewalk or walkway shall be used for other than pedestrian travel.
4. No tenant shall use any automobile parking areas except for the parking of motor vehicles during the period of time such person or the occupants of such vehicles are customers or business invitees of retail establishments within the Building. All motor vehicles shall be parked in an orderly manner within the painted lines defining the individual parking space.
5. No person, without the consent of the Landlord, shall, in or on any part of the common area:
 - A. Vend, peddle or solicit orders for the sale or distribution of any merchandise, device, service, periodical, book, pamphlet, or other matter whatsoever.
 - B. Exhibit any sign, placard, banner, notice, or other written material.
 - C. Solicit signatures on any petition or for any other purpose, disseminate any information in connection therewith, or distribute any circular, booklet, handbill, placard, or any other material that has no relationship to any purpose for which the Building was built.
 - D. Solicit membership in any organization, group, or association, or solicit contributions for any purpose which has no relationship to the Building.
 - E. Parade, rally, patrol, picket, demonstrate, or engage in any conduct that might tend to interfere with or impede the use of any of the Common Area by the customer, business invitee, employee, or Tenant of the Building, create a disturbance, attract attention, or harass, annoy, disparage, or be detrimental to the interest of any of the retail establishments within the Building.
 - F. Throw, discard, or deposit any paper, glass, or extraneous matter of any kind, except in designated receptacle, or create litter hazards of any kind.
 - G. Use any sound making device of any kind or create and produce in any manner noise or sound that is annoying, unpleasant or distasteful to any other Tenant, occupant, or adjacent resident.
 - H. Deface, damage, or demolish any sign, light standard or fixture, landscaping, material, or other improvement within the Shopping Center, or the property of customers, business invitees, or employees situated within the Shopping Center.

Initials
 

6. Landlord shall have the right to remove or exclude from or to restrain (or take legal action to do so) any unauthorized person from, or from coming upon, the Building, or any portion thereof, and to prohibit, abate, and recover damages arising from any unauthorized act, whether or not such act is in express violation of the Rules and Regulations set forth herein.

7. Landlord reserves the right to amend, supplement, and/or modify these Rules and Regulations as in its judgment may from time to time be necessary for the safety and cleanliness of, for the preservation of good order in, and the efficient operation of the Building.

8. No Tenant shall display any sign within its demised premises that can be seen from the outside of its demised premises without first obtaining approval from the Landlord as to the shape, size, location, color and wording of such sign.

Initials
Handwritten initials, possibly "JF" and "AM", written in dark ink.

APPENDIX C

MANAGEMENT AGREEMENT

MANAGEMENT AGREEMENT

between

EDU MANAGEMENT LLC.,
a Florida limited liability company

and

ACTING FOR ALL, INC.,
a Florida not- for profit corporation

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MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (the "Agreement") is made and entered into as of the 23rd day of December, 2003, by and between **EDU MANAGEMENT LLC.**, a Florida corporation ("EDU"), whose address for notice is 3138 Commodore Plaza Miami, Florida 33133 and **ACTING FOR ALL, INC.**, a Florida not-for-profit corporation (the "Charter School"), whose address for notice is 3138 Commodore Plaza Miami, Florida 33133.

WITNESSETH:

WHEREAS, the Charter School has a charter contract, (the "Charter"), from the School Board of Miami-Dade County (the "Sponsoring Entity") to operate as a charter school, and the Sponsoring Entity; and

WHEREAS, the Charter School has determined that it is in the Charter School's best interest to contract with a qualified and competent educational management consulting firm capable of providing consulting services necessary to properly manage and operate the Charter School; and

WHEREAS, EDU is in the business of providing charter schools with consulting services required to properly and successfully manage, operate and administer the Charter School; and

WHEREAS, the Charter School wishes to hire EDU, and EDU wishes to be hired by the Charter School to manage and operate the Charter School upon the terms and conditions set forth herein; and

NOW, THEREFORE, for mutual and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree with each other as follows:

1. **Recitals.** The recitals set forth above are true and correct and are incorporated herein by reference. All exhibits to this Agreement are hereby deemed to be a part hereof.
2. **Hiring.** The Charter School agrees to hire EDU, and EDU agrees to be hired, for the purpose providing the Charter School with management and operating consulting services required to manage, operate and administer a charter school named the Academy of Arts & Minds located at 3138 Commodore Plaza in Coconut Grove, Florida, (the "School"), with an anticipated student body of approximately 500 students in accordance with the terms of the Charter granted by the Sponsoring Entity.
3. **Primary Term** The term of this Agreement shall commence on July 1, 2011 and shall terminate on June 30, 2016, (the "Termination Date"), unless extended or terminated earlier pursuant to the provisions of this Agreement, or in the event that the Sponsoring Entity terminates the Charter during the term hereof or any extension periods otherwise set forth herein.

3.1 Extension of Primary Term. The Charter School hereby grants to EDU the right to extend the primary term of this Agreement for five (5) one (1) year periods, subject to the same covenants and conditions herein contained, upon the occurrence of the following: (i) EDU giving the Charter School written notice of its intention to renew the Management Agreement for the next extended term not less than one hundred eighty (180) days in advance of the expiration of the then current term; (ii) EDU is not in default under any one or more of the terms of this Management Agreement.

4. The School. The School shall be a high school with grades 9 through 12, of approximately 500 pupils at 3138 Commodore Plaza, Coconut Grove, Florida.

5. Services to be provided by EDU. EDU shall, in consultation with the Charter School, provide management services to operate the School according to the Charter, and all applicable laws, ordinances, rules, and regulations and in connection with the proper and successful organization, development, staffing, management, operation and administration of the School, EDU shall provide services to the Charter School. And the Charter School shall provide office space, within the Charter School facilities, as reasonably required by EDU for EDU to provide the services to the Charter School as contemplated in this Agreement.

5.1 Establishment of the School Image. EDU, in consultation with the Charter School shall develop and market the image of the School as an arts based charter school.

5.2 Establishment of the School Curriculum and SACS Accreditation. EDU shall, with the advice of the Charter School, develop, plan, implement and oversee an arts based curriculum for the School that complies with federal and state law, the policies of the Sponsoring Entity, the Charter School, the Charter and the Southern Association of Colleges and Schools (SACS), which curriculum shall contain, but not be limited to, rules and requirements relating to students admissions, bilingual education, student records, access to equal educational opportunities, school year and school day requirements, special education, student testing, extra-curricular and co-curricular activities and programs.

5.3 Establishment of Student Recruitment, Enrollment, Testing Procedures and Educational Performance. EDU shall, in consultation with the Charter School, (a) design, implement and oversee student recruitment and enrollment procedures and (b) oversee the administration of all standard tests to the students of the School which are required by law, the Sponsoring Entity policy and the Charter. EDU will use every reasonable effort to ensure that student scores increase from year to year, shall implement systems to monitor such performance and take all reasonable steps to enable the student body of the School to continually progress and improve its collective academic performance.

5.4 Development of the School Faculty.

(a) EDU and the Charter School agree that the academic performance is of paramount importance to the maintenance of the Charter, and understands that the Sponsoring

Entity may revoke the Charter if the School's overall academic performance falls below standards established by the Sponsoring Entity. The parties agree that academic qualifications and performance of School Personnel employed by EDU to work at the School will be paramount in the overall performance of the School. The parties also agree that there is a special mission with respect to the artistic direction of the School, and that the Board has a special interest in the Founder of the Charter School overseeing the implementation of this mission.

(b) EDU and the Charter School shall work collaboratively, to recruit qualified personnel to properly and efficiently operate the School, including the School's principal, school administrators, teachers, clerical and other staff, (the "School Personnel"), for the School to operate in compliance with the Charter. EDU and the Charter School shall submit to each other the names and credentials of proposed candidates to fill School Personnel positions at the School. EDU and the Charter School shall make mutually convenient arrangements to jointly interview and approve the hiring of candidates proposed to fill open School Personnel positions. Either party may waive their right to interview a candidate for a School Personnel position. Such waiver shall be made in writing. School Personnel shall be hired upon the written approval of EDU and the Charter School and employed by the Charter School.

5.5 Employee Benefits. EDU shall in consultation with the Charter School, determine the benefits to be offered by EDU to School Personnel, ("Employee Benefits"). The costs associated with such Employee Benefits shall be paid from the Annual Charter School Operating Budget, as defined in Section 5.8 of this Agreement.

5.6 Discipline & Termination of School Personnel. EDU and the Charter School shall jointly adopt a disciplinary and termination policy. The policy adopted shall establish a process by which EDU employees working at the School are disciplined and shall include provisions for the parties keeping each other regularly and fully informed of any disciplinary actions undertaken, including actions involving the termination of School Personnel. The policy and procedures established shall be followed by the parties during the term of this Agreement.

5.7 Contract Administration. EDU shall, in consultation with the Charter School, coordinate, negotiate and administer contracts that may from time to time be entered into by the Charter School for necessary services performed by third parties.

5.8 Annual School Operating Budget. EDU and the Charter School shall jointly prepare and submit to the Governing Board of Directors of the Charter School a detailed annual budget of the School on or before April 15 of each year (the "Annual Charter School Operating Budget"). The Annual Charter School Operating Budget shall include the total number of student stations for the coming academic year, as well as all recommended capital purchase requests, debt repayments and/or cash loans required, operating revenues and operating expenditures for the following school year. EDU shall implement practices reasonably designed to maintain the operation of the School in the Annual Charter School Operating Budget, as approved by the Charter School.



5.9 Accounting & Financial Reporting. EDU shall, under the supervision and in consultation with the auditors designated by the Charter School, perform all accounting and financial management and reporting functions for the Charter School as required by the Charter in accordance established accounting principles and abide by the budgetary parameters established by the Annual Charter School Operating Budget. EDU shall regularly supervise the Charter School's Operating Account, established by the Charter School, in the name of the Charter School. EDU shall assist the Charter School administration with the maintenance of the Charter School's business affairs, accounts payable and accounts receivable. EDU shall prepare and submit to the Charter School monthly financial statements within twenty (20) days after the end of the preceding month. Monthly financial statements shall consist of a balance sheet and a statement of revenues and expenditures reflecting the Charter School's monthly and year-to-date activity for both budget and actual activity.

5.10 Audits The Charter School's books and financial records pertaining to the operation of the School, kept by EDU, shall be provided to representatives of the Charter School by EDU upon written request by the Charter School, within a reasonable time not to exceed seven (7) working days. The Charter School's books and financial records shall be audited by the auditors designated by the Charter School, on a yearly basis, (the "Yearly Audit") EDU shall assist the Charter School and the Charter School auditors in expeditiously conducting the Yearly Audit.

5.11 Annual Report EDU shall prepare and submit to the Charter School Board of Directors an annual report within forty-five (45) days of the close of each school year in accordance with the Charter. The annual report shall consist of financial reports for the year, recap reports regarding school and student body performance during the school year concluded and plans and projections for the upcoming school year.

5.12 Payroll Administration. EDU shall engage a payroll company to prepare, maintain, administer, and report to the Charter School on a monthly basis all payroll of School employees employed by EDU at the School, including, processing and issuing all checks, maintaining all reports and payroll records and filing all necessary forms and returns, including workers compensation compliance. All payroll, financial and operational School records shall be segregated and separated from all other EDU payroll records and shall be reported in a manner allowing the payroll costs to be traced directly to the financial expenditures of the Charter School. EDU may in consultation with the Charter School, to employ a payroll service to administer this function on behalf of EDU.

5.13 Cafeteria Management Service EDU shall advice and assist the Charter School to comply with all federal, state, and Sponsoring Entity, laws, ordinances, rules, and regulations and the Charter regarding the provision of food service to all students attending the Charter School.

5.14 Charter School Insurance . EDU shall provide advice and assist the Charter School to comply with all insurance requirements set forth in the Charter. The costs associated

with purchasing such insurance coverage for the Charter School shall be paid for from the Annual Charter School Operating Budget.

5.15 Transportation. EDU shall, in consultation with the Charter School, contract with public or private entities or individuals to provide transportation to students attending the School.

5.16 Parent Activities. EDU shall advise and assist the Charter School to coordinate and oversee the School's parent teacher volunteer groups and other organized parental involvement intended to further the goals of the Charter School, including contractually established parental participation of children enrolled in the School.

5.17 Public Relations; Fund Raising Activities .

5.17.1 Public Relations EDU shall advise and assist the Charter School in the coordination and oversight all official School public relations activities, including community outreach, press releases, and media relations. Official communications issued by EDU shall be subject to the advice of the Charter School. Official communications issued by the Charter School shall likewise be subject to the advice of EDU.

5.17.2 Fund Raising Activities . EDU shall advise and assist the Charter School in fund raising activities on behalf of the Charter School. The Charter School shall maintain regular and continuous fund raising activities throughout the school year and cooperate fully with all fund raising efforts. The Charter School shall appoint a development committee, (the "Development Committee") and elect a chairperson to lead the committee. The Charter School, the Development Committee and EDU's staff shall work jointly and cooperatively to solicit grants and donations from public and private sources for the Charter School.

5.20 Coordination with Sponsoring Entity. EDU shall have the responsibility of coordinating Charter School activities required by the Sponsoring Entity and the Charter and to coordinate compliance with all reasonable requests of the Sponsoring Entity regarding the Charter School.

6. Responsibilities of the Charter School. Charter School as specified below shall be responsible for the following:

6.1 Maintenance of School Entity. The Charter School is a Florida not-for-profit entity.

6.2 Establishment of Operating Account. Charter School shall establish an Operating Account with a local banking institution for the operation of the School.

6.3 Cooperation. The parties shall, to the best of their ability and in good faith, share with each other all information, including information received from the Sponsoring

Entity so as to comply with the obligations set forth in this Agreement. Any information, whether written or oral, including information transmitted by the Sponsoring Entity to the parties shall be communicated between the parties promptly.

6.4 **Complaints**. The Charter School and EDU shall jointly take every action warranted by the circumstances to resolve any complaints relating to the Charter School's compliance with applicable legal requirements brought by parents, teachers, staff or any other person.

6.5 **Maintenance of Charter**. Subject to the provisions of Section 12 hereof, the Charter School shall do, or cause to be done, all things necessary to ensure that all legal requirements, and all conditions as may have been imposed by the authority granting the Charter, are fully complied with at all times. If the Charter School shall at any time receive notice that the School is or may be in violation of the Charter, the Sponsoring Entity's rules or any provision of any applicable law or regulation, the Charter School shall immediately communicate to EDU, in writing, the receipt of such notice of violation and shall thereafter work diligently with EDU, to correct any such noticed violation. EDU shall do, or cause to be done, all things necessary to ensure that all legal requirements, and all such conditions as may have been imposed by the authority granting the Charter, are fully complied with at all times. If EDU shall at any time receive notice that the School is or may be in violation of the Charter, the Sponsoring Entity's rules or any provision of any applicable law or regulation, EDU shall immediately communicate to the Charter School, in writing, the receipt of such notice of violation and shall thereafter work diligently with EDU to correct any such noticed violation.

6.6 **Tax Status**. Charter School shall take all reasonable steps to maintain status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, if applicable, state law such that contributions to the Charter School are tax exempt to the donor for federal income tax purposes. If the Charter School and EDU conclude it is appropriate to do so, the Charter School may seek to establish a separate tax-exempt organization to conduct fund raising activities and receive tax deductible contributions in support of the Charter School and/or of education generally.

6.7 **Security**. If necessary and warranted, at the suggestion of EDU and on the advice of the Charter School, the Charter School shall hire security guard(s) to provide security for the Charter School grounds during Charter School hours, and one-half (½) hour prior to Charter School hours and one-half (½) hour after Charter School hours. Costs associated with such security shall be paid for from the Annual Charter School Operating Budget.

5.7 **Training and Continuing Education of Educational Faculty and Staff**. The Charter School shall be responsible of assuring compliance with (a) the training and continuing education of the School's educational faculty, including the principal, the administrators, and State of Florida certified teachers working at the School and (b) the implementation and monitoring of professional development activity requirements applicable to the School's

administrative and instructional personnel. The costs associated with such activities shall be paid for from the Annual Charter School Operating Budget.

7. Management and Development Fees.

7.1 Management Fee Over the Term. The Charter School shall pay EDU a management fee equal to TWO HUNDRED DOLLARS 00/100 (\$200.00) per pupil per year, over the Primary Term and the extension of this Agreement, (the "Management Fee"), which Management Fee shall be paid to EDU on a monthly basis from the Annual Charter School Operating Budget after (i) the Charter School receives the revenue and (ii) payment of all School Expenses budgeted in the Annual Charter School Operating Budget.

7.2 Annual Reconciliation of Management Fee. At the end of each School Fiscal Year, the parties agree to reconcile Management Fees paid for the preceding year.

7.3 Subcontracts. EDU may, in consultation with the Charter School, subcontract for the performance of any of its responsibilities set forth in this Agreement.

7.8 Non-Solicitation. Unless the written consent of the Charter School is first obtained, EDU shall not, transfer to another school managed or operated by EDU, or cause any of EDU's affiliates, agents, or independent contractors to employ during the term of this Agreement and for a period of one (1) year after the termination of this Agreement, any person who is, or has been employed at the School by EDU or by the Charter School or any affiliate or subsidiary of the Charter School to render services as an employee, independent contractor or any other capacity.

Unless the written consent of EDU is first obtained, the Charter School shall not, employ, or cause or permit any of the Charter School's affiliates, agents, or independent contractors to employ or to render services as an employee or independent contractor in any capacity, during the term of this Agreement and for a period of one (1) year after the termination of this Agreement, any person who is, or has been employed by EDU or any affiliate or subsidiary of EDU.

8. Indemnification.

8.1 EDU agrees to indemnify, defend with counsel (reasonably acceptable to Charter School) and hold Charter School and their respective officers, employees, and agents (the "Indemnified Parties"), harmless from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorney's fees, arising out of, connected with or resulting from the negligence, intentional wrongful act or misconduct of EDU in connection with the EDU's breach of this Agreement or law; and any failure by EDU to pay its suppliers or subcontractors. The duty to indemnify will continue in full force and effect notwithstanding the expiration or termination of the Agreement with respect to any claims based on facts or conditions which occurred prior to such expiration or termination.



8.2 Charter School agrees to indemnify, defend with counsel (reasonably acceptable to EDU) and hold EDU, its officers, employees, and agents (the "EDU Indemnified Parties"), harmless from any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorney's fees, arising out of, connected with or resulting from the negligence, intentional wrongful act or misconduct of Charter School in connection with the Charter School's breach of this Agreement or law; and any failure by Charter School to pay its suppliers or subcontractors. The duty to indemnify will continue in full force and effect notwithstanding the expiration or termination of the Agreement with respect to any claims based on facts or conditions which occurred prior to such expiration or termination.

8.3 Upon receiving notice of a claim or a potential claim, (a "Third Party Claim"), the party seeking indemnification shall notify the other party of the existence of such claim or potential claim, and demand the other party to defend the claim or potential claim as if its own, at its expense and with its own counsel, provided however that the Charter School or EDU shall at all times have the right to participate in such defense with its own counsel.

8.4 If, within a reasonable amount of time after receipt of notice of a Third Party Claim, Charter School or EDU shall fail to undertake to so defend, the party seeking indemnification shall have the right, but not the obligation, to defend and to compromise or settle (exercising reasonable business judgment) the Third Party Claim for the account and at the risk and expense of the party responsible for indemnification hereunder. Each party agrees to cooperate and to make available to the other party, such information and assistance as may be reasonably requested in connection with the defense of a Third Party Claim.

9.0 **Compliance with Applicable Law and Charter.** EDU shall be responsible for ensuring that the Charter School complies with all laws, ordinances, rules and regulations applicable to it, including the terms of the Charter.

10. **Management and Operation of Other Arts Based Schools.** EDU shall not manage or operate any other arts based charter school or private school in Miami-Dade County without first obtaining the Charter School's written consent to do so.

11. **Right of First Option to Develop other Arts Based Schools in Miami-Dade County.** If during the term of this Agreement or any extension hereof, EDU or EDU's, successors or assigns shall receive and desire to accept any bona fide offer to develop another arts based school in Miami-Dade County EDU shall notify the Charter School, in writing by certified mail, together with a true and correct copy of such offer of such desire to develop another arts based school in Miami-Dade County. The Charter School shall have the right of first refusal to develop such arts based school by giving EDU written notice of its election to do so within sixty (60) days after receipt of the notice from EDU. In the event the Charter School fails to notify EDU of its election within the sixty (60) day period, EDU shall have the right to develop an arts based school in Miami-Dade County.



12. Default. The following events or conditions shall be an event of default (an "Event of Default"):

12.1 Failure by Charter School to pay any amount due hereunder within fifteen (15) days after written notice that such amount is due; or

12.2 Failure to duly and punctually observe and perform the obligations created under this Agreement (except for any obligation to pay money), and such default continues for at least thirty (30) days following written notice to the defaulting party; or

12.3 If either party shall under such law as shall be applicable to it commence any case or proceeding, or file any petition in bankruptcy, or for reorganization, liquidation or dissolution, or be adjudicated, insolvent or bankrupt, or shall apply to any tribunal for a receiver, intervenor, conservator or trustee for itself or for any substantial part of its property; or if there shall be commenced against it any such action and the same shall remain un-dismissed; or if by any act it shall indicate its consent to, approval of, or acquiescence in any such proceeding, or the appointment of any receiver, intervenor, conservator or trustee for it or any substantial part of its property or shall suffer any of the same to continue undischarged; or if it shall become subject to any intervention whatsoever that shall deprive it of the management of the aggregate of its property or any substantial part thereof; or if it shall wind up or liquidate its affairs or there shall be issued a warrant of attachment, execution, or similar process against any substantial part of its property, and such warrant, execution or process shall remain un-dismissed, unbounded or undischarged for a period of ninety (90) days, this Agreement shall be deemed immediately terminated upon the occurrence of such event; or

12.4 Upon the occurrence of an Event of Default, the non-defaulting party shall be entitled to pursue all remedies available under law or equity, including without limitation, terminating this Agreement upon seven (7) days prior written notice.

13. MISCELLANEOUS PROVISIONS

13.1 Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and supersedes all other negotiations, understandings, and representations (if any) made by and between such parties. The provisions of this Agreement may not be amended, supplemented, or waived orally, but only by a writing signed by the parties and making specific reference to this agreement.

13.2 Assignments Neither party may assign its rights or obligations hereunder without the prior written consent of the other party to this Agreement.

13.3 Further Assurances The parties hereby agree from time to time to execute and deliver such further and other assurances, assignments and documents and do all matters and things which may be convenient or necessary to more effectively and completely carry out the intentions of this Agreement.



13.4 Relationship of Parties The relationship between the parties hereto shall be solely as set forth herein and neither party shall be deemed to employee, agent, partner, or joint venturer of the other.

13.5 Interpretations This Agreement shall not be construed more strictly against one party than against the other merely because it may have been prepared by counsel for one of the parties, it being recognized that both parties have contributed substantially and materially to its preparation.

13.6 Time of the Essence Time of performance by either party of each and every provision or covenant herein contained is of the essence of this Agreement.

13.7 Binding Effect All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, successors, and permitted assigns.

13.8 Notices All notices and other communications required or permitted under this Agreement shall be in writing and given by registered or certified mail, return receipt required;

If to EDU: EDU Management LLC.
3138 Commodore Plaza
Miami, Florida 33133
Attention: Manuel Alonso-Poch
Fax: (305) 448-1370

If to Charter School: Acting For All Inc.
3138 Commodore Plaza
Miami, Florida 33133
Attn: Ruth C. Montaner, Governing Board Chair
Fax: (305) 448-1100

or to such other address as any party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed; and

13.9 Headings The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

13.10 Severability If any part of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary,



prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.

13.11 Survival All covenants, agreements, representations, and warranties made herein or otherwise made in writing by any party pursuant hereto shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

13.12 Waivers The failure or delay of any party at any time to enforce this Agreement shall not affect such party's right to enforce this Agreement at any other time. Any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power, or remedy under this Agreement. No notice to or demand on any party in any case shall entitle such part to any other or further notice or demand in any other circumstance.

13.13 Outside Business Nothing contained in this Agreement shall be construed to restrict or prevent, in any matter, EDU or its representatives or principals from providing services to any third-party similar to the services provided pursuant to this Agreement.

13.14 Third Parties Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies on any person other than the parties hereto and their respective legal representatives, successors, and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right to subrogation or action over or against any party to this Agreement.

13.15 Jurisdiction and Venue The parties acknowledge that a portion of the negotiations, anticipated performance and execution of this Agreement occurred or shall occur in Miami-Dade County, Florida, and that, therefore, without limiting the jurisdiction or venue of any other federal or state courts, each of the parties irrevocably and unconditionally:

(a) agrees that any suit, action or legal proceeding arising out of or relating to this agreement may be brought in the courts of record of the State of Florida in Miami-Dade County or the court of the United States, Southern District of Florida in Miami-Dade County.

(b) consents to the jurisdiction of each such court in any suit, action, or proceeding; and

(c) waives any objection which it may have to the laying of venue of any such suit, action, or proceeding in any of such courts.

13.16 Enforcement Costs In the event of any controversy arising under or relating to the interpretation or implementation of this Agreement or any breach thereof, the prevailing party shall be entitled to recover all court costs, expenses, and reasonable attorneys' fees (including, without limitation, all pre-trial, trial and appellate proceedings) incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.



13.17 Remedies Cumulative No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

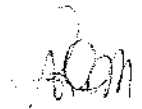
13.18 Counterparts This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument

13.19 Arbitration. The parties hereby agree that any action, dispute, claim, or controversy between or among the parties arising out of or in connection with this Agreement, whether sounding in contract, tort, or otherwise ("Dispute"), shall be resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. In the event of any inconsistency between such Rules and these arbitration provisions, these provisions shall supersede such Rules. All statutes of limitations which would otherwise be applicable shall apply to any arbitration proceeding described herein. In any arbitration proceeding subject to these provisions, the arbitrators are specifically empowered to decide (by documents only, or with a hearing, at the arbitrators' sole discretion) pre-hearing motions which are substantially similar to pre-hearing motions to dismiss and motions for summary adjudication. Any arbitration proceeding subject to these provisions shall be conducted in Miami-Dade County, Florida. Judgment upon the award rendered may be entered in any court of appropriate subject matter jurisdiction, which judgment may be domesticated in any jurisdiction for purposes of enforcement. The parties to this Agreement expressly subject themselves to the personal jurisdiction of any such court for the entry of any such judgment and for the resolution of any dispute, action or suit arising in connection with the entry of such judgment. Any Dispute subject to arbitration proceedings in accordance with this Agreement shall be decided by a majority vote of three arbitrators. The arbitrators shall have the power to award recovery of all costs and fees (including attorneys' fees, administrative fees, arbitrators' fees and court costs) to the prevailing party.

13.20 Governing Law. This Agreement and all transactions contemplated by this Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Florida, without regard to principles of conflicts of laws.

13.21 Records Retention. EDU and the Charter School shall jointly protect and maintain all records pursuant to and as required by the Charter.


13.22 Proprietary Information. EDU shall own all copyrighted and other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, or any other materials created and developed by EDU, its employees, agents or subcontractors, or by any individual working for or supervised by EDU, which is developed during working hours or during time for which the individual is being paid and which is specifically identified by EDU in



writing as being copyrighted or proprietary. EDU shall have the sole and exclusive right to license such materials for use by other school districts, public school, or customers or to modify and/or sell such material to other schools and customers, including this Charter School. Charter School and the Charter School, to the extent permitted by law, shall treat all proprietary information specifically identified in writing by EDU as though it were a trade secret and copyrighted and shall use efforts as may be reasonably requested by EDU so as not to disclose, publish, copy, transmit, modify, alter or utilize such proprietary information during the term of this Agreement or at any time after its expiration other than to the extent necessary for implementation of this Agreement.

13.23 Confidentiality. All parties agree that the terms of this Agreement shall be kept confidential. Each party agrees not to disclose the terms of this Agreement without first obtaining the prior written consent of the other party or unless in the good faith opinion of its counsel, such disclosure is required by law.

[remainder of this page intentionally left blank]

A handwritten signature in black ink, appearing to be 'CAF' with a stylized flourish.A handwritten signature in black ink, appearing to be 'Rem'.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

EDU MANAGEMENT LLC.
A Florida limited liability company

By: 

Title: MANAGER

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

ACTING FOR ALL INC,
a Florida not-for-profit corporation

By: _____

Print Name:

Title: CHANDLER

APPENDIX D

FOOD SERVICE AGREEMENT

FOOD SERVICE OPERATING AGREEMENT

This Agreement is made and entered into by and between **Acting For All Inc.**, a Florida corporation, hereinafter referred to as, ("AFAI"), and **A&M Square Food Service LLC.**, a Florida limited liability company, hereinafter referred to as ("Operator").

RECITALS

WHEREAS, AFAI requires the services of an cafeteria operator to provide food service to its students and Operator has the ability to provide such services to AFAI, and

WHEREAS, Operator is qualified to operate a cafeteria to provide food service to AFAI, and

WHEREAS, Operator has the required licenses to operate a food service establishment within AFAI premises,

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth the parties agree to the following:

1. **Operator to provide food services to AFAI students.** Operator agrees to provide AFAI students food service during breakfast and lunch at all times that the school is in session throughout the school year.
2. **Operator to operate for the general public after school hours.** AFAI agrees that Operator has the right to operate the cafeteria and sell food to the general public after regular school hours.
3. **Term.** This agreement shall commence on the 16th day of August 2010 and shall end the 15th day of August 2015.
4. **Exclusive right to provide food service.** So long as all the other provisions of this contract are met, Operator is granted the exclusive right to provide food services to AFAI students.
5. **Operator is an Independent Contractor for AFAI.** The relationship created by this Contract is that of an independent contractor. All debts, obligations, and other liabilities incurred by the Operator in the performance of its duties shall



be incurred in behalf of the Operator and the Operator shall be solely and exclusively liable for the payment of any such debts, obligations, and other liabilities.

6. **Scope of Food Services.** Operator shall provide food of the type customarily provided by food service operators to Miami-Dade County public schools. Operator shall have the exclusive right and privilege to sell food within the Academy of Arts & Minds' campus from 7:00 AM to 3:00 PM. AFAI shall prohibit the sale of food by anyone, including but not limited to AFAI and Academy employees, Academy students, parents or other vendors on school days during the hours of 7:00 AM to 3:00 PM.

7. **Operator's Human Resources.** Operator shall hire, promote, discharge, and supervise the work of Operator's staff and supervise through said staff the hiring, promotion, discharge, and work of all other operating and service employees performing services on behalf of the Operator. All staff shall be acceptable to AFAI.

8. **Occupancy.** Operator shall occupy the kitchen and food service area at 3138 Commodore Plaza Miami, Florida 33133 without charge or expense and shall be allowed to serve to the public after 3:30 pm. weekdays and all day Saturdays, Sundays, Holidays and at any other time when the Academy of Arts & Minds High School is not in regular session.

9. **Free and reduce lunches.** Operator shall provide students who qualify for free and reduced breakfast and lunch at the rates established by Dade County Public Schools: AFAI shall pay operator \$3.50 for each free lunch and \$1.50 for each reduced lunch. Operator shall invoice

10. **Operator's Inventory and Equipment.** Operator shall arrange for the purchase or purchase of all inventories, provisions, supplies, and operating equipment which in the normal course of business are necessary to provide the food services.

11. **Delivery of Applications for Licenses and Permits.** AFAI agrees to execute and deliver any and all applications and other documents and to otherwise cooperate to the fullest extent with operator in applying for, obtaining, and maintaining all required licenses and permits.

12. **Compliance with Applicable Laws.** Operator shall make all reasonable

efforts at Operator's expense to comply with all applicable laws, rules, regulations, requirements, and ordinances of any federal, state, or municipal authority, fire underwriters, and the requirements of any insurance companies covering any of the risks required to be covered.

13. **Insurance.** Operator shall provide or shall purchase, at Operator's expense, public and employer's liability, workmen's compensation, fire and extended coverage, and other such customary insurance deemed necessary for the protection of the interests of owner or operator, and shall name both owner and operator as insured parties.

14. **Indemnity.** Operator hereby agrees to indemnify and hold AFAI harmless from and against any liability, loss, damage, cost, or expense (including attorney's fees) by reason of any act or omission of Operator or Operator's agents, employees or delegates.

15. **Dispute Resolution.** Any and all disputes and controversies arising out of or in any manner relating to the performance of this agreement which cannot be settled by agreement between Operator and AFAI shall be settled by arbitration in accordance with the rules, then in effect of the American Arbitration Association. Any arbitration judgment shall be enforceable, and judgment upon any award rendered by all or a majority of the arbitrators may be entered in the court having jurisdiction. The arbitrator or arbitrators shall have the right only to interpret and apply the terms of this agreement, and may not change any such terms or deprive any party to this agreement of any right or remedy expressly or implicitly provided in this agreement. The expenses of arbitration shall be borne equally by the Operator and AFAI.

16. **Notices.** All notices, demands, and requests which may be or must be given by either party to the other shall be in writing. Notices shall be personally delivered or sent by United States certified mail to the address set forth on the signature page hereto.

17. **Assignment.** This Agreement or any part hereof may not be assigned.

18. **Termination by AFAI.** AFAI may terminate agreement if:

a. Operator shall fail to keep, observe, or perform any material covenant, agreement, term, or provision to be kept, observed, or performed by operator, and such default shall continue for a period of thirty days after notice thereof by owner to operator, or if such default cannot be cured within thirty days, then such

additional period as shall be reasonable, provided that operator has proceeded to cure such default;

b. Operator files a petition for adjudication as a bankrupt, for reorganization, or for an arrangement under any bankruptcy or insolvency law, or if any involuntary petition under any such law is filed against operator and not dismissed within sixty days;

c. Operator shall make any assignment of its property for the benefit of creditors;

d. The property's licenses or permits, including but not limited to occupancy, food are revoked because of the wrongful acts of the operator.

19. Termination by Operator. Operator may terminate agreement if:

a. AFAI shall fail to keep, observe, or perform any material covenant, agreement, term, or provision to be kept, observed, or performed by owner, and such default shall continue for a period of thirty days after notice thereof by operator to owner, or if such default cannot be cured within thirty days, then such additional period as shall be reasonable, provided that owner has proceeded to cure such default;

b. AFAI files a petition for adjudication as a bankrupt, for reorganization, or for an arrangement under any bankruptcy or insolvency law, or if any involuntary petition under any such law is filed against owner and not dismissed within sixty days;

c. AFAI shall make any assignment of its property for the benefit of creditors;

d. The property or any portion thereof occupied by the Operator shall be damaged or destroyed by fire or other casualty and if owner fails to undertake to repair, restore, rebuild, or replace any such damage or destruction within 30 days after such fire or other casualty, or shall fail to complete such work diligently;

e. The property is condemned in whole or in part if operator determines that the remaining facilities are insufficient for the profitable Operation of the food service business.

20. **No Partnership or Joint Venture Created.** Nothing contained in this agreement shall constitute or be construed to be or create a partnership or joint venture between the Operator and AFAI, its successors or assignees, on the one part, and operator, its successors or assignees, on the other part.

21. **Modifications.** This agreement cannot be changed or modified except by another agreement in writing signed by the party sought to be charged therewith.

22. **Entire Agreement.** This agreement constitutes all of the understandings and agreements of whatsoever nature or kind existing between the parties with respect to operator's use of the property.

23. **Consents and Approvals.** Whenever under any provision of this agreement the approval or consent of either party is required, said approval and consent shall be given or denied in a prompt manner.

24. **Governing Law.** This agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the state of Florida.

25. **Invalidity.** If any provisions of this agreement or the application of any provision to any person or circumstance is held invalid or unenforceable the remainder hereof and the application of such provision to other persons or circumstances shall remain valid and enforceable.

26. **Binding Effect.** This agreement shall be binding upon and insured to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns.

27. **Waiver.** The failure of either party to insist upon a strict performance of any of the terms or provisions of this agreement or to exercise any option, right, or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right, or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.


28. **Enforceability.** Any provision herein to the contrary notwithstanding, it is agreed that none of the obligations hereunder of either party shall run to, or be enforceable by any party other than the other party to this agreement.

29. **Counterparts.** This agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

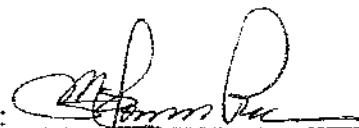
30. **Supplemental Action.** The parties shall execute and deliver all other appropriate supplemental agreements and other instruments and take any other action necessary to make this agreement fully and legally effective, binding, and enforceable, as between the parties, and as against third parties.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals for the purposes herein stated on this 15 day of August, 2010.

Acting For All Inc.

By: 
Ruth C. Montaner,
Governing Board Chairperson

A&M Square Food Service LLC.

By: 
Manuel Alonso-Poch, Manager

APPENDIX E

OPINION FROM
SHUTTS & BOWEN, LLC

SHUTTS
&
BOWEN
LLP

KEVIN D. COWAN
PARTNER
(305) 379-9110 Direct Telephone
(305) 347-7710 Direct Facsimile

E-MAIL ADDRESS:
kcowan@shutts.com

May 10, 2012

VIA EMAIL

josemontesdeoca@dadeschools.net

Jose F. Montes de Oca
Chief Auditor
Miami-Dade County School Board
Miami, Florida

Re: Restated Commercial Lease between Commodore Plaza Parking LLC, a Florida limited liability company ("Landlord"), and Acting for All Inc., a Florida not-for-profit corporation ("Tenant") having a Restatement date of June 1, 2007 and consisting of 28 initialed pages (which includes 3 Exhibits, the first of which is blank) (collectively, the "Lease")

Gentlemen:

You have asked Shutts & Bowen (this "Firm"), acting as special counsel to the Miami-Dade County School Board, to review the Lease and the email dated February 10, 2012, 10:17 am from Manuel Alonso Poch to Jon Goodman, jsuarez@aandm.net and Daniel@woodringlawfirm.com (the "Email") and then (i) advise you of any significant legal terms set forth in the Lease which we find to be very unusual, and (ii) based upon our general experience as commercial real estate lawyers who have reviewed many lease transactions (although not charter school leases), advise you of any significant business terms set forth in the Lease which we find to be very unusual.

Based upon our review of the Lease and the Email, we find as follows:

1. Although arguments can be made that the Lease contains ambiguities, inconsistencies, extraneous provisions and omissions, we believe the Lease is sufficiently definite that it would be enforced by a Florida court.

2. The description of the "Demised Premises" in the Lease is confusing. It is very unusual for the demised premises not to be clearly indicated in a lease. The Lease contains a

"blank" Exhibit 1 attached to it. Exhibit 1 is specifically intended to be the document describing and designating the Demised Premises. Furthermore, the follow-up Exhibit 1 attached to the Email which was provided recently and is intended to clarify the description of the Demised Premises is also very difficult to understand. Based upon our interpretation and the labeling in the upper left-hand corner of Exhibit 1, it appears that Exhibit 1 is intended to describe the entire building, including the basement level, ground floor level, courtyard Level 2, balcony Level 3 and Level 4. There do not appear to be any "carve-outs" for Landlord or other tenants to occupy any portion of the Building. (But see paragraph 8 below). Since the core of a lease is the right to possession of certain space, it is unusual for that space not to be clearly defined.

3. The Lease Term is for one (1) year with thirty (30) one (1) year renewal options. The provisions of the Lease concerning the Lease Term and the rent to be paid during the option terms are irregular because:

(i) Usually a tenant that has a "site specific" license or permit negotiates for a term longer than one (1) year;

(ii) The rental rate to be used during the option terms is not clearly defined. Paragraph 27 says the options will be on the same terms and conditions as set forth in the initial Lease and "minimum rent will continue to be adjusted as set forth in the original term of the Lease. . . ." However, there are no adjustments to minimum rent during the original term of the Lease, and

(iii) The last section of Section 5.1 says the rental rate for option terms will be at "prevailing market rates." A central component of any lease transaction is the rent to be paid. It is irregular for rental provisions to be as vague as they are here.

4. The Lease details that Tenant must pay \$75 per month per parking space in the Building garage (which shall be adjusted to market rates) but the Lease does not specify the number of spaces available to Tenant; it could be 0 spaces or it could be 500 spaces.

5. Section 6.7 imposes on Tenant a 10% Landlord administrative cost in connection with Common Area Maintenance cost. This is unusually high.

6. Tenant's maintenance and repair obligations in Section 11.3 are very Landlord-oriented.

7. The default provisions of Sections 21 and 22 are very Landlord-oriented (e.g., no notice of default or cure rights for Tenant and 30-day notice and cure right for Landlord).

8. It appears that Tenant is supposed to be the only occupant of the Building; however, Section 27.1 states that "Tenant hereby acknowledges the existing tenants as co-tenants." We do not understand this and find it irregular.

Jose F. Montes de Oca
May 10, 2012
Page 3

9. The hours of access to and from the Demised Premises are not stated. Usually in a lease of this type, there is "24 hour access, 365 days a year" or access "weekdays from 8:00 a.m. to 5:00 p.m. unless advance written notice is provided" or similar language. It is unusual that the issue is not addressed at all.

10. The Lease does not appear to cover any property other than 3138 Commodore Plaza, "together with all improvements, grounds, building, parking areas."

11. Overall, the Lease is not well drafted. In fact, there are a number of provisions in the Lease that seem to be "left over" from a prior shopping center lease form and have no applicability to this transaction (e.g., Tenant's required hours of operation; Tenant maintaining a sufficient quantity of merchandise in the Demised Premises; Tenant's use of the display windows; CPI index; obligations to conduct business "in a dignified manner and in accordance with the high standards of the store operations").

Obviously, the above list is not intended to be exhaustive, but is intended only to present significant irregular items. We have not in any way addressed the irregularity of having some of the same principals, or affiliates of those principals, be on both the Landlord and Tenant sides of the same transaction. Nevertheless, we hope the above analysis is helpful to you.

Our comments above are limited to issues of Florida real estate law and do not address charter school or other laws or regulations.

Please contact Alex Tachmes or me with any further questions or comments.

Very truly yours,

Shutts & Bowen LLP


Kevin D. Cowan

KDC/lh

cc: Walter Harvey, Esq., School Board Attorney
Alexander I. Tachmes, Esq.

MIADOCS 6318056 2

APPENDIX F APPRAISAL LETTER FROM REAL ESTATE ANALYSTS

A. INTRODUCTION AND PREMISE OF THE APPRAISAL

LETTER OF TRANSMITTAL

March 23, 2012

Mr. Jose F. Montes de Oca, Chief Auditor
Miami-Dade County Public Schools
1450 NE 2nd Avenue, Room 415
Miami, FL 33132

Re: Market Rent Estimate
3138 Commodore Plaza
Coconut Grove, Florida

Dear Mr. Montes de Oca,

As requested, we have prepared a Summary Appraisal Report for the above described property. The purpose of the appraisal is to estimate the Current Market Rent of the commercial building which is currently being utilized as a school and is operating under a triple net lease agreement. The report is presented in a Summary format, and is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report.

The subject building was built in 1986 and contains approximately 32,906 square feet of adjusted building area and approximately 29,092 square feet of rentable area. The building has a subterranean parking garage and three floors above grade, for a total of four (4) floors. The building is "U" in shape with a courtyard opening to Commodore Plaza and is situated on a site containing approximately 15,000 square feet or .34 acres. The basement level and a portion of the street level of the building are currently configured for parking. There are a total of 36 parking spaces which are all leased to the tenant by the owner at a rate of \$75 per space or \$2,700 per month. The property is currently being leased by Acting for All, Inc., and is used as a charter school.

Copies of building drawings and other pertinent documents relating to the subject property were obtained from Manuel Alonso Poch, founder of the charter school and the owner of the property. These drawings and documents have been utilized in the development of this report and are included in the addendum. The building square footage figures were taken from the boundary survey. The lot area was obtained through Public Records.

The property is zoned SD-2, Coconut Grove Center Commercial District with an underlying Future Land Use Designation of Commercial, both by the City of Miami. The site is located south of Grand Avenue and east of Margaret Street on the south side of Commodore Plaza in Coconut Grove, Florida.



REAL ESTATE ANALYSTS

Real Estate Appraisers & Consultants

1881 NE 26th Street, Suite 237
Ft. Lauderdale, FL 33305
Phone (954) 760-7990
Fax (954) 760-9103

810 Saturn Street, Suite 22
Jupiter, FL 33477
Phone (561) 768-9683
Fax (561) 768-9685
reanalysts.com

631 S. Orlando Ave., Suite 200
Winter Park, FL 32789
Phone (407) 644-5333
Fax (407) 644-8333

Letter of Transmittal

Mr. Jose F. Montes de Oca, Chief Auditor
Miami-Dade County Public Schools
March 23, 2012
Page 2

Since this appraisal report is made subject to the Qualifying and Limiting Conditions, which are contained herein, it is imperative that any concerned parties in possession of this report are thoroughly familiar with each of these qualifying and limiting conditions. Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Professional Appraisal Organizations with which the appraiser is affiliated. Neither all nor any part of the contents of this report or copies, thereof, shall be used for any purpose by anyone but the client specified in this report.

The subject property is currently being leased by the Academy of Arts and Minds Charter High School through its parent, Acting For All, Inc. The landlord is Commodore Plaza Parking, L.C. The commencement date of the original lease was July 1, 2004 for a period of one (1) year with thirty (30); one (1) year options to renew. The lease was restated on June 1, 2007 and provides for the same yearly renewal terms as the original lease, but now has a base rent at \$74,272 per month or \$891,264 per year on a net basis. This calculates to \$30.64 per square foot net based on the rentable building area. All pass-thru expenses are paid by the tenant. At the time of inspection, Mr. Poch indicated that the school pays \$16,295 per month in pass thru expenses or \$195,540 per year. This figure translates to \$6.72 per square foot of rentable building area. The total gross rent for the subject property is \$37.36 per square foot on an annual basis. The rent can be adjusted annually. A copy of this restated lease is included in the addendum of this report.

As previously stated, the tenant also pays for parking at a rate of \$75 per space per month. A total of 36 spaces are currently being leased from the landlord for a monthly sum of \$2,700 or \$32,400 per year. This is typical in this area to pay for parking in addition to base rent and pass thru expenses.

The original floor plan of the ground level of the building contained four store bays and a kitchen for an outdoor café. The store on the south side of the building has two levels and is currently being utilized as an office by the owner of the property.

The original floor plan of the second floor contained two restaurant spaces, an open air bar fronting the courtyard and two public restrooms. The center of the second level is an open courtyard.

The original floor plan of the third floor contained seven store or office bays, an elevator lobby and two bathrooms. Four of the bays are small, single room floor plans. A large bay on the west side of the building was a large open floor plan with a small office and a bathroom. The bay located on the north side of building was an office floor plan with eight private offices, a reception area, a secretary's office and a conference room. The bay located on the south side of the building was an office floor plan with a large open office, a private office and a bathroom. All of the bays front on covered walkways overlooking the courtyard.

Letter of Transmittal

Mr. Jose F. Montes de Oca, Chief Auditor
Miami-Dade County Public Schools
March 23, 2012
Page 3

The original floor plan of the fourth level contained a restaurant, a store, two bathrooms, an elevator lobby and a large theater. All of the bays on the fourth level front on covered walkways overlooking the courtyard and have double height ceilings. The restaurant and store had large open patio areas extending to the front of the building and overlooking Commodore Plaza.

The floor plan of the building has changed since the original construction, but most of the interior partitioning appears to be in place. The former restaurant improvements have been removed from the building. The current design of the subject is suitable for retail and office use.

Access between floors is provided by an electric elevator and two stair wells.

Based on the past occupancy of the subject property, the appraisers have surveyed rents in the immediate neighborhood for retail, restaurant and office type of occupancies. The subject building would more than likely not be leased as one space if the school were to move and would more than likely be leased to numerous tenants, as it was previously.

Based on the current lease information for the subject property and the asking and actual rents in the surrounding area, the current rent being achieved for the subject property appears to be within the market range of the rents surveyed for retail, office and restaurant type spaces.

The unadjusted net rents in our survey range from \$19.00 per square foot net up to \$100.00 per square foot net on an annual basis. Street level spaces appear to cluster around the \$30.00 per square foot range. The adjusted net rents range from \$24.70 to \$40.00 per square foot net on an annual basis with an average of \$31.11 per square foot.

The subject's current net rent is \$30.64 per square foot per year and falls within the range of the adjusted rents in our survey. This would be based upon the entire building with 29,092 square feet of rentable area.

Pass thru expenses for the subject building are reported at \$6.72 per square foot. The rental survey indicates pass thru expenses from \$8.00 to \$10.09 per square foot. The subject appears to be slightly below market due to the fact that the majority of the real estate taxes are exempt due to the school exemption.

In reviewing the occupancy history it was found there have been other tenants that (3 known based on leases provided) have used the subject premise which is atypical. More specifically the market rent estimated in this appraisal is \$30.00 per square foot which is slightly less than the current contract unit rent of \$30.64 per square foot, of which both are based on the entire building. Other unusual operating characteristics, the owner has a food service agreement which authorizes the subject premises to sell food to the general public. Also it was reported the subject owner has used and or is currently using the subject premises as office space for non-school business.

Letter of Transmittal

Mr. Jose F. Montes de Oca, Chief Auditor
Miami-Dade County Public Schools
March 23, 2012
Page 4

The ground floor or street level floor of the subject building contains approximately 5,101 square feet of gross leasable area. This is 17% of the total gross leasable building area. The second and third floors of the subject contain approximately 8,622.8 square feet of gross leasable area or 30% of the total gross leasable area per floor. These are the floors with the most leasable area in the building. The fourth floor of the subject contains approximately 6,745 square feet of gross leasable area or 23% of the total gross leasable area.

During our analysis, we have determined that rents are highest at street level and for spaces with road frontage. The subject property has very good road frontage and visibility due to its central courtyard design from all floors and no difference in rents would be anticipated as a result of floor location.

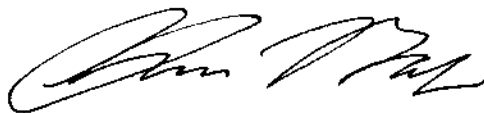
Based on an inspection of the subject property described in this report and an analysis of pertinent market data, the Current Market Rent, based upon market lease terms, as of March 13, 2012 (inspection), is as follows:

\$30.00 per square foot, on a net basis, of leasable building area

Market lease terms are 1 to 3 year leases with annual adjustments based on Consumer Price Index (CPI). Lease terms for the entire building would typically involve a longer term.

This letter must remain attached to the report, in order for the value opinion set forth to be considered valid. Your attention is invited to the following pages of data and analyses, which, in addition to the judgment of the appraiser, form the basis for these conclusions.

Respectfully submitted,



Christopher Mafera, ASA
Cert. Gen. RZ763

CERTIFICATION OF APPRAISAL

I certify that, to the best of my knowledge and belief, except otherwise noted in this report:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions or conclusions in, or the use of, this report.
- I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the American Society of Appraisers and to review by its duly authorized representative and in addition, subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Board.
- I have made an exterior inspection of the property that is the subject of this report. Ms. Jackson has made an interior and exterior inspection of the subject property.
- This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- Michelle J. Jackson, State Certified General Real Estate Appraiser RZ3316 [expires 11/30/2012], provided professional assistance.

A list of the Qualifying and Limiting Conditions follows in the report and is made a part hereof by reference thereto.

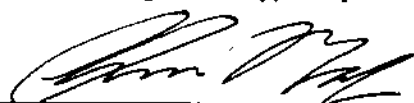
Based on an inspection of the subject property described in this report and an analysis of pertinent market data, the Current Market Rent, based upon market lease terms, as of March 13, 2012 (inspection), is as follows:

\$30.00 per square foot, on a net basis, of leasable building area

Market lease terms are 1 to 3 year leases with annual adjustments based on Consumer Price Index (CPI). Lease terms for the entire building would typically involve 5 years or longer.

3-23-12

Date



Christopher Mafera, ASA, Cert. Gen. RZ763



REAL ESTATE ANALYSTS

Real Estate Appraisers & Consultants



APPENDIX G

NOTICES OF PROPOSED TAX LIENS

MIAMI-DADE COUNTY
OFFICE OF THE PROPERTY APPRAISER
EXEMPTIONS DIVISION - INVESTIGATIONS

Honorable Pedro J. Garcia
Property Appraiser

NOTICE OF INTENT TO LIEN

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7005 0390 0000 7319 7564

March 1, 2012

COMMODORE PLAZA PARKING LC
3138 COMMODORE PLZ, SUITE 318
MIAMI, FL 33133-5814

RE: ADDRESS 3102 COMMODORE PLZ FOLIO: 01-4121-047-0180

To whom it may concern:

The above referenced property has been reviewed by the Property Appraiser's Office. This property received a 65% exemption from Ad Valorem taxes for years 2005-2010. However, it has been determined, that the property did not meet the required use for Charter School. Only those portions used by the Charter school may be exempted from Ad Valorem taxes (Ref. 196.1983). Therefore, pursuant to Florida law, this property was not entitled to a 65% exemption for the tax years 2005-2010.

Please consider this as notice of the following action:

The 2012 exemption is denied and with respect to prior tax years, 2005-2010, a tax lien will be filed with the Clerk of the Circuit Court within thirty (30) days from the date of this letter, as required by Section 196.161, Florida Statutes. The purpose of this lien is to recover the portion of taxes lost when the property received a 65% Charter school exemption to which it was not entitled.

In lieu of recordation of the lien on March 31, 2012, you may pay the taxes, including penalties and interest, in the total amount of \$63,742.25. Payment must be in the form of a cashier's check or money order made payable to the "Miami-Dade County Tax Collector" and mailed to the Tax Collector's Office, 140 West Flagler Street, 14th Floor, Miami, Florida 33130. You may call the Tax Collector's Office at (305) 270-4916 if you have a questions regarding payment.

If you need to discuss the Property Appraiser's decision with respect to this notice, please call Alen Garcia at 305-375-3446, prior to March 31, 2012.

Sincerely,

Ernesto Alonso CFE
Supervisor, Investigation/Ad Valorem
Office of the Property Appraiser



MIAMI-DADE COUNTY
OFFICE OF THE PROPERTY APPRAISER
EXEMPTIONS DIVISION - INVESTIGATIONS

Honorable Pedro J. Garcia
Property Appraiser

NOTICE OF INTENT TO LIEN

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7005 0390 0000 7319 7199

March 1, 2012

COMMODORE PLAZA PARKING LC
3138 COMMODORE PLZ, SUITE 318
MIAMI, FL 33133-5814

RE: ADDRESS 3100 COMMODORE PLZ FOLIO: 01-4121-047-0190

To whom it may concern:

The above referenced property has been reviewed by the Property Appraiser's Office. This property received a 65% exemption from Ad Valorem taxes for years 2005-2010. However, it has been determined, that the property did not meet the required use for Charter School. Only those portions used by the Charter school may be exempted from Ad Valorem taxes (*Ref. 196.1983*). Therefore, pursuant to Florida law, this property was not entitled to a 65% exemption for the tax years 2005-2010.

Please consider this as notice of the following action:

The 2012 exemption is denied and with respect to prior tax years, 2005-2010, a tax lien will be filed with the Clerk of the Circuit Court within thirty (30) days from the date of this letter, as required by Section 196.161, Florida Statutes. The purpose of this lien is to recover the portion of taxes lost when the property received a 65% Charter school exemption to which it was not entitled.

In lieu of recordation of the lien on March 31, 2012, you may pay the taxes, including penalties and interest, in the total amount of \$72,003.30. Payment must be in the form of a cashier's check or money order made payable to the "Miami-Dade County Tax Collector" and mailed to the Tax Collector's Office, 140 West Flagler Street, 14th Floor, Miami, Florida 33130. You may call the Tax Collector's Office at (305) 270-4916 if you have a questions regarding payment.

If you need to discuss the Property Appraiser's decision with respect to this notice, please call Alen Garcia at 305-375-3446, prior to March 31, 2012.

Sincerely,

Ernesto Alonso CFE
Supervisor, Investigation/Ad Valorem
Office of the Property Appraiser



MIAMI-DADE COUNTY
OFFICE OF THE PROPERTY APPRAISER
EXEMPTIONS DIVISION - INVESTIGATIONS

Honorable Pedro J. Garcia
Property Appraiser

NOTICE OF INTENT TO LIEN

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7005 0390 0000 7319 7205

March 1, 2012

COMMODORE PLAZA PARKING LC
3138 COMMODORE PLZ, SUITE 318
MIAMI, FL 33133-5814

RE: ADDRESS 3106 COMMODORE PLZ FOLIO 01-4121-047-0230

To whom it may concern:

The above referenced property has been reviewed by the Property Appraiser's Office. This property received a 65% exemption from Ad Valorem taxes for years 2005-2010. However, it has been determined, that the property did not meet the required use for Charter School. Only those portions used by the Charter school may be exempted from Ad Valorem taxes (Ref. 196.1983). Therefore, pursuant to Florida law, this property was not entitled to a 65% exemption for the tax years 2005-2010.

Please consider this as notice of the following action:

The 2012 exemption is denied and with respect to prior tax years, 2005-2010, a tax lien will be filed with the Clerk of the Circuit Court within thirty (30) days from the date of this letter, as required by Section 196.161, Florida Statutes. The purpose of this lien is to recover the portion of taxes lost when the property received a 65% Charter school exemption to which it was not entitled.

In lieu of recordation of the lien on March 31, 2012, you may pay the taxes, including penalties and interest, in the total amount of \$46,990.73. Payment must be in the form of a cashier's check or money order made payable to the "Miami-Dade County Tax Collector" and mailed to the Tax Collector's Office, 140 West Flagler Street, 14th Floor, Miami, Florida 33130. You may call the Tax Collector's Office at (305) 270-4916 if you have a questions regarding payment.

If you need to discuss the Property Appraiser's decision with respect to this notice, please call Alen Garcia at 305-375-3446, prior to March 31, 2012.

Sincerely,

Ernesto Alonso CFE
Supervisor, Investigation/Ad Valorem
Office of the Property Appraiser

APPENDIX H FLORIDA DEPARTMENT OF STATE CORPORATE RECORDS**2011 LIMITED LIABILITY COMPANY ANNUAL REPORT****FILED**
Apr 19, 2011
Secretary of State**DOCUMENT#** L00000008600**Entity Name:** COMMODORE PLAZA PARKING, L.C.**Current Principal Place of Business:**3138 COMMODORE PLAZA
SUITE 318
COCONUT GROVE, FL 33133**New Principal Place of Business:****Current Mailing Address:**3138 COMMODORE PLAZA
SUITE 318
COCONUT GROVE, FL 33133**New Mailing Address:****FEI Number:** 65-1028246**FEI Number Applied For ()****FEI Number Not Applicable ()****Certificate of Status Desired ()****Name and Address of Current Registered Agent:**ALONSO-POCH, MANUEL
3138 COMMODORE PLAZA
SUITE 318
COCONUT GROVE, FL 33133 US**Name and Address of New Registered Agent:**

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:_____
Electronic Signature of Registered Agent_____
Date**MANAGING MEMBERS/MANAGERS:****Title:** MNGR
Name: ALONSO, DANIEL
Address: 3138 COMMODORE PLAZA
City-St-Zip: MIAMI, FL 33133**Title:** MGR
Name: ALONSO-POCH, MANUEL
Address: 3138 COMMODORE PLAZA SUITE 102
City-St-Zip: MIAMI, FL 33133

I hereby certify that the information indicated on this report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 608, Florida Statutes.

SIGNATURE: MANUEL ALONSO-POCH

MNGR

04/19/2011

Electronic Signature of Signing Managing Member, Manager, or Authorized Representative / Date

2011 LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L04000079098

FILED
Apr 19, 2011
Secretary of State

Entity Name: A & M SQUARE FOOD SERVICE, LLC

Current Principal Place of Business:

3138 COMMODORE PLAZA
318
MIAMI, FL 33133

Current Mailing Address:

3138 COMMODORE PLAZA
318
MIAMI, FL 33133

New Principal Place of Business:

3138 COMMODORE PLAZA
102
MIAMI, FL 33133

New Mailing Address:

3138 COMMODORE PLAZA
102
MIAMI, FL 33133

FEI Number: 41-2158191

FEI Number Applied For ()

FEI Number Not Applicable ()

Certificate of Status Desired ()

Name and Address of Current Registered Agent:

ALONSO-POCH, MANUEL
3138 COMMODORE PLAZA
318
MIAMI, FL 33133 US

Name and Address of New Registered Agent:

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

MANAGING MEMBERS/MANAGERS:

Title: MNGR
Name: ALONSO-POCH, MANUEL
Address: 3138 COMMODORE PLAZA
City-St-Zip: MIAMI, FL 33133

Title: MNGR
Name: DANIEL, ALONSO
Address: 3138 COMMODORE PLAZA
City-St-Zip: MIAMI, FL 33133

I hereby certify that the information indicated on this report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 608, Florida Statutes.

SIGNATURE: MANUEL ALONSO-POCH

MNGR

04/19/2011

Electronic Signature of Signing Managing Member, Manager, or Authorized Representative / Date

**Electronic Articles of Organization
For
Florida Limited Liability Company**

**L11000048276
FILED 8:00 AM
April 25, 2011
Sec. Of State
gmcleod**

Article I

The name of the Limited Liability Company is:
EDU MANAGEMENT LLC.

Article II

The street address of the principal office of the Limited Liability Company is:
3138 COMMODORE PLAZA
102
MIAMI, FL. 33133

The mailing address of the Limited Liability Company is:
3138 COMMODORE PLAZA
102
MIAMI, FL. 33133

Article III

The purpose for which this Limited Liability Company is organized is:
ANY AND ALL LAWFUL BUSINESS.

Article IV

The name and Florida street address of the registered agent is:
MANUEL ALONSO-POCH
3138 COMMODORE PLAZA
102
MIAMI, FL. 33133

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: MANUEL ALONSO-POCH

Article V

The name and address of managing members/managers are:

Title: MGR
DANIEL ALONSO
3138 COMMODORE PLAZA
MIAMI, FL. 33133

Title: MGR
MANUEL ALONSO-POCH
3138 COMMODORE PLAZA
MIAMI, FL. 33133

L11000048276
FILED 8:00 AM
April 25, 2011
Sec. Of State
gmcleod

Article VI

The effective date for this Limited Liability Company shall be:

04/27/2011

Signature of member or an authorized representative of a member

Electronic Signature: MANUEL ALONSO-POCH

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.

2009 FOR PROFIT CORPORATION REINSTATEMENT

FILED

09 MAY 22 PM 1:02

DOCUMENT # P05000104277

1. Entity Name
ABANICO PERFORMING ARTS, INC.



Principal Place of Business
3138 COMMODORE PLAZA
4TH FLOOR
MIAMI, FL 33133

Mailing Address
3138 COMMODORE PLAZA
4TH FLOOR
MIAMI, FL 33133

9000 5631 5689 A
05/22/09 01010-020 **300.00



REINSTATEMENT

CR2E098 (1/07)

08-09

2. Principal Place of Business - No P.O. Box #

3. Mailing Address

Suite, Apt. #, etc.

Suite, Apt. #, etc.

City & State

City & State

Zip

Country

Zip

Country

4. FEI Number

59-3213119

Applied For

Not Applicable

5. Certificate of Status Desired

☐

\$8.75 Additional
Fee Required

6. Name and Address of Current Registered Agent

7. Name and Address of New Registered Agent

RENTERIA, ANA L
3520 ROCKERMAN ROAD
MIAMI, FL 33133

Name

Street Address (P.O. Box Number is Not Acceptable)

City

FL

Zip Code

8. The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida. I am familiar with, and accept the obligations of registered agent.

SIGNATURE

Signature, typed or printed name of registered agent and title if applicable

(NOTE: Registered Agent signature required when reinstating)

DATE

FILE NOW!!! FEE IS \$300.00

In accordance with s. 607.193(2)(b), F.S., the corporation did not receive the prior notice.

10. OFFICERS AND DIRECTORS

11. ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS IN 11

TITLE
NAME
STREET ADDRESS
CITY-ST-ZIP
PSTD
RENTERIA, ANA L
3520 ROCKERMAN ROAD
MIAMI, FL 33133 ☐ Delete

TITLE
NAME
STREET ADDRESS
CITY-ST-ZIP
☐ Change ☐ Addition

TITLE
NAME
STREET ADDRESS
CITY-ST-ZIP ☐ Delete

TITLE
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TITLE
NAME
STREET ADDRESS
CITY-ST-ZIP ☐ Change ☐ Addition

12. I hereby certify that the information supplied with this filing does not qualify for the exemptions contained in Chapter 119, Florida Statutes. I further certify that the information indicated on this report or supplemental report is true and accurate and that my signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears in Block 10 or Block 11 if changed, or on an attachment with an address, with all other like empowered.

SIGNATURE:

[Signature]

SIGNATURE AND TYPED OR PRINTED NAME OF SIGNING OFFICER OR DIRECTOR

5/14/09

Date

Daytime Phone #

2011 FOR PROFIT CORPORATION ANNUAL REPORT

DOCUMENT# M23485

FILED
Apr 19, 2011
Secretary of State

Entity Name: MANUEL ALONSO-POCH, P. A.

Current Principal Place of Business:

3138 COMMODORE PLAZA
SUITE 318
MIAMI, FL 33133

New Principal Place of Business:

3138 COMMODORE PLAZA
SUITE 102
MIAMI, FL 33133

Current Mailing Address:

3138 COMMODORE PLAZA
SUITE 318
MIAMI, FL 33133

New Mailing Address:

3138 COMMODORE PLAZA
SUITE 102
MIAMI, FL 33133

FEI Number: 59-2604662

FEI Number Applied For ()

FEI Number Not Applicable ()

Certificate of Status Desired ()

Name and Address of Current Registered Agent:

ALONSO-POCH, MANUEL
3138 COMMODORE PLAZA
SUITE 318
MIAMI, FL 33133 US

Name and Address of New Registered Agent:

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: _____

Electronic Signature of Registered Agent

_____ Date

OFFICERS AND DIRECTORS:

Title: PSTD
Name: ALONSO-POCH, MANUEL
Address: 3138 COMMODORE PLAZA, 102
City-St-Zip: MIAMI, FL 33133

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: MANUEL ALONSO-POCH

P

04/19/2011

Electronic Signature of Signing Officer or Director

_____ Date

2011 LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L07000013771

FILED
Apr 19, 2011
Secretary of State

Entity Name: FLORIDA NATIONAL TITLE COMPANY LLC.

Current Principal Place of Business:

3138 COMMODORE PLAZA
SUITE 102
MIAMI, FL 33133

New Principal Place of Business:

Current Mailing Address:

3138 COMMODORE PLAZA
SUITE 102
MIAMI, FL 33133

New Mailing Address:

FEI Number: 83-0490401 FEI Number Applied For () FEI Number Not Applicable () Certificate of Status Desired ()

Name and Address of Current Registered Agent:

ALONSO-POCH, MANUEL
3138 COMMODORE PLAZA
SUITE 102
MIAMI, FL 33133 US

Name and Address of New Registered Agent:

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: _____

Electronic Signature of Registered Agent

_____ Date

MANAGING MEMBERS/MANAGERS:

Title: MNGR
Name: ALONSO-POCH, MANUEL
Address: 3138 COMMODORE PLAZA SUITE 102
City-St-Zip: MIAMI, FL 33133

I hereby certify that the information indicated on this report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 608, Florida Statutes.

SIGNATURE: MANUEL ALONSO-POCH MNGR 04/19/2011

Electronic Signature of Signing Managing Member, Manager, or Authorized Representative / Date

2009 NOT-FOR-PROFIT CORPORATION ANNUAL REPORT

DOCUMENT# 750660

FILED
Jan 14, 2009
Secretary of State**Entity Name:** URBAN EMPOWERMENT CORPORATION**Current Principal Place of Business:**3672 GRAND AVENUE
COCONUT GROVE, FL 33233 US**New Principal Place of Business:****Current Mailing Address:**P O BOX 330075
COCONUT GROVE, FL 332330075 US**New Mailing Address:****FEI Number:** 59-2056758**FEI Number Applied For ()****FEI Number Not Applicable ()****Certificate of Status Desired (X)****Name and Address of Current Registered Agent:**HOLLOMAN, CECILIA E
3672 GRAND AVENUE
MIAMI, FL 33133 US**Name and Address of New Registered Agent:**

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

OFFICERS AND DIRECTORS:**Title:** PRES () Delete
Name: ALONSO-POCH, MANUEL
Address: 2100 PONCE DE LEON DR., STE 901
City-St-Zip: MIAMI, FL 33143**Title:** TREA () Delete
Name: JEFFEREY, HAMILTON REV.
Address: 103 GRAND AVENUE
City-St-Zip: MIAMI, FL 33133**Title:** SECY () Delete
Name: LEONARD, WILLIE REV.
Address: 3616 DAY AVENUE
City-St-Zip: MIAMI, FL 33133**Title:** TRUS () Delete
Name: TAVIS, SWAIN
Address: 3870 WASHINGTON AVE.
City-St-Zip: MIAMI, FL 33133**ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS:****Title:** () Change () Addition
Name:
Address:
City-St-Zip:**Title:** () Change () Addition
Name:
Address:
City-St-Zip:**Title:** () Change () Addition
Name:
Address:
City-St-Zip:**Title:** () Change () Addition
Name:
Address:
City-St-Zip:

I hereby certify that the information supplied with this filing does not qualify for the exemption stated in Chapter 119, Florida Statutes. I further certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 617, Florida Statutes; and that my name appears above, or on an attachment with an address, with all other like empowered.

SIGNATURE: MANUEL ALONSO POCH

PRES

01/14/2009

Electronic Signature of Signing Officer or Director

Date

2009 FOR PROFIT CORPORATION ANNUAL REPORT

DOCUMENT# L58108

FILED
Jul 13, 2009
Secretary of State

Entity Name: COCONUT GROVE VENTURES, INC.

Current Principal Place of Business:3672 GRAND AVE
COCONUT GROVE, FL 33233 US**New Principal Place of Business:****Current Mailing Address:**P O BOX 330075
COCONUT GROVE, FL 33233075 US**New Mailing Address:**3672 GRAND AVE
COCONUT GROVE, FL 33233 US

FEI Number: 65-0240074

FEI Number Applied For ()

FEI Number Not Applicable ()

Certificate of Status Desired (X)

Name and Address of Current Registered Agent:HOLLOMAN, CECILIA E
3672 GRAND AVENUE
MIAMI, FL 33133 US**Name and Address of New Registered Agent:**

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: _____

Electronic Signature of Registered Agent

Date

In accordance with s. 607.193(2)(b), F.S., the corporation did not receive the prior notice.

Election Campaign Financing Trust Fund Contribution ().

OFFICERS AND DIRECTORS:Title: S () Delete
Name: HAMILTON, JEFFERY
Address: 103 GRAND AVENUE
City-St-Zip: MIAMI, FL 33133Title: PCEO () Delete
Name: HOLLOMAN, CECILIA E
Address: 3672 GRAND AVENUE
City-St-Zip: MIAMI, FL 33133 USTitle: () Delete
Name:
Address:
City-St-Zip:**ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS:**Title: () Change () Addition
Name:
Address:
City-St-Zip:Title: () Change () Addition
Name:
Address:
City-St-Zip:Title: DIR () Change (X) Addition
Name: POCH, MANUAL A
Address: 3160 COMMODORE PLAZA
City-St-Zip: MIAMI, FL 33133

I hereby certify that the information supplied with this filing does not qualify for the exemption stated in Chapter 119, Florida Statutes. I further certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears above, or on an attachment with an address, with all other like empowered.

SIGNATURE: CECILIA E. HOLLOMAN

PCEO

07/13/2009

Electronic Signature of Signing Officer or Director

Date

APPENDIX I

PORTIONS OF 2007 AND 2008 FORM 990 FOR URBAN EMPOWERMENT CORPORATION

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2008 calendar year, or tax year beginning July 1, 2008, and ending June 30, 2009

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

C Name of organization Urban Empowerment Corporation
 Doing Business As
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2672 Grand Avenue
 City or town, state or country, and ZIP + 4
Miami, Florida 33133

D Employer identification number
59 2056758

E Telephone number
(786) 999-2631

F Name and address of principal officer: Cecilia Holloman
90 NE 101 St, Miami Shores, FL 33138

G Gross receipts \$

H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) Are all affiliates included? ☐ Yes ☒ No
 If "No," attach a list (see instructions)
H(c) Group exemption number N/A

I Tax-exempt status: ☒ 501(c) (3) (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website:

K Type of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ☐

L Year of formation: 1980 **M** State of legal domicile: FL

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
The Urban Empowerment Corporation provides employment services for low income residents in Miami.

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	5
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	5
5 Total number of employees (Part V, line 2a)	5	3
6 Total number of volunteers (estimate if necessary)	8	25
7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	238,760	258,210
9 Program service revenue (Part VIII, line 2g)	0	0
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	28,840	142,834
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	267,599	401,045
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	103,882	169,694
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25)	0	224,466
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	269,255	394,159
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	-1625	
19 Revenue less expenses. Subtract line 18 from line 12	269,255	394,159
20 Total assets (Part X, line 16)	Beginning of Year	End of Year
21 Total liabilities (Part X, line 26)	528,853	399,420
22 Net assets or fund balances. Subtract line 21 from line 20	521,968	394,159
	6885	5261

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer Cecilia E Holloman Date 7/27/08
 Type or print name and title Cecilia E Holloman Executive Director

Preparer's signature
 Date Check if self-employed ☐ Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 **EIN** **Phone no.**

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2008)

SCANNED FEB 26 2010

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

[illegible]

Form **990****Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning July 1, 2007, and ending June, 20 08

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

C Name of organization
Urban Empowerment Corporation
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
3672 Grand Avenue
 City or town, state or country, and ZIP + 4
Miami, FL 33133

D Employer identification number
59 2056758

E Telephone number
 (**786**) **999-2431**

F Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) ▶

G Website: ▶ **N/A**

J Organization type (check only one) ▶ ☒ 501(c) (**3**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check here ▶ ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? ☐ Yes ☒ No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No
I Group Exemption Number ▶

M Check ▶ ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **267,599**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

1	Contributions, gifts, grants, and similar amounts received:		
a	Contributions to donor advised funds	1a	238,670
b	Direct public support (not included on line 1a)	1b	0
c	Indirect public support (not included on line 1a)	1c	0
d	Government contributions (grants) (not included on line 1a)	1d	0
e	Total (add lines 1a through 1d) (cash \$ 238,670 noncash \$)	1e	238,670
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	0
3	Membership dues and assessments	3	0
4	Interest on savings and temporary cash investments	4	0
5	Dividends and interest from securities	5	0
6a	Gross rents	6a	20840
b	Less: rental expenses	6b	20840
c	Net rental income or (loss). Subtract line 6b from line 6a	6c	0
d	Other investment income (describe ▶)	7	0
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a
b	Less: cost or other basis and sales expenses	(B) Other	8b
c	Gain or (loss) (attach schedule)	8c	0
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d	0
9	Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>		
a	Gross revenue (not including \$ 0 of contributions reported on line 1b)	9a	0
b	Less: direct expenses other than fundraising expenses	9b	0
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c	0
10a	Gross sales of inventory, less returns and allowances	10a	0
b	Less: cost of goods sold	10b	0
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c	0
11	Other revenue (from Part VII, line 103)	11	8000
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	267,599
13	Program services (from line 44, column (B))	13	80553
14	Management and general (from line 44, column (C))	14	188672
15	Fundraising (from line 44, column (D))	15	0
16	Payments to affiliates (attach schedule)	16	0
17	Total expenses. Add lines 13 and 14, column (A)	17	269225
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	-1666
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	0
20	Other changes in net assets or fund balances (attach explanation)	20	0
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	-1666

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y

Form **990** (2007)

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	267,599
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	0
2	Donated services and use of facilities	b2	0
3	Recoveries of prior year grants	b3	0
4	Other (specify): 0	b4	0
	Add lines b1 through b4	b	0
c	Subtract line b from line a	c	267,599
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	0
2	Other (specify):	d2	0
	Add lines d1 and d2	d	0
e	Total revenue (Part I, line 12). Add lines c and d	e	267,599

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	269,225
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	0
2	Prior year adjustments reported on Part I, line 20	b2	0
3	Losses reported on Part I, line 20	b3	0
4	Other (specify): 0	b4	0
	Add lines b1 through b4	b	0
c	Subtract line b from line a	c	269,225
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	0
2	Other (specify):	d2	0
	Add lines d1 and d2	d	0
e	Total expenses (Part I, line 17). Add lines c and d	e	269,225

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Manuel Alonzo Poch 3109 Commodore Plaza, Miami, FL 33133	Brd. President - 2 hrs	0	0	0
Jeffery Hamilton 177 Grand Avenue, Miami, FL 33133	Brd. Secretary - 2 hrs	0	0	0
Willie Leonard 3616 Day Avenue, Miami, FL 33133	Brd. Treasurer - 2 hrs	0	0	0
Travis Swain 36710 Washington Ave, Miami, FL 33133	Trustee - 1 hr	0	0	0
Joyce Price 3672 Grand Avenue, Miami, FL 33133	Trustee - 1 hr	0	0	0
Cecilia Holloman 90 NE 117 St Miami Shores FL 33138	Executive Director	78,000	0	0

APPENDIX J

RESPONSE FROM ACADEMY OF ARTS & MINDS



academy of arts & minds

ACTING FOR ALL INC.

3138 COMMODORE PLAZA MIAMI, FLORIDA 33133

TEL: (305) 448-1100 FAX: (305) 448-1370 E.MAIL: MAIL@AANDM.NET

June 7, 2012

VIA HAND DELIVERY.

Jose Montes de Oca

Chief Auditor

Miami-Dade County Public Schools

1450 N.E. 2nd. Avenue

Suite 415

Miami, Florida 33132

Re: Academy of Arts & Minds Charter High School – Response to Draft Report dated May 17, 2012.

Dear Mr. Montes de Oca:

Enclosed is the Academy's Response to the Draft Report dated May 17, 2012 regarding the investigation into accusations made by parents against Academy of Arts & Minds Charter High School.

If you have any questions or comments please feel free to contact me anytime.

Sincerely,

Academy of Arts & Minds Charter High School

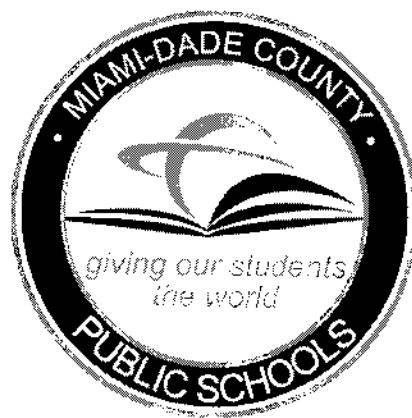
Ruth C. Montaner

Governing Board Chairperson

2012 JUN -8 PM 3:32

MANAGEMENT AND
COMPLIANCE AUDITS

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academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Academy's Response

to Auditor General's
Investigation of Allegations Concerning
Academy of Arts & Minds
Charter High School

June 8, 2012



Office of Management and Compliance Audits: Comments

Please note that the Academy refers to the Office of Management and Compliance Audits as the “Auditor General” or “Inspector General” throughout its response.



academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Investigation of Allegations Concerning Academy of Arts & Minds Charter High School

Overview -

Since the inception of Florida's first charter school law in 1996 the objective of all charter schools has been two-fold. First, is to operate as an autonomous public school absent the significant and burdensome rules and regulations that refrain and hinder district schools from the effective delivery of quality education. Second, is to hold charter schools accountable for student achievement.

Immediately after the beginning of the charter school movement the concern for many was that regulation "reload" would occur. Thus, charter schools would simply dissolve into nothing more than educational centers that looked like typical district schools with the same rules, regulations and other requirements that were there previously. However, the accountability would never be relaxed and the effectiveness of charter schools would be left in question.

The Florida legislature noted this when developing the statutes for the establishment of a charter. It was the obvious intent for charter schools to have minimal regulations but keep high the delivery of quality education. The legislature confirmed this by specifically stating in Florida Statutes 1002.33 (5) d "The sponsor's policies shall not apply to a charter school unless mutually agreed to by both the sponsor and the charter school".

The Academy of Arts & Minds Charter High School has always had a cooperative and transparent approach to providing a fine high quality education for aspiring students. The first thing anyone looking at the Academy should notice is that the Academy is a model of what charter schools were intended to be. The Academy was organized by a group of individuals with a clear vision of the school and specific mission for delivering its academic and arts based curriculum. Accreditation was achieved from the Southern Association of Colleges and Schools at the end of the second year and has never been in question. The students of the school have achieved an A grade in the past 2 years and a B grade the two years before that. Finally, because of Academy's impeccable detail to finances and management, it is one of the few charter schools in the State, to achieve the distinction of "High Performing Charter School". This distinction, as recognized by Florida's Commissioner of Education, bestows upon the Academy a menu of benefits and allows Acting For All Inc. to open other charters in any Florida district with minimal oversight.



Office of Management and Compliance Audits: Comments

Please note that based on the latest review by the Southern Association of Colleges and Schools (SACS) in February/March 2011, the school “has been placed on Accredited On Advisement status because it failed to meet one or more of the standards of the accreditation process.” Of the seven standards, the school did not meet Standard 2 (Governance and Leadership). The SACS report indicates: “Statements made by various stakeholder groups indicated that they believe the governing board is not fully aware of interferences from the co-founder with regard to the management of the school. Areas of fiscal management are not open for review by designated entities such as the Educational Excellence School Advisory Committee (EESAC).”

Of the 109 currently operating charter schools in Miami-Dade County, 31% or 34 charter schools meet the designation of a High Performing Charter School.

- **Academy's Response to Executive Summary:**

To provide context, the AG's investigation and report, being responded to here, (the "Report"), was prompted by a letter, dated May 2, 2011, (the "Accusing Letter"), sent to the District by a very small group of parents, (12 of 920), accusing the Academy's governing board and the founders of a long list of wrongdoings. It is noteworthy that accusations, do not represent the sentiments of the overwhelming majority of parents who are satisfied with the superior education provided and who believe in the vision and mission of the Academy and the work of the founders and the Academy's governing board.

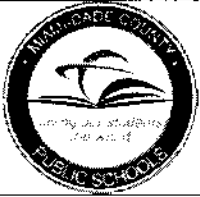
These non-representative parents appear to have launched an attack against school leadership in an attempted takeover of the school.

We respectfully suggest in this response that, (the "Response"), (i) that the accusations made by the accusing parents are not supported by the facts reflected in the Report, (ii) that the conclusions reached by the accusing parents were not founded in law or fact and (iii) that the accusations made by parents are unfounded and any concerns raised are minimal and have been addressed.

The governing board realizes in hindsight that independent counsel to represent the Academy's interests should have been retained on specific issues. We object however, to all the findings charging that the Academy's governing board is not independent. Two members of the governing board are attorneys and one is a municipal finance banker that regularly deals with complex contract and policy issues. The Academy's governing board may be fairly criticized for not retaining independent counsel in transactions of significance where conflicts, whether real or perceived, have arisen. However, to go any further in accusing the governing board of lacking independence is inflammatory rhetoric that at a minimum is untrue and serves no purpose. The Academy's Response will show that the best to examine the decisions that were made by the governing board is to show how outcomes would have changed. In this case, the outcomes and results of all the actions or inactions the governing board is accused of would be the same. In the future, the governing board will be retaining independent counsel to complement the three legal professionals that are currently members of the board.

As detailed in the Academy's Response below, the information provided by the accusing parents in their Accusing Letter is vague, incorrect or inaccurate. A large body of favorable evidence, available to the parents and supportive of the Academy, was totally ignored and never considered before the parents launched their attack.

This Response addresses each accusation mentioned in the AG's Report. Each statement in the AG's Report is underlined with the Academy's response following each statement.



Office of Management and Compliance Audits: Comments

Our research indicates that there is only one attorney on the current Board, Mr. Ignacio Ortiz-Petit, who is a non-practicing attorney.

As stated by the AG's Report there are four (4) fundamental accusations that the AG opines are "largely substantiated". The Academy wholeheartedly disagrees with the AG's conclusion as follows:

1. **Does the Academy have an independent board that functions in the best interest of the school, students, teachers or parents?**

- **Academy's response:** Unequivocally YES. The minutes of the meetings (more than forty (40)), held by the governing board over the last eight years (from 2004 through the present), demonstrate the actions taken by the governing board and convincingly show that the Academy's governing board has been deliberate and independent of third parties delivering a school with SACS accreditation after its second year of operation, an A+ school in the past 2 years, a school with a B grade the two years before that and a school with the distinction of being designated a "High Performing Charter School" by the Florida Department of Education.

2. **Are the school's financial interests being protected by the governing board?**

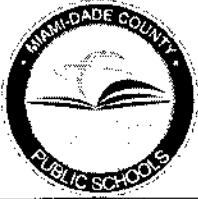
- **Academy's response:** Unequivocally YES. The Academy has been independently audited at the end of each school year for the last seven years. The Academy's Annual Audited Financial Statements show clean yearly audits and do not reveal any discrepancies or inconsistencies in the Academy's finances. The Academy's governing board pays consistent attention to the annual budget and makes sure that finances and operations are regularly monitored by the educational management company and the principal. As a result the Academy is one of the few charter schools in the State, to achieve the distinction of "High Performing Charter School", recognized by Florida's Commissioner of Education.

3. **There may be violations of law in connection with the school.**

- **Academy's response:** Unequivocally NO. The AG's Report does not reflect violations of law by the Academy. Historically alleged violations of law whenever brought to the attention of the governing board, if any, have been immediately addressed.

4. **There are concerns regarding the flow of monies received from Miami-Dade County Public Schools and used to pay expenses.**

- **Academy's response:** Unequivocally ALL MONIES RECEIVED BY THE ACADEMY FROM MDCPS ARE ACCOUNTED FOR. The Academy has been independently audited at the end of each school year for the last seven years. The Academy's Annual Audited Financial Statements show clean yearly audits and do not reveal any discrepancies or inconsistencies in the flow of monies the Academy has received and the AG's Report contains no findings of any discrepancies regarding the flow of funds to the Academy.



Office of Management and Compliance Audits: Comments

As detailed in the report, OMCA's review of substantial documentary and testimonial evidence, including the governing board meeting minutes, is the basis for our conclusion.

Please note that based on the latest review by the Southern Association of Colleges and Schools (SACS) in February/March 2011, the school "has been placed on Accredited On Advisement status because it failed to meet one or more of the standards of the accreditation process." Of the seven standards, the school did not meet Standard 2 (Governance and Leadership). The SACS report indicates: "Statements made by various stakeholder groups indicated that they believe the governing board is not fully aware of interferences from the co-founder with regard to the management of the school. Areas of fiscal management are not open for review by designated entities such as the Educational Excellence School Advisory Committee (EESAC)."

Our report suggests that the governing board fell short in procuring and monitoring its large contracts.

As stated in the report, the school and/or its landlord, appear to have violated Section 196.1983, Florida Statutes, and may have violated IRS Rules governing tax exempt organizations. The school was found to have been in violation of other statutes and ordinances, including the Jessica Lunsford Act, but is currently in compliance or working towards compliance.

Although we found no irregularities with the "flow of monies received from Miami-Dade County Public Schools", the evidence detailed in the report suggests that expenses were paid with public monies for purposes other than the non-profit school.

FINANCIAL REPORTING AND PERFORMANCE

The Academy is pleased that the AG's Investigation finds no evidence of any financial statement manipulation. The remaining criticisms are legally unfounded.

Without contributions and forgiveness of rent from Manuel Alonso-Poch, the Academy's founder, the school would have met a condition of Section 218.503, Florida Statutes (Determination of Financial Emergency) in each of the past four years and would have been at substantial risk of closure for failure to meet generally accepted standards of fiscal management.

Academy's response: Charter schools are allowed to receive gifts and donations to supplement the revenues they receive from the State. This practice is not illegal or in any way nefarious. It is actually a commonly encouraged and accepted practice. Charter schools, throughout the state and elsewhere, are always being encouraged to solicit charitable gifts and donations.. The efforts made by the Academy's governing board to maintain financial stability should be praised as an example of good financial performance and reporting for the good of the Academy.

The past four years have shown significant downturns in the economy. State FEFP funding dropped 8%. Fortunately Mr. Alonso-Poch is committed to the mission and the vision of the Academy and has had the ability to contribute generously -according to the AG's Report, approximately \$2,000,000.00 in cash and rent waivers over the last 8 years. His contributions are cause for celebration by the charter school board, not recriminations by the district.

Philanthropy has always been part of the American way of life and has survived vicious attacks from cynics and naysayers. Bill Gates and Warren Buffet have recently brought philanthropy to the forefront of the country's conscience with very generous contributions to the charitable non-profit institutions they created and believe in. Philanthropy in general should always be encouraged and praised. It should never be debased or discouraged. Rejecting or casting a negative light upon philanthropy flies in the face of every conceivable public policy concept regarding charitable contributions known to man. To reject the landlord's philanthropic cash donations and forgiveness of rent over the years would be tantamount to putting a stick in his eye.

To emphasize this the point, if the school property were owned by the Academy with a traditional institutional mortgage the governing board would have had very limited options to deal with shortfalls and the school could have been thrust into a financial emergency. On the other hand, with the voluntary philanthropy of Mr. Alonso-Poch, the Academy has been able to get thru the economy's



Office of Management and Compliance Audits: Comments

OMCA in no way condemns philanthropy, and in fact, recognizes it as a critically important component of our society. Our concern is that the school's dependence on contributions from Mr. Alonso-Poch and companies owned by him (i.e. Commodore Plaza Parking, L.C.) further behold the non-profit school to for Profit interests.

recessionary pressures over the last four years without incident. The Academy is blessed with a sympathetic landlord/owner/founder.

GOVERNANCE

We found that Mr. Manuel Alonso-Poch, a founding Board member of the school, who served as a voting member of the non-profit school's Board from its inception through 2006, has been the controlling force behind the school's policies and major operational decisions and actions. The school's Governing Board (Board), rather than having been appropriately engaged, informed, independent and accountable to its students, parents/guardians and the community at large, has been perfunctory and subservient.

- **Academy's response:** The governing board wholeheartedly disagrees with the AG's opinion that the Academy's governing board is not engaged, informed, independent and accountable and that its actions have been perfunctory and subservient to Mr. Manuel Alonso-Poch. Mr. Alonso-Poch is a founding member of the school's governing board and pursuant to the provisions of the Academy's Charter, served as a voting member of the school's non-profit Board from its inception through 2006. As such, Mr. Alonso-Poch had significant influence on the start of the Academy's business affairs. The Academy's affairs have always been handled under a structure where, under the governing board's responsibility, the business manager and the school administrator, (principal), manage the Academy's operations as a team.

1. Governing board independence through action

While a District Superintendent has opinions about how to implement policies established by the members of his District's School Board, the superintendent always receives policy direction from his Board. The same should occur with charter school governing boards—in fact this rule applies to all governing boards. Thus, the most direct and compelling way to test the independent nature and thought of any governing board is to examine governing board meeting minutes, look at the items discussed and determine the extent of the decisions made.

However, a review of the actions taken by the governing board over the years, however, as reflected by board meeting minutes from 2004 through 2011, demonstrates the opposite. Copies of the minutes of the Academy's governing board from 2004-2011 are attached as Addendum I.

Board meeting minutes from the start of school operations in 2004 show the actions and non-actions of the governing board and the consideration of policy issues. They also show the governing board's item by item discussion of the agenda and the items about the school being considered, debated and resolved at every meeting. Sadly, in an unsubstantiated opinion, the AG's Report



Office of Management and Compliance Audits: Comments

As detailed in the report, OMCA's review of substantial documentary and testimonial evidence, including the governing board meeting minutes, is the basis for our conclusion.

characterizes 38 sets of detailed minutes covering 8 years of meetings as "scant" evidence.

The minutes show extensive deliberations, arguments pro and con being debated and decisions thoughtfully reached. They also show the school principal and other sub-administrators present and actively participating at the meetings held by the Academy's governing board from 2004-2010.

Finally, a look at the Academy's governing board shows reputable community citizens that have excelled in various professions who were recruited to serve based on their comprehension and understanding of the vision and the mission originally crafted by the founders of the Academy as set out in the school's Charter. They have backgrounds in law, municipal finance, communications and education. They voluntarily and without compensation, provide their time and knowledge for the good of the school. Copies of their resumes are attached as Addendum II.

In most instances, established professionals or in this case group of professionals with established reputations in the community sit on not-for-profit boards to fulfill a personal sense of community participation and to give back. They give their time because they care and are willing to provide independent knowledgeable advice based on their life experiences and professional expertise as a service to their community. So the question that must be asked is "What would motivate these governing board members, who have exemplary track records in their community to put their professional standing and impeccable reputations at risk by sitting on a board only to acquiesce to Mr. Alonso-Poch?" The AG's Report does not explore the answer with any depth and totally ignores the most compelling body of evidence, -the extensive minutes of their meetings.

The minutes of the meetings and the laundry list of items discussed show the the members tlooking after the best interests of the students that attend the Academy of Arts & Minds Charter High School. No evidence provided by the AG's Report shows anything to the contrary.

The AG's Report confuses the governing board members' commitment to the vision and the mission of the Academy and their close and harmonious relationship with the founders as subservience and superficiality. The Report also confuses purpose and responsibility with support for the best interests of the organization.

The governing board has resolved increase the number of members to seven (7) and to elect an alumni parent as a member of the board. A current parent is also being considered but, as discussed below in more detail, will present a conflict in some instances. An alumni parent allows the independence needed with the understanding of a parents concern. Finally, it will be suggested that, as in the last year, the board continue to rotate its chairmanship. These tweaks to the

governing board should more than satisfy concerns regarding board independence.

2. Governing board independence through composition

As previously stated, the main objective of a charter school and its governing board is to be held accountable for the student's education. The charter agreement with the Miami-Dade School District is what the school primarily focuses on. The Academy and its governing board have performed that duty in an exemplary manner by delivering an A school with High Performing Status.

There is a suggestion by the AG's Report that the governing board is not independent because they all know Mr. Alonso-Poch. There is no evidence presented in the AG's Report however, to show that just because people know each other they are willing to compromise their independence or their conscience. The only motive in evidence is the governing board's interest in providing the best education possible for the students. The governing board's actions, as reflected by their meeting minutes show it convincingly.

It has been suggested that the governing board would be independent if parents were included as members. The governing board has resolved to elect an alumni parent as a member of the board and a current parent is also being considered. In the past, the governing board has taken exception to including teachers and parents as members of the governing body for a number of reasons. Many are documented in the National Resource Center on Charter School Finance and Governance Guide "Creating and Sustaining High Quality Charter School Governing Boards", (the "Guide"), referenced in the AG's Report as the guide to follow. It is not that we don't consider parents and teachers a vital component in the education process. We most certainly do. But the Academy is loyal first to the student's education with other concerns taking a lesser priority. The Guide says that *"Finding people with the time, skills, and aptitude to serve on a charter school's governing board can be a daunting task. Requiring certain types of board members, like parents and teachers, broadens participation in school-level governance but also has its disadvantages. On the one hand, allowing teachers and parents to serve on charter school boards provides members who are heavily invested in the success of the school. On the other hand, parent and teacher members can create additional biases, for example, if parents make policy decisions based on their own child's needs rather than the school's needs and there is also a danger that parents will take a short-term view of the school's needs, focusing on the duration of their child's enrollment rather than the long-term needs of the school"*.

Teacher and parent input is invaluable but it is the governing board that is held responsible and accountable to the State and the sponsor for all of the school's affairs, for the school making the appropriate learning gains and avoiding financial hardships. The Academy's governing board has followed its Charter

being diligent in the recruiting hard to get members and being careful about who is appointed.

3. Governing board independence and the relationship with Mr. Alonso-Poch

The Academy's governing board members are volunteers. The governing board does not have staff. They normally meet once a month, they have regular jobs and are not on-site at the Academy on a daily basis. There is an expectation that they are policymakers –not managers and that the manager - administrator team under the control of the governing board is the operational model the Academy has followed since it began operations in 2004. During the first two years (2004-2006) the Academy's Charter allowed Mr. Alonso-Poch, as the founder and landlord of the school to be a member of the governing board. The relationship with the Academy's first educational management company ended six months into the first year of the school's operation, so responding to the need for someone to oversee operations on-site the governing board selected Mr. Alonso-Poch as the most logical person who knows the school and its needs to be the governing board's eyes and ears at the school. The board has felt assisted and fortunate to have the availability of the founder as a non-compensated volunteer to provide oversight when needed to assist the Principal, to help address immediate concerns and to assure the policies and directives of the governing board are followed. The policy of the Academy's governing board has always been to have an on-site person or company to oversee and manage the business side of the Academy, in addition to the Principal. The Principal executes the policies of the governing board with the oversight of the on-site manager.

Contrary to the suggestion that the governing board is "controlled or puppeted" by Mr. Alonso-Poch, the governing board, the principal and the founder have worked together as a team to provide the best information to make the best decisions possible, each fulfilling essential yet complimentary roles. In most instances this approach has brought information, wisdom and balance to the decision making process with the insight of three different perspectives with a common goal. But when final policy decisions have to be made, the governing board alone makes the decisions based on all information available and with the authority vested in them as final, legal and accountable decision makers for the school. The governing board sets policy, which is their responsibility, Mr. Alonso-Poch provides regular oversight of school operations and the principal makes sure the school runs smoothly and complies with the rules, regulations and laws of the State and the District.

An example of the effectiveness of the policy to have a Academy's established operating structure is shown in the minutes of the January 20, 2011 governing board meeting. See Addendum I. There is a healthy discussion between Mr. Machado the school principal, and the governing board relating to textbooks. The governing board, after reviewing Mr. Machado's proposal established the policy for the textbook standard not Mr. Alonso-Poch. The minutes reflect a long discussion of the issue and ultimate policy decision. Mr. Machado with Mr.

Alonso-Poch's oversight implemented the deliberative decision of the board policy.

Since time has elapsed one can go back and review the decision. The school purchased the most textbooks with the least amount of dollars to deliver an "A" school. The FEFP funds would have been required to be spent on new books. The most cost effective decision for a charter school with limited funds was to go with the used books that assisted in delivering the "A". Examples like this, which are clear indicators of the schools organizational structure and the governing board's independence are ignored and not taken into account by the AG's Report.

All of the Academy's governing board members are seasoned professionals who have complied with the State mandated Governance Board training. The training has exercises to quiz board members on the appropriate role a board member is required to carry out.

The selection and composition of the school's current Governing Board appears to have been heavily influenced by Mr. Alonso-Poch. The Chair of the Board, Ms. Ruth Chuny Montaner, who has served on the Board since the school's inception in 2004, is Mr. Alonso-Poch's first cousin. She signed on behalf of the non-profit Board on the three contracts with the for Profit companies owned by Mr. Alonso-Poch.

Academy's response: There are two issues brought up by these comments in the AG's Report regarding the blood relationship between a member of the governing board and Mr. Alonso-Poch. First the AG's Report mentions that "the selection and composition of the school's current Governing Board appears to have been heavily influenced by Mr. Alonso-Poch". This is neither a crime or unethical. The composition of the governing board is the result of active recruitment by the founders of the Academy as mandated by the Academy's Charter. This is their duty and responsibility -recruiting and selecting trustworthy individuals who are committed to the vision, the mission and the best interests of the Academy and the education of its students. This is not only prescribed by the Academy's Charter but it's the normal and customary way governing boards are formed. As developer of the vision and mission of the Academy the founders will always have influence with the members of the governing board who look to the founders for guidance regarding the implementation of the vision and mission of the organization. The AG's report confuses this function and tries to convert it into lack of independence without any other evidence. The question that the AG should ask is if the guidance given by the founders has ever resulted in negative consequences of any kind for the Academy. The answer is obviously no. Whatever guidance has been provided by the founders of the Academy has been beneficial as evidenced by the high performance of the school.

The AG's Report implies that the governing board is dependent, subservient and perfunctory because Mr. Alonso-Poch and Ms. Montaner are first cousins although the AG's Report provides no evidence to support the conclusion. So long as the relationship of the parties is disclosed and the terms of the business relationship are disclosed, as is the case with the chairperson of the board and Mr. Alonso-Poch, who are first cousins, it is not illegal, under federal, state or local law for members related by blood who sit on a governing board to deal with companies owned by family members. Other than the relationship, the AG's Report provides no logical connection to establish that the independence of the governing board was lost or compromised because a member of the governing board and the owner of a company doing business with the Academy are first cousins. The execution of the contracts followed the law and the by-laws of the corporation. Before the three contracts were approved, the relationship between Mr. Alonso-Poch and Ms. Montaner and the terms and conditions of the contracts were disclosed to the governing board.

The AG's comments also imply that the cousin relationship creates a conflict of interest. The Academy agrees that a conflict of interest is created where a member of a governing board is related by blood to a vendor or other contractor doing business with the corporation. The fact that a conflict exists however is not inappropriate or illegal provided the governing board follows the prescribed procedure to dissolve the conflict and/or the appearance of a conflict by disclosing the relationship and the details of the transaction. The governing board has followed the appropriate procedure by doing both. The procedure is reflected in the minutes of the governing board and the AG's report offers no evidence to the contrary.

The current Vice-Chair of the Board, Ms. Cecilia E. Holloman, has served on the school's Board from February 2008 through present, while Mr. Alonso-Poch has served as a paid contractor in three separate capacities for the school. During the overlapping two year period from 2007 through 2009, the arrangement had been reversed, where Ms. Holloman served as paid staff of the Urban Empowerment Corporation (UEC), a Florida non-profit corporation, and Mr. Alonso-Poch served as a member of UEC's governing board of directors. Additionally, Ms. Holloman and Mr. Alonso-Poch jointly served on the Board of Directors of Coco Ventures, Inc. a Florida for Profit Company from 2008 until its dissolution in 2010.

- **Academy's response:** There is nothing in the relationship described above that is improper or unethical, nor does the AG's Report cite to any rule, regulation or provision of law for why this is unlawful or unethical. The Academy fails to find any evidence in the AG's Report that can establish the correlation between Mr. Alonso-Poch being a member of a board where Ms. Holloman is also a member and Ms. Holloman's independence or lack of it as a member of the Academy's governing board. Absent other evidence not included in the AG's Report the argument made by the AG is illogical.



Office of Management and Compliance Audits: Comments

Ms. Holloman was essentially an employee of Mr. Alonso-Poch at UEC during the same time he was an employee/multiple contractor of hers at the Academy of Arts and Minds. We believe this to impair Ms. Holloman's independence. The other items cited in our report regarding the recruitment and composition of the Board, may not be illegal or even problematic in isolation. However, we question whether the process and the entirety of the current Board's recruitment and composition foster an independent Board.

Current Board members Ignacio Ortiz-Petit (2007 through present), a non-practicing attorney who works as a communications professional for political campaigns, and Percy Aquila (2011 through present), a public finance professional both told us they were asked to join the Board by Manuel Alonso-Poch. Mr. Aquila indicated to us that he has known Mr. Alonso-Poch for 15-20 years, had previously served on the Board of a private school in Miami and that his clients include charter schools in the State of Florida.

- **Academy's response:** Knowing the Founder or being recruited to serve on a board by a founder is not evidence of improper influence. The Academy does not understand the logic of the AG's statement and absent other evidence not in the Report the argument made by the AG is illogical.

Mr. Alonso-Poch is the owner of three for Profit entities that have substantial contracts with the school: the school's landlord, Commodore Plaza Parking, L.C.; its contracted food service vendor, A&M Square Food Services, LLC; and its management company, EDU Management, LLC. Mr. Alonso-Poch continues to officially serve as the school's "Spokesman of the Board", a non-voting, unpaid position, and as a legal advisor and a substantial donor to the non-profit school. His son Daniel Alonso, an insurance and benefits consultant, has an exclusive arrangement with the school to provide its teachers and other staff insurance benefits, and his co-founder, Ms. Ana L. Renteria, held the position of President of Abanico Performing Arts, Inc., a Florida Profit corporation whose principal address is the fourth floor theater of the school.

- **Academy's response:** The comments above are made by the AG in the context of the Academy's governance and the governing board's lack of independence. There is no prohibition against Mr. Alonso-Poch's companies providing services to the Academy. Mr. Alonso-Poch is allowed by law to be the owner of the for-profit companies that provide services to the Academy. The AG's Report does not cite any rule, regulation or law to contradict this. The governing board approved the contracts with the three for-profit entities owned by Mr. Alonso-Poch after careful deliberations and due diligence. In the case of the food service contract the governing board found that the services provided by the food service company were the best and most suitable services for the students of the Academy. In the case of the educational services contract the governing board found that the services were the best and least costly services in the Florida market. In the case of the lease, the governing board found that the premises were the best and the rent the least costly in the market. After reaching these conclusions and addressing the potential conflicts of interests with proper disclosure, the governing board approved the contracts.

The AG found the understanding and familiarity with the school's business and contractual operations of the governing board members to be limited both individually and in the aggregate. They were all aware that the landlord and food service operator were owned by Mr. Alonso-Poch but they lacked knowledge of important conditions, terms and provisions of the school's contracts and business



Office of Management and Compliance Audits: Comments

There is scant evidence, at best, in the minutes or otherwise provided that the governing board deliberated or exercised due diligence in approving the three contracts with Mr. Alonso-Poch's companies or the provision of employee benefits with his son. None of those actions included a competitive procurement process or counsel from a conflict free attorney.

operations such as the actual demised premises in the school's lease agreement, the portion of the facility actually used by the school (as opposed to being leased and/or used by other companies), the basic terms of the food service contract and the nature and character of the school's food service expenses (which totaled \$141,000 during the 2010-11 fiscal year). The school did not have its own, distinct legal representation when entering into contracts with Mr. Alonso-Poch's private for Profit companies, nor was there a competitive process such as bids or requests for proposals (REP) when procuring the aforementioned services (i.e. lease, food service, management services, fringe benefits).

- **Academy's response:** The Academy's governing board is advised of Academy matters at each meeting of the board. This includes governance matters, matters related to finance, operations, personnel, facilities, student affairs, education, etc. See minutes in Addendum I. The governing board is informed of these matters by the principal and by the educational management company. On many occasions a member of the governing board is assigned the responsibility of overseeing one or another particular area of school operations. In regards specifically to the three contracts with Mr. Alonso-Poch, the governing board was provided the contracts for review in advance of the meeting, considered the material provisions of the contracts at the meeting and then approved them. It is worth noting that two members of the governing board are attorneys and one is an investment banker. All three members have extensive experience reading and examining contracts. Regarding the three contracts, it is also worth noting that Mr. Alonso-Poch did not represent the academy or the governing board as an attorney when the contracts were considered and he did not give the governing board any legal advice in this regard. It should finally be noted that it is not customary for governing boards to be involved in the day to day management of a school. The AG sets a new standard by expecting the Academy's governing board to get involved in the management of the Academy's business when the Academy's governing board has not elected to undertake such a task. The members of the Academy's governing board set policy for the Academy and are not intimately involved with specific details of any given contract etc. The members of the governing board are not managers and they definitely don't expect to be micro managers. The Academy's principal is paid a salary to manage the academic affairs of the Academy and the educational management company is paid a fee to manage the business affairs of the Academy. Volunteer members of the Academy's governing board are generally familiar with the Academy's operation but are not intimately familiar with the details. The Academy feels that the AG is imposing a new standard of responsibility upon the members of the Academy's governing board which goes beyond what is generally expected of governing boards and what the Academy's governing board has elected to undertake. By way of example, the standard of management knowledge applied to members of the Miami-Dade County School Board is not as stringent as the standard expected by the AG's Report from the



Office of Management and Compliance Audits: Comments

OMCA's expectation is that the governing board will challenge the school's management/multiple contractor (i.e. Mr. Alonso-Poch) to ensure large contracts are procured in the best interest of the school, such as by using bids/RFP's and engagement of its own, conflict free attorney to help the Board in this process.

Academy's governing board. Members of the Academy's governing board are as familiar with the details of the Academy's affairs as the members of the Miami-Dade County School Board are familiar with the details of the items that come before them for approval.

Specific comments to the Testimony of Academy of Arts & Minds Principals

- **Academy's response:** The AG relies heavily on the testimony of the three principals listed below to reach most conclusions and opinions. It is unfortunate that the AG did not interview Mr. Tom Shaw the first principal of the Academy nor Mr. Jorge Suarez, current principal of the Academy, and Assistant Principal under Mr. Sawyer. Mr. Tamargo was terminated by the governing board. Mr. Machado and Mr. Sawyer both resigned for health reasons although the accusing parents accuse the governing board of forcing them out. Mr. Shaw and Mr. Suarez could have provided the AG with a wealth of information that would have given the AG a more balanced view of the Academy's governance. There is no explanation by the AG why Mr. Shaw and Mr. Suarez were not interviewed.

Alex Tamargo: September 2005 through June 2008	2 ½ years
William Machado: July 2008 through April 2011	2 ½ years
Kevin Sawyer: May 2011 through September 2011	4 months

A review of the "Testimony of Arts & Minds Principals", (the "Testimony"), shows a lack of understanding by these principals concerning the Academy's three branch operating structure and the role of the governing board, the role of management and the role of the administrators of the school. It is the administrator's duty and responsibility to assure that the school runs smoothly, follows the rules and abides by the law. The Testimony of the three principals does not reflect this understanding and reveals many instances of circumstances that the principals felt were the province of the governing board when they were the province of the administrator and vice versa.

All three principals, whose collective tenure spanned for more than six years, indicated and detailed to us that Mr. Alonso-Poch, as opposed to the Board or principal, was effectively and ultimately in charge of the school. Mr. Tamargo indicated that he had no involvement with the school's Governing Board, and that most staff and parents were not aware of the Board's existence. According to Mr. Tamargo, Mr. Alonso-Poch was viewed as the landlord and school's owner. Mr. Machado stated that the Governing Board of the School was non-existent" and "The members had no understanding of the school." He further indicated that Mr. Alonso-Poch effectively ran the Board meetings. Mr. Sawyer stated in his interview with us that "Manuel Alonso-Poch runs everything."

- **Adacemy's response:** The Testimony of the three principals interviewed by the AG is inconsistent with the evidence of the governing board's involvement and



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Mr. Shaw served as Principal for one school year, 2004-05, a period pre-dating the core of the allegations. Mr. Suarez had just recently been appointed Principal at the outset of our investigation.

Mr. Tamargo's and Mr. Machado's tenures as Principal were each 2 years and 10 months.

raises serious questions about their credibility. The Testimony of the principals is "I had no involvement with the school's governing board" (Tamargo), "the governing board was non-existent" (Machado), "Alonso-Poch ran everything" (Sawyer). The minutes of the governing board meetings however show a totally different picture with these individuals present and actively participating at the meetings held by the governing board. The AG's Report does not question the accuracy of the minutes of the meetings and there is no reason to doubt their accuracy so the only conclusion that can be reached is that the principals gave false Testimony to the AG. See minutes of the governing board from 2004-2012 attached as Addendum I. Given this circumstance, it is unfortunate that the AG's conclusions and opinions rely so heavily on the Testimony of these three principals.

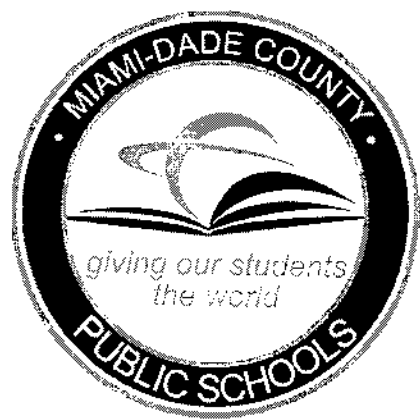
Manuel Alonso-Poch not the Board, hired and negotiated contracts to be the Principal with Alex Tamarco in September 2005.

- **Academy's response:** The allegation by Mr. Tamargo is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch.

The Academy's governing board has never negotiated contracts as a full board for a number of reasons, the most significant being that given the public nature of governing board meetings and the requirements of the Government in the Sunshine Law, salary negotiations are customarily conducted privately. At the Academy, and mostly elsewhere, salary negotiations are not conducted by the full board but rather delegated to one board member with subsequent ratification of the negotiations by the full board. In Mr. Tamargo's case, Mr. Shaw, Ms. Montaner and Mr. Alonso-Poch participated in Mr. Tamargo's selection as Mr. Shaw's replacement. Ms. Montaner and Mr. Alonso-Poch negotiated the terms of his employment. The governing board, upon recommendation of Mr. Shaw, the chairperson of the board and Mr. Alonso-Poch approved Mr. Tamargo as principal of the Academy. The governing board was just as independent when the governing board resolved to dismiss Mr. Tamargo, June 2, 2008. See minutes of the June 2, 2008 governing board meeting, when the action to dismiss was taken. The letter dismissing Mr. Tamargo shows the governing board acting on its own. It is written evidence that the Academy's governing board acts independently and understanding their responsibilities. A copy of Mr. Tamargo's letter of dismissal, dated June 5, 2008 signed by Ms. Montaner, the chairperson of the governing board, is attached as Addendum III.

The question that should have been asked by the AG to determine if the board was not independent, subservient and perfunctory to Mr. Alonso-Poch should have been: Did Mr. Alonso-Poch, force or impose his will in

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the hiring of Mr. Tamargo, over the objections of the governing board members who felt that hiring Mr. Tamargo was not in the best interests of the Academy and the students. If the question had been asked the answer would have been convincingly NO. Another question should have been did Mr. Alonso-Poch, force or impose his will in the dismissal of Mr. Tamargo, over the objections of the governing board members who felt that dismissing Mr. Tamargo was not in the best interests of the Academy and the students. If the question had been asked the answer would have been convincingly NO.

Mr. Machado did not meet the Governing Board until a month later at its meeting in August 2008, and he was surprised that the Board had not been active in his hiring and contract negotiation process.

- **Academy's response:** This allegation by Mr. Machado is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. As stated in Mr. Tamargo's case, the Academy's governing board has never negotiated contracts as a full board for the reasons previously given. Ms. Montaner and Mr. Alonso-Poch were responsible for interviewing Mr. Machado as the Academy's principal and negotiating his contract. Mr. Alonso-Poch conducted the search that led to Mr. Machado. Ms. Montaner and Mr. Alonso-Poch negotiated the terms of his employment. Ms. Montaner signed the letter of employment in front of him August 18, 2008 and the governing board approved and ratified her actions. A copy of the letter of employment, signed by Ms. Ruth Montaner is attached as Addendum IV. The Academy fails to see the correlation between these actions and the governing board members lacking independence to have the final word on Academy matters. It is not the province of the governing board to negotiate contracts. The governing board, upon review of Mr. Machado's resume and the recommendation of Ms. Montaner and Mr. Alonso-Poch approved hiring Mr. Machado as principal of the Academy. This is evidence of the role the Academy's governing board plays as part of its responsibilities. The governing board is always the final decision maker. The governing board was just as independent when they resolved to accept Mr. Machado's resignation July 28, 2011. See minutes of the governing board meeting of July 28, 2011 in Addendum I.

The Academy's governing board is responsible for making final decisions regarding the hiring or firing of the school principal. The question that should have been asked by the AG to determine if the board was not independent should have been: Did Mr. Alonso-Poch, in any way force or impose his will upon the governing board to hire Mr. Machado, over the objections of the governing board members who felt that hiring Mr.



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There is no indication of the Board's approval or ratification of Mr. Machado's contract or employment in the minutes provided to OMCA during fieldwork or in the school's response.

Machado was not in the best interests of the Academy and the students. If the question had been asked the answer would have been convincingly NO.

Mr. Alonso-Poch exerted pressure to effect the resignation of the school's Artistic Director in July 2010 against Principal Machado's objection.

Academy's response: Don't like this response, very defensive, assume manny could have had appropriate role in suggesting personnel changes This allegation by Mr. Machado is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. As the person overseeing the management of the Academy for the governing board, one of Mr. Alonso-Poch's roles is to suggest personnel changes, whether they are based on performance or lack thereof, for budgetary reasons or any other sensible reason. The hiring and firing of staff is the province of the Principal. Resignations are the province of an employee who wishes to end his/her employment voluntarily as in the case of Mr. Campos. If Mr. Machado felt unduly pressured against his better judgment, by Mr. Alonso-Poch, it was his duty and obligation to bring this situation to the attention of the governing board. Mr. Campos resigned in July 2010. The governing board met August 10, 2010. The minutes specifically reflect discussion of faculty and administrative arrivals and departures but there is no mention or notation by Mr. Machado that he or Mr. Campos felt undue pressure from Mr. Alonso-Poch regarding Mr. Campos' resignation.

Mr. Alonso-Poch suspended the school's auditioning process/requirement beginning September 2011 against Principal Sawyer's objection.

- **Academy's response:** This allegation by Mr. Sawyer is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that Mr. Alonso-Poch exerts undue influence over the governing board members of the Academy so that they are not independent but subservient to Mr. Alonso-Poch. The governing board is the only body with authority to suspend the Academy's audition process. This is the process by which the school recruits students. Other than Mr. Sawyer's Testimony, there is no evidence provided in the AG's Report to show that auditions were suspended by the Academy. Interestingly, if the AG had investigated further and not taken Mr. Sawyer's testimony as fact the AG would have found that auditions at the Academy, like in most other schools with art programs in Miami-Dade County, customarily begin in early December of each year and end in mid-July of the following year. The school year starts in late August so schools in general and the Academy particularly don't normally have auditions in September when the school year is just getting underway.

Auditions are part of the Academy's daily operations and are conducted by the principal and his staff with the oversight of management. The governing board does not get involved in student auditions except to receive reports from the school principal regarding recruitment and enrollment of students. This report is given by the school principal at governing board meetings. The reports are reflected in the minutes. See minutes of the governing board in Addendum I.

Mr. Sawyer had no budget control at Arts & Minds and he found this different than the principal's role from when he was an administrator in the Broward School system and as an administrator at a charter school in Broward County.

- **Academy's response:** This allegation by Mr. Sawyer is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. The governing board of the Academy controls and approves the budget. The principal proposes the budget to the governing board. The governing board approves it and the principal follows it providing monthly reports over the course of the year. This is a glaring example of Mr. Sawyer's serious misunderstanding of the Academy's governance structure. It is not Mr. Sawyer's place to "control" the budget. Mr. Sawyer's job was to propose a budget to the governing board and for the governing board to consider and approve and for Mr. Sawyer to adhere to it.

The question that should have been asked by the AG to determine if the board was not independent should have been: Did Mr. Alonso-Poch, force or impose his will by having Mr. Sawyer take control of the budget, over the objections of the governing board members who felt that giving control of the budget to Mr. Sawyer was not in the best interests of the Academy and the students. If the question had been asked the answer would have been convincingly NO.

Mr. Tamargo stated that Mr. Alonso-Poch was in charge of business administration, the building lease, food service, budget, and had significant input into hiring/firing staff.

- **Academy's response:** This allegation by Mr. Tamargo is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. Mr. Tamargo's statement is not clear. Mr. Alonso-Poch is responsible for hiring and firing the staff of the service companies that provide services to the Academy and are owned by Mr. Alonso-Poch. Under the Academy's operating structure, the governing board makes final

decisions but does not get involved with details regarding day to day business of the maintenance of the building or the provision of food services. That is the province of the educational management entity. Mr. Tamargo is correct as to the building lease, (we assume he means the building's maintenance and the payment of rent) and the food service. Mr. Alonso-Poch's is the landlord and maintains the school building. Another company owned by Mr. Alonso-Poch provides food service to the school and Mr. Alonso-Poch is in charge of those functions. Mr. Tamargo is also correct as to the budget. The governing board approves and authorizes the budget and as part of providing educational management services Mr. Alonso-Poch's company keeps track of Academy revenues and expenditures to assure that the principal stays within the budget approved.

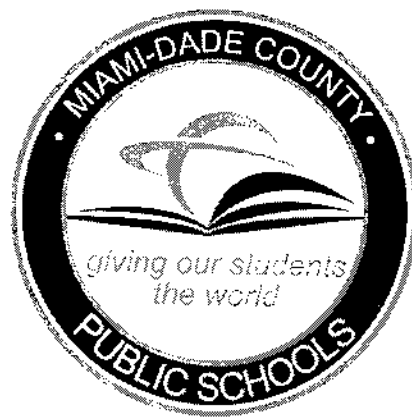
Mr. Tamargo "buted heads" with Ms. Renteria and Mr. Alonso-Poch over the time and use of the Abanico Theater. Mr. Tamargo wanted more space and usage for the school/students.

- **Academy's response:** This allegation by Mr. Tamargo is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. As the person overseeing the management of the Academy for the governing board, one of Mr. Alonso-Poch's roles is to examine and report to the governing board if the space occupied by the Academy is being used efficiently. If Mr. Tamargo felt that more space was needed, it was his duty and obligation to bring the matter to the attention of the governing board at a governing board meeting. The minutes of the meetings do not reflect that Mr. Tamargo did this.

Mr. Machado indicated that he insisted on development of a general calendar to allay battles he was having with Ms. Renteria and Mr. Alonso-Poch regarding the use of the Abanico Theater by the school versus its use by her "paying" clients.

- **Academy's response:** This allegation by Mr. Machado is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. As the person overseeing the management of the Academy for the governing board, one of Mr. Alonso-Poch's roles is to oversee the use of the space occupied by the Academy, which includes the theater space named Abanico Theater. The theater has been used by professional groups in exchange for allowing the Academy's students to participate and become familiar with the professional experience up close and personal. This is part of the academic methodology established when the Academy was created. If Mr. Machado felt unduly pressured against his better judgment, by Mr. Alonso-Poch and Ms. Renteria regarding the use of the

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theater space, it was his duty and obligation to bring this matter to the attention of the governing board. The minutes of the meetings do not reflect that Mr. Machado did this. His testimony can be characterized as masterful innuendo and conjecture without any factual support. It would be helpful if Mr. Machado was more detailed in what he meant by "allaying battles" and "paying clients".

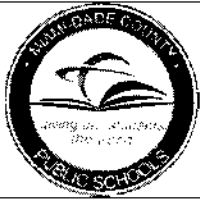
"Mr. Machado stated that he was adamant that the Governing Board members adhere to the laws and rules which require screening, fingerprinting, background checks and proper governance training. According to Mr. Machado, despite his efforts, the Board members were uninterested in complying, as evidenced in notifications from Charter School Operations to the school."

- **Academy's response:** Mr. Machado should have been more attentive to his duties as principal. He failed to notify two governing board members of their appointments to be fingerprinted. If the AG had asked the two governing board members about this matter the AG would have had a more objective picture of the situations that took place regarding the screening, fingerprinting and background checks mentioned.

Mr. Machado requested from Mr. Alonso-Poch the use of specifically designated Florida Education Finance Program (FEFP) funds to purchase textbooks. Based on various monitoring visits by Charter School Operations, the existing textbooks were out of date. According to Mr. Machado, Mr. Alonso-Poch told him that there was no money for books. Mr. Machado had to resort to buying "good quality" used textbooks from Amazon.com using Internal Fund monies (e.g. funds raised by the school through activities).

- **Academy's response:** This allegation by Mr. Machado is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. This is a perfect example of the effectiveness of the Academy's operating structure as shown in the minutes of the January 20, 2011 meeting. (See Addendum I). There is a healthy discussion at this meeting between Mr. Machado the school principal, and the governing board relating to textbooks. The governing board, after reviewing Mr. Machado's proposal established the policy for the textbook standard not Mr. Alonso-Poch. The minutes reflect a long discussion of the issue and ultimate policy decision. Mr. Machado with Mr. Alonso-Poch's oversight implemented the deliberative decision of the board policy. An independent board with management providing oversight and administration providing execution of the agreed upon policy.

According to Mr. Sawyer, during his tenure, both the general and arts education programs were deficient and had inadequate resources (e.g. not enough textbooks and digital textbooks, lack of band instruments, insufficient supplemental resources



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A substantial component of the discussion cited has to do with Mr. Machado expressing discomfort with the notion that the school should make digital pdf copies of its textbooks. Mr. Machado expressed “concern that the conversion of the books to digital format may be a violation of the publisher’s copyrights.” The minutes further indicate: “The members of the Governing Board feel that if the books are being copied unto paper without concern over the books copyright the copying of a textbook into digital format is no different and there should be no concern over its copyright.”

such as for science labs).

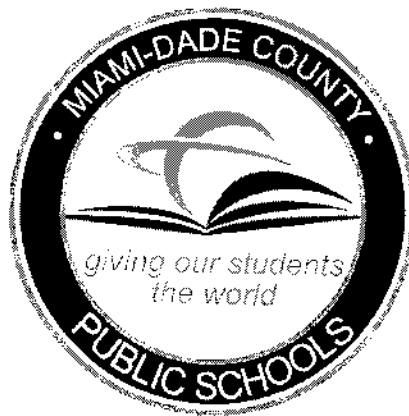
- **Academy's response:** This allegation by Mr. Sawyer is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. The Academy has the resources necessary to be an A school for the last two years and a B school the two years before that and to be designated by the Secretary of Education as a high performing charter school. Resources don't simply evaporate. On the contrary. Every year the Academy is able to add assets to its resources. For example last school year the Academy purchased AP textbooks. This school year, after Mr. Sawyer's resignation in September, the Academy added a computer lab with 24 student stations.

It is the duty and obligation of the principal, in this case Mr. Sawyer, to assess the needs of the school for the coming year and to present them to the governing board through the budget and academic assessment process that takes place in the summer months when school is not in session. Most of Mr. Sawyer's four month "tenure" was during the summer of 2011. Mr. Sawyer failed to do that. The governing board met July 28, 2011 and specifically discussed the budget (Item II of the minutes) and Academic and Arts Education (Item VII of the minutes). As reflected by the meeting minutes none of Mr. Sawyer's concerns above were mentioned by him at the July 28, 2011 meeting. It is unclear to the Academy how this comment relates to the board's lack of independence. What the Testimony does reveal is the principal's lack of understanding of his obligations as a principal. It is the principal's job to report any deficiencies in the school to the governing board and to submit proposals for addressing any such deficiencies to the governing board at their meetings. The minutes do not reflect Mr. Sawyer ever giving any reports or proposals addressing deficiencies to the governing board nor discussing them with the board at the meetings.

The school staffs fringe benefits (e.g. health insurance, dental, vision, life insurance, disability etc.) were handled by Mr. Alonso-Poch's sons. According to Mr. Machado, he was inundated with inquiries and complaints from teachers and staff regarding requests for service and poor quality of service. According to Mr. Machado, he had no involvement in hiring Mr. Alonso-Poch's sons or the company they were affiliated with. A Parent of a student and husband of a teacher who was involved in the insurance/benefits industry inquired about bidding on the contract and thought the school could do much better. According to Mr. Machado, he forwarded the inquiry to Mr. Alonso-Poch but was unable to have the school consider the offer.

- **Academy's response:** This allegation by Mr. Machado is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members

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of the Academy are not independent and are subservient to Mr. Alonso-Poch. According to the contract between the Academy and the educational management organization, contracts with vendors are handled by the EMO. Again Mr. Machado's Testimony is vague and non-specific, such as, "the parent of a student and the husband of a teacher "thought" the school could do much better" – yet the names of the individuals and why they or Mr. Machado "thought" the school could do "much better" is not revealed by the AG's Report. The Academy is unable to properly respond without specific facts. It is not evident to the Academy how this Testimony relates to the AG's argument that the governing board is subservient and perfunctory.

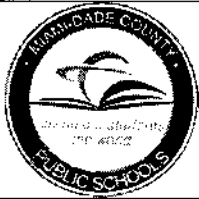
According to Mr. Sawyer, the school's fringe benefits were handled by Mr. Alonso-Poch's son and the service was not at a "professional" level.

- **Academy's response:** This allegation by Mr. Sawyer is provided by the AG for purposes of supporting and proving the accusation of the parents and the opinion/conclusion of the AG, that the governing board members of the Academy are not independent and are subservient to Mr. Alonso-Poch. This comment exemplifies Mr. Sawyer's misunderstanding of the Academy's operating structure. The Academy's management organization has always been responsible for the coordination of health benefit services provided to the Academy's staff. Services provided are always delivered in a professional manner. There is no evidence provided by the AG's Report to show that employee health benefits were not delivered as promised. The Academy cannot respond to subjective opinions such as "the service was not at a "professional" level".

Conflicts of Interest

In our opinion, the condition of an individual and his family serving as a for Profit contractor in multiple capacities while simultaneously controlling the Governing Board and actions of a tax exempt 501(c)(3) charter school, represents a conflict of interest. Internal Revenue Service rules state: "A section 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests."

Academy's response: As reflected in the minutes of the meetings of the governing board from 2004 to the present, the governing board makes final decisions for the Academy. As the business manager Mr. Alonso-Poch provides suggestions and makes recommendations regarding the Academy's business but the governing board makes the final decision. The concerns raised by the AG's Report about the use of the 501 (c) 3 status that Acting for All, Inc. enjoys are misplaced. Florida Statutes require the charter contract to be negotiated with a not-for-profit entity. The statutes do NOT require the not-for-profit entity to have 501(c)(3) status. This status is determined by the IRS for the sole reason of



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_____ | The testimony supports that Mr. Alonso-Poch's son was contracted without a competitive process.

_____ | Based on the school's audited financial statements, the Academy has claimed and received tax exempt treatment under section 501(c) 3 of the Internal Revenue Code since 2005.

allowing tax exempt donations, tax exempt financing and tax exemptions from any excess revenues or profits. Since the inception of Florida's Charter Schools in 1996 many charter schools have been established by for-profit entities. In fact, Acting for All, Inc. was founded with a partnership by Charter Schools USA, a for profit management company. Similarly, the food service contract with the Academy has been in place since the Academy began operations in 2004 well before the IRS approved the Academy's 501 (c) 3 status. Thus, the current governance model of the Academy is *exactly* the way the IRS made the original approval.

The identification of a potential conflict is not per se inappropriate or illegal provided the governing board follows the prescribed procedure to deal with it and not have the situation become a conflict or take on the appearance of a conflict.

When a potential conflict has been identified, the Academy's governing board has followed the appropriate procedures to deal with it. The procedures followed are reflected in the company's by-laws and the minutes of the governing board. While there are accusations of Mr. Alonso-Poch being in a conflicted situation we turned to the facts and the state approved governance board training manual and looked at how the manual indicates such transactions should be handled.

As authorized by the Academy's Charter, Mr. Alonso-Poch was a member of the Academy's governing board from 2004 to 2006, when he resigned. From 2004 to 2006 Mr. Alonso-Poch disclosed the details of the business transactions for the lease of the school building and the food service contract between the Academy and his companies. The governing board, after careful deliberation and determination that the transactions were beneficial to the Academy, approved the contracts, so there was no conflict. As of 2006 Mr. Alonso-Poch was not legally in a conflict of interest situation since he has no voting or legal decision making power on the governing board that makes decisions on its own in the best interests of the Academy and its students. Contrary to the conclusions reached by the AG, the Report does not reveal any instances of Mr. Alonso-Poch's involvement with the governing board any more than what is reasonable consultation or a prudent recommendation, as a business manager, no different than a consultation or recommendation from a parent who has a vested interest in the well-being of their child or a teacher who has a vested interest in the efficient operation of the school. It is actually a good thing that the founder of the Academy has remained interested in the well-being of the school and the students, as are most of the parents and the volunteer governing board.

Much is said in the AG's Report about the lease and the conflict of interest it raised by it. In this regard particularly it is worth mentioning that notice of the conflict and the details of the transaction was disclosed to the Academy's governing board on May 10, 2004 and duly noted in the minutes. A review of the minutes show there was a healthy discussion of the lease terms and conditions with specific terminology stating that "its terms are fair and reasonable and

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beneficial to the Corporation and the Corporations activities, at this time Mr. Alonso-Poch has not in any way significantly influenced the action of the board with respect to the Lease". The same applies to the food service contract.

While we value every parent and teacher involved at the Academy of Arts & Minds High School, we realize that not all of our decisions will bring joy and happiness to everyone. The Academy is a school of choice, where a parent makes the choice to enroll a child. A parent is not obligated to enroll the child at the school and can withdraw the child anytime the parent feels the school is not the best "choice" for the child. This means that some parents may regretfully have to part ways on occasion. Section B(2), (at Page 9), of the Academy's Charter provides that "all conflicts between the School and parents shall be handled by the School or its governing board". This is the standard for Florida's Charter School movement. A difference of opinion between the governing board and administrators, teachers and/or parents is just that. It is certainly not a conflict of interest and definitely not evidence of lack of independence.

The school went thru a period without an Educational Management Organization and now has retained another EMO. Florida's Educational Management Organizations serve in multiple capacities when taking direction from the independent governing board.

The Lease

The executed lease on file with M-DCPS and represented to us as the lease in place by the school and landlord had been restated on June 1, 2007, commencing on July 1, 2004, and comprises a lease term of one (1) year with thirty (30) one (1) year renewal options (see Appendix B). The restated lease was signed by Mr. Manuel AlonsoPoch as Manager of the landlord, and his first cousin Ms. Ruth Chuny Montaner, as Chairperson on behalf of the school's Governing Board. Our investigation concludes that the lease had been executed and in place since 2007 without the due diligence or adequate monitoring by the school's Governing Board.

- **Academy's response:** There has been significant attention given by the accusing parents and the AG to the real estate lease currently in place between the tenant Academy, and Mr. Alonso-Poch, the landlord. The Academy's lease is a triple net lease that has been in place since 2004, (8 years). The Academy currently occupies all the space in the building, which was formerly a retail mall. The AG's Report reaches conclusions and provides opinions regarding the lease that are mostly supported by inaccurate information and/or incorrect assumptions. The Academy will address each of them hereafter in the order mentioned in the AG's report.

The AG's Report seems to imply that the only lease in question is the restated lease dated July 1, 2007. This is not the case. Leases are submitted to the District by the Academy every year. The initial lease entered



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The school represented to us, and other evidence supports, that the June 1, 2007 restated lease was the lease in effect from June 1, 2007 through the time of our investigation.

into in 2004 when the Academy began operating was submitted and accepted by the District in 2004. The lease and all of its restatements were submitted and accepted by the District each year from 2004 to the present. It is worthwhile to note that in the 7 plus years the lease and its restatements have been in place the District has not raised any of the concerns now raised by the AG in his Report. The major terms of the lease (the term, the rent rate and the ability of the Academy to negotiate yearly), are very favorable to the Academy. Notwithstanding, the governing board will place on the agenda of its next meeting an item to have the lease reviewed by an independent attorney to correct any inconsistencies that the lease may have.

The June 1, 2007 restated lease and the rent payment schedule for 2007-08 were ratified by the governing board July 3, 2007. The minutes of the July 3, 2007 governing board meeting reflect it. If the minutes reflect the approval and ratification of the lease and the changes in the lease terms, the governing board must have reviewed and discussed it at the meeting. The AG's report provides no evidence to support a contrary conclusion and it is not clear what the AG's report means by a lack of "adequate monitoring".

We learned that the school did not have its own distinct legal representation in negotiating and executing the lease with Commodore Plaza Parking, L.C. Also, Mr. Alonso Poch, an attorney with substantial real estate expertise licensed in Florida, has served as a pro bono legal advisor to the nonprofit school since 2002. Mr. Alonso-Poch therefore, appears to have represented the school during the time when the lease was signed, while simultaneously owning the landlord company, Commodore Plaza Parking, L.C.

- **Academy's response:** The AG's Report correctly states that the school did not have its own distinct legal representation in negotiating and executing the lease with Commodore Plaza Parking, L.C. and that Mr. Alonso-Poch, has served as a pro bono legal advisor to the non-profit school since 2002, a situation that can be perceived as a conflict if not properly dealt with. Mr. Alonso-Poch has provided pro bono legal advice to the Academy on miscellaneous matters not related to the lease. Mr. Alonso-Poch however, did not represent the Academy in the negotiation of the lease. It is worthwhile noting that the terms of the lease have always been disclosed to the members of the governing board. All the leases in place for every tenant in the building follow the same format and contain similar clauses except that in the case of the Academy, as shown in this section of the Academy's Response below, the terms of the lease and the relationship between the landlord and the tenant are below market rates and very favorable to the Academy.

The minutes of the July 3, 2007 Board meeting reflect that the June 1, 2007 lease agreement and the rent payment schedule for 2007-08 were ratified by the Governing



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In fact, the District and OMCA have raised serious concerns about the school's facilities lease. The lease and facility were discussed extensively at the January 2006 Audit Committee meeting and again at the December 2006 meeting.

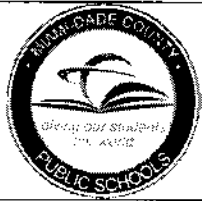
Board. Although the tenant had the ability to negotiate the terms of the lease every year, there is scant evidence in the Board meeting minutes during the four year period from July 2007 through September 2011, to indicate that the Board had at all contemplated the lease terms and conditions or considered exercising its right to negotiate the terms and conditions. Additionally, all four active Board members we interviewed in February 2012 stated that either the lease terms and conditions had not been contemplated by the Board since 2007 (or during their respective tenures on the Board), and/or indicated that they had only very general knowledge about the lease terms and conditions.

- **Academy's response:** There was no reason for the governing board to re-negotiate the lease during the four year period from July 2007 through September 2011. The question that should be asked is: Was there any reason for the governing board to explore the renegotiation of the lease during this period of time. The answer is NO and it's not hard to understand why. The school has no other place to go, the lease was in place, the rent was fair and reasonable and there were no issues with the building or the other tenants in the building. So there was no need to go into extensive renegotiations about an item that did not need changing. The AG seems to ignore the minutes of the meetings of the governing board of May 10, 2004, October 9, 2004, July 19, 2006, July 3, 2007, September 18, 2007, December 19, 2007, February 21, 2008, April 29, 2008, November 13, 2008, January 12, 2009, April 13, 2009, June 12, 2009, August 11, 2009, November 12, 2009, February 8, 2010, April 12, 2010, August 10, 2010, October 28, 2010, January 20, 2011 and July 28, 2011 that reflect the governing board discussing the Academy's facilities, which include the lease of the building. The Academy provided copies of all the minutes of all the meetings of the Academy's governing board and this information in particular was specifically provided to the AG at his request February 10, 2012.

We engaged the law firm of Shutts & Bowen, LLP to evaluate the June 1, 2007 restated lease. The firm opined that the lease contract is "sufficiently definite that it would be enforced by a Florida court" but that it contains irregular or unusual provisions, "Landlord-oriented" provisions and that "Overall, the lease is not well drafted."

- **Academy's response:** The law firm hired by the AG to examine the lease determined that the lease contract is "sufficiently definite that it would be enforced by a Florida court".

The lawyer also opined that the lease is poorly drafted. The Academy thinks that opinions of that nature 7 years after the effective date of the lease, is nothing more than "arm chair quarterbacking". The lease is enforceable and accurately reflects the terms agreed upon. The treatment of the lease term, which is called irregular by the attorney was incorporated into the lease by restatement, on the recommendation of the Academy's independent auditors in 2007. A review of the Academy's lease and its restatement and the leases for the other tenants located



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Our re-examination of the minutes cited here confirms that there is “scant” evidence that the Governing Board had at all contemplated the lease terms and conditions from July 2007 through September 2011. As an example, minutes cited in the response for December 19, 2007, February 21, 2008, and April 29, 2008, reflect no discussion at all related to facilities, and in fact, indicate “none” under the caption Facilities Report.

in the original shopping mall show all tenants signed the same form of lease as what the school was asked to sign. Nothing more or less, except for the rent which obviously depends on the amount of space each tenant occupied. This is common practice when leasing at a mall or other multi-tenant facility.

The opinions of the attorney seem to be based on the restatement of the lease entered into by the Academy and the landlord in 2007. It is apparent that the attorney only reviewed the restated lease without examining the pages of Exhibit A designating the space occupied by the Academy. The attorney also did not review the initial 2004 lease which is also on file with the District. Although the restated lease procured by the AG from the District had the cover to Exhibit A, it apparently did not have the pages detailing the space occupied by the Academy. Exhibit A is the document that identifies, with clarity, the space occupied by the Academy. The restated lease of 2007 has an Exhibit A with the detail. The AG has it. The AG requested the Academy provide him with the detail of Exhibit A on February 1, 2012. The Academy provided Exhibit A with the details of the space occupied by the Academy to the AG February 10, 2012. It is worthy to note that the attorney reviewing the lease provided the findings of his review on May 10, 2012. The Academy assumes that the attorney's opinions would have been different if the attorney had seen Exhibit A with the details showing the space occupied by the Academy.

Following are the opinions of the Attorney hired by the AG to review the 2007 restated lease with Responses by the Academy:

The description of the "Demised Premises" in the Lease is confusing. It is very unusual for the demised premises not to be clearly indicated in a lease.

- **Academy's response:** The premises are clearly defined in Exhibit A provided to the AG February 10, 2012.

"Based on our interpretation and the labeling in the upper left-hand corner of Exhibit 1, it appears that Exhibit 1 is intended to describe the entire building. There do not appear to be any "carve-outs" for Landlord or other tenants to occupy any portion of the Building. Since the core of a lease is the right to possession of certain space, it is unusual for that space not to be clearly defined"

- **Academy's response:** The premises are clearly defined in Exhibit A provided to the AG February 10, 2012.

It appears that Tenant is supposed to be the only occupant of the Building; however, Section 27.1 states that "Tenant hereby acknowledges the existing tenants as co-tenants." We do not understand this and find it irregular.

- **Academy's response:** There are other tenants occupying space in the building. Until this year, the Academy was not the only tenant in the building.



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In fact, we forwarded to Shutts and Bowen, LLC, the attachment received from Mr. Alonso-Poch that was purported to be Exhibit A. The law firm's analysis addresses it with specificity (Appendix E).

OMCA's contracted attorneys stated in their analysis: "Furthermore, the follow-up Exhibit 1 attached to the Email which was provided recently and is intended to clarify the description of the Demised Premises is also very difficult to understand."

The premises occupied by the Academy are clearly defined in Exhibit A of the leases and provided to the AG February 10, 2012. The premises occupied by other tenants are clearly identified in the leases between the landlord and the other tenants. The leases with the other tenants were provided to the AG in February 2012.

The hours of access to and from the Demised Premises are not stated. Usually in a lease of this type, there is "24 hour access, 365 days a year" or access "weekdays from 8:00 am. to 5:00 p.m. unless advance written notice is provided" or similar language. It is unusual that the issue is not addressed at all.

- **Academy's response:** A lease that does not provide a limitation on the hours of access by the tenant is unlimited as to the hours of occupation. Specifying the hours would have made the lease more clear.

Regarding the lease term of one (1) year with thirty (30) one (1) year renewal options, "Usually a tenant that has a site specific license or permit negotiates for a term longer than one (1) year."

- **Academy's response:** The lease term of one (1) year with thirty (30) one (1) year renewal options was incorporated into the restated lease at the suggestion of the Academy's Certified Public Accountants based on tax and capitalization considerations. The AG conferred with the Academy's CPAs to receive an explanation for the current lease structure.

Regarding the statement that the rental rate for option terms will be at "prevailing market rates", "A central component of any lease transaction is the rent to be paid. It is irregular for rental provisions to be as vague as they are here."

- **Academy's response:** The landlord agreed to modify the lease to allow tenant to stay or vacate and negotiate the terms of the lease at the end of each year. Section 5.1 at Page 3 of the restated lease allows the landlord to adjust the rent based on the market and the utilization of the building. The parties agreed that this was a fair commercial compromise that was reached between the landlord and the tenant when the lease was restated in 2007.

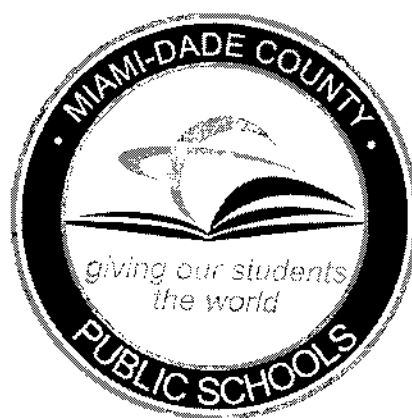
The lease does not stipulate the number of parking spaces available to the school.

- **Academy's response:** The Academy has the use of as many spaces as it needs. Specifying the number of parking spaces would have made the lease more clear.

The 10% Landlord administrative cost in connection with Common Area Maintenance cost is unusually high.

- **Academy's response:** The cost of administration of the CAM is not high for the

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area and for the administrative services provided by the landlord.

The Lease does not appear to cover any property other than 3138 Commodore Plaza.

- **Academy's response:** The restated lease must be considered jointly with the initial lease that covers 3138 and 3102 Commodore Plaza. Specifying both addresses in the restated lease would have made the lease more clear.

The AG engaged Real Estate Analysts, an independent real estate appraiser and consultant to determine whether the rent being paid by the school to the landlord was reasonable and in line with market rates.

Real Estate Analysts appraised the current market rent of the building at \$30.00 per square foot, on a net basis, of leasable building area.

The appraisal report states: "The adjusted net rents range from \$24.70 to \$40.00 per square foot net on an annual basis with an average of \$31.11 per square foot. The subject's current net rent is \$30.64 per square foot.

- **Academy's response:** The appraiser did not take into account the impact rent waivers granted to the Academy by the Landlord had on the rent. The AG's Report does not mention them either. When rent waivers received by the Academy are factored in, the actual rent paid by the Academy is \$20.34 / SF.

The Academy paid rent since 2004 as follows:

Year	Contract Rent	SF Occupied	Contract Rent Rate / SF	Effective Rent /Yr after LL Wvr.	Actual Rent Rate /SF after LL Wvr.
2004-2005	\$288,000	23,418 SF	\$12.29 / SF	\$288,000	\$12.29 / SF
2005-2006	\$288,000	23,418 SF	\$12.29 / SF	\$288,000	\$12.29 / SF
2006-2007	\$449,000	23,418 SF	\$19.17 / SF	\$449,000	\$19.17 / SF
2007-2008	\$928,000	24,980 SF	\$37.14 / SF	\$928,000	\$37.14 / SF
2008-2009	\$928,000	28,467 SF	\$32.59 / SF	\$928,000	\$32.59 / SF
2009-2010	\$928,000	28,467 SF	\$33.59 / SF	\$537,636	\$18.88 / SF
2010-2011	\$984,000	28,467 SF	\$34.56 / SF	\$652,000	\$22.90 / SF
2011-2012	\$891,264	29,092 SF	\$30.64 / SF	TBD 6/30/12	\$ 7.50 / SF Est.
Average Rent Rate / SF -----			\$26.53 / SF	-----	\$ 20.34 /SF

The per square foot rent paid by the Academy over the last eight years has always been below or in the range of market rents in the area. The average contract rate rent paid by the Academy over the last eight years is \$26.53/ SF, which is \$3.47/SF less than the average market rent rate of \$30.00 for the area. The average effective rent rate, (actual rent paid), by the Academy over the last eight years is \$20.34/ SF, Which is \$9.66/SF less or 33% below the average market rent rate established by the AG's appraiser. See Rent Rate Chart above.

Since 2007 the lease has provided the tenant with the contractual right to renew on a yearly basis and to negotiate the terms of the lease.



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As detailed in our report, the school's facility rental expenses were taken directly from the school's audited financial statements. "Forgiveness of Rent" is included in the school's revenues as contributions and is not contractual. The Forgiveness of Rent was not evident at the time the lease was executed, but was provided by the landlord "after the fact."

The AG's Report does not suggest what could be accomplished by entering into lease negotiations..... rent reductions? The property has been recently appraised by 2 independent appraisers. One commissioned by the AG and the other one commissioned privately.

Both appraisals show that the real estate in the area has maintained most of its value during the recession. If the property owner chose to enter into negotiations to reduce rent such an action would have the effect of inducing a downward spiral on property values in the neighborhood and future appraisals of neighboring properties would be adversely impacted and directly affected by the reduction of rent in the Academy's lease.

The rent paid by the Academy, according to the appraisal commissioned by the AG is fair and reasonable for the area, for the Academy and for the local school district and the local governments receiving the benefits of higher assessments as a result of the higher property values resulting from the Academy's lease.

The recession, the local real estate values, the rent forgiveness, the long term lease with options to annually negotiate are all considerations and reasons that guided the board's decisions to keep the lease in place. Some members of the governing board are experienced in real estate and two are attorneys, so that the governing board felt adequately informed as these decisions were deliberated and made to not renegotiate the Academy's lease at this time. While the governing board has the right to enter annual negotiations on the lease, the business conditions of the day show it would be unwise and imprudent to do so at this time.

A fair question to ask is should the governing board be looking for alternatives to the existing site. This question will be studied by the governing board this summer. The governing board will conduct an independent examination at the options available. Some of these options would be other real estate opportunities or the purchase of the existing building. The board will coordinate the engagement of independent counsel for selection by the governing board for any transactions of this nature.

The AG's Report makes reference to other comments made by the appraiser. Following are the Academy's answers to the appraiser's comments:

"In reviewing the occupancy history it was found there have been other tenants that (3 known based on leases provided) have used the subject premise which is atypical.

- **Academy's response:** No basis is provided by the appraiser for this opinion. Having more than one tenant in a mall is typical not atypical.

Other unusual operating characteristics: the owner has a food service agreement which



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_____ | Our research indicates that there is only one attorney on the current Board, Mr. Ignacio Ortiz-Petit, who is a non-practicing attorney.

authorizes the subject premises to sell food to the general public.

- **Academy's response:** The Academy, as a tenant, engages a food service provider to provide food service to students. Before 2009 the food service provider was allowed by contract to sell food to the general public from 5:00 PM to 10:00 PM. The arrangement was negotiated as part of the consideration between the parties. As of 2009 the food service provider does not sell food to the general public.

Also it was reported that the subject owner has used and/or is currently using the subject premises as office space for non-school business."

- **Academy's response:** The owner of the building has not and does not use space in the building leased to the Academy.

"Market lease terms are 1 to 3 year leases with annual adjustments based on Consumer Price Index (CPI). Lease terms for the entire building would typically involve a longer term."

- **Academy's response:** The lease term of one (1) year with thirty (30) one (1) year renewal options was incorporated into the lease at the suggestion of the Academy's Certified Public Accountants.

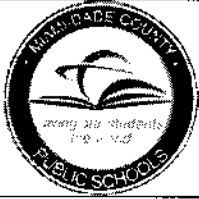
Actual Non-Exclusive Use of Facility -

We found substantial evidence that since June 1, 2007, significant portions of the building have been leased to and/or used by private, for Profit entities other than the school. Therefore, the school has not had exclusive use of the building during the said period.

- **Academy's response:** This is correct. The building is a mall with tenants other than the Academy occupying space in the building, (the "Other Tenants"). The leases for the Other Tenants were provided to the AG, at the AG's request in February of 2012.

For Profit corporations, which have contracts or arrangements with the school, also have (or have the contractual right) other non-school business operations located at the school's leased facility: Commodore Plaza Parking, LC.; A & M Square Food Service, LLC; EDU Management, LLC; and Abanico Performing Arts, Inc. _____

- **Academy's response:** Commodore Plaza Parking, L.C. is the owner of the building. A & M Square Food Service, LLC. is the food service provider for the Academy. EDU Management, LLC. is the educational management organization providing educational management services to the Academy. Abanico Performing Arts, Inc. is a company owned by the Academy's founder Lili Renteria. It does not occupy space in the building. It has a box in the



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The current food service contract in place, effective as of August 2010, states: "Operator shall have the exclusive right and privilege to sell food within the Academy of Arts and Minds' campus from 7:00 AM to 3:00 PM...Operator shall occupy the kitchen and food service area at 3138 Commodore Plaza Miami, Florida 33133 without charge or expense and shall be allowed to serve to the public after 3:30 PM weekdays and all day Saturdays, Sundays, Holidays and at any other time when the Academy of Arts & Minds High School is not in regular session." Also, please note that A&M Square Food Service renewed its beer and wine license with the State of Florida with a payment on March 7, 2012.

At a minimum, the evidence shows non-school usage of the leased building by a law firm, title company, restaurant and commercial parking company owned by the landlord.

It is unclear as to whether the purported advice of the school's auditor would have benefited the school or the landlord.

building's main mail box which is located in the garage. Abanico Performing Arts, Inc. does not have a contract, a contractual right or any other business arrangement with the Academy.

Mr. Tamargo and Mr. Machado, the school's Principals from 2005 through 2011, both indicated substantial non-school use of the school's theater and the cafeteria/food service area.

- **Academy's response:** This statement by both principals is simply false. If necessary the Academy can provide testimonial evidence from the theater teacher and staff employed by the school during the period of time mentioned that the theater and the cafeteria have not been used for non-school activities during school hours and have been used for activities associated with the school during non-school hours. The Academy is unable to address non-specific allegations. It would have been helpful if Mr. Machado and Mr. Tamargo were specific and more detailed with their statements.

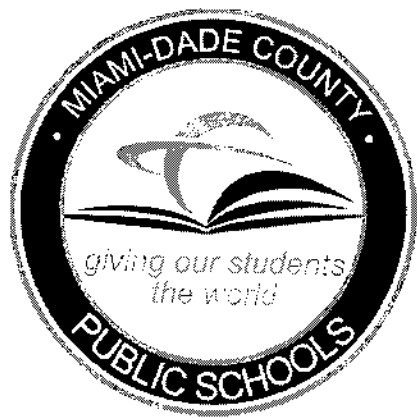
Other corporate entities show 3138 Commodore Plaza as their principal address on the Department of State records during 2007 through present, the period during which the lease indicates the school has exclusive use of the building (based on the interpretations of our contracted attorneys and appraisers).

- **Academy's response:** The entities mentioned have their mailing address at the building and receive mail in a box in the building's main mailbox. None of these entities use or occupy any space in the building.

According to Mr. Alonso-Poch, the school has not been remunerated for space or utilities used by any of the above-mentioned entities. Additionally, the Governing Board's Chair, Ms. Montaner, when asked, did not know whether the school had been remunerated or the extent of non-school usage.

- **Academy's response:** No remuneration or compensation from any of these entities is or should be expected. Service providers to the Academy provides service to school students during regular school hours and occupies whatever space is necessary to properly provided the service. The food service provider occupies the school kitchen and food service area when providing food services. The food service provider does not sell food to the general public at any time during school hours or after school hours including times when the school is not in session. Under most commercial relationships the receiver of a service pays the provider of the service for the service being provided. You don't expect the satellite television provider to pay the recipient of the signal for using the property to mount the dish. It is no different in the case of the Academy's food service provider. The food service provider provides a service and the provider is not expected to compensate the receiver of the service for providing the service. Additionally, students are allowed to bring their own lunch to school so there is no obligation from students to buy food from the food service provider. The food service provider undertakes the risk of providing food service without any

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guarantee that students will purchase food. A&M Square Food Service LLC is not a tenant. A&M Square Food Service LLC provides food service for the student body that attends school during school hours. A&M Square Food Service LLC pays for its operating overhead, for its licenses and permits to operate as a food service provider but does not pay for utilities. If it did the cost would have to be passed on to the students in the price of the food. Similarly EDU Management Services LLC provides educational management services to the Academy. Daniel Alonso provides health care benefits to the Academy's staff.

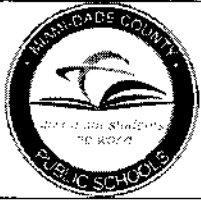
In conclusion, the school has not had exclusive use of the property from 2007 through present, which should have been the case based on the lease contract as interpreted by Shutts & Bowen, LLC; and as assumed by the appraisal firm Real Estate Analysts pursuant to its review of the lease. The appraiser's calculation of the lease's current contract unit rent of \$30.64 per square foot was based on the assumption that the school had exclusive use of the entire premises. Regarding the above entities, it is not clear the extent to which all of the corporations listing 3138 Commodore Plaza as their principal address conducted non-school business, if any, at the school's facility.

- **Academy's response:** Until July 1 of 2011 the Academy has never occupied all the space in the Building and there has been no intention for the Academy to have "exclusive" use of the building. In 2004 there were other tenants with leases occupying space in the building and when the Academy began operations in 2004 with 75 students the intention was for the Academy to expand as enrollment grew and as existing tenants vacated when their leases expired. The 2004 lease reflected the space occupied by the Academy and the space occupied by others from 2004 to 2007. In 2007 the 2004 lease was restated to follow the recommendations of the Academy's CPAs to provide yearly renewals of the lease term and the renegotiation of other terms in the lease. The space occupied by the Academy did not change. The Academy began taking on additional space in 2008 as follows:

Additional Space Occupied by the Academy 2008 to 2011

Room 218	added in 2008	1,562 SF	Academy of Arts & Minds
Room 102	added in 2010	750 SF	Manuel Alonso-Poch, P.A.
Room 305	added in 2010	450 SF	AT&T
Room 101	added in 2010	726 SF	Fashionista
Room 109	added in 2010	937 SF	TK Nails
Room 201	added in 2010	625 SF	FNTC
Room 104	added in 2011	625 SF	Silvianas

However, the evidence clearly shows substantial non-school business use during the subject period by a consignment business, nail salon, salon and spa, law practice, title company, commercial, parking business, restaurant and the Abanico theater. That business activity included use of the school's space and utilities for which the school was not remunerated. When considering the above, it is apparent that the effective rent per square foot has likely far exceeded the current contract unit rent of \$30.64 per square foot and the appraisals estimated market rent of \$30.00 per square foot.



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The demised premises in the restated lease of July 1, 2007, is interpreted by both our contracted law firm and appraisal firm as including the whole building.

Academy's response: Without analysis appearances can be deceiving and opinions can be misplaced. As stated on page 27 of this report, the average contract rate rent paid by the Academy over the last eight years is \$26.53/ SF, which is \$3.47/SF less than the average market rent rate of \$30.00 for the area. The average effective rent rate, (actual rent paid), by the Academy over the last eight years is \$20.34/ SF, which is \$9.66/SF less or 33% below the average market rent established by the AG's appraiser. Contrary to the opinion in the AG's Report, the analysis the lease contract rate and the actual rent rate paid by the Academy do not exceed the "current unit contract rate" or the average market rent rate for the area. Both are actually much lower.

Other Contracts and Arrangements

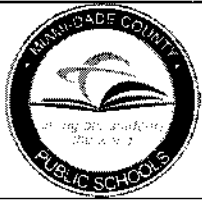
- **Academy's answer:** The AG's Report, prompted by the complaints of the accusing parents, attempts to raise concerns about Mr. Alonso-Poch's ownership of for-profit companies providing services to the school. These include food service, benefits consulting and education management.

Food Service -

The school contracts with A&M Square Food Service, LLC, which was established in November 2004 and is owned by Mr. Alonso-Poch. Based on information obtained during interviews with the active Board members, the school did not have its own, distinct legal representative when negotiating and executing this contract, nor were competitive bids or requests for proposals sought.

Academy's response: The accusing parents complain that "Mr. Alonso-Poch runs the for-profit company that provides food service to the Academy". Interestingly, there are no complaints about the quality of the food, the on-premise preparation of the food or the cost of the food. The complaint is just that Mr. Alonso-Poch owns the for-profit company. A survey of the student body shows that the quality and preparation of the food is very good and the cost reasonable. It is also noted that Paragraph A(9) in Part IV of the Charter Contract (at Page 30) directs the Academy "to contract with a private agency to provide food service".

The food service program will be transitioning this year under the National Food Lunch Program. It is the schools intent to have the procurement rules of the Federal program guide the school during the next academic year. However, to include more transparency in the process the Academy will retained the services of a consultant to notice, provide guidance and counsel the Academy's governing board in the selection process, creation of vendor qualifications and the review of proposals and recommendations to the governing board. The consultant will, within the context of the rules and regulations of the National School Lunch Program, utilize the consumers (students), to guide the selection process concerning the quality and choices of food. In addition, the consultant will be



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The schedule referenced was first provided to us as part of the Academy's final response. During the five years that the restated June 1, 2007 lease was in effect, it reflects an average contract rate of \$33.70 per square foot.

retained to create a similar selection process for the employee benefits proposal. The consultant will work with teachers and staff to select the most qualified, best choice related to employee benefit plans.

Employee Benefits -

- **Academy's response:** The accusing parents also complain about the employee benefits services provided to school personnel. Interestingly, the overwhelming majority of the school staff feels the services being provided are very good and no employee has ever complained that the employee benefits provided have not been delivered as promised.

Management Agreement -

The school entered into an agreement with EDU Management, LLC for a five year term commencing July 1, 2011 and ending June 30, 2016. EDU Management, LLC was established in April 2011 and is owned by Mr. Alonso-Poch who is listed in Florida Department of State records as Manager. The base management fee to be paid by the school is \$200 per pupil per year, and it includes a provision for the management company to subcontract for the performance of responsible services. Actual fees paid to EDU Management, LLC, since July 1, 2011, if any, are yet to be determined pending issuance of the school's FY 2011-12 audited financial statements.

The agreement had been submitted to the M-DCPS Charter School Operations department in August 2011 in accordance with policies and procedures for charter schools. It was signed by Mr. Alonso-Poch and Ms. Montaner, on behalf of the company and the school, respectively. Based on interviews with the active Board members, the school did not have its own, distinct legal representative when negotiating and executing this contract with EDU Management, LLC, nor were competitive bids or requests for proposals sought.

- **Academy's response:** The charter school movement in Florida is filled with successful management companies that provide a menu of services to governing boards. Some governing boards prefer an a la carte option of picking and choosing services while most prefer setting the overall vision and policy of the school and allowing the management companies to run the day to day operations of the educational center. In this context, at a meeting requested by the accusing parents with a governing board member in attendance, representatives of the District's Charter School Operations office noted and suggested to the accusing parents and to Mr. Alonso-Poch that though Mr. Alonso-Poch was designated by the governing board as an individual to provide oversight over the school operations, it would be more efficient and more definition could be provided if he were to incorporate and be known as the school's EMO or educational management organization. This was not unusual or challenging for the governing

board to accept since the inception of the school began with Charter Schools USA being the EMO.

The question to the governing board that sets the policy was two-fold. First, what are the costs? Second: Is the management company effective in delivering a high quality education?

The answer can be seen in the results. The AG's Report correctly states that the fee stipulated in the contract between the Academy and EDU for the school management services is \$200.00 per student or 3% of FTE revenues. A survey of Florida charter school management companies will show fees ranging from 8% to 15% of FTE revenues as the norm. In fact, Charter Schools USA charged 12% when it was the Academy's EMO, at the inception of the school.

With a management contract providing the lowest fees in the marketplace the second question: "How well did the management company do in concert with the governing board managing the Academy's affairs to meet the Charter contract requiring the delivery of a high quality education to its students? The answer must be stated again that this is a SACS accredited school with an A grade the last two years and a B grade the two years before that, and rated a "High Performing Charter School" by the Florida State Department of Education. This was an obvious decision that any board should make on merit alone. The governing board prudently made this decision after significant discussion and noted them in the board minutes. It should be noted that EDU has received no compensation as of date for the services provided since Miami-Dade School District policies require their approval of the contract before any payment is received and the approval has not been provided by the District.

Charter School Ad-Valorem Tax Exemptions

Charter schools, and sometimes their contractors, are typically exempt from paying various Federal, State and local taxes. It is noteworthy that these taxes are the principal source of funding for traditional public schools and charter schools alike.

Section 196.1983, Florida Statutes states in part: 'Any facility, or portion thereof, used to house a charter school whose charter has been approved by the sponsor and the governing board pursuant to s. 1002.33(7) shall be exempt from ad valorem taxes. For leasehold properties, the landlord must certify by affidavit to the charter school that the lease payments shall be reduced to the extent of the exemption received.'

- **Academy's response:** Florida statutes specifically grant charter schools an exemption from ad-valorem taxes on property used in connection with school operations. The intent of the law is to establish an exemption that allows charter schools operating from commercial properties to save the cost of the taxes the school would otherwise have to pay to the landlord allowing the savings to be used for education. The Academy has a triple net lease with the landlord, which requires the Academy to pay for all the real estate taxes imposed on property

leased and used by the school. If the exemption were not in place the Academy would have to pay the landlord for the real estate taxes on the property.

We found that Academy of Arts and Mind's landlord (Commodore Plaza Parking, L.C.), owned by Manuel Alonso-Pach, has claimed and received a 65% charter school ad-valorem tax exemption on three adjoining properties (folio #'s 4121047-(0180), (0190) and (0230), from 2005 to the present.

- **Academy's response:** Contrary to what the AG found, the exemption in question was requested by and granted to the property for the benefit of the Academy as provided by Florida statutes, not to the landlord or for the benefit of the landlord as stated by the AG in his report. (Copy of the Application is attached as Addendum V).

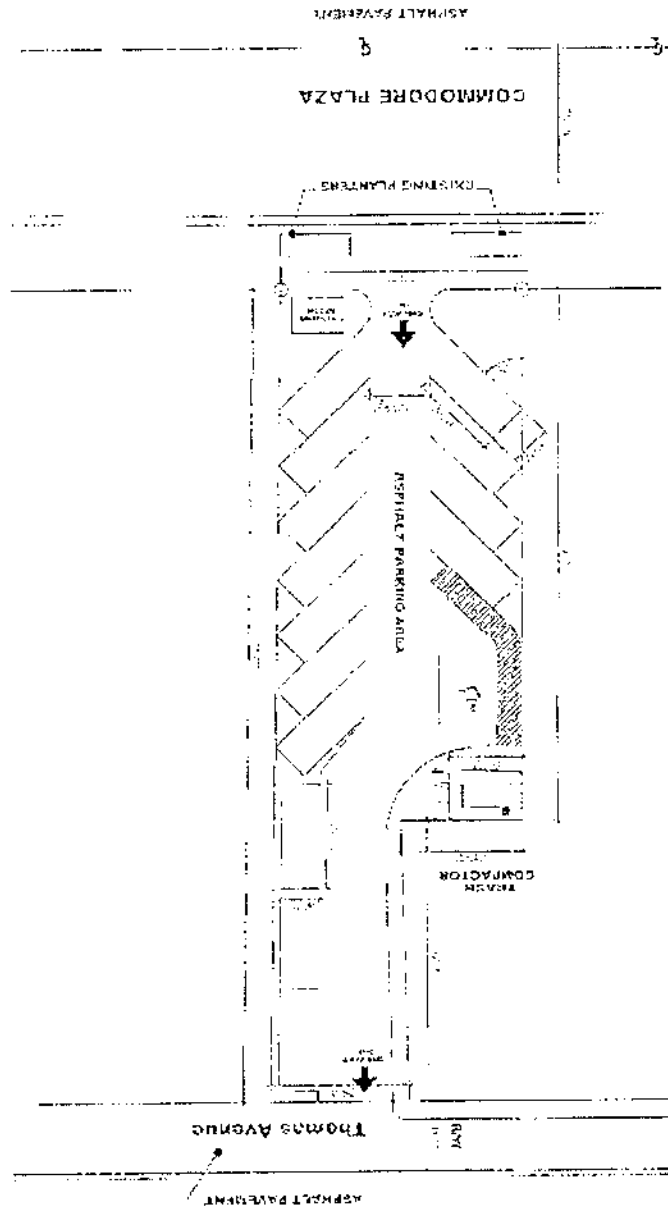
Those properties constitute a commercial parking lot in reasonably close proximity to the school, and are also owned by Commodore Plaza Parking, L.C. However, the evidence obtained suggested that those properties were not leased or used by the school, except very minimally.

- **Academy's response:** The Academy uses the parking lot at least 65% of the time and is therefore entitled to a partial exemption of 65%. The following analysis shows how the percentage of exemption was determined.

[Remainder of this page intentionally left blank]

Parking Lot Site Plan Approved and Permitted by the City of Miami

USE ANALYSIS



10118 OFF-SITE PARKING
SCALE: 1" = 10'

Parking and Trash Collection

Analysis – By Number of Parking Spaces and Dumpster

Total Number of Parking Spaces:	15
Number of Parking Spaces allocated to School Use:	9
<u>Dumpster Area Counted as 1 Parking Space</u>	<u>1</u>

Number of Spaces used by the school as a percentage: 66.66%

Note: Driveway space used by the Academy as part of the school's traffic pattern is not taken into account in this Analysis.

Analysis – By Square Footage

Total Square Feet	7,135 sf.
Square footage - Non-School Use (6 parking Spaces)	1,600 sf.
<u>Square footage - School Use (Driveway, 9 parking Spaces, Dumpster).</u>	<u>5,535 sf.</u>
SF used by School as a percentage:	71.00 %

Analysis – By Time of Use

Parking Lot Use

Sun. 9:00 am. to 10:00 pm. =13 hrs.
Mon. 9:00 am. to 10:00 pm. =13 hrs.
Tue. 9:00 am. to 10:00 pm. =13 hrs.
Wed. 9:00 am. to 10:00 pm. =13 hrs.
Thu. 9:00 am. to 1:00 am. =16 hrs.
Fri. 9:00 am. to 1:00 am. =16 hrs.
Sat. 9:00 am. to 12:00 pm. =15 hrs.
<u>Totals</u> 99 hrs.

School Use

Sun. For Special Events	= 0 hrs.
Mon. 6:30 am. to 7:30 pm.	=13 hrs.
Tue. 6:30 am. to 7:30 pm.	=13 hrs.
Wed. 6:30 am. to 7:30 pm.	=13 hrs.
Thu. 6:30 am. to 7:30 pm.	=13 hrs.
Fri. 6:30 am. to 7:30 pm.	=13 hrs.
Sat. For Special Events	= 0 hrs.

Totals 99 hrs. 65 hrs.

Time used by School as a percentage: 66.66%

Average of the above percentages: 67.66%

Add: Use as Safe area for Mandatory Fire Drills 10 times per year. 00.50%

See photos showing Parking Lot as Safe Area. Addendum VI

Add: Stacking and Passageway for vehicles dropping off and picking up students

Daily use Monday through Friday – Total of 15 hours. 15.00%

See traffic flow charts from Academy's Traffic Study. Addendum VII.

Add: Truck deliveries.

Use for vendor deliveries. 00.50%

TOTAL % OF USE BY THE ACADEMY 83.66%

The AG's only evidence to support the conclusions reached "that the exemptions are not properly granted" is the accusations made by the parents and the Testimony of Tamargo & Machado. The AG does not go beyond this evidence. If any additional evidence exists it is not reflected in the AG's Report. The AG could have examined the application made by the Academy in 2005 for the exemption and would have found the analysis above. The AG could have interviewed the staff that attends the property to find out the extent to which the property is used by the Academy and if it coincides with the information used in the analysis above. This would have provided a more precise picture of the facts that led the Property Appraiser's to grant the 65% partial exemption in 2005. It is worth noting that the accusations launched by the parents are simply that; accusations and the evidence obtained by the AG is the Testimony of Tamargo and Machado. That testimony of Tamargo and Machado should have prompted further inquiry from the AG based on their lack of credibility. (See this Response at Page 13). They should not be the basis to support the conclusion reached by the AG that the property is used "minimally".

We informed the Office of the Miami-Dade County Property Appraiser of our concerns and they conducted their own investigation which found that for each of the three folios "the property did not meet the required use for a charter school" and "pursuant to Florida Law, the property was not entitled to a 65% exemption for the tax years 2005-2010." Tax liens (see Appendix G), including back taxes, interest and penalties, were placed on the three properties totaling \$182,736, pending the final outcome of the Miami-Dade County Property Appraiser's investigation.

- **Academy's response:** The Governing Board's Chairperson, the School Director and the landlord Mr. Alonso-Poch recently met with representatives of the Miami-Dade Property Appraisers office to discuss the partial tax exemption granted by that office to the Academy in 2005. Under the triple net lease between the Academy and the landlord the Academy is responsible for the payment of all real estate taxes. The Academy will be responsible for any taxes that become due. Given the AGs accusation, the exemption has been questioned by the Office of the Property Appraiser. Details about the partial exemption granted to the Academy are currently under review. Acting for All, Inc. maintains that a written application was submitted to the Property Appraiser in 2005. After careful consideration the Property Appraiser granted and the Academy received the correct amount of tax exemption and there are sufficient records and testimony from persons directly connected with the daily management of the property, during the years the exemption has been in place, to back up the exemption given by the Property Appraiser. In this regard, the Academy will reserve its rights to appeal to the Value Adjustment Board or Circuit Court, any decision adverse to the Academy taken by the Property Appraiser.

Additionally, as detailed in the Governance Section of this report, we also question the validity of the school's status as a Section 501(c)(3) corporation exempt from Federal income taxes.

- **Academy's response:** See Academy's response to Conflicts of Interest on Pages 21-23 of this Response.

Response to Recommendations

- 1) The governing Board and management of the Academy of Arts and Minds should work with the Miami-Dade County Public Schools in consultation with other oversight agencies such as the Florida Department of Education and the Internal Revenue Service to eliminate the structural conflicts of interests identified.

- **Academy response:** The governing board will take steps to engage the services of an independent lawyer to review items coming before the governing board that may present conflict of interest situations. If any conflict of interest situations arise the independent attorney will guide the governing board on the manner in which to properly and legally deal with them. It is worthy noting that under the current governing structure of the Academy there are no structural conflicts in the governance of the school. The issues of structural conflicts have been raised by a small group of disgruntled parents most likely misguided by errant administrators who did not clearly understand the governance structure or most likely felt they could ignore the controls in place within the Academy's governance structure when they did not agree with the decisions taken by the governing board. We suggest that a review of the Governance Board Training Manual and board minutes confirm our position.

- 2) The Governing Board of the Academy of Arts and Minds Charter School should revisit the terms of its major contracts and analyze expenses in order to strive to achieve a self-sufficient operation.

- **Academy Response:** The governing board has a record of actions showing this they are always striving to make the Academy not only self-sufficient but also abundantly funded through budgeting and fundraising. The board recently negotiated a management contract with the lowest cost in the marketplace at only 3% of student FTE revenues. Secondly, the governing board will take no action that diminishes the integrity of the Academy or the governing board's integrity and will honor all contracts currently in effect. The governing board is not in a position of creating the risk of lawsuits against the Academy by not honoring current contracts. However, if vendors are willing to renegotiate their contracts before they term out then the board will entertain those options. The board will have an independent advisor assist in reviewing the Food Service contract and agrees to follow the procurement standards suggested by the National School Lunch Program.



Office of Management and Compliance Audits: Comments

OMCA's conclusion is that the current arrangement contains structural conflicts of interest and may not comport with the operations of an IRS Section 501(c) 3 tax exempt corporation.

The OMCA does not recommend that the Board not honor its contracts. The recommendation is to "revisit" the terms (the lease is on a year-to-year basis) and negotiate the contracts where possible. The "vendor" for the three major contracts referenced is Mr. Manuel Alonso-Poch.

3) An independent Governing Board of the Academy of Arts and Minds should renegotiate the lease as an arm's length transaction.

- **Academy Response:** The lease is up for renewal this month., (June 2012). The governing board will retain independent counsel to review the lease and negotiate with the landlord. The lease, as confirmed in the minutes of the governing board, was negotiated with full disclosure of Mr. Alonso-Poch ownership. Mr. Alonso-Poch did not represent the Academy in the negotiation of the lease. The process followed the Florida Statutes completely as confirmed by the minutes of the governing board. The renegotiation of a lease can take place only if the landlord and the tenant are willing to negotiate. The Academy's lease is up for renewal July 1, 2012. The governing board will take steps to retain independent legal counsel to review and negotiate a clarification of the terms of the lease, and the board will explore retaining a real estate consultant to present a process of site selection and at the appropriate time to explore on a parallel track the possibility of current building acquisition negotiations.

4) An independent Governing Board of the Academy of Arts and Minds should renegotiate the Management Agreement, Food Service Contract and Benefits Consultant Arrangements.

- **Academy Response:** The independent governing board of the Academy is retaining a consultant to guide this process relating to food service and benefits consulting and to engage independent counsel to review the contracts before they are approved by the governing board. However, the Management Contract has yet to be approved by the District after a 10 month review. The management contract has the lowest contract price in the marketplace for these services. The governing board requests a response and comments by the District, if any, on the management contract and where it is deficient before concurring on a renegotiation.

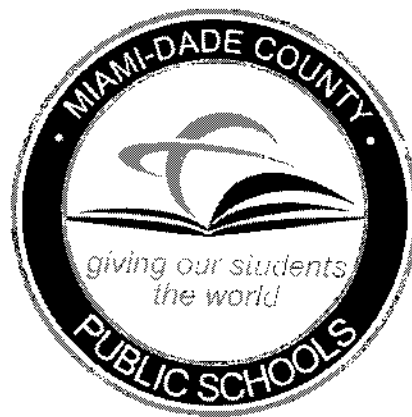
5) The Governing Board and management of Academy of Arts and Minds should put controls in place to ensure that the board is adequately informed of Federal, State and Charter School Tax exemptions.

- **Academy Response:** The board agrees to place on its agenda an annual update on various governmental tax exemptions. This is appropriately done when the legislative update occurs during the spring/summer board meetings.

Items 6 and 7 are recommendations to the Miami-Dade County Public Schools.

- The Academy has no comments.

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Academy's Conclusions

All the accusations made by the Accusing Parents, including the four (4) fundamental accusations posited by the AG have been addressed in this Response.

(1) the board is fully independent as proven by the minutes showing deliberative, thoughtful and decisive actions over the course of eight years and the delivery of a SACS accredited A+ school with the distinction of being designated a "High Performing Charter School" by the Florida Department of Education;

(2) the Academy has been independently audited at the end of each school year for the last seven years and its Annual Audited Financial Statements show clean yearly audits and do not reveal any discrepancies or inconsistencies in the Academy's finances or flow of funds;

(3) the AG's Report does not reflect violations of law by the Academy and any violations of law brought to the attention of the governing board in the past, if any, have been immediately corrected;

(4) the Academy has been independently audited at the end of each school year for the last seven years. The Academy's Annual Audited Financial Statements show clean yearly audits and do not reveal any discrepancies or inconsistencies in the monies the Academy has received.

Additionally, although not a fundamental concern, the building lease was fully lawful and accepted by the Miami-Dade School District Charter School Operations Office. It has been used during the past seven years. The conflicts presented by the landlord being a member of the board when the lease was initially entered into were addressed properly with due process and the actual rent paid by the Academy has been significantly below the market rent rate for the area. Mr. Alonso's philanthropy has allowed the school to succeed during the recent recession and government funding shortfalls. The Academy's governing board is appreciative of this and will not condemn it. The board will review the various vendor contracts during this coming school year and will engage the appropriate stakeholders, i.e. students, parents teachers, etc.

[Remainder of this page intentionally left blank]



Office of Management and Compliance Audits: Comments

OMCA's conclusion is that the school's Governing Board, rather than having been appropriately engaged, informed, independent and accountable to its students, parents/guardians and the community at large, has been perfunctory and subservient to Mr. Alonso-Poch. We would not characterize the Board's minutes as "deliberative" or "thoughtful." In many cases, such as the lease negotiations, there is "scant" evidence that the Governing Board had at all contemplated the lease terms and conditions from July 2007 through September 2011.

The school's audits for FY 2006 and FY 2009 indicate a material weakness in internal controls over financial reporting in each of those years.

As stated in the report, the school and/or its landlord, appear to have violated Section 196.1983, Florida Statutes, and may have violated IRS Rules governing tax exempt organizations. The school was found to have been in violation of other statutes and ordinances, including the Jessica Lunsford Act, but is currently in compliance or working towards compliance.

Requests

In its Executive Summary and in the body of the IG's Report, the IG states that four (4) fundamental accusations were made by a group of parents against the Academy.

The Academy is extremely disappointed that the AG is of the opinion that the four fundamental accusations are substantiated by his investigation when two of the accusations are not directly substantiated, explored or addressed in the Draft Report:

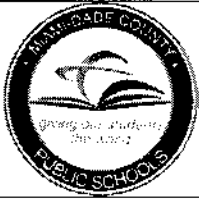
One fundamental accusation states that: "There may be violations of law in connection with the school".

Yet no mention has been made and no evidence has been offered in the AG's 20 page Report of any violation of the law. We would ask the Auditor General that if his investigation did not reveal any violations of law, that he acknowledge that nothing was found to substantiate the accusation.

Another fundamental accusation states that: "There are concerns regarding the flow of monies received by the Academy from Miami-Dade County Public Schools and used to pay expenses".

No mention has been made and no evidence has been offered in the 20 page report of any irregularities in the flow of monies received by the Academy. We would ask the Auditor General that if his investigation did not reveal any irregularities regarding the flow of monies received by the Academy, that he acknowledge that nothing was found to substantiate the accusation.

END OF RESPONSE



Office of Management and Compliance Audits: Comments

As stated in the report, the school and/or its landlord, appear to have violated Section 196.1983, Florida Statutes, and may have violated IRS Rules governing tax exempt organizations. The school was found to have been in violation of other statutes and ordinances, including the Jessica Lunsford Act, but is currently in compliance or working towards compliance.

Although we found no irregularities with the "flow of monies received from Miami-Dade County Public Schools", the evidence detailed in the report suggests that expenses were paid with public monies for purposes other than the non-profit school.



academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Findings
Investigation of Allegation Concerning Academy of Arts & Minds
Charter High School

ADDENDUM I

Minutes of the Governing Board

2004 - 2011



academy of arts & minds charter high school

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

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Mission

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- Foster opportunities for artistic performances and exhibitions in the community;
- Employ a rigorous curriculum driven by research and data;
- Incorporate technology within the curriculum;
- Promote involvement as citizens of the world through curriculum, service and club activities; and,
- Prepare students to meet their post secondary endeavors in a 21st century global society.

MINUTES OF THE MEETING OF THE GOVERNING BOARD OF DIRECTORS

November 29, 2011 1:30 PM.

3138 Commodore Plaza Miami, Florida 33133

CALL TO ORDER

Chairperson Ruth C. Montaner called the meeting to order at 1:30 pm.

ROLL CALL / MEMBERS PRESENT

Ruth C. Montaner
Ignacio Ortiz-Petit
Percy Aguila

MEMBERS NOT PRESENT

Cecilia Holloman
Jorge Guerra-Castro

OTHERS PRESENT

Manuel Alonso-Poch, Founder
Jorge Suarez, Acting Director
List of other attendees (sign in sheet) attached.

Chairperson Ruth C. Montaner introduced the agenda which was unanimously approved by the board. The Chair then asked Board Member Percy Aguila if he would assume the position of Chairperson of the meeting. Mr. Aguila accepted and Ms. Montaner passed the gavel to Mr. Aguila.

1. APPROVAL OF THE MINUTES OF THE MEETING of September 22, 2011

MOTION: A motion was made by Ignacio Ortiz-Petit to accept and approve the minutes of the meeting of September 22, 2011 as submitted.

SECOND: The Motion was seconded by Ruth C. Montaner and the motion passed unanimously.

2. ENGAGEMENT OF JORGE SUAREZ AS THE ACADEMY'S DIRECTOR FOR THE 2011-0212 SCHOOL YEAR

MOTION: Board Member Ignacio Ortiz-Petit made a motion that Mr. Jorge Suarez be promoted from Assistant Director to Director of the Academy for the remainder of the 2011-2012 School Year. Cecilia E. Holloman to negotiate the details of his contract.

SECOND: Board Member Ruth C. Montaner seconded the motion and it passed unanimously.

3. UPDATE - LAWSUIT FILED BY PARENTS CARLOS HERNANDEZ AND IVELISSE BERIO-LEBEAU AGAINST MEMBERS OF THE GOVERNING BOARD.

The Complaint filed by Carlos Hernandez and Ivelisse Berio-Lebeau against the members of the board individually was dismissed by the Judge presiding over the case. Carlos Hernandez and Ivelisse Berio-Lebeau have now filed a new complaint against the members of the Governing Board naming them as records keepers of the corporation instead of individually. A new motion to dismiss the Complaint will be filed. Public records requested have been made available to Carlos Hernandez since August 2011.

4. RATIFICATION OF ENGAGEMENT – DANIEL WOODRING LAW FIRM

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the engagement of the Daniel Woodring Law Firm be ratified.

SECOND: Board Member Ruth C. Montaner seconded the motion and it passed unanimously.

5. GOVERNING BOARD MEMBER – EXPANSION / ADDITIONS

a. Re-appointment of Current Board Members.

MOTION: Board Member Ruth C. Montaner made a motion that Board Members Ruth C. Montaner, Cecilia E. Holloman and Ignacio Ortiz-Petit be reappointed to new terms and that Jorge Guerra-Castro not be reappointed.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

b. Appointment of New Board Members.

Discussion was had regarding the expansion of the Governing Board, including parents who have manifested interest in becoming members and have submitted their names for consideration pursuant to a call to parents made by the Chairperson in August. Discussion was had regarding the difficulties encountered in finding Board Members who are loyal to the mission and the vision of the corporation and are willing to be protective of it above all other interests.

Criteria to follow in appointing new members:

- How many Board Members should the Board have in total. 7
- How many new members should be recruited. 3
- How many new board members should be parents. At least 1. Parent resumes will be provided to the Members so Members can review the material submitted by those interested in serving on the Board.
- How many new board members should not be parents. At least 1.
- Change the terms of all members of the Governing Board to one year renewable at the end of each year.

Each member shall submit to the Chair by December 16, 2011, three or four names. The Board shall consider the names submitted for nomination and appointment at the next Governing Board Meeting to be held in 2012. Names submitted may include the names of parents who have demonstrated interest in serving on the Governing Board.

MOTION: Board Member Ruth C. Montaner made a motion to adopt the criteria above for the appointment of new board members.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

6. STUDENT CONSUMABLE FEES SCHEDULE FOR 2011-2012 SCHOOL YEAR

Student consumable fees collections are still pending approval of the CSO.

7. MDCPS – CSO COMPLIANCE ISSUES

Director Jorge Suarez provided information regarding the status of the Special Education Services issues that caused the District to seek the termination of the Academy's Charter. The administration is taking the steps necessary to correct the deficiencies found by the District with the provision of Special Educational Services provided by the Academy. All significant deficiencies have been corrected. The School District's SPED Department has issued a communication to the CSO to that effect.

Director Jorge Suarez provided information regarding the status of the Student Fees issues that caused the District to seek the termination of the Academy's Charter. All the information

requested by the CSO to be provided in connection with the collection of Student Fees has been provided by the Academy.

Director Jorge Suarez and Manuel Alonso-Poch provided information regarding the status of the investigation by the District's Auditor General prompted by the complaint made by the officers of the Academy's PTSA. All records requested by the Auditor General's office have been timely provided by the Academy.

Director Jorge Suarez provided information regarding the rumors generated in the press that the Academy did not have books or teachers. The Academy is rated an A+ School. It would not be rated an A+ school if it did not have books or teachers. The Academy provides books for all its students and all classes have certified teachers assigned to them as required by Florida law.

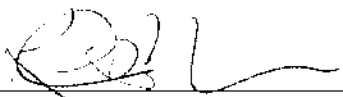
8. PUBLIC COMMENT

9. NEXT MEETING DATE AND LOCATION

To be determined.

10. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at



Ruth C. Montaner



academy of arts & minds charter high school

Arts & Minds Center
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- Employ a rigorous curriculum driven by research and data;
- Incorporate technology within the curriculum;
- Promote involvement as citizens of the world through curriculum, service and club activities; and,
- Prepare students to meet their post secondary endeavors in a 21st century global society.

MINUTES OF THE MEETING OF THE GOVERNING BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

September 22, 2011 1:30 PM.

CALL TO ORDER

Chairperson Ruth C. Montaner called the meeting to order at 1:30 pm.

ROLL CALL / MEMBERS PRESENT

Ruth C. Montaner
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Percy Aguila
Jorge Guerra-Castro

OTHERS PRESENT

Manuel Alonso-Poch, Founder
Lili Renteria, Founder
Jorge Suarez, Assistant Director
Robert Post, Esq.

List of other attendees (sign in sheet) attached.

Chairperson Ruth C. Montaner introduced the agenda which was unanimously approved by the board.

Governing Board

RECITATION OF GOVERNING BOARD POLICY REGARDING PUBLIC PARTICIPATION AND COMMENT AT GOVERNING BOARD MEETINGS

Governing Board Meetings shall be conducted expeditiously and in a manner that is conducive to efficiency and practicality. Deliberation and discussion of items on the Agenda shall be conducted without interruption from the public. At the end of deliberation and discussion of all items to be discussed by the Governing Board the Chairperson shall allow a reasonable time, to be determined in the Chairperson's discretion, for public comment and discussion of the items on the Agenda. Discussion shall be limited to no more than three minutes per person.

APPROVAL OF THE MINUTES OF THE MEETING of July 28, 2011

MOTION: A motion was made a motion that the minutes be approved as submitted.

SECOND: The Motion was seconded the motion and it passed unanimously.

DISCUSSION OF LAWSUIT FILED BY PARENTS CARLOS HERNANDEZ AND IVELISSE BERIO LEBEAU AGAINST MEMBERS OF THE GOVERNING BOARD.

Robert Post Esq. gave an update on the status of the lawsuit. Mr. Post reported the lawsuit was filed against the members of the board individually and the law provides for lawsuit seeking public records to be filed against the corporation that has custody of the records. A motion to dismiss the lawsuit has been filed and will be heard November 3, 2011. Public records requested have been made available to Carlos Hernandez since August 3, 2011 but he has not inspected them as of the date of this meeting.

RECRUITMENT OF ADDITIONAL BOARD MEMBERS

Discussion was had regarding the expansion of the Governing Board, including parents who have manifested interest in becoming members and have submitted their names for consideration pursuant to a call to parents made by the Chairperson. Discussion was also had regarding the difficulties encountered in finding Board Members who are loyal to the mission and the vision of the corporation and are willing to be protective of it above all other interests. Applications by persons who have demonstrated interest in being elected to the Governing Board are still being reviewed. The review has not been completed. A report will be provided at the next meeting of the Governing Board.

Budget & Finance

1. Financial Statements for the month ending August 31, 2011 were reviewed. The company's Management Company reported that the Independent Auditors completed their audit and found the books and records of the Company to be in order with no negative exceptions were noted on the report.

STUDENT CONSUMABLE FEES SCHEDULE FOR 2011-2012 SCHOOL YEAR

Student consumable fees collections are pending approval of the CSO. Although 40 +- checks were received for student consumables from parents they have not been deposited pending the approval of the Fee Schedule by the CSO.

OPERATIONS.

1. FF&E Inventory.

Mr. Alonso-Poch reported that the FF&E Inventory has been completed.

PTSA.

The Board discussed the use of Academy of Arts & Minds and the A&M name by third parties in the social media and on blog sites, without Governing Board authority.

The Board discussed the use of Academy resources by a group whose leadership has filed a lawsuit against the Academy Governing Board Members.

The Board discussed bashing and bad mouthing of the Academy by individuals who have their children enrolled at the Academy that is generating a general malaise withing the campus that is detrimental to the educational environment of the school.

PUBLIC COMMENT

Carlos Hernandez asked questions about Board Member Jorge Guerra-Castro.

NEXT MEETING DATE AND LOCATION

October 20, 2011 1:30 PM.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:40 p.m.

Ruth C. Montaner



academy of arts & minds charter high school

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MINUTES OF THE MEETING OF THE GOVERNING BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

July 28, 2011 1:30 PM.

CALL TO ORDER

Vice Chairperson Cecilia E. Holloman called the meeting to order at 1:30 pm.

ROLL CALL / MEMBERS PRESENT

Ignacio Ortiz-Petit

Cecilia Holloman

Percy Aguila

MEMBERS NOT PRESENT

Ruth C Montaner, Chair

Jorge Guerra-Castro

OTHERS PRESENT

Manuel Alonso-Poch, Founder

Lili Renteria, Founder

Kevin A. Sawyer, Director

Vice Chairperson Cecilia E. Holloman introduced the agenda which was unanimously approved by the board.

I - Governing Board Items

APPROVAL OF THE MINUTES OF THE MEETING

of February 9, 2011; March 7, 2011, April 1, 2011 and July 14, 2011

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the minutes be approved as submitted.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

Correspondence

There was no correspondence to be reviewed by the Board.

Board Member Screening

All Board Members have been screened and cleared by MDCPS.

Board Member Training.

All Board Members have completed their statutorily required Board Member Training.

ADOPTION OF BOARD POLICY REGARDING PUBLIC PARTICIPATION AT GOVERNING BOARD MEETINGS

A Board Policy Statement regarding public participation at Governing Board meetings was presented to the Board for discussion by the Chairperson. The policy Statement was read into the record.

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Policy Statement be approved and adopted as submitted.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

DESIGNATION OF OFFICES

MOTION: Board Member Ignacio Ortiz-Petit made a motion that Board Members be designated to the following offices: Ruth C. Montaner – President – Communications and Public Relations

Cecilia E. Holloman – Vice President – Management & Operations

Ignacio Ortiz-Petit – Secretary – Student Affairs and Govt. Relations

Percy Aguila – Treasurer – Finance & Budget

Jorge Guerra Castro – At Large – Arts & Academic Programs

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

ACCEPTANCE, APPROVAL AND RATIFICATION OF ALL PRIOR BOARD ACTION

MOTION: Board Member Percy Aguila made a motion that all prior actions taken by the Governing Board be formally and officially accepted, approved and ratified.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

ACCEPTANCE OF RESIGNATION BY BOARD MEMBER JOSE NOY

MOTION: Board Member Ignacio Ortiz-Petit made a motion that Jose Noy's resignation as Board Member be accepted.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

ACCEPTANCE OF RESIGNATION BY WILLIAM MACHADO SCHOOL DIRECTOR

MOTION: Board Member Ignacio Ortiz-Petit made a motion that William Machado's resignation as School Director be accepted.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

ENGAGEMENT OF KEVIN A. SAWYER AS SCHOOL DIRECTOR FOR THE 2011-0212 SCHOOL YEAR

MOTION: Board Member Percy Aguila made a motion that Kevin A. Sawyer be engaged as Director of the Academy for the 2011-2012 School Year.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

ENGAGEMENT OF EDU MANAGEMENT LLC. AS THE MANAGEMENT COMPANY FOR THE CORPRAOTION AND THE ACADEMY OF ARTS & MINDS.

MOTION: Board Member Percy Aguila made a motion that EDU Management LLC, a Florida limited liability company be engaged to manage the affairs of the Academy and the corporation, and to designate Board Member Cecilia E. Holloman to negotiate the Management Agreement with EDU, in the form submitted to the Members of the Board, to be effective July 1, 2011, subject to the approval of the MDCPS CSO office, and authorizing the Chair to execute the agreement on behalf of the Corporation.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

ADOPTION OF NON-ACADEMIC VISION AND MISSION OF THE CORPORATION

MOTION: Board Member Ignacio Ortiz-Petit made a motion for the corporation to maintain the Non-Educational Vision and Mission adopted by the corporation at the commencement of operations and to also maintain the academic vision and mission of the corporation as it related to Academy matters. Both are currently set forth in the By-Laws of the corporation.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

RULES, POLICIES AND PROCEDURES FOR THE OPERATION OF THE ACADEMY

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Governing Board, with the assistance of the management company, continue developing the rules, policies and procedures necessary to institutionalize the operations and management of the Academy.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

DESCRIPTION AND EVALUATION OF ACADEMY EMPLOYEES AND PROGRAMS

MOTION: Board Member Percy Aguila made a motion that the Governing Board and the management company continue developing, job description and evaluation criteria for all Academy personnel with a yearly timetable to be established for the evaluation of employees and the programs they are overseeing.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

DEVELOPMENT OF TECHNOLOGY IMPROVEMENTS

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Governing Board and the management company develop a plan for implementation at the beginning of the school year that begins the development of the Academy's technological capacity including a budget that includes sources of funding the improvements and a timetable for implementation.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

APPOINTMENT OF LILI RENTERIA AS THE ACADEMY'S ARTIISTIC DIRECTOR AND MANUEL ALONSO-POCH AS THE ACADEMY'S LEGAL ADVISOR

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Governing Board appoint and authorize Lili Renteria as the Artistic Director of the Academy with the authority to oversee the maintenance of the Academy's artistic programs in

every strand and to regularly evaluate the level of performance of all the arts programs of the Academy.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

CREATION OF THE ACADEMY'S BOARD OF AMBASSADORS

MOTION: Board Member Percy Aguila made a motion that the Governing Board establish a program entitled the Academy of Arts & Minds Board of Ambassadors and to have the Governing Board Members recruit high profile individuals who can promote the interests of the Academy throughout the world.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

RECRUITMENT OF ADDITIONAL BOARD MEMBERS

Discussion was had regarding the expansion of the Governing Board, including parents who have manifested interest in becoming members and have submitted their names for consideration pursuant to a call to parents made by the Chairperson. Discussion was also had regarding the difficulties encountered in finding Board Members who are loyal to the mission and the vision of the corporation and are willing to be protective of it above all other interests.

MOTION: Board Member Percy Aguila made a motion that the Governing Board have the management company and the administration study and consider expanding the number of members on the Board. And also that the pros and cons of having parents of Academy students on the Governing Board be analyzed and presented to the Board for consideration at a later meeting as there are several points of view and opinion regarding the issue of parent representation on the Governing Board. The motion further requests that a list of all parents that have shown a desire to be elected to the Board be prepared to be presented for review at the next Board meeting.

SECOND: Board Member Ignacio Ortiz-Petit seconded the motion and it passed unanimously.

EMPLOYEE POLICIES AND PROCEDURES MANUAL 2011-2012

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Employee Manual for Employees of the Corporation be presented at the next Governing Board meeting for consideration and approval.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

STUDENT POLICIES AND PROCEDURES HANDBOOK 2011-2012

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Governing Board approve and adopt the Student Handbook for Students and Parents of the Academy.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

II. Budget & Finance

1. Financial Statements were reviewed and found to be in order. The Management Company reported that the Independent Auditors would begin their audit for the year 2010-2011 as soon as all bank statements are received and reconciled.

Discussion was had regarding the 8% cut in FTE FEFP state funding. Mr. Sawyer will be working on the budget with the Board and the Management Company beginning first week of August when all the requirements for faculty are defined and determined.

2. Internal Accounts Report.
 - a. Internal Accounts are being audited and reconciled. A full report will be provided to the Board at the next Board meeting.
 - b. Financial Statements and General Ledgers Report.
 - c. Activity Fees. (Paid and Pending payments examined). Discussion on how to collect outstanding payments.

ACTIVITY FEES COLLECTIONS

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Governing Board direct that collection of past due activities fees from students and Parents of the Academy be collected.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

ACTIVITY FEES SCHEDULE FOR 2011-2012 SCHOOL YEAR

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Governing Board approve and adopt the Activities Fees Schedule for the 2011-2012 School Year and direct that all fees shall be collected before the beginning of the school year in order for a student to secure a seat at the school and that in the event the activities fees is not paid the school may assign that student's seat to another student, provided 10 day written or electronic notice is first given.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

NEW PAYROLL COMPANY TO PROVIDE PAYROLL SERVICES

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the Governing Board approve the engagement of Fidelity QuickPay Inc. as the new payroll company for the corporation and direct and authorize EDU to enter into the agreements necessary to formalize the relationship for the 2011-2012 School Year.

SECOND: Board Member Percy Aguila seconded the motion and it passed unanimously.

III Operations.

1. Grants.

Ms. Lopez reported that Miami-Dade County had awarded a grant for the replacement of two split system air conditioning units serving the fourth level of the building. She also reported that there were several other grants directly related to individual students and teachers that were being considered for the coming school year.

2. FF&E Inventory.

Mr. Alonso-Poch reported that the FF&E Inventory is in its final stage of completion. A full Inventory will be available for Board review at the next Board Meeting.

3. Uniforms Sales Report & Inventory.

Uniform inventory has not been completed. A full Inventory will be available for Board review at the next Board Meeting. There are numerous parents who ordered and paid for uniforms that were never delivered by the person designated to oversee uniform sales for the 2010-2011. The Academy has been reimbursing parents for the uniforms they paid for but never received.

There were no records provided by Ms. Valdes to support her contention that uniform sales netted the Academy approximately \$6,000.00.

This year Embroidery USA has been engaged to provide uniform sales services to the Academy. They have agreed to provide a 25% to 35% commission on the uniforms sold.

4. CSO.

Report on meetings held with CSO since the last Board Meeting. Meetings with CSO officers have been held with the Director, the Founder and a Board Member.

5. CSCMS.

All CSCMS benchmarks are current and up to date. The default caused by the former director as a result of improper submission of the Academy's financial information to CSO at MDCPS, has been cured.

6. School Calendar.

The school calendar is in development and will be completed by the second week of August before faculty arrives. It will be posted on the Academy's website.

IV. Personnel.

New faculty members to replace faculty members that are not returning for the 2011-2012 School Year are in the process of being hired.

V. Facilities and Environment.

1. Mr. Alonso-Poch reported that the entire building is being cleaned and all interiors painted for the commencement of the new school year.

VI. Enrollment and Recruitment.

1. 2011-2012 Enrollment Report was given by Mr. Sawyer.
2. The 2011-2012 Recruitment was reported by Mr. Sawyer. The Recruitment

VII. Education Report (Academic – Arts).

1. The General Academic Report was given by Mr. Sawyer.

VIII. PTSA – Booster Clubs.

No discussion was had.

IX. IT.

1. The Academy's computer facilities are being expanded with a plan and equipment identified by Mr. Sawyer.

X. WEBSITE

1. A report on the WEB site was given by Mr. Alonso-Poch who stated a webmaster has been engaged to upload material to the WEBSITE. Information, news items and events need to be forwarded to the Webmaster to be uploaded to the site.

XI. EESAC.

XII. General.

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

Mr. Carlos Hernandez asked several questions. Some were answered and some were taken by the Board for future response.

Ms. Mily Lopez asked about Activities Fees and praised school Founder Lili Renteria for all her contributions to the Academy.

Mr. Chuck Dorway asked about the availability of the video of the meeting and commented that communications to students should be in English.

NEXT MEETING DATE AND LOCATION

TBA

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:45 p.m.



Cecilia E. Holloman,
Board Vice Chair



ACTING FOR ALL INC.

academy of arts & minds charter high school

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds Charter High School develops Renaissance young men and women through a rigorous academic curriculum and a boundless immersion in the arts.

Mission

The mission of the Academy of Arts & Minds Charter High School is to

- Create a positive and challenging environment blending the academic and arts to develop students' artistic and professional aspirations;
- Celebrate and value the rich tapestry of the schools diverse population;
- Foster opportunities for artistic performances and exhibitions in the community;
- Employ a rigorous curriculum driven by research and data;
- Incorporate technology within the curriculum;
- Promote involvement as citizens of the world through curriculum, service and club activities; and,
- Prepare students to meet their post secondary endeavors in a 21st century global society.

MINUTES OF THE MEETING OF THE GOVERNING BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

July 14, 2011 1:30 PM.

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 1:45 pm.

ROLL CALL / MEMBERS PRESENT

Ruth C Montaner, Chair
Ignacio Ortiz-Petit (via telephone)
Cecilia Holloman
Percy Aguila

MEMBERS NOT PRESENT

Jorge Guerra-Castro

OTHERS PRESENT

Manuel Alonso-Poch, Founder
Lili Renteria, Founder
Kevin A. Sawyer, Director
Lori Bitar, Administrative Assistant and Reading Coach
Persons Identified in the Sign in Sheet attached.

Chairperson Ruth Montaner introduced the agenda which was unanimously approved by the board.

I - Governing Board Items

Before the start of the meeting, without prior notice or fair warning, Mr. Carlos Hernandez joined by Yvelise Berios Lebau set up a video camera to video tape the meeting.

The Board discussed having the proceedings taped by a video camera without the benefit of the Board having its own video record of the meeting for purposes of preserving the integrity of the record of the meeting.

MOTION: Board Member Ignacio Ortiz-Petit made a motion that the meeting be adjourned until such time as the Board has the benefit of legal advice regarding the recording of the proceedings and the Board having the ability to have its own video recorded record of Board Meetings to preserve the integrity of the recordings.

SECOND: Board Member Cecilia E. Holloman seconded the motion and it passed unanimously.

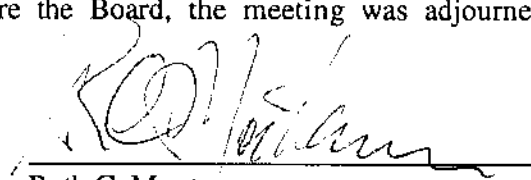
The meeting was adjourned without consideration of the items on the agenda.

NEXT MEETING DATE AND LOCATION

To be determined – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:15p.m.

A handwritten signature in dark ink, appearing to read 'Ruth C. Montaner', is written over a horizontal line.

Ruth C. Montaner,
Board Chair



acting for all inc.

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

April 1, 2011 1:00 PM.

Call in Telephone Conference Meeting

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 1:05 pm.

ROLL CALL / MEMBERS PRESENT

Ruth C Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman
Percy Aguila

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Manuel Alonso-Poch, Founder
Lili Renteria, Founder
William Machado, Director
Faculty Members
Members of the PTSA
Unidentified participants.

Chairperson Ruth Montaner introduced the agenda which was unanimously approved by the board.

Item 1. APPROVAL OF THE AP AND A+ BONUS DISTRIBUTION TO TEACHERS

CC Holloman stated that on March 22, the Principal provided the board a request to distribute \$23,525 in AP and A+ bonus funds to teachers and a list was provided with the names and amounts to be distributed to each. (Request Attached). CC Holloman moved the motion to approve the AP and A+ bonuses and distribute the checks to the teachers named on the list provided by the Principal. Percy Aguila seconded the motion. The floor was opened for discussion by the board.

Chairperson Ruth Montaner clarified that the checks were ready for the principal to pickup immediately. Due to excessive noise on the phone, the chairperson was unable to hear the Principal state that he had a question. She initially stated that due to time constraints, board members were at work and had to get back to their duties, the board would not be taking questions from the public but that the Principal might have some comment or questions. It was brought to her attention by Percy Aguila that the Principal was on the phone and wanted to ask a question. The Principal then stated that he retracted his question. Mr. Alonso-Poch requested that if Mr. Machado's questions were related to the issue of the request for Bonuses that he should state his question for the Board to consider. Mr. Machado stated that he had withdrawn the question.

MOTION: Mrs. Holloman made a motion to approve as submitted.

SECOND: Mr. Aguila seconded the motion and it passed unanimously.

Item 2. RESOLUTION TO INCREASE THE CHARTER SCHOOL STUDENT POPULATION CAP FROM 500 TO 530

Chairperson Ruth Montaner read the resolution to be approved: *"The Academy of Arts & Minds will apply to the Charter School Office to increase the student population cap from 500 to 530."* CC Holloman moved the motion to approve the resolution. The Chairperson opened the floor for discussion by the board. Percy Aguila asked what process would be required to implement this resolution and if it required a change in the charter. CC Holloman indicated that there is an application process that the board would follow that would have the same impact as amending the charter as to the population cap if approved by the Charter School Office and that this resolution and application would be the beginning of that process.

Chairperson Ruth Montaner called for the vote.

MOTION: Mr. Aguila made a motion to approve as submitted.

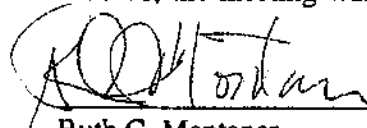
SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

NEXT MEETING DATE AND LOCATION

April 14, 2011 at 6:30 pm. – Arts & Minds Center Academy of Arts & Minds.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:38 PM.



Ruth C. Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center

3138 Commodore Plaza Coconut Grove, Miami Florida 33133

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5. Incorporate technology within the curriculum;
6. Promote involvement as citizens of the world through curriculum, service and club activities; and,
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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

March 7, 2011 6:00 PM.

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 1:05 pm.

ROLL CALL / MEMBERS PRESENT

Ruth C Montaner, Chair

Ignacio Ortiz-Petit

Cecilia Holloman

Percy Aguila

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Manuel Alonso-Poch, Founder

Lili Renteria, Founder

William Machado, Director

Margaret Machado

Members of the Administration

Members of the Faculty

Members of the PTSA

Handouts given to the audience; 25 copies

Summary of required actions and Negative Commentaries in SACS Report.

Portions of the Charter Contract regarding to the Board's responsibilities.

Chairperson Ruth Montaner introduced the agenda which was unanimously approved by the board.

SACS - CASI Review.

Chairperson Ruth Montaner indicated that all board members had been trained and the required screening process for new board members had commenced. The Chair also indicated that this emergency meeting was called to address the major concerns of the governing board in regard to the outcome of the SACS-CASI review meeting held on March 2, 2011 with Ms. Evelyn Lorton as the SACS review committee representative and the members of the Governing Board Directors as a follow up to a meeting held by the entire SACS review committee on February 16, 2011, with the members of the Governing Board Directors.

Chairperson Ruth Montaner turned the gavel to board member CC Holloman as the designee for the Board's, operations and management.

CC Holloman welcomed those persons in attendance and explained the protocol to be followed in the meeting. She indicated that the meeting was necessary for the board to address and decide upon the course of action needed to respond to issues and concerns that were raised in the meeting with the SACS representative on March 2, 2011. Ms. Holloman stated that Board members would discuss each item and then vote on a recommended course of action. After the board has concluded its business, time permitting, the floor would be open to Q&A from the audience but to maintain an order and allow for timely discussion, people would only be allowed to comment when recognized by the person chairing the meeting. Ms. Holloman reminded everyone that this is a Governing Board meeting and those in the audience are invited guests and that the opportunity to comment is a courtesy extended to them. If there were questions that could not be readily addressed, Ms. Holloman indicated that the question should be addressed to the chairperson by e-mail and the appropriate person would respond as soon as possible.

Carlos Deupi, the PTSA President stated that he had a position paper he would like to present. Ms. Holloman stated that she would allow time at the end of the board session for comment and Q &A at which time he could make the presentation.

Ms. Holloman indicated that she would state the issue and concern and ask the board members to comment prior to requesting a motion.

Ms. Holloman indicated that in attendance at the February 16, 2011 meeting was Chairperson Ruth Montaner, board members CC Holloman and Ignacio Ortiz-Petit, and Founder Manuel Alonso-Poch. Board member Percy Aguila was unavailable. Ms. Evelyn Lorton was the SACS review representative who met with the board members and founder at her request to review her findings.

Ms. Holloman also indicated that at the time of the February 16 meeting the board did not have access to the SACS review report that Ms. Lorton indicated was sent to William Machado, Director/Principal of the Academy.

Ms. Holloman then asked Board Member Ignacio Ortiz-Petit to provide a brief summary of the meeting held with the SACS representative and to briefly outline the issues. Board member Ortiz-Petit indicated that Dr. Lorton requested the meeting with the board and Founders to summarize her findings and share her concerns about the SACS Review in regard to the resulting rating of "emerging" status for the governance section of the SACS review. Mr. Otiz indicated that the board listened to Dr. Lorton first as she outlined the SACS Review process and identified the seven standards used and the rubrics covered. He reported that she then identified the findings that she used to justify the "emerging" rating on the standard for "governance and leadership".

He reported that the members of the Board addressed each issue by providing the documentation and other evidence, which was provided to her at the February 16, 2011 meeting. It was brought to her attention that many of her "findings" were simply assumptions on her part with no factual basis or with factual evidence provided in the material provided as part of the review and inspected by her that clearly contradicted her assumptions. In other instances Ms. Lorton showed a clear lack of knowledge of how charter schools work and how they operate. In some instances, the Board members made extensive efforts to show Ms. Lorton that her assumptions and statements were incorrect and unfounded with simple explanations indicating the procedures that were followed and sharing with her factual information. Mr. Ortiz indicated that he was particularly concerned about Ms. Lorton's demeanor in that she was insulting despite the board's attempt to be accommodating and polite.

Percy Aguila asked what the board options were and how did the review affect the school. Mr. Ortiz-Petit indicated that the review was overall very favorable and that the school received an emerging rating in governance, even when it should not have been rated as such and that the particular rating in governance would not affect the school's accreditation.

Mrs. Montaner explained that in regard to the items brought up by Ms. Lorton the school had two years to provide a response that the comments by Ms. Lorton would be addressed to SACS in writing.

Mrs. Holloman outlined the options for the board:

- a. Do nothing and treat the comments as a personal opinion of the SACs Representative
- b. Disclaim the comments in writing per the two year period to provide a response on each item
- c. Require the SACS office to retract the comments.
- d. Hire legal counsel to advise the board.

MOTION: Mr. Ortiz made a motion to hire an attorney to advise the board including the possibility of taking legal action to protect the interests of the Academy and additionally it was proposed and agreed by the board that a letter should be forwarded by Friday March 11, 2011 to require a retraction of the unwarranted negative comments.

SECOND: Mr. Aguilla seconded the motion and it passed unanimously.

A Q&A session was opened to the audience. Numerous comments were received and questions were answered between the Governing Board members and the audience.

Ms. Holloman thanked everyone for attending and respecting the protocol of the meeting and handed the gavel back to the chairperson.

The Chairperson thanked everyone for attending and stated that the board would take every comment into consideration. She mentioned the discussion was good for all sectors of the Academy and that in the future we should all communicate better.

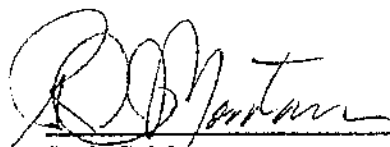
She stated that the overarching goal should be to help the students get the best education they can get at the Academy and to support their talent in performing arts.

NEXT MEETING DATE AND LOCATION

March 29, 2011 at 6:30 pm. – Arts & Minds Center Academy of Arts & Minds

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

A handwritten signature in black ink, appearing to read 'Ruth C. Montaner', is written over a horizontal line.

Ruth C. Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

January 20, 2011

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:10 pm.

ROLL CALL / MEMBERS PRESENT

Ruth C Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Manuel Alonso-Poch, Founder
William Machado, Director
Percy Aguila, Invited Guest.

APPROVAL OF THE MINUTES OF THE MEETING

of October 27, 2010

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Holloman seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

II. Budget & Finance

1. The Financial Statements for the school Operating Accounts were reviewed.

2. Discussion was had about the school still not receiving all the capital outlay funds due from the State. Payments are 3 months behind schedule
3. Internal Accounts Report.
 - a. Mr. Machado reported on school Internal Accounts. The format is not in the form that the Board would like to see it. Mr. Machado will work with Ms. Holloman and with Mr. Alonso-Poch to develop a format that can be easily interpreted and efficiently maintained. This applies to Financial Statements, Activities Fees, Uniform Sales and FF&E Inventories.
 - b. Financial Statements and General Ledgers Report.
 - c. Activity Fees Collections Report. (Paid and Pending).

III Operations.

1. Grants.

Mr. Alonso reported that Miami-Dade County had awarded a grant for the replacement of five split system air conditioning units serving the fourth level of the building. There are other grants directly related to individual students and teachers that are being sought out.
2. FF&E Inventory.

Mr. Machado reported that Iliana Valdes will have a room by room report for the next meeting.
3. Uniforms Sales Report & Inventory.

Mr. Alonso-Poch noted that there were inconsistencies in the initial report that he reviewed. Mr. Machado reported that Iliana Valdes and Tami Shane worked on the Sales Report and will have a reconciled report for the next meeting. Tami Shane the School's business manager would provide a report on the purchase, sale and current inventory of school uniforms.
4. Cafeteria / Food Service.

Given the complicated and bureaucratic structure currently in place the Board unanimously decided to not pursue the National School Lunch Program reimbursement.
5. Contributions and Fundraising.

In addition to donations received from Ms. Huggett and Mr. Fernandez, there were other donations from parents and benefactors received by the school recently from Ms. Marks, Mr. Morales and others.
6. MDCPS Benchmarks.

Mr. Machado reported that the only item pending is a full fire drill which will take place next month.
7. Curriculum and Compliance Report.

Mr. Machado reported that Dwight Bernard from the MDCPS Charter School Office had visited the school, performed an audit and will provide a report in May.

IV. Personnel.

1. Mr. Machado reported there were no changes in the Administrative Staff since the last meeting.
2. The Board unanimously resolved to designate Cecilia C. Holloman to oversee the preparation of policies and procedures dealing with administrative goals and expectations; Administrative Staff Evaluations, including our Director; review the Employee Manual and to generate. Mr. Machado was asked prepare an organizational chart of the administrative office and each positions duties and responsibilities and to report back when the Schools Highly Qualified Teacher Standards are met by the school.

V. Facilities and Environment.

No report was warranted at this meeting.

VI. Student Affairs - Enrollment and Recruitment.

1. No written Enrollment Report was provided but the Mr. Machado reported that the school enrollment has dropped to 435 students from the 465 students that started the year in August 2010. He mentioned that this is a normal "meltdown" that takes place for numerous reasons like students with transportation issues, students that feel A&M is not the right fit, students that don't perform as teachers expect.
2. No written Recruitment Report was presented but Mr. Machado reported that approximately 350 applications have been received to date and that one audition session has taken place with two other audition sessions scheduled for the end of January and the beginning of February. For the next meeting Ms. Valdes will prepare a list of schools and the names and telephone numbers of strand teachers at each middle school for use in recruiting initiatives.
3. The lack of a Student Government was discussed. Mr. Machado reported that there was no student government set up this year at A&M because there was no teacher available to supervise the Student Government process. Board members suggested that the American Government and/or World Government teacher be the teacher assigned to oversee the Student Government and that the elected students be the ones to act as representatives of their peers in school related committees.
4. A long discussion was had regarding Digital Books. A&M faculty and staff make between 20,000 and 25,000 copies per month. A predominant portion of these are copies of parts the textbooks the school has purchased for our students. Teachers regularly make copies of the textbooks to carry out their lesson plans. A number of school textbooks have been converted to pdf format and Mr. Machado is not comfortable with the conversion of the remainder of the school textbooks out of concern that the conversion of the books to digital format may a violation of the publisher's copyrights. The members of the Governing Board feel that if the books are being copied unto paper without concern over the books copyright then the copying of a textbook into digital format is no different and there should be no concern over its copyright. Mr. Machado will get answer to the following questions by the next meeting so the Governing Board can make a more informed decision on how the school should proceed with the use of digitized textbooks. The questions should be posed to the publishers in anonymous form. 1. The administration will find out if the textbooks currently used by A&M are published in digital format and what is the cost of the license to use the books in digital format. 2. The

administration will find out if the publishers of the textbooks being used by A&M prohibit the making of paper copies of the textbooks for use by students for which the textbooks have been purchased. 3. The administration will survey the student body to find out how many students don't have a computer at home.

5. A long discussion was had regarding the administration's request for New Textbook purchases for students taking Advanced Placement classes. The request is for approximately \$20,000. The line item for books and technology proposed by the Administration and approved by the Governing Board in July 2010 for the 2010-2011 school year is \$12,000 of which \$10,000 have been spent to move and upgrade the computer lab. The Governing Board suggested that the Administration further define the books that are definitely required for each class and whether used versions of the textbooks requested by the faculty can be purchased through Amazon or other book seller at a reduced rate. The Administration will have a report for the next Governing Board meeting.

VII. Education Report (Academic – Arts).

1. A general report on academics was given by Mr. Machado. He reported that the school had made an A grade and that A&M High School is one of the few high schools in the County with the "A" grade designation. The Board congratulated Mr. Machado for the accomplishment and recognized the hard work he has done and the leadership he has exhibited with the faculty in getting the school to be an "A" school.
2. The School Improvement Plan Report.
No report was warranted.
3. The 2010-2011 Advanced Placement Program Report was given by Mr. Machado.
4. The Arts Programs - Calendar of Activities, Events and Competitions Report.
Report passed to next meeting.
5. The Seniors College Placement Report.
Report passed to next meeting
6. Grammy School Designation. The Board unanimously resolved to direct Mr. Machado to take the steps necessary to have A&M High School designated as a Grammy School by the Grammy Foundation Educational Programs.
7. EESAC.
Report passed to next meeting.

VIII. PTSA and Booster Clubs.

Mr. Machado reported that the PTSA is working the purchase of a portable computer lab. The PTSA members are looking into the different provider options available. More information regarding the project will be available at the next meeting.

IX. IT.

1. A report on the Portable Computer Lab being purchased by the School with funds raised by the PTSA was given by Mr. Machado who stated the Portable Lab will be in place soon.

2. A report on the WEB site was given by Mr. Alonso-Poch who stated a webmaster has been engaged to upload material to the WEB site. Information, news items and events need to be forwarded to the Webmaster to be uploaded to the site.
3. Website Traffic Report will be presented at next month's meeting.

X. After School Programs.

1. After School Programs Report was passed for next meeting.

XI. Public Relations.

- Public Relations Report was passed for next meeting.

OTHER BUSINESS


NEW BUSINESS

NEXT MEETING DATE AND LOCATION

February 9, 2011 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:25p.m.



Ruth C. Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

October 28, 2010

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:10 pm.

ROLL CALL / MEMBERS PRESENT

Ruth C Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director
Iliana Valdes, Assistant Director
Adi Mohammed, Faculty Member and SACS Review Chair.

APPROVAL OF THE MINUTES OF THE MEETING

of August 10, 2010

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Holleman seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. The Budget was reviewed. It was noted that enrollment is now at 450 and that the 2010-2011 Budget covers all operating expenses. Discussion was had regarding contributions to be received from Founder Manuel Alonso-Poch to cover the revenue projections outlined in the Yearly Budget. Discussion was also had regarding contributions by several parents. Contribution received from Jackie Huggett will be deposited into the school's general operating account. A contribution from Carlos Hernandez was earmarked and used to purchase lockers for the dance program. The lockers have been installed on the fourth floor next to the Women's bathroom.
3. Discussion was had about the school not receiving any capital outlay funds from the Sponsor, MDCPS although efforts have been made.
4. Discussion was had regarding bonuses for William Machado and Sandii Sellers for the year 2009-2010. The Board will make a decision by November 1, 2010 and payment of the Bonus will depend on the cash available to the school operating accounts.
5. Internal Accounts Report.
 - a. Mr. Machado reported that the Internal Account are being reviewed and that he would provide the Board with the following reports after the meeting.
 - b. Financial Statements and General Ledgers Report.
 - c. Activity Fees Collections Report. (Paid and Pending).
 - d. Summer Camps Financial Report

II Operations.

1. Grants.

Mr. Alonso reported that Miami-Dade County had awarded a grant for the replacement of five split system air conditioning units serving the fourth level of the building and that there were other grants directly related to individual students and teachers that were being sought out.
2. FF&E Inventory.

Mr. Machado reported that the FF&E Inventory is in place and that he would provide the Board with a copy of the Inventory for their review.
3. Uniforms Sales Report & Inventory.

Ms. Valdes reported that uniform sales have netted approximately \$6,000.00 to the school and that Tami Shane the School's business manager would provide a report on the purchase, sale and current inventory of school uniforms.

4. **Food Service.**

Discussion was had regarding the National School Lunch Program as it relates to the School and the Schools current financial obligation to pay lunch for students eligible to receive free and reduced lunch. Ms. Valdes set up a field trip for the school to visit a charter school that is currently managing a free and reduced lunch program. She also mentioned that the deadline for application is December 1, 2010. The Board will have to make a decision promptly as to whether or not reimbursement through the NSLP should be pursued by the School.

5. **Other Fundraising.**

In addition to donations received from Ms. Huggett and Mr. Fernandez, there were other donations from parents and benefactors received by the school recently from Ms. Marks, Mr. Morales and others.

III. Personnel.

1. Mr. Machado reported on the individuals currently serving on his administrative staff.
2. Mr. Machado reported on the Schools Highly Qualified Teacher Standards status and stated that the School will be compliant with the Highly Qualified Teacher Standards this school year.
3. Ms. Valdes reported that Evaluation Procedures for faculty will be performed in accordance with current system used by MDCPS .

IV. Facilities and Environment.

1. Mr. Alonso-Poch reported that the entire building, except a 600 sf space still under lease to a private user, is now occupied by the School. That space will become available for school use in June 2011.
2. Mr. Machado reported that all school facilities are being fully used by the School.

V. Enrollment and Recruitment.

1. 2010-2011 Enrollment Report was given by Mr. Machado.
2. Ms. Valdes presented a Recruitment Plan for 2011-2012 School Year showing the schools that are scheduled to be visited by the School's recruiting team.

VI. Education Report (Academic – Arts).

1. The General Academic Report was given by Mr. Machado.
2. The School Improvement Plan Report was given by Adi Mohammed.
 - a. 2010-2011 Differentiated Accountability Requirements.
 - b. Creation of a Team that meets twice a month.
 - c. All teachers must be "highly qualified" vs. "certified".
 - d. F-CAT Results.
 - e. FAIR Exam Review.
3. The 2010-2011 Advanced Placement Program Report was given by Mr. Machado.
4. The Arts Programs - Calendar of Activities, Events and Competitions Report was given by Mr. Machado.
5. The Seniors College Placement Report was given by Ms. Valdes.

VII. PTSA.

A report on PTSA activities was given by Mr. Machado.

VIII. IT.

1. A report on the Portable Computer Lab being purchased by the School with funds raised by the PTSA was given by Mr. Machado who stated the Portable Lab will be in place soon.

IX. Miami-Dade County Public Schools.

1. A report on CSCMS Benchmarks was given by Mr. Machado.

X. WEBSITE

1. A report on the WEB site was given by Mr. Alonso-Poch who stated a webmaster has been engaged to upload material to the WEBSITE. Information, news items and events need to be forwarded to the Webmaster to be uploaded to the site.
2. The On-Line Application needs to be examined to make sure it is working properly.
3. Website Traffic Report was presented and discussed by Mr. Alonso-Poch.

XI. EESAC.

EESAC Agenda was discussed.

XII. General.

1. Adi Mohamed reviewed the SACS 2010 Accreditation Review scheduled for February of 2011 and advised the Board that the Review Committee would be meeting with the Board and asking other stakeholders at the School about their interaction with the School.
2. Legislative Follow-Up.
3. Mr. Machado, Mrs. Machado and Mr. Alonso-Poch will be attending the State Charter School Conference November 8-10 in Orlando.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

November 9, 2010 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:45p.m.



Ruth C. Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

August 10, 2010

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of June 8, 2010

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Holleman seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. The Budget was reviewed. It was noted that enrollment is now at 450 and that the 2010-2011 Budget covers all operating expenses. Any contributions received during the year can be used to improve programs.

APPROVAL OF THE BUDGET FOR THE 2010-2011 FISCAL YEAR

- MOTION:** Mr. Ortiz made a motion that the budget for the 2009-2010 fiscal year as presented by the Director be approved and adopted.
- SECOND:** Ms. Holleman seconded the motion and it passed unanimously.

APPROVAL OF THE 2010-2011 CAPITAL OUTLAY PLAN

- MOTION:** Mr. Ortiz made a motion that the minutes be approved as submitted.
- SECOND:** Ms. Holleman seconded the motion and it passed unanimously.

2. Fundraising Activities.
 - Taste of the Grove.
 - Yearbook.
 - Private Donations,
 3. Grant Getting Opportunities.
 - Report on Proposals and Leads.
 4. Insurance Services.
 - a. General Liability, Casualty and E&O coverage for Administrators, Faculty & Directors.
 5. FF&E.
 6. Uniforms Sales Report & Inventory.
- ### **II. Personnel.**
1. Faculty.
 - a. Arrivals and Departures.
 - b. Employment Contract / Handbook. Include discipline and conduct rules, (for teachers).
 - c. 401(k) Program.
 2. Staff.
 - a. Arrivals and Departures.
- ### **III. Facilities.**
1. Report on facilities.
- ### **IV. Enrollment 2010-2011 School Year.**
1. Enrollment Report by Grade and by Program.
 2. Recruitment Activities for the 2011-2012 School Year.

V. Education Report (Academic – Arts).

1. School Improvement Plan.
2. F-CAT results.
3. Master Schedule and Room Usage Report.
4. Advanced Placement Program Development.
5. Arts Programs.
 - a. Visual Arts / Graphic Design / Photography.
 - b. Theater / Drama.
 - c. Music, Instrumental / Vocal.
 - d. Dance.
6. Student Body.
 - a. Handbook and Discipline.

VI. IT.

1. WEB Page.
2. Computer Lab Upgrade.
3. Communication Services.
4. Written Description of Computer System.
5. Internet Access to aandm.net WI-FI system – Access to XO emails.

VII. MDCPS.

1. Reports / Benchmarks.

VIII. EESAC.

1. Recruitment of New Officers for the 2010-2011 School Year.

IX. General.

1. SACS Accreditation 2010.
2. Upcoming Events.
 - a. POP – AMJAMs – Holiday Show – May Showcase

X. Public Relations.

1. Press Releases re Activities and Student Body Accomplishments.
2. Mail Lists.

XI. Summer Events Report.

1. Dance Camp – Choral Camp – Theater Camp – Music Camp

OLD BUSINESS

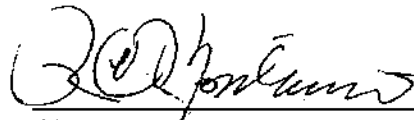
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

November 9, 2010 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:45p.m.

A handwritten signature in black ink, appearing to read 'Chuny Montaner', written over a horizontal line.

Chuny Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
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Vision

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

April 12, 2010

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of February 8, 2010

MOTION: Ms. Holleman made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. Fundraising Activities.
 - Taste of the Grove.
 - Yearbook.
 - Private Donations.
3. Grant Getting Opportunities.
 - Proposals and Leads.
4. Insurance Services.
 - a. General Liability, Casualty and E&O coverage for Administrators, Faculty & Directors.
5. FF&E.
6. Uniforms Sales Report & Inventory.

II. Personnel.

1. Faculty.
 - a. Arrivals and Departures.
2. Staff.
 - a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment 2008-2009 School Year.

1. Enrollment Report by Grade and by Program.
2. Recruitment Activities for the 2010-2011 School Year.
 - a. Promote new Creative Writing/Philosophy strand and openings available.

V. Education Report (Academic – Arts).

1. Master Schedule and Room Usage Report.
2. Arts Programs.
 - a. Visual Arts / Graphic Design / Photography.
 - Programming, (2009-2010 School Year).
 - b. Theater / Drama.
 - Programming, (2009-2010 School Year).
 - c. Music. Instrumental / Vocal.
 - Programming, (2009-2010 School Year).
 - d. Dance.
 - Programming, (2009-2010 School Year).
3. Student Body.
4. Seniors College Placement.
5. Senior End of Year Activities.
 - a. Prom.
 - b. Senior Breakfast.

- c. Grad Night.
- d. Graduation Ceremonies.

VI. IT.

- 1. **WEB Page.**
- 2. **On-Line Books.**

VII. MDCPS.

- 1. **Reports / Benchmarks.**

VIII. EESAC.

- 1. **Meeting Reports for the 2009-2010 School Year.**

IX. General.

- 1. **SACS Accreditation 2010.**
- 2. **Legislative Follow-Up.**
- 3. **Upcoming Events.**
 - a. **AMJAMs**

X. Public Relations.

- 1. **Press Releases re Activities and Student Body Accomplishments.**
- 2. **Mail Lists.**
 - Students.**
 - Parents.**
 - Staff.**
 - Others.**

XI. Upcoming Events.

OLD BUSINESS

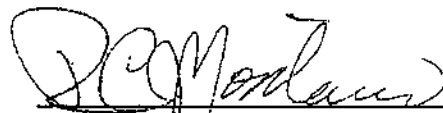
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

June 8, 2010 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:45 p.m.


Chuny Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

February 8, 2010

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of November 12, 2009

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Holleman seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. Fundraising Activities.
 - Taste of the Grove.
 - Yearbook.
 - Private Donations, Identified contributors and potential contributors.
3. Grant Getting Opportunities.
 - Proposals and Leads.
4. Insurance Services.
 - a. General Liability, Casualty and E&O coverage for Administrators, Faculty & Directors.
5. FF&E.
6. Uniforms Sales Report & Inventory.

Building a Culture for 2009-2010

II. Personnel.

1. Faculty.
 - a. Arrivals and Departures.
 - b. Employment Contract / Handbook. Include discipline and conduct rules, (for teachers).
 - c. 401(k) Program.
 - d. Status of Attendance Control Efforts.
2. Staff.
 - a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment 2008-2009 School Year.

1. Enrollment Report by Grade and by Program.
2. Recruitment Activities for the 2009-2010 School Year.
 - a. Promote new Creative Writing/Philosophy strand and openings available.
 - b. Visits to Dance; Music and Art Camps by Art teachers with School Brochures.
 - c. News Notes to Blogs.

V. Education Report (Academic – Arts).

1. School Improvement Plan.
2. F-CAT results.
3. Master Schedule and Room Usage Report.
4. Advanced Placement Program Development.
5. Arts Programs.
 - a. Visual Arts / Graphic Design / Photography.
Programming, (2009-2010 School Year).

- b. Theater / Drama.
Programming, (2009-2010 School Year).
 - c. Music. Instrumental / Vocal.
Programming, (2009-2010 School Year).
 - d. Dance.
Programming, (2009-2010 School Year).
- 6. Student Body.
 - a. Handbook and Discipline.
- 7. Seniors College Placement.
- 8. Senior End of Year Activities.
 - a. Prom.
 - b. Senior Breakfast.
 - c. Grad Night.
 - d. Graduation Ceremonies.
- VI. IT.**
 - 1. **WEB Page.**
 - 2. On-Line Books.
 - 3. On-Line Grade Books
 - 4. Communication Services.
 - 5. Written Description of Computer System.
 - 8. Internet Access to aandm.net WI-FI system – Access to XO emails.
- VII. MDCPS.**
 - 1. Reports / Benchmarks.
- VIII. EESAC.**
 - 1. Meeting Reports for the 2009-2010 School Year.
- IX. General.**
 - 1. SACS Accreditation 2010.
 - 2. E-RATE.
 - 3. Legislative Follow-Up.
 - 4. Main Switchboard Message.
 - 5. General Mailbox aandm.net maintenance.
 - 6. Upcoming Events.
 - a. AMJAMs
- X. Public Relations.**
 - 1. Press Releases re Activities and Student Body Accomplishments.
 - 2. Mail Lists.
 - Students.
 - Parents.
 - Staff.
 - Others.

XI. Upcoming Events.

OLD BUSINESS


NEW BUSINESS

NEXT MEETING DATE AND LOCATION

April 12, 2010 at 6:00 pm. -- Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:30p.m.


Chuny Montaner,
Board Chair



acting for all inc.

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**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
3138 Commodore Plaza Miami, Florida 33133
November 12, 2009**

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of August 11, 2009

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Holleman seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. Fundraising Activities.
 - Taste of the Grove.
 - Yearbook.
 - Private Donations, Identified contributors and potential contributors.
3. Grant Getting Opportunities.
 - Proposals and Leads.
4. Insurance Services.
 - a. General Liability, Casualty and E&O coverage for Administrators, Faculty & Directors.
5. FF&E.
6. Uniforms Sales Report & Inventory.

Building a Culture for 2009-2010

II. Personnel.

1. Faculty.
 - a. Arrivals and Departures.
 - b. Employment Contract / Handbook. Include discipline and conduct rules, (for teachers).
 - c. 401(k) Program.
 - d. Status of Attendance Control Efforts.
2. Staff.
 - a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment 2008-2009 School Year.

1. Enrollment Report by Grade and by Program.
2. Recruitment Activities for the 2009-2010 School Year.
 - a. Promote new Creative Writing/Philosophy strand and openings available.
 - b. Visits to Dance; Music and Art Camps by Art teachers with School Brochures.
 - c. News Notes to Blogs.

V. Education Report (Academic – Arts).

1. School Improvement Plan.
2. F-CAT results.
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4. Advanced Placement Program Development.
5. Arts Programs.
 - a. Visual Arts / Graphic Design / Photography.
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Programming, (2009-2010 School Year).
 - c. Music. Instrumental / Vocal.
Programming, (2009-2010 School Year).
 - d. Dance.
Programming, (2009-2010 School Year).
- 6. Student Body.
 - a. Handbook and Discipline.
- 7. Seniors College Placement.
- 8. Senior End of Year Activities.
 - a. Prom.
 - b. Senior Breakfast.
 - c. Grad Night.
 - d. Graduation Ceremonies.
- VI. IT.**
 - 1. **WEB Page.**
 - 2. On-Line Books.
 - 3. On-Line Grade Books
 - 4. Communication Services.
 - 5. Written Description of Computer System.
 - 8. Internet Access to aandm.net WI-FI system – Access to XO emails.
- VII. MDCPS.**
 - 1. Reports / Benchmarks.
- VIII. EESAC.**
 - 1. Meeting Reports for the 2009-2010 School Year.
- IX. General.**
 - 1. SACS Accreditation 2010.
 - 2. E-RATE.
 - 3. Legislative Follow-Up.
 - 4. Main Switchboard Message.
 - 5. General Mailbox aandm.net maintenance.
 - 6. Upcoming Events.
 - a. AMJAMs
- X. Public Relations.**
 - 1. Press Releases re Activities and Student Body Accomplishments.
 - 2. Mail Lists.
 - Students.
 - Parents.
 - Staff.
 - Others.

XI. Upcoming Events.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

February 15, 2009 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:30p.m.



Chuny Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

August 11, 2009

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of June 12, 2009

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Holleman seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. The Budget was reviewed. It was noted that actual expenditures continue to exceed budgeted expenditures. The Board has made plans to cover the shortfall by soliciting a contribution from founder Manuel Alonso-Poch, who has agreed to cover the budgetary shortfalls for the 2007-2008 school year. William Machado Director, is taking steps to increase enrollment for the next school year to cover the schools fixed operating expenses.

APPROVAL OF THE BUDGET FOR THE 2009-2010 FISCAL YEAR

- MOTION:** Mr. Ortiz made a motion that the budget for the 2009-2010 fiscal year as presented by the Director be approved and adopted.
- SECOND:** Ms. Holleman seconded the motion and it passed unanimously.

APPROVAL OF THE 2009-2010 CAPITAL OUTLAY PLAN

- MOTION:** Mr. Ortiz made a motion that the minutes be approved as submitted.
- SECOND:** Ms. Holleman seconded the motion and it passed unanimously.

2. Fundraising Activities.
 - Taste of the Grove.
 - Yearbook.
 - Private Donations, Identified contributors and potential contributors.
3. Grant Getting Opportunities.
 - Proposals and Leads.
4. Insurance Services.
 - a. General Liability, Casualty and E&O coverage for Administrators, Faculty & Directors.
5. FF&E.
6. Uniforms Sales Report & Inventory.

Building a Culture for 2009-2010

II. Personnel.

1. Faculty.
 - a. Arrivals and Departures.
 - b. Employment Contract / Handbook. Include discipline and conduct rules, (for teachers).
 - c. 401(k) Program.
 - d. Status of Attendance Control Efforts.
2. Staff.
 - a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment 2008-2009 School Year.

1. Enrollment Report by Grade and by Program.

2. Recruitment Activities for the 2009-2010 School Year.
 - a. Promote new Creative Writing/Philosophy strand and openings available.
 - b. Visits to Dance; Music and Art Camps by Art teachers with School Brochures.
 - c. Ads in Coral Gables Trolley donated by Carlos Hidalgo.
 - d. Mail out to 8th. ; 9th. ; 10th. graders of area public schools.
 - e. Radio and television promotion on Spanish TV and radio by Lili.
 - f. News Notes to Blogs.
 - g. Blast to Chamber Members.
 - g. Octavio to go on Arts Beat at WLRN.
 - h. Send Press Releases to local papers to get coverage.

V. Education Report (Academic – Arts).

1. School Improvement Plan.
2. F-CAT results.
3. Master Schedule and Room Usage Report.
4. Advanced Placement Program Development.
5. Arts Programs.
 - a. Visual Arts / Graphic Design / Photography.
Programming, (2009-2010 School Year).
 - b. Theater / Drama.
Programming, (2009-2010 School Year).
 - c. Music. Instrumental / Vocal.
Programming, (2009-2010 School Year).
 - d. Dance.
Programming, (2009-2010 School Year).
6. Student Body.
 - a. Handbook and Discipline.
7. Seniors College Placement.
8. Senior End of Year Activities.
 - a. Prom.
 - b. Senior Breakfast.
 - c. Grad Night.
 - d. Graduation Ceremonies.

VI. IT.

1. On Line Application and ISIS compatibility
2. WEB Page.
3. On-Line Books.
4. On-Line Grade Books
5. Computer Lab Upgrade.
6. Communication Services.
7. Written Description of Computer System.
8. Internet Access to aandm.net WI-FI system – Access to XO emails.

VII. MDCPS.

1. Reports / Benchmarks.

VIII. EESAC.

1. Recruitment of New Officers for the 2009-2010 School Year.

IX. General.

1. SACS Accreditation 2010.
2. E-RATE.
3. Legislative Follow-Up.
4. Main Switchboard Message.
5. General Mailbox aandm.net maintenance.
6. Upcoming Events.
 - a. AMJAM

X. Public Relations.

1. Press Releases re Activities and Student Body Accomplishments.
2. Mail Lists.
 - Students.
 - Parents.
 - Staff.
 - Others.

XI. Upcoming Events.

1. IFE-ILE Afro Cuban Dance Festival. – July 24.25.26, 2009. (Thu,Fri,Sat.)
2. AM Dance Camp, July 24.25.26, 2009. (Thu,Fri,Sat.)

OLD BUSINESS

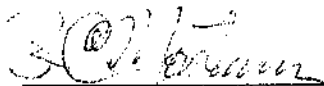
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

November 10, 2009 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:30p.m.



Chuny Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center
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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

June 12, 2009

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of April 13, 2009

MOTION: Ms. Holleman made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. Fundraising Activities.
 - Taste of the Grove.
 - Yearbook.
 - Private Donations, Identified contributors and potential contributors.
3. Grant Getting Opportunities.
 - Proposals and Leads.
4. Insurance Services.
 - a. General Liability, Casualty and E&O coverage for Administrators, Faculty & Directors.
5. FF&E.
6. Uniforms Sales Report & Inventory.

Building a Culture for 2009-2010

II. Personnel.

1. Faculty.
 - a. Arrivals and Departures.
 - b. Employment Contract / Handbook. Include discipline and conduct rules, (for teachers).
 - c. 401(k) Program.
 - d. Status of Attendance Control Efforts.
2. Staff.
 - a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment 2008-2009 School Year.

1. Enrollment Report by Grade and by Program.
2. Recruitment Activities for the 2009-2010 School Year.
 - a. Promote new Creative Writing/Philosophy strand and openings available.
 - b. Visits to Dance; Music and Art Camps by Art teachers with School Brochures.
 - c. Ads in Coral Gables Trolley donated by Carlos Hidalgo.
 - d. Mail out to 8th.; 9th.; 10th. graders of area public schools.
 - e. Radio and television promotion on Spanish TV and radio by Lili.
 - f. News Notes to Blogs.
 - g. Blast to Chamber Members.
 - g. Octavio to go on Arts Beat at WLRN.
 - h. Send Press Releases to local papers to get coverage.

V. Education Report (Academic – Arts).

1. School Improvement Plan.
2. F-CAT results.
3. Master Schedule and Room Usage Report.
4. Advanced Placement Program Development.
5. Arts Programs.

- a. Visual Arts / Graphic Design / Photography.
Programming, (2009-2010 School Year).
 - b. Theater / Drama.
Programming, (2009-2010 School Year).
 - c. Music. Instrumental / Vocal.
Programming, (2009-2010 School Year).
 - d. Dance.
Programming, (2009-2010 School Year).
- 6. Student Body.
 - a. Handbook and Discipline.
- 7. Seniors College Placement.
- 8. Senior End of Year Activities.
 - a. Prom.
 - b. Senior Breakfast.
 - c. Grad Night.
 - d. Graduation Ceremonies.
- VI. IT.**
 - 1. On Line Application and ISIS compatibility
 - 2. WEB Page.
 - 3. On-Line Books.
 - 4. On-Line Grade Books
 - 5. Computer Lab Upgrade.
 - 6. Communication Services.
 - 7. Written Description of Computer System.
 - 8. Internet Access to aandm.net WI-FI system – Access to XO emails.
- VII. MDCPS.**
 - 1. Reports / Benchmarks.
- VIII. EESAC.**
 - 1. Recruitment of New Officers for the 2009-2010 School Year.
- IX. General.**
 - 1. SACS Accreditation 2010.
 - 2. E-RATE.
 - 3. Legislative Follow-Up.
 - 4. Main Switchboard Message.
 - 5. General Mailbox aandm.net maintenance.
 - 6. Upcoming Events.
 - a. AMJAM
- X. Public Relations.**
 - 1. Press Releases re Activities and Student Body Accomplishments.
 - 2. Mail Lists.
 - Students.
 - Parents.

Staff.
Others.

XI. Upcoming Events.

1. IFE-ILE Afro Cuban Dance Festival. – July 24.25.26, 2009. (Thu,Fri,Sat.)
2. AM Dance Camp, July 24.25.26, 2009. (Thu,Fri,Sat.)

OLD BUSINESS

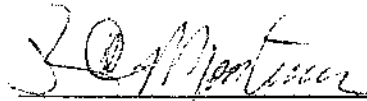
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

August 11, 2009 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:42p.m.



Chuny Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

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Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

April 13, 2009

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of January 12, 2009

MOTION: Ms. Holleman made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. Fundraising Activities.
3. Grant Getting Opportunities.
Proposals and Leads.
4. Insurance Services.
5. FF&E.
6. Uniforms Sales Report & Inventory.

II. Personnel.

1. Faculty.
a. Arrivals and Departures.
2. Staff.
a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment 2008-2009 School Year.

1. Enrollment Report by Grade and by Program.
2. Recruitment Activities for the 2009-2010 School Year.

V. Education Report (Academic -- Arts).

1. School Improvement Plan.
2. F-CAT results.
3. Master Schedule and Room Usage Report.
4. Advanced Placement Program Development.
5. Arts Programs.
a. Visual Arts / Graphic Design / Photography.
b. Theater / Drama.
c. Music. Instrumental / Vocal.
d. Dance.
6. Student Body.
7. Seniors College Placement.

VI. IT.

1. On Line Application and ISIS compatibility
2. WEB Page.
3. On-Line Books.
4. On-Line Grade Books
5. Computer Lab Upgrade.

6. Communication Services.

VII. MDCPS.

1. Reports / Benchmarks.

VIII. EESAC.

IX. General.

1. SACS Accreditation 2010.

X. Public Relations.

1. Press Releases re Activities and Student Body Accomplishments.

OLD BUSINESS

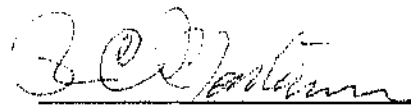
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

June 12, 2009 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:18p.m.



Chuny Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

January 12, 2009

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder
Manuel Alonso-Poch, Founder
William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of November 13, 2008

MOTION: Ms. Holloman made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. Fundraising Activities.
3. Grant Getting Opportunities.
Proposals and Leads.
4. Insurance Services.
5. FF&E.
6. Uniforms Sales Report & Inventory.

II. Personnel.

1. Faculty.
a. Arrivals and Departures.
2. Staff.
a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment 2008-2009 School Year.

1. Enrollment Report by Grade and by Program.
2. Recruitment Activities for the 2009-2010 School Year.

V. Education Report (Academic – Arts).

1. School Improvement Plan.
2. F-CAT results.
3. Master Schedule and Room Usage Report.
4. Advanced Placement Program Development.
5. Arts Programs.
a. Visual Arts / Graphic Design / Photography.
b. Theater / Drama.
c. Music, Instrumental / Vocal.
d. Dance.
6. Student Body.
7. Seniors College Placement.

VI. IT.

1. On Line Application and ISIS compatibility
2. WEB Page.
3. On-Line Books.
4. On-Line Grade Books
5. Computer Lab Upgrade.

6. Communication Services.

VII. MDCPS.

1. Reports / Benchmarks.

VIII. EESAC.

IX. General.

1. SACS Accreditation 2010.

X. Public Relations.

1. Press Releases re Activities and Student Body Accomplishments.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

April 13, 2009 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:18p.m.



Chuny Montaner,
Board Chair



acting for all inc.

Academy of Arts & Minds Charter High School

Arts & Minds Center

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

3138 Commodore Plaza Miami, Florida 33133

November 13, 2008

CALL TO ORDER

Chairperson Ruth C. Montaner, called the meeting to order at 6:00 pm.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair

Ignacio Ortiz-Petit

Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Lili Renteria, Founder

Manuel Alonso-Poch, Founder

William Machado, Director

APPROVAL OF THE MINUTES OF THE MEETING

of August 8, 2008

MOTION: Ms. Holloman made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

Director's Report

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. Fundraising Activities.
3. Grant Getting Opportunities.
Proposals and Leads.
4. Insurance Services.
5. FF&E.
6. Uniforms Sales Report & Inventory.

II. Personnel.

1. Faculty.
a. Arrivals and Departures.
2. Staff.
a. Arrivals and Departures.

III. Facilities.

1. Report on facilities.

IV. Enrollment.

1. Enrollment Report by Grade and by Program.
2. Recruitment Activities for the 2009-2010 School Year.

V. Education Report (Academic -- Arts).

1. School Improvement Plan.
2. F-CAT results.
3. Master Schedule and Room Usage Report.
4. Advanced Placement Program Development.
5. Arts Programs.
a. Visual Arts / Graphic Design / Photography.
b. Theater / Drama.
c. Music. Instrumental / Vocal.
d. Dance.
6. Student Body.
7. Seniors College Placement.

VI. IT.

1. On Line Application and ISIS compatibility
2. WEB Page.

VII. MDCPS.

1. Reports / Benchmarks.

VIII. EESAC.

IX. General.

X. Public Relations.

1. Press Releases re Activities and Student Body Accomplishments.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

January 12, 2008 at 6:00 pm. – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:25p.m.



Chuny Montaner,
Board Chair



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

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MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

June 2, 2008

CALL TO ORDER

Chairperson Chuny Montaner, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jose Noy
Jorge Guerra-Castro

OTHERS PRESENT

Lili Renteria, Executive Director

I. Termination and Removal of Alex Tamargo as School Director.

The purpose of this Special Meeting is to consider the termination and removal of Alex Tamargo as the Director of the Academy of Arts & Minds effective at the conclusion of the Graduation Ceremonies, June 4, 2008.

The Board has found that Alex Tamargo's has not performed his duties according to the expectations of the Governing Board.

MOTION: Mr. Ortiz made a motion that Alex Tamargo be terminated effective at the conclusion of the Graduation Ceremonies, June 4, 2008.

SECOND: Ms. Holleman seconded the motion and it passed unanimously.

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Chair



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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

April 29, 2008

CALL TO ORDER

Chairperson Chuny Montaner, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Jose Noy
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jorge Guerra-Castro

OTHERS PRESENT

Lili Renteria, Executive Director

APPROVAL OF THE MINUTES OF THE MEETING

of December 19, 2007

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Montaner seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

1. Budget & Finance

1. Financial Statements were reviewed and found to be in order.

2. The Budget was reviewed. It was noted that actual expenditures continue to exceed budgeted expenditures. The Board has made plans to cover the shortfall by soliciting a contribution from founder Manuel Alonso-Poch, who has agreed to cover the budgetary shortfalls for the 2007-2008 school year. The Governing Board will demand the School Director to curtail any expenditures during the remainder of the year.

II. Enrollment Report.

1. Enrollment has dropped to 355 students. The school director has not provided any credible reason why the enrollment has dropped to current levels.

III. Education Report (Academic - Arts)

1. One of the non-performing teachers was replaced. There was no explanation provided by the administration provided for not replacing two non-performing teachers. The School Director has been instructed to recruit better qualified teachers to replace the teachers that are not performing adequately.

IV. Facilities Report.

None

OLD BUSINESS

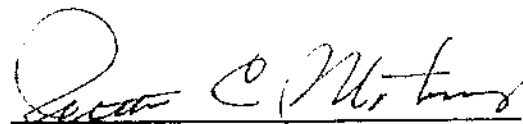
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

June 12, 2008 at 12:00 noon, Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Chair



ACTING FOR ALL, INC.

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

February 21, 2008

CALL TO ORDER

Chairperson Chuny Montaner, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Jose Noy
Ignacio Ortiz-Petit
Cecilia Holloman

MEMBERS NOT PRESENT

Jorge Guerra-Castro

OTHERS PRESENT

Lili Renteria, Executive Director

APPROVAL OF THE MINUTES OF THE MEETING

of December 19, 2007

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Montaner seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.

2. The Budget was reviewed. It was noted that actual expenditures continued to exceed budgeted expenditures. The Board has made plans to cover any shortfalls. The Governing Board will direct the School Director to curtail expenditures from this date forward.

II. Enrollment Report.

1. Enrollment has dropped to 360 students. The administration indicates that most of the drops have been the result of students encountering transportation difficulties.

III. Education Report (Academic – Arts)

1. It was noted that the director hired three teachers that do not appear to be performing at the standards required to create a healthy learning environment. The School Director will be instructed to recruit better qualified teachers to replace the teachers that are not adequately performing.

IV. Facilities Report.

None

OLD BUSINESS

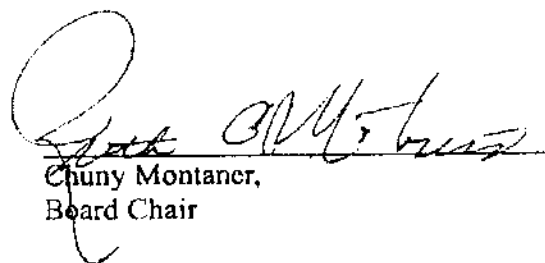
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

April 15, 2008 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Chair



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School
Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS December 19, 2007

CALL TO ORDER

Chairperson Chuny Montaner, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair

Jose Noy

Ignacio Ortiz-Petit

Cecilia Holloman

MEMBERS NOT PRESENT

Jorge Guerra-Castro

OTHERS PRESENT

Lili Renteria, Executive Director

APPROVAL OF THE MINUTES OF THE MEETING of September 18, 2007

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Ms. Montaner seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed by the Board.

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.

2. The Budget was reviewed. It was noted that actual expenditures are exceeding budgeted expenditures. The Board shall make plans to cover any shortfalls and direct the School Director to curtail expenditures from this date forward.

II. Enrollment Report.

1. Enrollment has dropped to 365 students. The administration indicates that most of the drops have been the result of students encountering transportation difficulties.

III. Education Report (Academic – Arts)

1. It was noted that the director hired three teachers that do not appear to be performing at the standards required to create a healthy learning environment. The School Director will be instructed to recruit better qualified teachers to replace the teachers that are not adequately performing.

IV. Facilities Report.

None

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

February 21, 2008 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Chair



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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

September 18, 2007

CALL TO ORDER

Chairperson Chuny Montaner, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Jose Noy
Daniel Medvedov
Ignacio Ortiz-Petit

MEMBERS NOT PRESENT

Jorge Guerra-Castro

OTHERS PRESENT

Lili Renteria, Executive Director
Alex Tamargo Director of the Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of July 24, 2007

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. The Budget for the 2006-2007 School Year was reviewed. The up-dated Budget for the 2007-2008 School year was reviewed.

MOTION: Mr. Ortiz made a motion that the revised Budget for the 2007-2008 School Year and the Capital Outlay Plan be approved and adopted.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

II. Enrollment Report.

1. Enrollment is at 372 students.

III. Education Report (Academic – Arts)

1. General. School Improvement Plan was completed and submitted to DCPS.

IV. Facilities Report.

None

OLD BUSINESS

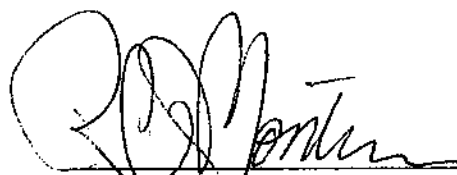
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

December 12, 2007 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.


Chuny Montaner,
Board Chair



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**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
July 3, 2007**

CALL TO ORDER

Chairperson Chuny Montaner, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair
Jose Noy
Daniel Medvedov
Ignacio Ortiz-Petit

MEMBERS NOT PRESENT

Jorge Guerra-Castro

OTHERS PRESENT

Lili Renteria, Executive Director
Alex Tamargo Director of the Academy of Arts & Minds

**APPROVAL OF THE MINUTES OF THE MEETING
of March 20, 2007**

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance

1. Financial Statements were reviewed and found to be in order.
2. The Budget for the 2006-2007 School Year was reviewed and compared with the budget prepared for the 2007-2008 School Year.
3. The yearly audit will be conducted at the beginning of August.
4. The revised Budget for the 2007-2008 School year was reviewed.
5. The Capital Outlay Plan for the 2007-2008 school year was reviewed and approved.

MOTION: Mr. Ortiz made a motion that the revised Budget for the 2007-2008 School Year and the Capital Outlay Plan be approved and adopted.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

II. Enrollment Report.

1. Enrollment is at 374 students with approximately 380 enrollees expected for the upcoming 2007-2008 School Year.

III. Education Report (Academic – Arts)

1. General. All teaching positions have been filled. A teacher orientation luncheon has been scheduled for August 7, 2007. Everyone is urged to attend.
2. Lance Lobar has agreed to continue as Chair of testing for the School and will assume the responsibility of supervising all testing activities for the 2007-2008 school year.
3. Nina Bailey has agreed to continue as Chair of ESE matters for the School and will assume the responsibility of supervising all ESE activities for the 2007-2008 school year.
4. Adhar Muhamed has agreed to act as Chair of gifted students. She has taken several courses required of her to meet all the requirements of her certificate and will take the remainder of the courses needed for certification by the end of the year. During the school year she will be directly supervised by Alex Tamargo, Director of the School. A waiver is hereby granted for her to act in the position of Gifted Chair.
5. Patty Damera shall be engaged as an independent contractor to provide services as reading coach for school students.

IV. Facilities Report.

1. Ratification of the Lease for the facility and the rent payment schedule for the 2007-2008 school year was considered.

MOTION: Mr. Ortiz made a motion that the Lease and the payment schedule be ratified.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

September 4, 2007 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.

A handwritten signature in black ink, appearing to read 'Chuny Montaner', is written over a horizontal line.

Chuny Montaner,
Board Chair



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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

March 20, 2007

CALL TO ORDER

Chairperson Chuny Montaner, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner, Chair

Jose Noy

Jorge Guerra Castro

Daniel Medvedov

Ignacio Ortiz-Petit

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Lili Renteria, Executive Director

Alex Tamargo Director of the Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of December 19, 2006

MOTION: Mr. Ortiz made a motion that the minutes be approved as submitted.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements were reviewed and found to be in order.
2. The Budget for the 2006-2007 School Year was reviewed and compared with the budget prepared for the 2007-2008 School Year.
3. The Budget for the 2007-2008 School year was reviewed.

MOTION: Mr. Ortiz made a motion that the Budget for the 2007-2008 School Year be approved and adopted.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

II. Enrollment Report.

1. Enrollment is at 240 students with approximately 350n applicant for the upcoming 2007-2008 School Year.

III. Education Report (Academic – Arts) - Mr. Shaw

1. General. School will close June 1, 2007. The Student Body is preparing for FCATs. Class Schedules and Room Usage Plan is working well. Third year strategies are in place and under implementation.
2. Academic Program is working well. Faculty & Curriculum are working well.
3. Adhar Muhamed will be our gifted chair. She has taken several courses and will take the remainder of the courses needed for certification is in the process of obtaining her certificate by the end of the year.

OLD BUSINESS

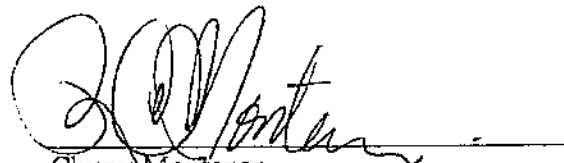
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

June 2, 2007 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Chair



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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

November 14, 2006

CALL TO ORDER

Chuny Montaner, Board Chair called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner
Jose Noy
Ignacio Ortiz-Petit
Daniel Medvedov

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Lili Renteria, Executive Director
Alex Tamargo Director, Academy of Arts & Minds Manuel Alonso-Poch

APPROVAL OF THE MINUTES OF THE MEETING of September j, 2006

MOTION: Daniel Medvedov made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

CORRESPONDENCE None

REPORTS

- I. Budget & Finance
 1. Financial Statements Review.
- II. Enrollment & School Marketing Report. 1. Enrollment continues as expected.
- III. Education Report.

1. All educational programs are running as expected.

IV. Physical Plant.

1. There were no items to report regarding the physical plant

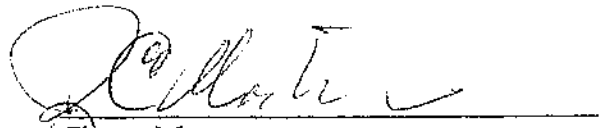
OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION March 6, 2007, at 12:00 noon, Arts & Minds enter

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.


Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
September 5, 2006**

CALL TO ORDER

Chuny Montaner, Board Secretary called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner
Jose Noy
Ignacio Ortiz-Petit
Daniel Medvedov

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Lili Renteria, Executive Director
Alex Tamargo Director, Academy of Arts & Minds
Manuel Alonso-Poch

**APPROVAL OF THE MINUTES OF THE MEETING
of July 19, 2006**

MOTION: Daniel Medvedov made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

CORRESPONDENCE

None

REPORTS

- I. Budget & Finance**
 1. Financial Statements Review.

II. Enrollment & School Marketing Report.

1. Enrollment is as expected.

III. Education Report (Academic - Arts)

1. All educational programs are running as expected.

IV. Physical Plant.

1. There were no items to report regarding the physical plant

OLD BUSINESS


NEW BUSINESS

NEXT MEETING DATE AND LOCATION

December 19, 2006, at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Chair



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
July 19, 2006

CALL TO ORDER

Chuny Montaner, Board Secretary called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner

Jose Noy

Ignacio Ortiz-Petit (via telephone)

Daniel Medvedov

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Lili Renteria, Executive Director

Alex Tamargo Director, Academy of Arts & Minds

Manuel Alonso-Poch

APPROVAL OF THE MINUTES OF THE MEETING

of March 16, 2006

MOTION: Mr. Jose Noy made a motion that the minutes be approved as submitted.

SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

CORRESPONDENCE

The Chair announced the receipt of a letter from the Southern Association of Colleges and Schools (SACS) stating that the Academy of Arts & Minds has been accredited by SACS. Accreditation allows the school to receive capital outlay funding from the Florida Department of Education.

REPORTS

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements Review.
2. Capital Outlay Plan. The School submitted a Capital Outlay Plan to the Florida Department of Education. Capital Outlay funding is expected for the 2006-2007 school year and the funding has been included in the Budget for FY 2006-2007.
3. Review of Academy of the Academy of Arts & Minds Budget for FY 2006-2007 was made. It was noted that the Budget for FY 2006-2007 presents a positive scenario that allows for existing debt to be paid in four years.

MOTION: Mr. Jose Noy made a motion that the Budget for FY 2006-2007 be accepted and approved as presented.

SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

II. Enrollment & School Marketing Report. - Mr. Tamargo

1. 180 applications have been received for the ninth, tenth and eleventh grade classes for the 2006-2007 school year. There are 240 students currently enrolled.

III. Education Report (Academic - Arts)

1. General. Class Schedules and Room Usage Plan for the 2006-2007 school year is almost complete. The Master Schedule has been completed as well.
2. Academic Program doing well. The Faculty & Curriculum worked as planned given the results of the FCATs. The school had an overall B grade and placed very well in many of the core subjects.

IV. Physical Plant.

The School building is ready for the 2006-2007 school year. The chair reviewed the Lease for the space occupied by the school and the yearly increase in rent provided in the Lease was discussed. Current increases are provided for in the Budget and the school's Capital Outlay Plan.

MOTION: Mr. Jose Noy made a motion that the rent increase be accepted and approved as provided in the Lease.

SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

September 6, 2006 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.

A handwritten signature in cursive script, appearing to read "Chuny Montaner", written over a horizontal line.

Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

Arts & Minds Center
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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

March 8, 2006

CALL TO ORDER

Chuny Montaner, Board Secretary called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Chuny Montaner

Jose Noy

Jorge Guerra Castro

Ignacio Ortiz-Petit (via telephone)

Daniel Medvedov

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Alex Tamargo Director, Academy of Arts & Minds

NEW BOARD MEMBERS

Ms. Montaner reported that an old member of the Board had returned and that a new Board Member had agreed to serve. Ms. Montaner welcomed Daniel Medvedov back on the Board. He had previously resigned while he was an employee of the corporation. Since he is no longer an employee of the corporation he can again serve as a member of the Board. Ms. Montaner also welcomed Ignacio Ortiz-Petit as a new member of the Board of Directors.

DESIGNATION OF NEW BOARD CHAIRPERSON

Ms. Montaner stated the election of a new Board Chairperson was in order.

MOTION: Mr. Ortiz-Petit made a motion that Chuny Montaner be named Board Chairperson of the Board.

SECOND: Mr. Guerra-Castro seconded the motion and it passed unanimously.

APPROVAL OF THE MINUTES OF THE MEETING

of December 15, 2005

MOTION: Mr. Guerra-Castro made a motion that the minutes be approved as submitted.
SECOND: Mr. Ortiz -Petit seconded the motion and it passed unanimously.

CORRESPONDENCE

Correspondence was received from Manuel Alonso-Poch communicating his resignation as Board Member and Chairman of the Board of Directors. Mr. Alonso-Poch stated that he was resigning but that he would continue to serve the organization in whatever the Board asks him to do.

MOTION: Ms. Montaner made a motion that the resignation be accepted.
SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

Ms. Montaner noted that given Mr. Alonso-Poch's knowledge of the corporation's business and his experience dealing with the community at large the Board should consider designating Mr. Alonso-Poch to act as ambassador at large for the corporation and liason between the Board of Directors and Dade County Public Schools, local government and the community.

MOTION: Ms. Montaner made a motion that the Board designate Mr. Alonso-Poch to act as ambassador at large for the corporation and liason between the Board of Directors and Dade County Public Schools, local government and the community.
SECOND: Mr. Ortiz-Petit seconded the motion and it passed unanimously.

DESIGNATION OF EXECUTIVE DIRECTOR

Ms. Montaner brought to the floor the designation of Lili Renteria as Executive Director of the corporation. Discussion was had regarding the designation.

MOTION: Ms. Montaner made a motion that the Board designate Lili Renteria to act as executive Director of the Corporation.
SECOND: Dr. Noy seconded the motion and it passed unanimously.

REPORTS

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements Review.
2. General Budget Review.

II. Enrollment & School Marketing Report. - Mr. Tamargo

1. 142 applications have been received for the ninth grade class of 2006-2007.

III. Education Report (Academic – Arts) –

1. General. Class Schedules and Room Usage Plan continues to work well. Second year strategies have been fully implemented.
2. Academic Program doing well. Faculty & Curriculum are in full implementation. FCAT preparation is in full implementation. The student showcase is scheduled for the first week in February, 2006.

3. SACS accreditation process. Full review will take place in May, 2006.

OLD BUSINESS

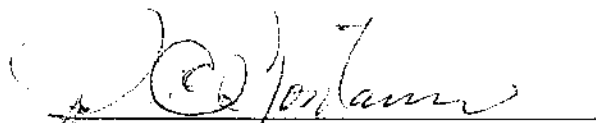
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

June 7, 2006 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.


Chuny Montaner,
Board Secretary



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**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
December 14, 2005**

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Alex Tamargo Director, Academy of Arts & Minds

**APPROVAL OF THE MINUTES OF THE MEETING
of October 12, 2005**

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.
SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements

2. General Budget Review.

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch & Mr. Shaw

1. Enrollment is at 142 students evenly divided between 9th. and 10th. grade.

III. Education Report (Academic – Arts) - Mr. Shaw

1. General. Class Schedules and Room Usage Plan continues to work well. Second year strategies have been fully implemented.
2. Academic Program doing well. Faculty & Curriculum are in full implementation. FCAT preparation is in full implementation. The student showcase is scheduled for the first week in February, 2006.
3. SACS accreditation process. Initial visit went very well. The main review is expected some time in March or April.

OLD BUSINESS

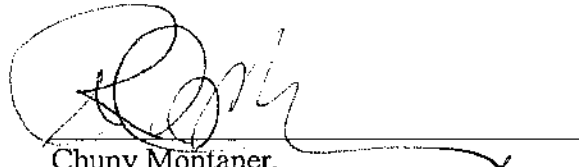
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

March 8, 2006 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Secretary



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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

October 12, 2005

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Alex Tamargo Director, Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of August 10, 2005

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements

2. General Budget Review

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch & Mr. Shaw

1. Enrollment continues at 140 students evenly divided between 9th. and 10th. grade.

III. Education Report (Academic – Arts) - Mr. Shaw

1. General. Class Schedules and Room Usage Plan continues to work well. Second year strategies are in place and under implementation.
2. Academic Program is underway. Faculty & Curriculum are in place. Student Assessments have commenced and FCAT preparation has also commenced. A student showcase is planned for the end of January 2006.
3. The SACS accreditation process has commenced with their initial visit.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

October 12, 2005 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

August 10, 2005

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Tom Shaw, Principal of the Academy of Arts & Minds
Alex Tamargo Assistant Principal of the Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of June 8, 2005

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements
2. General Budget Review

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch & Mr. Shaw

1. Enrollment is at 140 students evenly divided between 9th. and 10th. grade.

III. Education Report (Academic – Arts) - Mr. Shaw

1. General. School opened on the 8th. of August with a new freshman class. Enrollment has doubled since last year and students are becoming acclimated to their new environment and their classmates. Class Schedules and Room Usage Plan is working well. Second year strategies are in place and under implementation.
2. Academic Program is underway. Faculty & Curriculum are in place. Student Assessments have commenced and FCAT preparation will commence soon.

OLD BUSINESS

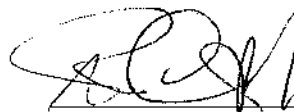
NEW BUSINESS

NEXT MEETING DATE AND LOCATION

October 12, 2005 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

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**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
April 13, 2005**

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy (by phone)
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Tom Shaw, Principal of the Academy of Arts & Minds
Alex Tamargo Assistant Principal of the Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of December 15, 2004

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements
2. General Budget Review
3. Creation of AMPA
4. Grants.

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch & Mr. Shaw

1. Academy Brochure has been upgraded and is being distributed throughout the School District.
2. School Expo at Youth Fair Grounds Nov. 6, 2004 went very well.
3. Contact with Area Schools is underway.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

June 8, 2005 at 12:00 noon, -- Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m.



Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

3138 Commodore Plaza, Suite 317
Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

December 15, 2004

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Tom Shaw, Principal of the Academy of Arts & Minds
Alex Tamargo Assistant Principal of the Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of October 9, 2004

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

None

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements
2. General Budget Review.

3. Grants.

APPROVAL OF THE BUDGET FOR THE 2004-2005 SCHOOL YEAR

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch

1. Enrollment stands at 72 students. As a result there will be a significant shortfall in first year revenues.

III. Education Report (Academic – Arts) - Mr. Freddie

1. General. First Year Strategies are working well with the student body. Class Schedules and Room Usage Plan is also working well.
2. Academic Program is working well.
3. Arts Programs are working well with adjunct professors
4. Curriculum Program, School Catalog, Student Handbook and Student Parent Contract have been developed.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

January 12, 2005 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m.



Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

October 9, 2004

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Tom Shaw, Principal of the Academy of Arts & Minds
Alex Tamargo Assistant Principal of the Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of September 3, 2004

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

OPENING OF A SCHOOL BANK ACCOUNT AT TERRABANK

Mr. Alonso-Poch explained that the corporation needed to open a bank account so that funds could be deposited for school operations and for the receipt of funds from the Start-up Grant awarded by the Department of Education.

MOTION: Ms. Montaner made a motion that a bank account for purposes of operating the school be opened at Terrabank, N.A., Miami, Florida and/or Gibraltar Bank, Coral Gables, Florida.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

REPORTS

Facilities Report – Mr. Alonso-Poch

Mr. Alonso-Poch informed the Board that a new architect has been engaged to supplement the work done by Marie Priori P.A. to date. The new architect is Pedro Puerto.

CORRESPONDENCE

There was no correspondence to be reviewed.

OLD BUSINESS

There was no Old Business to be discussed at this time.

NEW BUSINESS

There was no New Business to be discussed at this time.

NEXT MEETING DATE AND LOCATION

December 15, 2004 – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:40 p.m.



Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

3138 Commodore Plaza, Suite 317
Coconut Grove, Florida 33133

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

June 10, 2004

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 7:00 PM. School Dance Studio.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Daniel Medvedov
Chuny Montaner
Jorge Guerra Castro

MEMBERS NOT PRESENT

Jose Noy

OTHERS PRESENT

Laura Luna, artist residing in the community.
Lisa Bonich, interested parent.
Heather Stephens, interested parent.
Mika Saslow, interested parent.
Lili Renteria
Edwin Freddie, CSUSA Curriculum development.
Daniel Rishavy, CSUSA Operations.
Marcia Freddie, freelance artist.

I. Vision Mission Development.

DISCUSSION: After extensive discussion, the following Vision and Mission statement was proposed for adoption:

Vision

The Academy of Arts & Minds Center is part of a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open and where talented high school students develop, with a solid academic curriculum, artistic sensibilities in Dance Music Poetry Drama Prose and Painting

as diverse and unique as our multicultural community, igniting within them the fire of excellence that will burn throughout their lifetime as productive and peace minded members of society.

Mission

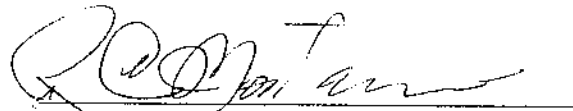
The Academy of Arts & Minds Charter High School contributes to the rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is interaction with the professional world and an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MOTION: Ms. Montaner made a motion that the proposed Vision and Mission statements be adopted by the Board as the Vision and Vision of this organization.

SECOND: Mr. Medvedov seconded the motion and it passed unanimously.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:30 p.m.



Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

Arts & Minds Center
3138 Commodore Plaza
Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

June 8, 2004

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy (by phone)
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

OTHERS PRESENT

Tom Shaw, Principal of the Academy of Arts & Minds
Alex Tamargo Assistant Principal of the Academy of Arts & Minds

APPROVAL OF THE MINUTES OF THE MEETING

of April 13, 2005

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements
2. General Budget Review. The year finished with a substantial shortfall that will be made up over the next two years when enrollment increases and capital outlay funds become available to the school.

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch & Mr. Shaw

III. Education Report (Academic – Arts) - Mr. Shaw

1. General. School closed on a high note with all ninth grade students passing to tenth grade. The school made a C on the overall standings after the FCAT results were published. A good showing for the student body in general and for the professorial staff.

OLD BUSINESS

NEW BUSINESS

NEXT MEETING DATE AND LOCATION

August 10, 2005 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30p.m.



Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School

3138 Commodore Plaza, Suite 317

Coconut Grove, Florida 33133

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

The Academy of Arts & Minds wants to contribute to the already rich cultural texture of the Coconut Grove community using a specific approach to the pedagogy of the arts. This approach offers an integrated curriculum where the humanities, sciences and the arts support each other and where knowledge and creativity go hand in hand. There is an expectation that teachers are learners too. All learners, students and teachers will participate through a rich curriculum in academics and the fine arts in deepening knowledge and integrating their abilities.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

May 10, 2004

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair

Chuny Montaner

Jose Noy

Jorge Guerra Castro

MEMBERS NOT PRESENT

None

APPROVAL OF THE MINUTES OF THE MEETING

of December 15, 2003

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

The Board of the Miami-Dade County Public School System approved the Contract for a term of ten years for the corporation to operate a performing arts charter high school in Coconut Grove, Florida.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements
2. General Budget Review and Approval.
3. Grants.

APPROVAL OF THE BUDGET FOR THE 2004-2005 SCHOOL YEAR

DISCUSSION: Discussion was had regarding the budget for the 2004-2005 school year.

MOTION: Ms. Montaner made a motion that the budget presented to the Board be approved.
A copy of the 2004-2005 school year budget will be attached to these minutes.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch

1. Academy Brochure is in process of being developed.
2. Contact with Area Schools. The following Schools will be contacted and informed of the Academy of Arts & Minds Charter High School. Coconut Grove Elementary; Tucker Elementary; Key Biscayne K-8; Ponce de Leon Middle; St. Stephens School; Carrolton School; Ramson Everglades Middle;
3. Media Coverage of School. The media should be contacted to let them know that a new high school will open its doors for the school year commencing August 16, 2004.
Print Miami Herald / Neighbors Section / Education Sub-Section; El Nuevo Herald; Miami New Times; Miami Today; So. Florida Business Journal; Biscayne Bay Tribune.
Radio WQBA; WLRN;
Television
4. PTO Initiatives. A Parent Teacher Student Organization should be put in lace as soon as students enroll.
5. Web Site. A Web Site for the School will have to be created.
6. Business Community Outreach. Local Businesses should be contacted and given information about the new school.

III. Education Report (Academic – Arts) - Mr. Freddie

1. General
First Year Strategies to be developed over the next months.
Class Schedules and Room Usage Plan to be developed.
2. Academic Program
Faculty & Curriculum
Student Assessments
FCAT
3. Arts Program
Programs development
Theater/Drama
Dance
Music
Visual Arts & Design / Photography
4. Adjunct Professorships.
5. Certification Exam and Waivers
6. Curriculum Program, School Catalog, Student Handbook and Student Parent Contract.
9. Phys Ed. Use Peacock Park; Meyers Park; The Barnacle. Homer Whitaker
10. Library. (Actual & Virtual).
11. Principal and Assistant Principal's Contracts
12. Extra Curricular Activities (Clubs, After School Internships etc.)
Memory Book
School Newspaper
Debate Team

13. Lap Top Program
14. Charter Change to require Auditions.

APPROVAL OF THE LEASE BETWEEN ACTING FOR ALL INC. and COMMODORE PLAZA PARKING LC.

1. Lease. A lease for the school premises at 3138 Commodore Plaza has been negotiated. The following was put into the record pursuant to the Conflict of Interest provisions of the Company's By-Laws:

1. Mr. Alonso-Poch is chair of the Board of Acting For All Inc. and is also a principal in Commodore Plaza Parking L.C., the Landlord in the Lease where Acting For All Inc. is the Tenant.
2. Acting For All Inc. will lease 19,500 sf. at 3138 Commodore Plaza Miami, Florida, ("the Premises"), pursuant to a lease with a term of 20 years for use of the Premises as a charter school and a cultural center.
2. The base rent under the Lease is \$288,000.00 per year resulting in a per square foot rent rate of \$14.76 per square foot.
3. The ongoing rental rate for the area fluctuates between \$30.00 and \$45.00 per square foot depending on the location and the exposure of the space.
4. The rent rate paid by Acting For All Inc. for the Premises is well below the market rate for similarly situated space in the area.
5. Part of the Rent will be deferred during the first three years of the Lease.

A copy of the Lease was made available for review by the Executive Committee. The lease terms and conditions were discussed by the Board Members.

The following determinations were made:

In the judgment of the Executive Committee Mr. Alonso-Poch has (i) made the disclosures and fully responded to questions concerning the matters regarding the Lease agreement; (ii) the Lease and its terms are fair and reasonable and beneficial to the Corporation and the Corporation's activities, at this time and (iii) Mr. Alonso-Poch has not in any way significantly influenced the action of the board with respect to the Lease.

MOTION: Board Member Montaner made a motion that the Lease Agreement, in accordance with the terms and conditions set forth in the Lease Agreement, reviewed by the Board Members be entered into between Acting For All Inc., as the Tenant and Commodore Plaza Parking L.C., as the Landlord.

SECOND: Board Member Guerra seconded the motion and it passed unanimously.

REPORTS

Facilities Report – Mr. Alonso-Poch

1. City of Miami Building Permit Status
2. Classroom occupancy. Readiness Report.
First Level

School Business Office (Under Construction)

Second Level:

202 Student Lounge
212 Science Lab
214 Art Classroom

Third Level:

301 General Ed Classroom (Math)
302 General Ed Classroom (English)
303 Teacher's Lounge
304 Library
306 General Ed Classroom (Under Construction)
308 General Ed Classroom (Under Construction)
310 General Ed Classroom (Under Construction)
312 General Ed Classroom (Under Construction)
314 General Ed Classroom (Social Studies / Modern Languages)

Fourth Level:

401 Dance Studio
402 Auditorium / Theater

3. Furniture Fixtures & Equipment Purchase and Financing continues.
4. Cafeteria. Preparation for the cafeteria continues.
5. Lockers: There will be no Lockers in the school.
6. Low Voltage Requirements: Wireless access installation is underway.

OLD BUSINESS


NEW BUSINESS

NEXT MEETING DATE AND LOCATION

October 8, 2004 at 12:00 noon, – Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4 p.m.



Chuny Montaner,
Board Secretary

ACTING FOR ALL INC.
ACADEMY OF ARTS & MINDS
3138 Commodore Plaza
Coconut Grove Florida 33133

MINUTES

Meeting of March 31, 2004

3138 Commodore Plaza Coconut Grove, Florida 12:00 Noon

Facilities

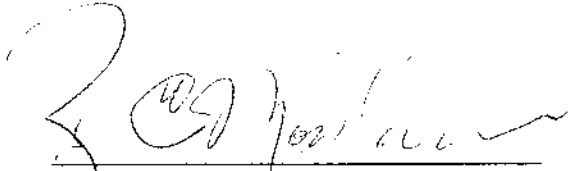
- Meeting with Lilian Garcia Monday April 5, 2003, 2:30 P.M.
- Directory of Phone Numbers
 - *Manuel asked for a directory of phone numbers for all of those involved in the project- Dr. Freddie volunteered to take on this task.*
- Building Dept. Comments
 - *Marie is working with the City addressing comments as they are released. She plans to meet with City, provide final revisions, and obtain permits within approx. 3 wks.*
- Updates
 - Architecturals check
 - *Plumbing counts are being done to determine if restrooms will be provided on the basement level as requested by CSUSA*
 - Lockers – (by A&M) check
 - *Will not be available for school opening. A&M is considering locations for future install.*
 - PE area – park use update check
 - *Manuel will provide approval from Parks*
 - Science Rm. layout changes? Check
 - *Switch classrooms for Science Lab for hood accommodation*
 - Security (referred to A&M GC) check
 - *A&M has an IT Specialist to handle Cameras and Alarms*
 - Low Voltage (needs conduit by Elect.) check
 - *We need point to point conduit and conduit locations for Contractor*
 - *A&M has an IT Specialist to handle Intercom System and Voice/Data Cabling.*
 - Network Administrator (Alex Lloyd) introduction
 - *A&M will put their IT Specialist in contact with Alex for coordination.*
 - Food Service (by A&M) check
 - *A&M would like a sample response from a Vendor used by CSUSA*
 - Transportation check
 - *CSUSA is working on obtaining School board approval for no buses*
 - Construction and Timeline (by A&M) check
 - *A&M's GC will not be involved until after permit issue*
 - No clinic / place to lie down, check
 - *A&M is working on location*
- Education has defined room space available for 2005 as *not adequate*.
 - *Manuel does not think this will be a problem for 2005. He expects additional locations to open up as the year progress, has determined this will not be an obstacle.*
- Office Furniture by A&M
- Classroom Furniture

- *CSUSA will proceed with School Specialty in working up furniture spreadsheets for each classroom with associated costs.*
- Time Line
- Manufacturers
- Purchase Order

Marketing:

Education:

Budget & Finance



Ruthh C. Montaner



ACTING FOR ALL, INC.

Academy of Arts & Minds Charter High School
2100 Ponce de Leon Blvd. Suite 901
Coral Gables, Florida 33134

Vision

The Academy of Arts & Minds is a vibrant arts center influenced by the rich cultural diversity of the Miami-Dade community where the gates to imagination, intellect, fantasy and creativity are wide open.

Mission

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS **December 15, 2003**

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy
Jorge Guerra Castro

MEMBERS NOT PRESENT

None

APPROVAL OF THE MINUTES OF THE MEETING of September 20, 2003

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

The Board of the Miami-Dade County Public School System approved the application submitted by the corporation for a charter to operate a performing arts high school in Coconut Grove, Florida.

I. Budget & Finance – Mr. Alonso-Poch

1. Financial Statements
2. General Budget Review
3. Grants.

II. Enrollment & School Marketing Report. - Mr. Alonso-Poch

1. Academy Brochure is in process of being developed.
2. Contact with Area Schools. The following Schools will be contacted and informed of the Academy of Arts & Minds Charter High School. Coconut Grove Elementary; Tucker Elementary; Key Biscayne K-8; Ponce de Leon Middle; St. Stephens School; Carrolton School; Ramson Everglades Middle;
3. Media Coverage of School. The media should be contacted to let them know that a new high school will open its doors for the school year commencing August 16, 2004.
Print Miami Herald / Neighbors Section / Education Sub-Section; El Nuevo Herald; Miami New Times; Miami Today; So. Florida Business Journal; Biscayne Bay Tribune.
Radio WQBA; WLRN;
Television
4. PTO Initiatives. A Parent Teacher Student Organization should be put in place as soon as students enroll.
5. Web Site. A Web Site for the School will have to be created.
6. Business Community Outreach. Local Businesses should be contacted and given information about the new school.

III. Education Report (Academic – Arts) - Mr. Freddie

1. General
 - First Year Strategies to be developed over the next months.
 - Class Schedules and Room Usage Plan to be developed.
2. Academic Program
 - Faculty & Curriculum
 - Student Assessments
 - FCAT
3. Arts Program
 - Programs development
 - Theater/Drama
 - Dance
 - Music
 - Visual Arts & Design / Photography
4. Adjunct Professorships.
5. Certification Exam and Waivers
6. Curriculum Program, School Catalog, Student Handbook and Student Parent Contract.
9. Phys Ed. Use Peacock Park; Meyers Park; The Barnacle. Homer Whitaker
10. Library. (Actual & Virtual).
11. Principal and Assistant Principal's Contracts
12. Extra Curricular Activities (Clubs, After School Internships etc.)
 - Memory Book
 - School Newspaper
 - Debate Team
 - Internships
13. Lap Top Program
14. Charter Change to require Auditions.

REPORTS

Facilities Report – Mr. Alonso-Poch

1. City of Miami Building Permit Status

2. Classroom occupancy. Readiness Report.

First Level

School Business Office (Under Construction)

Second Level:

202 Student Lounge

212 Science Lab

214 Art Classroom

Third Level:

301 General Ed Classroom (Math)

302 General Ed Classroom (English)

303 Teacher's Lounge

304 Library

306 General Ed Classroom (Under Construction)

308 General Ed Classroom (Under Construction)

310 General Ed Classroom (Under Construction)

312 General Ed Classroom (Under Construction)

314 General Ed Classroom (Social Studies / Modern Languages)

Fourth Level:

401 Dance Studio

402 Auditorium / Theater

Lighting

Sound

Seating Risers

Seats

Technical Mezzanine

3. Furniture Fixtures & Equipment Purchase and Financing is underway.

4. Cafeteria. Preparation for the cafeteria is underway.

5. Lockers: There will be no Lockers in the school.

6. Low Voltage Requirements: Wireless access to be provided throughout the school. A wireless provider is to be chosen within the next sixty days after the market is explored for the best proposal.

OLD BUSINESS


NEW BUSINESS

NEXT MEETING DATE AND LOCATION

May 10, 2004 at 12:00 noon, -- Arts & Minds Center

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4 p.m.


Chuny Montaner,
Board Secretary



ACTING FOR ALL, INC.

2100 Ponce de Leon Blvd Suite 901
Coral Gables, Florida 33134

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

September 20, 2003

CALL TO ORDER

Chairman Manuel Alonso-Poch, called the meeting to order at 12:00 noon.

ROLL CALL / MEMBERS PRESENT

Manuel Alonso-Poch, Chair
Chuny Montaner
Jose Noy
Jorge Guerra Castro
Daniel Medvedov

MEMBERS NOT PRESENT

None

APPROVAL OF THE MINUTES OF THE MEETING

of June 27, 2003

MOTION: Ms. Montaner made a motion that the minutes be approved as submitted.

SECOND: Mr. Alonso-Poch seconded the motion and it passed unanimously.

CORRESPONDENCE

There was no correspondence to be reviewed.

I. Budget & Finance -- Mr. Alonso-Poch

1. Financial Statements
2. General Budget Review
3. Grants.

NEW BUSINESS

- I. Creation of the Academy of Arts & Minds Performing Arts Charter High School.

DICUSSION: Discussion was had regarding the creation of the Academy of Arts & Minds Performing Arts Charter High School to be located in Coconut Grove.
MOTION: Ms. Montaner made a motion that the corporation apply to the Miami Dade County Public School System for a performing arts charter high school.
SECOND: Mr. Jorge Guerra seconded the motion and it passed unanimously.

DICUSSION: Discussion was had regarding the creation of the Academy of Arts & Minds Performing Arts Charter High School to be located in Coconut Grove.
MOTION: Ms. Montaner made a motion that the corporation apply to the Miami-Dade County Public School System for a performing arts charter high school.
SECOND: Mr. Jorge Guerra seconded the motion and it passed unanimously.

II. Engagement of Charter Schools USA to assist the corporation in making application to the Miami Dade County Public School System for a performing arts charter high school.

DICUSSION: Discussion was had regarding the engagement of Charter Schools USA to assist the corporation in making application to the Miami-Dade County Public School System for a performing arts charter high school to be located in Coconut Grove.
MOTION: Mr. Guerra made a motion that the corporation apply to the Miami Dade County Public School System for a performing arts charter high school.
SECOND: Ms. Montaner seconded the motion and it passed unanimously.

OLD BUSINESS


OTHER NEW BUSINESS

NEXT MEETING DATE AND LOCATION

December 15, 2003 at 12:00 noon, Corporate Offices

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2 p.m.



Chuny Montaner,
Board Secretary



academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Findings
Investigation of Allegation Concerning Academy of Arts & Minds
Charter High School

ADDENDUM II

Resumes of the Members of the Governing Board



ACTING FOR ALL INC.

3138 COMMODORE PALZA COCONUT GROVE, FLORIDA 33133 TEL: (305) 448-1100

BOARD OF DIRECTORS

July 1, 2011

Ruth C. Montaner

Chairperson (Elected June 2004)

3900 S.W. 8th. Street Miami, Florida 33145

cmontaner@UnivisionRadio.com

1998 to Present

Director of Information Services, Univision Radio.

1992 to 1998

Director "Grupo de Apoyo a la Disidencia Cubana" (Support Group to the Cuban Dissidence Movement).

Ruth is a mother of five children and a grandmother of ten grandchildren and currently manages content for the two AM Univision Radio station websites in Miami Florida.

Ignacio Ortiz-Petit

Secretary (Elected 2007)

240 Galen Drive Unit 210 Key Biscayne, Florida 33149

iortiz2714@aol.com

2008 to Present

Independent Consultant.

2008 to 2012

Vice President INDRA INC.

2002 to 2008

Policy analyst City of Miami, City Manager's Office.

1998 to 2002

Policy analyst and Chief of Staff, Florida Public Service Commission.

Ignacio Ortiz-Petit is the Vice President for State and Local Solutions at Indra USA where he is responsible for developing, planning, organizing, and directing the activities of the government relations office in its advocacy to meet the legislative and governmental interests and objectives of the corporation.

Indra USA Inc. is a wholly owned subsidiary of Indra Sistemas S.A., a premier European information technology company, with 30,000 professionals in 100 countries and worldwide revenues in excess of \$4 billion.

Prior to joining Indra, Mr. Ortiz-Petit most recently served as Director of Government Relations and Senior Assistant to Mayor Manuel Diaz at the City of Miami where he was responsible for the City's Federal and State lobbying and advised Mayor Diaz on public policy and communications. Among his achievements at the City of Miami were obtaining nearly \$100

million in federal and state appropriations and authorizations for a multitude of municipal projects.

Before that, Mr. Ortiz-Petit was Chief Advisor to Chairman Braulio Baez of the Florida Public Service Commission where he advised the Commissioner on matters of Energy, Telephony, and Water Regulation.

Mr. Ortiz-Petit began his professional career in public service in the Executive Office of Governor Jeb Bush as speechwriter to Florida's Governor and First Lady.

Mr. Ortiz-Petit earned a Juris Doctorate (J.D.) degree from the University of Miami, an Artium Baccalaureatum (A.B.) degree in English literature from Boston College, and is a graduate of Belen Jesuit Preparatory School in Miami, Florida. He is a member of the District of Columbia Bar.

Mr. Ortiz-Petit lives with his wife Victoria and two children, Sofia Victoria and Gustavo Emilio, in Key Biscayne, Florida.

Cecilia E. Holloman Board Member (Elected February 2008)

1011 N.E. 105th. Street Biscayne Park, Florida 33161

cicihol@aol.com

2099 to Present

Chief Consultant of Cecilia E. Holloman, LLC.

2009 to 2010

Project Director, Institute for Community Collaboration

2006 to 2008

Executive Director, Urban Empowerment Corporation.

Cecilia E. Holloman is Chief Consultant of Cecilia E. Holloman, LLC (a consulting corporation) and founder of The Legacy Communities Initiative. Extensive experience as a private consultant specializing in community building and gentrification Areas of expertise include; meeting facilitation, community organizing and training, organizational development for minority small businesses, Faith-Based and nonprofit organizations, board and volunteer training, strategic planning, fund development, housing and economic development and organizational development. Mrs. Holloman is an experienced grant writer, trainer and reviewer for private foundations, the US Health and Human Services Department (HHS), HUD and the US Department of Labor. A coveted workshop leader, Cecilia has trained Faith Based Intermediaries and has provided major workshops and training for a broad range of national entities. (Includes the Christian Community Development Association, National Congress for Community and Economic Development, North American Association for Christian Social Workers, National Association of Black Social Workers, US Dept. of HUD; The Cleveland Foundation, MEDA International, National Association on Alcoholism and Drug Addiction, The National Community Land Trust Association and several universities).

Consulting and Executive Leadership Experience

2008- Current: Project Director - Institute for Community Collaboration: Institute for Community Collaboration, Inc., 3440 Hollywood Blvd., Suite 140, Hollywood, FL 33120

2006 – 2008: Urban Empowerment Corporation - Interim CEO and President of the Urban Empowerment Corporation, a CDC that focuses on community and economic development, provides a business incubator, Job Resource Center and provides technical assistance for community non-profits and businesses in Miami. Also serving as facilitator for the Positive Partners, an association of 17 communities based organization partnering with the UEC to address critical community needs and issues.

2004 - 2006: Annie E. Casey Foundation - Consultant and grant writer for Prison re-entry and Healthy Marriage funding projects in Connecticut and Texas

2003 – Current: Founder and Project Director for the Legacy Communities Initiative. Drafted legislation for the state –wide Legacy Communities Initiative sponsored by Senator Larcenia Bullard, D- 39. Coordinated the development and implementation of the Key West Legacy Community Prepared the proposal and plan to transfer naval waterfront property to the Bahama Conch Community Development Corporation and facilitated the consulting team to move forward the project to get it approved by referendum. Developed the first Legacy Communities Initiative in the State–wide Initiative in Coconut Grove, and provided technical assistance for the community organizations, developers and businesses to move forward a major development of the Grove Village in 2008 coordinated the development of the Tropical Heritage Garden and facilitated the planning and implementation of the first community gardens in Coconut Grove, Florida in 2008, Provided Project Management for Legacy Green Empowerment Program 2009.

2003 – 2006 Bahama Conch Community Land Trust – Consultant for planning and development of the Legacy Community Initiative and the Navy Historical Project in Key West Bahama Village, responsible for fund development and strategic advisement to the BCCLT Board and Key West partners. Completed two successful grant applications for BCCLT within three months of contracting with BCCLT

2002 – 2006 Member of the “Dream Team” for Caliber Associates - Provided training for community and Faith Based organizations throughout the nation on “Navigating the Federal Funding Process”

2005 – 2007 Florida Atlantic University - Consultant for the CURE Institute –Provided Strategic Planning training and fund development advisement in the reorganization and five year plan for the Institute for community and economic development

2002 – 2005 MTEC LLC - Lead Consultant - Provided technical assistance training and program development and reviewed grants for the Cleveland Foundation, “Youth Preparation Program”, and Faith based Initiatives; provided technical assistance training to FASTEN Faith Based Intermediaries funded by PEW Charitable Trust and developed the Alternative Revenue Generating Strategies training for Faith Based organizations and intermediaries

2002 – 2004 Coconut Grove Village West Homeowners and Tenants Association - Technical Assistance Consultant in development and implementation of the Comprehensive Revitalization Plan for Coconut Grove, FL. Provided Technical Assistance for organizational capacity building for 12 community based organizations in crime prevention, employment services, affordable homeownership, small business development, Faith-Based capacity building, facilitating community meetings and planning Charrettes. Provided TA for grant writing and grant review

2003 – 2004 Island District Transit Village LLC; Project - First Phase Planning Consultant and Project Director for the Island District Transit Oriented mixed use development (196 residential homeownership condos, eight commercial units and redevelopment of a 28,000 square foot community center

2001 – 2004 Expert Consultant for the City of Miami in Community Development - Provided capacity building services for Coconut Grove, served as liaison between the City and Coconut Grove, advised the City and Collaborative on public relations strategies, established fund development campaigns, coordinated technical services, program development, and resources for Coconut Grove, prepared and coordinated the strategic plan for revitalization, facilitated public meetings. Facilitated community Charrettes and planning sessions, and work with the residents and the Miami City Commission.

Project Management to establish the Neighborhood Conservation District Plan for Coconut Grove’s Island District Also prepared and trained organizations on non-profit tax exemption, provided technical assistance to eighteen (18) community based organizations, trained NPO boards, provided special assistance to the CDC, resident organizations, minority small businesses, and Faith Based organizations. Developed the Merchants Association, Preservation Association, Community Land Trust, People’s

Plan, and Comprehensive Strategy to manage gentrification, developed a successful Neighborhood Conservation District plan, coordinated three major community design workshops (Charrettes), a major homeownership fair, and served as technical consultant for the major mixed use and homeownership transit oriented development. Cultivated twenty (20) new partnerships for the disinvested community, and helped to develop five funding proposals for various fledgling organizations. Provided Technical Assistance to the Coconut Grove Ministerial Alliance and Faith Based Groups in Miami Dade County, Broward County and Palm Beach County.

2002 – 2003 Collins Center for Public Policy, Miami, FL. - Provided technical assistance and capacity training for the Palm Beach County Round Table of Faith-Based and community non-profit organizations and provided technical assistance to communities in community organizing, community and economic development throughout Southeast Florida from Key West to Jupiter

1998 - 2002 Community Builder, U.S. Department of Housing and Urban Development - Chief architect of Tri-City Faith-based Collaborative for Niagara Falls, Buffalo, and Rochester, NY; Earned two HUD Best Practices awards ; successfully obtained multiple million dollars in funding and implemented significant revitalization strategies and community improvement projects for new non-profit and community collaborations. Conducted grant reviews, home counseling training, housing and economic development funding opportunities, and provided TA to Faith-Based and community based non-profit organizations and minority small businesses. Advised local government officials and decision makers on HUD funding and other resource opportunities

1996 – 1998 Special Fund Development Consultant, Howard University Hospital, Legacy of Leadership - Organized and implemented major fundraisers for the first African America Medical Museum and Exhibit Hall and developed the historical hospital's "Partners for Life" financial campaign, raised a million dollars in corporate solicitation in three weeks. Project management for HUH Museum Cultural project.

1990 – 1998 National Alternatives Center -Provided technical assistance to develop Alternatives Centers in NY, California and Tennessee. Lead consulting role in the development of Alternatives to Incarceration legislation in Michigan Served as Planning Consultant for TRG in the development of the Wayne County (MI) Comprehensive Community Corrections Plan

1978 – 1990 The Alternatives Center and Masters Business, Inc. Founded and served as CEO of nonprofit organizations in Community

Corrections Alternatives to Incarceration serving young offenders and at-risk youth. Developed and operated a multi-faceted organization offering residential programs, substance abuse counseling and intervention, volunteer and family support services, employment services, and peer court. Increased the budget from \$27,000 to 9M. Developed and administrated The School of the Spirit, Oakland County's first Afro-Centric Christian Private School, grades Pre-K through 12th grade

Education and Certifications

- Ordained Protestant Minister
- Law - Wayne State University, Detroit, MI
- MA - Education Administration, Oral Roberts University, Tulsa OK
- MA - Criminology/ Correctional Administration , University of Detroit, MI
- BA - Political Science, Oakland University, MI
- Executive Management, Kennedy School of Government, Harvard University, Cambridge , MA
- Knight Fellowship, University of Miami and The Knight Foundation, FL
- CORO Fellowship, CA
- Certified Community Builder though US Department of Housing and Urban Development
- Certified Trainer, Personality Profiles, Institute for Motivational Living
- OBAMA Fellow – 2008

Relevant Publications

Research and publications in Community Building; "Preserving the Character of the Place without Displacing the Characters; a Sourcebook on Managing Gentrification, "The Legacy Communities Initiative Toolkit"
Published books in community building, "A House Divided, A case for faith based collaboration:", "Mending the Broken Pieces", " Faces Places and Spaces, Photo Journal"
(soon to be published) **Civic Involvement**

- Elected Vice President, North American Association for Christians in Social Work
- Elected Pontiac School Board, MI
- Elected President, SECIII, Detroit MI
- Elected President, Association of Community Corrections in Michigan
- Elected VP, Michigan Association for Advancement of Community Corrections
- Elected Secretary, National Association for Volunteers in Criminal Justice
- Elected Board Member, Acting For All Inc.

Percy R. Aguila Jr. **Board Member** (elected February 2011)
2800 Ponce de Leon Blvd, Coral Gables, Florida 33134

2008 to Present
1999 to 2008

Morgan Keegan's Investment Banking/Public Finance group in Florida.
JP Morgan's Public Finance Department.

Percy R. Aguila is a Managing Director and leads Morgan Keegan's Investment Banking/Public Finance group in Florida. Morgan Keegan is a full-service investment banking and securities brokerage firm providing municipal investment banking and municipal bond underwriting services. Originally incorporated in 1969, Morgan Keegan became a wholly owned subsidiary of Regions Financial Corporation in April 2001. Morgan Keegan has over 4,100 employees located across 19 states and within Florida, fixed income and public finance offices in Orlando, Gainesville, Naples and Coral Gables.

Mr. Aguila has over 20 years of investment banking and financial advisory experience working with state and local government issuers throughout Florida and the rest of the country including: Miami-Dade County, Miami-Dade Water and Sewer Department, Miami-Dade County Expressway Authority, Florida Ports Financing Commission, Citizens Property Insurance Corporation and its' predecessor entities, Puerto Rico Electric Power Authority, City of Jacksonville, City of Miami Beach, and Broward County .

Mr. Aguila's healthcare experience includes serving as senior banker for Miami-Dade County's Jackson Health System and the issuance of \$300 million in Public Facilities Revenue & Revenue Refunding Bonds in 2005 and \$83,315,000 in Public Facilities Revenue Bonds in 2009. Between 2006 and 2007, he served on the court-appointed Board of Pan American Hospital located in Miami, Florida, which was responsible for stabilizing and managing the Hospital while under bankruptcy. As a member of the Board and as Co-Chair of the Finance Committee, Mr. Aguila led the Hospital out of bankruptcy through the sale of the Hospital to a healthcare investor group. Mr. Aguila's economic development financing experience includes tax increment financings for the City of Miami Beach's CRA, the City of Miami and for the Homestead Economic and Rebuild Organization (HERO).

Prior to joining Morgan Keegan in 2008, Mr. Aguila was with JP Morgan's Public Finance Department between 1999 and 2008. As an Executive Director, he served as the lead banker for several State of Florida issuers and clients and also served as the senior banker for Puerto Rico issuers and the Government Development Bank. Between 1994 and 1999, Mr. Aguila was a Managing Director at RBC Capital Markets and its predecessor firms.

Mr. Aguila earned a B.A. in Urban Affairs from George Washington University and is a graduate of New York University's Graduate School of Public Administration. Mr. Aguila is a member of the GFOA of the United States and Canada and also the Florida GFOA. Mr. Aguila has served on the boards of Carrolton School of the Sacred Heart, the Pan American Hospital Corp., and the City of Miami's Waterfront Advisory Board.



academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Findings
Investigation of Allegation Concerning Academy of Arts & Minds
Charter High School

ADDENDUM III

Letter of Dismissal of Principal Alex Tamargo



ACTING FOR ALL, INC.

ACADEMY OF ARTS & MINDS

3138 COMMODORE PLAZA SUITE 317 COCONUT GROVE, FLORIDA 33133

TEL: (305) 448-1100 FAX: (305) 448-1370 E.MAIL: MAIL@AANDM.NET

June 5, 2008

Alex Tamargo,
Director
Academy of Arts & Minds
3138 Commodore Plaza
Miami, Florida
33133

Dear Alex:

You are seriously mistaken about teacher exit interviews. Manuel Alonso-Poch is not handling teacher exit interviews, he never has in the past. He has no faculties or intentions to ever handle teacher exit interviews.

Evaluations and exit interviews are your responsibility as director of the school.

It would be enlightening to know how you have arrived at the notion that Manuel Alonso-Poch, our founder, would be doing teacher exit interviews and that I, as Chairperson of the Governing Board would be doing faculty and staff evaluations as you suggest in your email below.

I don't think you have become totally out of touch with reality so I take the email below as disingenuous, insolent, disrespectful, and unprofessional of you.

It has the same bad smell as your recent contention that the management of the school has been "taken away from you" and that you are not responsible for the management of the school when nothing could be further from the truth.

Take a moment to think about this.

You negotiated and engaged the services of the bank providing banking services to the school. The bank official is your close friend. You negotiated and engaged the services of the payroll company providing payroll services to the school, the school's insurance contracts and the relationship with the CPA handling the school's taxes until recently, when the CPA, a very close friend of yours, was removed for malpractice. You negotiated the leases for the school's copy machines and the school's copy machines service contracts. You made and maintained the relationships with school vendors of books, uniforms, school supplies and janitorial supplies. The uniform and janitorial supplies vendor also being good friends of yours. Except for the

faculty hired before you became director, you hired all the school's faculty members and all the school's substitute teachers some whom are friends of yours. You hired the school's receptionist and your personal assistant. You even negotiated, as recently as three weeks ago, the cellular phone contracts for you and your staff. You have been in control of student enrollment and disenrollment. You have been in charge of school fundraising activities.

By every known standard you manage the financial affairs of the school so you are making a mistake trying to convince yourself and others that you have not been managing the school's financial affairs. The fact that, for reasons you don't want to recognize or acknowledge, you have conveniently and unilaterally decided, for yourself, to disavow your obligations and responsibilities as the school's financial manager does not release you from them.

In addition to the exit interviews, it is your responsibility, as director of the school, to prepare written evaluations for each of the 30 members of the school faculty and administrative staff. To prepare letters of intent for faculty members returning next year. To prepare class schedules for new and returning students. To prepare a classroom usage plan for the students attending school this coming school year. To prepare a preliminary school budget for the coming school year.

All of the above are your responsibility as Director of the school. That's what you are hired and paid to do.

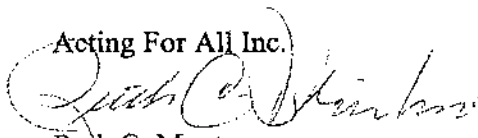
The school year has ended.

You have failed to prepare written evaluations for the faculty and the administrative staff. Which, according to your email you feel I should do. You have failed to hold exit interviews with the faculty and staff. You have failed to prepare letters of intent for faculty members and administrative staff returning next year. You have not completed the preparation of class schedules for the students attending school this coming year. You have not completed a classroom usage plan for the students attending school the coming school year. You have not prepared a preliminary school budget for the coming school year.

Given that the above constitutes a serious dereliction of your duties and the gross neglect of your professional responsibilities to the school, the Governing Board hereby terminates your employment immediately.

Sincerely,

Acting For All Inc.


Ruth C. Montaner
Governing Board Chair.



academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Findings
Investigation of Allegation Concerning Academy of Arts & Minds
Charter High School

ADDENDUM IV

**Letter of Engagement
of Principal William Machado
Signed by the Chairperson
of the Governing Board**



acting for all Inc.

ACADEMY OF ARTS & MINDS HIGH SCHOOL

3138 COMMODORE PLAZA SUITE 317 COCONUT GROVE, FLORIDA 33133

TEL: (305) 448-1100 FAX: (305) 448-9737 E.MAIL: AANDM.NET

August 18, 2008

William Machado
5718 S.W. 42nd. Terrace
Miami, Florida 33155

Dear Mr. Machado:

This letter is to confirm your engagement with the Academy of Arts & Minds High School as Director. Your position is contingent on meeting the State and District requirements for certification and hiring. Your employment will commence on July 8, 2008 and end on June 30, 2009.

We look forward to having you as the director of the Academy of Arts & Minds for the 2008-2009 school year.

Your base salary will be \$80,000.00 per year.

Your duties include but are not limited to:

1. Managing school operations effectively and efficiently.
2. Maintaining school operations within the adopted budget and ending the school year with no operating fiscal deficits.
3. Increase parent involvement by having greater parent and community attendance at student events and by opening lines of communication between the Academy and the community.
4. Increase the awareness of the Academy's high academic caliber through better marketing, thus being able to select students with the best talent and motivation.
5. Promote school fundraising activities by parents, teachers and students and pursue grant getting opportunities throughout the year.
6. Raise test scores.
7. Increase enrollment in Advanced Placement classes.
8. Increase the amount of scholarship money offered to graduating seniors.
9. Identify, with input from the teaching staff, the highest professional standards, and ensure that those standards are maintained throughout the course of the year.

Your salary and benefits for the 2008 2009 school year are as follows:

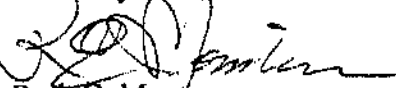
1. Your base salary for the 2008-2009 fiscal year will be \$84,800.00.

2. Your Base Salary will increase 4% every year thereafter should you satisfactorily meet the goals set by the School's Governing Board.
3. You will not receive health benefits. The cost of your health benefits are included in your base salary.
4. The cost of membership in professional organizations and participation in national conferences will be paid for by the Academy.
5. You will receive two vacations days per month for a total of 24 days. Vacation days shall be taken so as to not interfere with your administrative duties. Vacation days accrued and not used may be cashed in at the end of the fiscal year.
6. You will receive a bonus determined upon your achievement of measurable goals directly connected with your duties and obligations as the school's director.
7. You will receive up to eight days for sick leave. Days accrued and not used may be cashed in at the end of the fiscal year.
8. The Academy will provide you with the use of a lap top computer and a cell phone with basic service not to exceed \$50.00 per month.

We look forward to a long and productive working relationship with you.

Sincerely,

Academy of Arts & Minds



Ruth C. Montaner,
Chairperson of the Governing Board.

Agreed and Accepted

William Machado.



academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Findings
Investigation of Allegation Concerning Academy of Arts & Minds
Charter High School

ADDENDUM V

Academy's Application for Tax Exemption

2005



ACTING FOR ALL, INC.

ACADEMY OF ARTS & MINDS

3138 COMMODORE PLAZA SUITE 317 COCONUT GROVE, FLORIDA 33133

TEL: (305) 448-1100 FAX: (305) 448-1370 E.MAIL: MAIL@AANDM.NET

February 18, 2005

VIA HAND DELIVERY

Hernando Bloom
Exemptions Division
Miami-Dade County Tax Assessors Office
140 West Flagler Street
Miami, Florida 33131

Re: Academy of Arts & Minds
Application for Ad Valorem Tax Exemption.
Exempt Properties: 3110 and 3138 Commodore Plaza Miami, Florida 33133

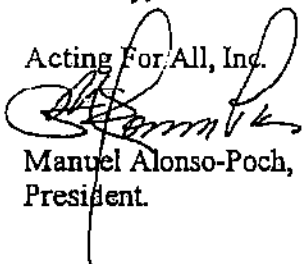
Dear Mr. Bloom:

Attached please find our application for exemption of ad-valorem taxes on the Properties of reference.

If you need additional information regarding the application please contact the undersigned.

Sincerely,

Acting For All, Inc.


Manuel Alonso-Poch,
President.



**Ad Valorem Tax Exemption
Application and Return**
(Per 196.195, 196.196, 196.197, 196.2001, 196.2002, Florida Statutes)

Return/Application Number

**RECEIVED
PUBLIC SERVICE**

DR-504
R. 11/01

FEB 18 2005

METROPOLITAN-DADE COUNTY
DEPT. PROPERTY APPRAISAL

For use of organizations applying for exempt status under Chapter 196, Florida Statutes which are organized and operated for one or more of the following purpose(s): (Check one or more)

- ☐ Religious ☐ Literary ☐ Charitable ☐ Scientific ☐ Sewer Water/Wastewater Systems ☒ Education
☐ Hospitals, nursing homes, and homes for special services. ☐ Other _____

A General Information	
1. Full Name of Organization: Acting For All Inc., dba Academy of Arts & Minds Charter School	County Where Property is Located: Miami-Dade, County
2. Complete Address: 3138 and 3110 Commodore Plaza Miami, Florida 33133	Business Phone: (305) 448-1100
3. Address of Property (if different from above): 3138 and 3110 Commodore Plaza Miami, Florida 33133	
4. List All Owners of the Property and their Proportionate Interest: Commodore Plaza Parking LC., a Florida limited liability company 100% Ownership	
5. Legal Description (Appraiser's R.E., parcel no., etc. may be substituted): Lots 13, 14, 15, 27, 28 and 29 Block 1 COMMODORE PLAZA, PB 18, PG 25; Folio No. 01-4121-047-0130 Lot 18 Block 1 COMMODORE PLAZA, PB 18, PG 25; Folio No. 01-4121-047-0180 Lot 19, Block 1 COMMODORE PLAZA, PB 18, PG 25; Folio No. 01-4121-047-0190 Lot 24 Block 1 COMMODORE PLAZA, PB 18, PG 25; Folio No. 01-4121-047-0230	
6a. Is the organization incorporated? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6c. If yes, is the organization exempt from federal income tax under <input checked="" type="checkbox"/> 501(c) (3), I.R.C. Recognition applied for. <input type="checkbox"/> 501(c) (12), I.R.C., Water, Wastewater Systems, 196.2002, F.S. <input type="checkbox"/> 115 (a), I.R.C. of 1954, Sewer and Water, 196.2001, F.S. Provide a copy of the current exemption determination letter from the Internal Revenue Service.
6b. If no, what is form of organization?	
7a. Is any of this property rented or leased? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	7b. If yes attach a copy of all active rental and/ or lease contracts last year.
8. Owner's statement of full value: Real property improvements \$ 1,475,000.00 Real property land \$ 2,105,865.00 Tangible personal property \$ 1,000.00	
9. What is the property used for? Charter School	
10. Is any portion of the above described property used for non-exempt purposes? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If yes attach detailed explanation) See property space layout attached	

Attach Extra Sheet if Necessary

B	Attachments You must attach the following information except when applying for exemption as an educational institution.	
✓(A)	If incorporated, a copy of your articles of incorporation, or if not incorporated, a copy of your constitution, articles of association, declaration of trust or other document setting forth your aims and purposes. (Also, enclose any amendments thereto.)	
✓(B)	A statement indicating the salaries, fees, loans, commissions, gratuities or other compensation of any officer, director, trustee, member or stockholder of this organization.	
✓(C)	A statement indicating the guarantee of any loan to or obligation of any officer, director, trustee, member or stockholder of this organization.	
✓(D)	Any contracts between the applicant and any officer, director, trustee, member or stockholder of the applicant pertaining to: 1. rendition of service, 2. provision of goods or supplies, 3. the management of the applicant, or 4. the construction or renovation of the applicant.	
✓(E)	A schedule of the following: 1. salaries for the operation of the applicant; 2. services rendered to the applicant; 3. supplies and materials used by the applicant; 4. reserves for repair, replacement and depreciation of the property of the applicant; and 5. mortgage, lien, and encumbrance payments for the property of the applicant.	
✓(F)	A statement indicating the charges made by the applicant for its services.	
✓(G)	A statement indicating to what degree the proceeds of the sale, lease, or other disposition of the applicant's property will inure to the benefit of the members, directors, or officers of the applicant.	
C	Hospitals, Nursing Homes, and Homes for Special Services	Organizations filing for exemption under any of these categories must include the following information in addition to completing Sections A & B.
1. Did you possess a valid license granted under Chapter 395 or 400, Florida Statutes, on January 1 of this year? <input type="checkbox"/> Yes <input type="checkbox"/> No		
2. Have you qualified under Section 501(c)(3) United States Internal Revenue Code 1954? <input type="checkbox"/> Yes <input type="checkbox"/> No		

WHO MUST FILE? Any religious, literary, charitable, scientific organizations, hospitals, nursing homes, homes for special services; sewer, waste, wastewater systems not-for-profit corporations.

WHERE TO FILE? The application return must be filed with the County Appraiser in the respective county where the property is located.

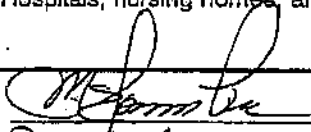
WHEN TO FILE? Application or return must be filed each year on or before March 1.

ATTACHMENTS: Every attachment must show the name and address of the organization, the date, an identifiable heading, and that it is an attachment to Form DR-504.

Every organization applying or returning for exemption must complete Section A. Every organization, except educational institutions, must attach the information required in Section B. Hospitals, nursing homes, and homes for special services must complete Section C in addition to A and B.

I certify all information on this form and any attached statements, schedules, etc., are true and correct to the best of my knowledge as of January 1 of this year.

Signed


Title President

Date

2/10/05

DR-504
AD-VALOREM TAX EXEMPTION APPLICATION
ATTACHMENTS



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

June 24, 2002

ACTING FOR ALL, INC.
2100 PONCE DE LEON BLVD.
SUITE 1170
CORAL GABLES, FL 33134

The Articles of Incorporation for ACTING FOR ALL, INC. were filed on June 21, 2002, and assigned document number N02000004768. Please refer to this number whenever corresponding with this office.

This document was electronically received and filed under FAX audit number 2000156044.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding corporations, please contact this office at the address given below.

Sincerely,
Claretha Golden
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 502A00040411

ARTICLES OF INCORPORATION

Acting for All, Inc.

ARTICLE ONE Name:

The name of this Florida not-for-profit corporation is:
Acting for All, Inc.

ARTICLE TWO Address:

The mailing address of the Corporation is:
Acting for All, Inc.
2100 Ponce de Leon Blvd. Suite 1170 Coral Gables, Florida 33134

ARTICLE THREE Purpose:

To the extent permitted by Code Section 501(c)(3), of the Internal Revenue Code, the Corporation is organized exclusively for the promotion of literary, artistic, cultural or educational purposes and to the extent permitted by Code Section 501(c)(4), of the Internal Revenue Code, the Corporation is organized exclusively for the promotion of social welfare. All references to "Code" are to the Internal Revenue Code of 1986 as amended or to corresponding provisions or future federal tax legislation.

ARTICLE FOUR Membership:

All persons interested in the purposes of the Corporation are eligible for membership in the Corporation if they are capable of contributing to the achievement of those purposes and the effective operation of the Corporation, and if they comply with the requirements established from time to time in the Bylaws. Members shall have no voting rights or other rights except as provided in the Bylaws.

ARTICLE FIVE Registered Agent:

The name and address of the registered agent of the Corporation is:

Manuel Alonso-Poch
Manuel Alonso-Poch, P.A.
2100 Ponce de Leon Blvd. Suite 1170
Coral Gables, Florida 33134

ARTICLE SIX Limitations:

No part of the net earnings of the Corporation shall inure to the benefit of (or be distributable to) its directors, officers, members or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of any of its purposes. No substantial part of the

activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, except as otherwise provided in Section 501(h) of the Code. The Corporation shall not participate or intervene in any political campaign (including the publishing or distributing of statements) on behalf of any candidate for public office. Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any activities except those permitted to be carried on by a corporation exempt from federal income tax under Code Section 501(c)(3) or Code Section 501(c)(4) or by a corporation contributions to which are deductible under Code Section 170(c)(2).

If the Corporation is at any time deemed to be a private foundation within the meaning of Code Section 509(a), then for the period in which the Corporation is so deemed, the Corporation shall distribute its income for each tax year at such time and in such manner as not to subject the Corporation to tax under Code Section 4942, and the Corporation shall not engage in any act of self dealing as defined in Code Section 4941(d) retain any excess business holdings as defined in Code Section 4943(c), make any investments as to subject the Corporation to tax under Code Section 4944 or make any taxable expenditures as defined in Code Section 4945(d).

ARTICLE SEVEN Board of Directors:

The name of each member of the Corporation's Board of Directors is:

Manuel Alonso-Poch 2100 Ponce de Leon Blvd. Suite 1170 Coral Gables, Florida 33134
Ana Lilian Renteria 3520 Rockerman Road Miami, Florida 33133
Jorge Guerra 2100 Ponce de Leon Boulevard Suite 1170 Coral Galbes, Florida

The affairs of the Corporation shall be managed by a Board of Directors consisting of no less than three directors. The number of directors may be increased or decreased from time to time in accordance with the bylaws of the Corporation, but may never be less than three. The election of directors shall be done in accordance with the bylaws. The directors shall be protected from personal liability to the fullest extent permitted by law.

ARTICLE EIGHT Incorporator:

The name and address of the incorporator is:

Manuel Alonso-Poch 2100 Ponce de Leon Blvd. Suite 1170 Coral Gables, Florida 33134

ARTICLE NINE Dissolution:

Upon the dissolution or winding up of the Corporation, the assets remaining after payment (or provision for payment) of the Corporation's debts and liabilities shall be distributed to a not for-profit corporation, trust, community fund or foundation that has established its tax exempt status under Code Seciton 501(c)(3).

ARTICLE TEN Corporate Existence:

The corporate existence or the Corporation shall begin effective as of June 21, 2002 and shall continue until terminated under these Articles of Incorporation or by law.

The authorized representative of the incorporator has executed these Articles of Incorporation on June 21, 2002.

Manuel Alonso-Poch
2100 Ponce de Leon Blvd. Suite 1170-A
Coral Gables, Florida 33134

By


Manuel Alonso-Poch

CERTIFICATE OF DESIGNATION OF REGISTERED AGENT/OFFICE

Corporate Name and Address:

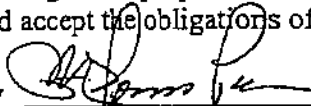
Acting for All, Inc.
2100 Ponce de Leon Blvd. Suite 1170-A
Coral Gables, Florida 33134

Registered Agent and Address:

Manuel Alonso-Poch, P.A.
2100 Ponce de Leon Blvd. Suite 1170
Coral Gables, Florida 33134

I agree to act as registered agent to accept service of process for the corporation named above at the place designated in this Certificate. I agree to comply with the provisions of all statutes relating to the proper and complete performance of the registered agent duties. I am familiar with and accept the obligations of the registered agent position.

By


Manuel Alonso-Poch

Dated: June 21, 2002

Office of Superintendent of Schools
Board Meeting of February 11, 2004

January 28, 2004

Mercedes Toural, Chief Education Officer
and Deputy Superintendent of Schools

**SUBJECT: REQUEST SCHOOL BOARD APPROVAL OF THE CHARTER
SCHOOL CONTRACTUAL AGREEMENT WITH ACTING FOR ALL,
INC., ON BEHALF OF ACADEMY OF ARTS & MINDS**

COMMITTEE: EDUCATION AND SCHOOL OPERATIONS

On November 19, 2003, the School Board approved a charter school application submitted for Academy of Arts & Minds. The Board authorized the Superintendent to negotiate a charter school contractual agreement with the applicant for a term of ten years.

The school will be located at 3138 Commodore Plaza, Coconut Grove, Florida 33133. The charter school will serve a maximum of 500 students in grades nine through twelve, with a maximum of 300 students in grades nine through ten in its first year of operation, commencing with the 2004-2005 school year.

The following is the Founding Board for the charter school: Mr. Daniel Medvedov, Artist and Educator; Mr. Chuny Montaner, Broadcasting Executive; Mr. Jorge Guerra, Artist and Educator; Mr. Manuel Alonso-Poch, Attorney; and Dr. José Noy, Physician.

The Charter School Contract Review Committee met on January 16, 2004, and by a unanimous vote made a recommendation for approval of the charter school contractual agreement with Acting for All, Inc., on behalf of Academy of Arts & Minds.

Section 1002.33, Florida Statutes, Charter Schools, requires that the major issues involved in the operation of charter schools be considered in advance and written into a charter school contractual agreement between the charter school and the sponsor, following a public hearing to ensure community input.

Copies of the charter school contractual agreement will be placed on file and will be available for inspection in the School Board Members' office, in the Office of Board Recording Secretary, and in the Citizen Information Center.

RECOMMENDED: Recognizing that The School Board of Miami-Dade County, Florida, has previously approved the charter school application, it is recommended that the Board grant approval of the charter school contractual agreement with Acting for All, Inc., on behalf of Academy of Arts & Minds, for a term of ten years, commencing with the 2004-2005 school year and ending on June 30, 2014.

RKF/MB/CR:dcr



[Home](#)

School Board of Miami-Dade County Public School

Excerpts of Unofficial Meeting Minutes

February 11, 2004

The School Board publishes MINUTES of its meetings as soon as possible after each meeting. EXCERPTS from the latest meeting are provided below as an unofficial review of the actions taken. You may arrange to review the official minutes by calling the Department of Information Services at 995-1126.

THE SCHOOL BOARD OF DADE COUNTY, FLORIDA

Miami, Florida

Excerpts from Unofficial Minutes of the February 11, 2004 Board Meeting

APPROVED Bid Opening Lists of December 2, 5, 9, 8, 11 and 16, 2003; and January 6, 8, 13, 15, 20, 27, 2004

APPROVED Minutes of the January 14, 2004 School Board meeting.

105,437 A-1 RECEIVED The Superintendent's new business and reports.

105,438 A-2 RECOGNIZED Congratulated and acknowledged the accomplishments of the 2003 National Certified Teachers.

105,439 A-3 AMENDED The recommendation to read as follows:

1. Direct the Superintendent to schedule a special School Board Meeting, within the next two weeks, after polling School Board Members for their availability, to discuss the implications of creating an Educational Facilities Benefit District (EFBD).

2. That the School Board of Miami-Dade County, Florida, support, in principle, the City of Homestead's request to Miami-Dade County Government for the discussion and consideration of the Homestead Educational Facilities Benefit District (EFBD), and to invite representatives of Miami-Dade County, the City of Homestead, Florida City and the developer and all municipalities to attend.

105,440 A-4 APPOINTED Mr. Allen M. Vann, C.P.A., to the budgeted position of Chief Auditor, pay grade GS-13, Office of Management and Compliance Audits, effective February 12, 2004, or as soon thereafter as can be arranged.

facilitated.

105,441 A-5 AUTHORIZED To become a member of the Florida Health Care Coalition, effective February 2004, or as soon thereafter as possible, with annual dues payable in the amount of \$19,000 payable to the Florida Health Care Coalition.

105,442 A-6 APPROVED Expenditures for all expenses associated with the search for Superintendent of Schools, in an amount not to exceed \$200,000, as originally funded for the national search; and directed Superintendent to provide a monthly report of expenses associated with the national search for the Superintendent of Schools.

105,443 B-1 APPROVED The charter school contractual agreement with Balere, Inc., on behalf of Baler Language Academy, for a term of ten years, commencing with the 2004-2005 school year and ending on June 30, 2014.

105,444 B-2 APPROVED The charter school contractual agreement with Acting for All, Inc., on behalf of Academy of Arts & Minds, for a term of ten years, commencing with the 2004-2005 school year and ending on June 30, 2014.

105,445 B-3 APPROVED The charter school contractual agreement with The United Property Owners of 8.5 Square Mile Area, Inc., on behalf of Las Palmas Charter School, for a term of five years, commencing with the 2004-2005 school year and ending on June 30, 2009.

105,446 B-4 APPROVED The charter school contractual agreement with Dr. Joseph Coats Grace Community Charter School, Inc., on behalf of Dr. Joseph Coats Grace Community Charter School, for a term of five years, commencing with the 2005-2006 school year and ending on June 30, 2010.

105,447 B-5 APPROVED The charter school contractual agreement with Summerville Charter School, Inc., on behalf of Summerville Charter School, for a term of five years, commencing with the 2005-2006 school year and ending on June 30, 2010.

105,448 B-6 APPROVED The charter school contractual agreement with Miami Community Charter School, Inc., on behalf of Miami Community Charter School, for a term of five years, commencing with the 2004-2005 school year and ending on June 30, 2009.

105,449 B-7 APPROVED The out-of-state field trip to Ingleside, Illinois for students at Paul W. Bell Middle School, from March 26, 2004 through March 31, 2004.

105,450 B-60 ACCEPTED Grant awards from the Florida Department of Education, in the total amount of \$200,000.

105,451 B-61 ENTERED Into separate contractual agreements with the Northeast Academy Charter School, in the amount of \$19,000; Aventura Charter School, in the amount of \$19,000; and Youth Co-Op Charter School, in the amount of \$19,000; Florida Memorial College Male Explorers Program, in the amount of \$19,000; Florida Boys Choir, Inc., in the amount of \$19,000; and the Music Fest Miami, Inc., in the amount of \$17,000.

105,452 C-1 ACCEPTED The resignation of Karen Ann Y. Currey, teacher at George Washington Carver Middle School, effective as of the close of the workday on February 11, 2004, and approve the Settlement Agreement in this case.

105,453 C-2 ENTERED A final order in the case of The School Board of Miami-Dade County, Florida v. Sophia Cheeks, DOAH Case No.03-0930, adopting the Administrative Law Judge's Recommended Order sustaining the suspension of Sophia Cheeks for 30 days without pay from The School Board of Miami-Dade County, Florida.

(A) Copy of Articles of Incorporation and related documents.

(B) Statement indicating the salaries, fees, loans, commissions, gratuities or other compensation of any officer, director, trustee.

No officer, director or trustee of the Applicant receives any salaries, fees, loans, commissions, gratuities or other compensation from the Applicant.

(C) Statement indicating the guarantee of any loan to or obligation of any officer, director, trustee, member or stockholder of this organization.

The Applicant does not guarantee any loan or obligation of any officer, director, trustee, member or stockholder of the Applicant organization.

(D) Contracts between the applicant and any officer, director, trustee, member or stockholder of the applicant pertaining to:

1. rendition of service: None.
2. provision of goods or supplies: None.
3. the management of the applicant: None.
4. the construction or renovation of the applicant: None.

(E) A schedule of the following:

1. A schedule of salaries for the operation of the applicant:
See Applicant's Budget attached.

2. A schedule of services rendered to the applicant;
Electric Power
Telephone
Internet

3. A schedule of supplies and materials used by the applicant;
Books
Testing Materials

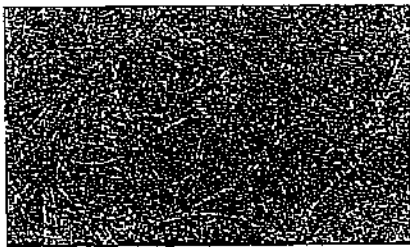
4. A schedule of reserves for repair, replacement and depreciation of the property of the applicant; and
See Applicant's Budget attached.

5. A schedule of mortgages or liens:
None

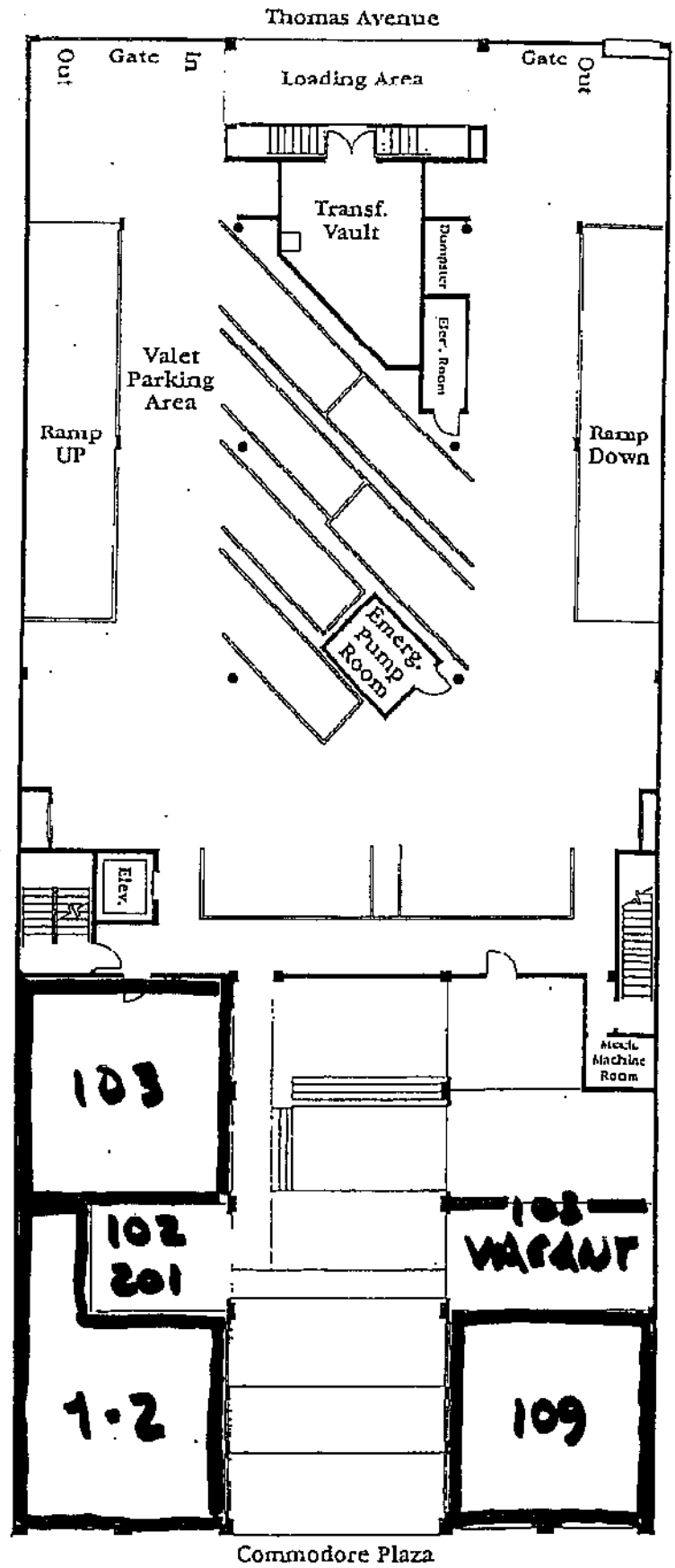
(F) Statement indicating the charges made by the applicant for its services.
Applicant provides educational services pursuant to a Charter School Contract between the Applicant and Dade County Public Schools System.

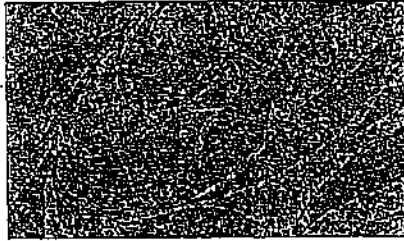
(G) Statement indicating to what degree the proceeds of the sale, lease, or other disposition of the applicant's property will inure to the benefit of the members, directors, or officers of the applicant.

The proceeds of the sale, lease, or other disposition of the applicant's property will not in any way inure to the benefit of the members, directors, or officers of the Applicant.

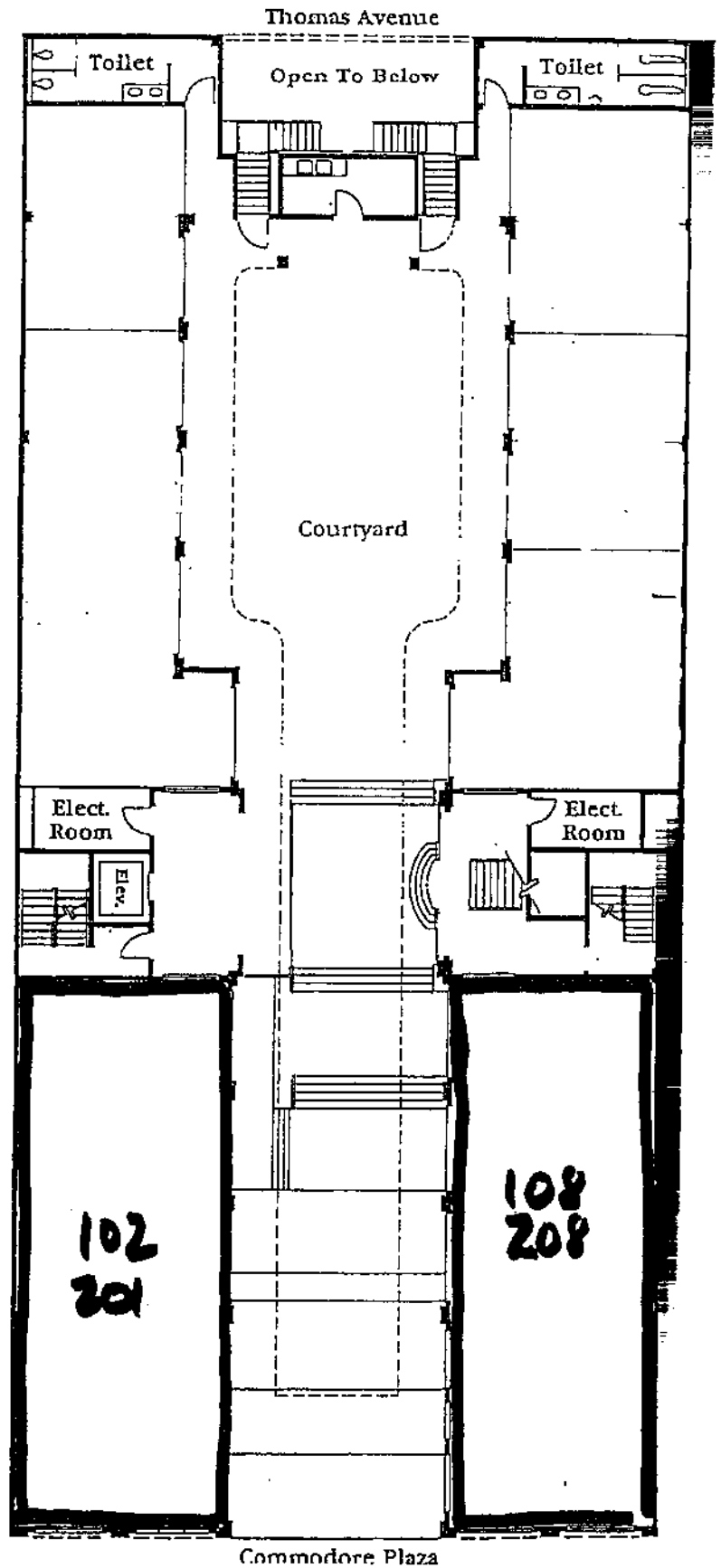


Ground Floor
Level One



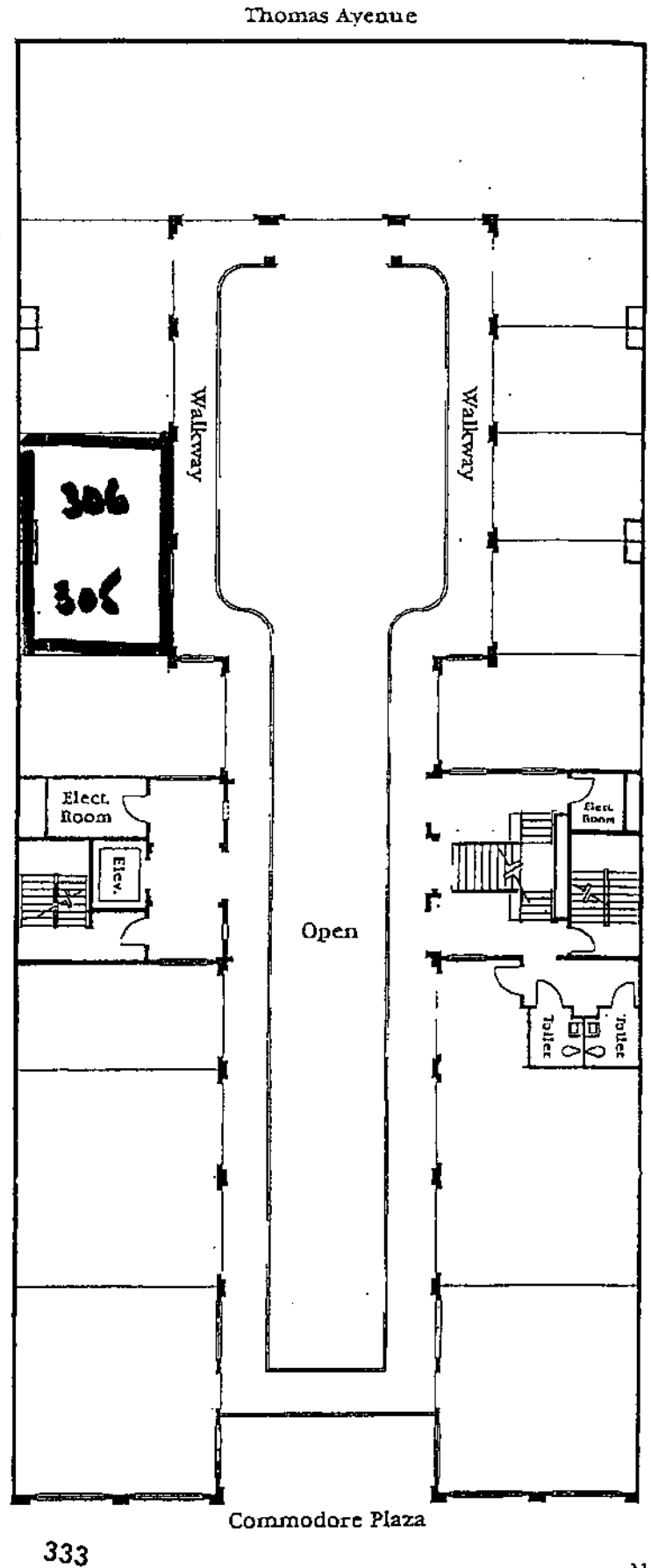


Courtyard
Level Two
Scale: 1/4" = 13.0'





Balcony
Level Three
Scale: $\frac{3}{4}" = 13.0'$



Select Year: 2004

[Go](#)

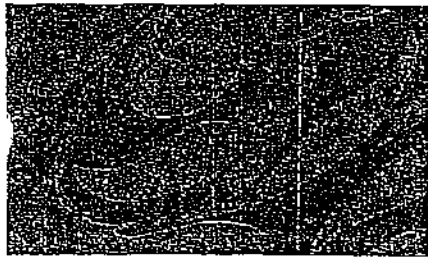
The 2004 Florida Statutes

[Title XIV](#)
TAXATION AND FINANCE[Chapter 196](#)
EXEMPTION[View Entire Chapter](#)

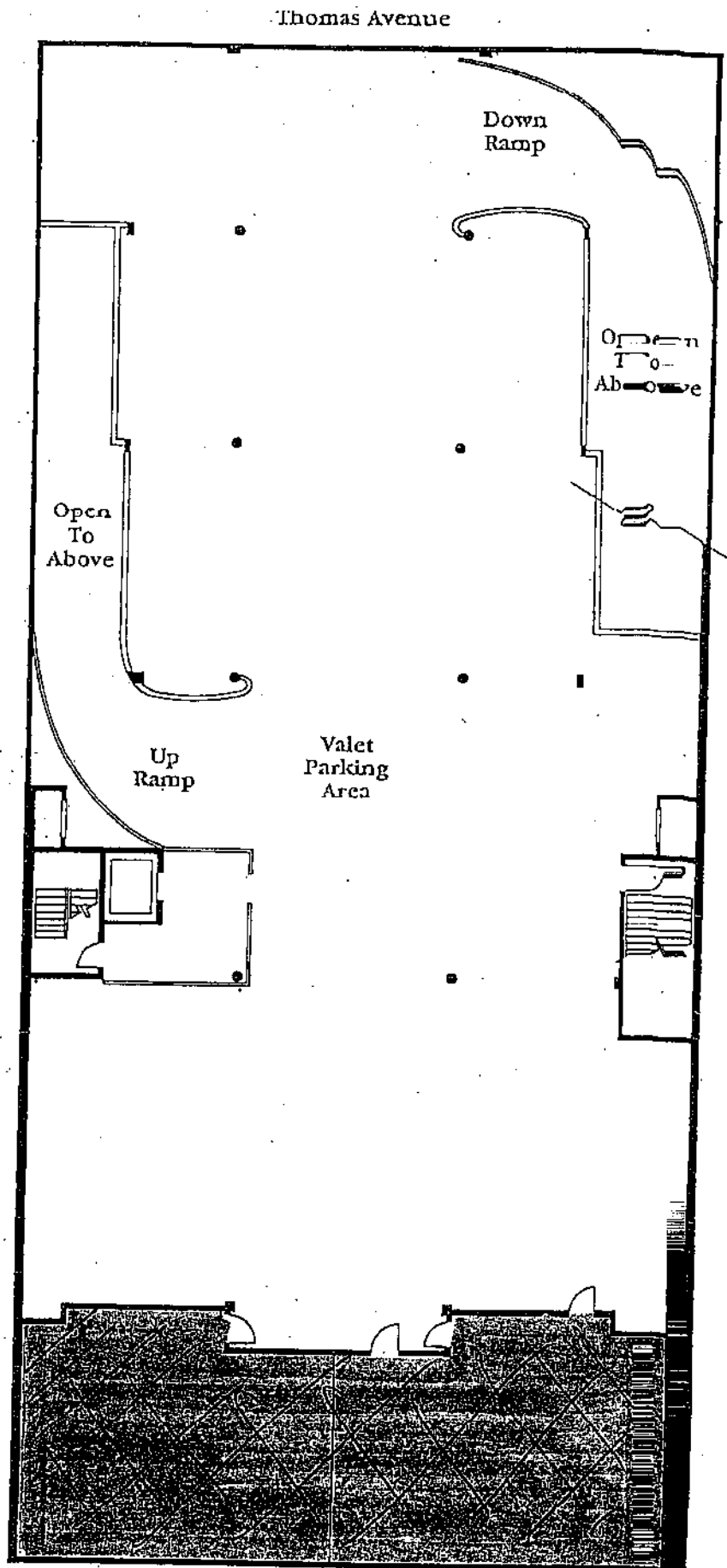
196.1983 Charter school exemption from ad valorem taxes.--Any facility, or portion thereof, used to house a charter school whose charter has been approved by the sponsor and the governing board pursuant to s. 1002.33(7) shall be exempt from ad valorem taxes. For leasehold properties, the landlord must certify by affidavit to the charter school that the lease payments shall be reduced to the extent of the exemption received. The owner of the property shall disclose to a charter school the full amount of the benefit derived from the exemption and the method for ensuring that the charter school receives such benefit. The charter school shall receive the full benefit derived from the exemption through either an annual or monthly credit to the charter school's lease payments.

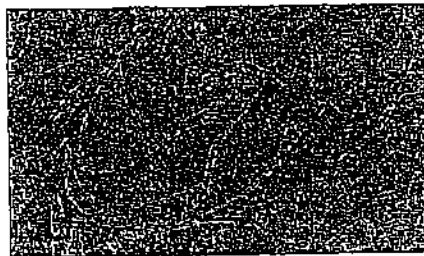
History.--s. 1, ch. 2000-306; s. 27, ch. 2002-1; s. 909, ch. 2002-387; s. 16, ch. 2003-1.

Disclaimer: The information on this system is unverified. The journals or printed bills of the respective chambers should be consulted for official purposes. Copyright © 2000-2004 State of Florida.

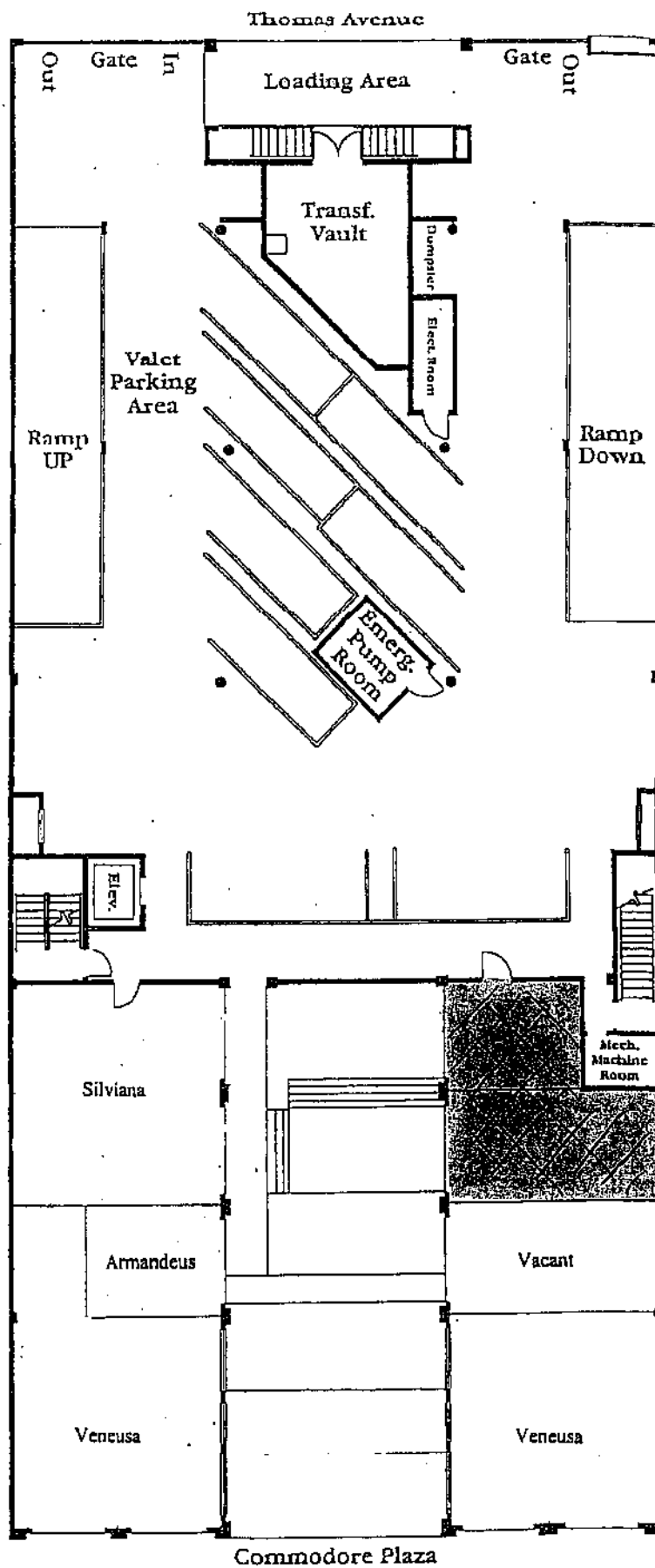


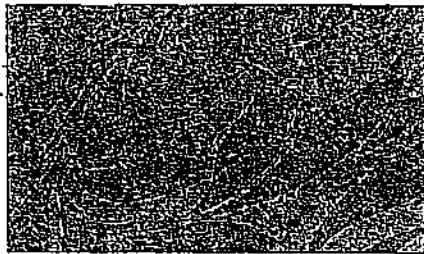
Basement Level
Scale: $\frac{3}{4}" = 13.0'$



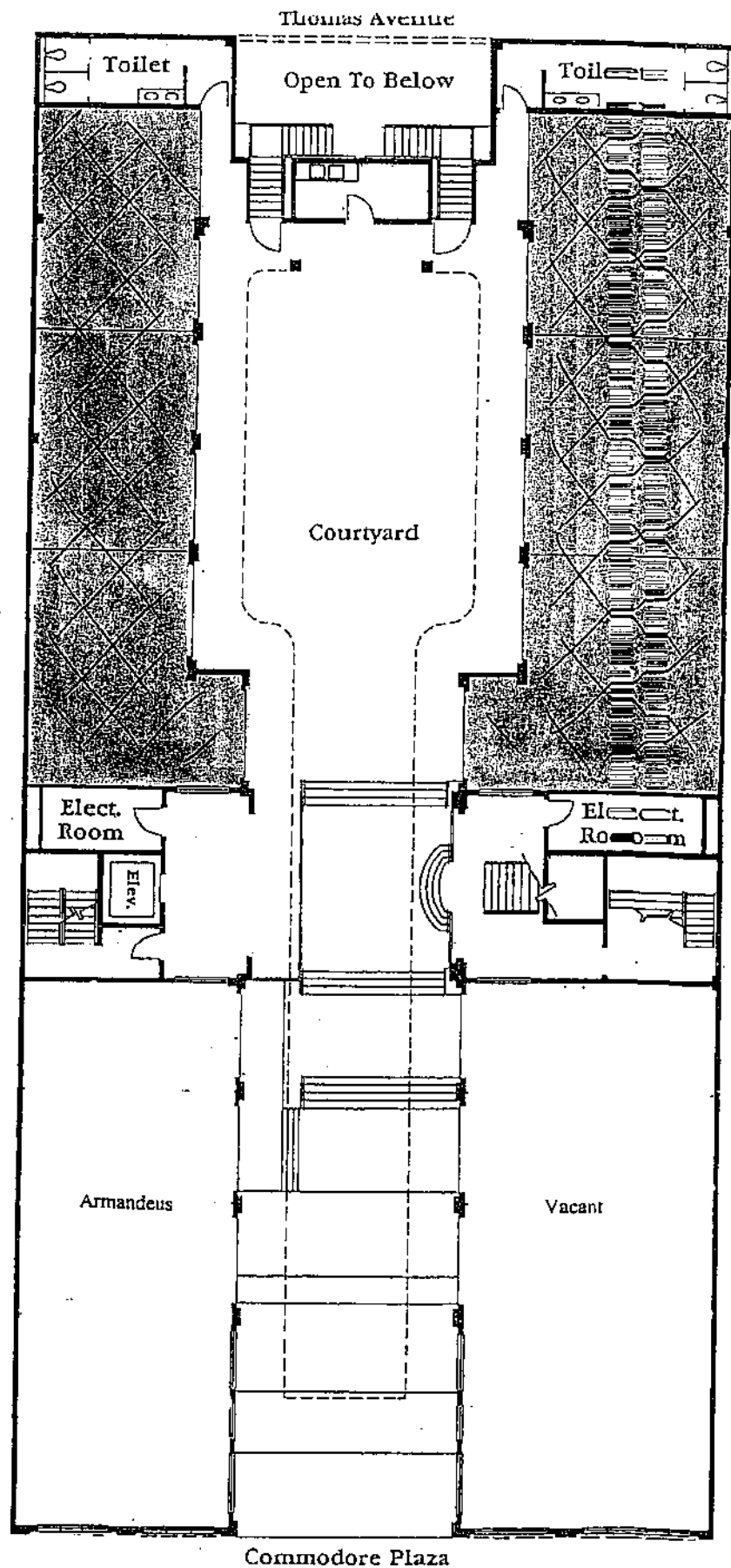


Ground Floor
Level One



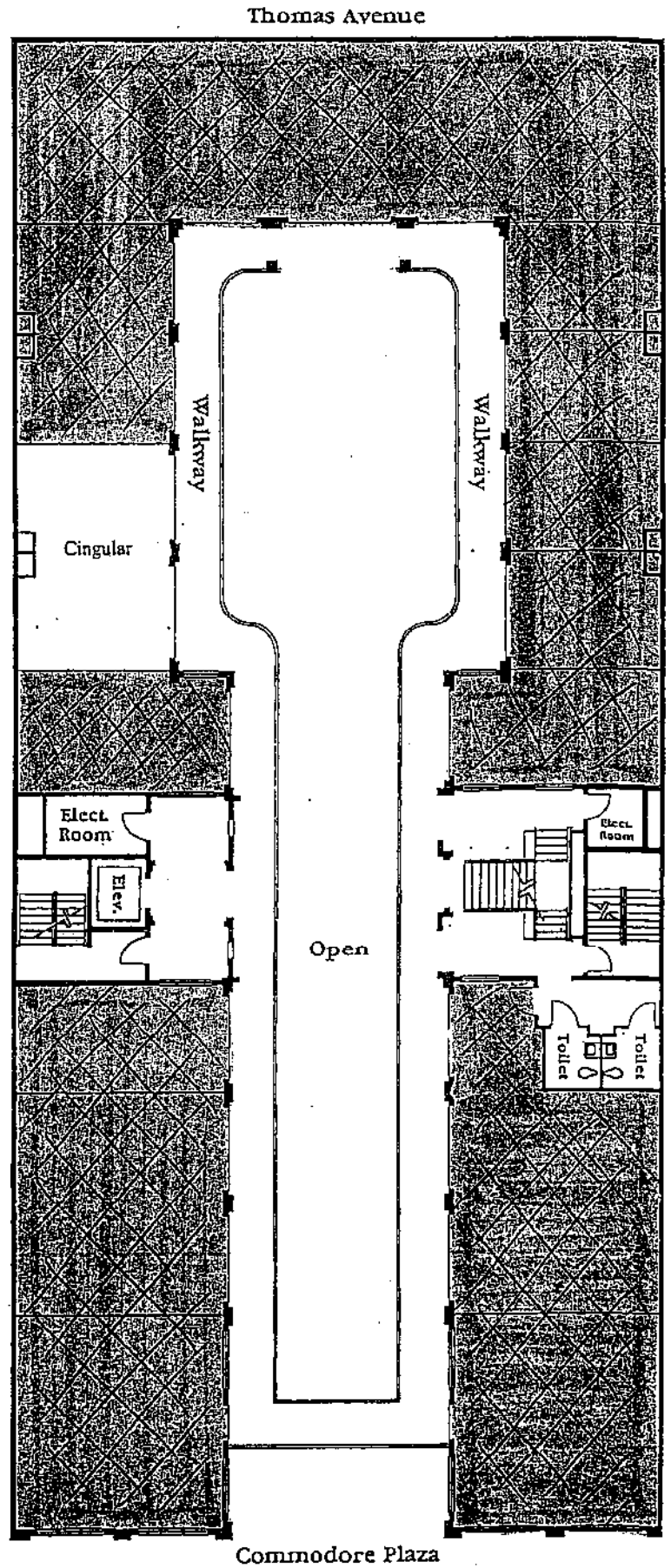


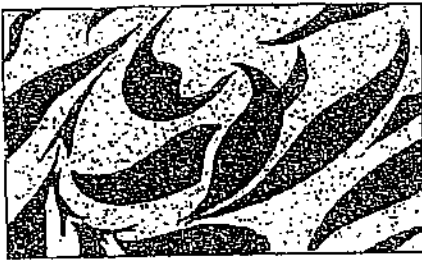
Courtyard
Level Two
Scale: 1/4" = 13.0'



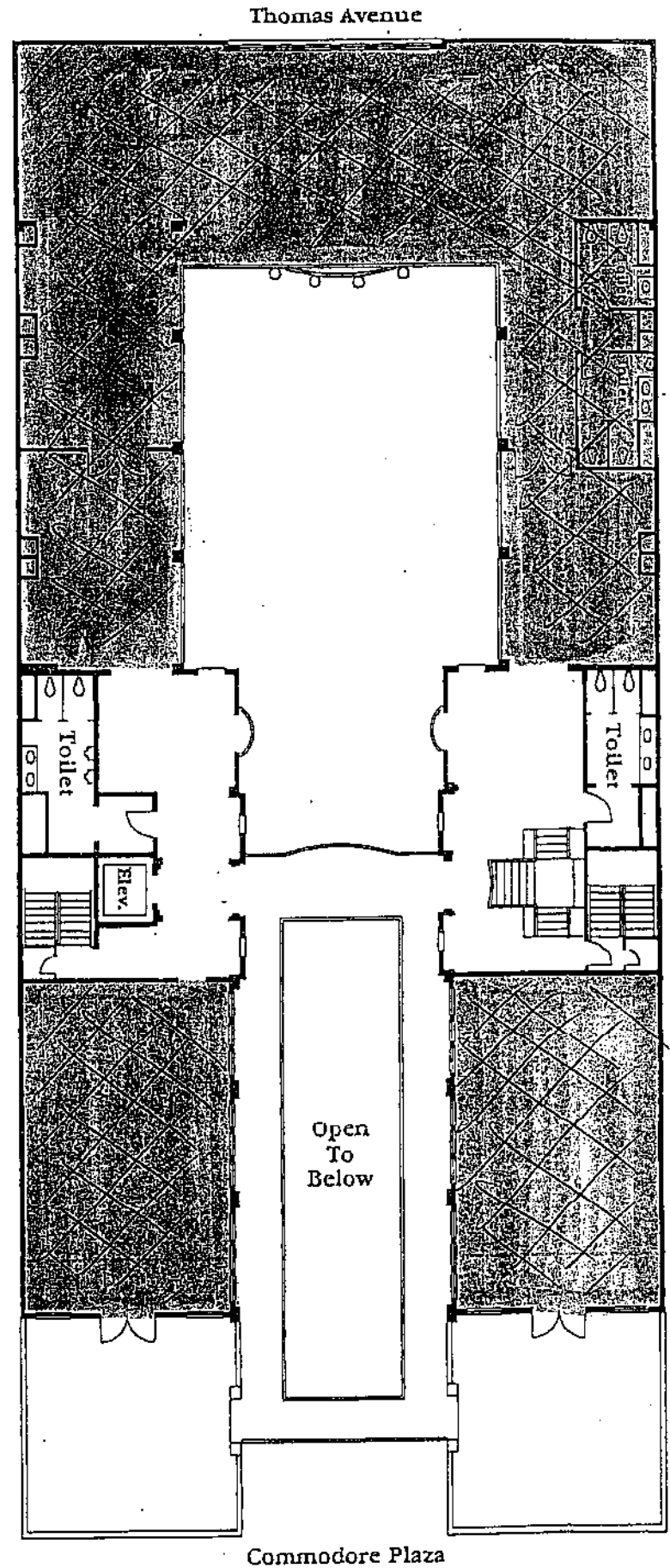


Balcony
Level Three
Scale: $\frac{3}{4}" = 13.0'$





Level Four
Scale: 3/4" = 13.0'



Thomas Avenue

Commodore Plaza

AFFIDAVIT

Owner: Commodore Plaza Parking LC., a Florida limited liability company.

Property Address: 3110 Commodore Plaza Miami, Florida 33133

Folio Number: 4121-047-0180; 4121-047-0190; 4121-047-0230

Legal Description: Lots 18, 19 & 24, in Block 1 COMMODORE PLAZA, according to the PLAT thereof, as recorded in Plat Book 18, at Page 25 of the Public Records of Miami-Dade County, Florida.

Property Address: 3138 Commodore Plaza Miami, Florida 33133

Folio Number: 01-4121-047-0130

Legal Description: Lots 13, 14, 15, 27, 28 & 29, in Block 1 COMMODORE PLAZA, according to the PLAT thereof, as recorded in Plat Book 18, at Page 25 of the Public Records of Miami-Dade County, Florida.

STATE OF FLORIDA)
)SS:
COUNTY OF MIAMI-DADE)

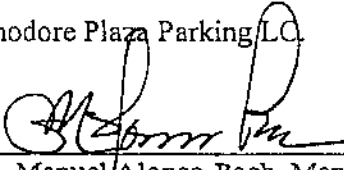
BEFORE ME, the undersigned authority personally appeared Manuel Alonso-Poch, Manager of Commodore Plaza Parking LC., hereinafter referred to as the "AFFIANT" who, upon being first duly sworn on oath depose and say:

1. That AFFIANT is over the eighteen (18) years of age and is the Manager of Commodore Plaza Parking LC., with addresses at 3110 and 3138 Commodore Plaza Miami, Florida 33133.
2. AFFIANT has personal knowledge of all matters set forth in this Affidavit.
2. COMMODORE PLAZA PARKING LC. is the owner in fee simple of the real property situated in Miami-Dade County, Florida, described above, ("the Property").
4. The Property is leased to Acting For All Inc., operator of the Academy of Arts and Minds Charter High School, ("the Tenant"). The Lease provides that the Tenant shall pay as part of its rent, the real estate taxes attributable the portion of the Property occupied and used by the Tenant.
5. F.S. 196.1983 provides a charter school exemption from ad valorem taxes to any facility, or portion thereof, used to house a charter school. Any charter school whose charter has been approved. shall be exempt from ad valorem taxes.
6. AFFIANT landlord hereby certifies to the charter school that lease payments shall be reduced to the extent of the exemption received.

exemption through either an annual or monthly credit to the charter school's lease payments.

FURTHER AFFIANT SAYETH NAUGHT


Commodore Plaza Parking LC.

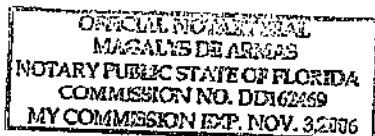
By: 
Manuel Alonso-Poch, Manager

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgements, personally appeared Manuel Alonso-Poch, Manager of Commodore Plaza Parking LC., who executed the foregoing Affidavit and acknowledged before me that he executed the same freely and voluntarily for the uses and purposes therein expressed and with full authority to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Miami-Dade County, Florida this 10th day of May, 2005.

My Commission Expires:


NOTARY PUBLIC State of Florida, at large



 SPACE CALCULATIONS FOR CHARTER SCHOOL

Owner: Commodore Plaza Parking LC., a Florida limited liability company.

Property Address: 3138 Commodore Plaza Miami, Florida 33133

Folio Number: 01-4121-047-0130

Legal Description: Lots 13, 14, 15, 27, 28 & 29, in Block 1 COMMODORE PLAZA, according to the PLAT thereof, as recorded in Plat Book 18, at Page 25 of the Public Records of Miami-Dade County, Florida.

Total Net Rentable Area: 23,809 sf. 100%

Commercially Leased Space

Unit 1	Lucchi Shoes	625 sf	2.4%
Unit 3-201	Armandeus	1750 sf.	7.3%
Unit 4	Silviana	550 sf.	2.2%
Unit 8-208	Vacant	1750 sf.	7.3%
Unit 9	Delvis G	625 sf.	2.4%
Unit 305	Cingular	500 sf.	2.1%
Total Commercially Leased Space		5,800 sf.	24.3%

Total Charter School Space 18,009 sf 75.7%

Total Net Rentable Area: 23,809 sf. 100%

PARKING LOT USE CALCULATIONS

Owner: Commodore Plaza Parking LC., a Florida limited liability company.
Tenant: Acting For All Inc., A Florida Non Profit Corporation
Property Address: 3110 Commodore Plaza Miami, Florida 33133
Folio Number: 4121-047-0180; 4121-047-0190; 4121-047-0230
Legal Description: Lots 18, 19 & 24, in Block 1 COMMODORE PLAZA, according to the PLAT thereof, as recorded in Plat Book 18, at Page 25 of the Public Records of Miami-Dade County, Florida.

The Parking Lot is operated by the Tenant.

Parking Lot Hours of Operation				School Use		
Sun.	10am	to 10pm	12	Sun.	None Except for Special Events	0
Mon.	7am	to 10pm	15	Mon.	7am to 9pm	14
Tue.	7am	to 10pm	15	Tue.	7am to 9pm	14
Wed.	7am	to 10pm	15	Wed.	7am to 9pm	14
Thu.	7am	to 1am	18	Thu.	7am to 9pm	14
Fri.	7am	to 1am	18	Fri.	7am to 9pm	14
Sat.	10am	to 12pm	14	Sat.	None Except for Special Events	0
Total Hours of Operation 107 100%				Total Hours of School Use 70 65%		



academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Findings
Investigation of Allegation Concerning Academy of Arts & Minds
Charter High School

ADDENDUM VI

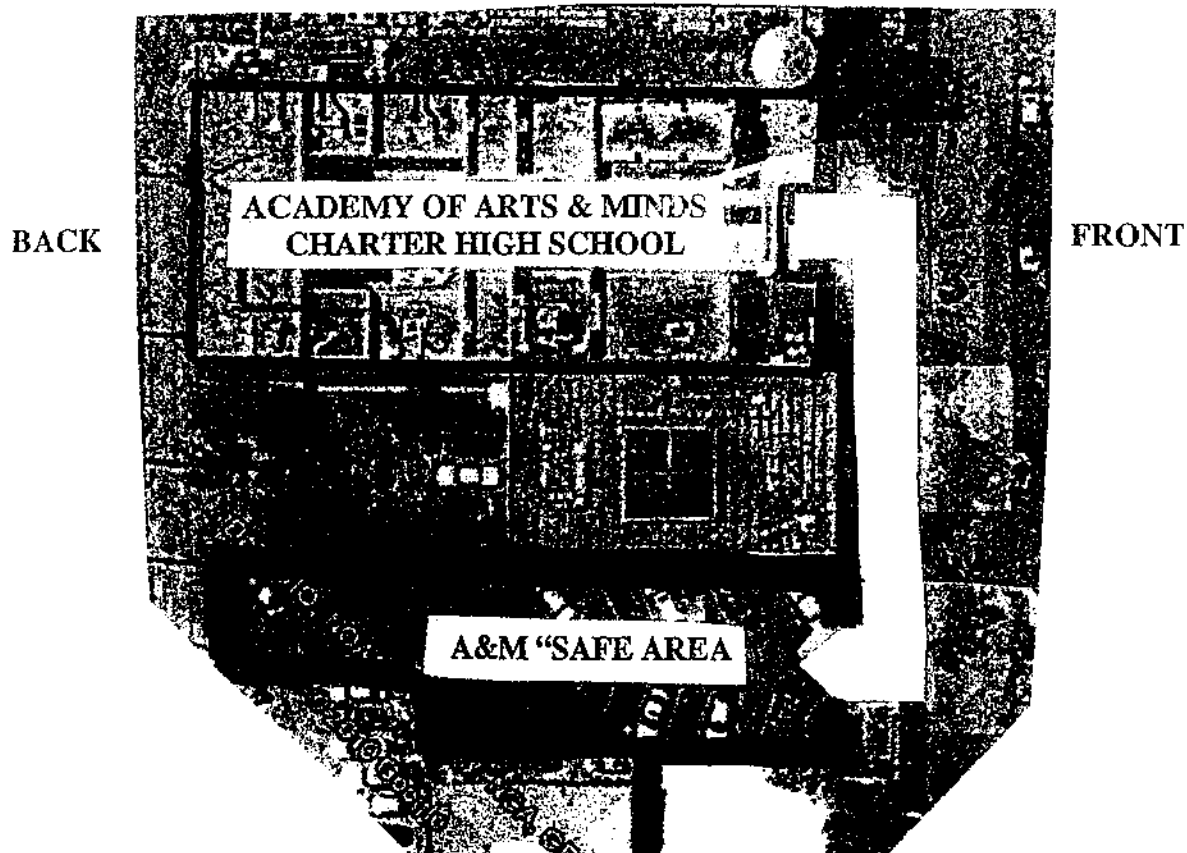
Academy's Fire Drill Safe Area

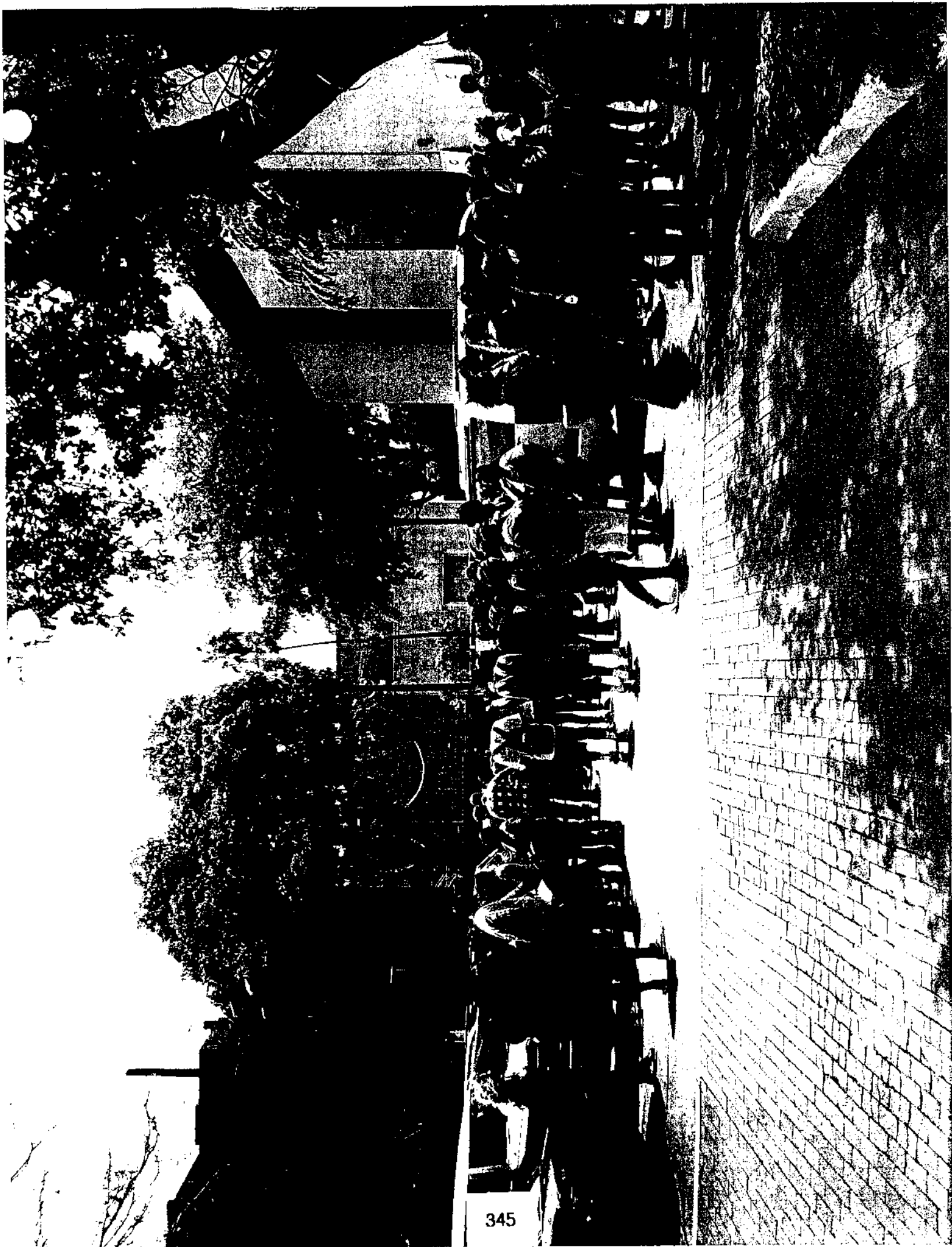
FIRE DRILL PROCEDURE

Ten fire drills will take place according to the Miami-Dade County Public School Policy and Emergency Procedures. Fire drills are very important and should be taken seriously. At the sound of the emergency bell, students must stop what they are doing and follow the teacher's instructions. When fire drills are conducted, teachers and students must clear the building promptly by the prescribed route to the "Safe Area" located to the south side of the building in the parking lot next to Greenstreet Restaurant and according to the directions posted in each classroom. (See map)

Any student who is in the hallway or the restroom at the sound of the emergency bell must proceed to the nearest exit and locate his/her teacher. Everyone must move QUICKLY, QUIETLY and IN ORDER to the designated "Safe Area". All windows and doors should be closed; electric lights and other electrical appliances should be turned off before leaving the room. Silence is to be maintained throughout the drill. Students, teacher and staff must remain outside the building until permission is given to re-enter.

"SAFE AREA" LOCATION MAP







academy of arts & minds charter high school

3138 Commodore Plaza Coconut Grove, Miami, Florida 33133

Response to Auditor General's Findings
Investigation of Allegation Concerning Academy of Arts & Minds
Charter High School

ADDENDUM VII

Academy's Traffic Flow

and

Parking Lot Usage for Stacking

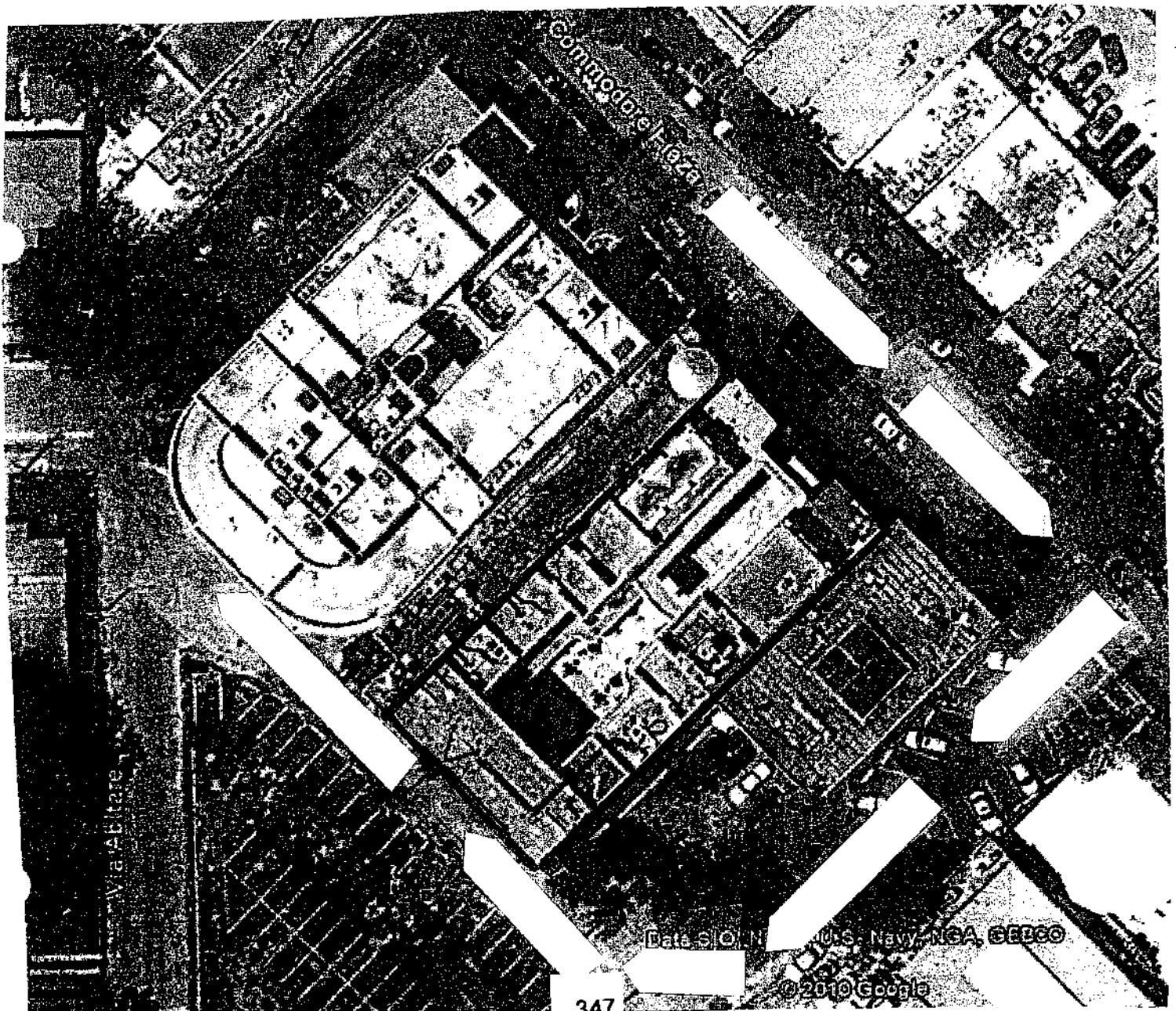
per Academy's Traffic Study

Traffic Flow Plan

To reduce the congestion during drop-off and pick up it is very important for the safety of our students that you follow traffic flow patterns. All motor traffic **entering from the north** through Commodore Plaza may use the Commodore Plaza Parking lot next to Greenstreet Restaurant as a through way - make a **turn east (right)** when you pass the Academy of Arts & Minds Charter School building then use the **back street to exit**. Security Office can assist if you need any help.

Thank you for your compliance and your heightened attention while driving around the school.

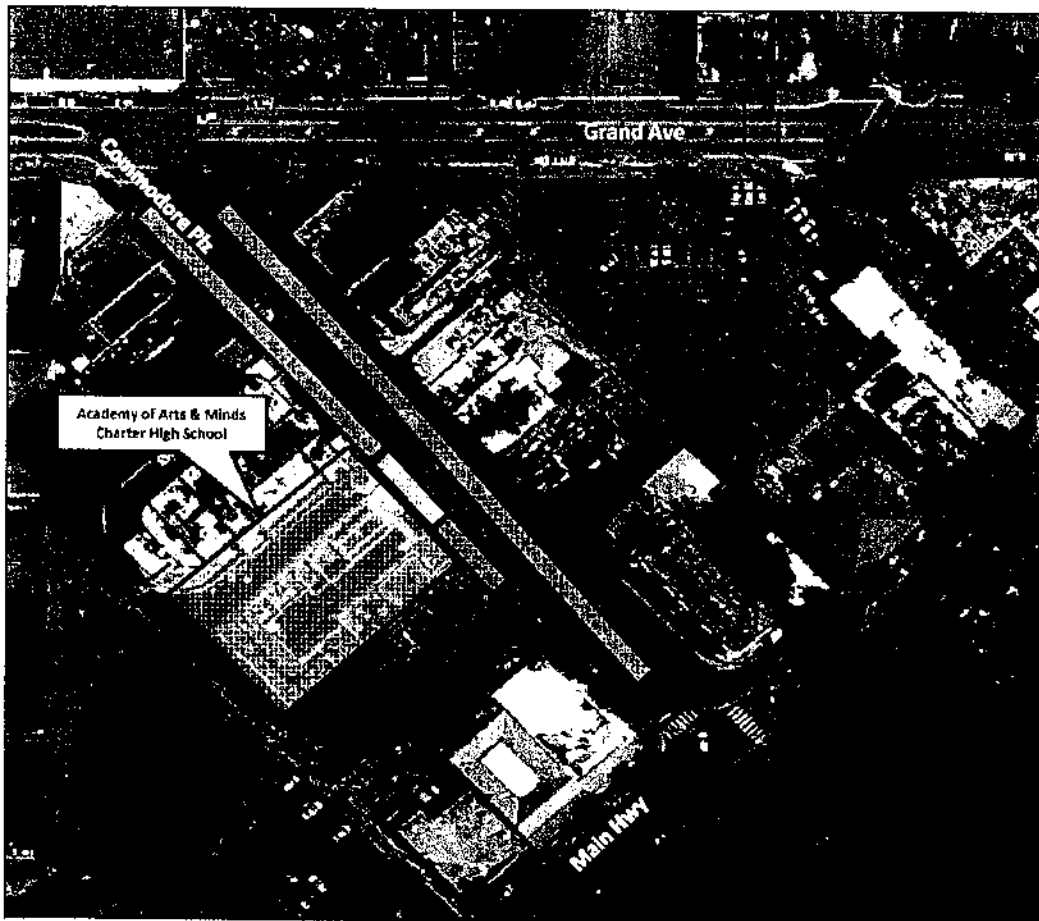
Traffic Flow Pattern



Accumulation Assessment

The existing Academy of Arts & Minds Charter High School is currently providing a drop-off / pick-up area on Commodore Plaza (adjacent to the building) to accommodate three (3) stacking vehicles. Based on field observations, a significant amount of parents are using the on-street parking along Commodore Plaza to drop-off and pick-up students while high school students driving to school are using the nearby parking lots to park their vehicles and walk to school. Currently, the school's arrival and dismissal process seems to be working adequate and with a short duration. Please note such operations are typical for schools located within an urban setting where properties have limited access and limited parking conditions. Figure 6 depicts the existing on-street parking areas utilized by parents during the arrival and dismissal of students.

Figure 6: Existing Stacking Areas Utilized by Parents



- ZONE 1** School Drop-Off / Pick-Up Area
Parking Spaces at Adjacent Parking Lot
ZONE 3 On-Street Parking Spaces Utilized by Parents

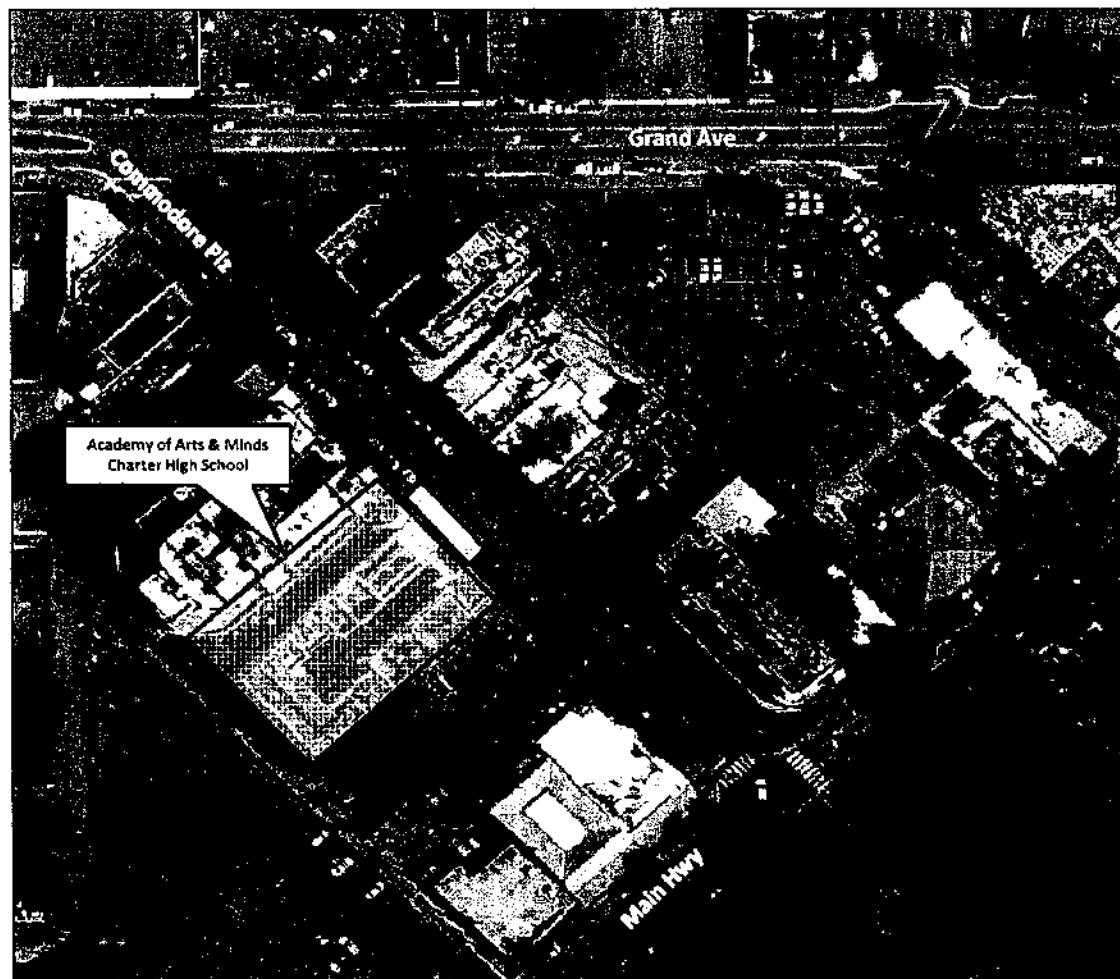


Moreover, the subject school has an underground parking garage within the building designated for staff only. In addition, the school has approximately 15 available parking spaces at an adjacent parking lot (currently not utilized) that may be allocated to accommodate the projected accumulation. Table 6 describes the proposed vehicle stacking capacity while Figure 7 depicts the stacking areas.

Table 6: Stacking / Queuing Capacity

Zone	Location Description	Distance	Units	Vehicle Type	Vehicle Length (ft)	Vehicles Accommodated
1	Vehicle Stacking Area - Adjacent to Building on Commodore Plaza	70	LF	Car/Van	22	3
2	Parking Spaces at Adjacent Parking Lot (Approx. 15 Provided, 9 Utilized)			Car/Van		9
Total Vehicle Stacking						12

Figure 7: Proposed Vehicle Stacking Area Chart



ZONE 1 School Drop-Off / Pick-Up Area
 Parking Spaces at Adjacent Parking Lot (Approx. 15 Parking Spaces Provided, 9 Parking Spaces Utilized)

APPENDIX K
RESPONSE FROM SCHOOLS OF CHOICE/CHARTER SCHOOL OPERATIONS

MEMORANDUM

June 15, 2012

MANAGEMENT AND
COMPLIANCE AUDITS

TO: Mr. Jose Montes de Oca, Chief Auditor
Office of Management and Compliance Audits 2012 JUN 15 PM 12:09

FROM: Freddie Woodson, Deputy Superintendent
District/School Operations



SUBJECT: **ADMINISTRATION RESPONSE TO SELECTED RECOMMENDATIONS
DELINEATED IN THE REPORT: INVESTIGATION OF ALLEGATIONS
CONCERNING ACADEMY OF ARTS AND MINDS CHARTER HIGH
SCHOOL, MAY 17, 2012**

As requested, below are the responses to recommendations 6 and 7 of the May 17, 2012, Report: Investigation of Allegations Concerning Academy of Arts and Minds Charter High School.

Recommendation #6: MDCPS, as part of its statutorily mandated duties for the sponsor to "monitor the revenues and expenditures of the charter school", should coordinate with the various taxing authorities to help ensure the propriety of tax exemptions taken by its charter schools and their landlords or contractors.

At the present time, Charter School Operations (CSO) monitors all federal and state mandated requirements, including financial oversight and monitoring for the 109 charter schools currently in operation. Recommendation #6 provides for a deeper review of charter school properties and related tax exemptions which goes beyond the minimum oversight requirements and the professional expertise of the CSO department; therefore, such a review will have to be developed in conjunction with the School Board Attorney's Office and the Office of Facilities Management. CSO staff is committed to establish a working group with all pertinent offices to evaluate this issue and potentially develop a process to implement this recommendation.

Recommendation #7: In order to minimize the risk of obscuring a charter school's expenses and liabilities or inflating its revenues and assets, M-DCPS should consider putting forth in its legislative agenda process a requirement that charitable organization which are the parent legal entity of a charter school, must submit to the sponsoring county School Board as charter schools are presently required to do so, independently audited financial statements.

CSO is in agreement with Recommendation #7. We will work with the Office of Intergovernmental Affairs, Grants Administration, and Community Affairs to propose potential legislation as part of the District's legislative platform for the 2013 legislative session.

If you have any questions, please contact Dr. Helen S. Blanch, Assistant Superintendent, School Choice, at 305-995-4266 or Ms. Tiffanie Pauline, Administrative Director, Charter School Operations, at 305-995-1403.

FW/ym
M-208

cc: Dr. Daniel Tosado
Dr. Helen S. Blanch

Ms. Tiffanie Pauline

MIAMI-DADE COUNTY PUBLIC SCHOOLS ANTI-DISCRIMINATION POLICY

Federal and State Laws

The School Board of Miami-Dade County, Florida adheres to a policy of nondiscrimination in employment and educational programs/activities and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964 as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA) as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963 as amended - prohibits gender discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to “eligible” employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA) - Prohibits discrimination against employees or applicants because of genetic information.

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 205.07 (Florida Statutes), which stipulate categorical preferences for employment.

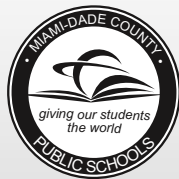
In Addition:

School Board Policies 1362, 3362, 4362, and 5517 - Prohibit harassment and/or discrimination against students, employees, or applicants on the basis of sex, race, color, ethnic or national origin, religion, marital status, disability, genetic information, age, political beliefs, sexual orientation, gender, gender identification, social and family background, linguistic preference, pregnancy, and any other legally prohibited basis. Retaliation for engaging in a protected activity is also prohibited.

Revised: (07-11)

MIAMI-DADE COUNTY PUBLIC SCHOOLS

INVESTIGATION OF ALLEGATIONS CONCERNING ACADEMY OF ARTS AND MINDS CHARTER HIGH SCHOOL



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