



Miami-Dade County Public Schools

giving our students the world

Superintendent of Schools
Alberto M. Carvalho

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Dr. Solomon C. Stinson

October 7, 2008

The Honorable Chair and Members of the
Oxford Academy Charter School
10870 SW 113 Place
Miami, FL 33176

VIA FACSIMILE & U.S. MAIL
305-598-4475

RE: AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008 AND CONDITION OF FINANCIAL EMERGENCY

A review of your audited financial statements for the period ended June 30, 2008, raises concerns that require your immediate attention. Florida Statutes Section 218.503, *Determination of Financial Emergency*, requires you to notify your sponsoring school district if one or more of the conditions as follows have or will occur:

- (a) Failure within the same fiscal year in which due to pay short-term loans or failure to make bond debt service or other long-term debt payments when due, as a result of lack of funds.
- (b) Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of lack of funds.
- (c) Failure to transfer at the appropriate time, due to lack of funds:
 - 1. Taxes withheld on the income of employees; or
 - 2. Employer and employee contributions for:
 - a. Federal social security; or
 - b. Any pension, retirement, or benefit plan of an employee.
- (d) Failure for one pay period to pay, due to lack of funds:
 - 1. Wages and salaries owed to employees; or
 - 2. Retirement benefits owed to former employees.
- (e) An unreserved or total fund balance or retained earnings deficit, or unrestricted or total net assets deficit for which sufficient resources are not available.

According to your June 30, 2008 audited financial statements, the school has a net assets deficit of \$103,937 and a general fund balance deficit of \$65,637. There does not appear to be sufficient resources available to cover these deficits. Also, the school did not achieve its cost reductions and/or revenue increases cited in the 2007 financial recovery plan. These conditions raise questions about the school's solvency and indicate your charter school meets the statutory definition of financial emergency. This is the third consecutive year that your school is in a state of financial emergency, and there appears to have been no improvement in its financial condition during 2007-08.

Office of Management and Compliance Audits

• School Board Administration Building • 1450 N.E. 2nd Ave. • Suite 415 • Miami, FL 33132
305-995-1436 • 305-995-1331 (FAX) • www.mca.dadeschools.net

Page 2 of 2
October 7, 2008

Additionally, your external auditor issued a qualified opinion since the school did not present the management's discussion and analysis (MD&A) nor the budgetary comparison information as part of the supplementary information. Moreover, the external auditor indicated in the report on page 2 that his tests disclosed instances of noncompliance as described in appendix A. However, the school did not submit to the District as part of the audit package, an appendix A nor a required management letter and response with planned corrective actions.

Section 218.503(4), Florida Statutes provides that the sponsor contact the charter school governing body to determine what actions have or will be taken to resolve the financial emergency. **This letter serves as the official communication requesting that the governing body of Oxford Academy of Miami, Inc. provide a financial recovery plan within 30 days, (sooner if possible) as required by F.S. 1002.33(9)(g).**

The plan must address the specific audit findings and must also show how the charter school will meet its current and future obligations and be a financially viable entity within the time period specified. The plan must specify dollar amounts of cost cuts, cost avoidance, and/or realistic revenue projections that will allow the charter school to correct the condition(s) that caused the school to be found in a state of financial emergency. The financial recovery plan must include appropriate supporting documentation. Enclosed is the Florida Department of Education Technical Assistance Paper No. 2007-21 which outlines the comprehensive nature of the required Financial Recovery Plan. Failure to timely submit an adequate and credible recovery plan constitutes good cause to terminate the charter. Please also respond to and explain the school's failure to comply with the above reporting requirements (i.e. MD&A, budgetary comparison, management letter response).

We plan to present your audited financial statements and recovery plan to the School Board's Audit Committee at its next regularly scheduled meeting: Tuesday, December 2, 2008 in room 916 of the School Board Administration Building, 1450 N.E. 2nd Avenue at 12:30 p.m. It is imperative that a representative from your school attend this meeting to respond to questions that the Audit Committee may have.

Should you have any questions, please call Mr. Trevor L. Williams at 305-995-1328 or Mr. Jon Goodman at 305-995-1323. Thank you in advance for your cooperation.

Sincerely,



Dr. Grace L. Ali, Chief Financial Officer
Financial Operations

Sincerely,



Allen M. Vann, Chief Auditor
Management and Compliance Audits

AMV:la
Attachments

cc:	Mr. Alberto Carvalho	Mr. Michael Bell	Ms. Ellen O. Wright
	Mr. Freddie Woodson	Ms. Melinda McNichols	Ms. Tiffanie Pauline
	Ms. Ofelia San Pedro	Ms. Connie Pou	Ms. Margarita Betancourt
	Mr. Luis Garcia	Ms. Judith Marte	

**OXFORD ACADEMY
OF MIAMI, INC.**

**Component Unit
Financial Statements**

June 30, 2008

OXFORD ACADEMY OF MIAMI, INC.

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June 30, 2008

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Stuart Sutta & Co PA

Certified Public Accountants

Member Florida Institute of Certified Public Accountants
8284 SW 196 Terrace · Miami, Florida 33189
Telephone: 305.596.2340 · Facsimile: 305.596.2341

Report of Independent Certified Public Accountants

To the Board of Directors of the
Oxford Academy of Miami, Inc.
Miami, Florida

We have audited the accompanying statement of net assets of the Oxford Academy of Miami, Inc. (the "Academy") as of June 30, 2008 and the related statement of activities and changes in net assets and cash flows for the period then ended. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Academy did not disclose the management's discussion and analysis and the budgetary comparison information as part of the supplementary information. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Oxford Academy of Miami, Inc at June 30, 2008, and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2008 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should not be considered in assessing the results of our audit.



August 29, 2008
Miami, Florida

Stuart Sutta & Co PA

Certified Public Accountants

Member Florida Institute of Certified Public Accountants
8284 SW 196 Terrace · Miami, Florida 33189
Telephone: 305.596.2340 · Facsimile: 305.596.2341

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of the
Oxford Academy of Miami, Inc.
Miami, Florida

We have audited the basic financial statements of Oxford Academy of Miami, Inc. (the "Academy") as of and for the period ended June 30, 2008, and have issued our report thereon dated August 29, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standard* and which are described in appendix A.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Institution's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, the State of Florida office of the Auditor General, and the School Board of Miami-Dade County, Florida and is not intended to be and should not be used by anyone other than these specified parties.



August 29, 2008
Miami, Florida

OXFORD ACADEMY OF MIAMI, INC.

Statement of Net Assets

June 30, 2008

Assets	<u>2008</u>
Cash	\$ 2,002
Vendor deposits	<u>3,153</u>
Total Assets	<u><u>5,155</u></u>
 Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 70,792
Notes payable	<u>38,300</u>
Total liabilities	<u><u>\$ 109,092</u></u>
 Net Assets (Deficit)	
Unrestricted accumulated (deficit)	\$ <u>(103,937)</u>
Total net assets (deficit)	<u>(103,937)</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ 5,155</u></u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Statements of Activities and Changes in Net Assets

For the Period Ended June 30, 2008

	<u>2008</u>
General Revenues:	
FEFP fees	\$ 757,545
Other	<u>27,330</u>
	<u>784,875</u>
Governmental Activities:	
Instructional services	455,698
Instructional support services	9,733
Board administration	14,577
School administration	10,007
Facilities administration	195,574
Food services	15,870
Operation of plant	54,382
Maintenance services	15,305
Community services	<u>13,394</u>
	<u>784,540</u>
Change in net assets	335
Beginning	\$ <u>(104,272)</u>
Ending	\$ <u><u>(103,937)</u></u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Statement of Cash Flows

For the Period Ended June 30, 2008

	<u>2008</u>
Cash flows from operating activities:	
Change in net assets	\$ 335
Changes in operating assets and liabilities:	
Decrease in prepaid expenses	24,250
Decrease in accounts payable and accrued expenses	<u>(20,569)</u>
Net cash provided by operating activities	4,016
Cash flows from financing activities:	
Repayment of loans payable	<u>(5,800)</u>
Decrease in cash and cash equivalents	(1,784)
Cash and cash equivalents at beginning of year	<u>3,786</u>
Cash and cash equivalents at end of year	\$ <u><u>2,002</u></u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Assets

June 30, 2008

	<u>2008</u>
Total Fund Balance - Total Governmental Fund	\$ (65,637)
Notes payable is not due in the current period, therefore is not reported	<u>38,300</u>
Unrestricted accumulated (deficit)	<u><u>\$ (103,937)</u></u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2008

1. NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Oxford Academy of Miami, Inc. (“Academy”) was organized in Miami-Dade County, Florida, in June 2004, to provide rich, diverse and meaningful learning experience for the students of Miami-Dade County from kindergarten to fifth grade.

The legal authority for the Academy is Section 228.056(7) Florida Statutes.

Reporting Entity

The financial reporting entity consists of the following:

- The primary government
- Organizations for which the primary government is financially accountable
- Other organizations that, because of the nature and significance of their relationship with the primary government, may not be excluded from the financial reporting entity

There are no component units; however, the Academy is a component unit of School Board of Miami-Dade County, Florida.

Government-Wide and Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statements of activities. These statements report financial information for the Academy as a whole.

The statement of activities report the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include positions of a fund or summarize more than one fund to capture the expense and program revenues associated with a Board functional activity. Program revenues include: (1) charges for services which report fees and other charges and (2) operating grants and contributions which finance annual operating activities including restricted investment income. These revenues are subject to externally imposed restrictions to these programs uses.

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2008

Fund Financial Statements

Fund financial statements are provided for governmental fund. Major individual governmental funds are reported in separate columns.

Measure Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the Academy are prepared in accordance with generally accepted accounting principles (GAAP). The reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide financial statements apply Financial Accounting standards Board (FASB) pronouncements and Accounting principles Board (APB) opinion issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Academy considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenues sources susceptible to accrual include: intergovernmental revenues, and interest income.

Major Fund

General Fund – The General Fund is the general operating fund. It is used to account for all current financial resources except those required to be accounted for in another fund of the Academy.

Capital Assets, Depreciation and Amortization

The Academy's property, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2008

The Academy generally capitalizes assets with cost of \$750 or more as outlay occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extends the useful lives are expensed. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operation. For the year ended June 30, 2008, the Academy did not have any capital assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE B – SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

The Academy has an agreement with the School Board of Miami-Dade County, Florida, to operate a Charter Academy. The Academy receives funding from the School Board of Miami-Dade County, Florida, based on the projected number of full time equivalent (FTE) students. The term of contract is for five years ending June 30, 2010, with an option to review for an additional fifteen years.

NOTE C – CONTINGENCIES

The Academy receives funding through the School Board of Miami-Dade County, Florida that is based in part on a computation of the number of full time equivalent (“FTE”) students enrolled. The accuracy of data compiled supporting the FTE count is subject to audit, and if found to be in error, could result in refunds or in decreased in future funding allocations. It is the opinion of management that the amount of revenue which may be remitted back due to errors in the FTE count, if any, will not be material to the financial position of the Academy. In addition, the continued operation of the Academy is depended upon an agreement with the School Board of Miami-Dade County, Florida.

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2008

NOTE D – RISK MANAGEMENT

The Academy is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Academy carries commercial insurance.

NOTE E – REALTED PARTY TRANSACTION

1- Operating Lease

The Academy leases it's administrative and classroom space under operating leases, which expires on July 31, 2010, with an option of renewal additional five years from a company which is owned by the ex-president (the "Landlord") of the Academy. On June 30, 2008, the Landlord agreed to restructure the lease agreement and reduce the amount of leaseable space under similar terms. The rent will increase about 3% to 5% per annum and the rental expense was \$195,574 for the year ended June 30, 2008.

Future minimum lease payments are as follows:

June 30, 2009	\$ 142,784
June 30, 2010	<u>\$ 148,589</u>
Total	<u>\$ 291,373</u>

2- Note Payable

On June 1, 2006, the Academy borrowed funds in the amount of \$40,100 from its ex-president for financing the Academy's operation. As of June 30, 2008, the outstanding balance is \$38,300. The note is due on demand and it is interest free.

NOTE F – OTHER INFORMATION

Oxford Academy of Miami, Inc. is located at 10870 SW 113th Place, Miami, FL 33176. The Academy's principal is Mrs. Angela Klinedinst, and the Board of Directors is as follows:

Thomas Sherry
Ursula Vaccaro

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2008

The following information about the Certified Public Accountant issuing the audit report:

CPA's Name:	Stuart Sutta & Co. PA
CPA's Address:	8284 SW 196 Terrace Miami, Florida 33189

NOTE G – DEFICIT FUND BALANCE

At June 30, 2008, the general fund had a deficit balance of \$65,637. The deficit was caused by fees that fell short of the budget. The deficit will be covered by budget adjustment.

Stuart Sutta & Co PA

Certified Public Accountants

Member Florida Institute of Certified Public Accountants
8284 SW 196 Terrace · Miami, Florida 33189
Telephone: 305.596.2340 · Facsimile: 305.596.2341

Appendix A

The Board of Directors
Oxford Academy of Miami, Inc.
Miami, Florida

In planning and performing our audit of the financial statements of Oxford Academy of Miami, Inc. for the period ended June 30, 2008 we considered the Academy's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of a matter that is an opportunity for strengthening internal controls operating efficiency. We previously reported on the Academy's internal control in our report dated August 29, 2008. This letter does not affect our report dated August 29, 2008, on the financial statements of Oxford Academy of Miami, Inc.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with Academy personnel, and we will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Finding

For the fiscal year ended June 30, 2007, we noted that the Academy leased the school from a company which is owned by the chair of the board of directors and paid \$195,574 for rent. Soon after we brought this matter to the attention of the board of directors, the Academy cured the breach of contract and accepted the resignation of the chair of the board of directors. However, this individual is still the business manager of the organization and is responsible for signing checks.

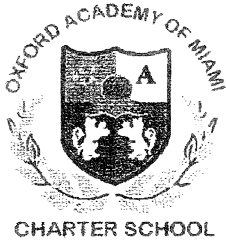
Recommendation

We recommend that the Academy cure this related party transaction and establish procedures to ensure further compliance.

Management Response

Due to lack of knowledge and advisement, the board of directors was not aware that the aforementioned may appear as a conflict of interest. The check signing duty will be transferred to an appropriate individual.

This report is intended solely for the information and use of the Board of Directors, management, the State of Florida Office of the Auditor General, School Board of Miami-Dade County, and others within organization and is not intended to be and should not be used by anyone other than these specified parties.



Oxford Academy of Miami Charter School
10870 SW 113th Place
Miami, Florida 33176
Phone: (305) 598-4494
Fax: (305) 598-4475

October 22, 2008

In response to your letter, dated October 7, 2008, a copy of which is enclosed, we have prepared our response below which includes a financial recovery plan as required by F.S. 1002.33(9)(g).

Recovery plan:

- **Audit findings specifics and explanations**
 - The School believes that a financial emergency exists primary due to the following:
 - As of June 30, 2008, there exists a net assets deficit of \$103,937 and a general fund balance deficit of \$65,637 for which sufficient resources are not available.
- **Financial status at initiation of recovery plan**
 - As of October 22, 2008, the School is currently operating at an approximate break-even point and has reduced the net assets deficit and the general fund balance deficit by \$40,796.56. Such amount represents rents due to the landlord for the lease of school space, which are presented in the June 30, 2008 financial statements under the caption of 'Accounts payable and accrued expenses', for which were absolved by the landlord.
 - In addition, the School consolidated and renegotiated the respective lease agreement with its landlord (effective 7/1/08) and essentially reduced its normalized rent expense from \$195,574/annually to approximately \$144,000/annually. A cost savings of approximately \$51,000. Furthermore, due to the reduced leaseable square footage, the related electricity and water expense will decrease by approximately \$7,000. Such cost savings would reduce the net assets deficit and the general fund balance deficit by approximately \$58,000.

- Moreover, on June 1, 2006, the School borrowed funds in the amount of \$40,100 from its ex-president for financing the Academy's operation. As of June 30, 2008, the outstanding balance is \$38,300. Such amount was absolved by the note holder. The improve cash flow implications would reduce the net assets deficit by \$38,300.

- **Time frame for correction**

- The financial recovery plan was implemented on July 1, 2008 (the commencement of school year 2008/2009).

- **Projected weighted FTE for current year and next year**

- Current year weighted FTE 118 students
- Next year projected weighted FTE 118 students

- **Projected expenditures for current year and next year**

- Current year expenditures ~\$785,000.
- Next year projected expenditures ~\$727,000.

- **Dollar amounts of identified cost reductions**

- Cost reductions:
 - Facilities administration (lease) \$ 58,000.

- **Internal measures to monitor plan**

- The principal has drafted a proposed financial budget for the fiscal year 2008/2009 and is currently on the board of directors agenda for approval in the next scheduled meeting. In addition, the principal is responsible for analyzing the actual financial results as compared to the budgeted financial results for material difference. Any material differences are investigated and immediately remediated. A monthly financial package in a format with sufficient detail to monitor the action plan will be made available to the board of directors, the principal and the sponsor.

- **Summary narrative of plan**

- The school has a plan of action, which includes a detailed 2008-2009 budget, which provides for certain changes in 2008-2009 as compared to 2007-2008. The highlights to such changes are as follows:

- The school intends to reduce cost by approximately \$58,000 (as described in bulletpoints 2 and 5 above).

Tom Sherry
Chairman



Tom Sherry

Date 23 Oct 08

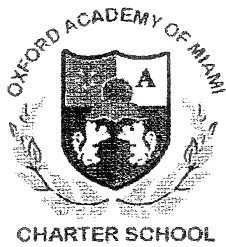
Oxford Academy of Miami, Inc.
Budget by Function
All Funds
For the fiscal year ending June 30, 2009

	Proposed Budget 2008-2009
Revenues:	
Dade County School District	757,000
School Lunch Revenue	6,500
Parent Committee/BOD Fund Raiser	17,500
Other Revenue	3,500
Total Revenue	784,500
Expenditures:	
Classroom Teachers	300,000
Retirement	2,250
Social Security	22,950
Group Insurance	15,000
Workers Compensation	3,000
Unemployment Compensation	750
Technology Support and Services	4,000
Copy and Printing	1,000
Instruction Materials	1,500
Textbooks	7,500
Furniture and Fixtures	1,000
Total Instruction	358,950
Legal & Audit Fees	7,000
Travel/Conferences/Workshops	500
Dues and Fees	1,500
District Admin Fees	37,850
Bank Charges	1,000
Total Board	47,850
Adminstrator (Principal)	75,000
Adminsitrative Assistant	25,000
Retirement	563
Social Security	5,738
Workers Compensation	750
Unemployment Compensation	188
Insurance - General Liability and E&O	10,000
Postage	250
Office Expense	250
Advertising	1,500
Total School Administration	119,238

Oxford Academy of Miami, Inc.
 Budget by Function
 All Funds
 For the fiscal year ending June 30, 2009

	Proposed Budget <u>2008-2009</u>
Expenditures (cont'd):	
Contractor Controller Service	14,400
Payroll Service	4,200
Total Fiscal Services	<u>18,600</u>
Custodian	17,600
Social Security	1,346
Workers Compensation	176
Unemployment Compensation	44
Contracted Custodial Service (Floor Cleaning)	2,400
Communications	4,000
Water, Sewer, Garbage Collection	2,500
Electricity	14,400
Custodial Supplies	2,000
Other Contracted Bldg Services (A/C)	1,800
Repairs and Maintenance	1,500
Total Operation of Plant	<u>47,766</u>
Facility Lease	144,000
Contracted Food Service	16,000
Exceptional Contracted Service (ESE)	3,000
Total Expense	<u><u>755,404</u></u>
Net Income	<u><u>29,096</u></u>

Tom Sherry, chair *23 Oct 08*



BOARD OF DIRECTORS AGENDA

Oxford Academy of Miami
November 4, 2008
3:15 PM

1. Call to Order- Chairman of the Board
2. Discussion and approval of the lease addendum for 2008-2009
3. Removal of past board member, Nicole Byrd
4. Addition of new signer on the Bank accounts held by Oxford Academy of Miami, Inc
5. Call for Adjournment



**Oxford Academy of Miami Inc.,
Emergency Board Meeting Minutes
10/23/08**

Call to order

Mr. Thomas Sherry called to order Emergency Board meeting at Oxford Academy of Miami, Inc. at 5:00 P.M. on 10/23/08 in the school cafeteria.

Roll call

Mr. Thomas Sherry conducted a roll call. The following persons were present:

Board Members Present:

Thomas Sherry, Chairman of the Board
Ursula Vaccarro, Board Member

Attendees:

Angela Klinedinst, Principal

Ana G. Meireles

Gerard Samaroo

Discussion and motion to accept or reject Recovery plan.

Ms. Ursula Vaccarro motioned to keep the recovery plan as written, and Mr. Thomas Sherry 2nd the motion. As per the Recovery plan Mrs. Klinedinst will be reviewing and reporting out Monthly as a means to monitoring the plan.

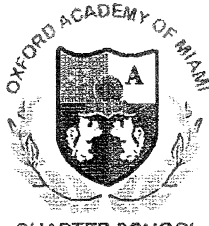
Discussion and motion to accept or reject Budget 2008-2009.

Ms. Ursula Vaccarro motioned to keep the recovery plan as written, and Mr. Thomas Sherry 2nd the motion. The current budget reflects as of July 1, 2008, actions to eliminate long standing accounts payable resulting in a decrease in the net deficit.

Tom Sherry adjourned the meeting at 5:20.

Minutes submitted by: Ana G. Meireles

Minutes approved by: Thomas Sherry



CHARTER SCHOOL

10870 SW 113th Place, 2nd Floor
Miami, Florida 33176
(305) 598-4494 Office
(305) 598-4475 Fax

**RESOLUTION BY
THE BOARD OF DIRECTORS OF
OXFORD ACADEMY OF MIAMI, INC.**

**RESOLUTION FOR ADDITION OF A NEW SIGNER AND
REPLACEMENT OF MAUREEN SAMAROO AS SIGNER ON THE
BANK ACCOUNTS HELD WITH COLONIAL BANK FOR OXFORD
ACADEMY OF MIAMI, INC CHARTER SCHOOL**

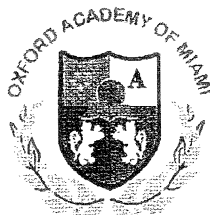
Oxford Academy of Miami, Inc. hereby resolves and passes unanimously the removal of Maureen Samaroo as a signer on the accounts for Oxford Academy of Miami, Inc and replacing her with Angela Klinedinst, Principal

NOW, THEREFORE, BE IT RESOLVE, that effective November 1, 2008 Oxford Academy of Miami, Inc., Charter School passes unanimously. the removal of Maureen Samaroo as a signer on the accounts for Oxford Academy of Miami, Inc and replacing her with Angela Klinedinst, Principal

Passed And Adopted This 4th Day of November
2008.

A handwritten signature in cursive script, appearing to read 'Tom Sherry', written over a horizontal line.

Tom Sherry
Chairman
Oxford Academy of Miami, Inc.



CHARTER SCHOOL

10870 SW 113th Place, 2nd Floor
Miami, Florida 33176
(305) 598-4494 Office
(305) 598-4475 Fax

**RESOLUTION BY
THE BOARD OF DIRECTORS OF
OXFORD ACADEMY OF MIAMI, INC.**

**RESOLUTION FOR THE ADDITION OF A NEW SIGNER ON THE
BANK ACCOUNTS HELD WITH COLONIAL BANK FOR OXFORD
ACADEMY OF MIAMI, INC CHARTER SCHOOL.**

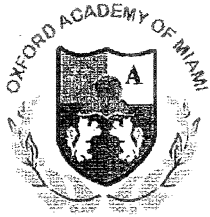
Oxford Academy of Miami, Inc. hereby resolves and passes unanimously approves the terms on new lease agreement for Oxford Academy of Miami, Inc.

NOW, THEREFORE, BE IT RESOLVE, that effective July 1, 2008
Oxford Academy of Miami, Inc., Charter School passes unanimously approves the terms
on new lease agreement for Oxford Academy of Miami, Inc.

Passed And Adopted This 4th Day of November
2008.

A handwritten signature in cursive script that reads "Tom Sherry".

Tom Sherry
Chairman
Oxford Academy of Miami, Inc.



CHARTER SCHOOL

10870 SW 113th Place, 2nd Floor
Miami, Florida 33176
(305) 598-4494 Office
(305) 598-4475 Fax

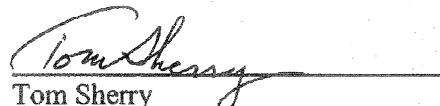
**RESOLUTION BY
THE BOARD OF DIRECTORS OF
OXFORD ACADEMY OF MIAMI, INC.**

**RESOLUTION FOR REMOVAL OF PAST BOARD MEMBER, Nicole
Byrd OXFORD ACADEMY OF MIAMI, INC CHARTER SCHOOL,
INC.**

Oxford Academy of Miami, Inc. hereby resolves and passes unanimously the removal of
Ms. Nicole Byrd from the Board of Oxford academy of Miami, Inc.

NOW, THEREFORE, BE IT RESOLVE, that effective November 1, 2008
Oxford Academy of Miami, Inc., Charter School passes unanimously the removal of
Nicole Byrd from the Board of Directors for Oxford Academy of Miami, Inc.

Passed And Adopted This 4th Day of November
2008.


Tom Sherry
Chairman
Oxford Academy of Miami, Inc.



You'll like it here.™

Business Signature Card Contract

Date Opened 06/25/2004	Opened By QASIM KHAN/UPDATE	Account # 9071012834
Region # 32	Branch # 67	Office PINE CREST THE FALLS
Amount of Deposit \$0.00	Source of Funds N/A	Source Name/Number N/A
Ownership BUSINESS(1)	Account Type BUSINESS ADVANTAGE CHECKING	Replacement Date 11/07/2008

Account Title and Address
OXFORD ACADEMY OF MIAMI INC.

Special Mailing Instructions

10870 SW 113 PL
MIAMI, FL 33176

I (We) ask that this account be opened by Colonial Bank (hereinafter referred to as "Colonial"). It is agreed that all transactions between Colonial and the undersigned shall be governed by the Rules and Regulations governing this account, and the undersigned hereby acknowledge receipt of a copy of such Rules; Products Brochure; Miscellaneous Rates and Fees Brochure, and Privacy Notice. It is also agreed that Colonial may modify or amend these Rules and Regulations from time to time without prior approval of the undersigned. Colonial is authorized to recognize the signature(s) below for the purposes of this account and to honor all directions, whether oral or written, from any of the signers. The undersigned certify that all information on this document (front and back) and the information on their Customer Information file is accurate.

Authorized Signature

Only one signature required unless otherwise stated. (1)

1. *Thomas John Sherry* SSN: 261-72-6443
THOMAS JOHN SHERRY
2. *Angela Maria Klinedinst* SSN: 284-76-2609
ANGELA MARIA KLINEDINST
3. _____ SSN: _____
4. _____ SSN: _____
5. _____ SSN: _____
6. _____ SSN: _____

TIN Certification Reporting EIN **201883255**

Important: Under penalties of perjury, I certify that the number shown above is my correct taxpayer identification number (or I am waiting for a number to be issued to me), I am a U.S. citizen or other U.S. person and

- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding, and I am a U.S. Citizen or other U.S. person.
- I am subject to backup withholding
- Foreign Business (if checked provide form W-8)
- Limited Liability Company. Enter the tax classification

For instructions, see the Internal Revenue Service Form W-9. Under penalties of perjury, I certify that the information on this form is true, correct and complete. The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Thomas John Sherry _____
Signature of U.S. Person Date:

Initial Interest Rate **Annual Percentage Yield** **Balance Range (Tiered products only)**



You'll like it here.™

Business Signature Card Contract

Date Opened 06/25/2004	Opened By QASIM KHAN/UPDATE	Account # 9071010734
Region # 32	Branch # 67	Office PINE CREST THE FALLS
Amount of Deposit \$0.00	Source of Funds N/A	Source Name/Number N/A
Ownership BUSINESS(1)	Account Type BUSINESS ADVANTAGE CHECKING	Replacement Date 11/07/2008

Account Title and Address
OXFORD ACADEMY OF MIAMI INC.



Special Mailing Instructions

10870 SW 113 PL
MIAMI, FL 33176

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Authorized Signature

Only one signature required unless otherwise stated. (1)

1. 
THOMAS JOHN SHERRY SSN: 261-72-6443
2. 
ANGELA MARIA KLINEDINST SSN: 284-76-2609
3. _____ SSN: _____
4. _____ SSN: _____
5. _____ SSN: _____
6. _____ SSN: _____

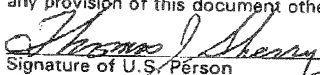
TIN Certification

Reporting EIN 201883255

Important: Under penalties of perjury, I certify that the number shown above is my correct taxpayer identification number (or I am waiting for a number to be issued to me), I am a U.S. citizen or other U.S. person and

- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding, and I am a U.S. Citizen or other U.S. person.
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- Foreign Business (if checked provide form W-8)
- Limited Liability Company. Enter the tax classification

For instructions, see the Internal Revenue Service Form W-9. Under penalties of perjury, I certify that the information on this form is true, correct and complete. The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.


Signature of U.S. Person

Date: _____
Balance Range (Tiered products only)

Initial Interest Rate Annual Percentage Yield

OXFORD ACADEMY OF MIAMI, INC.

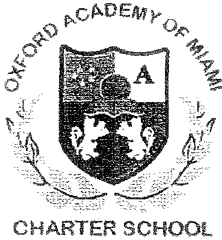
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2008

2008 OCT 30 PM 3:11

	General Fund		Actual
	Original Budget	Final Budget	
REVENUES			
3400 · LOCAL SOURCES			
610 · FEFP - Dade County School Dist.	948,000.00	798,000.00	757,545.00
620 · School Lunch Revenue	5,688.00	6,750.00	6,343.93
670 · Fund Raising	5,500.00	20,000.00	17,602.36
690 · Other Misc. Revenue	1,000.00	1,500.00	3,384.01
Total 3400 · LOCAL SOURCES	960,188.00	826,250.00	784,875.30
Total Revenues	960,188.00	826,250.00	784,875.30
Expenditures			
5000 · CURRENT INSTRUCTION			
700 · Classroom Teachers	510,284.00	465,000.00	455,698.06
Total 5000 · CURRENT INSTRUCTION	510,284.00	465,000.00	455,698.06
6100 · PUPIL PERSONNEL SERVICES			
785 · ESE Contracted Services	3,511.11	2,000.00	1,637.50
800 · Pupil Personnel Services	0.00	850.00	731.75
Total 6100 · PUPIL PERSONNEL SERVICES	3,511.11	2,850.00	2,369.25
6200 · INSTRUCTIONAL MEDIA SERVICES			
755 · Technology Support & Services	3,000.00	1,000.00	492.14
Total 6200 · INSTRUCTIONAL MEDIA SERVICES	3,000.00	1,000.00	492.14
6300 · INST. & CURR. DEV. SERVICES			
765 · Instruction Materials	1,500.00	500.00	471.68
770 · Textbooks	5,000.00	5,000.00	5,657.43
Total 6300 · INST. & CURR. DEV. SERVICES	6,500.00	5,500.00	6,129.11
6400 · INSTR. STAFF TRAINING SERVICES			
890 · Travel, Conferences & Workshops	500.00	350.00	742.26
Total 6400 · INSTR. STAFF TRAINING SERVICES	500.00	350.00	742.26
7200 · GENERAL ADMINISTRATION			
851 · District Admin Fees	47,400.00	0.00	577.08
870 · Legal & Audit Expense	7,000.00	11,500.00	13,500.00
872 · Office Supplies	250.00	650.00	362.45
876 · Postage	250.00	250.00	137.96
Total 7200 · GENERAL ADMINISTRATION	54,900.00	12,400.00	14,577.49
7300 · SCHOOL ADMINISTRATION			
852 · Dues & Fees	1,500.00	1,250.00	1,230.20
888 · Supplies	0.00	1,500.00	1,439.81
Total 7300 · SCHOOL ADMINISTRATION	1,500.00	2,750.00	2,670.01

OXFORD ACADEMY OF MIAMI, INC.

	Original Budget	Final Budget	Actual
7600 · FOOD SERVICES			
842 · Contracted Food Service	26,730.00	20,000.00	15,870.00
Total 7600 · FOOD SERVICES	<u>26,730.00</u>	<u>20,000.00</u>	<u>15,870.00</u>
7700 · CENTRAL SERVICES			
760 · Copying and Printing	2,000.00	250.00	86.00
845 · Communications	5,000.00	3,500.00	3,070.63
Total 7700 · CENTRAL SERVICES	<u>7,000.00</u>	<u>3,750.00</u>	<u>3,156.63</u>
7800 · PUPIL TRANSPORTATION SERVICES			
740 · Field Trips	0.00	3,500.00	4,180.04
Total 7800 · PUPIL TRANSPORTATION SERVICES	<u>0.00</u>	<u>3,500.00</u>	<u>4,180.04</u>
7900 · OPERATION OF PLANT			
910 · Miscellaneous Expenses	3,000.00	150.00	67.73
779 · Non Capital Furniture & Equipme	10,000.00	1,500.00	1,500.00
837 · Bank Charges	1,000.00	240.00	1,992.50
843 · Contract Controller Services	14,400.00	14,880.00	11,334.49
853 · Electricity	16,000.00	16,000.00	14,832.25
856 · Facility Cost	7,200.00	750.00	649.60
857 · Facility Lease	195,574.00	195,574.00	195,574.08
865 · Insurance	5,000.00	12,000.00	10,809.08
868 · Insurance - General Liability	5,000.00	13,000.00	11,160.02
895 · Water, Sewer, Garbage Collectio	3,750.00	2,500.00	2,036.33
Total 7900 · OPERATION OF PLANT	<u>260,924.00</u>	<u>256,594.00</u>	<u>249,956.08</u>
8100 · MAINTENANCE OF PLANT			
850 · Custodial Supplies	2,000.00	2,500.00	2,260.69
887 · Repairs and Maintenance	5,000.00	8,000.00	13,044.39
Total 8100 · MAINTENANCE OF PLANT	<u>7,000.00</u>	<u>10,500.00</u>	<u>15,305.08</u>
9100 · COMMUNITY SERVICES			
750 · Fundraising Expense	0.00	11,000.00	13,393.93
Total 9100 · COMMUNITY SERVICES	<u>0.00</u>	<u>11,000.00</u>	<u>13,393.93</u>
Total Expenditures	<u>881,849.11</u>	<u>795,194.00</u>	<u>784,540.08</u>
Excess of Revenue Over Expenditures	78,338.89	31,056.00	335.22
Other Financing Sources			
Fund Balance at beginning of year	<u>(104,272.21)</u>	<u>(104,272.21)</u>	<u>(104,272.21)</u>
Fund Balance at end of year.	<u>(25,933.32)</u>	<u>(73,216.21)</u>	<u>(103,936.99)</u>



Oxford Academy of Miami Charter School
10870 SW 113th Place
Miami, Florida 33176
Phone: (305) 598-4494
Fax: (305) 598-4475

October 23, 2008

In response to your letter, dated October 7, 2008, a copy of which is enclosed, we have prepared the management's discussion and analysis (MD&A) below.

- The School believes that a financial emergency exists primary due to the following:
As of June 30, 2008, there exists a net assets deficit of \$103,937 and a general fund balance deficit of \$65,637 for which sufficient resources are not available. (Attached is the financial recovery plan.)
- The school believes that the issue of non-compliance regarding related party transaction can be rectified with the actions stated below.

In recent review of the state of affairs of Oxford Academy of Miami, Inc., and through discussion with the current board and new school administration, it is necessary to rectify specific areas of noncompliance. The primary areas specified in the letter received dated October 7th, 2008, is the lack of appendix A and this letter. (See appendix A attached)

The Board and new leadership will resolve this related party transaction from appearing as a conflict of interest by transferring check signing duties to the new administrator (Mrs. Angela Klinedinst) of Oxford Academy of Miami, Inc., as of November 1, 2008.

Tom Sherry
Chairman

Handwritten signature of Tom Sherry in cursive script.

Date 24 Oct 08

Angela Klinedinst
Principal

Handwritten signature of Angela Klinedinst in cursive script.

Date 10/24/08

For Kids Sake Preschool
10870 SW 113 Place
Miami, Fl. 33176
305-279-1025

10/20/08

To Oxford Academy of Miami
C/o Board of Directors,

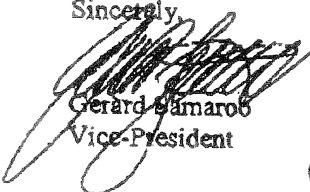
Please be advised that For Kids Sake Preschool Inc., will relieve Oxford Academy of Miami Inc., of all past due rent through the June 30, 2008 fiscal year of operation. This amount equals to the sum of \$40,796.56.

For Kids Sake Preschool Inc., has also negotiated a lease for the premises that Oxford Academy of Miami Inc., rents on the First floor south side. This Lease will take effect July 1, 2008 and will terminate two years from the effective date of this lease.

This Lease between For Kids Sake Preschool Inc. and Beyond Expectations Academy Inc., will also relieve Oxford Academy of any further rental obligation for this space. As well, the reduction of space will also result in a 25% cost reduction of the CAM charge, garbage disposal, Miami-Dade Water & Sewer, and will eliminate one FPL metered charge. The resulting effect of the reduction of space will provide for about \$58,000.00 reduction of facility costs.

If you should have any questions regarding this letter, please feel free to contact me at your earliest convenience.

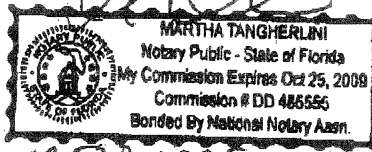
Sincerely,


Gerard Samaroo
Vice-President





Cc: Mr. Tom Sherry
Mrs. Ursula Vaccaro
Mrs. Maureen Samaroo
Mrs. Angela Klinedinst



Oct 25, 2009

Maureen Samaroo
12990 North Calusa Club Drive
Miami, FL 33186
305-279-1025

10/20/08

Dear Oxford Academy of Miami Inc.,
C/o Board of Directors,

In review of the letter dated October 7th, 2008 from Charter School Operations pertaining to the Financial Emergency that exists for Oxford Academy of Miami.

I am willing to forgo the notes payable in the amount of \$37,300.00 to help in relief of this matter.

Please provide me a letter of donation for the sum of the monies being forgone.

As Founder of Oxford Academy of Miami, I am dedicated to the life of this school, children, and staff and if I can be of any further help to Oxford Academy of Miami, please feel free to contact me at your convenience.

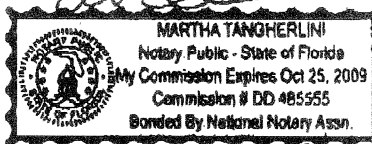
Yours Truly,

Maureen Samaroo

Maureen Samaroo

Maureen Samaroo
Founder of Oxford Academy of Miami Inc.,

Cc: Mr. Tom Sherry
Mrs. Ursula Vaccaro
Mrs. Angela Klinedinst
Mr. Gerard Samaroo



EMPLOYMENT AGREEMENT

Employment Agreement, between: OXFORD ACADEMY OF MIAMI, INC, a Florida Corporation (the "Company") and MAUREEN SAMROO (the "Employee").

1. For good consideration, the Company employs the Employee on the following terms and conditions.
2. **Term of Employment.** Subject to the provisions for termination set forth below this agreement will begin on _____, 20____, unless sooner terminated.
3. **Salary.** The Company shall pay Employee a salary of ~~\$45,000.00~~ ^{\$38,000.00} per year, for the services of the Employee, payable at regular payroll periods.
4. **Duties and Position.** the Company hires the Employee in the capacity of as an academic advisor, having been the founder of this school, her duties shall include any and all activities to insure that the school continues to adhere to the high principles and philosophies upon which it was founded the Employee's duties may be reasonably modified at the Company's discretion from time to time.
5. **Employee to Devote Full Time to Company.** the Employee will devote full time, attention, and energies to the business of the Company, and, during this employment, will not engage in any other business activity, regardless of whether such activity is pursued for profit, gain, or other pecuniary advantage. Employee is not prohibited from making personal investments in any other businesses provided those investments do not require active involvement in the operation of said companies.
The employer agrees to give great weight and consideration to the suggestions and recommendations of the employee with regards to the continued pursuit of the excellence of this educational institution.
6. **Confidentiality of Proprietary Information.** Employee agrees, during or after the term of this employment, not to reveal confidential information, or trade secrets to any person, firm, corporation, or entity. Should Employee reveal or threaten to reveal this information, the Company shall be entitled to an injunction restraining the Employee from disclosing same, or from rendering any services to any entity to whom said information has been or is threatened to be disclosed, the right to secure an injunction is not exclusive, and the Company may pursue any other remedies it has against the Employee for a breach or threatened breach of this condition, including the recovery of damages from the Employee.
7. **Reimbursement of Expenses.** The Employee may incur reasonable expenses for furthering the Company's business, including expenses for entertainment, travel, and similar items. The Company shall reimburse Employee for all business expenses after the Employee presents an itemized account of expenditures, pursuant to Company policy.
8. **Vacation.** The Employee shall be entitled to a yearly vacation of _____ weeks at full pay.
9. **Disability.** In the event that the Employee cannot perform the duties because of illness or incapacity for a period of more than _____ weeks, the compensation otherwise due during said illness or incapacity will be reduced by _____ (____ percent). The Employee's full compensation will be reinstated upon return to work. However, if the Employee is absent from work for any reason for a continuous period of over _____ months, the Company may terminate the Employee's employment, and the Company's obligations under this agreement will cease on that date.
10. **Termination of Agreement.** Without cause, the Company may terminate this agreement at

any time upon ____ days' written notice to the Employee. If the Company requests, the Employee will continue to perform his/her duties and may be paid his/her regular salary up to the date of termination. In addition, the Company will pay the Employee on the date of the termination a severance allowance of \$ _____ less taxes and Social Security required to be withheld, without cause, the Employee may terminate employment upon ____ days' written notice to the Company. Employee may be required to perform his or her duties and will be paid the regular salary to date of termination but shall not receive severance allowance. Notwithstanding anything to the contrary contained in this agreement, the Company may terminate the Employee's employment upon ____ days' notice to the Employee should any of the following events occur:

- (a) The sale of substantially all of the Company's assets to a single purchaser or group of associated purchasers; or
- (b) The sale, exchange, or other disposition, in one transaction of the majority of the Company's outstanding corporate shares; or
- (c) The Company's decision to terminate its business and liquidate its assets;
- (d) The merger or consolidation of the Company with another company.
- (e) Bankruptcy or chapter 11 reorganization.

11. Death Benefit. Should Employee die during the term of employment, the Company shall pay to Employee's estate any compensation due through the end of the month in which death occurred.

12. Restriction on Post Employment Compensation. For a period of _____ (_____) years after the end of employment, the Employee shall not control, consult to or be employed by any business similar to that conducted by the company, either by soliciting any of its accounts or by operating within Employer's general trading area.

13. Assistance in Litigation. Employee shall upon reasonable notice, furnish such information and proper assistance to the Company as it may reasonably require in connection with any litigation in which it is, or may become, a party either during or after employment.

14. Effect of Prior Agreements. This Agreement supersedes any prior agreement between the Company or any predecessor of the Company and the Employee, except that this agreement shall not affect or operate to reduce any benefit or compensation inuring to the Employee of a kind elsewhere provided and not expressly provided in this agreement.

15. Settlement by Arbitration. Any claim or controversy that arises out of or relates to this agreement, or the breach of it, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered may be entered in any court with jurisdiction.

16. Limited Effect of Waiver by Company. Should Company waive breach of any provision of this agreement by the Employee, that waiver will not operate or be construed as a waiver of further breach by the Employee.

17. Severability. If, for any reason, any provision of this agreement is held invalid, all other provisions of this agreement shall remain in effect. If this agreement is held invalid or cannot be enforced, then to the full extent permitted by law any prior agreement between the Company (or any predecessor thereof) and the Employee shall be deemed reinstated as if this agreement had not been executed.

18. Assumption of Agreement by Company's Successors and Assignees. The Company's

rights and obligations under this agreement will inure to the benefit and be binding upon the Company's successors and assignees.

19. Oral Modifications Not Binding. This instrument is the entire agreement of the Company and the Employee. Oral changes have no effect. It may be altered only by a written agreement signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought.

20. HEALTH INSURANCE BENEFITS.

The employee shall be entitled to the same Health Insurance Benefits as the other employee's of the company.

21. TEMPORARY WAIVER OF INCOME

In the event that the employer is financially unable to pay the salary, the employee agrees to waive same and to consider it a loan to the employer, until the employer is financially able to work out an acceptable payback plan.

Signed this _____ day of _____ 20_____.

OXFORD ACADEMY OF MIAMI, INC.

MAUREEN SAMROO

LEASE

**10870 SW 113th Place
Miami, Florida 33176**

**For Kids Sake Preschool, Inc.
Landlord**

**Oxford Academy, Inc.
Tenant**

Guarantor of Tenant

REVISED JULY 1, 2008



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LEASE AGREEMENT

THIS LEASE is made and entered as of the 1 day of July, 2008 by and between For Kids Sake Preschool 10870 SW 113th Place, Miami, Florida 33176, a "Florida corporation" (herein called "Landlord"), and Oxford Academy, "a Florida professional association" (herein called "Tenant.")

- a) Landlord's Mailing Address: 10870 SW 113th Place, Miami, Florida 33176
- b) Tenant's Address: 10870 SW 113th Place, Miami, Florida 33176
- c) Tenant's Home Address: 305-598-4494
- d) Tenant's Telephone Number:
- e) Tenant's Name (including state of formation or incorporation): Oxford Academy, Florida
- f) Tenant's Trade Name: Oxford Academy
- g) Guarantor: Name:
Address:
Telephone Number:
- h) Lease Execution Date: July 1, 2008
- i) Lease Commencement Date: July 1, 2008
- j) Rent Commencement Date: July 1, 2008
- k) Lease Expiration Date: July, 31, 2010
- l) Tenant Suite Number:
- m) Estimated Rentable Area in Premises: 7,000 Square Feet
- n) Tenant Improvements:
- o) Annual Base Rent: \$105,000.00
- p) Security Deposit:
- r) Estimated Monthly Expenses:

(The following are Landlord's best estimates but are not represented to be true and accurate)

(First Year):	Base Rent:	\$8,750.00 per month - at \$15.00 per sq. ft.
	Sales Tax:	\$ 00.00
	Electricity	
	Monthly Total	



- s) Permitted Use: Educational purposes only, kindergarten (k) through fifth (6th) grade.
- t) Broker's Commission:
- u) Amendments:

THE FOREGOING LEASE SUMMARY IS AN INTEGRAL PART OF THIS LEASE AGREEMENT



ARTICLE I: BASIC LEASE PROVISIONS

Section 1.01 Leased Premises.

IN CONSIDERATION of the rents, covenants and agreements hereafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord demises and leases to the Tenant, and Tenant rents from Landlord, those certain premises now existing at 10870 SW 113th Place, Miami, Florida 33176, (herein called the "Building") which premises are identified in item (b) of the Lease Summary (herein called the "Leased Premises"). The boundaries and location of the Leased Premises are outlined on the sketch of the floor or floors on which the Leased Premises are located, which is marked Exhibit "A" attached hereto and made a part hereof. Dimensions for all purposes shall be measured from the center line of interior walls or from the exterior face of exterior walls. The Leased Premises also shall include certain outdoor areas as set forth on Exhibit "A".

Section 1.02 Use of Additional Areas.

The use and occupation by the Tenant of the Leased Premises shall include the non-exclusive use, in common with others entitled thereto, of the common areas, employees' parking areas, service roads, loading facilities, sidewalks and customer car parking areas as such common areas now exist or as such common areas may hereafter be constructed, and other facilities as may be designated from time to time by the Landlord, subject to the terms and conditions of this Lease and to reasonable rules and regulations for the use thereof as prescribed from time to time by the Landlord.

Section 1.03 Term of the Lease.

The term of this Lease shall commence on the date when Landlord shall deliver possession of the Demised Premises to Tenant, (the "Commencement Date,") and shall end (unless sooner extended or terminated as hereinafter provided) at midnight on the date of the expiration of two (2) years from the first day of the calendar month next succeeding the "Rental Commencement Date," as defined in Paragraph 2.01 hereof (the "Termination Date.")

Section 1.04 Lease Year.

The term "Lease Year" as used herein shall mean consecutive twelve (12) month periods commencing on each January 1 during the term of this Lease. In the event that the term of this Lease commences on a date other than January 1 or expires on a date other than December 31, the first and last years shall be partial Lease Years and in such case the first partial Lease Year shall commence on the date of the commencement of the term of this Lease and expire on December 31 next following and the last partial Lease Year shall commence on the last January 1 occurring during the term of this Lease and shall expire on the expiration date of this Lease.

Section 1.05 Renewal Options.

If, and only if, the Tenant shall have fully done, performed and observed all of the terms, covenants and conditions required hereunder to be done, or cured any defaults hereunder then the Tenant, by giving Landlord written notice not less than one hundred eighty (180) days prior to the expiration of the Initial Lease Term, or of each succeeding option period, shall have the right to renew this Lease for up to FIVE (5) successive terms of ONE (1) year each ("Option Periods") upon the same terms, covenants and conditions as the initial term of this Lease; excepting, however, that the Fixed Minimum Annual Rent for each Option Period shall be determined as provided for below:

So as to afford Landlord with a consistent purchasing power of his rental income during extensions or renewals of the Lease, the Fixed Minimum Annual Rent for each option period shall be adjusted to reflect the change in the cost of living. Landlord and Tenant agree to adopt as a standard for measuring fluctuations of the purchasing power of this rental income, the Consumer Price Index (for all urban consumers) — All items (1977 = 100), issued by the Bureau of Labor Statistics of the U.S. Department of Labor ("CPI"). The index figure for the first basic month of the initial Lease terms shall be defined as the BASIC STANDARD. The Index figure for the last month of the terms preceding each renewal option period shall be defined as the NEW INDEX FIGURE. The Fixed Minimum Rent for each option period shall be determined by multiplying the fixed minimum annual rent of the last month of the term preceding the renewal period by a fraction, the numerator of which shall be the NEW INDEX FIGURE and the denominator of which shall be the BASIC STANDARD. Landlord shall notify Tenant in writing of the amount of the NEW RENTAL and same shall be due on the first day of each month beginning the renewal period and each month thereafter until adjusted again. Notwithstanding the foregoing, the annual CPI adjustment to the minimum rent shall increase by no less than three percent (3%) nor by more than five percent (5%) in any given year from the preceding Lease Year.

In the event the amount of CPI increase is not known until after the first month of the period for which the adjustment is to be made due to delays in publications of the CPI, or any other reason, then upon notification of the increase by Landlord, Tenant shall pay the full amount of the increase which is due for any prior months during the adjustment period, within fifteen (15) days following receipt of the Landlord's written notice of the amount due. In the event of any controversy arising as to the proper adjustment for rental payments as herein provided, the Tenant shall pay the rental suggested by Tenant, as herein provided, until such time as said controversy has been settled, at which time an adjustment will be made, retroactive to the beginning of the adjustment period in which the controversy arose. However, in no event shall the rental due and payable hereunder be less than the rent paid for the preceding year of the Lease, as extended, regardless of the value of the dollar as reflected by the CPI figure.

Section 1.06 Failure of Tenant to Take Possession.

In the event that Tenant has received notice that the Leased Premises are ready for delivery to Tenant as herein defined and fails to take possession and to occupy the Leased Premises and to commence to do business within the time herein provided, then Tenant shall be in default hereunder and the Landlord shall have the right, at its option, to cancel this Lease by giving Tenant notice thereof and this Lease will terminate ten (10) days after the giving of such notice and Landlord will retain all prepaid rentals and security deposits as liquidated and agreed damages.

Section 1.07 Obligations of Tenant Before Rental Payments Begins.

Tenant shall observe and perform all of its obligations under this Lease (except its obligations to operate and to pay Base Rent) beginning on the Commencement Date.

Section 1.08 Obligations of Landlord Before Leased Premises Become Vacant

If this Lease is executed before the Leased Premises become vacant, or if any present Tenant or occupant of the Leased Premises holds over, and Landlord cannot acquire possession of the Leased Premises prior to the Commencement Date of this Lease, Landlord shall not be deemed to be in default hereunder, and Tenant agrees to accept possession of the Leased Premises at such time as Landlord is able to tender the same; provided, however, Tenant shall not be obligated hereunder unless Landlord is able to deliver the Leased Premises within ninety (90) days of the Commencement Date.

Section 1.09 Control of Common Areas by Landlord.

All areas within the Building which are not now or hereafter held for lease or occupation by the Landlord, or used by other persons entitled to occupy floor space in the Building, including, without limitation, all automobile parking areas, driveways, entrance and exists thereto, and other facilities furnished by Landlord in or near the



Building, including employee parking areas, the true way or ways, loading docks, package pick-up stations, pedestrian sidewalks and ramps, landscaped areas, exterior stairways, first-aid stations, public rest rooms and other areas and improvements provided by Landlord for the general use, in common, of tenants, their officers, agents, employees and customers ("Common Areas") shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right, but not the obligation, to construct, maintain and operate lighting facilities on all said areas and improvements, to police the same, from time to time to change the area, level, location and arrangement of parking areas and other facilities herein above referred to; to restrict parking by tenants, their officers, agents and employees to employee parking areas and to enforce parking charges (by operation of meters or otherwise), with appropriate provisions for free parking ticket validating, or in lieu thereof, to apply the net proceeds from such charges, after deduction of costs applicable thereto, to the reduction of the cost of maintaining the parking facilities.

Landlord shall have the right 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 parking areas or facilities, to discourage non-customer parking; and to do and perform such other acts in and to said areas and improvements as, in the use of good business judgment, the Landlord shall determine to be advisable with a view to the Improvement of the convenience and use thereof by tenants, their officers, agents, employees and customers. Landlord shall keep said Common Areas clean and in good repair and available for the purposes for which they are intended. Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities.

Section 1.10 License.

All Common Areas and facilities not within the Leased Premises, which Tenant may be permitted to use and occupy, are hereby authorized to be used and occupied under a revocable license, and if any such license be revoked, or if the amount of such areas be diminished. Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such revocation or diminution of such areas be deemed construction or actual eviction.

ARTICLE II PAYMENT OF RENT AND OTHER EXPENSES.

Section 2.01 Base Rent.

Tenant covenants and agrees to pay Landlord the Base Rent as set forth in item (o) of the Lease Summary, payable in advance, in equal monthly installments, without deduction or setoffs and without prior demand therefor, on the first day of each calendar month after the Rental Commencement Date during the term of this Lease. Such Base Rent shall commence to accrue either: (i) on the date when Tenant shall occupy the Leased Premises; or (ii) Date, whichever date shall be earlier (hereinafter the "Rental Commencement Date.") The first rental payment date hereunder shall be the first day of the first calendar month following the Rental Commencement Date and shall include, in addition to one full month's advance rent, a prorated amount applicable to the period from the Rental Commencement Date to such rental payment date.

Section 2.02 Time and Place of Payment.

Tenant will promptly pay all rentals and other charges and render all statements herein prescribed at the office of Landlord, 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 to the next ensuing rental payment date. Any rental payment not received by Landlord on its due date shall incur a "late charge" equal to five percent of such payment to compensate Landlord for its administrative expenses in connection with such late payment. When rental payments are delivered by Tenant through the mails, Tenant shall mail such payments sufficiently in advance so that the Landlord will receive the payments on or before the first day of the calendar month or on or before the due date in the event the due date is

other than the first day of a calendar month. If Landlord shall pay any monies, or incur any expenses in correction of any violation of any covenant or of any other obligation of Tenant herein set forth or implied here from the amounts so paid or incurred shall, at Landlord's option and on notice to Tenant, be considered additional rentals payable by Tenant, with the first installment of rental thereafter to become due and payable, and may be collected or enforced as by law provided in respect to rentals.

Section 2.03 Sales or Use Tax or Excise Tax.

Tenant shall also pay, as additional rent, all sales or use or excise tax imposed, levied or assessed against the rent or any other charge or payment required herein by any governmental authority having jurisdiction thereover, even though the taxing statute or ordinance may purport to impose such sales tax against the Landlord. The payment of sales tax shall be made by Tenant on a monthly basis, concurrently with payment of the fixed minimum annual rent.

Section 2.04 Charge for Electricity, Air Conditioning and Water, Waste Management and Sewer & CAM (Common Area Maintenance Charge)

A) In addition to the Base Rent, Tenant shall pay to Landlord together with the monthly installment of Base Rent, the following charges:

- 1) \$3.00 per square feet for CAM charges, totaling \$1,750 per month
- 2) \$480.72 for Home Owners Association fee (HOA). This represents 50% of the total monthly cost of \$961.44, half of which will be paid by the Landlord. The parties agree that the HOA fee shall be the shared responsibility of both parties.

B) Electricity. Tenant shall be responsible for the total cost of the following Florida Power & Light (FPL) accounts:

#0995617180
#6540777189
#6263420090

C) Waste Management. The parties agree that the monthly cost for waste management varies on a monthly basis. Therefore an accurate amount can not be placed in this lease. The parties agree, however, that the charges and costs of waste management to the Tenant shall be 50% of the total.

D) Water and Sewer. The parties agree that the monthly cost for waste management varies on a monthly basis. Therefore an accurate amount can not be placed in this lease. The parties agree, however, that the charges and costs of waste management to the Tenant shall be 50% of the total.

Maintenance of the Air Conditioning system shall be done by the Tenant at the cost of the Tenant.

Section 2.05 Additional Rent.

In order to give Landlord a lien of equal priority with Landlord's lien of rent, and for no other purpose, any and all sums of money or charges required to be paid by Tenant under this Lease, whether or not the same be so designated, shall be considered "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 charges as the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

Section 2.06 CPI Rental Adjustment.

Please see Section 1.05

ARTICLE III: DELIVERY OF LEASED PREMISES

Section 3.01 Landlord's Work.

Landlord has constructed the Leased Premises prior to the execution of this Lease by the parties hereto. Landlord agrees to paint the Leased Premises prior to Tenant's taking possession of the Leased Premises. Tenant certifies that it has inspected the Leased Premises and otherwise accepts it in existing "as is" condition.

Section 3.02 Tenant's Work.

Tenant agrees, at its own cost and expense, to perform all work, more particularly described in Exhibit "C" annexed hereto, which is necessary to make the Leased Premises conform with Tenant's plans to be approved by Landlord. Within ten (10) days after the execution of this Lease, Tenant shall furnish Landlord, in advance of Tenant's commencement of work, for Landlord's written approval, plans and specifications showing a layout, fixturing plans, location of windows and partitions to be installed, interior finish, store front and any work or equipment to be done or installed by Tenant affecting any structural, mechanical or electrical part of the Leased Premises or the building containing same. Landlord agrees it will not unreasonably withhold such approval, it being the only purpose of this requirement that Tenant's work shall not be detrimental to the other tenants in the Building.

Section 3.03 Changes and Additions to Building.

Landlord hereby reserves the right at any time to perform maintenance operations and to make repairs, alterations, or additions, and to build additional stories on the Building and to build adjoining the same. Landlord also reserves the right to construct other buildings or improvements, including, but not limited to, structures for motor vehicle parking and the enclosing and air conditioning of sidewalks adjacent to the Building from time to time and to make alterations thereof or additions thereto and to build additional stories on any such building or buildings and to build adjoining same. Tenant agrees to cooperate with Landlord permitting Landlord to accomplish any such maintenance, repairs, alterations, additions or construction. Temporary, partial obstruction of access to Tenant's premises caused by such construction shall not be a default of Landlord.

ARTICLE IV: CONDUCT OF BUSINESS BY TENANT

Section 4.01 Taking Possession of Premises.

Tenant shall use the Leased Premises solely for the purpose of conducting business as provided in Section (s) of the Lease Summary and for no other purpose, except as may be first approved by Landlord in writing.

Tenant shall occupy the Leased Premises without delay upon the Commencement Date, and shall conduct the business above stated continuously in the Leased Premises. Tenant will not use or permit, or suffer the use of the Leased Premises for any business or purpose other than that stated above. Tenant shall not sell, display or advertise any merchandise to the general public and further agrees to conduct its business in the premises under the name or trade name as set forth in Section (f) of the Lease Summary and under no other name or trade name except such as may be first approved by Landlord in writing.

Section 4.02 Use of Leased Premises.

Tenant will use and occupy the Leased Premises for educational purposes, as mentioned in page 1, and for no other use and purpose. Tenant shall not exceed the 178 student capacity during the term of this lease Agreement. In the event that Tenant uses the Leased Premises for purposes not expressly permitted herein, the Landlord may, in addition to all other remedies available to it, terminate this Lease or restrain said improper use by injunction. Tenant shall not perform any acts or carry on any practices which may damage the Building or improvements or be a nuisance or menace to other tenants in the Building or their customers, employees or invitees or which will result in the increase of casualty insurance premiums.

ARTICLE V: SECURITY DEPOSIT

Section 5.01 Amount of Deposit.

(a) Prior to Landlord's execution of this Lease, Tenant shall deposit with the Landlord the sum indicated in Section (q) of the Lease Summary, and if by check, is subject to collection. Said deposit shall be held by Landlord, without liability for interest, and may be commingled with other funds of Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease by Tenant to be kept and performed during the term hereof.

(b) Tenant's security deposit shall at all times, be at least equal to the number of month's total rent as set forth in Section (q) of the Lease Summary, including fixed minimum rent, charges and taxes thereon. During the term of this Lease and options thereto, when the Tenant's total monthly rent increases above the amount of security deposit held by Landlord, Tenant shall deposit the difference with Landlord, upon demand.

Section 5.02 Use and Return of Deposit.

If at any time during the term of this Lease any of the rent herein reserved shall be overdue and unpaid, or any other sum payable by Tenant to Landlord hereunder shall be overdue and unpaid or in the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant, then Landlord may, at its option (but Landlord shall not be required to) appropriate and apply all or any portion of said deposit to the payment of any such overdue rent or other sum or so much thereof as shall be necessary to compensate the Landlord for all loss or damage sustained or suffered by Landlord due to the breach of Tenant. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord for a the payment of overdue rent or other sums due and payable by Tenant hereunder, then Tenant shall, upon the written demand of Landlord forthwith remit to Landlord a sufficient amount in cash to restore said security to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit or any balance thereof shall be returned to Tenant at the expiration of the term of this Lease.

Section 5.03 Transfer of Deposit.

Landlord may deliver the funds deposited hereunder by Tenant to the purchaser or transferee of Landlord's interest in the Leased Premises, in the event that such interest be sold or transferred, and thereupon Landlord shall be discharged from any further liability with respect to such deposit.

ARTICLE VI: FIXTURES AND ALTERATIONS

Section 6.01 Installation by Tenant.

(a) All improvements 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 exterior signs, exterior lighting, plumbing fixtures, shades or awnings or make any changes to the common areas or the exterior of the Building 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, and simultaneously demonstrate to Landlord that the proposed alterations comply with local zoning and building codes.

(b) All construction work done by Tenant within the Leased Premises and otherwise shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and in such manner as to cause a minimum of interference with other construction in progress (if any) and with the transaction of business in the Building. Without limitation on the generality of the foregoing, Landlord shall have the right to require that such work be performed during hours when the Building is not open for business, and in accordance with other rules and

regulations which Landlord may, from time to time prescribe. Tenant agrees to indemnify Landlord and hold it harmless against any loss, liability or damage, resulting from such work, and Tenant shall, if requested by Landlord, furnish bond or other security satisfactory to Landlord against any such loss, liability or damage. Tenant shall be liable to Landlord for any damages resulting from labor disputes, strikes or demonstrations resulting from Tenant's construction or alteration work with the employment of non-union workers.

Section 6.02 Responsibility of 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 this Lease, or any extension of renewal thereof. Such alterations, decorations, additions and improvements shall not be removed from the

premises without prior consent in writing from the Landlord. Upon expiration of this Lease, or any renewal term thereof, the Landlord shall have the option of requiring the Tenant to remove all such alterations, decorations, additions and improvements, and restore the Leased Premises as provided in Section 7.02 hereof. If the Tenant fails to remove such alterations, decorations, additions and improvements and restore the Leased Premises, then such alterations, decorations, additions and improvements shall become the property of the Landlord and in such event, should Landlord so elect, Landlord may restore the premises to its original condition for which cost, with allowance for ordinary wear and tear, Tenant shall be responsible and shall pay promptly upon demand.

Section 6.03 Tenant Shall Discharge All Liens.

Nothing contained in this Lease shall be construed as a consent on the part of the Landlord to subject the estate of the Landlord to liability under the Mechanic's Lien Law of the State of Florida, it being expressly understood that Landlord's estate shall not be subject to liens for improvements made by the Tenant. Tenant shall strictly comply with the Mechanic's Lien Law of the State of Florida as set forth in Florida Statutes Section 713. In the event that a mechanic's claim of client is filed against the Building in connection with any work performed by or on behalf of the Tenant, the Tenant shall satisfy such claim or shall transfer same to security, within ten (10) days from the date of filing. In the event that the Tenant fails to satisfy or transfer such claim within said ten (10) day period, the Landlord may do so and thereafter charge the Tenant, as additional rent, all costs incurred by the Landlord in connection with satisfaction or transfer of such claim, including attorneys' fees. Further the Tenant agrees to indemnify, defend and save the Landlord harmless from and against any damage or loss incurred by the Landlord as a result of such mechanics' claim of lien. If so requested by the Landlord, the Tenant shall execute a short form or memorandum of this Lease, which may, in the Landlord's discretion be recorded in the Public Records for the purpose of protecting the Landlord's estate from mechanics' claims of lien, as provided in Florida Statutes Section 713.10. In the event such short form or memorandum of lease is executed, the Tenant shall simultaneously execute and deliver to the Landlord an instrument terminating the Tenant's interest in the real property upon which the Leased Premises are located, which instrument may be recorded by the Landlord at the expiration of the term of this Lease, or such earlier termination hereof. Landlord has the right to record the memorandum without execution by Tenant in the event Tenant fails to execute the memorandum with seven (7) days of request. The security deposit paid by the Tenant may be used by the Landlord for the satisfaction or transfer of any mechanics' claim of lien, as provided in this Section. This Section shall survive the termination of the Lease.

Section 6.04 Signs, Awnings and Canopies.

Tenant will not place or permit to be placed or maintained on a exterior door, wall or window of the Leased Premises any sign, awnings or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, letter or advertising matter on the glass of any window or door, nor will any illuminated sign be placed in any window of the Leased Premises without first obtaining Landlord's written approval and consent which shall not be unreasonably withheld.



ARTICLE VII: REPAIRS AND MAINTENANCE OF LEASED PREMISES

Section 7.01 Responsibility of Landlord.

Provided Tenant is not in default according to the terms of this Lease, Landlord will furnish the following services to Tenant:

(a) Repair and maintain in good order and condition the roof, roof drains, outside walls, foundations and structural portions, both interior and exterior, of the Building and the Leased Premises. There is excepted from the preceding covenant, however repair of damage caused directly or indirectly by the negligence of the Tenant, its employees, agents, contractors, customers and invitees.

(b) Except as hereinabove provided in Subparagraph (a) through (c). Landlord shall not be obligated or required to make any other repairs, and all other portions of the Leased Premises shall be kept in good repair and condition by Tenant, and at the end of the term of this Lease, Tenant shall deliver the Leased Premises to Landlord in good repair and condition, reasonable wear and tear and damage from fire and other casualty excepted.

(c) Such services shall be provided as long as the Tenant is not in default under any of the terms and provisions of this Lease, subject to interruption caused by repairs, renewals, improvements, changes of service, alterations, strikes, lockouts, labor controversies, inability to obtain fuel or power, accidents, breakdowns, catastrophes, national or local emergencies, "Acts of God" and conditions and causes beyond the control of Landlord. In no event shall Landlord be liable for damages or injuries arising from the failure to make said repairs, or growing out of any breakage, leakage, getting out of order or defective condition of the electric wiring, air conditioning or heating pipes and equipment, closets, plumbing, appliances, sprinklers, other equipment, or other facilities caused by, or growing out of any defect in the Building or any part thereof or in said Leased Premises or a part thereof, or caused by, or growing out of fire, rain, wind or other cause, nor shall Landlord be liable for damages or injuries arising from defective workmanship or materials in providing any such services or repairs. Tenant waives the provision of any law, no or hereafter in effect, or any right under common law, permitting it to make repairs at Landlord's expense.

Section 7.02 Responsibilities of Tenant.

Without limiting the generality of the foregoing Subparagraph 7.01 (c):

(a) Tenant will maintain the Leased Premises in good order and condition, including cleaning services as are normal and usual in similar office buildings of the interior of the Leased Premises.

(b) Tenant shall provide, procure, lease or purchase a garbage dumpster for its own use. The Landlord shall neither provide the item, nor shall it be responsible for any liabilities or costs incurred with waste management.

(c) Tenant will not install any equipment which exceeds the capacity of the utility lines leading into the Leased Premises or the building of which the Leased Premises constitute a portion.

(d) Tenant, its employees, or agents, shall not mark, paint, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or ironwork without Landlord's written consent. The foregoing shall not include the hanging of paintings, photographs and other pictures as are customary in office space.

(e) Tenant shall comply with the requirements of all laws, orders, ordinances and regulations of all governmental authorities and will not permit any waste of property or same to be done and will take good care of the Lease Premises.

(f) If Tenant refuses or neglects to maintain the Leased Premises properly as required hereunder and to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand, Landlord may take such action as Landlord may reasonably determine without liability to Tenant for any loss or damage that may accrue to Tenant's equipment, fixtures, or other property, or to Tenant's business by reason thereof and upon completion thereof Tenant shall pay Landlord's cost for the taking of such action, plus twenty (20%) percent for overhead, upon presentation of bill therefor, as additional rent. Said bill shall include interest at fifteen (15%) percent of said cost from the date of completion by Landlord. In the event the Landlord shall undertake any maintenance or repair in the course of which it shall be determined that such maintenance or repair work was made necessary by the negligence or willful act of Tenant or any of its employees or agents or that the maintenance or repair is, under the terms of this Lease, the responsibility of Tenant, Tenant shall pay Landlord's costs therefore plus overhead and interest as above provided in this Section.

(g) At the expiration of the tenancy hereby created, Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were in upon delivery of possession thereto under this Lease, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, and shall surrender all keys for the Leased Premises to Landlord. Tenant shall remove all its trade fixtures, leased equipment and any alterations or improvements which Landlord requests to be removed before surrendering the premises as aforesaid and shall repair any damage to the Leased Premises cause thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of the Lease.

(h) Tenant shall give Landlord prompt written notice (and telephonic notice in the case of an emergency) of any fire or damage occurring on or to the Leased Premises.

ARTICLE VIII: INSURANCE AND INDEMNITY

Section 8.01 Liability Insurance.

Tenant shall procure and maintain Liability Insurance policy for an amount no less than (Three Million dollars \$3,000,000.00). Such policy shall include Content coverage, signage coverage, Glass Coverage and coverage as per the charter agreement.

Section 8.02 Fire, Fire Alarm and Extended Coverage Insurance

Tenant shall procure and maintain fire and extended coverage insurance.

Tenant shall provide Landlord with copies of all active policies as they are renewed.

Tenant shall supplement the cost of Fire Alarm Monitoring up to fifty percent (50%) of the cost.

Section 8.03 Indemnification of Landlord

Indemnity. Subtenant shall and hereby does indemnify, defend, and hold Landlord and Sublandlord harmless from and against any and all actions, claims, demands, damages, liabilities, and expenses asserted against, imposed upon, or incurred by Landlord and/or Sublandlord by reason of:

(a) any violation caused, suffered, or permitted by Subtenant, its agents, contractors, servants, licenses, employees, or invitees, of any of the terms, covenants, or conditions of the Lease or this Sublease; and

(b) any damage or injury to persons or property occurring upon or in connection with the use or occupancy of the Sublet Premises.

Subtenant's obligations under this Section shall survive the Expiration Date or earlier termination of this Sublease.

Section 8.04 Waiver of Subrogation.

Tenant waives (unless said waiver should invalidate any such insurance) its right to recover damages against Landlord for any reason whatsoever to the extent Tenant recovers indemnity from its insurance carrier. Any insurance policy procured by Tenant which does not name Landlord as a named insured shall, if obtainable, contain an express waiver of any right of subrogation by the insurance company against the Landlord. All public liability and property damage policies shall contain an endorsement that Landlord, although named as an insured, shall nevertheless be entitled to recover damages caused by the negligence of Tenant

ARTICLE IX: ATTORNMENT AND SUBORDINATION

Section 9.01 Attornment.

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 Leased Premises or in the event a deed is given in lieu of foreclosure of any such mortgage, if requested to do so, Tenant shall attorn to the purchaser or grantee in lieu of foreclosure upon any such foreclosure or sale and recognize such purchaser or grantee in lieu of foreclosure as the Landlord under this Lease.

Section 9.02 Subordination.

Tenant agrees that this Lease and the interest of Tenant therein shall be, and the same hereby is made subject and subordinate at all times to all covenants, restrictions, easements and other encumbrances now or hereafter affecting the fee title of the Building and to all ground and underlying leases and to any mortgage of any amounts and all advances made and to be made thereon, which may now or hereafter be placed against or affect any or all of the land and/or any or all of the buildings and improvements, including the Leased Premises, now or at any time hereafter constituting a part of the Building, and/or any ground or underlying leases covering the same, and to all renewals, modifications, consolidations, participations, replacements and extensions thereof. The term "Mortgages" as used herein shall be deemed to include trust indentures and deeds of trust. The aforesaid provisions shall be self-operative and no further instrument of subordination shall be necessary unless required by any such ground or underlying lessors or mortgagees. Should the Landlord or any ground underlying lessors or mortgagees desire confirmation of such subordination, then Tenant, within ten (10) days following written request therefor, agrees to execute and deliver, without charge, any and all documents (in form acceptable to Landlord and such ground or underlying lessors or mortgagees) subordinating the Lease and the Tenant's rights hereunder. However, should any such ground or underlying lessors or any mortgagees request that the Lease be made superior, rather than subordinate, to any such ground or underlying lease and/or mortgage, then Tenant, within ten (10) days following Landlord's written request therefor, agrees to execute and deliver, without charge, any and all documents (in form acceptable to Landlord and such ground or underlying lessors or mortgagees) effectuating such priority.

ARTICLE X: ASSIGNMENT AND SUBLETTING

Section 10.01 Consent Required.

Tenant may not assign or in any manner transfer, or grant or suffer any encumbrance of Tenant's interest in this Lease in whole or in part, nor sublet all or any portion of the Leased Premises, or grant a license concession or other right of occupancy of any portion of the Leased Premises, without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. The consent by Landlord to any assignment of subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. If this Lease be assigned, or if the Leased Premises or any part thereof be underlet or occupied by any party other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant, and apply the net

amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as Tenant, or a release of Tenant from the further performance by Tenant of the covenants on the part of Tenant herein contained. This prohibition against assignment or subletting shall be construed to include prohibition against any assignment or subleasing by operation of law, legal process, receivership, bankruptcy or otherwise, whether voluntary or involuntary. Notwithstanding any assignment or sublease, Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease. Provided, however, that in the event Tenant desires to assign this Lease to a third party which is not owned or controlled by Tenant, or sublet substantially the entire Leased Premises to such a third party, then Landlord shall have the option of terminating this Lease on written notice to Tenant given within twenty (20) days after receipt of the request for Landlord's approval to such assignment or subletting. The Tenant shall have the obligation to pay a reasonable administrative fee in connection with such assignment.

Section 10.02 Assignment by Landlord.

In the event of the transfer and assignment by Landlord of its interest in this Lease and/or in the Building to a person expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations thereunder, and Tenant agrees to look solely to such successor in interest of the Landlord for performance of such obligations. Any security given by Tenant to secure performance of Tenant's obligations hereunder may be assigned and transferred by Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

ARTICLE XL WASTE, GOVERNMENTAL REGULATIONS

Section 11.01 Waste or Nuisance.

Tenant shall not commit or suffer to be committed any waste upon the Leased Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the Building, or which may adversely affect Landlord's interest in the Leased Premises or the Building.

Tenant shall

Section 11.02 Government Regulations.

Tenant shall, at Tenant's sole cost and expense, comply with all county, municipal, state, federal laws, orders, ordinances and other applicable requirements of all governmental authorities, now in force, or which may hereafter be in force, pertaining to, or affecting the condition, use or occupancy of the Leased Premises, and shall faithfully observe in the use and occupancy of the Leased Premises all municipal and county ordinances and state and federal statutes now in force or which may hereafter be in force. Tenant shall indemnify, defend and save Landlord harmless from all costs, losses, expenses or damages resulting from Tenant's failure to perform its obligations under this Section.

ARTICLE XII: RULES AND REGULATIONS

Tenant agrees to comply with all rules and regulations Landlord may adopt from time to time for operation of the Building and parking facilities, and protection and welfare of the Building and parking facilities, its tenants, visitors, and occupants. The present rules and regulations, which Tenant hereby agrees to comply with, entitled "Rules and Regulations" are attached hereto as Exhibit "B". Any future rules and regulations shall become a part of this Lease, and Tenant hereby agrees to comply with the same upon delivery of a copy thereof to Tenant, providing the same do not materially deprive Tenant of its rights established under this Lease.

ARTICLE XIII: ADVERTISING, ETC. Section 13.01 Solicitation of Business.



Tenant and Tenant's employees and agents shall not solicit business in the parking or other common areas, nor shall Tenant distribute any handbills or other advertising matter on automobiles parked in the parking area or in other common areas.

Section 13.02 Advertised Name and Address.

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 Leased 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 the 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. Tenant shall not use the name of the Landlord in any advertisement, or otherwise.

ARTICLE XIV: DESTRUCTION OF LEASED PREMISES

Section 14.01 Total or Partial Destruction.

If the Leased Premises shall be damaged by fire, the elements, unavoidable accident or other casualty, without the fault of Tenant, but are not thereby rendered untenable in whole or in part, Landlord shall at its own expense cause such damage, except to Tenant's equipment and trade fixtures, to be repaired, and the rent and other charges shall not be abated. If by reason of such occurrence, the premises shall be rendered untenable only in part, Landlord shall at its own expense cause the damage, except to Tenant's equipment and trade fixtures, to be repaired, but only to the extent of Landlord's original obligation to construct pursuant to Section 3.01, and the fixed minimum rent meanwhile shall be abated proportionately as to the portion of the premises rendered untenable, provided, however, if such damage shall occur during the last two (2) years of the term of this Lease (or of any renewal term), Landlord shall have the right, to be exercised by notice to Tenant within sixty (60) days after said occurrence, to elect not to repair such damage and to cancel and terminate this Lease effective as of a date stipulated in Landlord's notice, which shall not be earlier than thirty (30) days nor later than sixty (60) days after the giving of such notice. If the premises shall be rendered wholly untenable by reason of such occurrence, the Landlord shall at its own expense cause such damage, except to Tenant's equipment and trade fixtures, to be repaired, but only to the condition in which the Premises were originally delivered to Tenant in accordance with Section 3.01, and the Base Rent meanwhile shall be abated in whole except that Landlord shall have the right, to be exercised by notice to Tenant within sixty (60) days after said occurrence, to elect not to reconstruct the destroyed premises, and in such event this Lease and the tenancy hereby created shall cease as of the date of the said occurrence. Nothing in this Section shall be construed to permit the abatement in whole or in part of the charges for common area maintenance and real estate taxes attributable to any period during which the demised premises shall be in untenable condition, nor shall there be any abatement in these items nor the Base Rent if such damage is caused by the fault of Tenant. Whenever the Base Rent shall be abated pursuant to this Section 14.01, such abatement shall continue until the date which shall be the sooner to occur of: (i) fifteen (15) days after notice by Landlord to Tenant that the Leased Premises have been substantially repaired and restored; or (ii) the date Tenant's business operations are restored in the entire Leased Premises.

Section 14.02 Partial Destruction of Building.

In the event that fifty (50%) percent or more of the rentable area of the Building shall be damaged or destroyed by fire or other cause, notwithstanding any other provisions contained herein and that the Leased Premises may be unaffected by such fire or other cause, Landlord shall have the right, to be exercised by notice in writing delivered to Tenant within sixty (60) days after said occurrence, to elect to cancel and terminate this Lease. Upon the giving of such notice to Tenant, the term of this Lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Leased Premises and surrender the same to Landlord.

Section 14.03 Reconstruction of Improvement

In the event of any reconstruction of the Leased Premises under this Section, said reconstruction shall be in substantial conformity with the existing construction. Tenant, at its sole cost and expense, shall be responsible for the repair and restoration of all items set forth in Exhibit "C" and the replacement of its stock in trade fixtures, furniture, furnishings and equipment. Tenant shall commence the installation of fixtures, equipment, and merchandise hereof promptly upon delivery to it of possession of the Leased Premises and shall diligently prosecute such installation to completion.

ARTICLE XV: EMINENT DOMAIN

Section 15.01 Total Condemnation.

If the whole of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding and all rentals and other charges shall be paid up to that date and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

Section 15.02 Partial Condemnation.

If any part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and in the event that such partial taking or condemnation shall, in the opinion of Landlord and Tenant, render the Leased Premises unsuitable for the business of the Tenant, then Landlord and Tenant shall each have the right to terminate this Lease by notice given to the other within sixty (60) days after the date of title vesting in such proceeding and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. In the event of a partial taking or condemnation which is not extensive enough to render the premises unsuitable for the business of the Tenant, then Landlord shall promptly restore the Leased Premises (exclusive of Tenant's equipment and trade fixtures) to a condition comparable to its condition at the time of such condemnation less the portion lost in the taking and the Building to the extent necessary to constitute the portion of the Building not so taken as a complete architectural unit; provided that Landlord shall not in any event be required to spend for such repair, restoration or alteration work an amount in excess of the respective amounts received by Landlord as damages for the taking of such part of the Leased Premises and of the Building. As used herein, the amount "received by Landlord" shall mean that portion of the award or damages in condemnation received by Landlord from the condemning authority which is free and clear of all prior claims or collections by the holders of any mortgages or deeds of trust or any ground or underlying lessors, and this Lease shall continue in full force and effect except that the fixed minimum annual rent shall be reduced in proportion to the portion of the Leased Premises lost in the taking. If more than twenty (20%) percent of the floor area of the Building shall be taken as aforesaid (whether or not the Leased Premises shall be affected by the taking), Landlord shall have the right to terminate this Lease by notice to Tenant given within sixty (60) days after the date of title vesting in such proceeding and Tenant shall have no claim against Landlord for the value of the unexpired term of this Lease.

Section 15.03 Landlord's Damages.

In the event of any condemnation of taking as hereinabove provided, whether whole or partial, the Tenant shall not be entitled to any part of the award, as damages or otherwise, for such condemnation and Landlord is to receive the full amount of such award, the Tenant hereby expressly waiving any right or claim to any part thereof

Section 15.04 Tenant's Damages.

Although all damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the Leasehold or the fee of the Leased Premises, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which

Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment, provided no such claim shall diminish or otherwise adversely affect Landlord's award. Each party agrees to execute and deliver to the other all instruments that may be required to effectuate the provisions of Section 15.03 and this Section 15.04.

Section 15.05 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 Article.

ARTICLE XVI: DEFAULT OF TENANT

Section 16.01 Events of Default

Upon the happening of one or more of the events as expressed below in (a) to (h), inclusive (individually and collectively, "Events of Default"), the Landlord shall have any and all rights and remedies hereinafter set forth:

- (a) In the event Tenant should fail to pay any monthly installment of rent or any other sums required to be paid hereunder, within five days of when the same become due.
- (b) In the event a petition in bankruptcy (including Chapter X and Chapter XI bankruptcy proceedings or any other reorganization proceedings under the Bankruptcy Act) be filed by any individual Tenant, or be filed against Tenant, and such petition is not dismissed within thirty (30) days from the filing thereof, or in the event Tenant is adjudged a bankrupt.
- (c) In the event an assignment for the benefit of creditors is made by any individual Tenant.
- (d) In the event of an appointment by any court of a receiver or other court officer of any individual Tenant's property and such receivership is not dismissed within thirty (30) days from such appointment.
- (e) In the event Tenant removes, attempts to remove, or permits to be removed from the Leased Premises, except in the usual course of trade, the equipment, furniture, effects or other property of the Tenant brought thereon.
- (f) In the event Tenant, before the expiration of the term hereof and without the written consent of the Landlord, vacates the Leased Premises or abandons the possession thereof, or uses the same for purposes other than the purposes for which the same are hereby leased, or ceases to use the Leased Premises for the purposes herein expressed.
- (g) In the event an execution or other legal process is levied upon the equipment, furniture, effects or other property of Tenant brought on the Leased Premises, or upon the interest of Tenant in this Lease, and the same is not satisfied or dismissed within ten (10) days from this levy.
- (h) In the event Tenant fails to keep, observe or perform any of the other terms, conditions or covenants on the part of Tenant herein to be kept, observed and performed for more than ten (10) days after written notice thereof is given by Landlord to Tenant specifying the nature of such default, or if the default so specified shall be of such a nature that the same cannot reasonably be cured or remedied within said ten (10) day period, if Tenant shall not in good faith have commenced the curing or remedying of such default within such ten (10) day period and shall not thereafter continuously and diligently proceed therewith to completion.

Section 16.02 Remedies of Landlord.

(a) In the event of any such default or breach, Landlord shall have the immediate right to re-enter the Leased Premises, either by summary proceedings, by force or otherwise, and to dispossess Tenant and all other occupants therefrom and remove and dispose of all property therein in the manner provided in subdivision (c) of this Section, all without service of any notice of intention to re-enter and with or without resort to legal process (which Tenant hereby expressly waives) and without Landlord being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. Landlord shall also have the right, at the option of Landlord, to terminate this Lease upon three (3) days written to Landlord, Landlord shall be entitled to make an administrative charge to Tenant of One Hundred (\$100.00) Dollars. In the event that it shall be necessary for Landlord to give more than one (1) written notice to Tenant of any violation of this Lease, Landlord shall be entitled to make an administrative charge to Tenant of One Hundred (\$100.00) Dollars for each such notice. Tenant recognizes and agrees that the charges which Landlord is entitled to make upon the conditions stated in this Section 17.04 represent, at the time this Lease is made, a fair and reasonable estimate and liquidation of the costs of Landlord in the administration of the Building resulting to Landlord from the events described which costs are not contemplated or included in any other rental or charges provided to be paid by Tenant to Landlord in this Lease. Any charges becoming due under this Section of this Lease shall be added and become due with the next ensuing monthly payment of Base Rent and shall be collectible as a part thereof.

Section 16.05 Legal Expenses.

In the event that it shall become necessary for Landlord to employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due to it under this Lease or to remedy the breach of any covenant of this Lease on the part of the Tenant to be kept or performed, regardless of whether suit be brought, Tenant shall pay to Landlord such fee as shall be charged by Landlord's attorney for such services. Should suit be brought for the recovery of possession of the Leased Premises, or for rent or any other sum due Landlord under this Lease, or because of the breach of any of Tenant's covenants under this Lease. In connection with any litigation brought in connection with this Lease, the prevailing party shall be entitled to recover all expenses of such suit and any appeal thereof, including its reasonable attorneys fees from the other party.

ARTICLE XVII: ACCESS BY LANDLORD

Section 17.01 Right of Entry.

Landlord and Landlord's agents shall have the right to enter the Leased Premises at all reasonable times to examine the same, and to show them to prospective purchasers or lessees of the building, and to make such repairs, or alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefor without the some constituting an eviction of Tenant in whole or in part and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made unless Tenant is prevented from operating in the Leased Premises in whole or in part, in which event rent shall be proportionately abated during said period. During the six (6) months prior to the expiration of the term of this Lease or any renewal term, Landlord may exhibit the premises to prospective tenants or purchasers, and place upon the premises the usual notices "To Let" for "For Sale" which notices Tenant shall permit to remain thereon without molestation. If tenant shall not be personally present to open and permit an entry into said premises, at any time, when for any reason an entry therein shall be necessary or permissible. Landlord or Landlord's agents may enter the same without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Building or any part thereof, except as otherwise herein specifically provided.

Section 17.02 Roof.

Use of the roof and air space above the Leased Premises is reserved exclusively to the Landlord.



ARTICLE XVIII: TENANT'S PROPERTY

Section 18.01 Taxes on Leaschold or Personalty.

Tenant shall be responsible for and shall pay before delinquent all municipal, county or state taxes assessed during the term of this Lease against any leasehold interest or personal property or any kind, owned by or placed in, upon or about the Leased Premises by the Tenant.

Section 18.02 Loss and Damage.

Landlord shall not be responsible for any damage to property of Tenant or of others located on the Leased Premises nor for the loss of or damage to any property of Tenant or of others by theft or otherwise. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, or leaks from any part of the Leased Premises or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever nature, unless such damage is found to be caused by the wilful or grossly negligent acts of Landlord or its agents. Landlord shall not be liable for any such damage caused by other tenants or persons in the Leased Premises, occupants of adjacent property, of the Building, or the public, or caused by operations in construction of any private, public or quasi-public work. Landlord shall not be liable in damages or otherwise for any latent defect in the Leased Premises or in the building of which they form a part, except that if Tenant shall give notice to Landlord within a period of one (1) year from the date Tenant takes possession of the Leased Premises of the existence of any such latent defect, then provided such defect shall not have resulted from any act, alteration or improvement made by Tenant, Landlord shall repair such defect. All property of Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of Tenant only and Tenant shall hold Landlord harmless from any and all claims arising out of damage to same, including subrogation claims by Tenant's insurance carriers.

Section 18.03 Notice by Tenant.

Tenant shall give immediate notice to Landlord in case of fire or accidents in the Leased Premises or in the Building or of defects therein or in any fixtures or equipment.

ARTICLE XIX: HOLDING OVER, SUCCESSORS

Section 19.01 Holding Over.

In the event Tenant remains in possession of (he Leased Premises after the expiration of the tenancy created hereunder, and without the execution of a new lease, Tenant, at the option of Landlord, shall be deemed to be occupying the Leased Premises as a Tenant from month-to-month, at a monthly rent equal to two times the fixed minimum rent payable during the last month of the Lease term and a twenty-five (25%) percent increase from each month occupying the Leased Premises thereafter. In addition to the fixed minimum rent Tenant agrees to pay monthly :(a) one-twelfth (1/12th) of the average percentage rent payable hereunder, if any, for the last three (3) lease years; and (b) the monthly Building's operating costs payable for such month, such tenancy to be subject to all the other conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

Section 19.02 Successors.

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and permitted assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefits of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Section 11.01 hereof. Nothing contained in

this Lease shall in any manner restrict Landlord's right to assign or encumber this Lease and, in the event Landlord sells or transfers its interest in the Building and the purchaser or transferee assumes Landlord's obligation and covenants, Landlord shall thereupon be relieved of all further obligations hereunder.

ARTICLE XX: QUIET ENJOYMENT

Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed. Tenant shall peaceably and quietly hold and enjoy the Leased Premises for the term hereby demised 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.

ARTICLE XXI: MISCELLANEOUS

Section 21.01 Accord and Satisfaction.

No payment by Tenant or receipt by Landlord of a lesser amount than the monthly 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 accompanying the check or payment as rent 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 remedy provided in the Lease or by law.

Section 21.02 No Partnership.

Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Tenant. The provisions of this Lease relating to the reports of Gross Sales of Tenant hereunder are included solely for the purpose of providing a method whereby the Tenant's right to terminate in accordance with Section 2.07 is to be measured and ascertained.

Section 21.03 Force Majeure.

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period of such delay. The provisions of this Section 21.03 shall not operate to excuse Tenant from the prompt payment of rent, percentage rent, additional rent or any other payments required by the terms of this Lease.

Section 21.04 Notices.

(a) All notices shall be in writing and shall be deemed received three days after dispatch thereof.

(b) Any notice by Tenant to Landlord must be served by certified or registered mail or private courier service such as Federal Express, delivery charges prepaid, addressed to Landlord at the address first hereinabove given or at such other address as Landlord may designate by written notice, with a copy to Landlord's attorneys, The Law Offices of George M. Nachwalter, Sabal Chase Executive Centre, 11420 SW 109th Road, Suite E, Miami, Florida 33176.

(c) After commencement of the term hereof any notice by Landlord to Tenant shall be served by first class mail, or private courier service such as Federal Express, delivery charges prepaid, addressed to Tenant at the Leased Premises or at such other address as Tenant shall designate by written notice or by delivery by Landlord to the



Leased Premises or to such other address. Prior to the commencement of the term hereof such notice may be given by Landlord by such mail or delivery at the address set forth in Section (c) of the Lease Summary.

(d) Notice shall be deemed to be properly given if addressed to Tenant at its last known address, if such first class mail is refused or otherwise not delivered.

(e) For purposes of the service of process upon all Tenants, Tenants' Registered Agent in the State of Florida is Thomas Sherry.

Section 21.05 Captions and Section Numbers.

The captions, section numbers, article numbers and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or described the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

Section 21.06 Tenant Defined, Use of Pronoun.

The word "Tenant" shall be deemed and taken to mean each and every person mentioned as a Tenant herein be the same, one or more 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 or to all thereof. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

Section 21.07 Broker's Commission.

Each of the parties represents and warrants that it has dealt with no broker or brokers in connection with the execution of this Lease, except as set forth in Section (t) of the Lease Summary, and each of the parties agrees to indemnify the other against, and hold it harmless from, all liabilities arising from any claim for brokerage commissions or finder's fee resulting from the indemnitor's acts (including, without limitation, the cost of counsel fees in connection therewith) except as set forth in Section (t) of the Lease Summary.

Section 21.08 Partial Invalidity.

In any term, covenant or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such 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 or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 21.09 Effectiveness of Lease.

The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises and this Lease becomes effective as a lease only upon execution and delivery thereof by Landlord to Tenant, and the receipt of the full security deposit, and if paid by check, subject to clearance.

Section 21.10 Recording.

Tenant shall not record this Lease or any memorandum thereof without the written consent and joinder of Landlord. Any such unpermitted recording shall constitute an event of default under this Lease.

Section 21.11 Liability of Landlord.

Anything contained in this Lease at law or in equity to the contrary notwithstanding Tenant expressly acknowledges and agrees that there shall at no time be or be construed as being any personal liability by or on the part of Landlord under or in respect of this Lease or in any way related hereto or the Leased Premises; it being further acknowledged and agreed that Tenant is accepting this Lease and the estate created hereby upon and subject to the understanding that it shall not enforce or seek to enforce any claim or judgment or any other matter, for money or otherwise, personally or directly against any officer, director, stockholder, partner, principal (disclosed or undisclosed), representative or agent of Landlord, but will look solely to the Landlord's interest in the Building for the satisfaction of any and all claims, remedies or judgements (or other judicial process) in favor of Tenant requiring the payment of money by Landlord in the event of any breach by Landlord of any of the terms, covenants or agreements to be performed by Landlord under this Lease or otherwise, subject, however, to the prior rights of any ground or underlying lessors or the holders of the mortgages covering the Building, and no other assets of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claims; such exculpation of personal liability as herein set forth to be absolute, unconditional and without exception of any kind.

Section 21.12 Time of the Essence.

Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

Section 21.13 Estoppel Information.

When the commencement date is determined, Tenant agrees, upon request of Landlord, to execute and deliver to Landlord, without charge and within ten (10) days following request therefor, a written declaration in form satisfactory to Landlord: (i) ratifying this Lease; (ii) confirming the commencement and expiration dates of the term of this Lease; (iii) certifying that Tenant is in occupancy of the Leased Premises, the date Tenant commenced operating Tenant's business therein and that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended, except by such writings as shall be stated; (iv) that all conditions under this Lease to be performed by Landlord have been satisfied, except such as shall be stated; (v) that there are no defenses or offsets against the enforcement of this Lease by Landlord, or stating those claimed by Tenant; (vi) reciting the amount of advance rental, if any, paid by Tenant and the date to which rental has been paid; (vii) reciting the amount of security deposited with Landlord, if any; and (viii) certifying the status of any other matter requested by Landlord or its lender. Tenant agrees to execute and deliver similar declarations at any time and from time to time and within ten (10) days following request therefor by Landlord or by any mortgage lenders or ground or underlying lessor and or purchaser of the Building, and each of such parties shall be entitled to rely upon such written declaration made by Tenant. Tenant's failure or refusal to execute the declaration required hereunder within ten (10) days following the request therefor will constitute a default hereunder and Landlord shall have such rights and remedies against Tenant as is available to Landlord for Tenant's default.

Section 21.14 Cumulative Remedies.

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

Section 21.15 Choice of Law.

This Lease shall be governed by the laws of the State of Florida. The venue for any action filed in connection herewith by either party shall be Miami-Dade County, Florida.

Section 21.16 Counterparts.

This Lease may be executed in multiple copies, each of which shall be deemed an original, and all of such copies shall together constitute one and the same instrument.

Section 21.17 Acceptance of Funds by Landlord.

No receipt of money by the Landlord from the Tenant after the termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Leased Premises shall reinstate, continue or extend the term of this Lease or affect any such notice, demand or suit.

Section 21.18 Personal Guaranty.

There is no personal Guarantor.

Section 21.19 Modification

Should the parties of this Agreement decide during the time of this lease period to make a Modification to this Agreement, it shall be done by a mutual understanding and agreement, which shall be in writing, notarized and attached to this Agreement as an addendum on the date of execution.

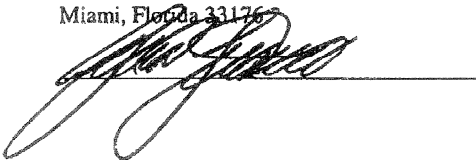
Section 21.20 Entire Agreement.

This Lease and the Exhibits, and Rider, if any, attached hereto and forming a part hereof, set forth all covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premises and there are no covenants, promises, conditions or understandings, either oral or written, between them other than are herein set forth.

No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest

IN WITNESS WHEREOF, Landlord and Tenant have signed and sealed this Lease of the day and year first above written.

For Kids Sake Preschool, Inc.
10870 SW 113th Place
Miami, Florida 33176



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Printed Name Gerard Samaroo
VICE-PRESIDENT
Signature, Title

Oxford Academy of Miami, Inc.
10870 SW 113th Place
Miami, Florida 33176

Tom Sherry
Printed Name

Tom Sherry, Chair
Signature, Title

Signature, Guarantor

EXHIBIT A: SKETCH OF LEASED PREMISES



EXHIBIT C: TENANT'S WORK

EXHIBIT B: RULES AND REGULATIONS

1. Sidewalks, doorways, vestibules, halls, stairways and similar areas shall not be obstructed by tenants or used For any purpose other than access to and from the leased premises and for going from one to another part of the Building.

2. Plumbing fixtures and appliances shall be used only for purposes constructed, and no sweeping, rubbish, rags or other unsuitable material shall be thrown or placed within the premises. Any damage resulting from such misuse of the premises shall be paid by Tenant, and Landlord shall not in any case be responsible for such.

3. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors or other part of the Building, except of such color, size and style and in such places as shall be first approved in writing by Landlord. No nails, hooks or screws shall be driven or inserted in any part of the building, after Tenant's improvements are completed, except by the building maintenance personnel; nor shall any part of the Building be defaced by tenants.

4. Tenants shall not do, or permit anything to be done, in or about the Building, or bring or keep anything there, that will in any way increase the rate of fire or other insurance on the Building, or on property kept there, or



obstruct or interfere with the rights of, or otherwise injure or annoy other tenants, or do anything in conflict with the valid pertinent laws, rules or regulations of Landlord or any governmental authority.

5. Landlord reserves the right to rescind any of these Rules and make such other further reasonable rules and regulations that Landlord shall from time to time believe conducive to the safety, protection, care and cleanliness of the Building, its operation, the preservation of good order, and the protection and comfort of its tenants, their agents, employees and invitees, which Rules, when made and notice of them given to Tenant, shall be binding upon Tenant as if originally prescribed.

6. Tenant shall notify the Building manager when safes or other heavy equipment are to be taken in or out of the Building and the moving shall be done under the supervision of the Building manager, after written permission from the Landlord. Persons employed to move such property must be acceptable to Landlord.

7. Tenants shall not make or permit any improper noises in the Building, or otherwise interfere in any way with other tenants, or persons having business with them.

8. Nothing shall be swept or thrown into the corridors, halls, elevator shafts or stairways. No birds or animals shall be brought into or kept in or about the Building.

9. No machinery of any kind (other than normal office equipment) shall be operated on Leased Premises without the prior written consent of Landlord, who may condition such consent upon the payment by Tenant of additional rent as compensation for excess consumption of water or electricity, or both, occasioned by the operation of the machinery; nor shall Tenant use or keep in the Building any inflammable or explosive fluid or substance, or any illuminating material, except candles.

10. No portion of Tenant's area or any other part of the building shall at any time be used or occupied as sleeping or lodging quarters.

11. Landlord will not be responsible for lost or stolen property, equipment, money, or jewelry from Tenant's area or public rooms, regardless of whether such loss occurs when the area is locked against entry.



