
LEASE-PURCHASE AGREEMENT

dated as of December 16, 2016

by and between

NBH Bank, as Lessor

and

Eunice Public School District No. 8, as Lessee

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LEASE-PURCHASE AGREEMENT

THIS LEASE-PURCHASE AGREEMENT, dated as of December 16, 2016 ("Lease"), by and between NBH Bank, as lessor (such lessor, together with any successor by merger, acquisition or otherwise, "Lessor"), and the Eunice Public School District No. 8, a school district created pursuant to the laws of the State of New Mexico, as lessee ("Lessee");

WITNESSETH:

WHEREAS, capitalized terms used in this Lease shall have the meanings set forth in Section 1.1 of this Lease; and

WHEREAS, Lessee wishes to facilitate the acquisition and purchase of the Project (as defined herein) to be used by Lessee, and Lessee is authorized pursuant to the laws of the State of New Mexico, particularly, NMSA 1978, Sections 22-26A-1 through 22-26A-20, to execute, perform, and make payments under agreements for such purposes and for the financing of "a building or other real property"; and

WHEREAS, the governing body of Lessee has determined that in order to accomplish such purposes, it is necessary and desirable to finance the Project pursuant to this Lease; and

WHEREAS, Lessor will cause to be provided the Lease Funding Proceeds for the acquisition, construction, installation and purchase of the Project to be leased pursuant to this Lease; and

WHEREAS, Lessee has agreed not to use any Lessee funds, other than funds in the Escrow Fund, for the acquisition, construction, installation and purchase of the Project; and

WHEREAS, Lessor and Lessee understand that the payment obligations of Lessee under this Lease are subject to the appropriation by Lessee in each Fiscal Year of sufficient funds to pay such obligations and, while Lessee has the present intention to appropriate such amounts, Lessee may not appropriate such amounts in future Fiscal Years; and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained, and for other good and valuable consideration, Lessor and Lessee agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease (as hereinafter defined) have the meanings herein specified:

“Acquisition Costs” means, with respect to any item or component of the Project, the contract price paid or to be paid therefor upon acquisition, construction, installation or purchase thereof in accordance with a purchase order or contract therefor. Acquisition Costs also include the administrative, engineering, legal, financial, and other costs incurred by Lessee in connection with the acquisition, purchase, or financing of the Project to the extent permitted by the Act, including the costs of issuance related to this Lease.

“Act” means the Public School Lease Purchase Act, NMSA 1978, Sections 22-26A-1 through 22-26A-20, as amended.

“Additional Rent Payment” means any payments due from Lessee to Lessor in accordance with Section 8.2 hereof during any period of an event of default under Section 8.1.

“Available Funds” means funds appropriated by Lessee from any lawfully available source.

“Certificate of Acceptance” means a written acknowledgment of Lessee Representative to Lessor stating substantially that all of the Project described in such acknowledgment has been acquired or delivered, and installed or constructed in conformity with the specifications of the manufacturer, installer or contractor, in substantially the form of Exhibit C hereto.

“Closing Date” means the date on which Lessor deposits, or causes to be deposited, the Lease Funding Proceeds and the delivery of this Lease.

“Escrow Agent” means BOKF, N.A., its successors and assigns.

“Escrow Agreement” means the Escrow Agreement between Lessee and the Escrow Agent related to the Escrow Fund and the payment of Acquisition Costs of the Project pursuant to Section 3.1 of this Lease.

“Escrow Fund” means the escrow fund established and maintained by the Escrow Agent pursuant to Section 3.1 of this Lease.

“Fiscal Year” means Lessee's fiscal year encompassing the period beginning on July 1 in any year and ending on June 30 in the next year.

“Lease” means this Lease-Purchase Agreement.

“Lease Funding Proceeds” means the funds provided by Lessor equal to the aggregate of the principal component of each Rent Payment set forth in Exhibit B hereto to Lessee to acquire, construct, install and purchase the Project.

“Lessee” means the Eunice Public School District No. 8, a local school district and political subdivision under the laws of the State of New Mexico.

“Lessee Representative” means the Superintendent of Schools of Lessee or any other person authorized by the governing body of Lessee to act on behalf of Lessee under or with respect to this Lease.

“Lessor” means NBH Bank and any successor thereto by merger, acquisition, assignment, or otherwise.

“Lessor's Representative” means the Director of Lessor or other person authorized by Lessor to act on behalf of Lessor under or with respect to this Lease.

“License” means the Right of Entry and License Agreement for Athletic Facilities Improvements, dated December 16, 2016, between Lessee and Lessor.

“Maximum Rate” means a net effective interest rate as defined in and calculated in accordance with the provisions of NMSA 1978, Sections 6-14-1 through 6-14-3, as amended.

“Permitted Investments” means any investment under the laws of the State for school districts.

“Person” means an individual, joint stock company, trust, unincorporated association, joint venture, corporation, business or owner trust, partnership, or other organization or entity (whether governmental or private).

“Prepayment” means any payment made by Lessee pursuant to Article IX of this Lease as a prepayment of the Rent Payments.

“Project” means, to the extent permitted by the Act, all of the real property and improvements, as set forth in Exhibit A hereof or substituted pursuant to Section 3.2 hereof, including fixtures attached to the land, being the Project described therein, to be acquired, constructed, installed or furnished by Lessor and leased to Lessee under this Lease.

“Rent Payment” means, collectively, any payments due from Lessee to Lessor in accordance with Section 4.4 hereof, including as set forth in Exhibit B hereto and any Additional Rent Payments as provided in Section 8.2 hereof.

“Rent Payment Date” means the dates on which Rent Payments are due under this Lease as provided in Section 4.4.

“Rent Payment Fund” means the fund or funds by that name established by Lessee pursuant to Section 4.4 hereof.

“Special Counsel” means an attorney duly admitted to the practice of law before the highest court of the State in which he/she maintains an office and who is not an employee of Lessor or Lessee.

“State” means the State of New Mexico.

"Term" or "Term of this Lease" means the time during which this Lease is in effect, as provided in Section 4.2 hereof.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, covenants, and warrants to Lessor as follows:

(a) Lessee has full power and authority to execute, deliver, and perform under this Lease and the License; all required procedures with respect to Lessee's execution, delivery, and performance of this Lease have been (or will be) complied with properly and in a timely manner; the execution, delivery, and performance of this Lease by Lessee have been duly authorized by Lessee and are not in contravention of any applicable laws or the terms of any other agreement to which Lessee is a party; this Lease evidences a valid and binding obligation of Lessee enforceable in accordance with its terms; and this Lease and the Rent Payments hereunder are lease-purchase arrangements and contractual obligations of Lessee within the meaning of NMSA 1978, Section 22-26A-5, as amended.

(b) To the knowledge of Lessee, there are no pending or threatened actions, suits, proceedings, or investigations contesting the authority for execution, delivery, or performance of, or expenditure of funds pursuant to this Lease.

(c) Information supplied and statements made or to be made by Lessee in any financial statement or current budget prior to or contemporaneously with this Lease are now, and will be true and correct on the Closing Date, and do not and will not omit to state any material facts required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(d) Lessee has immediate need for, and expects to make immediate use of the Project being leased under this Lease, which need, at the time of approval of this Lease, is not temporary or expected to diminish in the foreseeable future.

(e) The Project consists of property that constitutes athletic facilities as contemplated in the "Public School Building (4 Mill) Tax Question" authorized in Lessee's mill levy election of February 2, 2016.

(f) Lessee covenants to include within its draft annual budget for a particular Fiscal Year an item for an amount sufficient for the Rent Payments due in such Fiscal Year; provided, however, this covenant shall not prevent the Board of Education of Lessee from adopting a final annual budget for such Fiscal Year that does not appropriate amounts for any Rent Payments as contemplated in this Lease, including Sections 4.4 and 8.4.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants, and warrants to Lessee as follows:

(a) Organization and Good Standing. Lessor is a Colorado banking corporation; has power to enter into this Lease; has full power to own, hold, finance and furnish the Project in accordance herewith and to lease and sell the same; and has duly authorized the execution and delivery of all such agreements.

(b) No Conflicts. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance whatsoever upon any of the property or assets of Lessor or upon the Project, except as provided under the terms hereof.

(c) Valid and Binding Obligation. This Lease, when executed and delivered by Lessor and assuming the valid execution and delivery hereof by Lessee, will constitute the legal, valid, and binding obligations of Lessor enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights generally and general equitable principles.

ARTICLE III DEPOSIT OF LEASE FUNDING PROCEEDS; ESCROW FUND; ACQUISITION OF THE PROJECT

Section 3.1. Escrow Fund; Deposit of Lease Funding Proceeds. (a) On the Closing Date, Lessor shall cause an amount equal to the aggregate of the principal component of each Rent Payment set forth in Exhibit B hereto to be deposited into the Escrow Fund established with the Escrow Agent pursuant to the Escrow Agreement. Pursuant to the Escrow Agreement, Lessee shall requisition funds from the Escrow Fund for the Acquisition Costs of the Project, including the financial and legal costs of Lessee associated with this Lease.

(b) Subject to the terms of the Escrow Agreement and this Lease, the funds in the Escrow Fund shall be used by Lessee to pay the costs to acquire, construct, install or purchase the Project set forth in Exhibit A, as provided in Article III hereof, and to pay the financial and legal costs of Lessee associated with this Lease. Any earnings of the Escrow Fund shall be held and administered in the account and utilized in the same manner as the other monies on deposit therein for the benefit of Lessee.

(c) The Escrow Agreement in substantially the form and substance attached hereto as Exhibit D is hereby approved and the Superintendent of Schools of Lessee is hereby authorized and directed to complete, amend, modify and execute the Escrow Agreement, as necessary.

Section 3.2. Acquisition, Construction and Installation of the Project.

Except as otherwise provided in this Section 3.2 hereof, Lessor agrees to the acquisition of the Project set forth in Exhibit A. Lessor hereby authorizes Lessee to enter into one or more contracts or purchase orders providing for the acquisition, construction, installation and/or purchase of the Project. Lessor will take such actions as may be necessary to cause the Project to be delivered to Lessee. Lessee agrees that upon acquisition, construction or installation of any item or component of the Project, it will take possession of that item or component of the Project under the terms and provisions of this Lease, and such item or component will automatically become subject to this Lease without any further action of Lessee.

Lessee shall acquire, construct or install the Project under this Lease within a reasonable period of time, but not longer than three years after the Closing Date, except as provided by Sections 5.4 and 5.8. Lessee and Lessor may agree to substitute other real property and improvements qualifying for financing pursuant to the Act for any item or component of the Project, provided (i) any substituted property acquired with amounts in the Fund shall meet the requirements and covenants for the Project set forth in this Lease and Lessee's related federal tax certificate related to such property and the Rent Payments, (ii) any substituted property constitutes athletic facilities as contemplated in the "Public School Building (4 Mill) Tax Question" authorized in Lessee's mill levy election of February 2, 2016, (iii) any substituted property is real property and improvements, including fixtures attached to the land, permitted by the Act and (iv) Lessee shall notify Lessor of such substitution and after all property (and property substituted for the Project) is acquired, Lessee shall provide a detailed description of the Project actually acquired under this Lease to Lessor.

Notwithstanding the foregoing and except as provided in Sections 4.4 and 8.4 as a result of the non-appropriation relating to this Lease by Lessee, there shall therefore be no offset or reduction for any reason of the Rent Payments required to be made by Lessee which are described herein.

Section 3.3. Payment of Acquisition Costs. As provided in Sections 3.1 and 3.2, payment of the cost of acquiring, constructing, installing and purchasing the Project shall be made from the Lease Funding Proceeds deposited in the Escrow Fund.

Section 3.4. Unexpended Proceeds in Escrow Fund. Upon the filing with Lessor of the Certificate of Acceptance with respect to the Project, Lessee shall cause to be transferred to the Rent Payment Fund all excess moneys remaining in the Escrow Fund (other than any moneys, if any, retained therein at the direction of Lessee Representative to pay Acquisition Costs not then due and payable) to be applied to pay or prepay any portion of Rent Payments thereafter coming due.

If, on the final scheduled due date of the Rent Payments under this Lease, funds remain in the Escrow Fund necessary for completion of the Project, such funds shall remain in the Escrow Fund and shall be utilized to complete the Project, notwithstanding the full payment and termination of this Lease.

Section 3.5. Certificate of Acceptance. Upon completion of the Project, Lessee shall file a Certificate of Acceptance with respect to the Project with Lessor.

**ARTICLE IV:
AGREEMENT TO LEASE; TERMINATION OF THIS LEASE;
RENT PAYMENTS; TITLE TO PROJECT**

Section 4.1. Lease. Lessor hereby leases to Lessee the Project, and Lessee hereby leases the Project from Lessor, upon the terms and conditions set forth herein.

Section 4.2. Term of Lease. The Term of this Lease of the Project and of the right to use each item or component of such Project described therein shall commence on the Closing Date and shall continue until (i) all payments under this Lease to finance such Project have been paid and are no longer outstanding or (ii) upon the failure of Lessee to appropriate sufficient funds to pay the obligations under this Lease. Lessor shall give Lessee written notice of the occurrence of the Closing Date and the final payment of this Lease. Notwithstanding the foregoing, neither the term of this Lease, nor the final Rent Payment Date under this Lease, shall exceed thirty (30) years after the date of execution of this Lease.

Section 4.3. Possession. It is contemplated that Lessee will take possession of the Project in accordance with the terms of the acquisition, construction or installation contracts and purchase orders described in Section 3.2 hereof. Notwithstanding the failure of Lessee to take possession of any item or component of Project, however, each Rent Payment hereunder shall be due on the date set out in this Lease.

Section 4.4. Rent Payments for Project; Rent Payment Fund.

(a) **Obligation to Pay.** Subject to the provisions of the terms of this section, Section 8.4 and Article IX, Lessee agrees to pay Lessor, its successors, and assigns, for the right of use, acquisition, improvements and purchase of the Project, the sum obtained by adding the Rent Payments in the amounts specified in Exhibit B hereto on each Rent Payment Date as reflected in such exhibit. Lessee agrees to pay any amounts required to be deposited to the Rebate Fund established under Section 5.4 hereof for rebate (hereinafter referred to as a "Rebate Payment") to the U.S. Department of the Treasury (which amounts shall be calculated by Lessee or its agent and the result of such calculation provided in writing to Lessor). Each Rebate Payment shall be made in accordance with the terms of Section 5.4 hereof. Any amount held in the Rent Payment Fund on any date when a Rent Payment is required to be made shall be credited towards the Rent Payment then due and no additional Rent Payment need be made by Lessee into the Rent Payment Fund on any such date if the amounts then held in the Rent Payment Fund are at least equal to the Rent Payment then required to be paid. Lessee hereby covenants to establish and maintain with respect to the Lease, a special interest and sinking fund to be denoted the "Rent Payment Fund", at a depository of Lessee, solely for the benefit of this Lease. The Rent Payment Fund shall be kept separate and apart from all other funds and accounts of Lessee and held in trust for the benefit of Lessor, and shall be used only for paying Rent Payments.

Notwithstanding anything herein to the contrary, the rate of interest applicable to the Rent Payments, including any Additional Rent Payments and the interest component of any Rent Payment set forth in Exhibit B, shall never be interpreted to exceed the maximum net effective interest rate permitted by the Public Securities Act NMSA 1978 Sections 6-14-1 through 6-14-3, as amended, and, in such event, such rate of interest shall automatically be reduced to such maximum rate for all purposes.

For the current Fiscal Year of Lessee, Lessee hereby appropriates from Available Funds sufficient amounts to meet Lessee's obligations under this Lease, including any applicable Rent Payments due in the current Fiscal Year.

Subject to the paragraph below, the obligation of Lessee to make Rent Payments shall be absolute and unconditional and is not subject to abatement or set-off. Notwithstanding any dispute arising with regard to the Project, Lessee shall make all Rent Payments when due and shall not withhold Rent Payment pending final resolution of any dispute related to the Projects, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such Rent Payments. Lessee's obligation to make Rent Payments shall not be abated through accident or unforeseen circumstances. The obligation to make Rent Payments is an independent covenant.

There is no legal obligation for Lessee to continue this Lease Fiscal Year to Fiscal Year or to purchase the Project, and the obligation of Lessee to make Rent Payments and any other payment obligation under this Lease is subject to the appropriation and sufficiency of Available Funds by Lessee from Fiscal Year to Fiscal Year. Lessee presently intends to continue this Lease for the Term and to pay all Rent Payments or other payments required hereunder.

Lessee shall provide written notice to Lessor of Lessee's appropriation or non-appropriation of amounts sufficient for the payment of Rental Payments for a particular Fiscal Year as soon as practical after the adoption of the budget for such Fiscal Year.

(b) Fair Rental Value. Such Rent Payments for each rent payment period during the Term of this Lease shall constitute the total rental for such rent payment period and shall be paid by Lessee in each rent payment period for and in consideration of the right of the use of the Project during each such period for which such rental is to be paid. The parties hereto have agreed and determined that such total rental represents the fair rental value of such Project.

(c) Reduction Upon Partial Prepayment. In the event Lessee prepays less than all of the remaining principal components of the Rent Payments corresponding to this Lease pursuant to an option to pre-pay such principal components, as set forth in this Lease, the amount of such prepayment shall be applied to reduce the remaining principal components and, thereby, the interest components of each subsequent remaining Rent Payments such that the Rent Payments are reduced on an approximately proportionate basis corresponding to the reduction in principal with respect to this Lease as a result of such prepayment.

Section 4.5. Quiet Enjoyment. During the Term of this Lease, Lessor shall provide Lessee with quiet use and enjoyment of the Project and during such term Lessee shall peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from Lessor, except as expressly set forth herein. Lessor will, at the request of Lessee and at Lessee's cost, join in any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor may lawfully do so. Notwithstanding the foregoing, Lessor shall have the right to inspect the Project as provided in Section 6.3 hereof.

Section 4.6. Title to the Project. During the Term, Lessee shall hold title to the Project described herein and any and all additions which comprise repairs, replacements, substitutions or modifications, and Lessor shall retain an equitable lien on the title to such Project and any and all repairs, replacements, substitutions, and modifications to the Project. Lessee shall not permit any lien or encumbrance of any kind to exist against the title to the Project while this Lease is in effect. Lessee shall cause appropriate financing statements (UCC-1s) under the New Mexico Uniform Commercial Code in favor of Lessor to be filed with the New Mexico Secretary of State relating to the Project. Upon termination of this Lease, except as otherwise provided in Article VIII hereof and in the License, legal title to the Project shall immediately be conveyed by Lessor to Lessee, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the conveyance of such title to Lessee and the termination of Lessor's interest in the Project, including any financing termination statements under the New Mexico Uniform Commercial Code. In the event of default as set forth in Section 8.1, remedies of Lessor shall be restricted as described in Section 8.2 hereof.

If Lessee pays all Rent Payments during the Term hereof as the same come due and payable, all right and interest of Lessor in and to all of the Project described in Exhibit A hereto shall be transferred to and vested in Lessee, without the necessity of any additional document of transfer in recognition of Section 4.3 hereof.

Section 4.7. No Non-Lease Funding Proceeds Improvements to Project. Notwithstanding the second paragraph of Section 8.4 hereof, Lessee and Lessor agree that Lessee shall not use any funds, other than Lease Funding Proceeds, to acquire, construct, install or purchase any improvement to the Project during the term of this Lease. Prior to any termination of this Lease as contemplated in the second paragraph of Section 8.4 hereof, Lessor may require Lessee to remove any improvements to the Project that were funded by Lessee from funds other than Lease Funding Proceeds at Lessee's cost.

ARTICLE V MAINTENANCE, TAXES, TAX COVENANTS AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease, as part of the consideration for the right of rental of the Project, all improvement, repair, and maintenance of the Project shall be the responsibility of Lessee, and Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Project resulting from ordinary wear and tear or want of

care on the part of Lessee or any sub-lessee thereof. In exchange for the Rent Payments herein provided, and subject to Lessor's legal title as hereinbefore set forth, Lessor agrees to, and does hereby grant Lessee the right to use the Project as hereinbefore and hereafter or specifically set forth.

Lessee shall use the Project only for its proper purposes and will not install, use, operate or maintain the Project improperly, carelessly or in violation of any applicable law, ordinance, rule or regulation of any governmental authority, or in a manner contrary to the nature of the Project or the use contemplated by its manufacturer, contractor or installer. The Project shall be used by Lessee as permitted by law. Lessee shall obtain, at its expense, all registrations, permits, and licenses, if any, required by law for the acquisition, construction, installation and operation of the Project.

Lessee shall also pay or cause to be paid all taxes and assessments of any type or nature charged to Lessor or Lessee or levied, assessed or charged against any item or component of the Project or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

Lessee may, at Lessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that nonpayment is affecting timely payment of the Rent Payments, or in the case of Lessor that, in the opinion of Special Counsel, by nonpayment of any such items, the interest of Lessor in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay such taxes, assessments, or charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor.

Section 5.2. No Lessee Funds to be Used for Acquisition, Construction, Installation or Improvement of Project; Modification of Project. Lessee shall not improve the Project during the term of this Lease, except as provided in Article III and no funds of Lessee shall be used for any portion of the Project during the term of this Lease. Lessee shall not have the right to make additions, modifications and improvements to any item or component of the Project during the Term without the prior written consent of Lessor.

Section 5.3. Liens. Lessee shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Project, other than the respective rights of Lessor and Lessee as herein provided or under the License. Except as expressly provided in this Article V, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, encumbrance or claim, for which it is responsible, if the same shall arise at any time. Lessee shall reimburse Lessor for any

expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, or encumbrance of claim.

Section 5.4. Tax Covenants with Respect to Lease. Lessee and, to the extent applicable, Lessor covenant to each other, to take any action necessary to assure, or to refrain from any action which would adversely affect, the treatment of the interest component of the Rent Payment (the "Interest Component") to be made pursuant to this Lease as an obligation described in section 103 of the Internal Revenue Code of 1986 (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, Lessee and, to the extent applicable, Lessor, covenant to each other as follows:

(a) to take any action to assure that no more than ten percent (10%) of the Lease Funding Proceeds relating to the Lease or the Project financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than ten percent (10%) of such proceeds or such projects financed therewith are so used, to assure that such amounts, whether or not received by Lessee, with respect to such private business use, do not, under the terms of this Lease or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) of the Rent Payments due under this Lease, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent (5%) of the Lease Funding Proceeds relating to this Lease or the Project financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent (5%) is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent (5%) of the Lease Funding Proceeds related to this Lease (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the portion of this Lease related to the Payments being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Lease being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the Lease Funding Proceeds related to this Lease, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section

148(b)(2) of the Code), which produces a materially higher yield over the term of the Lease, other than investment property acquired with:

(A) Lease Funding Proceeds of this Lease invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which this Lease is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the Lease Funding Proceeds of this Lease;

(g) Lessee shall deposit in the Rebate Fund for the benefit of the United States of America at least once during each five-year period (beginning on the date of delivery of this Lease), and no later than the fifth anniversary of such date of delivery, an amount that is at least equal to ninety percent (90%) of the "Excess Earnings," within the meaning of section 148(f) of the Code and Lessee shall pay to the United States of America, not later than 60 days after this Lease have been paid in full, one hundred percent (100%) of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(h) to maintain such records as will enable Lessor and Lessee to fulfill their respective responsibilities under this Section and section 148 of the Code and to retain such records for at least six years following the final payment of the Rent Payments under this Lease.

In order to facilitate compliance with the above subsections (g) and (h), a "Rebate Fund" shall be established within the Rent Payment Fund by Lessee for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation Lessor. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Lessor and Lessee understand that the term "Lease Funding Proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the Closing Date of this Lease. It is the understanding of Lessor and Lessee that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to this Lease, Lessor and Lessee will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of the Rent Payments under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements that are applicable to the Lease,

Lessor and Lessee agree to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of the Rent Payments under section 103 of the Code. In furtherance of such intention, Lessor and Lessee hereby authorize and direct Lessor Representative and Lessee's Representative, respectively, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of Lessor and Lessee, which may be permitted by the Code.

Section 5.5. Damage to or Destruction of Project. Upon the acquisition, construction or installation of any of the Project, Lessee shall bear the entire risk of loss, damage, theft or destruction of such Project from any and every cause whatsoever. No loss, damage, destruction, or other event shall release Lessee from the obligation to pay the full amount of Rent Payments or from any other obligation hereunder

Section 5.6. Disposition of Project. Lessee covenants that the Project will not be sold or otherwise disposed of in a transaction resulting in the receipt by Lessee of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of this Lease. For purposes of the foregoing, Lessee may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the status, for federal income tax purposes, of the Interest Component of any Rent Payment. For purposes of the foregoing, any portion of the Project comprising personal property, ancillary to the Project as a whole, and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, Lessee shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the Interest Component of any Rent Payment.

Section 5.7. Insurance. For the term of the Lease, Lessee shall, at its own expense, obtain and maintain the following policies of insurance which shall meet the following conditions, to the extent allowed by state law or Lessee's required insurer, the New Mexico Public School Insurance Authority ("NMPSIA"): (i) any insurance policy may have a deductible clause in an amount not to exceed \$20,000; (ii) each insurance policy shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor, as their respective interests may appear; (iii) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Lessee and Lessor without first giving written notice thereof to Lessee and Lessor at least thirty (30) days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with Lessor upon request; (v) full payment of insurance proceeds under any insurance policy up to the dollar limit required by this section in connection with damage to the Project shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by Lessee; and (vi) to the extent Lessee can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. Lessee may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar

risks. Lessee agrees to pay the premiums for any insurance required by Lessor, as additional rent payments, subject to the appropriation by Lessee of the amounts set forth in Section 4.4(a).

(a) Casualty and property damage insurance with respect to the Project in an amount equal to the greater of (i) full replacement value of the Project or (ii) the aggregate Rent Payments outstanding under the Lease, unless the insurable value is less than the aggregate Rent Payments outstanding under the Lease, in which event in an amount equal to the full replacement value of the Project.

(b) Commercial general liability and automobile liability insurance against claims arising in, on, or about the Project, providing coverage limits not less than the coverage limits allowed by NMPSIA or customarily carried on public school district facilities of similar size and character within the State.

(c) Fidelity insurance or bonds on those of its officers and employees who handle funds of Lessee, both in such amounts and to such extent as are customarily carried by organizations similar to Lessee and operating properties similar in size and character to the Project.

(d) Rental value insurance covering all risks as to which insurance is required pursuant to subsection (a) above, in an amount equal to not less than the amounts required to be paid as Rent Payments for a period of not less than twelve (12) months.

(e) Such other forms of insurance as Lessee is required by law to provide with respect to the Project, including any legally required worker's compensation insurance and disability benefits insurance.

Section 5.8. Allocation of, and Limitation on, Expenditures for the Project.

Lessor and Lessee covenant to account for the expenditure of Lease Funding Proceeds and investment earnings to be used for the Project on their books and records by allocating such proceeds to expenditures within 18 months of the later of the date that (a) the expenditure is made, or (b) the Project is acquired. The foregoing notwithstanding, the Lessee shall not expend the Lease Funding Proceeds or investment earnings thereon more than 60 days after the earlier of (a) the fifth anniversary of the delivery of this Lease, or (b) the date this Lease is terminated, unless Lessee obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of this Lease or the interest component of any Rental Payment. For purposes hereof, Lessor and Lessee shall not be obligated to comply with this covenant if they obtain an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest component of any Rental Payment.

Section 5.9. Designation as Qualified Tax-Exempt Obligations. Lessee hereby designates this Lease as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, Lessee represents, covenants and warrants the following: (a) that during the calendar year in which this Lease was entered into, Lessee (including any subordinate entities) has not designated nor will

designate obligations, which when aggregated with the Lease Funding Proceeds, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) that Lessee reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which this Lease was entered into, by Lessee (or any subordinate entities) will not exceed \$10,000,000; and (c) that Lessee will take such action or refrain from such action as necessary, and as more particularly set forth in Section 5.4 hereof, in order that this Lease will not be considered "private activity bonds" within the meaning of section 141 of the Code.

Section 5.10. Financial Reporting and Budget Requirements. While this Lease is outstanding, Lessee shall provide the following to Lessor: (a) audited financial statements, prepared by an independent certified public accountant, to be provided the earlier of (i) 14 days after acceptance of such audit by Lessee or (ii) 180 days after the close of each Fiscal Year; (b) the annual budget of Lessee, in a form prepared by Lessee, to be provided by July 31 of the Fiscal Year such budget relates; and (c) such other readily available financial information of Lessee reasonably requested by Lessor.

ARTICLE VI DISCLAIMER OF WARRANTIES; ACCESS

Section 6.1. Warranties. Lessee acknowledges and agrees that the Project is of the size, design and capacity selected by Lessee based upon its own judgment. LESSOR HAS MADE AND MAKES NO WARRANTY OR REPRESENTATION, WARRANTY OR COVENANT, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE TITLE, VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE PROJECT OR ANY ITEM OR COMPONENT THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT OR ANY ITEM OR COMPONENT THEREOF OR THE CONFORMITY OF THE PROJECT TO SPECIFICATIONS, CONTRACTS OR PURCHASE ORDERS, ITS DESIGN, DELIVERY, CONSTRUCTION, INSTALLATION OR OPERATION. IN NO EVENT SHALL LESSOR BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS LEASE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE PROJECT.

Section 6.2. Lessee's Right to Enforce Warranties. Lessee shall have all rights with respect to any warranties of the manufacturers, contractors, installers and any other persons with respect to the Project and the right to enforce such warranties against the manufacturers, contractors, installers and such other persons. Any recovery under a warranty shall be payable to Lessee.

Section 6.3. Access to the Project. Lessee agrees that Lessor and any Lessor Representative, and Lessor's successors or assigns, shall have the right at all times during regular business hours of Lessee and upon reasonable notice to Lessee to examine and inspect the Project.

Section 6.4. Release and Indemnification. Subject to the limitations and exceptions in the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 *et seq.*, as amended, and to the extent it is otherwise expressly authorized by law, Lessee shall indemnify and save harmless Lessor and its agents, employees, officers, and directors from and, at Lessee's expense, defend Lessor and its agents, employees, officers, and directors against all liability, obligations, losses, damages, penalties, claims, actions, costs, and expenses (including but not limited to reasonable attorneys' fees) of whatsoever kind or nature which in any way relate to or arise out of this Lease or the selection, purchase, delivery, ownership, rental, possession, operation, condition, sale or return of the Project; provided that Lessee shall not indemnify any person under this Section 6.4 for any liability arising from such person's own negligence or willful misconduct. All amounts which become due from Lessee under this provision shall be credited with any amounts received by Lessor from insurance provided by Lessee and shall be payable by Lessee within thirty (30) days following demand therefor by Lessor and shall survive the termination or expiration of this Lease. Notwithstanding the foregoing, any amounts payable to Lessor pursuant to this Section 6.4 shall be offset by any amounts received by Lessor from third parties arising from any such third parties' liability for the same occurrence.

ARTICLE VII ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 7.1. Assignment and Subleasing by Lessee. This Lease with the prior written approval of Lessor, which shall not be unreasonably withheld, may be assigned or subleased by Lessee without cost to Lessee and with all of the rights and benefits of its predecessor in interest being transferred to the assignee to (1) a school district or charter school, or (2) the State or one of its institutions, instrumentalities or other political subdivisions thereof.

Section 7.2. Amendment of Lease. This Lease may not be altered, modified or canceled without the written consent of Lessor and Lessee and, except amendments that would improve the Project without additional financial obligations to Lessee, the approval of the New Mexico Public Education Department; provided Exhibit B hereto shall be revised by Lessee and Lessor from time to time to account for any partial prepayments of the Rent Payments, as provided in Section 9.1 hereof, without any approval of the New Mexico Public Education Department.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES; NON-APPROPRIATION BY LESSEE

Section 8.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used herein, any one or more of the following events whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(a) Lessee's failure to make a Rent Payment from Available Funds when due in any Fiscal Year for which Lessee has appropriated sufficient funds for such purpose; or

(b) Lessee's failure to make any payment required hereunder, other than a Rent Payment, or its failure to comply with any other obligation, condition or agreement of Lessee hereunder for a period of thirty (30) days after notice thereof, in any Fiscal Year for which Lessee has appropriated sufficient funds for such purpose; or

(c) Any representation made by Lessee hereunder shall be untrue in any material respect as of the date made; or

(d) Lessee shall make, permit or suffer any unauthorized assignment, transfer or other disposition of this Lease or any interest herein, or any part of the Project or any interest therein; or

(e) Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to or acquiesces in the appointment of a trustee, receiver or custodian for Lessee or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for Lessee or a substantial part of its property and is not discharged within sixty (60) days of such appointment; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against Lessee and, if instituted against Lessee, is consented to or acquiesced in by Lessee or is not dismissed within sixty (60) days of such institution.

For the avoidance of doubt, an event of Lessee failing to appropriate sufficient Available Funds to make Rent Payments and any other payment obligation under this Lease for any Fiscal Year, as provided in Section 4.4 and 8.4 hereof, shall not constitute a default or event of default under this Lease and Section 8.4 shall govern the rights and obligations of Lessee and Lessor upon the occurrence of such an event.

Section 8.2. Remedies Upon Event of Default. Upon the happening and continuance of (a) any event of default specified in Section 8.1, Lessor or its assigns may proceed to protect and enforce this Lease by such judicial proceedings as such Persons shall deem most effectual, either by suit in equity, mandamus or by action at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the exercise of any power granted herein.

Notwithstanding anything in this Lease to the contrary, for any period an event of default under Section 8.1 hereof has occurred and is continuing, Lessee shall pay to Lessor an Additional Rent Payment equal to the three percent (3%) per annum on the aggregate outstanding principal component of the Rent Payments set forth in Exhibit B to this Lease, calculated on the basis of a 360-day year consisting of twelve 30 day months. Such Additional Rent Payment shall be paid on each Rent Payment Date

during such event of default and the first Rent Payment Date following the end of such event of default if an Additional Rent Payment is due.

Section 8.3. No Waiver. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In the event any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach thereunder. In order to entitle Lessor to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Non-Appropriation by Lessee and Termination of Lease. In the event Lessee does not appropriate sufficient Available Funds to make Rent Payments and any other payment obligation under this Lease for any Fiscal Year and terminates Lessee's obligation to continue this Lease at such Fiscal Year's beginning, this Lease shall automatically terminate and Lessee shall have no further payment obligations under this Lease. In such event, Lessor may secure the Project and exercise its rights under the License, including preventing Lessee's access and use of the Project. Pursuant to the terms of the License, Lessor shall have, within 180 days of the termination of the Lease at the beginning of the Fiscal Year in which Lessee has non-appropriated for payments hereunder, the option to remove all fixtures then attached to the land and any other portion of the Project that can be removed without permanent damage to the underlying property of Lessee, all as described in the License. Additionally, in the event of non-appropriation of Rent Payments by Lessee, all amounts then in the Escrow Fund and the Rent Payment Fund shall be paid to Lessor as a prepayment of Rent Payments pursuant to Sections 4.4(c) and 9.1.

If Lessee's funds or funds of the State of New Mexico, above those required for the Rent Payments, are used to construct or acquire improvements to the Project, the cost of the improvements shall constitute a lien on the Project in favor of Lessee and then, if this Lease is terminated, prior to the final Rent Payment and the release of the security interest of Lessor or the transfer of title, at the option of Lessee as provided in Section 4.4 and 8.4 hereof: (1) Lessee may foreclose such lien on the Project; or (2) the current market value of the Project at the time of termination, as determined by an independent appraisal certified by the New Mexico Taxation and Revenue Department, in excess of the outstanding principal components of due under this Agreement shall be paid to Lessee. Notwithstanding the foregoing sentence, Lessee and Lessor agree that Lessee shall not use any funds, other than Lease Funding Proceeds, to acquire, construct, install or purchase any improvement to the Project during the term of this Lease. Prior to any termination of this Lease as contemplated in the first sentence of this paragraph, Lessor may require Lessee to remove any improvements to the Project that were funded by Lessee from funds other than Lease Funding Proceeds at Lessee's cost.

**ARTICLE IX
PREPAYMENT OF RENT PAYMENTS AND
EXERCISE OF PURCHASE OPTION AT END OF LEASE**

Section 9.1. Optional Prepayment. Lessee shall have, and is hereby granted, the option to prepay Rent Payments relating to this Lease at any time, in whole or in part, at the option of Lessee, with funds derived from any available and lawful source, equal to the sum of (a) the principal component of a Rent Payment being prepaid, (b) the portion of the interest component related to the prepayment accruing on such principal component to the date fixed for prepayment each as specified in Exhibit B hereto and (c) a prepayment premium of the principal component of a Rent Payment being prepaid of (i) two percent (2%) if prepayment occurs between the Closing Date and December 14, 2017 and (ii) one percent (1%) if prepayment occurs between December 15, 2017 and December 14, 2018. Lessee shall effectuate a prepayment by (A) well and truly paying or causing to be paid such Rent Payment and (B) giving Lessor notice in writing of Lessee's intention to exercise such option not less than three (3) business days prior to the date of the prepayment. Any prepayment in part of Rent Payments in accordance with this Section 9.1 shall be in amounts equal to at least \$100,000 and any integral multiple of \$5,000 of the principal component of a Rent Payment, plus interest accruing on such principal component of a Rent Payment to the date fixed for prepayment. Lessee shall, upon prepayment of Rent Payments, specify to Lessor the specific payments being prepaid, if less than all Rent Payments hereunder are being prepaid. Upon any partial prepayment, Lessee and Lessor shall agree on a revised Exhibit B that reflects the partial prepayment of the Rent Payments consistent with the terms hereof, including Exhibit B.

Section 9.2. Credit for Funds on Deposit. As a result of prepayment of Rent Payments in whole, Lessee will utilize all amounts then on deposit in a Rent Payment Fund or the Escrow Fund (other than any moneys, if any, retained therein at the direction of Lessee Representative to pay Acquisition Costs not then due and payable) towards the amounts then required to be so prepaid and if any amounts remain on deposit in such funds after prepayment of all Rent Payments and other amounts required to be paid by Lessee hereunder, Lessee may use such residuals for any lawful purpose.

Section 9.3. Exercise of Lessee's Option to Purchase Project at End of Lease. Pursuant to the Act and subject to Lessee's ability to not appropriate for Rent Payments as provided in Sections 4.4(a) and 8.4, Lessor grants to Lessee the right to purchase the Project at the end of the Term of this Lease for \$1. Lessee hereby exercises such option to purchase and Lessor hereby acknowledges receipt of \$1 from Lessee and other valuable consideration.

**ARTICLE X
MISCELLANEOUS**

Section 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid:

If to Lessee: Eunice Public School District No. 8
Attn: Superintendent
1720 Avenue K
Eunice, New Mexico 88231

If to Lessor: NBH Bank
Attention: Government & Nonprofit Finance
7800 Orchard Road, Suite 300
Greenwood Village, Colorado 80111

Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.2. Binding Effect and Beneficiaries. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns (to the extent permitted hereby).

Section 10.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.4. Investments. Amounts on deposit from time to time in the Rent Payment Fund and the Escrow Fund shall be invested in Permitted Investments by Lessee.

Section 10.5. Net-Net-Net Lease. This Lease shall be deemed and construed to be a "net-net-net lease" and Lessee hereby agrees that Rent Payments shall be an absolute net return to Lessor, free and clear of any expenses, charges, or setoffs whatsoever.

Section 10.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

Section 10.7. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 10.9. Lessor and Lessee. Whenever under the provisions of this Lease the approval of Lessor or Lessee is required, or Lessor or Lessee is required to take some action at the request of the other, such approval or such request shall be given for

Lessor by a Lessor Representative and for Lessee by a Lessee Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10. Timeliness. Time is of the essence. No covenant or obligation hereunder to be performed by Lessee may be waived except by the written consent of Lessor, and a waiver of any such covenant or obligation shall not be deemed a waiver of any other covenant or obligation as to any other occasion and shall not preclude Lessor from invoking such remedy at any later time prior to Lessee's cure of the condition giving rise to such remedy. Lessor's rights hereunder are cumulative and not alternative.

Section 10.11. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section hereof.

Section 10.12. Reimbursement. This Lease is intended to satisfy the official intent requirements of Lessee set forth in Section 1.150-2 of the Treasury Regulations relating to the Project as described in Exhibit A to this Lease.

Section 10.13. No Rating, CUSIP Number or Securities Depository. The Lease has not and is not expected to be, rated by a nationally recognized organization which regularly rates such obligations, assigned a CUSIP number or registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

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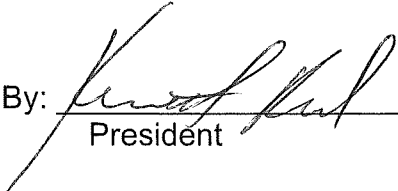
IN WITNESS WHEREOF, Lessor has caused this Lease to be executed in its name by its duly authorized officers; and Lessee has caused this Lease to be executed in its name by its duly authorized officers, as of the date first above written.

NBH Bank, as Lessor

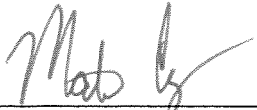
By: B. Hill
Title: DIRECTOR

Board of Education of the
Eunice Public School District No. 8,
as Lessee

(SEAL)
§§

By: 
President

Attest:


Secretary