

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
CONSTRUCTION INDUSTRIES DIVISION
GENERAL CONSTRUCTION BUREAU

No 24506

THIS BUILDING HAS BEEN OCCUPIED BEFORE A FINAL INSPECTION HAS BEEN CONDUCTED.

✓
PERMANENT

TEMPORARY,

EXPIRATION DATE

~ CERTIFICATE OF OCCUPANCY ~

THE FOLLOWING BUILDING OR PORTION THEREOF HAS BEEN INSPECTED FOR COMPLIANCE WITH THE REQUIREMENTS OF
OCCUPANCY GROUP E-II B AS SPECIFIED BY THE NEW MEXICO BUILDING CODE.

515 Camino Arbolera Española NM 87532
BUILDING ADDRESS

McCurdy Galich, LLC Española NM 87532
NAME AND ADDRESS OF OWNER

FBT Architects
NAME(S) OF LICENSED NEW MEXICO CONTRACTOR(S)

IF NO LICENSED CONTRACTOR, NAME(S) OF OWNER-BUILDER(S)

2016018662
BUILDING PERMIT NUMBER

PORTION OF BUILDING

[Signature]
INSPECTOR'S NAME

02-04-2019
DATE

COMMENTS

**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

February 22, 2021
Sarah Tario – Director
McCurdy Charter School
515 Camino Arbolera
Espanola, NM 87532

RE: wNMCI for McCurdy Charter School
VIA E-MAIL

Ms. Tario,

Per your request, the Public School Facilities Authority is providing you with the facility's current weighted New Mexico Condition Index (wNMCI), pursuant to 22-8B-4.2 NMSA 1978 and 22-20-1(A) (2) NMSA 1978. The wNMCI represents the facility condition related to systems and adequate space for the students.

The PSFA assessed the facility on November 8, 2017. This letter confirms that the facility satisfies the requirement to meet or exceed the average wNMCI. The wNMCI score for this facility is **13.56%**, which is better than the current statewide average wNMCI of 23.4%. (Lower is better, with zero being perfect.)

Please feel free to contact me if you have any questions or concerns regarding this correspondence.

Respectfully,

A handwritten signature in cursive script that reads "Alyce Ramos".

Alyce Ramos, Research Analyst
Public School Facilities Authority

Cc; Martica Casias, Deputy Director

LEASE AGREEMENT

By and Between

**McCurdy Master Tenant, LLC,
A Delaware Limited Liability Company,**

and

**McCurdy Charter School,
A New Mexico public charter school**

DATED AS OF AUGUST 24, 2016

LEASE AGREEMENT

This Lease Agreement (this "**Lease**") is entered into by and between McCurdy Master Tenant, LLC, a Delaware limited liability company ("**Lessor**") whose sole member is Charter Schools Development Corporation, a District of Columbia nonprofit corporation, as Lessor, and McCurdy Charter School, a New Mexico public charter school, (the "**School**"), as Lessee, effective as of August 31, 2016 ("**Effective Date**").

RECITALS

THE PARTIES HERETO enter into this Lease on the basis of the following facts, understandings, and intentions:

A. On August 3, 2016, McCurdy QALICB, LLC, a Delaware limited liability company ("**Owner**") whose sole member is CSDC Property Corporation, an Arizona nonprofit corporation entered into a Purchase and Sale Agreement for the purchase of certain improved and unimproved real property in the City of Espanola, County of Santa Fe, New Mexico, commonly known as tracts L1 ("**Original Campus**"), M1 ("**Football Field**"), and M6B ("**New Campus**") located in the area of 362 S. McCurdy Road, Espanola, New Mexico, more particularly described on **Exhibit A**, attached hereto (each of the lots collectively, the "**Existing Property**");

B. As of the date of this Agreement: the Original Campus consists of a gymnasium and a cafeteria/classroom building and related improvements; the Football Field consists of a football field and related improvements; and the New Campus consists of undeveloped land.

C. On or prior to the Owner's closing on the acquisition of the Existing Property ("**Closing**"), Owner has obtained certain loans (collectively, the "**CDE Loan**") from Finance New Mexico-Investor Series, XVIII, LLC, a New Mexico limited liability company (together with its successors and/or assigns, the "**CDE**") pursuant to the terms of that certain Loan and Security Agreement and the other Loan Documents (as defined therein) dated of even date herewith (collectively, the "**CDE Loan Documents**"). Pursuant to the terms of the CDE Loan Documents, Owner shall use the proceeds of the CDE Loan to construct a two-story building of approximately 38,000+/- square feet ("**New Campus Improvements**" and together with the Existing Property, the "**Property**") and repair and improve the existing buildings on the Original Campus (the "**Original Campus Improvements**") (collectively, the "**Improvements**") in accordance with the plans and specifications identified on **Exhibit B**, attached hereto and approved by School. Owner has agreed to select the general contractor to complete the Improvements pursuant to public bidding.

D. Pursuant to the terms of that certain Master Lease dated as of the date hereof (the "**Master Lease**"), Owner has leased the Property to Lessor and Lessor is subleasing the same to the School. However, the New Campus shall not be released to School for occupancy and operation until the completion of the New Campus Improvements. Lessor shall ensure that, upon completion of the New Campus Improvements, the Property will meet educational occupancy and adequacy requirements for New Mexico public schools, and will meet or exceed the weighted New Mexico

Condition Index for public schools established by the New Mexico Public School Facilities Authority ("PSFA").

E. The School is public charter school authorized by the New Mexico Public Education Department and duly organized and validly existing pursuant to the New Mexico Charter Schools Act, §§ 22-8B-1 through 22-8B-15, NMSA 1978, (the "Act"), and the School is authorized by Section 22-8B-4D of the Act to contract with any third party for the use of a school building and grounds.

F. Lessor is a Delaware limited liability company organized, existing, and in good standing under the laws of the State of New Mexico (the "State"); is duly qualified to do business in New Mexico; and is authorized under its articles of organization, operating agreement, action of its board of directors, and applicable law, to own and manage its properties, to conduct its affairs in the State, to lease the Property to the School, and to otherwise act in the manner contemplated herein.

G. The School desires to lease the Property from Lessor, and Lessor desires to lease the Property to the School pursuant to the terms and conditions contained herein.

H. Lessor has obtained certain loans (collectively, the "Clearinghouse Loan") from Clearinghouse Community Development Financial Institution, a California corporation ("Clearinghouse") (together with its successors and/or assigns, "Clearinghouse", and collectively with the CDE and its successors and assigns, the "Lenders") pursuant to the terms of that certain Loan and Security Agreement and the other Loan Documents (as defined therein) dated of even date herewith (collectively, the "Clearinghouse Loan Documents") for the purchase and improvement of the Existing Property for the School's use.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals (which are incorporated herein in their entirety as if fully set forth) and the covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Demise. Lessor hereby leases the Property to the School, and the School hereby leases the Property from Lessor. Lessor shall not interfere with the quiet use and enjoyment of the Property by the School during the Initial Term (and any Extended Term) of this Lease so long the School is not in default under the terms of this Lease. Provided, however, that notwithstanding the foregoing, the School shall not take possession of the New Campus, until the New Campus Improvements described in **Exhibit B** hereto are substantially complete and a temporary or permanent certificate of occupancy has been obtained, which date is expected to be prior to July 1, 2017 and no later than November 30, 2017. Leasing the Property to the School is subject to all building restriction lines, occupancy requirements, or other restrictions or rights imposed on the Property.

2. Need. The School hereby declares its current need for the Property and further determines and declares its expectation that the Property will (so long as they are subject to the

terms hereof) adequately serve the needs for which they are being leased throughout the stated term of this Lease. The School hereby agrees and determines that the Base Rent (defined below) during the Initial Term (and any Extended Term) of this Lease represents not more than the fair market value of the use of the Property during such year. In making such declarations and determinations, the School has given consideration to the uses and purposes for which the Property will be employed by the School, the benefit to the School by reason of the Property, and the use and occupancy of the Property pursuant to the terms and provisions of this Lease.

3. Term. The term of this Lease shall be for a period commencing on the date of this Lease and ending on June 30, 2026 ("**Initial Term**"), unless sooner terminated pursuant to any provision of this Lease. This Lease is contingent upon sufficient appropriations being made by the State of New Mexico for performance of this Lease. If sufficient appropriations and authorization are not made by the State of New Mexico, this Lease may terminate prior to the end of its Initial Term, with School obligated to pay Rent and Additional Rent only through the end of the then-current School fiscal year. The School agrees to vacate the Property at the end of the Initial Term unless the Initial Term is extended as set forth below, or if earlier, upon termination of this Lease. If this Lease is terminated pursuant to any provision hereof, School agrees to join with Lessor, promptly on Lessor's written request, in executing a memorandum confirming such termination. The provisions contained in this Section 3 together with the obligation of School to pay Lessor Additional Rent (as hereinafter defined) which has accrued during the Initial Term but remains unpaid at expiration or termination hereof, whether billed or unbilled as of such date, shall expressly survive the expiration or termination of the Initial Term.

4. Extended Term. School shall be entitled to extend the term of this Lease beyond the Term for one (1) additional term ("**Extended Term**" and Initial Term and Extended Term may be referred to collectively as the "**Term**"), with the Extended Term commencing on July 1, 2026 and ending on June 30, 2041, provided that this Lease has not been previously terminated and that the School is not in default under the terms of this Lease at the time of extension. The Extended Term shall be at the rental rate as set forth in Section 8 and all other provisions set forth in this Lease apply to the Extended Term. The School shall give written notice of its intent to extend the Lease at least six months prior to the expiration of the then-current term. The School is under no obligation to extend the term of this Lease at any time, and the School shall have no further right to extend the term of this Lease beyond the expiration of the extension provided for above. Further, the Extended Term is contingent upon sufficient appropriations being made by the State of New Mexico to the School for performance of this Lease. If sufficient appropriations and authorization are not made by the State of New Mexico to the School, this Lease may terminate prior to the end of the then current term. The School agrees to vacate the Property at the end of the Extended Term unless the Lease term is extended as set forth below, or earlier, upon termination of the Lease.

5. Holdover. If School shall, with the knowledge and consent of Lessor, remain in possession of the Property after expiration of the Term, and if Lessor accepts Rent (as hereinafter defined) from School for any period after such expiration, then School shall become a tenant by the month, commencing on the day next following the last day of the Term of the Lease, such monthly hold-over tenancy Base Annual Rent (as hereinafter defined) shall be in an amount equal to fair market rent determined at such time and, except as set forth above, upon all other terms hereof, except that during such monthly hold-over tenancy, School shall give to Lessor at least thirty (30) days' prior written notice of any intention to quit the Property, and School shall be entitled to at

least thirty (30) days' prior written notice from Lessor demanding School to quit the Property, except in the event of nonpayment of Rent in advance or the breach of any other covenant by School, in which event School shall not be entitled to any notice to quit, the statutory notice (if any) and all other notices to quit being hereby expressly waived by School, to the extent permitted by applicable law.

If School holds over after expiration of the Term of the Lease without Lessor's written consent, then (i) Lessor, at its option, may forthwith re-enter and recover possession of the Property by any legal process in force, School hereby waiving all notices to quit to the extent such waivers are permitted by applicable law, and School shall be deemed to be in default hereunder, and (ii) School shall pay to Lessor, in advance on the first (1st) day of each calendar month in any such holdover tenancy, monthly use and occupancy payments for the Property in an amount equal to one hundred twenty-five percent (125%) of the Base Annual Rent applicable during the month immediately preceding such holdover for the initial thirty (30) days of such holdover and one hundred fifty percent (150%) of the Base Monthly Rent for all subsequent periods of such holdover. The aforesaid use and occupancy payments shall not be deemed to preclude Lessor from the recovery of any actual damages that it may suffer by reason of School's wrongful holdover.

6. Use. School covenants and agrees to use the Property only (i) for the operation of a public charter school, summer school, parent workshops and related administrative uses, and before and after school programs or care and (ii) for educational and community purposes ancillary or complementary to the operation of the Property as a public charter school, and for any incidental and related purposes thereto, including, without limitation, granting licenses to community groups such as boy scouts, girl scouts, community sports leagues, parent teacher organizations, booster clubs, civic groups, or church groups for temporary or episodic use of a portion of the Property (collectively, the "**Permitted Use**"), and for no other purpose whatsoever. It is expressly recognized that adult activities shall not be conducted during normal school hours on the Property, with the exception of customary parent-teacher conferences, parent-teacher association or board meetings and other school-related parent/community participation activities. It is expressly recognized that operation of a school may include sports, dances, concerts, and hosting other special events, fundraisers or community events or activities. The School will comply with all applicable state and federal laws concerning discrimination on the basis of race, creed, color, gender, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of persons working for the School. In no event shall any portion of the Property be used for (i) farming, (ii) the ownership or leasing of residential rental property as defined in § 168(e)(2) of the Internal Revenue Code of 1986, as amended, (iii) any trade or business consisting of the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, or (iv) the rental or sale of real estate (each an "**NMTC Prohibited Use**"). Without limiting the foregoing, in no event shall the School lease, sublease, assign or mortgage the Property, its interest therein or any portion thereof. Notwithstanding the foregoing, School may enter into a use agreement with McCurdy Schools of Northern New Mexico ("Seller") to use portions of the cafeteria and to hold an annual gala event and other episodic events and activities on portions of the Property but such use shall not include a NMTC Prohibited Use.

7. **Charter.** Throughout the Term, School shall maintain and apply for renewal of its charter, and, as requested by Lessor from time to time, shall provide Lessor with written evidence, in form and content reasonably satisfactory to Lessor, that School's charter to operate its public charter school remains in full force and effect or accredited and that School continues to be in good standing with its authorizing authority relating to the management, funding and operation of the School. School shall use its best efforts to remain in compliance with all applicable laws and requirements of each authority relating to the ownership, funding and operation of charter schools generally and School further covenants and agrees that it will endeavor to perform and comply with all applicable laws, regulations, terms, conditions and agreements necessary to maintain its Charter School (as such term is defined in **Exhibit C** attached hereto and made a part hereof) status, and its continued eligibility to receive all public funding for which it, as a public charter school in good standing, is entitled. School further covenants and agrees not to perform any act or enter into any agreement that (i) shall knowingly cause any revocation or adverse modification of or otherwise jeopardize School's charter to operate a public charter school; (ii) shall knowingly adversely affect the funding and operation of School as a public charter school in accordance with all laws, regulations and requirements applicable thereto; (iii) would knowingly threaten or not permit School to continue to receive public funding; or (iv) would knowingly or could result in the curtailment of or ban on student enrollment and/or participation in School's school programs.

Lessor not shall perform any act or enter into any agreement that shall knowingly cause the revocation, or any adverse modification of its status, if such status is achieved, as an organization described in Section 501(c)(3) or (4) of the Internal Revenue Code, or carry on or permit to be carried on any trade or business, the conduct of which is not substantially related to the exercise or performance by Lessor, of the purposes or functions constituting the basis for its exemption under Section 501(c)(3) or (4) of the Internal Revenue Code if such trade or business would result in the loss of Lessor's exempt status, under Section 501(c)(3) or (4) of the Internal Revenue Code. School agrees to comply with the rules and regulations listed under **Exhibit D**, attached hereto and made a part hereof.

8. **Rental Commencement Date; Base Rent.** The School shall pay base rent in accordance with the schedule attached hereto as **Exhibit F** as follows: the School shall pay to Lessor \$200,000 (the "**Initial Base Rent**") as base rent ("**Base Annual Rent**") from Closing and commencement of this Lease until the later of June 30, 2017 or such time as the New Campus Improvements are substantially complete with a temporary or permanent certificate of occupancy is issued for the building ("**New Campus Completion Date**"). The Initial Base Rent shall be paid in monthly installments of \$18,181 and shall not be prorated for any month, i.e., on the Effective Date, School shall pay the entire monthly installment even if the entire month was not part of the Term ("**Base Monthly Rent**"). From the later of July 1, 2017 or the New Campus Completion Date until June 30, 2019, the Base Annual Rent shall be \$492,660, payable in monthly installments of \$41,055. From July 1, 2019 until June 30, 2023, the Base Annual Rent for each lease year shall be increased by the amount of one percent (1.00%) of the Base Annual Rent for the preceding Lease Year. Beginning July 1, 2023, the Base Annual Rent shall be \$741,530, and payable in monthly installments of \$61,794 and prorated for any partial months. Beginning July 1, 2024 and each lease year thereafter, including any lease year in the Extended Term, the Base Annual Rent for each lease year shall be increased by the amount of one percent (1.00%) of the Base Annual Rent for the preceding Lease Year. The School shall pay the Base Monthly Rent without demand or notice

thereof directly to Lessor or to a person designated by Lessor as Lessor's representative for rent collection purposes, on or before the fifteenth (15th) day of each month during the Term of this Lease from any and all legally available sources of revenue, including per pupil operating revenues payable to the School in the manner set forth in Section 11. Lessor and the School agree that the Base Annual Rent does not include payments for repairs, maintenance, operating expenses and the like, which are independent obligations of the School, separate and apart from the payment of Base Annual Rent, under Sections 9 and 21 of this Lease.

9. Net Lease. The School shall pay as Additional Rent during the Term of this Lease as herein provided all expenses of the operation of the Property. Commencing with the Effective Date, this Lease is intended to be and shall be construed consistently with it being a net lease with the School paying all operational and maintenance expenses related to the Property, including without limitation, (i) the cost of insurance premiums for insurance deemed necessary or desirable in Lessor's reasonable discretion; (ii) the cost of taxes, utility charges, maintenance, upkeep, and repair costs; and (iii) all other costs associated with operation, repair and maintenance of the Property and its fixtures, mechanical, plumbing, electrical and HVAC systems (collectively, "Operating Expenses"). Portions of Operating Expenses may be, at Lessor's option, be paid by the School directly to the third parties who are owed certain amounts included in additional rent (e.g. insurance companies, taxing authorities, utility companies).

10. Nature of Payment. The School and Lessor acknowledge and agree that all Initial Base Rent, Base Rent and Additional Rent (collectively "Rent") hereunder shall constitute currently appropriated expenditures of the School and may be paid from any legally available funds. The School's obligations under this Lease shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any school fiscal year ending on June 30 of each year (a "Fiscal Year") beyond the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple Fiscal Year direct or indirect debt or other financial obligation whatsoever of the School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease 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 School within the meaning of any constitutional or statutory limitation or requirement. This Lease does not directly or indirectly obligate the School to make any payments beyond those appropriated for any Fiscal Year for which such payments have been appropriated.

11. Manner of Payment. The Rent shall be paid, commencing on the Effective Date and continuing on the fifteenth (15th) day of every month during the Term of this Lease by lawful money of the United States of America in the manner reasonably directed by Lessor. The obligation of the School to pay the Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The School shall, during the Term of this Lease, make all payments of Rent when due and shall not withhold any Rent nor shall the School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the School of any rights, claims, or defenses which the School may assert. No action or inaction on the part of Lessor shall affect the School's obligation to pay Rent of this Lease. All Rent and other sums payable by School under this Lease shall be paid by a wire transfer ACH payment from its primary operating account to an account designated by Lessor. Lessor shall, within ninety (90) days of the end of each Lease Year,

provide School with an estimated written accounting, prepared in accordance with generally accepted accounting principles, of the sums that it included in Additional Rent, during the previous Lease Year. School, at its sole expense, shall have the right at all reasonable times to inspect Lessor's books and records relating to the Lease and the Property. School understands that such estimated written accounting for any lease year may be revised at any time during the Term of the Lease, but payment of Additional Rent may not occur until the next fiscal year if such Additional Rent expenses were not included in the School's approved annual budget for that year.

12. Partial Payments. Regarding all rentals and other sums, and all covenants, agreements and obligations, to be paid or performed hereunder by School, time is hereby agreed to be of the essence. No payment by School or receipt or acceptance by Lessor or its agent of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or any letter accompanying any check in payment of Rent be deemed an accord and satisfaction; and instead, Lessor may accept such check or payment without prejudice to Lessor's rights to recover the balance of such Rent and/or to pursue any other remedies.

13. Budgeting. In any Fiscal Year that this Lease shall be in effect, such officer of the School responsible for the preparation of the annual budget shall include in the budget proposal for the ensuing Fiscal Year an amount equal to one-hundred percent (100%) of the Base Rent and one-hundred five percent (105%) of the estimated Additional Rent hereunder for such ensuing Fiscal Year, provided that the decision whether to extend the Initial Term of this Lease and whether to appropriate such amounts shall remain solely within the discretion of the School.

14. Representations and Covenants of the School. The School represents and covenants as follows:

(a) The School is and will use its best efforts to remain a charter school duly organized and validly existing under the Act. The School is authorized: (i) to lease the Property, which includes the Improvements, from Lessor pursuant to this Lease and (ii) to execute, deliver, and perform its obligations under this Lease.

(b) The execution, delivery, and performance of this Lease has been duly authorized by the School and this Lease is enforceable against the School in accordance with its terms.

(c) Nothing in this Lease shall be construed as diminishing, unlawfully delegating, or otherwise restricting any legal authority of the School.

(d) The execution, delivery, and performance of this Lease are in the best interests of the School and serve a public purpose.

(e) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease, or the consummation of the transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions, or provisions of any material restriction or any agreement or instrument to which the School is now a party or by which the School is bound, or constitutes a default under any of the foregoing or, except as specifically provided in this Lease, results in the creation

or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the School.

(f) To the knowledge of the School, there is no litigation or proceeding currently pending or threatened against the School or any other person affecting the right of the School to execute and deliver this Lease, the ability of the School to make the payments required hereunder, or the ability of the School otherwise to comply with its obligations under this Lease.

(g) The Property will be operated in accordance with all Requirements of Law. As used herein, "**Requirements of Law**" means any material federal, state, 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 of relating to environmental, health, or safety matters.

(h) The Property is necessary and essential to the School's operations.

(i) School acknowledges that as a condition of the new markets tax credit financing for Owner's acquisition and improvement of the Property as a public charter school facility, at least 6 new jobs are required to be created and 8 jobs are required to be retained by School at a date in the term of the 7 year new markets tax credit financing period. School agrees to use its best reasonable efforts to support the job creation/retention program. School also agrees to participate in quarterly reporting of job creation and retention for seven years following the lease commencement.

15. Reporting and Filing Requirements. School shall provide Lessor with the following financial documentation:

(a) Within thirty (30) days following its annual issuance, and release by the New Mexico State Auditor, a copy of School's annual financial report/independent audit, which shall include the consolidated financial statements of School required under New Mexico law;

(b) As soon as available but in any event no later than the forty-five (45) days following the end of each fiscal quarter of School, a copy of School's quarterly financial statements certified by an authorized signer of School, as true and correct;

(c) At least thirty (30) days prior to the commencement of each school year or within 30 days after approval by the NMPED (whichever is later), a copy of School's annual operating budget, as approved by School's Governance Board and the NMPED;

(d) A copy of any other financial or other reports, evaluations or notices of a material nature delivered to School by School's chartering authority or the relevant state or local school authority, if any, within ten (10) days of receipt of the same;

(e) Not later than September 30, School's internally prepared financial statements for the prior Fiscal Year in form and detail acceptable to Lessor, which shall include, without limitation, balance sheet, statement of income and retained earnings and statement of cash flows;

(f) A copy of all other financial reports required by the relevant state or local school authority, including the New Mexico Public Education Department in the prescribed form required, if any.

16. Reporting. School shall also provide the following performance and management documentation on an annual basis, unless otherwise specified:

(a) A copy of its expected enrollment and actual enrollment as calculated by including each student considered to be enrolled in the School and according to the official enrollment count in October of each year as submitted to the New Mexico Public Education Department ("NMPED") ten (10) days of School's filing of same, and an update as to such enrollment numbers on a semi-annual basis;

(b) To the extent required by the NMPED, a copy of the annual report provided to the NMPED, which annual report shall document (a) the previous school year's progress in meeting the performance-based goals identified in School's charter petition on the Annual School Report Card and (b) all state mandated test scores and other accountability indicators, including proficiency rates as required to be reported under State and federal law;

(c) To the extent prepared or required by New Mexico law, a copy of NMPED's or the charter authorizer's annual monitoring reports of School's operations as well as School's response to such reports;

(d) A copy of the aggregated and public final results of School's standardized student performance testing required by the State of New Mexico;

(e) Not later than December 31, 2016, the School's evidence of July 1, 2017 Charter renewal approval;

(f) To the extent not prohibited by or in conflict with New Mexico or federal privacy or confidentiality laws, beginning in October 2017, and continuing on an annual basis each October thereafter, School shall certify to Lessor that: (i) School is in good standing under its charter; (ii) School has not been given notice of probation, suspension or revocation of its charter; and (iii) to the best of its knowledge, School is in compliance with all laws, rules and regulations applicable to charter schools in the State of New Mexico;

(g) Within thirty (30) days of publication by the State of New Mexico, the School's NMPED School Grade Report Card; and

(h) School shall also provide such additional information, reports and statements respecting the operations and financial condition of School and/or the Property as Lessor

may reasonably request from time to time in writing, within thirty (30) days following such request.

17. Representations and Covenants of Lessor. Lessor represents and covenants as follows:

(a) Lessor is a limited liability company duly organized, existing, and in good standing under the laws of Delaware, is duly qualified to do business in New Mexico, is possessed of full power to purchase, own, hold, and lease (as owner, lessee and Lessor) real and personal property, has all necessary power to lease the Property to the School pursuant to this Lease, and to execute, deliver, and perform its obligations under this Lease and has duly authorized the execution, delivery, and performance of its obligations under this Lease.

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

(c) This Lease 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.

(d) The Improvements will be constructed to educational occupancy standards, will meet all applicable state adequacy standards, and at the time of completion, the Property will meet or exceed the statewide condition index for public schools maintained by the New Mexico Public Schools Facilities Authority ("PSFA"). The Property will be leased by Lessor in accordance with all legal requirements, and Lessor shall maintain the Property to all applicable state adequacy standards at no additional cost to the School or the State of New Mexico.

(e) The execution and delivery of this Lease, or 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.

(f) 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 Lease, or the ability of Lessor otherwise to comply with its obligations under this Lease.

18. Title to the Property. Any improvements permanently affixed to the Property shall become part of the Property. The School shall have no right, title, or ownership interest in the Property or any permanent additions and modifications thereto or replacements thereof by virtue of this Lease.

19. Additional Indebtedness; Capital Expenditures. In any Fiscal Year during the Term of the Lease, School shall not incur any indebtedness, or make a capital expenditure from unrestricted funds, in excess of Sixty Thousand Dollars (\$60,000.00), without the written consent of Lessor, which consent may be withheld or conditioned in Lessor's sole discretion.

20. Subordination of Management Fees. School agrees Lessor shall have approval rights to any management agreement School intends to enter into with any nonprofit education management organization ("EMO"), and that such approval shall not be unreasonably withheld, delayed or conditioned. Any fees earned by the EMO shall be subordinated to the Rent as set forth in **Exhibit E** which shall be required of any EMO retained by School.

21. Maintenance. School shall be responsible for all of the maintenance, repair and replacement, at its expense; of all non-structural portions and the maintenance and minor repair of all structural portions of the Original Campus, the Football Field and the New Campus (once the New Campus Improvements have been completed) including the roof and floor slabs, brick replacement or repair, and all building equipment and systems such as HVAC, electrical and plumbing systems and equipment. Lessor shall be responsible for structural repairs and replacement of the Property. Lessor shall use its best efforts to have any and all warranties on the New Campus Improvements components honored for repairs to the New Campus Improvements. Any limitation of Lessor's warranties under this Lease during the Term of the Lease is strictly for the benefit of Lessor (and its successors and assigns) and no other party. Neither Lessor's general contractor, its architect, nor any other third party (other than Lessor's successors or assigns) may rely upon such limitation for their benefit, or attempt to claim such limitation as a waiver by Lessor in any manner whatsoever, and such parties shall remain fully liable to the extent of their obligations under their respective contracts and warranties with Lessor and any applicable laws.

To the extent that School fails to maintain, repair or replace such non-structural portions or maintain and repair any structural portion of the Improvements, Lessor shall have the right to enter the Property and perform such work. All of Lessor's reasonable out of pocket costs associated with the responsibilities listed above shall be included as Additional Rent. To the extent it is commercially feasible, all utilities servicing the Property shall be listed and contracted with the utility provider in School's name and School shall contract directly with vendors of its choice for the services defined as Operating Expenses below. To the extent it is not commercially feasible for School to contract directly with utility providers and other vendors for such services, School further covenants and agrees to pay to Lessor as Additional Rent during the Term and during any holdover term the Operating Expenses and (if applicable) Real Estate Taxes as defined in Section 22 below. **"Operating Expenses"** shall mean any and all reasonable out-of-pocket expenses actually incurred and paid by Lessor that is directly in connection with the management of the Property, and, except as specifically set forth herein as the responsibility of Lessor, the operation, maintenance and repair of the Property, including but not limited to: utilities; water and sewer charges; casualty and liability insurance; repairs and maintenance; snow removal; cleaning; repair and maintenance of grounds; service or management contracts; School's general overhead and administrative expenses; landscaping expenses; any other items listed as "Operating Expenses" elsewhere in this Lease; and the cost of capital improvements made to the Property which are installed to improve the operating efficiency of any system within the Property with the good faith intent to reduce Operating Expenses (the said items described herein being defined herein as

"Permitted Capital Improvements"), provided that such Permitted Capital Improvements shall be amortized over their useful lives as reasonably determined by Lessor and agreed to by School.

It is anticipated that all Operating Expenses will be paid directly by School and that Lessor will not pay any such Operating Expenses; however, if during the Term of the Lease Lessor does pay any such Operating Expenses, School will reimburse Lessor within thirty (30) days of written demand, which demand shall include all information necessary to fully explain the Operating Expenses paid by Lessor for which reimbursement is sought or if such funds are not available in the then current school fiscal year, such Operating Expenses shall be added to the following year's Additional Rent calculation.

NOTWITHSTANDING THE FOREGOING, OR ANY OTHER PROVISION OF THIS LEASE, LANDLORD AGREES TO MAINTAIN THE PROPERTY TO ALL APPLICABLE STATE ADEQUACY STANDARDS REQUIRED BY THE NEW MEXICO PUBLIC SCHOOL FACILITIES AUTHORITY ("PSFA") AT NO ADDITIONAL COST TO THE SCHOOL OR THE STATE OF NEW MEXICO.

22. Real Estate Taxes. It is the intent of the parties that the Property shall be used for public charter school purposes, and therefore, the Property may be exempted from the payment of Real Estate Taxes as may be assessed or levied pursuant to state and/or local law. Lessor shall file an application with the appropriate governmental authority to seek such exemption. In the event such exemption is denied for any reason, School agrees to promptly cooperate with Lessor, in connection with the application and any hearings or other process seeking such exemption. Also in the event that such exemption is denied or the Property is otherwise subject to Real Estate Taxes, School covenants and agrees to pay the Real Estate Taxes levied against the Property in accordance with the terms and provisions set forth below; provided, however, that in the event School does not pay the Real Estate Taxes when due, Lessor may pay such Real Estate Taxes and the amount paid shall be included as Additional Rent. For purposes of this Lease, "**Real Estate Taxes**" shall mean all taxes, rates and assessments, general and special and including also any increases in tax rate and/or in assessed valuation, which are now or at any time(s) hereafter levied, assessed or imposed with respect to the Property, or measured by the gross rentals payable under this Lease; and including without limitation real estate taxes, all personal property taxes applicable to the Property, and assessments of any and every kind and nature whatsoever, and all unincorporated and other business license taxes, and any levies which may at any time be imposed and/or collected by any governmental, quasi-governmental or corporate entity. If the system of real estate taxation shall be altered or varied and any new tax or levy shall be levied or imposed on the Property and/or on any other elements thereof and/or on Lessor, in addition to or in substitution for real estate taxes and/or personal property taxes levied on immovables, including, without limitation, taxes on rents, then in any such event any such new tax or levy shall be included as "Real Estate Taxes" for purposes of this Lease. If Real Estate Taxes are reduced by, or credited with, any abatement or exemption issued by a taxing authority to help finance or reimburse Lessor for costs incurred and actually paid by Lessor to comply with laws or otherwise, then Real Estate Taxes hereunder shall be computed without regard to such abatement or exemption. School further agrees to pay all taxes imposed during the Term of the Lease upon or against School, or against School's income or interest in this Lease, or against personal property of any kind owned or leased by School or placed in, upon or about the Property by School, including any penalty and interest assessed thereon in the event of late payment. In the event that the taxing authority includes or calculates, in the over-all taxes to

be paid by Lessor, the value of improvements or betterments made or installed by School on the Property, or machinery, equipment, fixtures or other assets of School, then School also shall pay when due all taxes to the extent applicable to such items.

23. Equipment. The School may, from time to time in its sole discretion and at its own expense, install equipment and personal property on the Improvements. All such equipment and personal property shall remain the sole property of the School in which Lessor shall not have any interest; provided, however, that any such equipment and personal property which becomes permanently affixed to the Property shall become part of the Improvements, subject to this Lease and shall be included under the terms of this Lease.

24. Alterations, Improvements and Fixtures

(a) School shall neither make nor allow any alterations, additions or improvements to the Property or any part thereof, including those that will or may affect the structure, the mechanical, electrical, plumbing or HVAC systems of the Improvements on the Property, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; provided, that any consent from Lessor is subject to obtaining any consents or approvals required under the CDE Loan Documents, the Clearinghouse Loan Documents, and/or any other Financing documents, as applicable. All of such alterations, additions or improvements, structural or otherwise, must conform to all requirements of any and all applicable laws, codes and regulations, including any municipal laws or local ordinances. Notwithstanding anything in this Section to the contrary, School may make non-structural alterations the cost of which on a per project basis does not exceed Twenty-Five Thousand Dollars (\$25,000.00) without obtaining Lessor's prior written consent, with such consent not to be unreasonably withheld, conditioned or delayed; provided, that any consent from Lessor is subject to obtaining any consents or approvals required under the CDE Loan Documents, the Clearinghouse Loan Documents, and/or any other Financing documents, as applicable.

(b) If Lessor gives consent as specified above, Lessor may impose, as a condition to such consent, such requirements as Lessor, in its reasonable discretion, may deem necessary or desirable, including without limitation, the right to approve the plans and specifications for any work and the right to impose requirements as to the manner in which or the time or times at which work may be performed. Lessor shall also have the right to approve the contractor or contractors who shall perform any alterations, repairs, additions or improvements in, to or about the Property and to post notices of non-responsibility and similar notices, as appropriate.

(c) Except for liens securing the Financing, each party shall keep the Property free from any liens, including, without limitation, those arising out of any work performed on, or materials furnished to, the Property, or arising from any other obligation incurred by the party. In no event shall one party be deemed to be the agent of the other party and no contractor of either party shall by virtue of its contract be entitled to assert any mechanic's lien against the Property. If any mechanic's or materialmen's lien is filed against the Property, for work claimed to have been done for or materials claimed to have been furnished to either party, such lien shall be discharged by the party against whom it was filed within twenty (20) days thereafter, at the party's sole cost and expense, by the payment thereof or by filing any bond or commencing any contest

required by law to prevent enforcement of such lien. If the party responsible for such lien shall fail to discharge any such mechanic's or materialman's lien, the party shall automatically be in default and the other party may, at its option, discharge or adjust the next installment of Rent as appropriate; it being expressly covenanted and agreed that such discharge by one party shall not be deemed to waive or release the default of the other party in not discharging the same. To the extent permitted by New Mexico law, and without waiving the immunities and limits of the New Mexico Tort Claims Act, as applicable, each party shall indemnify and hold harmless the other party and the Property, from all expenses, liens, claims, actions or damages to person or property in connection with any such lien or the performance of such work or the furnishing of such materials. In the alternative, if either party shall in good faith contest the validity of any such lien, claim, or demand, then such party shall pay and satisfy any adverse judgment that may be rendered thereon prior to execution thereof and in the event of any such contest such party shall at the request of the other party provide such security and take such steps as may be required by law to release the Property from the effect of such lien. Each party shall be obligated to, and each party reserves the right to, post and maintain on the Property at any time such notices as shall, in the reasonable judgment of the party, be necessary to protect the party against liability for all such liens or actions.

(d) Any alterations, additions or improvements of any kind to the Property or any part thereof, except School's furniture and trade fixtures, shall at once become part of the realty and belong to Lessor and shall be surrendered with the Property, as a part thereof, at the end of the term; provided, however, that Lessor may, by written notice to School prior to issuance of Lessor's original consent to any alteration, addition, fixture or other improvement, require School to remove any alterations, additions, fixtures or other improvements made by School, and to repair any damage to the Property caused by such removal, all at School's sole expense.

(e) Any article of personal property, including business and trade fixtures, which were installed by School at its sole expense, shall be and remain the property of School and may be removed by School at any time during the Term provided that School repairs any damage to the Property caused by such removal.

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

penalty. The School may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks. Any insurance that School shall be required to maintain under this Lease, shall include a provision which requires the insurance carrier to give notice to all certificate holders (which shall include Lessor and Lenders) in accordance with policy provisions prior to any cancellation or material modification of such coverage. If any insurance company refuses to provide the required notice, School or its insurance broker shall notify Lessor of any cancellation or non-renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.

Prior to the School's entry into the Property, School shall deliver to Lessor an insurance company certificate that School has obtained the insurance coverages required herein and, throughout the Term, not less than thirty (30) days prior to the expiration or termination of any insurance, School shall deliver to Lessor renewal certificates therefor. If School shall fail to deliver any certificates or renewal certificates to Lessor or if any such policy shall be canceled or modified in a manner materially adverse to Lessor during the Term without Lessor's written consent, Lessor may, after ten (10) days written notice to School and School's failure to cure the same, obtain such insurance, in which case School shall reimburse Lessor, as Additional Rent, for the cost of procuring such insurance within ten (10) days after receipt of a statement of the cost of such insurance.

School shall maintain all insurance required under this Lease with NMPSIA or with a company or companies having a General Policy Rating of A-VI or better, set forth in the most current issue of the Best Key Rating Guide. Lessee and School, on behalf of themselves and their insurers, each hereby waive any and all rights of recovery against the other, or against the members, officers, partners, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage shall be covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. All property insurance carried by either party shall contain a waiver of subrogation against the other party to the extent such right shall have been waived by the insured prior to the occurrence of loss or injury.

The School agrees to pay the premiums for any insurance required by Lessor, as part of the Additional Rent, in the amounts or for such coverage as follows:

(a) Casualty and property damage insurance with respect to the Property and the Improvements in an amount equal to the full replacement value of the Property and the Improvements. Lessor may elect to waive this requirement in the event that Owner obtains property and casualty insurance, but the premiums for such insurance may be charged to School as Additional Rent;

(b) Commercial general liability and automobile liability insurance against claims arising in, on, or about the Property and Improvements, including in, on, or about the sidewalks, parking lots, or premises adjacent to the Improvements, providing coverage limits not less than the coverage limits allowed by NMPSIA or customarily carried on public school facilities of similar size and character within the State but in no event shall be less than \$1,000,000.00 per occurrence, \$3,000,000.00 in the aggregate. The liability insurance obtained by School under this Subsection shall be primary to any other insurance carried on

the Property. The amount and coverage of such insurance shall not limit School's liability nor relieve School of any other obligation under this Lease. School shall take all necessary actions to bind all activities on the Property to the insurance coverage.

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

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

(e) Subject to New Mexico statutory limits and immunities, liability insurance, including but not limited to passenger liability on all owned, and hired vehicles used in connection with the Property, with a combined single limit per occurrence of not less than \$1,000,000 per vehicle for injuries or death of one or more persons or loss or damage to property.

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

26. Damage, Destruction, or Condemnation; Use of Net Proceeds.

(a) *Damage or Destruction.* Subject to the terms and conditions of the CDE Loan Documents and the Clearinghouse Loan Documents, if, during the term (and any extended terms) of this Lease, (i) the Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; (ii) breach of warranty or any material defect with respect to the Property shall become apparent; 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 School shall be obligated, subject to the provisions of Subsection (c) hereof, to continue to pay the amounts specified in Subsection (b) hereof and, to the extent of amounts specifically appropriated by the School, to pay Base Rent and Additional Rent. As used herein, "Net Proceeds" means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys' fees) incurred in the collection of such gross proceeds.

(b) *Repair and Replacement.* To the extent not contrary to applicable law, and subject to the terms and conditions of the CDE Loan Documents and the Clearinghouse Loan Documents and the provisions of Subsection (c) hereof, the Owner (and, to the extent such Net Proceeds are within their control, Lessor and School) shall cause such Net Proceeds to be deposited in a separate trust fund held by the Owner. Except as set forth in Subsection (c) hereof, all Net Proceeds of any insurance, performance bonds, or condemnation awards owed to the Owner, the School or the Lessor shall be applied to the prompt repair, restoration, modification, improvement, or replacement of the Property and

the Improvements, as the case may be, by the Owner. Any repair, restoration, modification, improvement, or replacement paid for in whole or in part out of Net Proceeds shall be the property of the Owner, subject to the Master Lease and this Lease, and shall be included as part of the Property or the Improvements under this Lease.

(c) *Insufficiency of Net Proceeds.* Subject to the terms and conditions of the CDE Loan Documents and the Clearinghouse Loan Documents, if the repairs required to restore the Property are so extensive that the costs of repair exceed the insurance proceeds available to Owner to pay for the restoration and repairs inclusive of any deductible, Lessor, at its option and exclusive discretion, shall have the right to terminate this Lease by giving School written notice to that effect within forty-five (45) days following such casualty, unless School elects or to make the needed repairs at its expense. In addition, in the event Lessor does not notify School in writing within such forty-five (45) day period that the Lessor Repairs will be completed within one hundred eighty (180) days following such casualty, School at its option and exclusive discretion, may terminate this Lease by giving Lessor written notice of such termination. In no event shall Lessor be obligated to perform or pay for or provide any repairs or replacements of School's trade fixtures or equipment or any other School's Restoration Work (as defined below); it being agreed that School, at its own expense, shall perform all such repairs and replacements, whether necessitated by casualty damage or otherwise. Further, in no event shall Lessor be obligated to expend any sums in excess of the insurance proceeds (inclusive of any deductible) made available to Lessor on account of the fire or casualty for the purpose of such restoration. School and School Parties (as defined in Section 43 below) will not interfere with, delay or alter any Lessor Repairs; it being agreed that there shall be no Base Rent or Additional Rent abatement during any period while any violation of this provision delays Lessor Repairs. However, any insurance awards received by Lessor under the insurance required in Section 25(f) shall be credited to School's Rent obligations. If this Lease is terminated by Lessor pursuant to this Section, and provided that School does not elect to make the necessary improvements itself, then School agrees to vacate the Property in accordance with this Lease within thirty (30) days after the date such termination is effective. In the event that School elects to make the necessary repairs, then, to the extent permitted to do so under the Financing documents, Lessor shall assign to School all insurance proceeds that may cover the losses resulting from the casualty.

(d) *Cooperation.* The parties to this Lease 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 the Improvements 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 or the Improvements. 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 the Improvements 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.

(e) Notwithstanding anything to the contrary contained herein, Lessor and School hereby waive and release all claims against each other, and against the agents and employees of each other, for any loss or damage sustained by each other to the extent such claims are or could be insured against under any standard broad form policy of fire and extended coverage insurance, or under any fire and extended casualty insurance policy maintained by Lessor or School under this Agreement or required to be maintained by Lessor [or School] under this Agreement, regardless of whether such policy is in effect at the time of the loss and assuming a zero deductible in all cases. Lessor [and School] will cause the applicable insurance carriers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with damage to the Building or the Premises or any portions thereof or any personal property thereon; provided, however, that failure to obtain such endorsements shall not affect the release hereinabove given. In addition to the foregoing, all such waivers of any claim, action, or cause of action shall also be effective to any person claiming by, through, or under either Lessor or School.

27. Subordination. Subject to the provisions of this Section, this Lease and all rights of School hereunder shall be subject and subordinate to the mortgages securing the financing of the acquisition of and Improvements to the Property, and to any and all renewals, modifications, consolidations, replacements and extensions thereof ("**Financing**"). Notwithstanding the foregoing, School's obligation to subordinate its interest in the Property to the mortgages securing the Financing is expressly conditioned upon such holder's execution of a mutually acceptable subordination, non-disturbance and attornment agreement ("**SNDA**") pursuant to which such holder agrees not to disturb, impair or extinguish School's possession upon such holder's acquiring title to the Property so long as School is not then in default under this Lease beyond all applicable cure periods, and agrees to attorn to such holder following such acquisition of title. Lessor shall deliver to School mutually acceptable SNDAs for the mortgages securing the Financing before the Effective Date. Notwithstanding the subordination of this Lease as aforesaid, any future mortgagee under any mortgage replacing (but not increasing) the Financing may, by giving School written notice thereof, require that School enter into a new mutually acceptable SNDA for the benefit of such new lender. Subject to the terms of the SNDA, School covenants and agrees, in the event of foreclosure of any such mortgage or deed of trust, to attorn to the purchaser upon such foreclosure sale and to recognize such purchaser as the Lessor under this Lease. School agrees to execute in recordable form and deliver, at any time and from time to time, within twenty (20) days after request of Lessor or the holder of the Financing or any replacements thereof, any instrument which, in the reasonable judgment of Lessor, or the Financing lenders or any replacement lenders under the Financing, may be necessary or appropriate in any such foreclosure proceedings or otherwise to evidence such attornment. Any mortgagee or purchaser at foreclosure, who requests such attornment shall not be bound by any amendment or modification to this Lease or by any waiver or forbearance on the part of any prior lessor (including Lessor) made or given without the prior written consent of the mortgagees. School hereby agrees not to look to mortgagees, as mortgagees, mortgagees in possession, or successors in title to the Property or to any leasehold interest in the Real Property for accountability for any security deposit required or held by Lessor hereunder, unless and to the extent that such sums have actually been received by said mortgagees as security for School's performance of or under this Lease.

28. No Liability. Lessor shall not be liable to School, its students, employees, agents, contractors, business invitees, licensees, customers, clients, family members or guests, and School,

on its own behalf and on behalf of the classes of people identified in this sentence, to the extent permitted under New Mexico law, hereby waives all claims against Lessor for any entry into the Property, or for any damage, compensation or claim to or by any person or property in or about the Property or the approaches, entrances, streets, sidewalks or corridors thereto, by or from any cause whatsoever, including without limitation, damage caused by any defect in the building, or by water leakage of any character from the roof, walls, basement or other portion of the building, or caused by gas, fire, oil, electricity or any cause whatsoever in, on, or about the Property or any part thereof, unless any of the foregoing is caused by or attributable to the negligence or willful misconduct of Lessor, its agents, employees, contractors or representatives. School shall immediately notify Lessor of any defective condition material in nature in or about the Property that requires immediate attention. Lessor shall not be liable, and School, to the extent permitted by New Mexico law, hereby waives all claims, for damages that may be caused by Lessor in reentering and taking possession of the Property as herein provided, unless such damages are caused by or attributable to Lessor's, or Lessor's agents, employees, contractors or representatives, gross negligence or willful misconduct.

To the extent permitted by New Mexico law, if at all, and subject to and without waiving the immunities and limits of the New Mexico Tort Claims Act, School agrees, except to the extent of any injury or damage resulting from the negligence or intentional acts of Lessor or, without limitation, its agents, employees, contractors or representatives, to indemnify, defend with counsel acceptable to Lessor, and hold Lessor and its agents harmless from and against any and all cost, damage, claim, liability or expense (including reasonable attorney's fees) incurred by or claimed against Lessor, for any injury or damage to any person or property whatsoever, occurring in, on or about the Property or any part thereof, or occurring in, on or about the building or any facilities thereof (including, without limitation, lobbies, elevators, stairways, passageways or hallways), when such entry or damage shall be caused in part or in whole by the neglect, fault, act or omission of any duty with respect to the same by School, its students, employees, agents, contractors, business invitees, licensees, customers, clients, family members and guests. Any cost, damage, claim, liability or expense incurred by Lessor for which School is obligated to reimburse Lessor hereunder shall be deemed Additional Rent.

29. Events of Default. Any one of the following shall constitute an "Event of Default" under this Lease: (i) failure by the School to pay Rent during the Term of this Lease on or before the applicable due date, and if such monetary default is not cured by School within seven (7) days after written notice thereof is sent by Lessor to School (or if School commits more than two monetary defaults in any School fiscal year, and thereafter any additional monetary default occurs in that calendar year, whether or not Lessee has given School notice thereof) (ii) failure by the School to observe and perform any covenant, condition, or agreement on its part to be observed or performed (other than those to which another clause under this Section 29 applies), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied shall be given to the School by Lessor, unless the Lessor 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 Lessor shall not withhold its consent to an extension of up to sixty (60) days if corrective action shall be instituted by the School within such time period and diligently pursued until the default is corrected and holds Lessor harmless from all liability, loss, costs, damage and expense arising from such default and provided such default does not materially jeopardize the value, safety or structural integrity of the Improvements nor subject Lessee or its agents to any liability or expense; (iii)

School fails to keep in force any insurance required of it under this Lease; (iv) the Property shall become abandoned, vacant or deserted; (v) failure by the School to maintain its charter under the Act; (vi) the occurrence of an Event of Bankruptcy; (vii) the School shall make or enter into any assignment, sublease, pledge, or other transfer (for security or otherwise) in violation of the terms of this Lease; or (viii) the School shall engage in, or cause or permit others to engage in, any NMTC Prohibited Use. In connection with all of the foregoing events, prior to Lessor taking possession of the Property, at the sole option and discretion of Lessor (and in addition to and not in limitation of Lessor's right to distrain for rent, and other remedies), this Lease and School's right of possession shall, in accordance with the law, thereupon cease and terminate, and Lessor shall be entitled to the possession of the Property and to re-enter the same and remove all persons and property therefrom, without additional demand of Rent or demand of possession of the Property, and may forthwith proceed to recover possession of the Property by process of law. In the event of such re-entry by process of law, School nevertheless agrees to remain answerable for any and all damage, deficiency or loss of Rent that Lessor may sustain by such re-entry, unless the default shall be due to the School's loss of its charter, in which case the School shall be answerable for damage, deficiency or loss of Rent only until the end of the School's then-current charter. Lessor reserves the full power, which is hereby acceded to by School, to relet the Property at the risk and expense of School. However, Lessor's rights and School's obligations under this Lease shall not be affected or reduced by Lessor's failure or inability to relet the Property. In no event shall Lessor be required to accept any prospective lessee submitted by School. Any such reletting shall be only to such party or parties as Lessor may approve in its reasonable discretion. Any such reletting may be of all or any part of the Property, and may be for a term or terms less than or greater than the then remaining portion of the term of this Lease, all at Lessor's exclusive discretion. Such relettings shall be on such terms, rental and conditions as Lessor may reasonably determine, and in no event will School have any right to any excess of such net rents collected from re-lettings over the sums payable by School hereunder. Except as limited herein relating to loss of charter, whether or not Lessor elects to terminate this Lease under this Section, School shall remain liable for all damages, deficiencies, loss, costs and expenses Lessor may sustain, including without limitation deficiency in rent, reasonable attorneys' fees, court costs, brokerage commissions, and all reasonable expenses incurred in preparing the Property for re-letting (including any necessary alterations, none of which shall be deemed to release School from liability hereunder). In no event shall Lessor be liable for its inability or failure to re-let or to collect rentals under re-lettings, and except as limited herein relating to loss of charter, nor shall School be released from liability (nor shall School's obligations and liability under this Lease be reduced in whole or part) by reason thereof. Except as limited herein relating to loss of charter, any damage or loss of Rent sustained by Lessor may be recovered from School, at Lessor's option, at time of re-letting, or in separate actions as said damages become determinable from re-lettings, or in a single action deferred until expiration of the Term of the Lease (in which case the cause of action shall not accrue until the expiration of the Term of the Lease), or in a single action prior to the re-letting or termination or expiration hereof. Nothing herein contained shall prevent Lessor from proving in full damages for Rent accrued prior to the termination hereof and not paid, and from proving under any applicable laws any amounts allowed thereby, and recovering such sums. It is further agreed that if, under the provisions hereof, applicable summary process shall be served, and a compromise or settlement thereof shall be made, such compromise or settlement shall not constitute a waiver of any subsequent breach of any covenant, condition or agreement herein contained, and that no waiver by Lessor of any breach of any covenant, condition or agreement herein contained shall be deemed to occur unless and only to

the extent that such waiver is in writing signed by Lessor, and no such waiver shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof.

In addition to and not in limitation of the other remedies in this Lease provided, in the Event of Default, Lessor shall be entitled to the restraint by injunction of any violation or attempted or threatened violation of any of the terms, covenants, conditions, provisions or agreements of this Lease.

The remedies of Lessor and School provided for in this Lease are cumulative and are not intended to be exclusive of any other remedies to which Lessor or School may be lawfully entitled. The exercise by Lessor or School of any remedy to which it is entitled shall not preclude or hinder the exercise of any other such remedy, nor constitute an election of remedies.

A defaulting party agrees to promptly on demand reimburse the other party for any expenses which the non-defaulting party may incur in enforcing its rights under this Lease, including, but not limited to, the collection of Rent or the securing of possession of the Property. In addition, if either party shall incur any charge or expense on behalf of the other party under the terms of this Lease because of such other party's failure to cure any Event of Default or other breach, then such charge or expense shall be repaid within fifteen (15) days after demand therefore.

If either party fails to fully, timely and properly pay and perform any covenants, duties, agreements, obligations or requirements that are payable by, imposed upon or otherwise required under any provision of this Lease, then the other party may, after giving at least ten (10) days' prior written notice (except that no notice shall be required in emergencies), make the payment or perform such matters, in which event the responsible party agrees to promptly reimburse the other party upon request all such payments and other costs and expenses incurred, together with interest on such amounts at the current Prime Rate (defined below) plus three percent (3%) per annum from the date the aforesaid expenses are advanced or incurred until repaid in full by the responsible party. No such sums advanced or work or other actions done or taken by a party shall relieve the other party, to any extent, from its covenants, duties, liabilities or obligations under this Lease, nor be deemed to be a waiver or acquiescence. The "**Prime Rate**" shall mean the "base rate" of interest per annum from time to time published by *The Wall Street Journal*, New York, New York, presently designated as the "Prime Rate" under the category of "Money Rates," as the same may fluctuate from time to time. In the event that the "Prime Rate" ceases to be published in *The Wall Street Journal*, then the Prime Rate hereunder shall thereafter be the prime rate publicly announced from time to time by CitiBank N.A. or its successor.

If Lessor shall fail to timely receive any installment or installments of Rent or any other amounts due and payable under this Lease, and if such failure is not corrected within five (5) days after written notice thereof from Lessor, then School shall pay to Lessor, in addition to the rental or other sums so in default, a "late charge" in an amount equal to five cents (\$0.05) for each one dollar (\$1.00) so in default. Notwithstanding the foregoing, Lessor shall not be required to provide more than two such notices in any twelve month period, and any successive failure of Lessor to timely receive payment in such twelve month period after the second such notice shall entitle Lessor to the aforesaid late charge without the necessity of further notice to School.

The foregoing provisions of this Section are subject to the following limitations: if, by reason of Force Majeure, the School shall be unable in whole or in part to carry out its obligations hereunder, the time in which to cure any default shall be extended for a period equal to the date School notifies Lessor in writing of the event of Force Majeure until the required performance is no longer prevented by said event of Force Majeure; provided, that in no event shall School be excused from paying any Rent other than as expressly provided in this Lease. The School agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the School from carrying out its agreement; provided that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the School. As used herein, "Force Majeure" includes the following: 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 of the State or any of their departments, agencies, or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the School or Lessor.

30. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy it shall not be necessary to give any notice, other than such notice as may be required in this Lease.

31. Further Assurances and Corrective Instruments. Lessor and the School agree that so long as this Lease is in full force and effect and no Event of Default shall have occurred, Lessor and the School 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 or the Improvements hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Lease.

32. Compliance with Requirements of Law. During the Term of this Lease, the School and Lessor shall observe and comply promptly with all current and future Requirements of Law applicable to the Property (including those set forth in Section 22-8B-4D of the Act) and the Improvements or any portion thereof and all current and future requirements of all insurance companies writing policies covering the Property or any portion thereof.

33. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and the School and their respective successors and permitted assigns.

34. No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the School or Lessor, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the School or Lessor, as the case may be, and not of any member, director, officer, employee, or other agent of the School 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 School or Lessor or any natural person executing this Lease or any related document or instrument.

35. Brokerage. School and Lessor warrant that no real estate broker has been involved in this transaction, nor shall any be entitled to a commission upon execution of this Lease. Each party to this Lease shall, to the extent permitted by New Mexico law, indemnify, defend and hold harmless the other party from and against any and all claims, actions or demands asserted against such other party by any real estate broker, finder or intermediary relating to any act of the indemnifying party in connection with this Lease.

36. Waiver. No term of this Lease 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 Lease. A waiver by one party of a failure of the other party to fully comply with any of the terms of this Lease shall not be construed to be a waiver of any subsequent failure to comply or any other failure to comply.

37. Assignment and Subleasing. Except as provided herein, School shall not sublease, assign, mortgage, pledge, hypothecate or otherwise encumber this Lease or its leasehold interest in the Property in whole or in part, nor sublet the Property in whole or in part, without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. No consent of Lessor to any assignment, subletting or mortgaging by School shall waive the necessity for Lessor's prior written consent to any further assignment or subletting; and the terms and conditions of any consents thereto (if given) by Lessor shall bind School, its mortgagees, assignees and sub-lessees. No assignment or subletting, nor any consent thereto by Lessor, shall (i) result in a change in the use of the Property from the Permitted Use specified in Section 6, (ii) terminate or reduce any liability of School under this Lease unless consented to by Lessor in writing, nor (iii) be deemed to waive the necessity of obtaining Lessor's prior written reasonable consent to any further assignment or subletting. Any assignment or subletting shall be made subject to all terms and provisions of this Lease, and shall not extinguish or reduce any of Lessor's or School's obligations under this Lease, including without limitation the obligation of Lessor to provide to any permitted assignee or sublessee the services of Lessor required hereunder. School shall pledge and collaterally assign to Lessor, rents or other payments received from any sublessee up to the amount of Rent due Lessor under this Lease. School shall also collaterally assign to Lessor any such sublease to permit Lessor to collect rent under such sublease upon the occurrence of an Event of Default hereunder.

38. Eminent Domain. School agrees that if the Property, or any part thereof, shall be taken, condemned or acquired for public or quasi-public use or purpose by any competent public or quasi-public authority (the "**Taking Authority**"), whether by condemnation proceedings, lease or purchase (collectively and individually a "taking"), then Lessor and School shall share the value of any recovery according to the value of their respective property interests as such interests existed on the date of the taking; provided, that in all events, any such recovery shall be applied first to the CDE Loan and the Clearinghouse Loan in accordance with the CDE Loan Documents and Clearinghouse Loan Documents (respectively) until all indebtedness thereunder has been paid and

satisfied in full. If all or a substantial part of the Property be so taken or acquired, the term of this Lease shall, at Lessor's or School's option, cease and terminate from the date on which title to the Property vests in the Taking Authority. If this Lease is terminated under this Section, then all Rent and other sums payable by School hereunder shall be adjusted and paid by School to Lessor at the later to occur of (a) the date School vacates the Property in compliance with this Lease, or (b) the date on which title to the Property vests in the Taking Authority. For purposes hereof, a substantial part of the Property shall be deemed to have been taken if, in Lessor's and School's reasonable judgment, the remainder of the Property not so taken is not reasonably usable or is not reasonably and economically repairable. If less than a substantial part of the Property is taken (a "partial taking"), then, subject to the terms and conditions of the CDE Loan Documents and the Clearinghouse Loan Documents, (i) this Lease shall remain in force as regards the portion of the Property not so taken (ii) if neither party elects to terminate this Lease in such circumstances, Base Rent shall abate if, and so long as School is unable to use and occupy the Property during the course of repairs thereof, such abatement to be in proportion to the rentable area of the Property rendered unusable by School for the purposes herein permitted until Lessor has substantially completed the restoration work it elects to perform, and (iii) in such event, Lessor shall, at its own expense (provided that this Lease has not been terminated hereunder and that Lessor receives sufficient funds from the Taking Authority to pay therefor), restore the remaining portion of the Property (excluding School's fixtures, furnishings, equipment, alterations and leasehold improvements, collectively herein called "**School's Restoration Work**," all of which School's Restoration Work shall be repaired and restored by School at its own expense in conformity with the applicable terms of this Lease) to the extent reasonably feasible to render such remainder reasonably suitable for the purposes for which they are leased hereunder; and Lessor shall make such repairs (if any) to the remainder of the Property as may be reasonably necessary to enable School to operate the Property for the Permitted Use and to resume occupancy. School shall fully cooperate with Lessor in all such efforts, and School will not commence or perform School's Restoration Work until Lessor has completed its work (unless otherwise permitted by Lessor). However, School may at its option and discretion terminate this Lease, with Rent adjusted to the date of termination, if any partial taking involving at least thirty-five percent (35%) of the Property occurs or if the partial taking involves a lesser amount of the Property and School can no longer conduct business operations at the Property in a manner similar to that conducted by School prior to any such partial taking. Nothing herein contained shall preclude School (provided it is not in default under this Lease beyond any applicable cure period nor subject to any Events of Bankruptcy (as hereinafter defined)) from prosecuting, at its own expense claims directly against the Taking Authority for loss of business, damage to, cost of removal of, or for the value of, trade fixtures, furniture, equipment and other personal property belonging to School, moving/relocation expenses, and/or any other improvements made to the Property by School or other expenses incurred by School under the terms of the Lease. If this Lease is terminated pursuant to this Section, then School agrees to vacate the Property in accordance with this Lease within thirty (30) days after such termination is effective.

39. **Bankruptcy.** For purposes of this Lease, the following shall be deemed "**Events of Bankruptcy**" of School: (i) if School becomes "insolvent", as defined in Title 11 of the United States Code, entitled "**Bankruptcy**", 11 U.S.C. Section 101 et. seq., as amended from time to time (the "**Bankruptcy Code**"), or under the insolvency laws of any state, district, commonwealth or territory of the United States of America ("**Insolvency Laws**"); (ii) if a receiver or custodian is appointed for any or all of School's property or assets, or if there is instituted a foreclosure action on any of School's property; (iii) if School files a voluntary petition under the Bankruptcy Code or

Insolvency Laws; (iv) if there is filed an involuntary petition against School as the subject debtor under the Bankruptcy Code or Insolvency Laws that is not dismissed within sixty (60) days of filing, or results in issuance of an order for relief against the debtor; or (v) if School makes or consents to an assignment of its assets, in whole or in part, for the benefit of creditors, or a common law composition of creditors. Notwithstanding anything in this Section to the contrary, the terms and provisions of this Section shall be subject to the provisions of the Bankruptcy Code as then in force.

Upon the occurrence of an Event of Bankruptcy, or if School takes advantage of any Insolvency Laws, Lessor, at its option and sole discretion, may terminate this Lease by written notice to School (subject, however, to applicable provisions of the Bankruptcy Code or Insolvency Laws during the pendency of any action thereunder involving School as the subject debtor). If this Lease is terminated under this Subsection, School shall immediately surrender and vacate the Property, waives all statutory and other notice to quit, and agrees that Lessor's obligations under this Lease shall cease from such termination date, and Lessor may recover possession by process of law or in any other lawful manner. Furthermore, if this Lease is terminated under this Subsection, Lessor shall have all rights and remedies against School provided in case of the default of School in payment of Rent (subject, however, to applicable provisions of the Bankruptcy Code or Insolvency Laws).

If School becomes the subject debtor in a case pending under the Bankruptcy Code, Lessor's right to terminate this Lease under this Section shall be subject to the applicable rights (if any) of the trustee in bankruptcy to assume or reject this Lease as then provided for in the Bankruptcy Code. However, the trustee in bankruptcy must give to Lessor and Lessor must receive proper written notice of the trustee's assumption or rejection of this Lease within sixty (60) days after the date of the trustee's appointment or such longer period if any provided by applicable law (the "**Assumption or Rejection Period**"); it being agreed that the failure of the trustee to give notice of such assumption hereof within the Assumption or Rejection Period shall conclusively and irrevocably constitute the trustee's rejection of this Lease and waiver of any rights of the trustee to assume or assign this Lease. The trustee shall not have the right to assume or assign this Lease unless said trustee (i) promptly and fully cures all defaults under this Lease, (ii) promptly and fully compensates Lessor for all monetary damages incurred as a result of such default, and (iii) provides to Lessor "adequate assurance of future performance" (as defined herein below). Lessor and School hereby agree in advance that "adequate assurance of future performance", as used in this Subsection, shall mean that all of the following minimum criteria must be met: (a) School shall deliver to Lessor a security deposit in an amount equal to three (3) months' Base Rent at the rate applicable hereunder, which deposit Lessor may apply toward curing any defaults of School under this Lease, (b) School must pay to Lessor all Rent and other sums payable by School hereunder, including also therein its share (as estimated by Lessor) of the cost of all services (if any) provided by Lessor (whether directly or through agents or contractors, and whether or not the cost of such services is to be passed through to School), in advance of the performance or provision of such services, and (c) School must agree (by writing delivered to Lessor) that the use of the Property as stated in this Lease will remain unchanged. In the event School is unable to (i) cure its defaults, (ii) reimburse Lessor for its monetary damages, (iii) pay the Rent due under this Lease or any other payments required of School under this Lease on time, or (iv) meet the criteria and obligations imposed by (a) through (c) above in this Subsection, then School hereby agrees in advance that School has not met its burden to provide adequate assurance of future performance, and this Lease may be terminated by Lessor in accordance with this Section.

It is further stipulated and agreed that, in the event of the termination of this Lease by the happening of any such event described in this Section, Lessor shall forthwith, upon such termination, and any other provisions of this Lease to the contrary notwithstanding, become entitled to recover as and for damages caused by such termination of this Lease all amounts permitted by applicable law.

In the event that this Lease is terminated by notice and School shall thereafter seek protection under the Bankruptcy Code or any equivalent state Insolvency Laws or regulations, School (if a debtor-in-possession) agrees to consent to any application by Lessor to terminate the automatic stay provisions of the Bankruptcy Code or any Insolvency Laws on the grounds that there is no equity in the Lease as a result of the pre-petition termination notice.

Furthermore, in the event that this Section, in whole or part thereof, shall be invalid, illegal or unenforceable in any respect under any applicable law, then without need for any further agreement, notice or action, the validity, legality and enforceability of the remaining provisions shall remain effective and binding on the parties thereto and shall not be affected or impaired thereby; the obligation to be fulfilled shall be reduced to the limit of such validity.

40. Amendments, Changes, and Modifications. This Lease shall not be altered, changed, or amended other than by a written instrument executed by the parties.

41. Hazardous Materials. School or any subtenant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release, discharge, spill or leak any "Hazardous Material" (as defined below), or permit any agent, employee, student, invitee or any other person or entity on the Property with the consent of School ("**School Parties**") to engage in such activities on or about the Property. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Property of substances customarily and lawfully used in the business that School is permitted to conduct in the Property under this Lease (i.e., normal office use and school supplies typically used in the ordinary operation of a school in compliance with applicable laws and insurance requirements and ordinary school science classes), but only as an incidental and minor part of such business, and provided: (i) such substances shall be properly and safely labeled, contained, used and stored only in small quantities reasonably necessary for such permitted use of the Property and the ordinary course of School's business therein, strictly in accordance with applicable laws, insurance requirements, and the manufacturers' instructions therefor; (ii) such substances shall not be disposed of, released, discharged or permitted to spill or leak in or about the Property (and under no circumstances shall any Hazardous Material be disposed of within the drains or plumbing facilities in or serving the Property or in any other public or private drain or sewer, regardless of quantity or concentration); (iii) if any applicable Law, insurance requirements, or Lessor's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, School shall make arrangements at School's expense for such disposal in approved containers directly with a qualified and licensed disposal company at a lawful disposal site; (iv) any remaining such substances shall be completely, properly and lawfully removed from the Property upon expiration or earlier termination of this Lease; and (v) School shall comply with all laws in connection with the removal and disposal of any such substances.

School shall immediately notify Lessor of (i) any inspection, enforcement, cleanup or other regulatory action taken or threatened by any regulatory authority with respect to any Hazardous Material on or from the Property or the migration thereof from or to other property; (ii) any demands or claims made or threatened by any party relating to any loss or injury claimed to have resulted from any Hazardous Material on or from the Property; (iii) any release, discharge, spill, leak, disposal or transportation of any Hazardous Material on or from the Property in violation of this Section, and any damage, loss or injury to persons, property or business resulting or claimed to have resulted therefrom; and (iv) any matters where School is required by Law to give a notice to any regulatory authority respecting any Hazardous Materials on or from the Property. Lessor shall have the right (but not the obligation) to notify regulatory authorities concerning actual and claimed violations of this Section. School shall immediately upon written request from time to time provide Lessor with copies of all Material Safety Data Sheets, permits, approvals, memos, reports, correspondence, complaints, demands, claims, subpoenas, requests, remediation and cleanup plans, and all papers of any kind filed with or by any regulatory authority and any other books, records or items pertaining to Hazardous Materials that are subject to the provisions of this Section.

If any Hazardous Material is released, discharged or disposed of, or permitted to spill or leak by School or School Parties in violation of the foregoing provisions, shall immediately and properly clean up and remove the Hazardous Materials from the Property and any other affected property and clean or replace any affected personal property (whether or not owned by Lessor) in compliance with applicable laws and then prevailing industry practices and standards, at School's expense (without limiting Lessor's other remedies therefor). Such clean up and removal work ("**School Remedial Work**") shall be subject to the provisions of Section 7 of this Lease, including Lessor's prior written approval (except in emergencies), and any testing, investigation, feasibility and impact studies, and the preparation and implementation of any remedial action plan required by any court or regulatory authority having jurisdiction or reasonably required by Lessor. In connection therewith, School shall provide documentation evidencing that all School Remedial Work or other action required hereunder has been properly and lawfully completed (including a certificate addressed to/from an environmental consultant reasonably acceptable to Lessor, in such detail and form as Lessor may reasonably require).

The term "**Hazardous Materials**" for purposes hereof shall include, but not be limited to: (i) any flammable, explosive, toxic, radioactive, biological, corrosive or otherwise hazardous chemical, substance, liquid, gas, device, form of energy, material or waste or component thereof; (ii) petroleum-based products, diesel fuel, paints, solvents, lead, radioactive materials, cyanide, biohazards, infectious or medical waste and "sharps", printing inks, acids, DDT, pesticides, ammonia compounds, and any other items which now or subsequently are found to have an adverse effect on the environment or the health and safety of persons or animals the release of which is regulated by Law, or the presence of which require investigation or remediation under any Law or governmental policy; and (iii) any item defined as a "hazardous substance", "hazardous material", "hazardous waste", "regulated substance" or "toxic substance" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., Clean Water Act, 33 U.S.C. §1251, et seq., Safe Drinking Water Act, 14 U.S.C. §300f, et seq., Toxic Substances Control Act, 15 U.S.C.

§2601, et seq., Atomic Energy Act of 1954, 42 U.S.C. §2014 et seq., and any similar federal, State of New Mexico or local laws, and all regulations, guidelines, directives and other requirements thereunder, all as may be amended or supplemented from time to time. Hazardous Materials shall also expressly include asbestos containing materials.

School shall pay, prior to delinquency, any and all fees, taxes (including excise taxes), penalties and fines arising from or based on School's or any School Parties' activities involving Hazardous Materials on or about the Property, and shall not allow such obligations to become a lien or charge against the Property or Lessor. If School or any School Parties violates any provision of this Section with respect to any Hazardous Materials, Lessor may pursue such other remedies as may be available to Lessor under this Lease or applicable Law.

Lessor represents to School that, except as stated in that certain Phase I Environmental Site Assessment dated July 11, 2016 and prepared by Delphi Environmental Services, as of the date of this Lease, Lessor has not received any written notice of, and does not otherwise have actual knowledge of any Hazardous Materials at the Property in violation of any applicable Law. Lessor further represents and warrants, to Lessor's actual knowledge, that no leak, spill, discharge, emission or disposal of Hazardous Materials in violation of applicable Law has occurred at, on or under the Property. Lessor agrees to indemnify, defend and hold School harmless from any claims by reason of (i) the breach by Lessor of its representations in this Section (F), unless such breach is caused by School or any School Parties or (ii) any spill, leak or discharge of Hazardous Materials by Lessor or any of its employees, agents and contractors in, on or under the Improvements or (iii) any spill, leak, airborne, or discharge of Hazardous Materials deemed by a qualified third party to have resulted from a condition existing prior to School's first occupancy of the Property. Lessor shall not use Hazardous Materials in or about the Improvements except in the ordinary course of business of owning, managing, repairing and maintaining the Improvements or in the construction of the New Campus Improvements. Lessor further agrees that any such use of Hazardous Materials by Lessor in connection therewith shall be in compliance with all laws. In the event (i) Hazardous Materials are discovered at the Property, (ii) the presence of such Hazardous Materials is found to be in violation of laws, and (iii) neither the presence of such Hazardous Materials nor any contamination caused by such Hazardous Materials is caused by School or any School Parties, then Lessor shall promptly commence to cure (or cause a cure to be made thereof) the violation of Law caused by the Hazardous Materials, and Lessor shall thereafter pursue such cure with reasonable diligence.

42. Notices. All notices and communications required or permitted under this Lease (including change of address and facsimile or telephone number 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 facsimile transmission to the facsimile number of the receiving party set forth below with a receipt showing delivery; (iii) when sent by electronic mail to the email address set forth below with a receipt showing delivery; (iv) one (1) day after deposit with a national overnight courier addressed to the receiving party at the street address set forth below; or (v) 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.

Lessor: McCurdy Master Tenant, LLC
c/o Charter Schools Development Corporation
26546 North Alma School Road, #115
Scottsdale, AZ 85255
Attention: Laura Fiemann, Senior Vice President

With a copy to: Macdonald + Macdonald PC
10045 Red Run Boulevard, Suite 350
Owings Mills, MD 21117
Attention: Alan S. Macdonald

The School: McCurdy Charter School
PO Box 2250
Espanola, NM 87532
Attn: Head Administrator
Phone: 505-692-6090

With a copy to Matthews Fox PC
1925 Aspen Drive, Suite 301A
Santa Fe, New Mexico 87505
Attn: Susan B. Fox
Facsimile No.: (505) 474-3727
sfox@matthewsfox.com

Copies of all notices provided hereunder shall be simultaneously provided to:

Finance New Mexico-Investor Series XVIII, LLC
c/o Finance New Mexico, LLC
207 Shelby Street
Santa Fe, New Mexico 87501
Attn: Chief Executive Officer
Facsimile No.: 505-992-9635
jbrooks@nmfa.net

With a copy to Ballard Spahr LLP
1909 K Street, N.W.
12th Floor
Washington, D.C. 20006-1157
Attn: Linda Schakel
Facsimile No.: (202) 661-2299
schakel@ballardspahr.com

And to:

Clearinghouse Community Development Financial
Institution
23861 El Toro Road
Suite 401
Lake Forest, California 92630
Attn: Douglas J. Bystry
Facsimile No.: (949) 859-8534

With a copy to

Bergman and Allderice
1200 Wilshire Boulevard
Suite 610
Los Angeles, California 90017
Attn: Beth S. Bergman
Facsimile No.: (213) 947-4371
bbergman@b-alaw.com

43. 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 first day following such Saturday, Sunday, or observed holiday that is not a Saturday, Sunday, or such observed holiday.

44. Rights Reserved by Lessor. Lessor reserves the right to itself, its agents, contractors and designees, to enter the Property at all reasonable times during normal business hours and at such other times as Lessor deems necessary and at any time in case of emergencies as follows: (i) for the making of inspections or repairs, as Lessor (without being obligated to perform) may deem necessary or desirable or for any other purposes involving the safety, protection or preservation of the Property or the Improvements; (ii) during the last six (6) months of the term hereof, to exhibit the Property to prospective Schools; and (iii) to exhibit the Property to existing Lenders or to prospective mortgagees and purchasers. Lessor shall provide School at least two (2) business days' prior written notice of its desire for such access (except that no notice will be required in circumstances reasonably believed by Lessor to constitute an emergency). Lessor shall be subject to all School procedures relating to visitors on campus during school days/hours, and shall endeavor to confine its visits or activities on the Property to days/times when students are not present on campus, or to areas of the Property where students are not present. Lessor's activities on the Property shall not disrupt the school's educational processes and activities. Lessor shall be accompanied by a School representative, to the extent School is able or desires to provide a representative, at all times during any visit to the Property during normal business hours. Lessor, upon ten (10) business days' prior written notice to School, may install and exhibit in or on the exterior of the Improvements or the Property "For Rent" signs and "Building For Sale" signs during the last six (6) months of the Term, and School will not obstruct or interfere with such signs.

45. Interpretation. The captions and paragraph headings of this Lease 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 Lease. 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 Lease shall not be interpreted for or against either party based on authorship. Lessor and School will treat this Lease as a lease for federal and state income tax purposes and will take no position contrary thereto.

46. 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. This instrument contains all the agreements made between the parties hereto, and is a complete integration of all of such parties' agreements and the parties shall not be bound by any oral or written agreements or correspondence not herein contained.

47. Applicable Law. Each party shall perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. This Lease 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 Lease shall be brought in Albuquerque before the First Judicial District Court of the State of New Mexico.

48. Severability. In the event that any provision of this Lease, other than the requirement of the School 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 School to pay Base Rent and Additional Rent under this Lease are conditioned upon the prior specific appropriation by the School 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.

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

50. New Markets Tax Credits. Subject to federal and New Mexico privacy/confidentiality laws applicable to public charter schools, the School shall provide such information as may be reasonably requested by Lessor on behalf of any Lender in order to comply with requirements of the CDFI Fund (as hereinafter defined) with respect to the New Markets Tax Credits program data collection. "**CDFI Fund**" means the Community Development Financial Institutions Fund of the United States Department of Treasury, or any successor agency charged with oversight responsibility for the New Markets Tax Credit program. "**Code**" means the Internal Revenue Code of 1986, as amended, or any corresponding provision or provisions of subsequent superseding federal revenue laws. "**Treasury Regulations and Guidance**" means and includes any temporary and/or final regulations promulgated under the Code and any guidance, rule, or procedure published by the CDFI Fund, including without limitation the Community Development Entity Certification Application and the New Markets Tax Credit allocation application.

51. Mortgagee Provisions.

(a) Notwithstanding anything to the contrary contained in this Lease, the following terms, conditions and provisions shall apply to this Lease, and to the extent that any one or more terms, conditions and/or provisions contained elsewhere in this Lease violate, are inconsistent with and/or are contrary to any one or more of such following terms, conditions and provisions, such following terms conditions and provisions shall control and be applicable and such violative, inconsistent and/or contrary terms, conditions and/or provisions shall be void and of no force or effect.

(b) Owner shall have the right to mortgage and pledge its fee interest in the Property together with its interest under the Master Lease to the CDE pursuant to the terms of the CDE Loan Documents; Lessor shall have the right to mortgage and pledge its leasehold interest in the Property together with its interest under this Lease to Clearinghouse pursuant to the terms of the Clearinghouse Loan Documents; and each of Owner and Lessor have the right to mortgage and pledge their respective interests as aforesaid in connection with any other Financing. The School by its execution of this Lease hereby consents to the pledge of the Master Lease and this Lease to the CDE and Clearinghouse, respectively in accordance with the terms and conditions of the CDE Loan Documents and the Clearinghouse Loan Documents. The School shall not have the right to grant any mortgage on the Property without the consent of Lessor and, so long as the CDE Loan or the Clearinghouse Loan remains outstanding, the CDE and Clearinghouse. The execution of deeds of trust in connection with the CDE Loan and the Clearinghouse Loan and any entry or foreclosure and sale by the CDE or Clearinghouse will not constitute a breach of any provision in this Lease, including but not limited to Lessor's covenant of quiet enjoyment. A purchaser of the Owner's estate or Lessor's leasehold estate through foreclosure or deed in lieu thereof, bankruptcy, sale or otherwise and any person or entity acquiring such estate directly or indirectly through such purchaser, has the right to sell, and assign the estate.

(i) Notices and Reports. Lessor and the School shall simultaneously deliver copies of any notice given under this Lease and any reports, statements, and other information required to be delivered to the Lenders hereunder to the CDE and Clearinghouse at the addresses provided for herein.

(ii) Remedy of Defaults by Lender. If Lessor shall be in default hereunder, the CDE and Clearinghouse shall each have the right but not the obligation to remedy those defaults reasonably capable of being cured by the CDE or Clearinghouse within ninety (90) calendar days or such longer period as may be reasonably required; provided that the CDE or Clearinghouse, as applicable, has commenced and is diligently pursuing a cure, after the period in which Lessor has the right to cure, or cause the same to be remedied, and the School shall accept such performance by or at the instance of the CDE or Clearinghouse as if the same had been made by Lessor.

(iii) Stay of Default. No event of default by Lessor shall be deemed to exist with respect to a non-monetary default under the Lease in respect of the performance of work required to be performed, or of acts to be done, or of conditions to be remedied, if steps shall, in good faith, have been commenced by the CDE or Clearinghouse within the time permitted therefore to rectify the same and shall be prosecuted to completion with diligence and continuity.

(iv) Assumption by Assignee. Any party which is the successful bidder at a foreclosure sale under a deed of trust (including the CDE, Clearinghouse or their respective designees) or the grantee under a deed in lieu of foreclosure, or any assignee thereof, shall be entitled to become the owner of and acquire any and all interest in the Property and this Lease pursuant to such foreclosure and sale.

(v) Limitations on Obligations of Lender and Successor Owners. If the CDE, Clearinghouse or any purchaser of Lessor's interest in the Property (collectively, and "Successor Owner"), shall succeed to the interest of Lessor under this Lease, such Successor Owner shall be bound to the School as provided in the SNDA.

(vi) Lease Modification or Cancellation. Except for a termination of this Lease as a result of any uncured Event of Default, no agreement between Lessor and the School canceling or surrendering this Lease or modifying the terms of the Lease shall be effective without the prior written consent of the CDE and Clearinghouse.

(vii) Estoppel Certificate. Each party agrees from time to time, upon no less than twenty (20) days prior notice from the other, to execute, acknowledge and deliver to the other a statement that shall: (a) indicate the aggregate amount of all payments that have been made by the School and, further categorize and tabulate these payments as payments towards Base Rent and payments in addition to Base Rent; and (b) certify that (i) this Lease is unmodified and in full force and effect (or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (ii) that Base Rent has been paid, and that no other payments are due under this Lease (or if Base Rent or other payments are due, the nature and amount of the same), and (iii) whether, to the actual knowledge of such party, there exists any uncured default by the other party, or any defense, offset, or counterclaim against the other party, and, if so, the nature of such default, defense, offset or counterclaim. The statement may be relied on by any auditor, creditor and lender and by any prospective purchaser or encumbrancer of the Property or all or any part or parts of Lessor's or the School's respective interests under this Lease.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties have entered into this Lease effective as of the date
first written above.

THE SCHOOL

McCURDY CHARTER SCHOOL,
a New Mexico public charter school

By: Deborah R. Bennett
Name: Deborah R. Bennett
Title: Governance Board Chair

McCURDY MASTER TENANT, LLC,
a Delaware limited liability company

By: _____
Laura Fiemann
Authorized Signatory

IN WITNESS WHEREOF, the parties have entered into this Lease effective as of the date first written above.

THE SCHOOL

MCCURDY CHARTER SCHOOL,
a New Mexico public charter school

By: _____
Name: _____
Title: Chair

MCCURDY MASTER TENANT, LLC,
a Delaware limited liability company

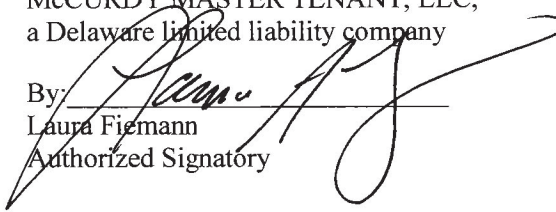
By:  _____
Laura Fiemann
Authorized Signatory

EXHIBIT A

LEGAL DESCRIPTION

All of Tract L1, Tract M1 and Tract M6B, as shown on, "ALTA / NSPS Land Title Survey of Tract L1, Tract M1 & Tract M6B Comprised of Portions of Exception 248, Private Claim 289, Complaint 118, Private Claim 263 Exception 230, Private Claim 264, Complaint 108, Private Claim 249, and Private Claim 265 all Situate within the Santa Clara Pueblo Grant and within Section 1 of, Township 20 North, Range 08 East, of the New Mexico Principal Meridian and within the City of Espanola, and County of Santa Fe, New Mexico," filed for record as Document Number _____, appearing in Plat Book _____, Page _____, records of Santa Fe County, New Mexico.

EXHIBIT B
PLANS AND SPECIFICATIONS FOR IMPROVEMENTS

Those Plans and Specs as submitted by FBT Architects and approved by Construction Industries Division and Public School Facilities Authority on July 27, 2016.

Appendix E4 FACILITY MASTER PLAN MCCURDY CHARTER SCHOOL

Following is email correspondence between PSFA and Sarah Tario, Director regarding the McCurdy Charter School Facility Master Plan attached:

----- Forwarded message -----

From: **John Valdez** <jvaldez@nmppsfa.org>

Date: Wed, Mar 24, 2021 at 10:46 AM

Subject: RE: McCurdy Charter Facilities Master Plan

To: Martica Casias <mcasias@nmppsfa.org>, Sarah Tario <stario@mcsk12nm.org>

Cc: Deborah Bennett <dbennettanderson@gmail.com>

Good morning Ms. Tario,

This is an email I sent this morning to Ms. Bennett regarding the McCurdy Master Plan.

Good morning Ms. Bennett,

We apologize for any confusion regarding the Charter School FMP/Ed Specs template. The 2020 template is our newest template, which is posted on our website below:

https://www.nmppsfa.org/wordpress/wp-content/uploads/2020/10/Charter_EdSpec_FMP_checklist-2020.pdf

I am attaching the FMP we have for the school, which we received in 2018. We accepted it as the school's FMP, however, it would benefit the school to provide a new plan based on the checklist at the link above. Per our records, the attached document is good through the end of 2023. We do provide funding for charters to complete a new FMP based on state local share. That funding application comes out in the Fall of this year (around September) and the school will be eligible to apply for state assistance. Charter school FMPs costs are capped at \$23,500 of which the state share would be 45% at \$10,575 and the school share would be 55% at \$12,925. The state/local share may fluctuate and we will have updated figures in the summer. The school is also welcome to prepare the plan on its own.

Please let me know if this answers your question and if not, I will be happy to provide further assistance.

John Valdez

During COVID closure, please reach my on my cell phone at (505) 659-2516

John M. Valdez, AICP |Facilities Master Planner
New Mexico Public School Facilities Authority
1312 Basehart Drive SE
Albuquerque, NM 87106

Phone: (505) 843-6272 (Main) |(505) 659-2516
web: www.nmpsfa.org

From: Martica Casias <mcasias@nmpsfa.org>
Sent: Wednesday, March 24, 2021 10:40 AM
To: Sarah Tario <stario@mcsk12nm.org>
Cc: Deborah Bennett <dbennettanderson@gmail.com>; John Valdez <jvaldez@nmpsfa.org>
Subject: RE: McCurdy Charter Facilities Master Plan

Good Morning,
We are in touch with Deborah Bennet. I gave her the contact information to PSFA Master Planner, Mr. John Valdez. He will respond to your email.

Martica Casias, Deputy Director

CDT, LEED Green

Public School Facilities Authority

1312 Basehart Drive SE

Albuquerque, New Mexico 87106

505-468-0274 office

505-362-1356 cell

From: Sarah Tario <stario@mcsk12nm.org>
Sent: Wednesday, March 24, 2021 10:15 AM
To: Martica Casias <mcasias@nmpsfa.org>
Subject: McCurdy Charter Facilities Master Plan

Hi Martica,

We are working on updating our 5 year facility plan, I have a couple of questions. First, is there a due date for our plan? I believe we are at the end of the last 5 year cycle, but it is not clear. Also, if we complete a plan and submit it to PSFA, how long does it take (or what is the process and requirements) for the plan to be approved? We have a lease assistance application due soon and we are working on our charter renewal, so any direction you can provide would be greatly appreciated.

Best regards,
Sarah Tario, M.A.Ed.
Director, McCurdy Charter School
#bobcatproud #bobcatstrong
Our Points of Pride focus: Perform with Excellence

PRELIMINARY EDUCATIONAL SPECIFICATION FOR MCCURDY CHARTER SCHOOL 2018

INTRODUCTION AND SITUATIONAL ANALYSIS

McCurdy Charter School (MCS) applied for its state-charter early July 2011 with the Charter School Division (CSD) of the New Mexico Public Education Department (NMPED), and was conditionally awarded its Charter in mid-October, 2011, by the Public Education Commission (PEC). The conditions included: completing the Planning Year Checklist; acquiring a Board of Finance designation; complying with changes to Federal Standards; and obtaining PSFA (Public School Facility Authority) certification of facilities. The last condition was the enactment of HB283 (7/1/11) such that MCS facilities must have a condition rating equal to or better than the weighted New Mexico Condition Index (wNMCI), or provide a plan for achieving that rating within 18 months.

In mid-October, 2011, PSFA's representative assessed 14 buildings on the 44-acre McCurdy campus at 261 S. McCurdy Road, Española NM as facilities to be potentially sub-leased to McCurdy Charter School. By the time the PSFA report was issued in late December, the number of buildings under consideration had been reduced to 7 buildings in an effort to improve the overall wNMCI. When the revised PSFA report came out in early January 2012, the wNMCI was ~78%, which is a ratio of the estimated weighted cost to repair facilities (~\$12.8 million) divided by the estimated weighted cost to replace facilities (~\$15 million). The 78% was significantly higher than the state's avg wNMCI of 21%.

On January 20, 2012, McCurdy representatives met with PSFA Director Gorrell and his staff to discuss the report results and options. Director Gorrell stated very clearly that an 18-Month Plan must be submitted and approved by PSFA before McCurdy Charter School could open in August 2012. He reiterated that an 18-Month Plan had to define what was necessary to meet the wNMCI, and had to identify the established funding stream(s) needed for the activities proposed in the plan.

At that point, the McCurdy BOT (Board of Trustees) had to seriously consider the risks/benefits of refurbishing older buildings versus investing in a new building. In a subsequent conversation with Director Gorrell, he was asked what corrective actions would have to be done to the existing buildings if a new building would/could be constructed to meet the mNMCI. His response was that the structures subleased to McCurdy Charter School must comply with "life safety system" regulations under the authority of the fire marshal, but that no other corrective actions would be necessary while a new building was being constructed.

In late May 2012, McCurdy BOT signed a Letter of Intent with Highmark Schools to construct a new building on the McCurdy campus. In June, MCS submitted "McCurdy Charter School: An 18-Month Plan of Facility Corrective Actions," which was subsequently approved on July 2, 2012. The Plan had two major goals: Goal 1 provided a "leasable" campus that met "life safety system" requirements, using seven existing facilities. Goal 2 was to provide a "leasable" campus that supports the long-term operation of McCurdy Charter School, meets the wNMCI, using a combination of one new facility constructed by Highmark, one "repurposed" facility, and four existing facilities, refurbished as appropriate.

Although a multitude of negotiations and design activities proceeded after the 18-Month Plan was approved by PSFA, in September 2013, title questions unexpectedly arose related to the property on which MCS leases its buildings. In response, MCS appealed to the PEC for a 12-month extension, which would postpone the anticipated construction completion to mid-February 2015.

Late November 2013, PED suspended the MCS Board of Finance because the FY 2012 financial books were un-auditable. The financial arm of Highmark has subsequently withdrawn its support, and the contract with Highmark has been terminated.

This document is a preliminary Educational Specification sufficient for explaining the educational program of MCS and its basic facility needs.

1 GOALS & MISSION

1.1 Goals

1.1.1 Mission: school's educational programs

McCurdy Charter School's mission is to provide a safe learning environment for the students of Northern New Mexico: an environment that recognizes education is rooted in academic excellence and achievement, character development and awareness, and community engagement and leadership. Serving Kindergarten through 12th grade with an anticipated enrollment of 584 students in Española, McCurdy Charter School wants to serve the students of northern New Mexico who recognize that our educational philosophy integrates academic, character and community elements.

McCurdy Charter School wants to serve the students of northern New Mexico who recognize that our educational philosophy integrates academic, character and community elements. Using Core Knowledge and Paideia methodologies for academic achievement, Character Counts strategies for character development, and strong service learning components in the curriculum, MCS provides the tools necessary for students to face the challenges of their community today, and methods to address life challenges in the world tomorrow.

McCurdy Charter School's educational philosophy is driven not only by academic achievement by setting, expecting and supporting high expectations, but also on the premise that total education requires a caring, safe environment that promotes character development and self awareness, while anticipating active engagement in the student's community and by the student's family.

Therefore, the proposed approach to the MCS curriculum is a relatively traditional one, but it is enhanced and guided by specific and aligned Core Knowledge topics for instruction in grades K-8, and the Paideia Principles for engaging adolescent learners for grades 9-12.

1.1.2 Educational philosophy

McCurdy Charter School uses the Core Knowledge curriculum in grades K-8 and the Paideia methodology of Socratic discussion in grades 9-12, both of which are aligned with New Mexico Standards and Benchmarks. The curriculum in the High School focuses on pre-collegiate readiness, graduation requirements that meet and exceed New Mexico requirements, and focus

on math, science, language arts, social studies, physical and behavioral health, communications, humanities and service learning.

Demonstrated programmatic components encouraging strong character development and a safe learning environment, coupled with active community engagement and strong service learning components in the curriculum, provide the tools necessary for McCurdy Charter School students to face the challenges of their community today, and to address life-challenges in the world tomorrow.

1.1.3 Serving the community

2 PROJECTED CONDITIONS

2.1 Instructional Programs and Delivery Methods

The Core Knowledge Sequence is based on the belief that there is a body of lasting knowledge and skills that form the core of a strong K-8 curriculum. This explicit curriculum outlines what children should learn at each grade level to ensure a coherent approach to building knowledge across all grade levels. Besides basic instruction in core subjects, this curriculum specifies exposure to the widely acknowledged masterpieces of art and music from around the world, and stories and poems passed down from generation to generation.

Core Knowledge provides a clear outline of content to be learned grade by grade so that knowledge, language, and skills build cumulatively from year to year. This sequential building of knowledge not only helps ensure that children enter each new grade ready to learn, it also helps prevent the repetitions and gaps that so often characterize current education. Parents and teachers in Core Knowledge schools have assurance that children will emerge well prepared with a shared body of knowledge and skills.

McCurdy Charter School also uses a rigorous curriculum at the high school, with four required units in each of the core subject areas (language arts, mathematics, social studies, and science), as well as requirements in a language other than English, humanities, fine arts, service learning, physical and health education, communications, and practical arts.

The Paideia method involves three kinds of learning and, therefore, teaching: knowing what, knowing how, and knowing why. McCurdy Charter School uses:

- Didactic instruction (traditional lecturing) as the what for each subject. This strategy, which is for the acquisition of basic knowledge or facts, consumes the least time and has the least emphasis.
- Instructional coaching as the how for each subject. Skill acquisition (reading, speaking, listening, calculating, problem-solving, exercising critical judgment) is the focus of this strand.
- The Socratic method as the why for each subject, which is the path to understanding ideas and basic values, is implemented in two-level seminars. In the vertical component, teachers provide questions to develop the understanding of ideas. In the horizontal element, discussion is open to all possible responses from students.

The Paideia Principles used at the High School are ways to actively engage students in their own learning. While the high school curriculum is a traditional one, the way classroom instruction is delivered is the key to increased learning for Rio Arriba County students. According to Steve Ball, “The Paideia philosophy gives students lifetime skills. It teaches them how to engage in civil dialogue, think critically, and look at both sides of issues. Because students learn how to agree to disagree, a Paideia school environment is really positive.”

McCurdy teachers are trained in the Paideia approach, and McCurdy Charter School seeks and encourages teachers who are themselves superior learners.

Currently, the scheduling approach considers classes on a period basis. Elementary classes start at 8:15 am and end at 2:50 pm, while secondary classes start at 7:55 am and end at 3:10 pm.

The school year for McCurdy Charter School is 180 (one hundred eighty) full instructional days for the regular school year calendar, exclusive of any release time for in-service training. MCS also ensures that: the school day length for grades K-6 is 6.5 hours per day, including ½ hour for lunch, which results in 6 hours of instruction per day, and; the school day length for grades 7– 12 is 7 hours per day, including ½ hour for lunch, which results in 6.5 hours of instruction per day. A 180-day school year for students at the proposed hours will result in 1,080 instructional hours per year for grades K-6 and 1,170 instructional hours per year for grades 7-12.

Each MCS student receives 90 instructional hours more per year than required by the above state statutes. The increase in hours is consistent with theories on expanded or extended learning and will provide not only more learning time, academic instruction and enrichment for students, but also more time for teachers to plan and collaborate. The additional instructional hours allow more time to build relationships and to complete graduation requirements.

Instructional staff (teachers and assistants) has 192-day contracts that allow for the proposed 180 instructional days plus 12 in-service days. An increased number of in-service days are also anticipated to increase instructional staff effectiveness.

MCS also includes in its curriculum a comprehensive athletic program for both male and female students, including: football, basketball, volleyball, softball and track.

MCS also participates in the National School Lunch and Breakfast Program as a Provision 2 School. Based on demographic data, MCS has a high percentage for students that are eligible free or reduced price meals.

2.2 Enrollment

2.2.1 Phased enrollment projections

As shown in Table 1, McCurdy Charter School has a maximum capacity of 584 students in grades kindergarten through the 12th grade: two classes of kindergarten thru 2nd grade with 20 students each, 2 classes with 22 students in each class for grades 3 through 8, and 2 classes with 25 students in each class for grades 9-12.

TABLE 1. STUDENTS PER GRADE DISTRIBUTION

Grade	Student Class Size	# of Classes	Projected Enrollment
K	20	2	40
1	20	2	40
2	20	2	40
3	22	2	44
4	22	2	44
5	22	2	44
6	22	2	44
7	22	2	44
8	22	2	44
9	25	2	50
10	25	2	50
11	25	2	50
12	25	2	50
TOTAL		26	584

No phase-in strategy for the total number of students or the distribution of these students was proposed in the original charter application. However, Table 2 shows a 5-yr listing of the 40th day count and anticipated enrollment increase, especially with the addition of a new facility.

TABLE 2. PROJECTED 40TH-DAY COUNT

Fiscal Year	40th-day count	Projected Enrollment
FY 2013	502	
FY 2014	541	
FY 2015		560
FY 2016		584
FY 2017		584

2.2.2 Classroom loading policy

The class loading, in terms of a student to staff ratio, is: in grades K thru 2, 20:1; in grades 3-8, 22:1, and; in grades 9-12, 25:1 or less.

2.2.3 Classroom needs

Table 3 is a tabular explanation of anticipated classroom needs, including # of classrooms to accommodate the projected enrollment and instructional program, as well as other spaces required to be in compliance with the MCS Charter Contract with PEC.

Table 3. BASIC MCS SPACE NEEDS TABULATION

Law	Space	Grade/Subject	Classrm	Size		Room	Office	Storage	Other	Size
6.27.30.9	D=Combination School									
6.27.30.10	School Site									
A	Safe access	Drop off, pick up								
B	Parking	1.5*staff FTE								94.5
B	Parking	1/4HS students								50
D	Security	general fencing								
D	Security	Playground fencing								
6.27.30.11	Site rec & outdoor PE									
D	Combination									
D	play area/grounds	hard surface court & equip								
D		Unpaved area & equip								
D	PE	hard surface court/equip								
D		playing field								
D	Athletics	hard surface court/equip								
D		playing field								
6.27.30.12	Classrooms									
A	Space									
B	Fixtures/Equip									
C	Lighting	>50 ft candles, well distributed								
D	temperature	60-75 deg								
E	Acoustics	55 decibels								
F	Air quality	moving air & <1200 ppm CO2								

Law	Space	Grade/Subject	Classrm	Size		Room	Office	Storage	Other	Size
6.27.30.13	Gen classrooms									
A	space									
A.(1)	Kindergarten	50 nsf/student * 20/class	2	2000						
A.(2)	Grades 1-2	32 nsf/student * 20/class	4	2560						
A.(2)	Grades 3-5	32 nsf/student * 22/class	6	4224						
A.(3)	Grades 6	28 nsf/student * 22/class	2	1232						
A.(4)	Secondary	English	3	1950						
A.(4)	Secondary	Health & Health Science	2	1300						
A.(4)	Secondary	Math	2	1300						
A.(4)	Secondary	Social Studies	2	1300						
B	storage	2nsf/student/classroom								
C	# of rooms	comply								
6.27.30.14	Specialty Classrooms									
A	Science		1	650						
A	Science Lab	=650+4nsf*25	1	750						
A	Science Lab Storage	≥80 nsf						1		80
B	Sped Ed, Elem	≥450nsf	1	450						
B	Sped Ed, Elem						2			?
B	Sped Ed, Elem	≥ 15 nsf						1		15
B	Sped Ed, Secondary	≥450nsf	1	450						
B	Sped Ed, Secondary						2			?
B	Sped Ed storage, Secondary	≥ 15 nsf						1		15
C	Art, Elem	=650+5nsf*25	1	775						
C	Art, Secondary	=650+5nsf*26	1	775						
D	Career Ed	N/A								
E	Technology, Elem	≥900nsf				1				900

Law	Space	Grade/Subject	Classrm	Size		Room	Office	Storage	Other	Size
E	Technology, Secondary	≥900nsf				1				900
F	Bilingual, elem		1	650						
F	Bilingual, secondary		2	1300						
6.27.30.15	Physical Ed									
A.4	Space	=6500 nsf + ≥ 2 capacity bleachers							1	6500
B.4	Other	2 offices (150 nsf) + dress rms,etc							1	300
6.27.30.16	Media Center									
A.3	Space	≥ 1000 nsf				1				1000
B	Equipment									
6.27.30.17	Food Service									
A.1	Dining	200*15=4,500 nsf				1				4500
B	Kitchen	1,700 nsf				1				1700
6.27.30.18	Other facility areas									
A	Parent workspace	.5 nsf * 584				1				292
B	Admin Space									
	Principal, Elem						1			?
	Principal Admin, Elem						1			?
	Principal, secondary						1			?
	Principal Admin, Secondary						1			?
	Director						1			?
	Dir admin + HR						1			?
	Bus mgr						1			?
	payroll						1			?
	purchasing/payables						1			?
	data process						1			?

Law	Space	Grade/Subject	Classrm	Size		Room	Office	Storage	Other	Size
	fed programs						1			?
C	Student Health	150 nsf + 1nsf*584					1			150
C	Counselor, Secondary	150 nsf				1				150
D	Faculty Work, Elem	1nsf/student				1				296
D	Faculty Work, Secondary	1nsf/student				1				288
6.27.30.19	Gen Storage	1 nsf * 584 distributed								584
6.27.30.20	Janitorial Space	.5nsf * 584 distributed								292
			32							

2.3 Site and Facilities

2.3.1 Location and Site

Figure 1 is a map of the relative locations of Pringle and Memorial Gym on the 261 McCurdy Rd campus. General locations for the new MCS buildings are Option 1 and Option 2: Option 3 has been eliminated.

Figure 1. MCS SITE MAP



2.3.2 Facility Evaluation

MCS proposes to construct a new facility to meet the primary fraction of MCS academic needs, and to utilize the existing Pringle building, Memorial Gym and athletic fields on the 261 McCurdy Rd campus. PSFA revisited the MCS campus in October, 2013, to consider the proposed buildings in conjunction with the 50% Construction drawings provided by Highmark earlier that summer.

Table 4 is a tabulation of PSFA's most recent evaluation, performed 10/8/13 of Pringle and Memorial. **Table 5** is a comparison of the values derived from the October 2011 evaluation versus the October 2013 evaluation.

It should be noted that the evaluation results, considering a new building and renovations to Pringle and Memorial, indicated that the MCS infrastructure would be ~10-15% wNMCI, a number significantly the state average wNMCI.

Table 4. PSFA FAD EVALUATION 10/8/13

Bldg	Sq Ft	System	\$/sf	Renewal	Degrade	unweighted \$	category	factor	weighted \$
Memorial Gym	21053	air/vent	\$3.39	1.1	1.00	\$78,507	6	1	\$78,506.64
Memorial Gym	21053	Ceiling finish	\$7.00	1.1	0.75	\$121,581	9	0.25	\$30,395.27
Memorial Gym	21053	Communications/security	\$2.31	0.9	0.00	\$0	4	0.25	\$0.00
Memorial Gym	21053	exterior walls	\$18.68	1.0	0.07	\$27,529	9	0.25	\$6,882.23
Memorial Gym	21053	exterior windows/door	\$6.66	1.1	0.75	\$115,676	9	0.25	\$28,918.93
Memorial Gym	21053	Fdn/structure	\$28.72	1.0	0.07	\$42,325	9	0.25	\$10,581.24
Memorial Gym	21053	Fire Det/Alarm	\$2.25	0.9	0.00	\$0	1	3.5	\$0.00
Memorial Gym	21053	Fire Sprinkler	\$3.30	1.3	0.27	\$24,386	5	0.5	\$12,192.84
Memorial Gym	21053	Floor finishes	\$6.97	1.1	1.00	\$161,413	2	1.5	\$242,120.03
Memorial Gym	21053	HVAC	\$28.40	1.0	0.75	\$448,429	6	1	\$448,428.90
Memorial Gym	21053	Institutional equip	\$3.90	1.0	0.75	\$61,580	9	0.25	\$15,395.01
Memorial Gym	21053	Interior doors, part, stairs, elev	\$12.97	0.9	0.27	\$66,353	9	0.25	\$16,588.24
Memorial Gym	21053	Interior walls	\$7.18	0.9	0.19	\$25,848	9	0.25	\$6,462.11

Bldg	Sq Ft	System	\$/sf	Renewal	Degrade	unweighted \$	category	factor	weighted \$
Memorial Gym	21053	lighting/branch circuits	\$13.62	0.9	0.00	\$0	9	0.25	\$0.00
Memorial Gym	21053	mn pwr/emergency	\$1.94	0.9	0.75	\$27,569	9	0.25	\$6,892.23
Memorial Gym	21053	other elec systems	\$0.67	0.9	0.00	\$0	4	0.25	\$0.00
Memorial Gym	21053	other equip	\$11.07	1.1	0.00	\$0	6	1	\$0.00
Memorial Gym	21053	plumbing	\$12.70	1.0	0.75	\$200,530	9	0.25	\$50,132.46
Memorial Gym	21053	roof	\$8.11	1.2	1.00	\$204,888	3	2	\$409,775.59
Memorial Gym	21053	technology	\$0.18	0.9	0.00	\$0	2	1.5	\$0.00
Memorial Gym	21053	wall finishes	\$3.96	1.0	1.00	\$83,370	2	1.5	\$125,054.82
						\$1,689,983			\$1,488,327
site	66376	ath fields	\$0.41	0.9	1.00	\$24,493	2	1.5	\$36,739.12
site	66376	fencing	\$0.41	1.1	0.42	\$12,573	9	0.25	\$3,143.24
site	66376	landscaping	\$1.90	1.1	1.00	\$138,726	2	1.5	\$208,088.76
site	66376	parking lots	\$7.01	0.8	1.00	\$372,237	2	1.5	\$558,354.91
site	66376	playgrnd equip	\$0.13	1.0	0.75	\$6,472	9	0.25	\$1,617.92
site	66376	site lighting	\$1.56	1.0	1.00	\$103,547	4	0.25	\$25,886.64
site	66376	site specialties	\$0.08	1.0	1.00	\$5,310	4	0.25	\$1,327.52
site	66376	Site utilities	\$1.86	1.2	1.00	\$148,151	4	0.25	\$37,037.81

Bldg	Sq Ft	System		\$/sf	Renewal	Degrade	unweighted \$		category	factor	weighted \$	
site	66376	walkways		\$2.33	1.1	0.00	\$0		1	3.5	\$0.00	
							\$811,508				\$872,196	
Student cntr	12854	air/vent		\$3.39	1.1	0.42	\$20,132		4	0.25	\$5,032.92	
Student cntr	12854	Ceiling finish		\$7.00	1.1	1.00	\$98,976		4	0.25	\$24,743.95	
Student cntr	12854	Communications/security		\$2.31	0.9	1.00	\$26,723		2	1.5	\$40,085.20	
Student cntr	12854	exterior walls		\$18.68	1.0	0.17	\$40,819		9	0.25	\$10,204.79	
Student cntr	12854	exterior windows/door		\$6.66	1.1	1.00	\$94,168		4	0.25	\$23,542.10	
Student cntr	12854	Fdn/structure		\$28.72	1.0	0.17	\$4,917		9	0.25	\$1,229.16	
Student cntr	12854	Fire Det/Alarm		\$2.25	0.9	1.00	\$38,176		1	3.5	\$133,617.33	
Student cntr	12854	Fire Sprinkler		\$3.30	1.3	0.67	\$78,035		5	0.5	\$39,017.48	
Student cntr	12854	Floor finishes		\$6.97	1.1	1.00	\$401,559		2	1.5	\$602,338.44	
Student cntr	12854	HVAC		\$28.40	1.0	0.19	\$69,360		4	0.25	\$17,340.05	
Student cntr	12854	Institutional equip		\$3.90	1.0	1.00	\$50,131		4	0.25	\$12,532.65	
Student cntr	12854	Interior doors, part, stairs, elev		\$12.97	0.9	0.67	\$100,530		9	0.25	\$25,132.49	
Student cntr	12854	Interior walls		\$7.18	0.9	0.47	\$39,039		9	0.25	\$9,759.85	
Student cntr	12854	lighting/branch circuits		\$13.62	0.9	1.00	\$157,564		4	0.25	\$39,391.08	
Student cntr	12854	mn pwr/emergency		\$1.94	0.9	0.19	\$4,264		4	0.25	\$1,066.05	
Student cntr	12854	other elec systems		\$0.67	0.9	1.00	\$7,751		6	1	\$7,750.96	
Student cntr	12854	other equip		\$11.07	1.1	0.47	\$73,566		6	1	\$73,565.88	
Student cntr	12854	plumbing		\$12.70	1.0	1.00	\$163,246		4	0.25	\$40,811.45	
Student cntr	12854	roof		\$8.11	1.2	0.00	\$0		3	2	\$0.00	
Student cntr	12854	technology		\$0.18	0.9	0.00	\$0		2	1.5	\$0.00	
Student cntr	12854	wall finishes		\$3.96	1.0	0.44	\$22,397		2	1.5	\$33,595.21	

Bldg	Sq Ft	System		\$/sf	Renewal	Degrade	unweighted \$		category	factor	weighted \$	
							\$1,491,354				\$1,140,757	
		Replacement cost					\$7,985,689				\$7,002,558.96	

Table 5. DIFFERENCES BETWEEN PSFA EVALUATION PERFORMED OCT 2011 VERSUS OCT 2013

	Student Cntr					McCurdy Memorial Gym					Site		
	Oct-11		13-Oct			Oct-11		13-Oct			Oct-11	13-Oct	
age	1972		1972			1987		1987			1912	2013	
sq ft	15,408		12,854			30,492		21,053			97,575	66,376	
	Category	Deg %	Category	Deg %		Category	Deg %	Category	Deg %		Category		
air/vent	4	100	9	42		6	100	4	100				
Ceiling finish	4	100	9	0		9	64	9	75				
Communications/security	2	100	9	0		4	100	9	0				
exterior walls	9	15	9	17		9	6	9	7				
exterior windows/door	4	100	4	100		9	64	9	75				
Fire Det/Alarm	1	100	9	0		1	100	9	0				
Fire Sprinkler	5	61	5	67		5	23	5	27				
Floor finishes	2	100	2	100		2	100	2	100				
Fdn/structure	9	15	9	17		9	6	9	7				
HVAC	4	100	9	19		6	64	9	75				
Institutional equip	4	100	4	100		9	64	9	75				
Interior doors, part, stairs, elev	9	61	9	67		9	23	9	27				
Interior walls	9	42	9	47		9	16	9	19				
lighting/branch circuits	4	100	4	100		9	64	9	0				
mn pwr/emergency	4	100	9	19		9	64	9	75				
other elec systems	6	100	2	100		4	100	9	0				
other equip	6	42	9	47		6	16	9	0				
plumbing	4	100	4	100		9	64	9	75				
roof	3	100	9	0		3	100	9	100				
technology	2	100	9	0		2	100	9	0				
wall finishes	2	100	9	44		2	100	2	100				

	Student Cntr					McCurdy Memorial Gym					Site		
ath fields											2	2	
fencing											9	9	
landscaping											2	2	
parking lots											2	2	
playgrnd equip											9	9	
site lighting											4	4	
site specialties											4	4	
Site utilities											4	4	
walkways											1	9	

3 CONCLUSION

McCurdy Charter School is poised to be successful academically, financially and operationally. Compliance with the PEC's Resolution Condition and HB283 remain its biggest challenge!

CERTIFICATION B
No Public Facility Available

The undersigned hereby certify under penalty of perjury that McCurdy Charter School has diligently sought space in public buildings, but that public buildings are not available or have been determined not to be adequate for the education program of McCurdy Charter School.

In addition, the undersigned hereby certify under penalty of perjury that the owner of the facility in which McCurdy Charter School is housed is fully responsible for maintaining the facility to the statewide adequacy standards applicable to charter schools, at no cost to the lessee, McCurdy Charter School, or to the state, as set forth in NMSA 1978 Section 22-8B-4.2(D)(2)(a), or a successor statute.

Charter School Governing Board

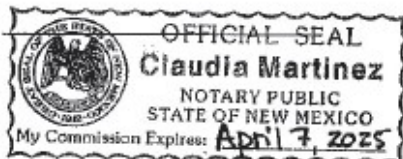
By: Chris Martinez
Print Name: Chris Martinez
Print Title: Governance Board Chairperson
Date: 9.29.2021

STATE OF NEW MEXICO)
) ss.
COUNTY OF (insert County))

On this 29th day of September, 2021, the undersigned officer Chris G. Martinez personally appeared Claudia Martinez before me, known to me to be the person whose name is subscribed to the within instrument, and acknowledged executing the same for the purpose therein contained.

Claudia Martinez
Notary Public

My Commission Expires:



Charter School Principal / Administrator

By: Sarah Tario
Print Name: Sarah Tario
Print Title: Director, McCurdy Charter School
Date: 9.29.2021

STATE OF NEW MEXICO)
) ss.
COUNTY OF Rio Arriba)

On this 29th day of September, 2021, the undersigned officer Sarah Tario personally appeared Claudia Martinez before me, known to me to be the person whose name is subscribed to the within instrument, and acknowledged executing the same for the purpose therein contained.

Claudia Martinez
Notary Public

My Commission Expires:

