

**THIRD AMENDMENT TO THE AGREEMENT
BETWEEN THE SCHOOL BOARD OF PALM BEACH COUNTY AND
PALM BEACH MILITARY ACADEMY, INC.**

The School Board of Palm Beach County, Florida ("School Board") and Palm Beach Military Academy, Inc. ("Charter School"), hereby agree to amend the Agreement entered between the parties on or before **August 16, 2006**, as follows:

1. On **July 12, 2006**, the School Board received written correspondence from Jim Utterback, School Director/ Chairman of the Charter School, a copy of which is attached as Exhibit "A" to this Amendment, requesting a third deferment of the opening of the school from **August 1, 2006 to September 5, 2006**. The basis for the deferment is due to unavailability at the present time of a facility despite numerous attempts to obtain a facility.
2. Previously to that date, the School Board was contacted telephonically by Mr. Utterback and he verbally requested this third deferment. The School Board then scheduled a meeting with the Charter School and it was held on July 13, 2006, a copy of the Meeting Agenda is attached hereto as Exhibit "B". The outcome of that meeting was that the parties agreed that the third deferment to extend the opening date to September 5, 2006 is not acceptable nor in the best interest of the students who have expressed interest in attending this Charter School.
3. Whereby, the parties agreed that all of the documents and timeframes outlined in both the Charter Agreement and the Second Amendment would need to be submitted to the School Board and completed on or before July 31, 2006.
4. In the event that the Charter School is unable to fully submit all of the documents and comply with all of the timeframes on that date, the Charter Agreement shall be "*immediately terminated*" effective August 1, 2006.
5. Furthermore, the Charter School agrees that it will waive any and all appeal rights and any other legal action applicable to a termination of a Charter Agreement.
6. In addition, the Charter School agrees to fully cooperate with the School Board in the termination process, including but not limited to providing the applicable financial documentation to the School Board and the reversion of any property and funds to the School Board due to this termination, as outlined in both section 1002.33, F.S. and the Charter Agreement.
7. In the event of any conflict between the terms of the Third Amendment and the Charter Agreement, the terms of the Third Amendment shall control.
8. The Superintendent is authorized to take administrative action on the termination of the Charter Agreement.

IN WITNESS WHEREOF, the Parties hereto agree to this Third Amendment to be effective on the date last signed by the Parties.

The School Board of Palm Beach County, Florida

Palm Beach Military Academy, Inc.

By: _____
Thomas E. Lynch, Chairman

By: _____

Dated: _____

Dated: _____

By: _____
Arthur C. Johnson, Superintendent

Dated: _____

Reviewed & Approved As To Legal Form & Sufficiency

By: _____
A. Denise Sagerholm, Esq., Assoc. Counsel

Dated: _____

PALM BEACH MILITARY ACADEMY

Honor Integrity Discipline



Juanita Edwards

**Founding Board
Members**

Director, Charter School Department
Palm Beach County School District
3300 Forest Hill Blvd. C-206
West Palm Beach, FL 33406

July 12, 2006

Chairman
Jim Utterback

President
Janice LaForte

Vice President
Colleen Iannitti

Secretary
Teri Westervelt

Treasurer
Terry Morkert

*Community
Relations*
Doug Saenz

Dear Ms. Edwards:

The Palm Beach Military Academy requests that it be granted a delayed opening until September 5, 2006.

The circumstances for this request are: PBMA located a facility in Boca Raton at 700 Banyan Trail that will not be ready for school occupancy for 3 months. George Camajo with the Planning and Zoning department informed us that this is the approximate time required to process all necessary city paperwork

In the interim, Boca FED LLC, has agreed to lease PBMA space at 7875 N. Federal Hwy on a month to month basis. This space, most recently used by a school, meets all necessary zoning, usage, and code requirements necessary for educational usage.

The landlord stated that PBMA may occupy the building immediately. We anticipate the review and execution of the lease may require two to three weeks. The delayed opening will provide additional time to furnish and equip the school.

Lost and proposed make-up time is calculated as follows: 385 minutes x 12 days = 4,620 total minutes. Adding 30 minutes per day would enable students to make up lost time in 154 days, 60 minutes per day would require 77 days. Other options include using Emergency Makeup Days (EMD) of which there are 12 full EMDs and 6 half EMDs. PBMA prefers to use EMDs, weather permitting. There would be 168 regular school days until the June 1, the scheduled end of year. That is more than sufficient time to use any of the above options or a combination of them.

Thank you for your consideration.

Sincerely,

Jim Utterback
School Director/Chairman, Founding Board Members

Department of Charter Schools

Opening of School Meeting For Palm Beach Military Academy

Thursday, July 13, 2006

12:00 p.m. – 1:00 p.m.

FHESC C-201

Agenda

“ A good leader takes a little more than his share of the blame, a little less than his share of the credit.”

--Arnold H. Glasow

Welcome and Introductions

Purpose of the meeting:

To discuss the reasons for the third request to delay the opening of the school, interruption in the students' educational momentum, hiring of staff, and parental concerns and feedback.

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| I. | Facility Update | Jim Utterback |
| II. | Grant and FTE | Jeannette Merced |
| III. | Student Projection for FY07 | Juanita W. Edwards
Jeannette Merced |
| IV. | Parental Notification | |
| V. | Q & A | All |

EXHIBIT "B"