

FIRST AMENDMENT TO THE
LEASE AGREEMENT WITH OPTION TO PURCHASE
BETWEEN THE FOUNDATION FOR MONTE DEL SOL CHARTER SCHOOL
AND MONTE DEL SOL CHARTER SCHOOL

The Foundation for Monte Del Sol Charter School (“Lessor”) and Monte Del Sol Charter School (“Lessee”) entered into a Lease Agreement with Option to Purchase, which is dated October 18, 2012 (the “Original LPA”) and the parties desire to amend the Original LPA as set forth in this First Amendment to Lease Agreement with Option to Purchase between The Foundation for Monte Del Sol Charter School and Monte Del Sol Charter School (“First Amendment”).

WHEREAS, the parties agree that the following changes and amendment to the Original LPA are consistent with the original intent and obligations of the Original LPA and that the only purpose of this amendment is to clarify Articles I, V and VI and subsections thereunder as set forth herein.

WHEREAS, the parties agree that this First Amendment is in the best interest of both parties and for protection of the public property involved.

NOW THEREFORE, the parties agree to the following changes to the Original LPA; deletions indicated by strike through and additions by language in italics:

1. ARTICLE I - DEFINITIONS AND EXHIBITS

Section 1.2 Exhibits shall be amended to add the following:

Exhibit C – Base Rent Schedule

2. ARTICLE V – AGREEMENT RENTAL PAYMENTS

Section 5.1 Agreement Payments shall be amended as follows:

(a) Lessee agrees to pay Lessor and Lessor agrees to accept as full rent payment for the School Site a sum equal to *the amounts provided in the Base Rent Schedule attached as Exhibit C* ~~\$21,146.00 (twenty one thousand one hundred and forty six dollars)~~ the (“Base Rent”), payable monthly on the first day of the first month following the Commencement Date and each succeeding month throughout the term of the Agreement. Any partial month will be calculated on a pro rata basis. The Base Rent shall not be adjusted as a result of capital improvements to the building or real property made by Lessee, the Santa Fe Public School District or the State without written approvals as may be required by the Public School Lease Purchase Act. ~~The Base Rent shall be subject to review on an annual basis and may be adjusted based on lease reimbursement payments set by the State, but in no event shall be adjusted to an amount less than the monthly mortgage and other loan amounts owed by Lessor.~~

(b) A portion of each payment of Base Rent is paid as, and represents payment of, interest as shown on Exhibit C hereto, which sets forth the principal and interest component of each payment made under the Agreement. Upon receipt by the Lessor of each payment of Base Rent, the Lessor shall apply the amount of each Base Rent payment to principal and interest as

shown on Exhibit C, thereby reducing the purchase price for each succeeding Option Date as defined in Section 6.2.

(c) Lessee and Lessor agree that the Base Rent payments, as used in this Section 5.1 hereof, do not include payments for repair, maintenance, operating expenses and the like which are otherwise obligations of Lessee as Operating Expenses under the terms of Section 7.1 of this Agreement.

(d) The Base Rent and other obligations payable by the Lessee under this Agreement shall constitute currently appropriated expenditures of the Lessee and shall not constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the Lessee or a mandatory charge or requirement against the Lessee in any fiscal year (July 1 to June 30) beyond the fiscal year for which such payments have been approved.

3. ARTICLE VI - CONTINGENT OPTION TO PURCHASE

Section 6.2 Option date. Term shall be amended as follows:

Lessee may purchase the School Site at any time prior to the termination of this Lease for the Purchase Price as set forth in Section 6.5, provided that Lessee provides Lessor with thirty (30) days prior notice of Lessee's intent to exercise of this option. ~~after which Lessee's payments of Base Rent shall thereafter be applied to and shall reduce the Option Price set forth in Section 6.5 below until the Option Price is fully paid.~~ If this option is not exercised and the sale and transfer of the property is not completed on or prior to the sixtieth (60th) day following the termination of this Lease, this option shall expire and thereafter be of no further force or effect.

Section 6.5 Purchase Price on Exercise of the Option. The language in this section shall be stricken in its entirety and replaced with the following language:

Section 6.5 Purchase Price on Exercise of Option: The Purchase Price for the School Site shall be \$3,939,111.07 (Three Million, Nine Hundred Thirty-Nine Thousand, One Hundred and Eleven Dollars and seven cents) of principal upon which interest shall accrue at an annual rate of 5.00% per annum and in accordance with the schedule attached as Exhibit C. Said interest rate does not exceed the maximum permitted by the Public Securities Act, Section 6-14-1 through 6-14-3 NMSA 1978. The price to be paid by Lessee to Lessor for the School Site on an Option Date ("Purchase Price on Exercise of Option") shall be the principal balance of the unpaid Purchase Price as of that Option Date, as set forth in the schedule attached at Exhibit C, plus any accrued and unpaid interest plus expenses described in Section 6.6., below.

A copy of the Base Rent Schedule, Exhibit C, is attached to this First Amendment. Exhibit C will replace the nine-page amortization schedule inserted after Section 6.5 (pagination in the Original LPA was omitted), which shall be deleted from the body of the Original LPA. All other terms, conditions and provisions of the Original LPA shall remain in full force and effect. In the event of any conflict between this First Amendment and the Original LPA, the terms of this First Amendment shall govern.

