ORLEANS PARISH SCHOOL BOARD

CHARTER SCHOOL FACILITIES LEASE

This Facilities Lease ("Agreement") is entered into by and between the ORLEANS PARISH SCHOOL BOARD, a political subdivision of the State of Louisiana, herein represented by John A. Brown, Sr., its President, duly authorized ("OPSB" or "Lessor"), located at 3520 General de Gaulle Drive, Suite 5055, New Orleans, Louisiana 70114 and FirstLine Schools, Inc., a Louisiana Non-profit Corporation (hereinafter "Charter Operator" or "Lessee"), herein represented by Brian P. Egana, its President, duly authorized, located at 300 N. Broad St., Suite 207, New Orleans, LA 70119 on behalf of Langston Hughes Academy Charter School (hereinafter "Charter School"). OPSB and Charter Operator are each referred to singularly as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, pursuant to La. R.S. § 17:3982, OPSB shall make available to chartering groups, for lease or purchase up to fair market value, any school facility or other immovable property, whether improved or unimproved, that is owned by OPSB and that is vacant or slated to be vacant; and

WHEREAS, OPSB is the owner of the Langston Hughes Elementary School, located at 3519 Trafalgar St., New Orleans, LA 70119; and

WHEREAS, OPSB intends to lease those portions of the facility ("the "Premises"), as set forth in Exhibit A to this Agreement, to Charter Operator, and Charter Operator desires to lease the Premises from OPSB for purposes of operating Charter School;

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein and for other good and lawful consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. INCORPORATION BY REFERENCE

1.1. The OPSB Facility Procedures Handbook shall be incorporated into this Agreement by reference.

2. PREMISES

2.1. OPSB hereby leases to Charter Operator the Premises, (as more particularly described in Exhibit "A"), upon the terms and conditions hereinafter set forth.

2.2. Except as may otherwise specifically be set forth in this Agreement, Charter Operator accepts the Premises in its "as-is" condition, that is, the condition or state in which the Premises exists at the beginning date of this Agreement, without representations or

warranties of any nature whatsoever as to the condition of the Premises for its intended purposes beyond matters of general life safety, and OPSB makes no promise to alter, remodel, decorate, clean or improve the Premises or any portion thereof.

2.2.1. For facilities returned from a prior governing authority, OPSB shall make good-faith efforts to ensure that any written repair obligations made by the prior governing authority to Charter Operator are completed by the prior governing authority.

2.3. Lessee has had a full opportunity to inspect the condition and nature of the property.

2.3.1. Prior to occupancy of the Premises by Lessee, representatives from OPSB and from Charter Operator shall perform an inspection of the Premises, in accordance with the OPSB Facility Procedures Handbook. Lessor shall submit a building inspection report to Lessee within sixty (60) days of occupancy, in accordance with the process outlined in the OPSB Facility Procedures Handbook. The building inspection report does not diminish Lessee's obligation to take ordinary care to protect and preserve any and all parts of the Premises.

2.4. Upon reasonable notice to Lessee, OPSB may move Charter School to another facility as deemed necessary, taking into consideration such factors as building capacity, design alignment with grade levels served by Charter School, projected enrollment, program-specific needs, and community support and participation. OPSB recognizes the disruption to students and families when schools are relocated and commits to moving Charter School only in critical circumstances. OPSB shall make available only those facilities that it reasonably believes are safe and ready for occupancy.

2.5. **Shared Occupancy.** Two or more schools may be placed on said Premises if the school campus capacity allows for such placement, in which event Charter Operator shall have a non-exclusive right of use of common areas, including, but not limited to cafeterias, auditoriums, adjacent parking lots, playgrounds, athletic fields and any buildings belonging to OPSB.

2.5.1. If two or more schools are housed in the leased Premises, a separate Memorandum of Understanding shall be entered into between the co-located schools setting forth specific terms as to the use of the space and division of responsibilities for maintenance and payment of services. OPSB shall work with the co-located schools to help all parties arrive at a mutually beneficial agreement.

3. TERM

3.1. This term of this Agreement shall commence on July 1, 2017 and terminate on June 30, 2020, unless otherwise terminated for any reason permitted under any provision of this Agreement or the law. OPSB may extend the term of this Agreement for one (1) year following the initial term by giving written notice to Charter Operator at least one hundred eighty (180) days before the end of the term.

3.2. The Parties acknowledge that a new lease shall be provided at the end of the term of this Agreement for the remaining term of Charter Operator's operating agreement.

4. PAYMENT

4.1. In consideration of the use of the Premises as set forth above, Charter Operator covenants and agrees to pay OPSB a Use Fee and participate in OPSB's Per Pupil Unit Cost Program (hereinafter "Unit Cost Program"), as outlined in Section 4.1.2. The Use Fee shall be the per pupil share of the actual costs of property, boiler and machinery, terrorism, disaster management and flood insurance of all OPSB-controlled school facilities participating in the Unit Cost Program, including any insurance brokerage fee, unrelated to recovery of capital costs or depreciation that would be recovered in a traditional lease relationship.

4.1.1. The Use Fee shall be calculated and invoiced annually and paid by Charter Operator in equal installments over a 12-month fiscal year, through deduction from Charter Operator's monthly MFP allocation, commencing July 1, 2017. OPSB shall annually notify Lessee of the Use Fee for the subsequent school year (beginning July 1) no later than May 31, and shall promptly inform Lessee if any adjustments have made.

4.1.2. In determining the Use Fee, OPSB shall divide the total cost of property, boiler and machinery, terrorism, disaster management and flood insurance for all OPSB-controlled school facilities participating in the Unit Cost Program by the student enrollment at said facilities, to provide one per pupil cost (hereinafter "Unit Cost"). The Use Fee shall be equal to the Unit Cost multiplied by the number of students enrolled on the Premises. The initial student enrollment number shall be determined each year using the February first student count or the enrollment projections for the subsequent school year if the school has added grades. The student enrollment number shall be reviewed and adjusted accordingly after OPSB receives an updated October first student count.

4.2. The Use Fee may be adjusted annually based on the increase or decrease in the actual cost of property, boiler and machinery, terrorism, disaster management and flood insurance, or the number of students enrolled on the Premises as per Section 4.1.2. The parties shall work collaboratively to reduce risk and other factors to reduce insurance costs. If OPSB is able to reduce the actual cost of property, boiler and machinery, terrorism, disaster management and/or flood insurance at any point during a policy year, Lessee shall receive the benefit of such adjustment.

4.3. The Use Fee shall not operate as a reduction in the capital outlay or debt service exclusion to the local revenues calculation provided for in La. R.S. § 17:3995(A)(1)(c).

5. OPERATING EXPENSES

5.1. Lessee shall be responsible for taking ordinary care to protect and preserve any and all parts of the Premises that Lessee, its employees, officers, agents, representatives, contractors, or invitees may traverse incidental to the use of the Premises and shall be responsible for and shall pay for all of the expenses, costs and disbursements of every kind or character incurred in the management, operation and maintenance of the Premises, unless otherwise set forth in this Agreement or agreed to in writing by the Parties.

5.1.1. Charter Operator shall directly establish accounts with utility or service providers and make payments in a timely manner directly to that provider.

5.1.1.1. In the event that OPSB receives any bills from utility or service providers due to Charter Operator's failure to timely make payment, OPSB shall promptly forward said bills to Charter Operator for payment. Should Charter Operator fail to pay such bills within thirty (30) days of receipt from OPSB, OPSB may withhold the amounts owed from Charter Operator's monthly MFP allocation and submit payment to the provider.

5.1.1.2. OPSB shall not be liable to Charter Operator for damages or otherwise if any utility or other service, including but not limited to water, gas, electric, sewer or telephone, is interrupted or terminated due to Charter Operator's nonpayment or any other cause beyond the control of OPSB.

6. BUILDING MAINTENANCE AND MODIFICATIONS

6.1. **Maintenance.** Maintenance is an action that is regularly performed to keep the Premises in efficient operating condition and lessen the likelihood of equipment failure.

6.1.1. Lessee shall be responsible for the provision of all maintenance, regardless of cost, in accordance with processes and procedures outlined in OPSB Policy HD, *Charter School Facilities Management*, and the OPSB Facility Procedures Handbook.

6.1.2. Only the equipment that is approved to be permanently decommissioned is excluded from ongoing maintenance requirements. A list of any and all equipment that Lessee requests to be permanently decommissioned by OPSB shall be submitted to Lessor for approval in accordance with the OPSB Facility Procedures Handbook.

6.1.3. Lessor shall provide the following written information and documents to Lessee within a reasonable time after Lessor obtains possession of said information and documents:

6.1.3.1. Copies, either hard copies or electronic copies, of any existing floor plans, user manuals, warranties and their requirements, maintenance manuals and procedures lists, and related documents applicable to the maintenance of the premises;

6.1.3.2. Copies of existing AHERA Asbestos Management Plans, which shall include either the most recent surveillance and inspection reports for existing, previously occupied buildings, or certifications of non-use of Asbestos-Containing Materials for newly constructed buildings;

6.1.3.3. Copies of any municipal zoning provisos for the use and occupancy of the premises as required by the City Planning Commission, the Board of Zoning Adjustments, the New Orleans City Council, or other agency during the permitting process for the construction of the premises; and

6.2. **Repairs.** A repair is an action that restores the property to its previous condition rather than improving the quality of the property.

6.2.1. Charter Operator shall be responsible for payment of the first $10,000 for all repairs, in accordance with OPSB Policy HD, *Charter School Facilities Maintenance,* and the OPSB Facility Procedures Handbook. Any damage caused by Lessee, Lessee's employees, agents, representatives, contractors, or invitees shall be repaired at Lessee's sole expense, regardless of cost.

6.2.2. OPSB shall be responsible for payment of any amount over $10,000, subject to the availability of funding, unless said repair is required due to inadequate or neglectful maintenance on the part of Lessee. Charter Operator shall be responsible for reporting the need for any urgent repairs that exceed $10,000 to OPSB within twenty-four (24) hours of observation, and shall take all precautions to mitigate further damages. Failure to report and/or mitigate damages may result in OPSB seeking reimbursement from Lessee.

6.2.3. OPSB shall approve any repairs that exceed $10,000 prior to work commencing, in accordance with procedures set forth in the OPSB Facility Procedures Handbook.

6.3. **Alterations.** An alteration is work that involves the physical construction, alteration or improvement to the Premises.

6.3.1. Lessee shall not make any temporary or permanent physical construction, alteration or improvement to the Premises without the full knowledge and formal, written consent of OPSB. Any such changes, alterations or installations initiated by Lessee, with Lessor's approval, shall be paid for by Lessee unless the Parties agree otherwise in writing. All facility alterations undertaken by Charter Operator shall be made in accordance with OPSB Policy HD and the OPSB Facility Procedures Handbook.

6.3.2. All changes, alterations, or installations to the Premises shall become the property of Lessor, regardless of the source of funds for making same, unless the Parties agree otherwise in writing.

6.3.3. If alterations are made to the Premises without prior written authorization from OPSB, Charter Operator shall be responsible for restoring the Premises to its original condition at its sole expense. If Charter Operator fails to remove the alterations, OPSB may remove the alterations at Charter Operator's expense.

6.4. **Non-compliance.** Instances of non-compliance with Section 6 of this Agreement shall be governed by the Issue Resolution Process outlined in the OPSB Facility Procedures Handbook, which shall provide for notice of breach and a period to remedy.

6.4.1. If Lessee fails to make the necessary maintenance, cleaning, or repairs within the time allotted in a Corrective Action Plan, Lessor may correct the deficiency and withhold the costs from Charter Operator's monthly MFP allocation. The amount withheld shall be equal all costs incurred by Lessor.

7. CHARTER OPERATOR COVENANTS.

7.1. Charter Operator covenants at all times during the Term and such further time as Charter School occupies the Premises as follows:

7.1.1. To use the Premises exclusively for Charter School and related educational and community programs, in accordance with state law and OPSB Policy KF, *Use of School Facilities*, and for no other purposes;

7.1.2. To keep the Premises in good working order and in safe and sanitary condition, ordinary wear and tear excepted, all in accordance with the requirements of La. R.S. § 17:3996;

7.1.3. To be bound by all provisions of OPSB Policy HD, *Charter School Facilities Management*, OPSB Policy FJ, *Orleans Parish School Facilities Preservation Program*, and the OPSB Facility Procedures Handbook, including any revisions that occur during the term of this Agreement;

7.1.4. To apply for, secure, maintain and comply with all licenses or permits which may be required for the conduct by Charter School of the business herein permitted to be conducted in the Premises and to pay, if and when due, all license and permit fees and charges of a similar nature in connection therewith;

7.1.5. To perform all work in the Premises in a good and workmanlike manner, employing materials of good quality and in compliance with all governmental requirements. All work performed on the Premises shall be accomplished only by qualified contractors hired in accordance with applicable Louisiana Public Bid Laws. Charter Operator shall provide insurance certificates evidencing that the contractors and subcontractors performing such work have in full force and effect adequate insurance as required by the laws of the State of Louisiana, and public liability and builders risk insurance in such amounts and according to terms reasonably satisfactory to OPSB, and OPSB

shall be provided with a copy of a satisfactory Performance and Payment Bond for every contract with a construction value over $100,000.

7.1.6. To permit OPSB or OPSB's agents, with reasonable notice, to enter the Premises for the purpose of inspecting the same, of making repairs, additions or alterations thereto and of showing the Premises to prospective purchasers or lenders and, during the last six (6) months of the Term, to prospective charter schools and other persons having a legitimate interest in inspecting the same. Notwithstanding the foregoing, Lessor shall have a right to inspect the Premises at any time, in its sole discretion, if there is an imminent threat to health, safety or welfare.

7.1.7. To promptly comply with: (i) all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state, municipal and local governmental departments, commissions, boards and officers with respect to the Premises; (ii) all orders, rules and regulations of the National Board of Fire Underwriters, all Orleans Parish inspections, appropriate Ratings Bureau(s), the local Board of Fire Underwriters, or any other body or bodies exercising similar functions, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Premises; (iii) all insurance policies and the recommendations of all insurance inspections and insurance carriers with respect thereto at any time in force with respect to the Premises or any part thereof; and (iv) all present or future policies and procedures for the use and occupancy of the Premises as OPSB, in its discretion, from time to time promulgates.

7.1.8. To establish and maintain security measures appropriate to reasonably protect the Premises, individuals present at the Premises, and the personal property located thereon.

7.1.9. Not to: (i) assign, transfer, hypothecate, mortgage, encumber, or convey this Agreement or any interest under it or subject or permit any lien or charge to exist upon this Agreement or any interest under it; (ii) allow any transfer of, or any lien upon, Charter Operator's interest in this Agreement by operation of law or otherwise; or (iii) sublet the Premises in whole or in part, unless with the express permission of OPSB. This subsection shall not preclude temporary use by third parties in accordance with OPSB Policy KF, *Use of School Facilities*.

7.1.10. Not to suffer any mechanics', laborers' or materialmen's liens to be filed against the Premises or any portion thereof or any interest therein by reason of any work, labor, services performed at, or materials furnished to, or claimed to have been performed at, or furnished to, the Premises by or at the direction or sufferance of Charter Operator or anyone holding the Premises by, through or under Charter Operator.

8. CONTENTS PROVIDED BY LESSOR

8.1. OPSB may provide the contents, including but not limited to furniture, fixtures, and equipment, in the Premises. Ownership of the contents shall remain with OPSB, and such contents do not constitute assets of Charter Operator.

8.1.1. All included contents owned by OPSB with an original purchase price greater than $5,000 shall be included in an inventory that Charter Operator and OPSB staff shall jointly verify when Charter School takes occupancy and moves out of the Premises, and shall be verified annually as part of the inspection process.

8.1.2. Charter Operator shall protect and preserve all contents belonging to OPSB and shall be responsible for replacing missing items, unless replacing missing items would require filing a claim with OPSB-procured insurance or items have been taken out of service in accordance with the procedures set forth in the Facility Procedures Handbook.

9. LESSOR'S ACCESS AND RIGHT OF USE

9.1. Lessor shall have a full set of keys to all doors in the Premises, except for the testing materials storage room. Notwithstanding anything herein to the contrary, any damage, loss or claim resulting directly or indirectly from Lessor's loss or possession of said keys shall be the responsibility of Lessor.

9.2. Lessor shall allow the use of the Premises as a voting precinct when the parish governing authority requires it, pursuant to La. R.S. § 18:533(B)(1).

9.3. Lessor reserves the right to use the Premises as a city shelter in the event of an emergency. The terms of such use shall not interfere with the operation of Charter School. .

10. DEFAULT

10.1. Each of the following shall be an Event of Default by Charter Operator under the terms of this Agreement:

10.1.1. Failure to use the Property for its permitted use.

10.1.2. Repeated and/or egregious failure to keep property in a safe and well-maintained condition.

10.1.3. Termination, revocation, or adverse modification of Charter Operator's Charter School Operating Agreement to operate as a public charter school in Louisiana.

10.1.4. Any representation or warranty made by Charter Operator in this Agreement that shall be false or misleading on the date it was made.

10.1.5. Filing of a petition of bankruptcy or insolvency proceedings or a petition for reorganization or for the appointment of a receiver or trustee of all or substantially all of Charter Operator's property resulting in Charter Operator's inability to meet its obligations.

10.1.6. Engaging in, or allowing its employees, contractors, subcontractors or agents to engage in unlawful activities on the Premises and failing to take action within 24 hours of knowledge of the situation to rectify said illegal activities.

10.2. In the Event of Default by Charter Operator, Charter Operator shall have thirty (30) days after OPSB has notified Charter Operator by written notice of such default, either to remedy such default or in the case of a default which cannot be remedied within thirty (30) days to commence and be diligently pursuing all necessary action to remedy such default. In the event that Charter Operator has neither remedied nor commenced and diligently pursued a remedy, OPSB shall have the right to (i) cure the default at Lessee's expense, in which case the cost of effecting such cure shall be due and payable within ten (10) days after receipt of an invoice for same from OPSB, and/or (ii) terminate this Agreement by providing Charter Operator at least sixty (60) days' advance written notice.

10.2.1. In the event that OPSB cures the default and Lessee fails to pay the cost of such cure within ten (10) days after receipt of an invoice for the same, OPSB may withhold the cost from Charter Operator's monthly MFP allocation.

11. TERMINATION

11.1. Notwithstanding the foregoing, if the Charter School Operating Agreement is revoked, not renewed or otherwise terminated for any reason set forth in the Operating Agreement, or if Charter School otherwise ceases to operate for any reasons other than those set forth in Section 11.5 herein, this Agreement shall terminate on the date said Charter School Operating Agreement is revoked or on the date Charter School so ceases to operate.

11.2. Charter Operator may, at any time, terminate this Agreement upon sixty (60) days' written notice, to locate its school in a non-OPSB facility, provided that the non-OPSB facility complies with all applicable state, federal or local laws and regulations governing health and safety. In the event that Charter Operator exercises this right under this Subparagraph, Lessee shall remain responsible for any and all costs associated with the Premises, including, but not limited to utility, service, and routine maintenance contract charges, as well as any damage incurred to the property beyond normal wear and tear, that accrue on or prior to the agreed upon termination date, or until another lessee moves into the Premises.

11.3. Upon termination of this Agreement, by lapse of time or otherwise, Charter School shall remove from the Premises any and all of its personal properties, supplies, and equipment of all kinds. Charter Operator shall deliver the Premises, upon termination, in as good a state or condition as or in the same condition as originally delivered, less reasonable use and wear.

11.4. Notwithstanding anything to the contrary in this Agreement, the Parties may jointly elect to terminate this Agreement effective June 30th of any year of the Term.

11.5. **Casualty and Condemnation**. If the Premises are made unusable by fire, flood or other casualty, or taken by any governmental entity pursuant to its power of eminent domain, the Parties agree to the following:

11.5.1. OPSB and Charter Operator may elect to coordinate in reasonable efforts to locate another OPSB-controlled building out of surplus, if any, for Charter School to continue operations; or

11.5.2. Either OPSB or Charter Operator may elect to terminate this Agreement as of the date of the fire or flood or other casualty or the actual taking by eminent domain, by notice to the other party within thirty (30) days after the date of the fire or other casualty, or in the case of eminent domain, by notice delivered as soon as reasonably possible after a party receives notice or otherwise becomes aware of such proceedings. If there is any award or payment by the condemning governmental entity, Charter Operator shall not be entitled to any portion thereof. OPSB agrees to promptly notify Charter Operator if it receives any notice of proposed taking by a governmental entity pursuant to eminent domain.

12. HAZARDOUS MATERIALS

12.1. Lessee shall comply with all Environmental Laws relating to the use or occupation of the Property as required by La. R.S. § 17:3996, including, but not limited to the Asbestos Hazardous Emergency Response Act (AHERA, 15 USC § 2641, *et seq.*).

12.2. Lessee shall not be allowed, cause or permit any hazardous materials to be generated, used, treated, released, stored, or disposed of in or about the Premises by Lessee or Lessee's employees, agents, etc., provided that Lessee may use and store normal and reasonable quantities of standard cleaning and office materials, any educational materials necessary for science lab courses, as long as such materials are properly, safely, and lawfully stored and used by Lessee and the quantity of such materials does not equal or exceed a "reportable quantity" as defined in 40 CFR §§ 302 and 305, and as may be amended. In no event shall Lessee cause or permit the deposit, release or discharge of any Hazardous Materials to the soil or groundwater of the Premises.

12.3. Lessee shall promptly notify Lessor, in writing, if Lessee has or acquires notice or knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Premises. Lessee shall immediately notify Lessor, and provide copies upon receipt of, all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Premises or compliance with Environmental Laws. Lessee shall promptly deliver to Lessor copies of all notices, reports, correspondence and submissions made by Lessee to the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health Administration (OSHA), the Louisiana Department of Environmental Quality (DEQ), the Louisiana Department of Health and

Hospitals (DHH), or any other Governmental Authority that requires submission of any information concerning environmental matters or hazardous waste or substances pursuant to Environmental Laws.

12.4. Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Lessor at Lessee's sole cost) and hold Lessor, its employees, contractors, agents, etc., harmless from and against all Environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys' and experts' fees, and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Lessor or any of them in connection with or arising from or out of:

12.4.1. any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referenced to in this Section committed by Lessee except in such circumstance where asbestos is released through no fault of Lessee; or

12.4.2. any violation by Lessee of any Environmental Law.

12.5. For purposes of this section, "Hazardous Materials" means any substance or material (i) the presence or suspected presence of which requires or may require investigation, response, clean-up, remediation or monitoring, or may result in liability, under any Governmental Requirement; (ii) that is or contains a hazardous substance, waste, extremely hazardous substance, hazardous material, hazardous waste, hazardous constituent, solid waste, special waste, toxic substance, pollutant, contaminant, petroleum or petroleum derived substance or waste, and related materials, including, without limitation, any such materials defined, listed, identified under or described in any Environmental Law; (iii) that is flammable, explosive, radioactive, reactive, toxic, corrosive, infectious, carcinogenic, mutagenic or otherwise hazardous, or is or becomes regulated under any Environmental Law; (iv) that is or contains asbestos (whether friable or non-friable), any polychlorinated biphenyls or compounds or equipment containing polychlorinated biphenyls, or medical waste; (v) that is or contains or once contained gasoline, diesel fuel, oil, diesel and gasoline range organics (TPH-DRO / GRO), or any other petroleum products or petroleum hydrocarbons, or additives to petroleum products, or any breakdown products or compounds of any of the foregoing or (vi) radon gas.

12.6. The provisions of this Section shall be in addition to any and all obligations and liabilities Lessee may have to Lessor and shall survive expiration or earlier termination of this Agreement.

13. INSURANCE & LIABILITY

13.1. Charter Operator shall obtain and maintain, at all times during the Term, the following insurance, against all claims made by or on behalf of any persons, firm or corporation,

arising from, related to, or connected with the conduct and operation of Charter Operator's business in the Premises, including, but not limited to, the following minimum limits set forth below:

13.1.1. Commercial General Liability: $1,000,000.00 per occurrence; $2,000,000 general aggregate;

13.1.2. Educators Legal Liability Insurance and Directors & Officers Insurance: $1,000,000.00 per occurrence/annual aggregate, subject to a maximum deductible not to exceed $100,000.00 per claim;

13.1.3. Business Automobile Insurance covering all owned, hired, and non-owned vehicles: $1,000,000.00 combined single limit;

13.1.4. Workers' Compensation: as required by state law with statutory limits and also minimum Employers Liability limits of $1,000,000;

13.1.5. Damage to Premises Rented to You coverage with limits not less than $300,000; and

13.1.6. Legal Liability ISO coverage form CP 0040 1012 with limits not less than $100,000.

13.2. Charter Operator shall provide duly executed certificates evidencing such types and limits of insurance (which shall evidence the insurer's waiver of subrogation of general liability, auto, and workers' compensation claims against OPSB and provide that notice of cancellation shall be provided to OPSB in accordance with policy provisions.) Such certificates shall be deposited with OPSB's Office of Risk Management on or before the Commencement Date of this Agreement and upon renewals of such policies, not less than thirty (30) days following renewal of the policy.

13.3. Any and all companies providing insurance required by this Agreement must be licensed to do business in the State of Louisiana and must meet the minimum financial security requirements as set forth herein. Companies providing insurance under this Agreement must have a current A. M. Best's Rating not less than A- and an A.M. Best's Financial Size Category not less than VI.

13.4. OPSB shall be named as an Additional Insured for ongoing and completed operations under the commercial general liability insurance and as an Additional Insured for business automobile insurance required by this Agreement. Confirmation of this shall appear on all Certificates of Insurance and by endorsement to any and all applicable policies.

13.5. OPSB shall maintain casualty all risk property damage, including wind, contents, equipment breakdown and flood insurance for the Premises in accordance with OPSB's policies and procedures.

13.6. In the event that damage occurs to the Premises:

13.6.1. Charter Operator shall be responsible for all costs and expenses relating to such damage to the extent such damage is caused by the negligence of Charter Operator, its employees or agents and such damage is not covered by OPSB insurance policies;

13.6.2. Charter Operator shall be responsible for $10,000 per occurrence for any loss covered by OPSB insurance policies, unless the actual cost of the deductible is less than $10,000 in which instance Charter Operator shall be responsible for the cost of the actual deductible;

13.6.3. OPSB shall be responsible for all costs and expenses relating to any damage not caused by the negligence of Charter Operator, its employees or agents and any insured damage to the Premises covered by OPSB insurance policies, following application of the deductible described in Section 13.6.2, which is due and payable by Charter Operator to OPSB.

13.7. Whenever (a) any loss, cost damage or expense resulting from fire, flood, explosion or any other casualty or occurrence is incurred by either of the parties to this Agreement or anyone claiming by, through or under them in connection with the Premises and (b) such party is then either covered in whole or in part by insurance (or self-insurance) with respect to such loss, cost, damage or expense, or required under this Agreement to be so insured (or self-insured), then the party so insured (or so required or self-insured) hereby releases the other party from any liability said other party may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance or self-insurance (or which could have been recovered, had insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release of liability and waiver of the right to subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost thereupon keeping such release and waiver in full force and effect).

13.8. Charter Operator shall promptly report to OPSB any and all pending or threatened claims or charges that may trigger the OPSB insurance coverages listed in Section 13.5, and promptly provide OPSB's general counsel and risk manager with all notices of such claims, cooperate fully with OPSB in the defense of any such claims asserted against OPSB, its board members, agents or employees arising from or related to the operation of Charter School, and comply with the defense and reimbursement provisions of OPSB's and Charter Operator's applicable insurance policies.

13.9. Indemnification and Disclaimer of Liability.

13.9.1. The Parties agree that OPSB does not assume liability for any loss or injury resulting from the acts or omissions of Charter Operator, its directors, trustees, agents, or employees.

13.9.2. Charter Operator acknowledges that it is without authority to extend the faith and credit of OPSB to any third party. Charter Operator shall clearly indicate to vendors and other entities and individuals that the obligations of Charter Operator under agreement or contract are solely the responsibility of Charter Operator and are not the responsibility of OPSB.

13.9.3. Charter Operator shall defend, indemnify, and hold harmless OPSB and its officers, directors, agents, and employees from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including but not limited to attorneys' fees and/or litigation expenses which may be brought or made against or incurred by OPSB arising out of any action of Charter Operator, its employees, agents or assigns, except when caused in whole or in part by the wanton, willful or intentional acts of OPSB. The provisions or limits of insurance required under this Agreement shall not limit the liability of Charter Operator.

13.9.4. OPSB shall defend, indemnify, and hold harmless Charter Operator and its officers, directors, agents, and employees from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including but not limited to attorneys' fees and/or litigation expenses which may be brought or made against or incurred by Charter Operator arising out of any action of OPSB, its employees, agents, or assigns, except when caused in whole or in part by the wanton, willful or intentional acts of Charter Operator. The provisions or limits of insurance required under this Agreement shall not limit the liability of OPSB.

13.9.5. This Agreement is not an employment contract. No officer, employee, agent, or subcontractor of Charter Operator is an officer, employee, or agent of OPSB.

13.9.6. OPSB shall not be liable for any debts or financial obligations of Charter Operator incurred pursuant to this Agreement.

13.9.7. Charter Operator shall not be liable for the debts or financial obligations of OPSB.

14. AGREEMENT CONSTRUCTION

14.1. **Entire Agreement**. The Parties intend this Agreement, including all incorporated documents, attachments and exhibits, to represent a final and complete expression of their agreement, which shall be considered the Agreement. All prior representations, understandings and discussions are merged herein, and no course of prior dealings between the Parties shall supplement or explain any terms used in this document.

14.2. **Authority**. The individual officers, agents and employees of the parties hereto who execute this Agreement do hereby individually represent and warrant that they have full

power and lawful authority to execute this Agreement and perform the transactions contemplated hereunder, on behalf of and in the name of their respective principals and/or employers.

14.3. **Notice**. Any notice required or permitted under this Agreement shall be in writing and shall be effective immediately upon personal delivery, subject to verification of service or acknowledgment of receipt, or three (3) days after mailing when sent by certified mail, postage prepaid to the following:

Orleans Parish School Board:

President
Orleans Parish School Board
3520 General de Gaulle Dr.
Suite 5055
New Orleans, LA 70114

With copy to:
Superintendent
3520 General de Gaulle Drive
Suite 5055
New Orleans, Louisiana 70114

And copy to:
General Counsel
3520 General de Gaulle Drive
Suite 5055
New Orleans, Louisiana 70114

Charter Board:

President
FirstLine Schools, Inc.
300 N. Broad St.
Suite 207
New Orleans, LA 70119

With copy to:
Charter Board Counsel
FirstLine Schools
300 N. Broad St; Ste. 207
New Orleans, LA 70119

14.4. **Waiver**. The failure of either party to insist on strict performance of any term or condition of this Agreement shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

14.5. **Assignment**. No right or interest in this Agreement may be assigned by anyone on behalf of Charter Operator without prior written approval of OPSB and delegation of any contractual duty of Charter Operator shall not be made without prior written approval of OPSB, which approval may be given or withheld at the sole discretion of OPSB.

14.6. **Applicable Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana and all applicable federal laws of the United States.

14.6.1. The Parties intend that where this Agreement references federal or state laws, state regulations and OPSB policy and procedures, that they be bound by any amendments to such laws, regulations and policies and procedures upon the effective date of such amendments.

14.6.2. Charter Operator shall comply with all federal and state laws and regulations that are applicable to charter schools.

14.7. **Venue**. Parties agree that the Civil District Court for the Parish of Orleans, State of Louisiana, and the United States District Court, Eastern District Louisiana, shall be the exclusive venues for any suit, action, or proceeding pertaining to this Agreement.

14.8. **Severability**. The provisions of this Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Agreement shall remain in effect unless otherwise terminated by one or both of the Parties.

14.9. **Third Parties**. The enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to OPSB and Charter Operator. Nothing contained in this Agreement shall give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the parties to this Agreement that any person receiving services or benefits hereunder shall be deemed an incidental beneficiary only.

14.10. **Counterparts; Electronic Signatures; Signature by Facsimile**. The Agreement may be signed in counterparts, which shall together constitute the original Agreement. Electronic signatures and signatures received by facsimile by either of the parties shall have the same effect as original signatures.

14.11. **Amendment**. The Parties recognize that amendments to this Agreement may be approved from time to time hereafter.

14.12. **Relationship of the Parties**. Nothing contained herein shall be deemed or construed by the parties hereto nor by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto or any other relationship other than the relationship of OPSB and Charter Operator.

14.13. **Title**. OPSB's title to the Facilities and Premises is and shall always be paramount to the rights of Charter Operator, and nothing herein contained shall empower Charter Operator to do any act which can, shall or may encumber the title of OPSB.

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IN WITNESS WHEREOF, the Parties have made and entered into this Agreement as of the Effective Date.

ORLEANS PARISH SCHOOL BOARD

Signature

Print Name: John A. Brown, Sr.

Title: President

Date: 8/4/2017

FIRSTLINE SCHOOLS, INC.

Signature

Print Name: Brian P. Egana

Title: President

Date: 6-28-2017

EXHIBIT "A"

PREMISES

BUILDING DESCRIPTION	ADDRESS
Main Building	3519 Trafalgar St., New Orleans, LA 70119