

School Location Within District Notification Form

The Charter Contract, was entered into by and between the New Mexico Public Education Commission, and **The ASK Academy**, effective the **1st Day of July, 2015**. **The ASK Academy** was approved for a **Five Year Charter Contract**.

The ASK Academy requests consideration from the Public Education Commission (PEC) to change the terms of its Contract as follows:

Charter Contract currently states:

SCHOOL NAME: The ASK Academy

ORIGINAL ADDRESS: 4550 Sundt Road NE, Rio Rancho, NM 87124 (as of February 11, 2016)

AUTHORIZED GRADE LEVELS: 6-12

Notifies the Public Education Commission, Section **8.01 (x)** of the school's contract shall state beginning on:

EFFECTIVE DATE OF CHANGE: 8/5/19

SCHOOL NAME: The ASK Academy

NEW PHYSICAL ADDRESS: No change. Same as above.

ADDITIONAL FACILITY ON PROPERTY: 4500 Sundt Road NE, Rio Rancho, NM 87124

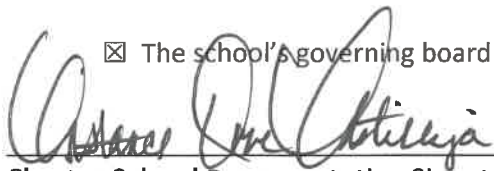
AUTHORIZED GRADE LEVELS: 6-12

Identify the new address at which the school will be operating, including the street address, city, state, and zip code.

The ASK Academy School Location within District Notification is hereby submitted by, **Constance Dove Castilleja**, on **10/22/19** and affirms the school meets the following eligibility criteria:

Notification must be submitted and approved by the PEC prior to the physical move; and

The school's governing board is in compliance with all reporting requirements.



Charter School Representative Signature

11/4/19

Date

The ASK Academy School Location within District Notification was:

Approved

Denied

Chair, Public Education Commission

Date



A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

**APPROVED BOARD MINUTES
& BOARD RESOLUTION**



A New Mexico Public Charter School

The ASK Academy

21st Century Design Thinking

Governing Council Meeting

The ASK Academy Board Room
4550 Sundt Road NE, Rio Rancho, NM

Open & Closed Sessions

*October 18, 2018

6:30pm

Agenda

- I. **Call To Order** Dr. Denise Gonzales, Vice Chair
- II. **Establishment of Quorum**
- III. **Pledge of Allegiance**
- IV. **Public Comment**
- V. **Meet the Project Manager**
- VI. **Scholar Presentation**
- VII. **Consent Agenda**
 - a. **Approve Minutes of September 13 & 27, 2018**
 - b. **Financial Monthly Report**
 - c. **General Fund BAR 520-000-1819-0006-M**
 - d. **General Fund BAR 520-000-1819-0007-M**
 - e. **Flowthrough BAR 520-000-1819-0008-IB**
 - f. **General Fund BAR 520-000-1819-0009-I**
- VIII. **Reports, Discussion and Possible Action**
 - a. **General Manager Update** Dan Busse, General Manager
 - b. **Policy Review: Policies 100, 101, 102, 103, 104, 200, 201, 202, 203, 204, 205, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 400, 401, 402, 403, 404, 405, 406, 500, 501 and Special Education Policies** Connie Castilleja, Director
- IX. **Closed Session**
 - a. **Real Estate Acquisition NM Stat §10-15-1 [H][8] - review of Commercial Lease and Lease Purchase Arrangement for 4500 Sundt Road NE, Rio Rancho, NM.**
- X. **Possible Action Related to Real Estate Acquisition discussed in closed session (Commercial Lease and Lease Purchase Arrangement for 4500 Sundt Road NE, Rio Ranch, NM, pursuant to NMSA 1978, Sections 22-26A-1, et seq.)**
- XI. **Announcements**
 - a. **Next Governing Council Meeting is November 8, 2018**
- XII. **Adjournment**

****Rescheduled October 11, 2018 meeting***

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Melanie at 505.891.0757 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Melanie at 505.891.0757 if a summary or other type of accessible format is needed.

Jeanne Forrester



A New Mexico Public Charter School

The ASK Academy

21st Century Design Thinking

Governing Council Meeting
The Ask Academy Board Room
4550 Sundt Road NE, Rio Rancho, NM

Open & Closed Sessions
October 18, 2018
6:30pm

Minutes

Attendance:

Present	Board Members	Title
	Dr. Jeanne Forrester	Chair
X	Dr. Denise Gonzales	Vice Chair
X	Michael Malloy	Secretary
	Edgar Short	Director
X	David Stoliker	Director
	Lindsey Bomke	Director
X	Michael Smith	Director
ASK Academy Members		
X	Dan Busse	General Manager
X	Dan Barbour	Assistant Gen Mgr
X	Constance Castilleja	Director of Advancement
X	Paul Stephenson	E&D Director
X	Melanie Feger	Admin. Assistant
X	Alyssa Lucero	The Vigil Group

- I. **Call To Order** – 6:32 p.m.
- II. **Establishment of Quorum** – established by introduction
- III. **Pledge of Allegiance**
- IV. **Public Comment** - none
- V. **Meet the Project Manager** – Mr. Busse introduced Sandie Beaudet, Project Manager for Middle School science. She was honored for being an Exemplary Teacher when Secretary of Education, Christopher Ruszkowski, visited ASK and presented her with a \$10,000.00 award. She is in her second year of teaching at ASK, having taught high school chemistry and culinary arts for 8 years previously and was also in administration. She currently sponsors the ASK cooking club. She stated that she likes being at ASK because she can focus on

teaching, challenging the scholars and watching them rise to the challenge. When asked by Mike Smith what she would want if she could choose, her answer was a full blown kitchen, which could be used for chemistry as well as a culinary arts class. Scholars could possibly begin a lunch program. She added that otherwise, she is not lacking for classroom supplies. Mr. Busse noted that Sandie is piloting next generation standards in her classes. When Mr. Stoliker asked her what is different at ASK, she responded that she knows every 7th and 8th grade scholar and feels a sense of community here.

VI. Scholar Presentation - none

VII. Consent Agenda – Mr. Smith made a motion to approve the consent agenda and Mr. Stoliker seconded. Discussion: Mr. Smith stated that the Finance Committee meeting held prior to the GC Meeting yielded good financial information. The motion passed unanimously 4 to 0.

- a. Approve Minutes of September 13 & 27, 2018**
- b. Financial Monthly Report**
- c. General Fund BAR 520-000-1819-0006-M**
- d. General Fund BAR 520-000-1819-0007-M**
- e. Flowthrough BAR 520-000-1819-0008-IB**
- f. General Fund BAR 520-000-1819-0009-I**

VIII. Reports, Discussion and Possible Action

a. General Manager Update -

* Secretary of Education Christopher Ruskowski visited on his Straight A Express tour. ASK has received an A grade three years in a row and we are building on our success.

* Enrollment is 529 scholars and with the additional building for 6th grade we will grow to 550. We have experienced growing pains however the quality of education remains high and the community spirit helps.

* Exciting events: ASK just had the largest camping trip to date in the Jemez mountains, Fall Carnival is scheduled for October 25th, we will have our annual pot luck lunch right before Thanksgiving and plans are underway for a Science Night event where Sandia National Labs provides fun and educational projects for scholars and their families.

* The Rio Rancho Observer will be publishing an article, written by our scholars, about the visit from Secretary of Education Christopher Ruskowski where ASK was acknowledged by the state for our A grade.

* The Foundation is nearing closing of its acquisition of the building next door (4500 Sundt Road) and a sincere appreciation goes out to the Foundation for its hard work to acquire space for ASK Academy's 6th grade Academy. .

* Paul Stephenson will attend the UNM Engineering Alumni Dinner where he will be able to network on behalf of ASK.

- b. Policy Review: Policies 100, 101, 102, 103, 104, 200, 201, 202, 203, 204, 205, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 400, 401, 402, 403, 404, 405, 406, 500, 501 and Special Education Policies**

Mrs. Castilleja stated that we have responded to all concerns about the policies and we are in a comfortable place. She recommended a vote to accept the policies.

Mr. Smith made a motion to accept the policies listed in the agenda, Mr. Malloy seconded, there was no discussion and the motion passed unanimously 4 to 0.

IX. Closed Session – Real Estate Acquisition NM Stat §10-15-1 [H][8] – review of Commercial Lease and Lease Purchase Arrangement for 4500 Sundt Road NE, Rio Rancho, NM.

- a. Dr. Gonzales read NM Stat §10-15-1 [H][8] as authority for moving into closed session to discuss entering a commercial lease and lease purchase arrangement for**

4500 Sundt Road NE, Rio Rancho, NM. She then made a motion to go into closed session, Mr. Smith seconded, there was no discussion and the motion passed unanimously 4 to 0. After closed session, Dr. Gonzales announced that the Council was reconvening in open session at 7:05 p.m. Dr. Gonzales reiterated the statutory authority for moving into closed session and the reasons therefore and sought confirmation from each council member that the only matter matters discussed in the closed meeting were limited to those specified in the motion for closure. Each council member polled affirmed that only the matters listed on the agenda for closed session were discussed during closed session.

- X. **Possible Action Related to Real Estate Acquisition discussed in closed session (Commercial Lease and Lease Purchase Arrangement for 4500 Sundt Road NE, Rio Ranch, NM, pursuant to NMSA 1978, Sections 22-26A-1, et seq.)** – Mr. Smith made a motion to accept Resolution No. F-10.18.18, approving the Commercial Lease and Lease Purchase Arrangement of 4500 Sundt Road NE, Mr. Stoliker seconded, there was no discussion and the motion passed unanimously 4 to 0.
- XI. **Announcements**
 - a. **Next Governing Council Meeting is November 8, 2018**
 - b. Mrs. Castilleja distributed the GC Training Calendar and asked the Board to let her know if there were trainings they wanted to attend. She will then get them registered. The NMCCS training will be held November 9 and 10 at the APS Rankin Center.
- XII. **Adjournment – 7:16 p.m.**

**The ASK Academy
GOVERNING COUNCIL**

Resolution No. F-10.18.18

Resolution Re: Lease Purchase Arrangement Preliminary Approval Pursuant to NMSA 1978, §22-26A-6.

WHEREAS, The ASK Academy's Governing Council ("Council"), the governing body of The ASK Academy, a public charter school ("School"), met in special session at 4550 Sundt Road NE, Rio Rancho, New Mexico 87124 on October 18, 2018, at 6:30 p.m.; notice of the meeting was provided by law;

WHEREAS, the Council has determined that it is necessary and in the School's best interest to acquire from The ASK Academy Education Foundation, a New Mexico private nonprofit corporation ("Foundation"), the building, land, easements and all improvements located at 4500 Sundt Road NE, Rio Rancho, New Mexico 87124, ("School Site") through a lease purchase arrangement ("Agreement") as defined by Section 22-26A-3(A) of the New Mexico Public School Lease Purchase Act (NMSA 1978, §22-26-1 *et seq.* as amended)

WHEREAS, the Council determined that the School requires additional classroom space for its Sixth Grade Academy and that expanding to the School Site, which is located adjacent to the boundaries of the School's current leased premises, is in the best interest of the School and is necessary to fulfill the School's educational program as contemplated by its charter contract with the New Mexico Public Education Commission.

WHEREAS, the Council has been advised that the Foundation has acquired the School Site by entering a real estate contract by and between it and Rachel Mathew Development ("REC"). The Council has reviewed the terms of the REC and is satisfied that the School's interests in the Agreement are adequately protected.

WHEREAS, the Council determined that as of October 18, 2018, acquiring the School Site for the purchase price of Seven Hundred Fifty Thousand Dollars (\$750,000) from the Foundation, at a fixed annual interest rate of 7.5% for the period from the Base Rent Commencement Date (as defined in the Agreement) through May 31, 2023; then, at an annual rate not to exceed 10% for the period from June 1, 2023 through and including the 120th and final Base Rent payment (as defined in the Agreement), is fair and reasonable based on the School's current and projected educational program needs and financial capacity. Further, that the interest rate does not exceed the maximum rate (currently 12% per annum) permitted by the Public Securities Act (NMSA 1978, §§6-14-1, *et seq.* as amended).

WHEREAS, the Council recognizes that it is obligated by its charter contract to operate the School at its current location, 4550 Sundt Road NE, Rio Rancho, New Mexico 87124.

WHEREAS, the School obtained Public School Facilities Authority's approval to enter into a lease purchase arrangement for the School Site on June 15, 2018.

WHEREAS, the Council has reviewed a summary of the terms of the proposed Agreement that is attached as Exhibit A hereto, and determined that the terms and conditions of the Agreement are in the best interest of the School and are acceptable to the Council, if approved by the New Mexico Public Education Department ("Department").

WHEREAS, the School and Council are familiar with the School Site and have determined that acquisition of the School Site in the current location as its long-term facility for the Sixth Grade Academy (or such other uses that may become necessary in the future) is in the School's best interest.

WHEREAS, the Council will, prior to executing the Agreement, submit it to the Department for approval, pursuant to the lawful requirements of the Department, the terms of the Act, and the Charter Schools Act. NMSA 1978, §§22-8B-1, *et seq.*

WHEREAS, the Council has entered a commercial lease for the School Site, which provides that the commercial lease can be cancelled and replaced by a lease purchase arrangement without penalty to the School, if the Agreement is approved by the Department.

WHEREAS, the Council has identified such available and allowable funds that will be necessary to make the required payments pursuant to the Agreement as set forth in Exhibit B to this Resolution, which sources comply with NMSA 1978, §22-26A-7.

NOW, THEREFORE, be it resolved by the Council that:

(1) It is necessary and in the School's best interest to acquire from the Foundation, the School Site located at 4500 Sundt Road NE, Rio Rancho, New Mexico 87124 through a lease purchase arrangement as defined by NMSA 1978, §22-26A-3(A);

(2) The purchase price of \$750,000 (Seven Hundred Fifty Thousand Dollars) at a fixed annual interest rate of 7.5% for the period from the Base Rent Commencement Date through May 31, 2023; annual rate not to exceed 10% for the period from June 1, 2023 through and including the 120th Base Rent and final payment; the interest rate does not to exceed the maximum rate (currently 12% per annum) permitted by the Public Securities Act, is fair and reasonable based on the School's current and projected educational program needs and financial capacity;

(3) The terms of the proposed Agreement are reasonable, acceptable, and in the best interest of the School;

(4) The source of funds (as described in Exhibit B) are sufficient to make the payments under the proposed Agreement, and have been identified from available and allowable funds;

(5) The Agreement, along with all required documentation, shall be forwarded to the Department for consideration and approval prior to its execution;

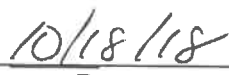
(6) The Council authorizes the General Manager, with the support of the Council Chair, to respond to any additional requests for documents or information from the Department, to make all revisions requested by the Department and/or as advised by School's legal counsel that do not change the material terms of Agreement, and to take such other necessary steps to finalize the draft Agreement in consultation with the School's legal counsel; and

(7) The Council Chair is hereby authorized to execute the Agreement if the required approval is obtained from the Department.

The motion was duly made, seconded, and 4 voted in favor, 0 against, and 0 abstained; the motion carried.

THE ASK ACADEMY GOVERNING COUNCIL


Vice Chair, Governing Council


Date

The undersigned Secretary certifies that s/he is the duly elected Secretary of the Governing Council and that the above is a true and correct statement of the Resolution that was duly adopted at a meeting of the Council, which was held in accordance with State laws and bylaws of The ASK Academy's Governing Council.

Michael J. Malley
Secretary, Governing Council

18 Oct 18
Date

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of Bernalillo SS

Bernadette Gonzales, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

10/25/2018



Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 25 day of October of 2018

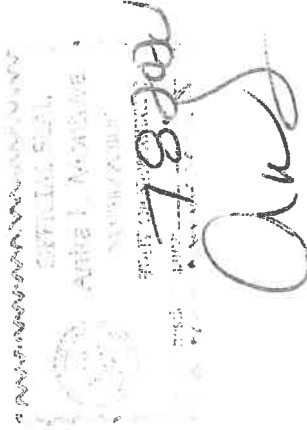
PRICE \$32.58

Statement to come at the end of month.

ACCOUNT NUMBER 1024615

NOTICE PURSUANT TO NMSA 1978, §22-26A-18: This notice is provided pursuant to NMSA 1978, §22-26A-13. The ASK Academy Charter School's Governing Council accepted a resolution at a meeting held on October 16, 2018, whereby the Governing Council agreed that it is in the best interest of the School to acquire property located at 4500 Sundt Road NE, Rio Rancho, NM 87124. The Resolution approved acquisition of the property through a lease purchase arrangement as the term is defined by the Public School Lease Purchase Act, NMSA 1978, §22-26A-1 et seq. A copy of the resolution of the Governing Council can be obtained by calling (505) 891-0757 or by viewing it online at www.theaskacademy.org.

Journal: October 25, 2018



BERNADETTE GONZALES
NOTARY PUBLIC
STATE OF NEW MEXICO



A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

OCCUPANCY DOCUMENTATION



A New Mexico Public Charter School
The ASK Academy
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CERTIFICATE OF OCCUPANCY

CITY OF RIO RANCHO, NEW MEXICO

This certifies that the following described property complies with the Commercial Zoning District regulations and the requirements for Occupancy Group SU Comm as specified in the International Building Code. Educational

Issued To Asst Academy
4500 Sundt rd NE RL 87124 Final
Asst Academy 4500 Sundt rd NE Rio Rancho NM 87124
Address Portion of Building
Name and Address of Owner

CERTIFICATE OF OCCUPANCY

Given this 29th day of July, 2019

18-8975
Building Permit Number

Raymond R. J. J.
Municipal Inspector





A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

NMCI LETTER FROM PSFA

**State of New Mexico
Public School Facilities Authority**

Jonathan Chamblin, Director



Martica Casias, Deputy Director

1312 Basehart Road, SE, Suite 200
Albuquerque, NM 87106
(505) 843-6272 (Phone); (505) 843-9681 (Fax)
Website: www.nmpsfa.org

June 15, 2018

Dan Busse, General Manager
The ASK Academy
4550 Sundt Road NE,
Rio Rancho, NM 87124

RE: Proposed Facility for The ASK Academy, 4500 Sundt Road NE, Rio Rancho, NM 87124

VIA E-MAIL

Mr. Busse,

Public School Facilities Authority (PSFA) has assessed the proposed facilities for The ASK Academy. This assessment was conducted pursuant to 22-8B-4.2 NMSA 1978 and 22-20-1(A)(2)NMSA 1978.

Per your request on May 12, 2018 PSFA performed an assessment/review of the proposed Construction Drawings and existing facility on May 21, 2018 for the proposed Charter School indicated above.

PSFA is pleased to advise you that this assessment combined with the proposed construction drawings has resulted in a weighted New Mexico Condition Index (wNMCI) score of 3.23 % which is better (lower is better) than the current wNMCI statewide average of 23.78% as required by this statute. If you decide to move to this facility, PSFA understands that 100% construction drawings will be produced by a licensed architect registered in the state of New Mexico. These plans will demonstrate the required Educational Occupancy, which must be acquired prior to occupancy. Please provide PSFA with copy of Certificate of Occupancy denoting "E" Educational Occupancy.

This assessment combined with the proposed construction drawings concludes this facility located at 4500 Sundt Road NE, Rio Rancho, NM 87124 meets the requirements of 22-8B-4.2 NMSA 1978 and 22-20-1(A)(2)NMSA 1978.

Please feel free to contact me if you have any questions or concerns regarding this correspondence. I can be reached at (505) 468-0295.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Tim".

Timothy Rybarczyk, Facilities Specialist
Public School Facilities Authority

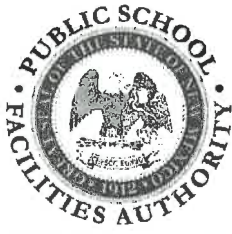
Cc; Norma Ahlskog, PSFA Financial Specialist
Martica Casias, Planning & Design Manager

Partnering with New Mexico's communities to provide quality, sustainable school facilities for our students and educators



A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

**PSFA APPROVAL LETTER FOR UPDATED FACILITY MASTER
PLAN INCLUDING 6TH GRADE FACILITY AT 4500 SUNDT**



**State of New Mexico
Public School Facilities Authority**

Jonathan Chamblin, Director; Martica Casias, Deputy Director

**1312 Basehart Road, SE, Suite 200, Albuquerque, NM 87106
(505) 843-6272 (Phone); (505) 843-9681 (Fax)
Website: www.nmpsfa.org**

September 19, 2019

Ms. Constance Dove Castilleja, Director of Advancement
The ASK Academy Charter School
4550 Sundt Road NE
Rio Rancho, NM 87124

Dear Ms. Castilleja:

The New Mexico Public School Facilities Authority (PSFA) has received and reviewed The ASK Academy Charter School's 2019-2024 update to its existing Five-Year Facilities Master Plan/Educational Specifications (FMP/Ed Specs). We appreciate the school's time and effort in preparing this update. PSFA has reviewed the update and this letter serves as our approval, making the FMP/Ed Specs good through the end of 2024. Per the update, PSFA understands The ASK Academy has added a new facility located at 4500 Sundt Road NE, which will house the school's 6th grade academy. In addition, the update also includes the updated 2019-24 Preventative Maintenance Plan.

Please do not hesitate to contact PSFA should you have any questions regarding questions about facilities in the future. We stand ready to assist in any way possible. You can reach me at (505) 468-0289.

Sincerely,

John M. Valdez, AICP
Facilities Master Planner

c: Richard Dicks, Regional Facilities Manager, PSFA
Larry Tillotson, Maintenance and Operations Manager, PSFA
Martica Casias, Deputy Director, PSFA



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DOCUMENTATION OF BUILDING CAPACITY



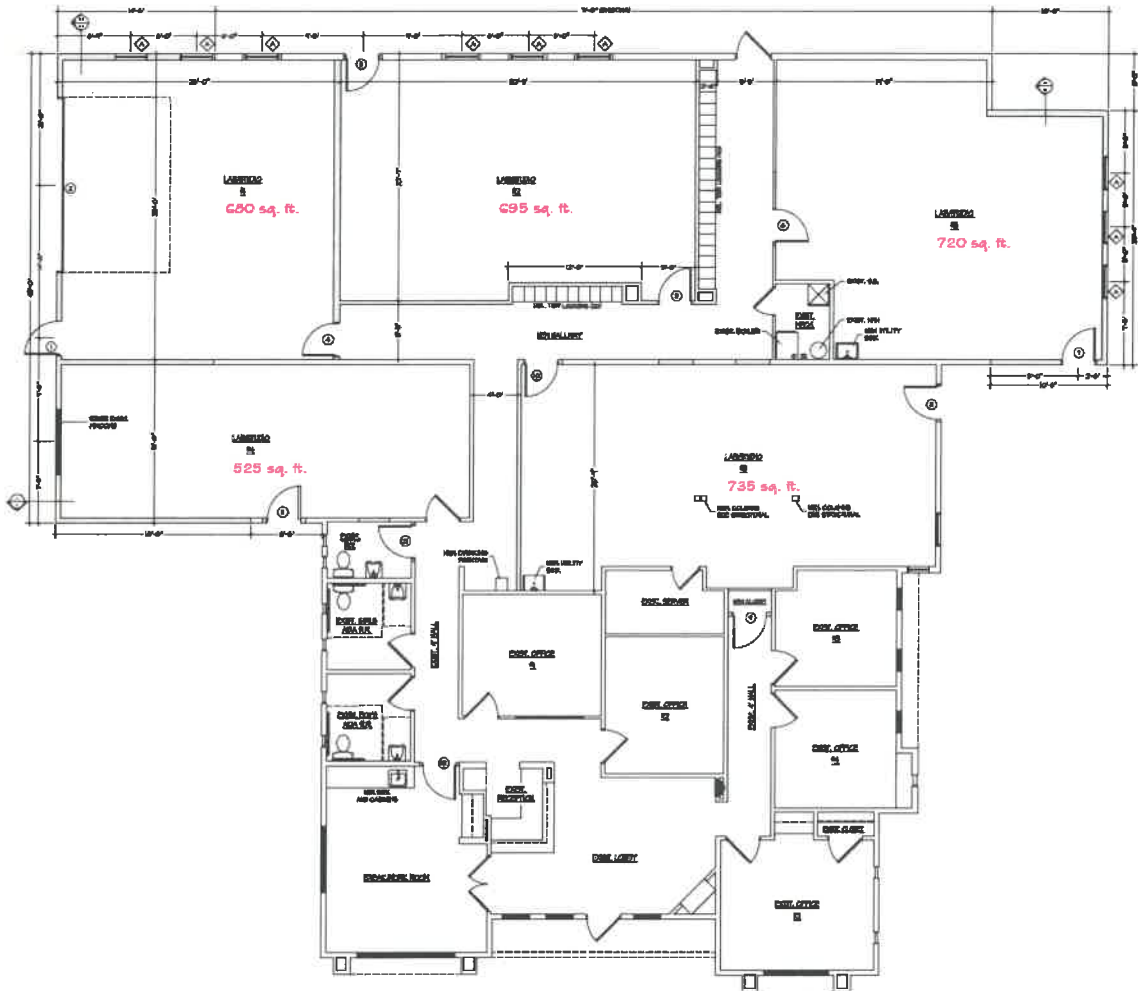
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ASK 6th Grade Academy Building Capacity

Classroom	Square Footage	6th Gr Capacity 28 SF/Student
#1	680	24
#2	695	25
#3	720	26
#4	525	19
#5	735	26
Total Classroom SF	3355	120
Student Capacity		120
Student Enrollment		100
Total Building	Restrooms (Fixtures)	1 Fixture per 50
	2-Student	100 Students
	1-Staff	50 Staff
Total Capacity	3	150
Student Capacity		100
Student Enrollment		100
Staff Capacity		50
Building Staff		10



REMODELED FLOOR PLAN
 1/8" = 1'-0"

PLAN LEGEND

-  EXISTING FRAME WALLS TO BE REMOVED
-  EXISTING FRAME WALLS TO REMAIN
-  NEW WALLS
-  NEW OR EXIST. WINDOW TO REMAIN
-  EXIST. WINDOW TO BE REMOVED
-  EXIST. DOOR LOCATION
-  EXIST. DOOR TO BE REMOVED

Ask Academy Remodel
 4500 Sundt Road N.E.
 Rio Rancho, New Mexico



A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

**NMPED APPROVED
LEASE PURCHASE AGREEMENT**



STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
300 DON GASPAR
SANTA FE, NEW MEXICO 87501-2786
Telephone (505) 827-5800
www.ped.state.nm.us

CHRISTOPHER N. RUSZKOWSKI
SECRETARY OF EDUCATION

SUSANA MARTINEZ
GOVERNOR

December 27, 2018

SENT BY USPS FIRST-CLASS MAIL AND ELECTRONIC MAIL

Patricia Matthews
Attorney at Law
Matthews Fox, PC
1925 Aspen Drive, Suite 301A
Santa Fe, New Mexico 87505

Re: Revised Lease Purchase Arrangement between The ASK Academy Education Foundation and The ASK Academy

Ms. Matthews:

The Public Education Department has reviewed the revised Lease Purchase Arrangement between The ASK Academy Education Foundation and The ASK Academy, together with the appertaining exhibits and referenced documents (referred to together in this letter as the "Lease Purchase Arrangement"), for compliance with the pertinent sections of the Public School Lease Purchase Act, Chapter 22, Article 26A NMSA 1978, and with the applicable provisions of other New Mexico statutes.

The specific Lease Purchase Arrangement the Public Education Department reviewed was the revised version of the financing agreement Robert F. Sánchez, Public Education Department Assistant General Counsel, sent you on December 11, 2018, with the additional changes both of you agreed to in the subsequent electronic communications. For reference purposes, a copy of the rewritten Lease Purchase Arrangement is enclosed with this letter.

The Public Education Department's position in having reviewed and approved the Lease Purchase Arrangement was that formation of the financing agreement was left to the arms-length negotiations between The ASK Academy Education Foundation, as the owner-lessor, and The ASK Academy, as the charter school-lessee, with the advice and assistance of their respective attorneys, and that such matters were beyond the purview or authority of our state agency under the relevant New Mexico laws.

Patricia Matthews
December 27, 2018
Page 2

The Public Education Department by this letter informs The ASK Academy's governing body that, based on our state agency's review, the Lease Purchase Arrangement identified above has been approved in accordance with Section 22-26A-4(B) NMSA 1978.

As is provided in the Lease Purchase Arrangement itself, the financing agreement is subject to approval by the Public School Facilities Authority, pursuant to Section 22-20-1(A)(2) NMSA 1978.

Please send Pamela Jones, with the Public Education Department's Office of General Counsel, a fully executed copy of the Lease Purchase Arrangement, as well as complete copies of all accompanying exhibits and related documents, when those become available to you.

The Public Education Department wishes The ASK Academy continued success in its mission of "emphasizing science, technology, engineering, and mathematics (STEM) curricula to create a learning culture through: project-based learning experiences, 21st century technology, research programs, relationship building, and a partnership program engaging scholars in the learning process."

Thank you for your attention to this letter, and please contact Mr. Sánchez if you have any questions about its contents.

Regards,



Marian K. Rael
Acting Deputy Secretary of Finance & Operations

MKR/aar/rfs

Enclosure: as stated

E-copies: Christopher N. Ruszkowski, Secretary of Education
Aaron A. Rodriguez, Deputy General Counsel
David Craig, School Budget & Finance Analysis Bureau Director
Antonio Ortiz, Capital Outlay Bureau Director
Michael R. Smith, The ASK Academy Governing Council President
Denise Irion, Public School Facilities Authority CFO (w/ enclosure)

LEASE PURCHASE ARRANGEMENT

Dated as of JANUARY 17, 2019.

by and between

THE ASK ACADEMY EDUCATION FOUNDATION
A New Mexico Nonprofit Corporation,

and

THE ASK ACADEMY,
A New Mexico state-authorized public charter school.

THIS LEASE PURCHASE ARRANGEMENT, dated as of JANUARY 17, 2019 ("Agreement"), is made and executed by and between, The ASK Academy Education Foundation, a New Mexico nonprofit corporation as lessor ("Lessor"), and The ASK Academy, a New Mexico public charter school as lessee ("Lessee").

RECITALS

A. Lessee is New Mexico public charter school as defined in NMSA 1978, §22-8B-22-8B-2(A), authorized by the New Mexico Public Education Commission, and may enter into a "lease purchase arrangement" or "financing agreement" as defined in NMSA 1978, §22-26A-3(A), part of the Public School Lease Purchase Act, NMSA 1978, §22-26A-1, *et seq.* ("Public School Lease Purchase Act").

B. Lessor is a non-profit corporation duly organized, in good standing, and existing under the New Mexico Non-Profit Corporation Act, NMSA 1978, §53-8-1, *et seq.*, and is authorized under its articles of incorporation, bylaws, action of its board of directors, and applicable law, to own and manage its properties, to conduct its affairs in the state of New Mexico, to lease and sell the Property to the Lessee, and to otherwise act in the manner contemplated herein.

C. Lessor is the purchaser under a Real Estate Contract with Rachel Matthew Development (identified with specificity in Subsection 2.2(a) at page 6 of this Agreement), of approximately 0.82 acres of developed land including an existing approximately 5,910 square foot building and improvements, commonly described as 4500 Sundt Road NE, Rio Rancho, New Mexico 87124, more particularly described in Exhibit A attached hereto (hereafter "Property").

D. Lessee's governing body has determined that it is necessary, desirable, and in Lessee's best interest, subject to separate statutory approval by the Public Education Department (NMSA 1978, §22-26A-4(B)) and the Public School Facilities Authority (NMSA 1978, §22-20-1(A)(2)), to acquire the Property from the Lessor through a lease purchase arrangement.

E. Lessee's governing body has not formally pledged its credit as security for the debt or financial obligations of the Lessor or any other domestic or foreign private nonprofit corporation, relative to this Agreement as prohibited by the New Mexico Constitution at Article 9, §14.

F. The Base Rent and Additional Rent (both as hereinafter defined) payable by the Lessee hereunder shall constitute currently appropriated expenditures of the Lessee and the Lessee shall, for the term of this Agreement, authorize and appropriate the payments required hereunder for such year. No obligation for payment hereunder shall 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 (as hereinafter defined) beyond the fiscal year for which such payments have been appropriated.

G. This Agreement, once fully executed by the parties, replaces and supersedes the Lease Agreement executed by and between the Lessor and Lessee for the Property on November 1, 2018.

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

ARTICLE I DEFINITIONS AND EXHIBITS

Section 1.1 Definitions. Shall have the meaning ascribed to in unless otherwise specified in this Agreement, the capitalized terms used herein shall have the meanings specified below.

“Additional Rent” shall have the meaning ascribed to it in Section 5.3 hereof and all other amounts due by the Lessee under the terms of this Agreement, except Base Rent, as provided in Section 4.1 hereof.

“Agreement,” for all purposes herein and as to all appertaining exhibits and documents, shall have the same legal meaning and effect as either the term “lease purchase arrangement” or “financing agreement,” as these latter two terms are defined in NMSA 1978, §22-26A-3(A), whether capitalized herein or not.

“Base Rent” means the amount of “Base Rent” shown on Exhibit B attached hereto for each month of this Agreement and as defined in Section 5.1(a) herein.

“Base Rent Commencement Date” means the first payment of Base Rent due and payable on the twentieth (20th) day of the first month following the Commencement Date.

“Capital improvement” means any structure or other asset added to the Property or its structural components, including the surrounding public school grounds, that involves the expenditure of public funds, and that is distinguished from ordinary maintenance and repairs.

“Certificate of Occupancy” means the governmental authorization to permit the Lessee to occupy the Property.

“Commencement Date” means the date of execution of this Agreement by the parties after separate statutory approval by the Public Education Department and the Public School Facilities, after which date the payment obligations hereunder will continue for a period not exceeding thirty (30) years after the date of execution, as prescribed by NMSA 1978, §22-26A-5(C).

“E-Occupancy” means the requirements for educational occupancy of a facility as described pursuant to the International Building Code.

"Event of Default" shall have the meaning ascribed to it in Article XI.

"Lessee's Representative" means the chair of Lessee's governing body or any other person duly authorized by Lessee to act on its behalf under or with respect to this Agreement.

"Lessor's Representative" means Lessor's board president or any other person duly authorized by Lessor to act on its behalf under or with respect to this Agreement.

"Lease Payments" means, collectively, any payments due from Lessee to Lessor under this Agreement and in accordance with Article V hereof, payable from funds specifically appropriated year to year by Lessee for such purpose from any legally available funds.

"Lease Purchase Arrangement" shall have the meaning ascribed to it in NMSA 1978, §§22-26A-1, *et seq.* as amended.

"Net Proceeds" means any insurance proceeds or condemnation award paid on the Property, remaining after payment of all costs and expenses incurred in the collection of those amounts.

"NMPED" means the New Mexico Public Education Department.

"Option to Purchase" means the right of Lessee to purchase the Property in accordance with the terms of Article VI of this Agreement and the provisions of the Public School Lease Purchase Act.

"Property" means, collectively, the land, improvements, furnishings and equipment leased by the Lessor to the Lessee under this Agreement and as described in Exhibit "A."

"Public Education Commission" means the New Mexico Public Education Commission, authorized to approve, deny, suspend or revoke a charter of a state-authorized charter school according to NMSA 1978, §22-8B-16.

"PSFA" means the New Mexico Public School Facilities Authority.

"Public Securities Act" means NMSA 1978, §§6-14-1, *et seq.*

"Requirements of Law" means any federal, state (specifically including New Mexico), or local statute, ordinance, rule, or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any applicable common-law doctrine, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including any relating to environmental, health, or safety matters, pertaining to this Agreement and the matters hereunder.

"State" means the State of New Mexico.

"Statewide Adequacy Standards" mean the standards set forth in Title 6, Chapter 27,

Part 30 NMAC (08/31/2005), and any subsequent versions thereof, subject to any variances granted to Lessee by the Public School Capital Outlay Council pursuant to NMSA 1978, §22-8B-4.2(F)(2).

“Term” means the time period during which this Agreement is in effect, as provided in Section 4.1 hereof, not to exceed thirty (30) years after the date of execution hereof, as provided in NMSA 1978, §22-26A-5(C).

Section 1.2 Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

Exhibit A – Description of the Property

Exhibit B – Base Rent Schedule

Exhibit C – Planned Funding Sources to make Lease Payments

Exhibit D – Copies of the New Mexico Public Education Department’s and Public School Facilities Authority’s individual approvals of this Agreement.

ARTICLE II REPRESENTATIONS, COVENANTS, AND WARRANTIES

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

(a) It is a duly authorized and existing public charter school under the provisions of the Charter Schools Act, NMSA 1978, §22-8B-1, *et seq.* (“Act”). The Lessee’s charter is authorized by the Public Education Commission.

(b) It has full power and authority to lease, operate, maintain, and acquire under an option to purchase the Property, to execute and deliver this Agreement, and perform the related transactions in accordance with the provisions of the Public School Lease Purchase Act and other applicable New Mexico statutes, and to carry out its obligations under this Agreement, subject to the limitations and conditions stated herein and the availability of sufficient appropriations and revenues therefor.

(c) Its representatives executing this Agreement have been duly authorized to execute and deliver it in accordance with the terms and provisions of the resolution duly passed and adopted by Lessee’s governing body.

(d) Its governing body has complied fully with all the requirements of NMSA 1978, §22-26A-6 and NMSA 1978, §10-15-1 applicable to its actions with regard to this Agreement and the acquisition of the Property through a lease purchase arrangement.

(e) It has immediate need for, and expects to make immediate use of, the Property being leased with an option to purchase under this Agreement, which need, at the time of approval hereof, is not temporary or expected to diminish in the foreseeable future.

(f) To the knowledge of the Lessee, there is no litigation or proceeding currently pending or threatened against the Lessee or any other person affecting the right of the Lessee to execute and deliver this Agreement, the ability of the Lessee to make the payments required

hereunder, or the ability of the Lessee otherwise to comply with its obligations under this Agreement.

(g) It shall not transfer, lease, assign, mortgage, or encumber all or any portion of its interest under this Agreement, or the Property itself, except in accordance with the terms and conditions hereunder and as provided by law, including NMSA 1978, §22-26A-5(K) with respect to assignment of a lease purchase arrangement to: (i) a school district or charter school; or (ii) the State of New Mexico or one of its institutions, instrumentalities or other political subdivisions.

(h) It shall conform to and comply with all applicable municipal, state, and federal laws, ordinances, rules and regulations in its use of the Property, and Lessee will not use or suffer to be used the Property in any manner contrary to any applicable municipal, state, or federal laws, ordinances, rules or regulations, so as to create or cause to exist any nuisance or hazardous condition.

(i) It shall use its best efforts to purchase the Property from Lessor with funds obtained from lease payment grant assistance from the Public School Capital Outlay Council in accordance with NMSA 1978, §22-24-4(I), or from other legally available funds at the earliest possible time, but in no event shall this Agreement have a final payment date exceeding thirty (30) years after the date of its execution by the parties.

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

(a) It is a non-profit corporation duly organized, in good standing, and existing under the New Mexico Non-Profit Corporation Act, NMSA 1978, §53-8-1, *et seq.*, and is authorized under its articles of incorporation, bylaws, action of its board of directors, and applicable law, to own and manage its properties, to conduct its affairs in the state of New Mexico, to lease and sell the Property to the Lessee, subject to the Real Estate Contract between Rachael Matthew Development, a domestic for-profit corporation, and Lessor, executed on November 1, 2018 and filed of record on January 3, 2019 as Document No. 2019000135 in Book 422, at Page 135 of the official records of the Office of the Clerk of Sandoval County, New Mexico ("Real Estate Contract"), and to otherwise act in the manner contemplated herein.

(b) It is in good standing with respect to the terms and conditions of the Real Estate Contract. Rachael Matthew Development holds legal title to the Property, to the extent of Lessor's payment obligations under the Real Estate Contract, while Lessor holds equitable title to the Property.

(c) It shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve, and renew its tax exempt status and all the rights and powers provided to it under its articles of incorporation, bylaws, action of its board of directors, and applicable law.

(d) This Agreement is enforceable against Lessor in accordance with its respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity.

(e) The Improvements will be constructed to E-Occupancy standards and will meet all applicable Statewide Adequacy Standards. The Property will be leased from Lessor in accordance with all Requirements of Law.

(f) Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions, and 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.

(g) Except as specifically provided in this Agreement and except as may be provided between the parties, the Lessor may assign the Agreement, its rights to payments from the Lessee or its duties and obligations hereunder or thereunder to any other person, firm, or corporation so long as said assignment does not impair or violate the representations, covenants, and warranties contained herein.

(h) To the knowledge of Lessor, there is no litigation or proceeding pending or threatened against Lessor or any other person affecting the right of Lessor to execute and deliver this Agreement, or the ability of Lessor otherwise to comply with its obligations under this Agreement.

(i) To the best of the Lessor's knowledge, the Lessor has not received any notice that the Property or its present use and condition violates any applicable deed restrictions or other covenants, restrictions or agreements, mortgages, or conditions of title or ownership, site plan approval, zoning or subdivision regulations, urban development plans, the laws statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, or requirements of any authorities governing or regulating the use and operation, or otherwise applicable to the Property.

(j) To the knowledge of Lessor: (i) the Property has at all times been operated in substantial compliance with all Requirements of Law; (ii) all permits required by Requirements of Law in respect of the Property have been obtained and are in full force and effect and the Lessee is in substantial compliance with the material terms and conditions of such permits; (iii) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other person or entity relating to, or alleging, any violation of any Requirements of Law in connection with the Property and there are no grounds on which any such litigation, investigation or proceedings might be commenced; (iv) the Property is not subject to any judgment, injunction, writ, order, or agreement respecting any Requirements of Law; (v) there is no hazardous substance (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.*, any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in, or under the Property in violation of any Requirements of Law; (vi) there has been no disposal of any of the items referred to in clause (v) on, from, into, or out of the Property in violation of any Requirements of Law; and (vii) there has been no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any of the items referred to in clause (v) into the indoor or outdoor environment from, into, or out of the Property or the Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into, or out of the Property or the abandonment or discard of barrels, containers, or other open or closed receptacles

containing any such items from, into, or out of the Property in violation of any Requirements of Law.

ARTICLE III AGREEMENT TO LEASE

Section 3.1 Agreement. Lessor hereby leases the Property to Lessee, and Lessee hereby leases the Property from Lessor with an option to purchase, upon the terms and conditions set forth in this Agreement, provided that the terms and conditions herein are not in contravention of any applicable laws. This Agreement, once fully executed, shall supersede any prior written agreement between the parties for the lease of the Property.

Section 3.2 Possession and Enjoyment. During the Term of this Agreement, Lessor shall provide Lessee with quiet use and enjoyment of the Property and during such term Lessee shall peaceably and quietly have and hold and enjoy the Property, 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 Property as provided in Section 3.4 hereof.

Section 3.3 Use. The Property shall be used and occupied only for educational and related purposes, and for no other purpose. No portion of the Property shall be used for religious or sectarian purposes. Lessee shall comply with all applicable state and federal laws and constitutional provisions prohibiting discrimination on the basis of disability, physical or mental handicap, serious medical condition, race, creed, color, sex, gender identity, sexual orientation, spousal affiliation, national origin, religion, ancestry or need for special education services, or any other protected class under either state or federal law.

Section 3.4 Lessor's Access to Property. Lessee agrees that following the Commencement Date of this Agreement, Lessor during the Term shall have the right during Lessee's normal working hours on Lessee's normal working days, upon compliance with any security requirements imposed by Lessee and upon reasonable notice, to enter on and examine and inspect the Property for the purpose of assuring that it is being properly maintained, preserved, and kept in good repair and condition. Lessee further agrees that Lessor shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by Lessee to perform its obligations hereunder, provided that at no time shall Lessor be compelled or required to make any improvements, alterations, or additions to the Property.

ARTICLE IV TERM OF AGREEMENT

Section 4.1 Term. The Term shall commence upon the Commencement Date, and continue for no more than ten (10) years from the date of its execution by the parties ("Term"); provided, however, that this Agreement may terminate sooner pursuant to Section 4.2 hereof.

Section 4.2 Termination of Agreement. This Agreement shall terminate upon the occurrence of any one of the following events:

- (a) the purchase of the Property by Lessee pursuant to Article VI;
- (b) a default by Lessee and Lessor's election to terminate this Agreement pursuant to Article XI;
- (c) a default by Lessor and Lessee's election to terminate this Agreement pursuant to Article XI;
- (d) if sufficient money is not available to meet any current lease payment, as provided in NMSA 1978, §22-26A-5(J);
- (e) an event of non-appropriation as defined in Section 4.5, herein; or
- (f) Lessee's charter is revoked or not renewed by the Public Education Commission and any adverse final decision by the Secretary of Public Education on such prior action by the chartering authority is not set aside or reversed by the district court pursuant to the provisions of NMSA 1978, §39-3-1.1.

Section 4.3 Effect of Termination of Agreement. Upon termination of this Agreement:

(a) All unaccrued obligations of Lessee hereunder shall terminate, but all obligations of Lessee that have accrued hereunder prior to such termination shall continue until they are discharged in full, subject to the supervisory authority of the Public Education Department under NMSA 1978, §22-2-2(C); and

(b) If the termination occurs because of the occurrence of a non-appropriation as defined in Section 4.5 hereof, or an Event of Default as defined in Article XI hereof, (i) Lessee's right to possession of the Property shall terminate; and (ii) Lessee shall, within sixty (60) days, vacate the Property. If termination occurs because of non-renewal or revocation of Lessee's charter, lease payments shall be paid through the date of its closure, subject to (i) NMSA 1978, §22-2-2(C) as set forth hereinabove, and (ii) NMSA 1978, §22 8B-12.1(C), which provides that when a charter school is closed, its assets shall be distributed first to satisfy outstanding payroll obligations for employees of the charter school, then to creditors of the charter school and then to the State of New Mexico's treasury to the credit of the current school fund.

(c) Lien on Improvements by Lessee. If State or Lessee's charter school funds, above those required for Lease Payments hereunder, are used to construct or acquire Improvements, the cost of those Improvements shall constitute a lien on the Property in favor of Lessee and then, if this Agreement is terminated prior to the final payment and the release of the security interest or the transfer of title, at the option of the Lessee: (1) Lessee may foreclose the real estate lien on the Property; or (2) the current market value of the Property 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 due under this Agreement, shall be paid to Lessee, all in accordance with NMSA 1978, §22-26A-5(H). The priority of such statutory lien shall be determined according to New Mexico law, should a legal dispute arise as to the order of satisfaction of valid and enforceable liens against the Property.

Section 4.4 Continuation. Notwithstanding any other provision in this Agreement, the parties stipulate and agree: (a) that there is no legal obligation for Lessee to continue this

Agreement from year to year or to purchase the Property, as provided in NMSA 1978, §22-26A-5(I); and (b) that this Agreement shall be terminated if sufficient money is not available to meet any current lease payment hereunder, in accordance with NMSA 1978, §22-26A-5(J).

Section 4.5 Termination of Agreement due to Event of Non-appropriation.

(a) An "Event of Non-appropriation" shall mean (i) a failure by the State legislature to appropriate, or the Public Education Department to then distribute, sufficient funds to Lessee to make the Base Rent and Additional Rent payments required by this Agreement; or (ii) a failure by the Lessee to appropriate sufficient amounts to proceed under Section 7.6(c) hereof following the occurrence of an event described in Section 7.6(a) hereof.

(b) In the event that the governing authority of the Lessee shall decide, in its sole discretion and consistent with New Mexico law, to exercise its statutory right not to continue this Agreement, effective on June 30 of any fiscal year, the Lessee shall give written notice within five (5) days of such determination to the Lessor. The exercise of the Lessee's annual option to not renew this Agreement shall be conclusively determined by the Lessee's failure, for any reason, (a) to appropriate by June 30 of each Fiscal Year sufficient amounts authorized and directed to be used to pay all Base Rent due in the next ensuing Fiscal Year or (b) upon the occurrence of any of the other events described in the definition of Event of Non-appropriation herein.

(c) Any decision not to continue this Agreement shall be made solely by the governing authority of the Lessee and not by any other agency or official of the Lessee, except as otherwise provided in the New Mexico Public School Code.

(d) If an Event of Non-appropriation occurs, the Lessee shall not be obligated to pay the Base Rent or Additional Rent or any other payments provided for herein beyond the amounts specifically appropriated by the Lessee for the fiscal year during which such Event of Non-appropriation occurs; provided, however, the Lessee shall continue to be liable for Base Rent and Additional Rent, to the extent payable from legally available moneys, allocable to any period during which the School shall continue to occupy or retain possession of the Facility.

**ARTICLE V
AGREEMENT LEASE PAYMENTS**

Section 5.1 Lease Payments.

(a) Base Rent. Lessee agrees to pay Lessor, its successors and assigns, for the right to use, improve, and acquire by purchase the Property, and Lessor agrees to accept as full lease payments for the Property a sum equal to the monthly lease payment amount set forth in Exhibit "B" to this Agreement, the first payment being due and payable on the twentieth (20th) day of the first month following the Commencement Date ("Base Rent Commencement Date") hereof and each succeeding month thereafter during the Term of this Agreement, unless it is terminated sooner as provided for herein. Any partial month will be calculated on a *pro rata* basis.

(b) Interest Rate. Lessor and Lessee acknowledge and agree that the net effective interest rate for the purchase price shall be 7.5% for the period from the Base Rent Commencement Date through May 31, 2023; thereafter, Lessor and Lessee acknowledge and agree that the interest rate for the Purchase Price shall be at an annual interest rate of two

percent (2%) over the interest rate charged to Lessor by the REC seller (such interest rate being subject to change from time to time based on changes in the interest rate on the corresponding or appertaining loan(s) made to the REC seller and charged to the Lessor on the REC). The annual interest rate currently is expected to change as of June 1, 2023, but the Lessor covenants that the interest rate shall be adjusted to a rate not to exceed 10% for the period from June 1, 2023 through and including the final Base Rent payment. Lessor further acknowledges and agrees that at no time shall the net effective interest rate for the purchase price exceed the maximum rate set by the Public Securities Act, (NMSA 1978, §6-14-3(B)) as amended.

(c) Allocation to Principal. A portion of each Base Rent payment is paid as, and represents payment of, interest as shown on Exhibit "B" hereto, which sets forth the principal and interest component of each payment made under the Agreement. Upon receipt of each Base Rent payment, Lessor shall apply the amount of each payment to principal and interest as shown on Exhibit "B," thereby reducing the purchase price due.

Section 5.2 Budgeting. In any School fiscal year (July 1 to June 30) that this Agreement is in effect, Lessee shall include in the budget proposal to the Public Education Department for the ensuing fiscal year an amount equal to one hundred percent (100%) of the Base Rents and one hundred and five percent (105%) of the estimated Additional Rent and any other obligations payable by Lessee under this Agreement, provided that the inclusion of any such amount is not in contravention of New Mexico law. The Base Rent, Additional Rent and other obligations payable by Lessee under this Agreement shall constitute currently appropriated expenditures of Lessee and shall not constitute a debt or multiple fiscal year direct or indirect obligations whatsoever of Lessee or a mandatory charge or requirement against Lessee in any fiscal year (July 1 to June 30) beyond the fiscal year for which such payments have been approved.

Section 5.3 Additional Rent. In addition to the Base Rent, Lessee shall pay Additional Rent during the Term as herein provided. Additional Rent shall be estimated annually by the Lessee and shall be in an amount sufficient to pay the following costs during the next ensuing fiscal year, provided that the payment of such costs and or any other costs, fees or expenses under this Agreement is not in violation of the New Mexico Constitution at Article IX, Section 14, or any pertinent New Mexico statutory or common law: (i) the reasonable fees and expenses of the Lessor related to the Property including, but without limitation, administration and management fees; (ii) the cost of insurance premiums for insurance deemed necessary or desirable in Lessor's reasonable discretion; and (iii) all other costs expressly required to be paid by the Lessor hereunder, if any. The Additional Rent may be adjusted during the Term of this Agreement in the discretion of the Lessor and with the consent of the Lessee, subject to the approval of the Public Education Department in accordance with NMSA 1978, §22-26A-5(L). If the Lessee elects to extend the Agreement for the next ensuing fiscal year, the Lessee's obligation under this Agreement to pay Additional Rent during such fiscal year shall be limited to the amount so appropriated for Additional Rent and any amounts subsequently appropriated by supplemental appropriations for payment of Additional Rent during such fiscal year. Additional Rental obligations in excess of the amounts so appropriated shall in no event be due or owing from the Lessee.

Section 5.4 Nature of Payment. The Lessee and Lessor acknowledge and agree that the Base Rent and Additional Rent hereunder shall constitute currently appropriated expenditures of the Lessee and may be paid from any legally available funds. The Lessee's obligations under this Agreement shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any fiscal year beyond the fiscal year for which such appropriation has been made. No provision of this Agreement shall be construed or interpreted as creating a debt, or multiple fiscal year direct or indirect debt, or other financial obligation whatsoever of the Lessee within the meaning of any constitutional or statutory prohibition or limitation. No provision of this Agreement shall be construed or interpreted as creating a delegation either of governmental powers or as a donation by or a lending of the credit of the Lessee within the meaning of any constitutional or statutory limitation or requirement. This Agreement does not directly or indirectly obligate the Lessee to make any payments beyond those appropriated for any fiscal year for which payments have been appropriated.

Section 5. Manner of Payment. The Base Rent and any Additional Rent shall be paid from Commencement Date and continuing on the twentieth (20th) day of every month of the Term thereafter by lawful money of the United States of America.

Section 5.6 Funding of Improvements to Property. Lessee and Lessor agree that Lessee may use all legally available funds to acquire, construct, equip, install, or make improvements to the Property during the Term of this Agreement. Prior to any termination of this Agreement as provided hereunder, Lessor may require Lessee to remove at Lessee's own expense any improvements to the Property that were funded by Lessee.

Section 5.7 Taxes and Assessments. During the Term, if the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the Lessee shall pay, as Additional Rent, the amount of all such taxes, assessments, and governmental charges then due. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Lessee shall be obligated to provide only for such installments as are required to be paid during the Term of this Agreement. The Lessee shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Property or Improvements or any portion thereof (including any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Property or any portion thereof, or any interest therein, including the interest Lessor) or the rentals and revenues derived therefrom or hereunder. If the Lessee shall first notify Lessor of the intention of the Lessee to do so, the Lessee may, at the expense and in the name of the Lessee, in good faith contest any such tax, assessment, and other charges and, in the event of any such contest, may permit the tax, assessment, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify the Lessee that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Lessee, by nonpayment of any such items the Property or the Improvements or any portion thereof will be subject to loss or forfeiture, or Lessor will be subject to liability, in which event such tax, assessment, or other charges shall be paid promptly or secured by posting a bond with Lessor in form satisfactory to Lessor (provided, however, that such payment shall not constitute a waiver of the right to

continue to contest such tax, assessment, or other charges). Lessor shall cooperate in any efforts by Lessee to contest any taxes or assessments. Lessor agrees to cooperate with Lessee in applying to the Bernalillo County Assessor for tax exempt status for the Property at the earliest date the Property is eligible for said exemption.

Section 5.8 Utilities. During the Term, the Lessee shall pay, as the same respectively become due, all gas, water, electricity, heat, sewer and waste disposal, and other utility charges incurred in the maintenance and upkeep of the Property, and the Lessee shall place all such utilities in its name.

Section 5.9 No Pledge of Lessee's Credit. Lessee's governing body has not formally pledged its credit as security for the debt or financial obligations of the Lessor or any other domestic or foreign private nonprofit corporation, relative to this Agreement as prohibited by the New Mexico Constitution at Article 9, §14.

ARTICLE VI OPTION TO PURCHASE

Section 6.1 Option to Purchase. In consideration of the agreements, promises, and covenants made each to the other in this Agreement, and other good and valuable consideration received, which consideration Lessor acknowledges to be adequate, Lessor grants to Lessee the option to purchase the Property upon the terms and conditions set forth in this Agreement and as permitted under the Public School Lease Purchase Act.

Section 6.2 Exercise of Option. Lessee may exercise its option to purchase the Property after payment of the final periodic lease payment or at an earlier date as determined by the Lessee's governing body and agreed to by Lessor in writing, but in no event shall the option to purchase be exercised prior to Lessee making the 120th Base Rent payment and provided that if the purchase of and transfer of title to the Property is not completed within 180 (one hundred eighty) days of Lessee's final periodic lease payment, Lessee's option to purchase hereunder shall expire and thereafter be of no further force or effect.

Section 6.3 Notice of Sale and Transfer. Lessee's option to proceed with the purchase of and transfer of title to the Property after payment of the final periodic lease payment shall be exercised by written notice to Lessor, sent by registered or certified mail to Lessor's address as stated herein, or to any other address designated by Lessor in writing to Lessee. Lessee will make best efforts to provide written notice of its intent to exercise the Option to Purchase not less than two (2) months prior to the final periodic lease payment. Lessee's failure to provide timely notice of its intent to proceed to purchase within the timeframe stated herein, shall not cause a forfeiture of Lessee's right to exercise the Option to Purchase, if Lessee is not otherwise in default of this Agreement.

Section 6.4 Purchase Price/Interest Rate. The purchase price for the Property shall be \$750,000 (Seven Hundred Fifty Thousand Dollars). The outstanding principal shall bear interest at the rate as set forth in Section 5.1(b).

Section 6.5 Purchase Price on Exercise of Option. The Purchase Price for the Property on early exercise of the option to purchase as contemplated in Section 6.3 shall be the amount necessary to pay the outstanding principal balance on the unpaid purchase price as of the date agreed to by the Lessor and as set forth in the schedule attached at Exhibit "B" hereto, plus any accrued and unpaid interest to that date, with any penalties for interest forbearance, as well as any associated closing costs. The interest rate on the principal balance remaining on exercise of the option to purchase shall not exceed the maximum permitted by the Public Securities Act, NMSA 1978, §6-14-3(B), as amended.

Section 6.6 Expenses, Mortgage. The Purchase Price to be paid by Lessee to Lessor shall be a net amount to Lessor, and all expenses in connection with the transfer of the Property, including title insurance, recording fees, documentary stamps, and any other closing costs, shall be paid by the Lessee. The Purchase Price shall be paid by Lessee in cash to Lessor concurrent with Lessor's conveyance of the Property to Lessee by special warranty deed as provided in Section 6.6 hereof.

Section 6.7 Transfer of Title. Lessor shall convey the Property to Lessee free and clear of any mortgage, indenture, or other encumbrance of record. The conveyance shall be by a standard form special warranty deed from Lessor to Lessee.

Section 6.8 Agreement is Subordinate. Lessee's rights under this Agreement are and shall be subject and subordinate to any underlying mortgage (including a consolidated mortgage), indenture, real estate contract, or deed of trust constituting a superior lien on the Property, or any part thereof, whether such mortgage, indenture, or deed of trust has heretofore been, or may hereafter be, placed upon the Property to secure Lessor's indebtedness to any bank or other financial institution, trust company, or other financial lender, whether private or public, for the purchase of the Property, or to any renewal, modification, consolidation, replacement, or extension of any such mortgage, indenture, deed of trust or real estate contract. This subordination clause applies only to a superior lien securing any indebtedness that will not exceed the purchase price when the option to purchase hereunder is then exercised. This subordination clause shall be self-operative and no further instrument of subordination shall be required. Lessee shall, nevertheless, execute and deliver, from time to time, any instrument and certificate affirming and confirming such subordination that Lessor may reasonably request. Lessor will cause any such mortgage, indenture, deed of trust or real estate contract to contain provisions requiring the holder of the indebtedness secured thereby to mail to Lessee by registered mail, addressed to Lessee at its office as set forth in this Agreement, a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee under such mortgage, indenture, deed of trust or real estate contract to Lessor. Notwithstanding the provisions of this Article VI hereof, Lessee may, upon receiving notice of breach of covenant, default, or foreclosure under any such mortgage, indenture, deed of trust or real estate contract as herein provided, exercise the option to purchase set forth herein by paying the then-outstanding principal amount of the debt secured by mortgage, indenture, deed of trust or real estate contract plus any accrued and unpaid interest, fees, penalties and any other amounts necessary to pay all amounts due and secured by the mortgage, indenture, or deed of trust.

Section 6.9 Performance of Lease. The right to exercise the option to purchase as set forth herein is conditioned upon the faithful performance by Lessee of all its covenants, conditions, and agreements under this Agreement, and the payment by Lessee of all Base Rent and Additional Rent, and other payments, if any, as provided for in this Agreement to the date of the completion of the purchase of the Property by Lessee.

Section 6.10 Adjustments. Adjustments and proration of taxes, water rents, insurance premiums, and similar items shall be made as of the date of the closing of title, in accordance with the practice approved by the parties.

Section 6.11 Security Deposit. The parties stipulate that no security deposit was paid by Lessee as part of this Agreement and that none is required.

Section 6.12 Priority. The option to purchase set forth herein shall be a covenant running with the Land, and no conveyance, transfer, easement, or encumbrance thereof shall defeat or adversely affect the option to purchase hereunder.

ARTICLE VII MAINTENANCE AND INSURANCE

Section 7.1 Maintenance and Property Costs. On and after the Commencement Date and for the Term of this Agreement, Lessee agrees to maintain, preserve, and keep the entire Property or cause the Property to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the Lessee will from time to time make or cause to be made all necessary and proper repairs. Except as expressly set forth in this Agreement, Lessor shall not have any other responsibility for the making of any additions, modifications, or replacements to the Property during the Term of this Agreement.

Section 7.2 Removal of Improvements. Except as provided for in Section 4.3(c) and Section 9.3 of this Agreement, Lessee agrees and covenants with Lessor that any and all alterations, additions, and improvements, except moveable furniture, equipment, portable or modular buildings and such other items of personal property that are removable from the wall, ceiling and floor surfaces without causing damage to such surfaces, shall become a permanent part of the Property at the termination of this Agreement, if not removed by the Lessee. Lessee agrees that if such Lessee-owned improvements or fixtures are removed at the termination hereof, it will repair or restore the area of such surface, if removal of Lessee's personal property creates an unsightly condition, by capping any electrical outlets and concealing any surface areas where personal property, such as counters or shelving, may have been stabilized by attachment to such surfaces.

Section 7.3 Liens. Neither Lessee nor Lessor shall directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the improvements, other than the individual rights of Lessor and Lessee as herein provided. Except as otherwise expressly provided herein, Lessor and Lessee shall

promptly, at their own expense, take such action as may be necessary to duly discharge or remove any such mortgage, other than existing mortgages or subsequent mortgages as agreed to by the parties in writing, pledge, lien, charge, encumbrance or claim if the same shall arise at any time, during the respective party's control of the Property and each party shall reimburse the other for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance, or claim which arose during the control of the Property. Nothing herein shall limit the Lessor's right to refinance or restructure debt against the Property; however, no refinance or restructure shall impair Lessee's rights under the terms of this Agreement. Lessee covenants and agrees to execute and deliver, upon demand, such further reasonable instrument or instruments subordinating this Agreement to the lien of any mortgage or mortgages as shall be desired by Lessor and any mortgagees or proposed mortgagees, provided such documents contain commercially reasonable non-disturbance agreements. Lessor, within thirty (30) days of refinancing or restructuring, shall provide notification to Lessee with certification from the financial institution that this Agreement does not violate any term or condition of the restructured or refinanced obligation and Lessor shall pay for any of Lessee's costs associated with said refinancing.

Section 7.4 Lessee's Insurance Obligations.

(a) Liability Insurance. Beginning on the Commencement Date, Lessee shall procure and maintain or cause to be carried and maintained in full force and effect during the Term and any extension thereof at Lessee's sole cost and expense and as Additional Rent above the Base Rent hereunder, such public liability insurance covering bodily injury, disease, illness or death, and property damage liability as is available from and provided by the Public Schools Insurance Authority or its successor, with limits of coverage not less than \$300,000 for each person for all past and future medical and medically-related expenses arising out of a single occurrence and \$400,000 in the aggregate for all claims other than medical or medically-related expenses arising out of a single occurrence, and \$100,000 for each accident for property damage liability for the benefit of both Lessee and Lessor as protection against all liability claims arising from activities on the Property, causing Lessor to be named as an additional-named insured on such policy of insurance, and delivering a copy thereof to Lessor upon the commencement of the Term. Lessee shall adjust such minimum coverage limits annually or as necessary to conform to the minimum coverage limits required for local public bodies pursuant to NMSA 1978, §§41-4-19 and 41-4-20, and NMSA 1978, §§22-29-1 through 22-29-11.

(b) Property Insurance. Subject to the availability of such coverage from the Public Schools Insurance Authority, Lessee shall also carry and maintain or cause to be carried and maintained in full force and effect during the Term and any renewal thereof, at Lessee's sole cost and expense, fire and extended coverage insurance upon the Property, including all buildings, alterations, additions, and Improvements in an amount equal to their replacement values. Lessor and any lending institution(s) of record shall be named as additional insureds and loss payees on the Property Insurance Policy and shall be provided with a copy of this policy annually on the anniversary date of the Policy. In the event that the Property should be destroyed or substantially damaged in whole or in part, and such loss is covered by fire and extended coverage insurance, Lessee shall have the option to either continue this Agreement and use the insurance proceeds to replace or repair the Property and on Lessor's behalf, or

terminate this Agreement and tender to the Lessor all such insurance proceeds attributable to the loss or damage to the Property. If for any reason Lessee is prohibited by law or regulation from carrying such insurance, Lessor may obtain such insurance, and Lessee shall pay the premiums of such insurance as Operating Expenses.

(c) Workers' Compensation Insurance. If required by New Mexico law as of the Commencement Date, Lessee shall carry workers' compensation insurance covering all of its individual employees on, in, near, or about the Property, and upon request shall furnish certificates to Lessor evidencing such coverage.

Section 7.5 Lessor's Insurance. The Lessor shall, from the date of approval of this Agreement, obtain and maintain commercial general liability insurance with coverage limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Section 7.6 Damage, Destruction, or Condemnation; Use of Net Proceeds.

(a) Damage, Destruction, or Condemnation. If, during the Term of this Agreement, (i) the Property, Improvements, or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; (ii) title to, or the temporary or permanent use of, the Property or any portion thereof or the estate of the Lessee, or the estate of the Lessor in the Property or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; or (iii) title to or the use of all or any portion of the Property shall be lost by reason of defect in the title thereto, then, the Lessee shall be obligated, subject to the provisions of Subsection (c) of this Section 7.6 hereof, to continue to pay the amounts specified in Subsection (a) of Section 5.1, but only to the extent of amounts specifically appropriated by the Lessee, to pay Base Rent.

(b) Repair and Replacement. To the extent not contrary to applicable law, the Lessee and, to the extent such Net Proceeds are within its control, the Lessor, shall cause such Net Proceeds to be deposited in a separate trust fund held by the Lessor. Except as set forth in Subsection (c) of this Section 7.6 hereof, all Net Proceeds of any insurance, performance bonds, or condemnation awards owed to either the Lessee or the Lessor shall be applied to the prompt repair, restoration, modification, improvement, or replacement of the Property by the Lessor upon receipt of requisitions acceptable to the Lessor setting forth: (i) the requisition number; (ii) the name and address of the person, firm, or corporation to whom payment is due or has been made; (iii) the amount to be paid or reimbursed; and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Lessee shall cooperate with the Lessor in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section. Any repair, restoration, modification, improvement, or replacement of the Property paid for in whole or in part out of Net Proceeds of the Lessee's Insurance shall be the property of the Lessor, subject to this Agreement, and shall be included as part of the Property under this Agreement.

(c) Insufficiency of Net Proceeds for Property. If there occurs an event described in Subsection (a) hereof, and if any Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of any repair, restoration, modification,

improvement, or replacement of the Property required under Subsection (b) hereof, the Lessee shall elect one of the following options:

(i) The Lessee may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the Property or replace the Property (or portion thereof) with property of a value equal to or in excess of the Property. The Lessor shall not be entitled to an increase in Base Rent if the value of the Property is increased by Lessee's actions described herein.

(ii) If, by June 30th of the fiscal year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent fiscal year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Property become apparent), the Lessee has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Lessee may make demand on the Lessor to make up the insufficiency in the Net Proceeds and if the Lessor refuses, the Lessee may terminate the Agreement.

(d) *Cooperation.* The parties to this Agreement shall cooperate fully with the other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Subsection (a) hereof, in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any portion thereof, and in the prosecution of any action relating to defaults or breaches of warranty under any contract relating to the Property. In no event shall either party voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to defaults or breaches of warranty under any contract relating to the Property or any portion thereof without the written consent of the other party. Each party shall be responsible for their respective fees and expenses incurred under this section.

ARTICLE VIII CONDEMNATION; USE OF NET PROCEEDS

Section 8.1 Condemnation. In the event that all or any portion of the Property is condemned by any governmental body or entity under the power of eminent domain or are sold under threat of condemnation to any public body or entity prior to Lessee's purchase of the Property, Lessor shall be entitled to all compensation awarded, less an amount equal to Lessee's principal payments made to date in accordance with Article VI hereof, plus the value of any improvements placed on the Property by Lessee pursuant to Article IX herein, which portions of the compensation awarded shall be paid to Lessee. Lessee agrees not to enter into any settlement agreement as to the condemnation award to be paid for the taking or partial taking of the Property without Lessor's prior written consent, which consent shall not be unreasonably withheld.

Section 8.2 Condemnation of Other Property Owned by Lessee. Lessee shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to, or taking of its property not included in the Property. Lessor agrees that Lessee shall have the option, upon written notice to Lessor, to enter an appearance and defend in any condemnation action as to Lessee's property and upon such election, Lessor shall not be obligated to provide a defense as to Lessee's property, but may do so at Lessor's sole expense.

ARTICLE IX
LESSEE'S IMPROVEMENTS, EQUIPMENT, AND WARRANTIES

Section 9.1 Improvements to Property. Lessee, at its own expense, may remodel, or make additions, modifications, or improvements to the Property, provided that (i) such remodeling, modifications and additions shall not in any way damage the Property as it existed prior thereto, and shall become part of the Property, subject to the provisions of Section 4.3(c) hereof; (ii) the value of the Property after such remodeling, modifications, and additions shall be at least as great as the value of the Property prior thereto; and (iii) the Property, after such remodeling, modifications, and additions, shall continue to be used as set forth herein and shall otherwise be subject to the terms of this Agreement. Improvements made by Lessee to the Property shall not change the Lease Payments or the Purchase Price.

Section 9.2 Installation of Lessee's Equipment. Lessee may at any time and from time to time in its sole discretion and at its own expense, install items of movable machinery, standard office partitions, railings, doors, gates, counters, cabinets, lighting fixtures, signs, and such other furnishings and equipment as may, in Lessee's judgment, be necessary for its purposes in or upon the Property. All such items shall remain the sole property of Lessee, in which Lessor shall have no interest, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items upon termination of this Agreement for any reason other than purchase of the Property by Lessee. Nothing in this Agreement shall prevent Lessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 9.3 Warranties. Upon acceptance and execution of this Agreement, Lessor shall assign to Lessee, all of its interest, if any in all warranties and guarantees or other contract rights against architects, builders, contractors, subcontractors, suppliers, materialmen or manufacturers for the Property, express or implied, issued on or applicable to the Property, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessee's sole remedy for the breach of such warranties and guarantees shall be against the provider of such work, service, equipment or materials made to or on the Property and not against Lessor, nor shall such matter have any effect whatsoever on the rights of the Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder.

Section 9.4 Disclaimer of Warranties. Upon acceptance of the Property by the Lessee, Lessor makes no warranty or representation, except as stated in Section 9.3 hereof, either express or implied, as to the value, design, condition, merchantability, or fitness for any particular purpose or fitness for the use contemplated by Lessee of the Property, or any other representation or warranty with respect to the Property. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of

this Agreement or the existence, furnishing, functioning or Lessee's use of any portion of the Property provided for in this Agreement.

ARTICLE X ASSIGNMENT, MORTGAGING AND SELLING

Section 10.1 Assignment. Except as expressly provided in this Agreement, neither party shall assign its interests herein. Any consent by a party to any assignment shall not operate as consent to any further assignment, and any further assignment shall be subject to the prior written consent of the other party in accordance with the provisions of Section 10.1 hereof. Unless otherwise agreed to by the parties, no assignment permitted hereunder shall relieve a party from liability for the performance of its obligations under this Agreement for the remainder of the then current term.

With the prior approval of Lessor, which shall not be unreasonably withheld, this Agreement is assignable by the parties, without cost to Lessee and with all of the rights and benefits of its predecessor in interest in being transferred to the assignee to: (a) a New Mexico school district or charter school; or (b) the State of New Mexico or one of its institutions, instrumentalities, or other political subdivisions.

Section 10.2 Restriction on Mortgage or Sale of Property by Lessee. Prior to closing on the purchase of the Property, Lessee shall not mortgage, sell, assign, transfer, or convey the Property or any portion thereof without the written consent of Lessor, which consent shall not be unreasonably withheld or delayed, and subject to the applicable provisions of the Public School Lease Purchase Act.

Section 10.3 Title. Upon Lessee's purchase of the Property pursuant to Article VI of this Agreement, Lessor shall transfer its interest in the Property to Lessee by a standard form special warranty deed, free and clear of any encumbrances of record except those specifically accepted by Lessee.

ARTICLE XI EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Events of Default Defined. Each of the following shall constitute an "Event of Default" under this Agreement, and the terms "Event 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 State governmental agency or court of competent jurisdiction:

(a) Failure by the Lessee to pay any specifically appropriated Base Rent during the Term of this Agreement on, before, or within five (5) days of the applicable due date or to pay Additional Rent which becomes due during the Term of this Agreement, up to the amount specifically appropriated for the payment of Base Rent and Additional Rent in accordance with the provisions hereof;

(b) Failure by the Lessee or the Lessor to observe and perform any covenant, condition, or agreement on its part to be observed or performed for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, unless the party giving such notice shall agree in writing, prior to the expiration of the thirty-day period, to an extension of no more than sixty (60) days. Provided, however, that if the failure stated in the notice cannot be corrected within the original thirty-day period, the party giving such notice shall not withhold their consent to an extension of up to sixty (60) days if corrective action shall be instituted by the defaulting party within such time period and diligently pursued until the default is corrected;

(c) The filing by Lessee of a voluntary petition in bankruptcy, or failure by Lessee promptly to lift any execution, garnishment, or attachment of such consequence as would impair Lessee's ability to carry on its operations at the Property, or adjudication of Lessee as a bankrupt, or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the federal Bankruptcy Act, as amended, or under any similar acts which may hereafter be enacted; or

(d) The revocation or nonrenewal of Lessee's charter by the Public Education Commission and the failure by the district court to set aside or reverse any adverse final decision by the Secretary of Public Education on such prior action by the chartering authority, pursuant to the provisions of NMSA 1978, §39-3-1.1.

Section 11.2 Remedies of Lessor upon Event of Default. Upon the happening and continuance of any event of default specified in this Article XI, Lessor or its assigns may, without any further demand or notice to Lessee, take one or any combination of the following remedial steps:

(a) Terminate this Agreement and give written notice to Lessee to vacate the Property within sixty days (60) days from the date of such notice, except where the Event of Default is the revocation or nonrenewal of Lessee's charter by the Public Education Commission as set forth in Section 11.1(d) hereinabove, in which instance termination of this Agreement shall be subject to the supervisory authority of the Public Education Department over all public schools under NMSA 1978, §22-2-2(C) 1978, and to the provision of NMSA 1978, §22-8B-12.1(C) on a charter school closure.

(b) Lease all or any portion of the Property as permitted by New Mexico law.

(c) Recover from Lessee: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the Property during any period beyond the thirtieth (30th) day following the occurrence of the Event of Default; and (ii) Base Rent and Additional Rent, owed by Lessee after the Lessee vacates the Property for the remainder of the Term of the Fiscal Year in which such Event of Default occurs.

(d) Take whatever action either at law or in equity as Lessor shall deem most effectual to protect and enforce this Agreement and Lessor's rights hereunder.

Section 11.3 Remedies of Lessee upon Event of Default. Upon the happening and continuance of any event of default specified in Article XI of this Agreement, Lessee or its assigns may, without any further demand or notice to Lessor, take one or any combination of the following remedial steps:

(a) Give notice to the Lessor of the Lessee's intent to terminate this Agreement as of the end of the Lessee's then current fiscal year or sooner as determined by the Lessee, however, such obligations of the Lessee to pay Lease Payments under Article V, shall continue until the Lessee vacates the Property.

(b) Recover from the Lessor any amounts due Lessee as contemplated under NMSA 1978, §22-26A-5(H).

(c) Take whatever action, either at law or in equity, as Lessee shall deem most effectual to protect and enforce this Agreement and Lessee's rights hereunder.

Section 11.4 Force Majeure. The provisions of Sections 11.1 and 11.2 of this Agreement are subject to the following limitations: if by reason of *force majeure*, Lessee or Lessor is unable, in whole or in part, to carry out its obligations under this Agreement, Lessor or Lessee shall not be deemed in default during the continuance of such inability or during any other delays which are a direct consequence of the *force majeure* inability. The term "*force majeure*" as used herein shall mean, without limitation: acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority other than Lessee or Lessor; insurrections; riots; earthquakes; fires; storms; drought; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessor or Lessee and not resulting from the negligence of the party claiming a force majeure event. Lessor and Lessee agree, however, to remedy with all reasonable dispatch the cause or causes preventing them from carrying out their respective obligation under this Agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall not be required if in the judgment of the party raising the defense of *force majeure*, acceding to the demands of the person or persons creating the strike, lockout or industrial disturbance, would be injurious to such party.

Section 11.5 Remedies Cumulative. The above-provided rights and remedies to which either party is entitled hereunder, at law or in equity, are cumulative and not exclusive of all other rights and remedies to which a party may be entitled herein, at law or in equity, in the event of breach or threatened breach by a party in default of any of the terms, conditions, and provisions contained herein.

Section 11.6 No Additional Waiver Implied by One Waiver. The failure, neglect, or omission of a non-defaulting party to terminate this Agreement for any breach or default shall not be deemed a consent by the non-defaulting party of such breach or default and shall not stop, bar, or prevent the non-defaulting party from thereafter terminating this Agreement, either for such violation of for prior or subsequent violation of any covenant hereof. In the event any agreement contained in this Agreement 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 hereunder.

ARTICLE XII TITLE

Section 12.1 Title to Property. During the Term, Lessor shall hold legal title to the Property and any and all additions which comprise repairs, replacements, substitutions, or modifications, and Lessor shall retain an equitable lien on the title to the Property and any and all repairs, replacements, substitutions, and modifications to it, unless otherwise agreed to by the parties in writing.

Section 12.2 Public Property. Upon approval of this Agreement pursuant to the Public School Lease Purchase Act and its execution by the parties, the Property shall be considered to be a public property pursuant to NMSA 1978, §22-26A-5.1(B).

ARTICLE XIII HAZARDOUS MATERIALS LAWS

Section 13.1 Compliance with all Hazardous Materials Laws. As of the Commencement Date, Lessee, shall at all times keep and maintain the Property in compliance with and shall not cause or permit the Property or any activities conducted thereon to be in violation of any federal, state or local law, ordinance or regulation relating to commercial or industrial hygiene, environmental safety or the environmental conditions on, under or about the Property, including, but not limited to, air, soil, subsurface and ground water conditions. Lessee shall not permit any subtenant or other occupant of the Property, except in accordance with applicable Hazardous Materials Laws as hereinafter defined, to use, generate, manufacture, store, produce, release, discharge, dispose of or otherwise permit the presence of, on, under or about the premises or transport to or from the Property any explosives (flammable or otherwise), radioactive materials, pollutants, contaminants, hazardous wastes, hazardous air pollutants, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous pollutants" or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials"). Hazardous materials shall include petroleum products. Upon request of Lessor, Lessee will prepare and provide such reports as will evidence compliance by Lessee with Hazardous Materials Laws, and which will evidence that the Property and the uses thereon are in compliance with Hazardous Materials Laws. Either party shall immediately advise the other party in writing of its discovery of or receipt of notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any applicable federal, state or local laws, ordinances, regulations, orders or publications relating to any Hazardous Materials affecting the Property ("Hazardous Materials Laws"); (ii) any use, generation, manufacture, production, release, discharge, storage or disposal of Hazardous Materials, or substantial threat of any of the foregoing, on, under or about the Property; (iii) all claims made or threatened by any third party against a party or the

Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) any occurrence or condition on any property adjoining or in the vicinity of the Property that could cause the Property to be subject to any restrictions on the ownership, completion, transferability or use of the premises under any Hazardous Materials Law.

Section 13.2 Lessee's Responsibility. Upon and after acceptance of the Property by the Lessee, Lessee shall be solely responsible to pay or otherwise satisfy any claim, written notice or demand, penalty, fine, settlement, loss, damage, cost, expense or liability made against Lessor or Lessee directly or indirectly arising out of or attributable to the violation by Lessee of any Hazardous Materials Law, orders, written notice or demand of governmental authorities, or the use, generation, manufacture, storage, release, threatened release, discharge, disposal, production, abatement or presence of Hazardous Materials on, under or about the premises including, without limitation: the costs of any required or necessary investigation, repair, cleanup or detoxification of the Property, and the preparation and implementation of any closure, abatement, containment, remedial or other required plan and shall to the extent allowable by law applicable to public schools, indemnify Lessor and hold Lessor harmless from any such claim, demand, penalty, fine, settlement, loss, damage, cost, expense or liability subject to the limitations and waivers contained in the New Mexico Tort Claims Act and any insurance coverage issued pursuant thereto.

Section 13.3 Remedial Action Required. Without Lessor's prior written consent, which shall not be unreasonably withheld, Lessee shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in response to any Hazardous Materials claim, which remedial action, settlement, consent or compromise might, in Lessor's reasonable judgment, impair the value of Lessor's fee interest in the Property; provided, however, that prior consent shall not be necessary in the event that: (i)(a) the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat or is of such a nature that an immediate remedial response is necessary; or (b) any delay in taking such remedial action would result in the imposition of periodic or daily fines; and (c) such action is required by government order; and (ii) it is not possible to obtain Lessor's consent before taking such action; provided that in such event notice shall be given as soon as practicable of any action so taken. Lessor agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, or (ii) Lessee establishes to the reasonable satisfaction of Lessor that there is no reasonable alternative to such remedial action that would result in less impairment to the value of Lessor's interest in the Property.

Section 13.4 Survival of Lessee's Obligations and Liabilities. Lessee's obligations and liabilities hereunder with respect to Hazardous Materials Claims arising from Lessee's actions shall survive the expiration or other termination of this Agreement.

ARTICLE XIV
LIMITATION OF LIABILITY

Section 14.1 Limitation of Liability. Neither party shall be liable for special, indirect, incidental, punitive or consequential damages arising from a breach of this Agreement.

ARTICLE XV
MISCELLANEOUS

Section 15.1 Notices All notices and communications required or permitted under this Agreement (including change of address, telephone number, email addresses set forth below) shall be in writing and shall be deemed given to, and received by, the receiving party: (i) when hand-delivered to the street address of the receiving party set forth below; (ii) when sent by electronic mail to the email address set forth below with a receipt showing delivery; (iii) one (1) day after deposit with a national overnight courier addressed to the receiving party at the street address set forth below; or (iv) three (3) days after deposit in the U. S. mail, certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

The Lessor: THE ASK ACADEMY EDUCATION FOUNDATION
4550 Sundt Road NE
Rio Rancho, New Mexico 87124
Attn: Constance Dove Castilleja, President
Email: cdove@theaskacademy.org
Phone: 505.891.0757

With a copy to: Modrall Sperling
P.O. Box 2168
Albuquerque, NM 87103-2168
Attn: Meg Meister
Email: mmeister@modrall.com
Phone: (505) 848-1823

The Lessee: THE ASK ACADEMY CHARTER SCHOOL
4550 Sundt Road NE
Rio Rancho, New Mexico 87124
Attn: Daniel Barbour, Director of Finance
Email: dbarbour@theaskacademy.org
Phone: (505) 891-0757

With a copy to: Matthews Fox, P.C.
1925 Aspen Drive, Suite 301A
Santa Fe, NM 87505
Attn: Patricia Matthews
Email: pmatthews@matthewsfox.com
Phone: (505) 473-3020

Section 15.2 Further Assurances and Corrective Instruments. Lessor and the Lessee agree that so long as this Agreement is in full force and effect and no Event of Default shall have occurred, Lessor and the Lessee shall have full power to carry out the acts and agreements provided herein and they will, so far as it may be authorized by law, 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 Property hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Agreement.

Section 15.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 15.4 Severability. In the event that any provision of this Agreement, other than the requirement of the Lessee to pay Base Rent and Additional Rent, the requirement of Lessor to provide quiet enjoyment of the Property, and the requirement that the obligations of the Lessee to pay Base Rent and Additional Rent under this Agreement are conditioned upon the prior specific appropriation by the Lessee of amounts for such purposes in accordance with the requirements of State law, 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 15.5 Amendments, Changes, and Modifications. This Agreement may be amended or any of its terms modified only by a written amendment authorized and executed by both Lessee and Lessor. Amendments to this Agreement, except amendments that would improve the building or other real property without additional financial obligations to the Lessee, shall be approved by the Public Education Department pursuant to NMSA 1978, §22-26A-5(L).

Section 15.6 Execution in Counterparts. This Agreement 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 15.7 Applicable Law. Each party shall perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. This Agreement shall be governed by the laws of the State of New Mexico (without giving effect to the State of New Mexico's choice of law provisions). All legal proceedings arising from unresolved disputes under this Agreement shall be brought in Albuquerque before the Second Judicial District Court of the State of New Mexico.

Section 15.8 Lessor and Lessee Representatives. Whenever under the provisions of this Agreement 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 15.9 Integration. This Agreement contains all of the agreements of Lessee and Lessor respecting the subject matters hereof, and all prior negotiations are merged herein.

Section 15.10 Incorporation. Each and all of the recitals set forth at the beginning of this instrument, and any exhibits referenced herein and attached hereto, are incorporated herein by this reference.

Section 15.11 Captions. The captions and paragraph headings of this Agreement are not necessarily descriptive, or intended or represented to be descriptive, of all the terms thereunder, and shall not be deemed to limit, define, or enlarge the terms of this Agreement. Whenever used herein, unless otherwise indicated by the context, the singular shall include the plural, the plural shall include the singular, the use of any gender shall include all genders, and the use of the words "include" and "including" shall be construed as if the phrases "without limitation" or "but not [be] limited to" were annexed thereafter. The parties were, or had ample opportunity to be, represented by counsel, and as such this Agreement shall not be interpreted for or against either party based on authorship.

Section 15.12 Calculation of Time. Any time period herein calculated by reference to "days" means calendar days, i.e., including Saturdays, Sundays, and holidays as observed by the State of New Mexico; provided, however, that if the last day for a given act falls on a Saturday, Sunday, or such observed holiday, the day for such act shall be the first day following such Saturday, Sunday, or observed holiday that is not a Saturday, Sunday, or such observed holiday.

Section 15.13 No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the Lessee or Lessor, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the Lessee or Lessor, as the case may be, and not of any member, director, officer, employee, or other agent of the Lessee or Lessor in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement, or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, or other agent of the Lessee or Lessor or any natural person executing this Agreement or any related document or instrument.

Section 15.14 Waiver. No term of this Agreement shall be deemed waived unless such waiver is in writing signed by the party making the waiver. No delay or omission by either party in exercising or enforcing any right or power hereof shall impair such right or power or be construed to be a waiver thereof. No custom or practice that may evolve between the parties shall be construed to lessen the right of a party to require the performance of the other party in strict accordance with the terms of this Agreement. A waiver by one party of a failure of the

other party to fully comply with any of the terms of this Agreement shall not be construed to be a waiver of any subsequent failure to comply or any other failure to comply.

Section 15.15 Administrative Approval. Pursuant to NMSA 1978, §22-26A-4(B) and NMSA 1978, §22-20-1(A)(2), respectively, the parties to this Agreement acknowledge that they have obtained the required statutory approval from both the Public Education Department and the Public School Facilities Authority.

IN WITNESS WHEREOF, Lessor and Lessee, each acting through their duly authorized agent or legal representative, have made and executed this Agreement as of the Commencement Date.

LESSEE:

THE ASK ACADEMY CHARTER SCHOOL, a New Mexico public charter school

By: Jeanne Forrester
Name: JEANNE FORRESTER
Title: CHAIR

LESSOR:

THE ASK ACADEMY EDUCATION FOUNDATION, a New Mexico nonprofit corporation

By: Constance D. Castillo
Name: Constance D. Castillo
Title: President

ACKNOWLEDGEMENT

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANDOVAL)

The foregoing LEASE PURCHASE ARRANGEMENT was acknowledged before me this 17th day of January, 2019, by Constance D. Castillo as authorized representative of The ASK Academy Education Foundation, a New Mexico nonprofit corporation, on behalf of the corporation.



M. C. Feger
Notary Public

My Commission Expires:

December 10, 2022

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANDOVAL)

The foregoing LEASE PURCHASE ARRANGEMENT was acknowledged before me this 17th day of January, 2019, by Joanne Forrester, as chair of the governing body of The OFFICIAL ACADEMY, a New Mexico public charter school.

(Seal)  **MELANIE C. FEGER**
Notary Public State of New Mexico
My Commission Expires 12/10/22



Notary Public

My Commission Expires:

December 10, 2022

EXHIBIT A
DESCRIPTION OF THE PROPERTY
(Legal, building and improvements)

LEGAL DESCRIPTION: Tract 27-A-1, Industrial Park West, Rio Rancho, New Mexico.

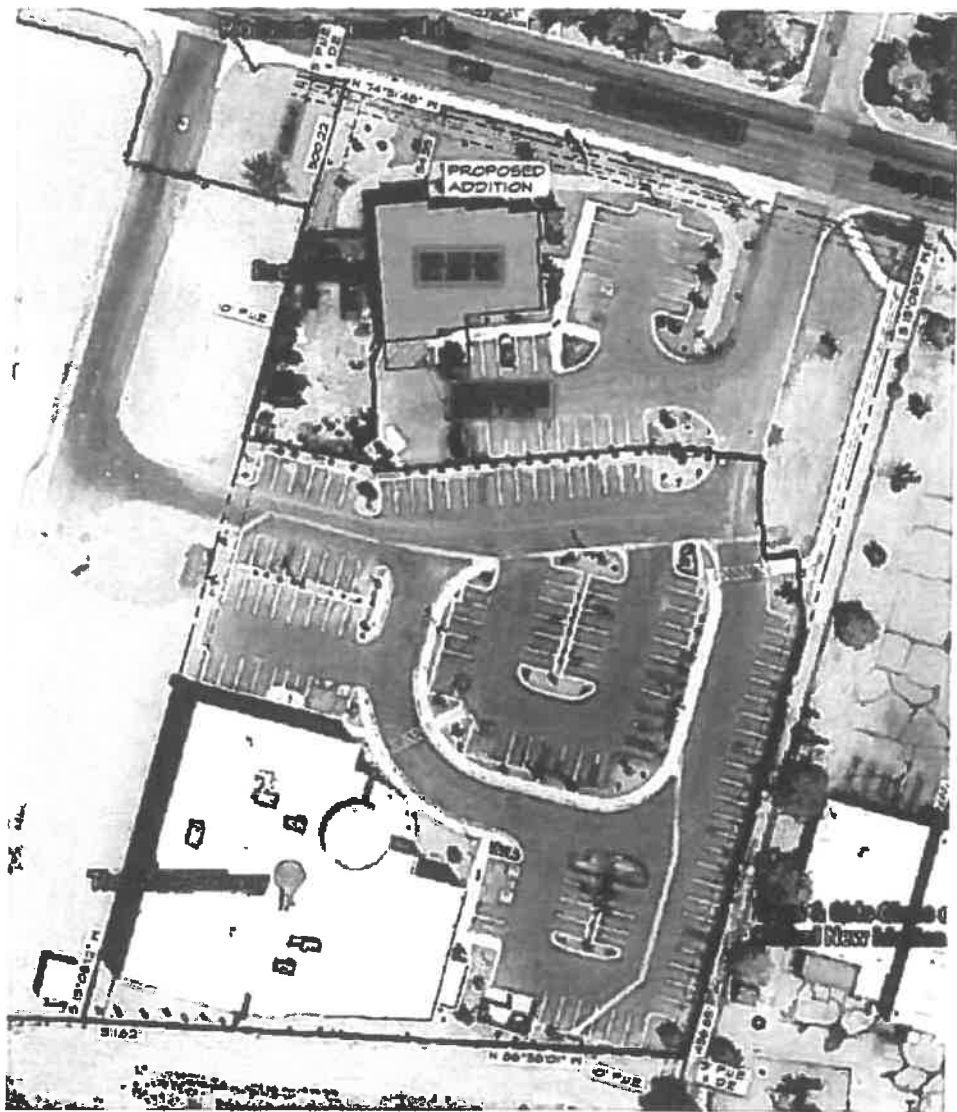
BUILDING AND IMPROVEMENTS: (See attached Floor Plans)

EXHIBIT A DESCRIPTION
OF THE PROPERTY

4500 SUNDT ROAD, NE, RIO RANCH, NEW MEXICO 87124
THE ASK ACADEMY

SITE

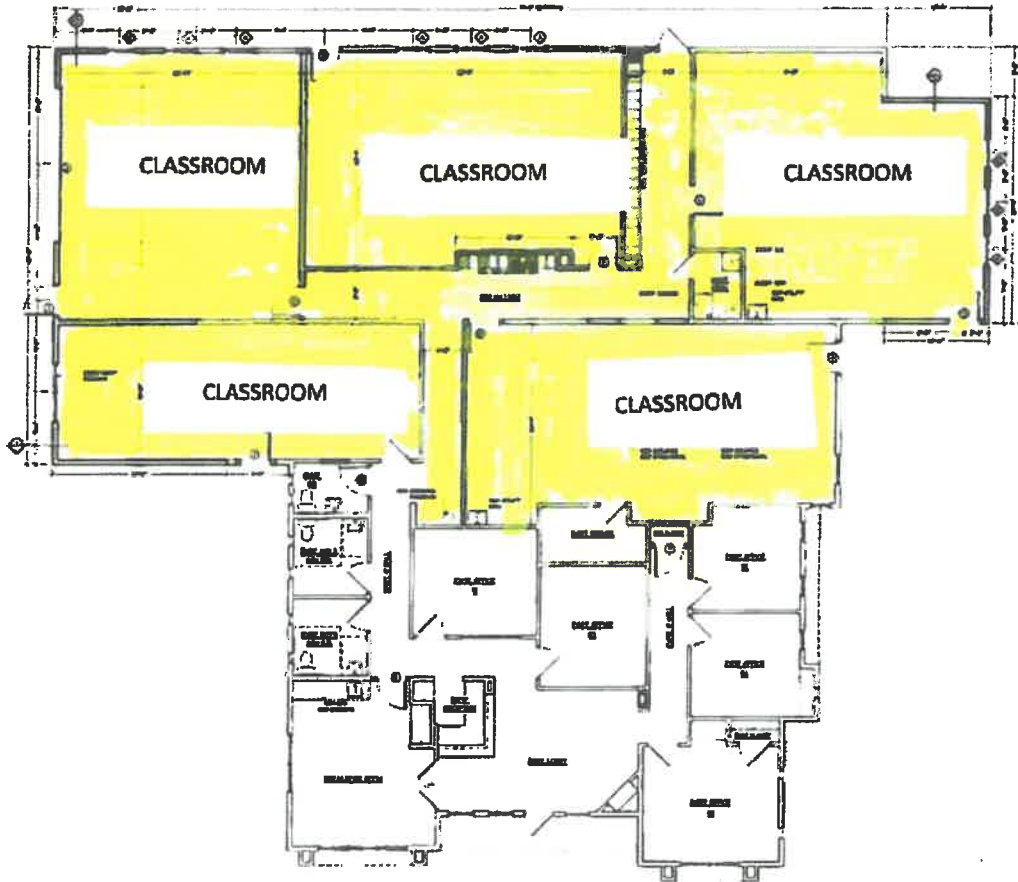
LOCATION MAP
NOT TO SCALE



SITE PLAN

1" = 40'-0"












REMODELED FLOOR PLAN
1/8" = 1'-0"



PLAN LEGEND

-  EXISTING FRAME WALLS TO BE REMOVED
-  EXISTING FRAME WALLS TO REMAIN
-  NEW WALLS
-  NEW OR EXIST. ROOMS TO REMAIN
-  EXIST. ROOMS TO BE REMOVED
-  EXIST. DOOR LOCATION
-  EXIST. DOOR TO BE REMOVED

 ADDED/REMODELED SPACE - TENANT IMPROVEMENTS

<p>FLOOR PLANS</p>	<p>ASK ACADEMY ADDITION</p>	<p>ASK ACADEMY</p>
<p>10-2018</p>	<p>PRELIMINARY</p>	<p>4500 SUNDT RD. N.E. RIO RANCHO, NEW MEXICO</p>
<p>10 / 10</p>	<p>ADVERTISING</p>	<p>ASK ACADEMY</p>
<p>04.17.18</p>	<p>DAVID J. PACHECO ARCHITECT</p>	<p>ASK ACADEMY</p>
<p>AS NOTED</p>	<p>A1</p>	<p>ASK ACADEMY</p>

EXHIBIT B
BASE RENT SCHEDULE
(See Attached)

EXHIBIT B- BASE RENT SCHEDULE
Lease Purchase Arrangement - The ASK Academy

PURCHASE PRICE \$750,000
DOWN PAYMENT
 (LEASE AGREEMENT
 SECURITY DEPOSIT REFUND) \$35,000

BEGINNING BALANCE \$715,000
Interest Rate 7.50% through 5.31.2013
Interest Rate 10.00% through 12.1.2028* (Adjustable rate/Maximum - per LPA)
TERM 10 Years (120 Months)

PRINCIPAL & INTEREST

Payment Date	Lease Payment	Principal	Interest	Total Interest	Balance
2/1/2019	\$8,487.18	\$4,018.43	\$4,468.75	\$4,468.75	\$710,981.57
3/1/2019	\$8,487.18	\$4,043.54	\$4,443.63	\$8,912.38	\$706,938.03
4/1/2019	\$8,487.18	\$4,068.81	\$4,418.36	\$13,330.75	\$702,869.22
5/1/2019	\$8,487.18	\$4,094.24	\$4,392.93	\$17,723.68	\$698,774.97
6/1/2019	\$8,487.18	\$4,119.83	\$4,367.34	\$22,091.02	\$694,655.14
7/1/2019	\$8,487.18	\$4,145.58	\$4,341.59	\$26,432.62	\$690,509.56
8/1/2019	\$8,487.18	\$4,171.49	\$4,315.68	\$30,748.30	\$686,338.07
9/1/2019	\$8,487.18	\$4,197.56	\$4,289.61	\$35,037.92	\$682,140.50
10/1/2019	\$8,487.18	\$4,223.80	\$4,263.38	\$39,301.29	\$677,916.71
11/1/2019	\$8,487.18	\$4,250.20	\$4,236.98	\$43,538.27	\$673,666.51
12/1/2019	\$8,487.18	\$4,276.76	\$4,210.42	\$47,748.69	\$669,389.75
1/1/2020	\$8,487.18	\$4,303.49	\$4,183.69	\$51,932.38	\$665,086.26
2/1/2020	\$8,487.18	\$4,330.39	\$4,156.79	\$56,089.16	\$660,755.87
3/1/2020	\$8,487.18	\$4,357.45	\$4,129.72	\$60,218.89	\$656,398.42
4/1/2020	\$8,487.18	\$4,384.69	\$4,102.49	\$64,321.38	\$652,013.73
5/1/2020	\$8,487.18	\$4,412.09	\$4,075.09	\$68,396.46	\$647,601.64
6/1/2020	\$8,487.18	\$4,439.67	\$4,047.51	\$72,443.97	\$643,161.97
7/1/2020	\$8,487.18	\$4,467.41	\$4,019.76	\$76,463.74	\$638,694.56
8/1/2020	\$8,487.18	\$4,495.34	\$3,991.84	\$80,455.58	\$634,199.22
9/1/2020	\$8,487.18	\$4,523.43	\$3,963.75	\$84,419.32	\$629,675.79
10/1/2020	\$8,487.18	\$4,551.70	\$3,935.47	\$88,354.80	\$625,124.09
11/1/2020	\$8,487.18	\$4,580.15	\$3,907.03	\$92,261.82	\$620,543.94
12/1/2020	\$8,487.18	\$4,608.78	\$3,878.40	\$96,140.22	\$615,935.16
1/1/2021	\$8,487.18	\$4,637.58	\$3,849.59	\$99,989.82	\$611,297.58
2/1/2021	\$8,487.18	\$4,666.57	\$3,820.61	\$103,810.43	\$606,631.01
3/1/2021	\$8,487.18	\$4,695.73	\$3,791.44	\$107,601.87	\$601,935.28
4/1/2021	\$8,487.18	\$4,725.08	\$3,762.10	\$111,363.97	\$597,210.20
5/1/2021	\$8,487.18	\$4,754.61	\$3,732.56	\$115,096.53	\$592,455.59
6/1/2021	\$8,487.18	\$4,784.33	\$3,702.85	\$118,799.38	\$587,671.26
7/1/2021	\$8,487.18	\$4,814.23	\$3,672.95	\$122,472.32	\$582,857.03
8/1/2021	\$8,487.18	\$4,844.32	\$3,642.86	\$126,115.18	\$578,012.71
9/1/2021	\$8,487.18	\$4,874.60	\$3,612.58	\$129,727.76	\$573,138.11
10/1/2021	\$8,487.18	\$4,905.06	\$3,582.11	\$133,309.87	\$568,233.05

EXHIBIT B- BASE RENT SCHEDULE

Lease Purchase Arrangement - The ASK Academy

11/1/2021	\$8,487.18	\$4,935.72	\$3,551.46	\$136,861.33	\$563,297.33
12/1/2021	\$8,487.18	\$4,966.57	\$3,520.61	\$140,381.94	\$558,330.76
1/1/2022	\$8,487.18	\$4,997.61	\$3,489.57	\$143,871.50	\$553,333.15
2/1/2022	\$8,487.18	\$5,028.84	\$3,458.33	\$147,329.84	\$548,304.31
3/1/2022	\$8,487.18	\$5,060.27	\$3,426.90	\$150,756.74	\$543,244.03
4/1/2022	\$8,487.18	\$5,091.90	\$3,395.28	\$154,152.01	\$538,152.13
5/1/2022	\$8,487.18	\$5,123.73	\$3,363.45	\$157,515.46	\$533,028.40
6/1/2022	\$8,487.18	\$5,155.75	\$3,331.43	\$160,846.89	\$527,872.66
7/1/2022	\$8,487.18	\$5,187.97	\$3,299.20	\$164,146.10	\$522,684.68
8/1/2022	\$8,487.18	\$5,220.40	\$3,266.78	\$167,412.87	\$517,464.29
9/1/2022	\$8,487.18	\$5,253.02	\$3,234.15	\$170,647.03	\$512,211.26
10/1/2022	\$8,487.18	\$5,285.86	\$3,201.32	\$173,848.35	\$506,925.40
11/1/2022	\$8,487.18	\$5,318.89	\$3,168.28	\$177,016.63	\$501,606.51
12/1/2022	\$8,487.18	\$5,352.14	\$3,135.04	\$180,151.67	\$496,254.38
1/1/2023	\$8,487.18	\$5,385.59	\$3,101.59	\$183,253.26	\$490,868.79
2/1/2023	\$8,487.18	\$5,419.25	\$3,067.93	\$186,321.19	\$485,449.54
3/1/2023	\$8,487.18	\$5,453.12	\$3,034.06	\$189,355.25	\$479,996.43
4/1/2023	\$8,487.18	\$5,487.20	\$2,999.98	\$192,355.23	\$474,509.23
5/1/2023	\$8,487.18	\$5,521.49	\$2,965.68	\$195,320.91	\$468,987.73

**MAXIMUM
ADJUSTED INTEREST
RATE (ESTIMATED)**

Interest Rate **10%**

BALANCE OF TERM **67 Months**

PRINCIPAL & INTEREST

Payment Date	Lease Payment	Principal	Interest	Total Interest	Balance
6/1/2023	\$9,163.22	\$5,254.99	\$3,908.23	\$3,908.23	\$463,732.74
7/1/2023	\$9,163.22	\$5,298.78	\$3,864.44	\$7,772.67	\$458,433.96
8/1/2023	\$9,163.22	\$5,342.94	\$3,820.28	\$11,592.95	\$453,091.03
9/1/2023	\$9,163.22	\$5,387.46	\$3,775.76	\$15,368.71	\$447,703.56
10/1/2023	\$9,163.22	\$5,432.36	\$3,730.86	\$19,099.58	\$442,271.21
11/1/2023	\$9,163.22	\$5,477.63	\$3,685.59	\$22,785.17	\$436,793.58
12/1/2023	\$9,163.22	\$5,523.27	\$3,639.95	\$26,425.12	\$431,270.31
1/1/2024	\$9,163.22	\$5,569.30	\$3,593.92	\$30,019.03	\$425,701.01
2/1/2024	\$9,163.22	\$5,615.71	\$3,547.51	\$33,566.54	\$420,085.30
3/1/2024	\$9,163.22	\$5,662.51	\$3,500.71	\$37,067.25	\$414,422.79
4/1/2024	\$9,163.22	\$5,709.70	\$3,453.52	\$40,520.78	\$408,713.09
5/1/2024	\$9,163.22	\$5,757.28	\$3,405.94	\$43,926.72	\$402,955.81
6/1/2024	\$9,163.22	\$5,805.25	\$3,357.97	\$47,284.68	\$397,150.56
7/1/2024	\$9,163.22	\$5,853.63	\$3,309.59	\$50,594.27	\$391,296.93
8/1/2024	\$9,163.22	\$5,902.41	\$3,260.81	\$53,855.08	\$385,394.52
9/1/2024	\$9,163.22	\$5,951.60	\$3,211.62	\$57,066.70	\$379,442.92

EXHIBIT B- BASE RENT SCHEDULE

Lease Purchase Arrangement - The ASK Academy

10/1/2024	\$9,163.22	\$6,001.20	\$3,162.02	\$60,228.73	\$373,441.72
11/1/2024	\$9,163.22	\$6,051.21	\$3,112.01	\$63,340.74	\$367,390.52
12/1/2024	\$9,163.22	\$6,101.63	\$3,061.59	\$66,402.33	\$361,288.89
1/1/2025	\$9,163.22	\$6,152.48	\$3,010.74	\$69,413.07	\$355,136.41
2/1/2025	\$9,163.22	\$6,203.75	\$2,959.47	\$72,372.54	\$348,932.66
3/1/2025	\$9,163.22	\$6,255.45	\$2,907.77	\$75,280.31	\$342,677.21
4/1/2025	\$9,163.22	\$6,307.58	\$2,855.64	\$78,135.95	\$336,369.63
5/1/2025	\$9,163.22	\$6,360.14	\$2,803.08	\$80,939.03	\$330,009.50
6/1/2025	\$9,163.22	\$6,413.14	\$2,750.08	\$83,689.11	\$323,596.36
7/1/2025	\$9,163.22	\$6,466.58	\$2,696.64	\$86,385.75	\$317,129.77
8/1/2025	\$9,163.22	\$6,520.47	\$2,642.75	\$89,028.50	\$310,609.30
9/1/2025	\$9,163.22	\$6,574.81	\$2,588.41	\$91,616.91	\$304,034.49
10/1/2025	\$9,163.22	\$6,629.60	\$2,533.62	\$94,150.53	\$297,404.89
11/1/2025	\$9,163.22	\$6,684.85	\$2,478.37	\$96,628.90	\$290,720.05
12/1/2025	\$9,163.22	\$6,740.55	\$2,422.67	\$99,051.57	\$283,979.50
1/1/2026	\$9,163.22	\$6,796.72	\$2,366.50	\$101,418.07	\$277,182.77
2/1/2026	\$9,163.22	\$6,853.36	\$2,309.86	\$103,727.92	\$270,329.41
3/1/2026	\$9,163.22	\$6,910.47	\$2,252.75	\$105,980.67	\$263,418.93
4/1/2026	\$9,163.22	\$6,968.06	\$2,195.16	\$108,175.83	\$256,450.87
5/1/2026	\$9,163.22	\$7,026.13	\$2,137.09	\$110,312.92	\$249,424.74
6/1/2026	\$9,163.22	\$7,084.68	\$2,078.54	\$112,391.46	\$242,340.06
7/1/2026	\$9,163.22	\$7,143.72	\$2,019.50	\$114,410.96	\$235,196.34
8/1/2026	\$9,163.22	\$7,203.25	\$1,959.97	\$116,370.93	\$227,993.09
9/1/2026	\$9,163.22	\$7,263.28	\$1,899.94	\$118,270.87	\$220,729.82
10/1/2026	\$9,163.22	\$7,323.80	\$1,839.42	\$120,110.28	\$213,406.01
11/1/2026	\$9,163.22	\$7,384.84	\$1,778.38	\$121,888.67	\$206,021.18
12/1/2026	\$9,163.22	\$7,446.38	\$1,716.84	\$123,605.51	\$198,574.80
1/1/2027	\$9,163.22	\$7,508.43	\$1,654.79	\$125,260.30	\$191,066.37
2/1/2027	\$9,163.22	\$7,571.00	\$1,592.22	\$126,852.52	\$183,495.37
3/1/2027	\$9,163.22	\$7,634.09	\$1,529.13	\$128,381.65	\$175,861.28
4/1/2027	\$9,163.22	\$7,697.71	\$1,465.51	\$129,847.16	\$168,163.57
5/1/2027	\$9,163.22	\$7,761.86	\$1,401.36	\$131,248.52	\$160,401.71
6/1/2027	\$9,163.22	\$7,826.54	\$1,336.68	\$132,585.20	\$152,575.18
7/1/2027	\$9,163.22	\$7,891.76	\$1,271.46	\$133,856.66	\$144,683.42
8/1/2027	\$9,163.22	\$7,957.52	\$1,205.70	\$135,062.36	\$136,725.89
9/1/2027	\$9,163.22	\$8,023.84	\$1,139.38	\$136,201.74	\$128,702.05
10/1/2027	\$9,163.22	\$8,090.70	\$1,072.52	\$137,274.26	\$120,611.35
11/1/2027	\$9,163.22	\$8,158.12	\$1,005.09	\$138,279.35	\$112,453.23
12/1/2027	\$9,163.22	\$8,226.11	\$937.11	\$139,216.46	\$104,227.12
1/1/2028	\$9,163.22	\$8,294.66	\$868.56	\$140,085.02	\$95,932.46
2/1/2028	\$9,163.22	\$8,363.78	\$799.44	\$140,884.46	\$87,568.68
3/1/2028	\$9,163.22	\$8,433.48	\$729.74	\$141,614.20	\$79,135.19
4/1/2028	\$9,163.22	\$8,503.76	\$659.46	\$142,273.66	\$70,631.43
5/1/2028	\$9,163.22	\$8,574.62	\$588.60	\$142,862.25	\$62,056.81
6/1/2028	\$9,163.22	\$8,646.08	\$517.14	\$143,379.39	\$53,410.73
7/1/2028	\$9,163.22	\$8,718.13	\$445.09	\$143,824.48	\$44,692.60
8/1/2028	\$9,163.22	\$8,790.78	\$372.44	\$144,196.92	\$35,901.82

EXHIBIT B- BASE RENT SCHEDULE

Lease Purchase Arrangement - The ASK Academy

9/1/2028	\$9,163.22	\$8,864.04	\$299.18	\$144,496.10	\$27,037.78
10/1/2028	\$9,163.22	\$8,937.90	\$225.31	\$144,721.42	\$18,099.88
11/1/2028	\$9,163.22	\$9,012.39	\$150.83	\$144,872.25	\$9,087.49
12/1/2028	\$9,163.22	\$9,087.49	\$75.73	\$144,947.98	\$0.00

EXHIBIT C
Planned Funding Sources and Budget to make Lease Payments
(See Attached)

EXHIBIT B

**SOURCE OF FUNDS FOR FACILITY PAYMENTS PURSUANT TO
LEASE PURCHASE ARRANGEMENT**

THE ASK ACADEMY

Purchase Price/Balance	\$750,000.00/\$715,000.00
Monthly Payment	Total: \$8,487.18
Total Annual Payment	\$101,846.16

DESCRIPTION OF FUNDING SOURCES	TOTAL	PROJECTED ANNUAL 80/120 MEM	Per MEM LEASE REIMBURSEMENT
<i>Based on FY16 Funding</i>			
¹ PSFA Lease Assistance Award pursuant to NMSA 1978, §22-24-4(I)	\$73,625. (Estimated for this site)	100	\$736.25
² Supplemental Payments from Operational (SEG)	(See below)		
³ Supplemental Payments from SB9 (Public School Capital Improvements Act, NMSA 1978, §22-25-1, <i>et seq.</i>)	\$28,221.16		
⁴ Supplemental Payments from HB33 (Public School Buildings Act, NMSA 1978, §22-26-1, <i>et seq.</i>)	\$ N/A		
TOTAL FUNDS AVAILABLE	\$101,846.16		

¹Projected PSCOC Lease Assistance Award assumes per-member funding remaining at the multiplier of \$736.25/member, which factor was applied in FY18 and has been approved by the PSCOC as the rate applied for FY19. The Public School Capital Outlay Act, at NMSA 1978, §22-24-4(I) provides for an annual CPI adjustment to the per-member funding amount, however the Lessee has not forecasted any potential increase or decrease when considering its source of funds.

²The School projects that it will receive sufficient proceeds from the local mill levy proceeds to supplement the Lease Reimbursement Award, such that the Lessee will not expend money from its Operational funds for lease payments. If there is a predicted shortfall in mill levy proceeds in any year of the LPA, the Lessee will budget sufficient funds from its Operational funds to make its lease payments.

³Based on 2018 mill levy proceeds (SB9) received to date, the Lessee projects that it can pay the differential between the Lease Assistance Award and the lease payment.

⁴HB33 funds are not currently available in Sandoval County.

EXHIBIT D

Copies of the New Mexico Public Education Department's and Public School Facilities Authority's individual approvals of this Agreement.

(See Attached)



STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
300 DON GASPAR
SANTA FE, NEW MEXICO 87501-2786
Telephone (505) 827-5800
www.ped.state.nm.us

CHRISTOPHER N. RUSZKOWSKI
SECRETARY OF EDUCATION

SUSANA MARTINEZ
GOVERNOR

December 27, 2018

SENT BY USPS FIRST-CLASS MAIL AND ELECTRONIC MAIL

Patricia Matthews
Attorney at Law
Matthews Fox, PC
1925 Aspen Drive, Suite 301A
Santa Fe, New Mexico 87505

Re: Revised Lease Purchase Arrangement between The ASK Academy Education Foundation and The ASK Academy

Ms. Matthews:

The Public Education Department has reviewed the revised Lease Purchase Arrangement between The ASK Academy Education Foundation and The ASK Academy, together with the appertaining exhibits and referenced documents (referred to together in this letter as the "Lease Purchase Arrangement"), for compliance with the pertinent sections of the Public School Lease Purchase Act, Chapter 22, Article 26A NMSA 1978, and with the applicable provisions of other New Mexico statutes.

The specific Lease Purchase Arrangement the Public Education Department reviewed was the revised version of the financing agreement Robert F. Sánchez, Public Education Department Assistant General Counsel, sent you on December 11, 2018, with the additional changes both of you agreed to in the subsequent electronic communications. For reference purposes, a copy of the rewritten Lease Purchase Arrangement is enclosed with this letter.

The Public Education Department's position in having reviewed and approved the Lease Purchase Arrangement was that formation of the financing agreement was left to the arms-length negotiations between The ASK Academy Education Foundation, as the owner-lessor, and The ASK Academy, as the charter school-lessee, with the advice and assistance of their respective attorneys, and that such matters were beyond the purview or authority of our state agency under the relevant New Mexico laws.

Patricia Matthews
December 27, 2018
Page 2

The Public Education Department by this letter informs The ASK Academy's governing body that, based on our state agency's review, the Lease Purchase Arrangement identified above has been approved in accordance with Section 22-26A-4(B) NMSA 1978.

As is provided in the Lease Purchase Arrangement itself, the financing agreement is subject to approval by the Public School Facilities Authority, pursuant to Section 22-20-1(A)(2) NMSA 1978.

Please send Pamela Jones, with the Public Education Department's Office of General Counsel, a fully executed copy of the Lease Purchase Arrangement, as well as complete copies of all accompanying exhibits and related documents, when those become available to you.

The Public Education Department wishes The ASK Academy continued success in its mission of "emphasizing science, technology, engineering, and mathematics (STEM) curricula to create a learning culture through: project-based learning experiences, 21st century technology, research programs, relationship building, and a partnership program engaging scholars in the learning process."

Thank you for your attention to this letter, and please contact Mr. Sánchez if you have any questions about its contents.

Regards,



Marian K. Rael
Acting Deputy Secretary of Finance & Operations

MKR/aar/rfs

Enclosure: as stated

E-copies: Christopher N. Ruszkowski, Secretary of Education
Aaron A. Rodriguez, Deputy General Counsel
David Craig, School Budget & Finance Analysis Bureau Director
Antonio Ortiz, Capital Outlay Bureau Director
Michael R. Smith, The ASK Academy Governing Council President
Denise Irion, Public School Facilities Authority CFO (w/ enclosure)

EXHIBIT D

**State of New Mexico
Public School Facilities Authority**

Jonathan Chamblin, Director



Martica Casias, Deputy Director

**1312 Basehart Road, SE, Suite 200
Albuquerque, NM 87106
(505) 843-6272 (Phone); (505) 843-9681 (Fax)
Website: www.nmpsfa.org**

June 15, 2018

Dan Busse, General Manager
The ASK Academy
4550 Sundt Road NE,
Rio Rancho, NM 87124

RE: Proposed Facility for The ASK Academy, 4500 Sundt Road NE, Rio Rancho, NM 87124

VIA E-MAIL

Mr. Busse,

Public School Facilities Authority (PSFA) has assessed the proposed facilities for The ASK Academy, as you are considering entering into a lease-purchase agreement for this facility. This assessment was conducted pursuant to 22-8B-4.2 NMSA 1978 and 22-20-1(A) (2)NMSA 1978.

Per your request on May 12, 2018 PSFA performed an assessment/review of the proposed Construction Drawings and existing facility on May 21, 2018 for the proposed Charter School indicated above.

PSFA is pleased to advise you that this assessment combined with the proposed construction drawings has resulted in a weighted New Mexico Condition Index (wNMCI) score of 3.23 % which is better (lower is better) than the current wNMCI statewide average of 23.78% as required by this statute. If you decide to move to this facility, PSFA understands that 100% construction drawings will be produced by a licensed architect registered in the state of New Mexico. These plans will demonstrate the required Educational Occupancy, which must be acquired prior to occupancy. Please provide PSFA with copy of Certificate of Occupancy denoting "E" Educational Occupancy.

This assessment combined with the proposed construction drawings concludes this facility located at 4500 Sundt Road NE, Rio Rancho, NM 87124 meets the requirements of 22-8B-4.2 NMSA 1978 and 22-20-1(A)(2)NMSA1978.

Based on the above information the Public School Facilities Authority is pleased to indicate this facility meets the requirements stated above. Please contact the Public Education Department and provide them with this information as they are the Agency that approves the lease purchase agreement.

Please feel free to contact me if you have any questions or concerns regarding this correspondence. I can be reached at (505) 468-0295.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'T. Rybarczyk', with a stylized flourish at the end.

Timothy Rybarczyk, Facilities Specialist
Public School Facilities Authority

Cc; Norma Ahlskog, PSFA Financial Specialist
Martica Casias, Planning & Design Manager



A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

COPY OF LIABILITY INSURANCE COVERAGE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/29/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Poms & Associates Insurance Brokers CA License #0814733 5700 Canoga Ave. #400 Woodland Hills CA 91367	CONTACT NAME: Risk Services PHONE (A/C No. Ext): (800) 578-8802 FAX (A/C, No): (818) 449-9449 E-MAIL ADDRESS: rservices@pomsassoc.com																				
	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A:</td> <td>New Mexico Public Schools Insurance Authority</td> <td>N/A</td> </tr> <tr> <td>INSURER B:</td> <td>New Mexico Public Schools Insurance Authority</td> <td>N/A</td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	New Mexico Public Schools Insurance Authority	N/A	INSURER B:	New Mexico Public Schools Insurance Authority	N/A	INSURER C:			INSURER D:			INSURER E:			INSURER F:	
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COVERAGES **CERTIFICATE NUMBER:** The Ask Academy **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Owners Contractors <input type="checkbox"/> Protective Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			MOC NO. L0022	07/01/2019	07/01/2020	EACH OCCURRENCE \$ Tort Limit DAMAGE TO RENTED PREMISES (Ea occurrence) \$ Tort Limit MED EXP (Any one person) \$ Tort Limit PERSONAL & ADV INJURY \$ Tort Limit GENERAL AGGREGATE \$ Tort Limit PRODUCTS - COMP/OP AGG \$ Tort Limit MAXIMUM LIABILITY \$ 1,050,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	PROPERTY			MOC NO. P0022	07/01/2019	07/01/2020	Building Deductible: PER SCHEDULE Contents Deductible: ON FILE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Self-Insured Retention for Liability & Property is \$750,000. See attached New Mexico Tort Claims Act Section 41-4-19: Maximum Liability Summary.
Evidence of Insurance with respects to leased premises located at 4500 Sundt Road NE, Rio Rancho, NM 87124.

CERTIFICATE HOLDER Rachel Matthew Development PO Box 44987 Rio Rancho NM 87174	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

Page _____ of _____

AGENCY Poms & Associates Insurance Brokers		NAMED INSURED New Mexico Public Schools Insurance Authority	
POLICY NUMBER			
CARRIER	NAIC CODE	EFFECTIVE DATE:	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 **FORM TITLE:** Certificate of Liability Insurance: Notes

Summary of New Mexico Tort Claims Act Section 41-4-19: Maximum Liability
 Governmental entities and agencies, including public schools, public charter schools and community colleges and universities are granted immunity from liability.

- Commercial General Liability
- Products and Completed Operations
- Professional Liability
- Contractual Liability
- Imposed by New Mexico Tort Claims Act [NMSA 1975 §41-4-1 through 41-4-29]
- \$400,000 Bodily Injury Per Person
- \$200,000 Property Damage Per Property Address
- \$300,000 Medical
- \$750,000 Per Occurrence
- \$1,050,000 Combined Limit/Maximum Liability



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	INSURER(S) AFFORDING COVERAGE	
INSURED New Mexico Public Schools Insurance Authority Member: The Ask Academy Charter School 410 Old Taos Highway Santa Fe NM 87501	INSURER A: New Mexico Public Schools Insurance Authority NAIC # N/A	
	INSURER B: New Mexico Public Schools Insurance Authority NAIC # N/A	
	INSURER C:	
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CERTIFICATE HOLDER**CANCELLATION**

The ASK Academy Education Foundation 4550 Sundt Road NE Rio Rancho NM 87124	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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AGENCY CUSTOMER ID: _____

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A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

NARRATIVE



A New Mexico Public Charter School
The ASK Academy
21st Century Design Thinking

Narrative
Public Education Commission

6th Grade Academy
4500 Sundt Road NE, Rio Rancho, NM 87124

Provide the rationale for moving the school to a new location:

ASK did not move to a new location but annexed an adjacent property to accommodate 100 sixth grade scholars for core classes. At our October 22, 2019 Renewal and Site Visit, NMPED CSD requested that the enclosed notification form and supporting documentation be submitted to the CSD for PEC notification. Though we do not believe our July 1, 2015 contract requires notification, in the spirit of cooperation, we are submitting the requested documents regarding the 6th Grade Academy building.

According to our charter contract, we must provide facilities that meet educational occupancy standards and the New Mexico Condition Index. The facility was assessed by PSFA, prior to annexation, on May 12, 2018, receiving the NMCI approval letter on June 15, 2018. Educational occupancy was obtained July 29, 2019.

The ASK Governing Council approved a resolution to acquire the property through the ASK Academy Education Foundation on October 18, 2018, and published legal notification to the community. On December 27, 2018 the NMPED approved a Lease Purchase Agreement on the property. On January 31, 2019 the 6th Grade Academy was under remodel and was discussed with CSD at our 2018-19 annual site visit. We were not asked to provide notification to the PEC at that time. The property was included in our PSFA Lease Assistance application and approved for funding in 2019-20. Educational occupancy was obtained July 29, 2019. The 6th Grade Academy opened to our scholars on August 5, 2019. Our Facility Master Plan was updated to include the new facility and approved by PSFA on September 19, 2019. Our Renewal Application submitted prior to October 1, 2019 also included the 6th Grade Academy.

The ASK Academy continues to expand our successful STEM approach to education with a dedicated 6th Grade Academy which provides core classes for 100 sixth grade scholars.

Here are a few of the major benefits of having the 6th Grade Academy:

- Scholars could be more easily prepared for the learning approach (self-directed, project-based), rigor and culture of ASK in a self-contained environment, designed specifically for the needs of 6th graders.
- 6th Graders would be prepared for success in 7th-12th grade.
- ASK currently has 553 scholars enrolled. Optimal capacity with our STEM education in the main facility is 450 scholars. With the new facility, 100 sixth grade scholars have moved to the new building for core classes. This provides more overall building capacity and manageable class sizes at all grade levels.
- Adding the additional facility allows ASK to accommodate 550 scholars, only 50 short of our cap.

Identify the number of students displaced by the move and discuss the plan to support these students:

As described above, the plan does not displace any students. The additional facility accommodates 100 sixth grade scholars for their core classes from the main building.

Discuss communication of the planned move to the school community:

The plan was discussed at length with the Governing Council, Executive Council, staff and families. With the support of all stakeholders, ASK moved forward with the acquisition of the 6th Grade Academy. Since ASK was not relocating, but adding additional space, we received the necessary approvals from both PSFA (NMCI, Lease Assistance, Facility Master Plan) and NMPED (Lease Purchase Agreement). We were only recently told that PEC notification was required.

Discuss how displaced students will be/have been supported in identifying other educational options; and Enrolling in another school. N/A