



**Issue Brief
to
The PUBLIC SCHOOL CAPITAL OUTLAY
OVERSIGHT TASK FORCE**



**PSCOOTF Capital Outlay Work Group
Review of Lease Assistance Program
September, 24, 2012**

DRAFT

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EXECUTIVE SUMMARY

This Brief was prepared by PSFA staff and reviewed by the PSCOC.

Charter schools are the primary recipients of the lease assistance program. Delivery of quality education is vital to New Mexico and the nation. Charter schools now play an important and integral part. Through specialization and diverse curriculum, charter schools give parents and students' choices and new opportunities for success – success that may have been elusive in a traditional district school environment. But there are costs and to this diversity that are evidenced by the growth of the lease assistance program.

Some issues identified with the lease assistance program are:

1. Program costs have increased over 20% per year, and are now at \$13.5 million.
2. Over 50% of the program funds are used to pay to leases of privately owned facilities.
3. The majority of charter schools are not in public buildings. There is a risk that the 2015 statutory deadlines to be in public buildings will be extended and will extend the high cost of the program.
4. The statutory allowance for school districts to receive lease payments from charters for underutilized space has been ineffective resulting in charters leasing from private entities and other public entities.
5. The annual adjustment of the disbursement rate by the Consumer Price Index is a concern because the CPI may not be an appropriate adjustment for commercial property rents whose prices do not move in concert with consumer prices.
6. There is generally insufficient facility knowledge and experience to support effective acquisition and operation of facilities.
7. There are no State issued standard lease documents suitable for public education providers available to public school districts or charter schools for leasing facilities or land.
8. The lack of standardized lease document results in a lack of consistency and transparency.

KEY FINDINGS

The public school lease assistance program competes with the standards-based program for available funding.

Changes to the Public School Capital Outlay Act are needed if cost

In 2004, the Lease Assistance program was established with a program cap of \$4 million. Today, there is no cap and there is a CPI adjustment.

In 2005 the cost was \$2 million. The cost in 2013 will exceed \$13 million and is projected to surpass SB-9 program costs in 2018.

Leased space has increased from 600,000 ft² in 2005 to \$2.5 million ft² today.

29 of the 98 lease assistance applicants are in public buildings.

Another 16 are owned by charter school non-profits, which meet the exception to being in a public building.

The remaining 53 are leases of privately owned facilities.

containment of the lease assistance program is a policy goal.

Changes to the Charter Schools Act Section 22-8(B) 4.2 NMSA will be needed to contain lease assistance program costs and to incentivize charter schools to step up their efforts to identify and relocate into publicly owned facilities, and especially underutilized traditional school space.

Schools don't know who is responsible for maintenance, repairs, needed improvements or utility costs for the facilities they lease.

There are sometimes uncertainties that cause lessors to inflate the rent or to include balloon term payments or other onerous terms in a lease or lease-purchase agreement (see appendix D).

New leases or lease renewals can have significant legal costs.

Creating new or renewed leases can be a lengthy process.

Objectives of Analysis

The goal of this brief is to describe policy options and administrative program changes to existing agencies to address the issues described above.

Background on the Lease Assistance Program

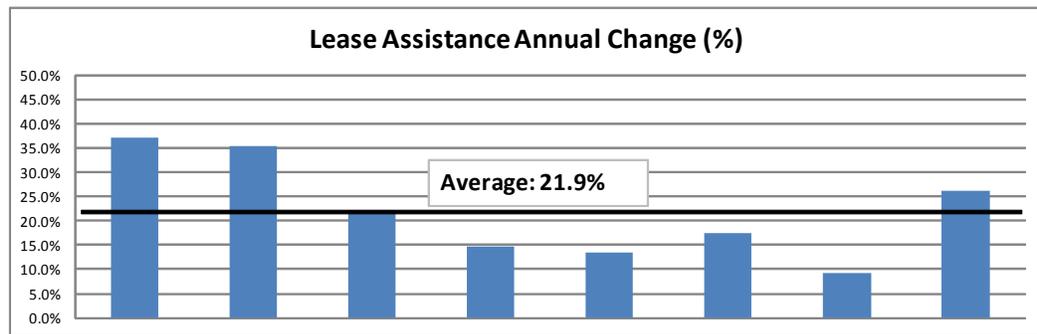
The lease assistance program started in 2004-2005 school year, the same year as the new standards-based program. It benefitted mainly charter schools, but traditional school districts were (and are) also eligible for assistance. Then and now, virtually all charter schools, with limited capability to raise capital for facilities, lease property for their schools.

In 2004, a dedicated funding source (oil and natural gas tax revenues), was set in place by the legislature to assist statewide school facility needs. Uncommitted balances in the severance tax bonding fund (via a state-district match) was diverted from deposit to the Severance Tax Permanent Fund to the PSCOC. The PSCOC prioritized and awarded matching funds - to assist school districts in addressing critical school facility needs. It came to be that charter schools approached the PSCOOTF and lawmakers about their facility needs. In deference to the charter schools disadvantage to raise sufficient funding to make capital investment in facilities, the lease assistance program was born.

Lease assistance was an award of \$300 per MEM. It increased to \$600 per MEM then \$700 per MEM with an annual CPI adjustment/increase. The total annual awards were limited to \$4 million. It was increased to \$7.5 million and then the awards that could be made annually were limited only by the number of applicants and the number of charter school students enrolled. Today, on average, lease assistance awards pay over 67% of applicants facility lease costs – \$13.4 million in awards to pay for total lease costs of \$19.6 million. Twenty-one thousand students statewide benefit from the lease assistance program.

Policy Consideration #1: Set Annual Award Maximums and Remove the CPI Adjustment.

The policy option under consideration begins with the notion that it is sound fiscal policy to have upper limits on programs that compete for funding with the standards-based capital program. The lease assistance program is available to all 89 schools districts and all charter schools that apply. Since there is no limit on the number of charter schools that can be approved annually by the Public Education Commission (PEC) or school districts, there effectively are no limit to the growth of the program.



Annual Change (%)	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13 est.	
	37.0%	35.5%	22.1%	14.6%	13.5%	17.6%	9.2%	26.1%	
Awards	\$2,814,061	\$3,854,767	\$5,221,754	\$6,375,295	\$7,306,510	\$8,294,981	\$9,751,689	\$10,649,726	\$13,433,436

Year	Rate	Max. Award	Award	Number of Awards
FY05	\$300/MEM	\$4 million	\$2,814,061	40 total / 34 charter schools
FY06	\$477/MEM	\$4 million	\$3,854,767	51 total / 46 charter schools
FY07	\$600/MEM	\$7.5 million	\$5,221,754	63 total / 56 charter schools
FY08	\$700/MEM	\$7.5 million	\$6,375,295	68 total / 61 charter schools
FY09	\$719.60/MEM	\$7.5 million	\$7,306,510	75 total / 64 charter schools
FY10	\$724.71/MEM	\$ No Limit	\$8,294,981	77 total / 69 charter schools
FY11	\$721.81/MEM	\$ No Limit	\$9,751,689	86 total / 80 charter schools
FY12(p)	\$733.35/MEM	\$ No Limit	\$10,649,726	90 total / 83 charter schools
FY13(e)*	\$756.83/MEM	\$ No Limit	\$13,433,436	98 total / 92 charter schools

(p) – preliminary. (e)* – estimated. First year charter schools award based on estimated enrollment. Awards are adjusted after final 80th day and 120th day counts are released by PED.

Additional Award detail is contained in **APPENDIX A**.

Significant Issues

Lease assistance is a discretionary program of the PSCOC but if funded at all, is required to make the statutory per MEM distributions to all applicants:

*“ The fund **may** be expended annually by the council for grants to school districts for the purpose of making lease payments for classroom facilities, including facilities leased by charter schools.” ... [22-24-4(I) NMSA 1978]*

The standards-based roof program is another discretionary program of the PSCOC yet has an annual expenditure maximum of \$10 million.

There are 12 new charter schools that have just been approved by the PEC to open in 2012. There are 8 charters that have been approved for their planning year. There are currently 43 letters of intent for application year 2013.

Scenarios and Impacts

Scenario A. sets the rate at \$550/MEM with no CPI adjustment and sets the annual maximum award to \$12 million. Under this scenario, the FY13 Awards would be \$ 10,189,392; a reduction in program costs of \$3.2 million. With total lease costs of applicants of \$19.6 million, lease assistance under Scenario A. would still finance 52% of total facility lease costs of applicants statewide. A detailed list of Scenario A. impacts is listed in **APPENDIX B**. A complete list of lease assistance applications and facility statistics for 2012-2013 is included in **APPENDIX C**.

Obstacles to Deployment of Policy Option

Pros & Cons to Policy Option

- **Pro:** The cap would provide predictable annual amountt available for setting policy goals for other programs in the PSCOA
- **Pro:**
- **Con:** Limits of the annual expenditures would require future pro-rata reductions in per MEM distributions.
- **Con:** Increased impact on operational funding of charter schools.

Policy Consideration #2: Create Standardized Leases

This policy option under consideration is based upon the notion that standardized leases would be more efficient and better protect the state's investment.

Background

The PSCOC and the legislature are seeking significant reporting on these leases including terms, costs, conditions, ownership etc. There are no State issued standard lease documents suitable for public education providers available to public school districts or charter schools for leasing facilities or land. The lack of standardized lease document results in a lack of consistency and transparency.

In some cases:

- Schools don't know who is responsible for maintenance, repairs, needed improvements or utility costs for the facilities they lease.
- There are sometimes uncertainties that cause lessors to inflate the rent or to include balloon term payments or other onerous terms in a lease or lease-purchase agreement (see appendix D).
- New leases or lease renewals can have significant legal costs.
- Creating new or renewed leases can be a lengthy process.
- Definitions of square footage measures are not consistent.
- Square footage amounts are usually not clearly identified.
- Type of ownership (public or private) sometimes not identified.
- Land lease terms may not protect State investment.

Significant Issues

- Cost to create the Standardized Leases
- The lack of transparency creates difficulties in tracking how the money flows.
- Lease documents terms and conditions may not clearly define responsibility for maintenance and operating costs.

Scenarios and Impacts

All excerpts below are from an actual lease, and represent a good example that should be considered for incorporation into a standard lease agreement. (refer to appendix B and C for full lease agreements)

- It is in the best interests of the Landlord to lease the Property to the School, and the Board of Trustees includes all parties).
- Clearly defined definitions.
- Square footage clearly listed and defined.
- Dollar amount per square foot listed with calculations.
- All terms of the lease are fully provided.
- All occupancy permits necessary are in place on commencement date.
- Additional rents which may be part of a "triple net lease" spelled out, including utilities, maintenance, repairs and janitorial.

- Lessor shall maintain in good working order, condition and repair the foundation, exterior walls, parking lot, exterior landscaping and hardscapes at the less or's expense.

Refer appendix G and H for specifics on policy option language for maintenance tasks, scope of work and responsibilities.

Refer to appendix D, page 2 for example of lease without gross square foot amounts listed and page 4 for additional rents.

Obstacles to Deployment of Policy Option

A potential drawback to a standardized lease is that it may not have the built-in flexibility to meet unique conditions of the facility or site.

Potential Pros to Policy Option

The standardized lease can be minimized by careful construction of a standard boiler plate coupled with an independent section that defines all special terms and conditions.

The pros of this policy option center on making leases user friendly and transparent:

- Ease of use for districts and schools.
- Clear understanding of how tax payers' dollars are being spent.
- Defined gross square footage.
- Clear definition of terms and conditions.
- Identification of responsibility for all operating costs.
- Reduced legal support costs.
- Easy to instruct on use.
- Expectations become widely known.

Potential Cons to Policy Option

- Standardized lease terms and conditions, if not well aligned to the market, could limit availability of properties.
- State mandated leases may infringe on perception of local autonomy.
- Cost to develop standardized leases.

Policy Consideration #3: Standardized intergovernmental land lease for building or renewing school facilities

- Facilities are expected to last at least fifty years and a standard term lease of 50 years would protect the State facility investment.
- If the lease has renewable 25 years options, ensure that language preserves the original terms and conditions.
- Disallow terms that are not in the best interest of the state or the educational process.
- Lease contingencies if educational programs are impacted by conditions outside of the site.
- Allow the State the option of returning the land to its original condition or not.
- Clearly defined end of lease or intended use terms and conditions.

Significant Issues

A PSCOC funded school can be built on land leased from a public entity. A new school facility can be expected to last for fifty years. If a lease is not in place equivalent to the life of the facility, the lease can expire and the facility becomes inaccessible for its intended use.

Scenarios and Impacts

The land under the former Pojoaque Elementary School 25 year lease expired and despite the district wishing to renew, the district was asked to vacate the property following a 10 year extension. The Pojoaque Elementary school was then turned into the Cities of Gold Casino.

Obstacles to Deployment of Policy Option

- Land owner may be hesitant to commit to a 50 year lease.

Potential Pros to Policy Option

- Assurance the States investment is protected for the life of the facility.
- Uniform policy applicable to all districts.

Potential Cons to Policy Option

- Possible resistance from lessor to a fifty year lease.
- State mandated 50 year leases may infringe on perception of local autonomy.

Policy Consideration #4: Make authorizing bodies that approve/renew charters responsible for acquiring and managing their facilities.

This policy option under consideration is based upon the notion that approval of new and existing charters, and the financial liability of their capital facility costs should be on the governing body authorizing the school district charter.

Background

Charter schools must gain approval to deliver their educational program either from the school district where they are located or from the state Public Education Commission (PEC). Generally, charter schools need to demonstrate they fulfill a need not met by the school districts educational delivery method. If the school district or PEC rejects or elects not to renew a charter after five years, the charter school may appeal the decision to the Public Education Department (PED). Charter schools receive approvals at five year intervals.

Under the policy option under consideration the school district or PEC would assume full responsibility for charter schools facilities needs. As with traditional public school facilities expectations, the school district or PEC would be responsible for the charter schools facility needs. These needs may include providing, providing funding for, or procuring new or existing school space Providing maintenance, custodial service and utilities; and financially supporting all other costs associated with providing an adequate facility. All funding, including but not limited to proportionate SB9 & HB33 distributions that would be made to the charter school would instead be allocated to the charter schools authorizer. *This will require a statutory change.*

District Authorized Charter:

If the charter applies to a school district, and the district authorizes it, the district would provide appropriate facilities or would negotiate a lease agreement with a third party for appropriate facilities.

Significant Issues

- The school district would be fully responsible for all charter school facility needs. *This will require statutory change.*
- If a charter is not authorized directly by the district's school board, it would not be a district authorized charter. The state would not have authority to override the district's chartering decisions. *This will require statutory change.*

State Authorized Charter:

If the charter applies to the PEC, and the PEC authorizes it, the PEC would provide appropriate facilities or would negotiate a lease agreement with a third party for appropriate facilities.

Significant Issues

- The PEC has no staff and may have to utilize the Public Education Department (PED) Charter School Division (CSD) to administer facility acquisition and management. This could be done

internally or by public/private contractor. The PED-CSD is currently funded by 2% of state charters SEG. *This will require statutory change.*

- The PEC may find available funding for charters is insufficient and may require additional funding either by re-direct of SB9 and HB33 or other sources.
This will require statutory change.

APPENDIX A.: Lease Assistance Program History

PSCOC Lease Payment Assistance Program

History

Year	Rate	Max Award	Expenditures	Number of Awards
2004-2005	\$300/MEM	\$4 million	\$2,041,261	40 total awards/34 charter ¹
2005-2006	\$477/MEM ²	\$4 million	\$3,973,258	51 total awards/46 charter
2006-2007	\$600/MEM	\$7.5 million	\$5,046,095	63 total awards/56 charter
2007-2008	\$700/MEM	\$7.5 million	\$6,375,293	68 total awards/61 charter ³
2008-2009	\$719.60/MEM ⁴	\$7.5 million	\$7,302,193	75 total awards/64 charter
2009-2010	\$724.71/MEM ⁵	\$ No Limit	\$8,221,670	77 total awards/69 charter
2010-2011	\$721.81/MEM ⁶	\$ No Limit	\$9,883,579	86 total awards/80 charter
2011-2012	\$733.35/MEM ⁶	\$ No Limit	\$10,780,043	90 total awards/83 charter
2012-2013	\$756.83/MEM ⁶	\$ No Limit	\$13,433,436	98 total awards/92 charter ⁷

¹ Includes \$284,400 for retroactive amounts to charters in first year of operation.

² \$600/MEM reduced to stay within \$4M cap.

³ First year to allow lease of facilities from District.

⁴ \$700/MEM increased by CPI of 2.8%.

⁵ \$700/MEM increased by CPI of 3.53%.

⁶ \$700/MEM decreased by CPI correction for FY 09 = 1.9%, FY 10 = 1.6%,
FY 11 = -0.4%, FY 12 = 1.6%, FY 13 = 3.2%

⁷ Awards to be approved July 26, 2012

2009-2010 Awards

Total Awards: \$8,221,670 (77) Total Awards to Charters: \$8,071,995 (69)

- 10 State Charters
- 6 Charters in first year of operation
- 15 in public building/ 1 partially in public building/ Lindrith in public bldg. -no lease cost
- 45 charters limited by MEM
- 24 charters limited by actual lease cost
- % of Actual –vs.- Reimbursement: 63.7%

Charter Schools Only:

	Low	High	Total	Average
Total Square Feet:	2,982	50,445	1,182,326	17,135
SF Per MEM:	10	240	6,832	99
Actual Lease Cost (annual):	\$1,200	\$1,053,455	\$12,728,739	\$184,474
Cost Per SF:	\$0.40	\$20.88		\$10.76

APPENDIX A.: Lease Assistance Program History

2010-2011 Awards

Total Requests: \$9,883,579 (86) Total Requests for Charters: \$9,749,850 (80)

- 32 State Charters
- 9 Charters in first year of operation
- 22 in public building/ East Mountain High School partially in public building/ (Lindrith in public bldg. -no lease cost, 3 charters leasing from counties, 12 from districts, 2 from the Federal Gov., 1 from city, 2 from Tribal, 3 from colleges or Universities and 10 nonprofit)
- 2 schools in lease purchase agreements
- 48 charters limited by MEM
- 38 charters limited by actual lease cost
- % of Actual –vs.- Reimbursement: 65.8%

Charter Schools Only:

	Low	High	Total	Average
Total Square Feet:	3,387	59,899	1,332,080	16,862
SF Per MEM:	11	342	7,641	97
Actual Lease Cost (annual):	14,460	1,053,455	14,869,846	185,873
Cost Per SF:	.03	38.99		11.51

2011-2012 Awards

Total Requests: \$10,780,043 (90) Total Awards for Charters: \$10,634,630 (83)

- 41 State Charters
- 3 Charters in first year of operation
- 24 in public building/ East Mountain High School partially in public building/ (Lindrith in public bldg. -no lease cost, 3 charters leasing from counties, 13 from districts, 2 from the Federal Gov., 1 from city, 2 from Tribal, 3 from colleges or Universities and 13 nonprofit)
- 3 schools in lease purchase agreements
- 50 charters limited by MEM
- 33 charters limited by actual lease cost
- % of Actual –vs.- Reimbursement: 66.3%

APPENDIX A.: Lease Assistance Program History

Charter Schools Only:

	Low	High	Total	Average
Total Square Feet:	3,584	61,500	1,432,242	17,256
SF Per MEM:	20	316	8,197	98
Actual Lease Cost (annual):	1,200	700,000	16,119,660	194,213
Cost Per SF:	.03	52.51		11.93

2012-2013 Awards

Total Requests: \$13,433,436.00

Total Requests for Charters: \$13,295,927.00

- 52 State Charters
- 11 Charters in first year of operation
- 24 in public building/ (Lindrith in public bldg. -no lease cost), 3 charters leasing from counties, 12 from districts, 1 from the Federal Gov., 2 from city, 3 from Tribal, 3 from colleges or Universities and 16 nonprofit)
- 5 schools in lease purchase agreements
- 52 charters limited by MEM
- 40 charters limited by actual lease cost
- % of Actual -vs.- Reimbursement: 66.9%

Charter Schools Only:

	Low	High	Total	Average
Total Square Feet:	666	92,527	1,880,810	20,444
SF Per MEM:	10	368	9644	105
Actual Lease Cost (annual):	1200	700,000	19,453,341	211,449
Cost Per SF:	.03	56.46		12.42

APPENDIX B.: Detailed of Impacts on 2012-2013 Applicants in Scenario A.

TOTAL	98	19,594,063	11.75	13,433,436	10,189,383	-3,244,053	-24%
District	School	Actual Lease Cost (\$)	Cost/ft ²	Current: Lease Assist @ \$756.83/MEM or Adjusted Lease	SCENARIO A: Lease Assist @ \$550/MEM or Adjusted Lease	Change (\$)	Change (%)
Albuquerque	Academia de Lengua y Cultura	163,800	10.55	58,654	42,625	-16,029	-27%
Albuquerque	Academy of Trades & Technology	180,120	9.60	88,928	64,625	-24,303	-27%
Albuquerque	ACE Leadership High School	220,000	18.33	155,150	114,675	-40,475	-26%
Albuquerque	Albuquerque Institute for Math & Science	230,420	12.54	223,265	162,250	-61,015	-27%
Albuquerque	Albuquerque School of Excellence	455,952	18.50	199,803	145,200	-54,603	-27%
Albuquerque	Albuquerque Talent Development	206,341	15.28	105,199	76,450	-28,749	-27%
Albuquerque	Alice King Community School	305,166	14.00	215,697	156,750	-58,947	-27%
Albuquerque	Amy Biehl High School	1,200	0.03	1,179	1,179	0	0%
Albuquerque	Bataan Military Academy	162,352	11.93	93,469	67,925	-25,544	-27%
Albuquerque	Cesar Chavez	331,001	16.53	142,284	103,400	-38,884	-27%
Albuquerque	Christine Duncan's Heritage Academy	96,600	7.24	95,361	69,300	-26,061	-27%
Albuquerque	Cien Aguas International School	182,142	11.34	169,530	123,200	-46,330	-27%
Albuquerque	Corrales International School	291,984	17.88	154,772	112,475	-42,297	-27%
Albuquerque	Cottonwood Classical Preparatory School	589,830	34.76	336,033	244,200	-91,833	-27%
Albuquerque	Creative Education Prep. Institute #1	155,273	9.89	127,964	99,275	-28,689	-22%
Albuquerque	Digital Arts and Technology Academy HS	493,313	10.49	238,780	173,525	-65,255	-27%
Albuquerque	East Mountain High School	392,200	9.84	276,621	201,025	-75,596	-27%
Albuquerque	El Camino Real Academy	700,000	11.40	314,463	228,525	-85,938	-27%
Albuquerque	Gilbert L. Sena Charter H.S.	186,140	12.65	131,688	95,700	-35,988	-27%
Albuquerque	Gordon Bemell Charter School	175,000	12.91	175,000	175,000	0	0%
Albuquerque	Horizon Academy West	522,853	29.65	325,815	236,775	-89,040	-27%
Albuquerque	La Academia de Esperanza	360,000	26.32	242,942	176,550	-66,392	-27%
Albuquerque	La Promesa Charter School	394,998	4.27	190,343	138,325	-52,018	-27%
Albuquerque	La Resolana Leadership Academy	118,084	28.44	49,951	36,300	-13,651	-27%
Albuquerque	Los Puentes	304,056	15.53	154,772	112,475	-42,297	-27%
Albuquerque	Media Arts Collaborative Charter School	198,360	18.37	129,040	93,775	-35,265	-27%
Albuquerque	The Montessori Elementary School	678,000	8.18	269,431	195,800	-73,631	-27%
Albuquerque	Montessori of the Rio Grande	121,755	8.27	118,948	109,450	-9,498	-8%
Albuquerque	Mountain Mahogany Community	120,000	8.03	106,741	105,875	-866	-1%
Albuquerque	Native American Community Academy	284,476	4.52	283,795	214,225	-69,570	-25%
Albuquerque	New America School	663,479	56.46	283,811	206,250	-77,561	-27%
Albuquerque	NM International School	129,600	12.06	71,142	51,700	-19,442	-27%
Albuquerque	North Valley Academy	530,232	13.97	369,711	268,675	-101,036	-27%
Albuquerque	Nuestros Valores Charter School	97,117	11.89	84,387	61,325	-23,062	-27%
Albuquerque	Public Academy for Performing Arts	411,323	18.03	264,891	192,500	-72,391	-27%
Albuquerque	Ralph J. Bunche Academy	58,350	5.29	58,358	55,550	-2,808	-5%
Albuquerque	Robert F. Kennedy Charter High School	176,833	8.44	166,696	144,925	-21,771	-13%
Albuquerque	South Valley Academy	180,125	14.06	180,136	131,175	-48,961	-27%
Albuquerque	South Valley Preparatory School	128,364	12.46	93,847	68,200	-25,647	-27%
Albuquerque	SW Intermediate Learning Center	95,074	7.62	84,387	61,325	-23,062	-27%
Albuquerque	SW Primary Learning Center	90,940	6.06	79,467	57,750	-21,717	-27%
Albuquerque	SW Secondary Learning Center	227,351	11.08	214,561	155,925	-58,636	-27%
Albuquerque	The Albuquerque Sign Language Academy	114,120	12.00	49,194	35,750	-13,444	-27%
Albuquerque	The GREAT Academy	217,767	14.14	111,254	80,850	-30,404	-27%
Albuquerque	The International School at Mesa del sol	155,000	9.86	135,851	98,725	-37,126	-27%
Albuquerque	The Learning Community Charter School	240,000	9.07	139,257	101,200	-38,057	-27%
Albuquerque	Tierra Adentro	155,144	12.64	139,635	101,475	-38,160	-27%
Albuquerque	21 st Century Public Academy	170,184	10.90	170,184	132,000	-38,184	-22%

APPENDIX B.: Detailed Impacts on 2012-2013 Lease Assistance Applicants in Scenario A.

TOTAL	98	19,594,063	11.75	13,433,436	10,189,383	-3,244,053	-24%
District	School	Actual Lease Cost (\$)	Cost/ft ²	Current: Lease Assist @ \$756.83/MEM or Adjusted Lease	SCENARIO A: Lease Assist @ \$550/MEM or Adjusted Lease	Change (\$)	Change (%)
Aztec	Mosaic Academy	116,000	6.74	116,000	99,000	-17,000	-15%
Bernalillo	Village Academy	62,400	15.19	28,760	20,900	-7,860	-27%
Carlsbad	Jefferson Montessori Academy	125,634	7.98	119,536	91,025	-28,511	-24%
Cimarron	Moreno Valley High School	66,000	7.63	65,087	47,300	-17,787	-27%
Clovis	Choices - Alternative Learning Center	102,690	7.76	98,223	98,223	0	0%
Deming	Deming Cesar Chavez	100,000	8.73	96,383	83,875	-12,508	-13%
Espanola	Carinos Charter School	138,282	1.65	137,459	126,225	-11,234	-8%
Gadsden	Anthony Charter School	75,000	11.10	63,195	45,925	-17,270	-27%
Gadsden	La Union JTP/Alvarez Farms	18,000	1.15	18,000	14,300	-3,700	-21%
Gallup	Chief Manuelito MS (Land)	7,618	0.02	7,618	7,618	0	0%
Gallup	Churchrock Academy (Land)	5,500	0.15	5,427	5,427	0	0%
Gallup	David Skeet ES (Land)	3,556	0.20	3,459	3,459	0	0%
Gallup	Middle College High School	15,130	22.72	13,159	13,159	0	0%
Gallup	Ramah Middle School (Land)	4,858	0.16	4,783	4,783	0	0%
Jemez Valley	San Diego Riverside	76,818	6.36	76,807	55,825	-20,982	-27%
Jemez Valley	Walatowa High Charter School	46,900	12.57	46,825	34,650	-12,175	-26%
Las Cruces	Alma d'arte Charter HS	143,000	8.39	140,692	102,575	-38,117	-27%
Las Cruces	Families and Youth Inc./Las Montanas	359,625	12.56	206,190	158,125	-48,065	-23%
Las Cruces	John Paul Taylor Academy	132,000	13.70	132,000	99,000	-33,000	-25%
Las Cruces	La Academia Dolores Huerta	114,661	11.46	94,604	68,750	-25,854	-27%
Los Lunas	School of Dreams Academy	454,978	22.63	244,835	177,925	-66,910	-27%
Questa	Red River Valley Charter	46,923	6.03	46,928	34,375	-12,553	-27%
Questa	Roots & Wings Community School	40,044	10.01	23,794	23,794	0	0%
Rio Rancho	The ASK Academy	374,360	16.10	103,307	75,075	-28,232	-27%
Roswell	Sidney Gutierrez Middle School	30,756	1.64	30,755	30,755	0	0%
Santa Fe	Monte del Sol Charter school	253,752	9.10	250,778	193,600	-57,178	-23%
Santa Fe	New Mexico School for the Arts	150,000	3.94	133,959	97,350	-36,609	-27%
Santa Fe	The Academy for Technology & the	260,000	7.01	255,342	196,350	-58,992	-23%
Santa Fe	The MASTERS Program	114,785	14.93	97,061	76,175	-20,886	-22%
Santa Fe	Tierra Encantada Charter High School	135,473	4.52	132,283	98,450	-33,833	-26%
Santa Fe	Turquoise Trail Charter School	350,412	5.07	333,554	254,650	-78,904	-24%
Silver	Aldo Leopold High School	72,000	6.65	67,466	59,950	-7,516	-11%
Socorro	Cottonwood Valley Charter School	120,747	11.27	120,747	93,500	-27,247	-23%
Taos	Anansi Charter School	112,296	8.97	84,387	61,325	-23,062	-27%
Taos	Taos Academy Charter School	106,800	9.13	106,802	77,825	-28,977	-27%
Taos	Taos Integrated School for the Arts	144,000	9.63	91,955	66,825	-25,130	-27%
Taos	Taos Municipal Charter School	142,100	14.07	142,100	117,150	-24,950	-18%
Taos	Vista Grande High School	78,968	4.87	75,305	54,725	-20,580	-27%
West Las	Rio Gallinas School	75,300	7.30	75,293	55,000	-20,293	-27%
Albuquerque	Coral Community School	192,000	5.40	127,147	92,400	-34,747	-27%
Albuquerque	Mission Achievement and Success	135,000	6.07	129,812	105,600	-24,212	-19%
Albuquerque	Sage Montessori Charter School	219,140	15.77	182,837	182,837	0	0%
Albuquerque	Southwest Aeronautics, Mathematics and Science Academy	249,510	6.09	174,071	126,500	-47,571	-27%
Albuquerque	William W. & Josephine Dorn Charter	68,400	6.84	68,115	49,500	-18,615	-27%
Espanola	La Tierra Montessori School of the Arts	64,800	9.26	60,546	44,000	-16,546	-27%
Espanola	McCurdy Charter School	441,989	22.47	441,989	321,200	-120,789	-27%
Farmington	⁴ New Mexico Virtual Academy	51,018	14.87	34,057	24,750	-9,307	-27%
Gallup-McKinley	Uplift Community School	82,900	10.21	80,766	66,000	-14,766	-18%
Las Cruces	New America School-Las Cruces	249,522	36.81	113,525	82,500	-31,025	-27%
Moriarty	Estancia Valley Classical Academy	600,000	25.36	257,322	187,000	-70,322	-27%

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APPENDIX C.: 2012-2013 Lease Assistance Applications

District	School	Charter School Renewal Dates	State (S) or Local (L) Charter	Charter (x for "yes")	Grade Level	Charters in Public Building or Exception	Lessor	Total Sq.Ft. of Leased Classroom Space	Total Sq.Ft. of Direct Admin (PED) Actual or Calculated	Total Sq. Ft. of Admin. Space	Total Sq. Ft. of Leased Space	Avg. of 80/120 Membership or Estimate	Avg. of 80/120 Membership or Estimate per PED	Sq. Ft. per PED MEM	Actual Lease	Cost/Sq Ft	Total Annual Lease Payment per PED MEM	Lease Payment for Classroom and Direct Admin Space	Maximum Allowable Lease Assist @ \$756.83/MEM ²	Maximum Allowable Lease Assist @ \$756.83/PED MEM ²	Maximum Allowable Assist @ \$756.83/PED MEM ² or Adjusted Lease
001	Albuquerque	Academia de Lengua y Cultura	2013	L	X	6-8		6,611.0	266.3	8,912.0	15,523.0	77.0	77.5	200	163,800	10.55	2,113.5	72,569	58,276	58,654	58,654
002	Albuquerque	Academy of Trades & Technology	2015	S	X	9-12	Z	16,251.0	326.3	2,518.0	18,769.0	118.0	117.5	160	180,120	9.60	1,532.9	159,086	89,306	88,928	88,928
003	Albuquerque	ACE Leadership High School	2015	S	X	9-12		8,000.0	462.8	4,000.0	12,000.0	209.0	208.5	58	220,000	18.33	1,055.2	155,150	158,177	157,799	155,150
004	Albuquerque	Albuquerque Institute for Math & Science	2015	S	X	6-12	X	17,745.5	592.5	626.5	18,372.0	291.0	295.0	62	230,420	12.54	781.1	229,993	220,238	223,265	223,265
005	Albuquerque	Albuquerque School of Excellence	2015	S	X	1-10		24,083.0	546.0	569.0	24,652.0	279.0	264.0	93	455,952	18.50	1,727.1	455,527	211,156	199,803	199,803
006	Albuquerque	Albuquerque Talent Development	2012	L	X	9-12		13,000.0	358.5	506.0	13,506.0	139.0	139.0	97	206,341	15.28	1,484.5	204,088	105,199	105,199	105,199
007	Albuquerque	Alice King Community School	2016	L	X	K-6		16,913.0	577.5	4,891.0	21,804.0	305.0	285.0	77	305,166	14.00	1,070.8	244,795	230,833	215,697	215,697
008	Albuquerque	Amy Biehl High School	2015	S	X	9-12	X	40,764.0	583.5	1,337.0	42,101.0	289.0	289.0	146	1,200	0.03	4.2	1,179	218,724	218,724	1,179
009	Albuquerque	Bataan Military Academy	2012	L	X	9-12		12,897.0	335.3	714.0	13,611.0	125.0	123.5	110	162,352	11.93	1,314.6	157,834	94,604	93,469	93,469
010	Albuquerque	Cesar Chavez	2014	S	X	9-12	Z	11,272.0	432.0	8,750.0	20,022.0	188.0	188.0	107	331,001	16.53	1,760.6	193,489	142,284	142,284	142,284
011	Albuquerque	Christine Duncan's Heritage Academy	2016	L	X	K-8		13,000.0	339.0	339.0	13,339.0	126.0	126.0	106	96,600	7.24	766.7	96,600	95,361	95,361	95,361
012	Albuquerque	Cien Aguas International School	2014	S	X	K-8		14,571.0	486.0	1,487.0	16,058.0	224.0	224.0	72	182,142	11.34	813.1	170,788	169,530	169,530	169,530
013	Albuquerque	Corrales International School	2013	L	X	K-10		15,340.0	458.8	987.0	16,327.0	204.5	204.5	80	291,984	17.88	1,427.8	282,501	154,772	154,772	154,772
014	Albuquerque	Cottonwood Classical Preparatory School	2013	S	X	6-12		16,153.0	816.0	816.0	16,969.0	444.0	444.0	38	589,830	34.76	1,328.4	589,830	336,033	336,033	336,033
015	Albuquerque	Creative Education Prep. Institute #1	2014	S	X	9-12		12,513.0	420.8	3,181.0	15,694.0	175.0	180.5	87	155,273	9.89	860.2	127,964	132,445	136,608	127,964
016	Albuquerque	Digital Arts and Technology Academy HS	2012	L	X	9-12		46,391.0	623.3	618.0	47,009.0	312.0	315.5	149	493,313	10.49	1,583.6	493,368	236,131	238,780	238,780
017	Albuquerque	East Mountain High School	2015	S	X	9-12	Z	37,882.0	698.3	1,964.0	39,846.0	365.5	365.5	109	392,200	9.84	1,073.1	379,741	276,621	276,621	276,621
018	Albuquerque	El Camino Real Academy	2012	L	X	K-12	LWOP	58,429.0	773.3	2,961.0	61,390.0	415.5	415.5	148	700,000	11.40	1,684.7	675,054	314,463	314,463	314,463
019	Albuquerque	Gilbert L. Sena Charter H.S.	2014	S	X	9-12		14,000.0	411.0	711.0	14,711.0	174.0	174.0	85	186,140	12.65	1,069.8	182,344	131,688	131,688	131,688
020	Albuquerque	Gordon Bernell Charter School	2013	L	X	9-12	X	12,757.0	797.3	796.5	13,553.5	431.0	431.5	31	175,000	12.91	405.6	175,010	326,194	326,572	175,010
021	Albuquerque	Horizon Academy West	2013	S	X	K-6		16,399.0	795.8	1,234.0	17,633.0	430.5	430.5	41	522,853	29.65	1,214.5	509,858	325,815	325,815	325,815
022	Albuquerque	La Academia de Esperanza	2012	L	X	6-12	Z	13,050.0	631.5	628.5	13,678.5	319.0	321.0	43	360,000	26.32	1,121.5	360,079	241,429	242,942	242,942
023	Albuquerque	La Promesa Charter School	2015	S	X	K-8	Z	92,000.0	527.0	527.0	92,527.0	251.0	251.5	368	394,998	4.27	1,570.6	394,998	189,964	190,343	190,343
024	Albuquerque	La Resolana Leadership Academy	2016	S	X	6-8		3,310.0	249.0	842.0	4,152.0	66.0	66.0	63	118,084	28.44	1,789.2	101,219	49,951	49,951	49,951
025	Albuquerque	Los Puentes	2012	L	X	7-12	Z	11,017.0	456.8	8,562.0	19,579.0	204.5	204.5	96	304,056	15.53	1,486.8	178,184	154,772	154,772	154,772
026	Albuquerque	Media Arts Collaborative Charter School	2013	S	X	9-12	Y	7,401.0	405.8	3,399.0	10,800.0	170.5	170.5	63	198,360	18.37	1,163.4	143,384	129,040	129,040	129,040
027	Albuquerque	The Montessori Elementary School	2015	S	X	K-8	Z	77,500.0	684.0	5,368.0	82,868.0	356.0	356.0	233	678,000	8.18	1,904.5	639,677	269,431	269,431	269,431
028	Albuquerque	Montessori of the Rio Grande	2014	L	X	PK-5	X	13,939.0	448.5	788.0	14,727.0	198.0	199.0	74	121,755	8.27	611.8	118,948	149,852	150,609	118,948
029	Albuquerque	Mountain Mahogany Community	2015	L	X	K-8		12,846.0	438.8	2,089.0	14,935.0	193.0	192.5	78	120,000	8.03	623.4	106,741	146,068	145,690	106,741
030	Albuquerque	Native American Community Academy	2016	L	X	6-12	X	62,100.0	734.3	885.0	62,985.0	390.0	389.5	162	284,476	4.52	730.4	283,795	295,164	294,785	283,795
031	Albuquerque	New America School	2014	S	X	9-12	Z	10,096.0	712.5	1,656.0	11,752.0	375.0	375.0	31	663,479	56.46	1,769.3	693,811	283,811	283,811	283,811
032	Albuquerque	NM International School	2017	S	X	K-3		10,435.0	291.0	309.0	10,744.0	95.0	94.0	114	129,600	12.06	1,378.7	129,383	71,899	71,142	71,142
033	Albuquerque	North Valley Academy	2013	S	X	K-8		28,880.0	882.8	11,084.0	37,964.0	489.0	488.5	78	530,232	13.97	1,085.4	387,754	370,090	369,711	369,711
034	Albuquerque	Nuestros Valores Charter School	2016	L	X	9-12	X	8,827.0	317.3	1,338.0	8,165.0	112.0	111.5	73	97,117	11.89	871.0	84,976	84,765	84,387	84,387
035	Albuquerque	Public Academy for Performing Arts	2016	L	X	6-12	X	19,200.0	675.0	3,611.0	22,811.0	350.0	350.0	65	411,323	18.03	1,175.2	358,382	264,891	264,891	264,891
036	Albuquerque	Ralph J. Bunche Academy	2016	S	X	K-8	X	10,722.0	301.5	300.0	11,022.0	100.0	101.0	109	58,350	5.29	577.7	58,358	75,683	76,440	58,358
037	Albuquerque	Robert F. Kennedy Charter High School	2016	L	X	9-12	X	19,200.0	645.3	1,746.0	20,946.0	264.0	263.5	79	178,833	8.44	671.1	166,696	199,803	199,425	166,696
038	Albuquerque	South Valley Academy	2015	L	X	9-12	Z	12,300.0	507.8	507.0	12,807.0	238.0	238.5	54	180,125	14.06	755.2	180,126	180,504	180,136	180,136
039	Albuquerque	South Valley Preparatory School	2015	S	X	6-8		9,715.0	336.0	586.0	10,301.0	124.0	124.0	83	128,364	12.46	1,035.2	125,249	93,847	93,847	93,847
040	Albuquerque	SW Intermediate Learning Center	2015	S	X	7-8		11,880.0	317.3	600.0	12,480.0	111.5	111.5	112	95,074	7.62	852.7	92,920	84,387	84,387	84,387
041	Albuquerque	SW Primary Learning Center	2015	S	X	4-6		14,200.0	307.5	800.0	15,000.0	105.0	105.0	143	90,940	6.06	866.1	87,954	79,467	79,467	79,467
042	Albuquerque	SW Secondary Learning Center	2015	S	X	7-12		19,252.0	575.3	1,268.0	20,520.0	283.5	283.5	72	227,351	11.08	801.9	219,676	214,561	214,561	214,561
043	Albuquerque	The Albuquerque Sign Language Academy	2015	S	X	K-6	X	4,965.0	247.5	4,545.0	9,510.0	68.0	65.0	146	114,120	12.00	1,755.7	62,550	51,464	49,194	49,194
044	Albuquerque	The GREAT Academy	2017	S	X	9-12		9,935.0	370.5	5,470.0	15,405.0	143.5	147.0	105	217,767	14.14	1,481.4	145,680	108,605	111,254	111,254
045	Albuquerque	The International School at Mesa del sol	2014	S	X	K-7		15,309.0	419.3	419.0	15,728.0	179.5	179.5	88	155,000	9.86	863.5	155,002	135,851	135,851	135,851
046	Albuquerque	The Learning Community Charter School	2016	S	X	6-12	Z	26,000.0	426.0	465.0	26,465.0	210.0	184.0	144	240,000	9.07	1,304.3	239,646	158,934	139,257	139,257
047	Albuquerque	Tierra Adentro	2015	S	X	6-11		10,648.0	426.8	1,627.0	12,275.0	185.0	184.5	67	155,144	12.64	840.9	139,974	140,014	139,635	139,635
048	Albuquerque	21 st Century Public Academy	2015	L	X	5-8		15,100.0	510.0	510.0	15,610.0	240.0	240.0	65	170,184	10.90	709.1	170,184	181,639	170,184	170,184
049	Aztec	Mosaic Academy	2015	L	X	K-8		16,780.0	420.0	420.0	17,200.0	180.0	180.0	96	116,000	6.74	644.4	116,000	136,229	136,229	116,000
050	Bernalillo	Village Academy	2013	S	X	6-8		3,900.0	207.0	207.0	4,107.0	38.0	38.0	108	62,400	15.19	1,642.1	62,400	28,760	28,760	28,760
051	Carlsbad	Jefferson Montessori Academy	2012	L	X	K-12	X	14,574.0	398.3	1,162.0	15,736.0	165.5	165.5	95	125,634	7.98	759.1	119,536	125,255	125,255	119,536
052	Cimarron	Moreno Valley High School	2012	L	X	9-12	Z	8,370.0	279.0	279.0	8,649.0	86.0	86.0	101	66,000	7.63	767.4	66,000	65,087	65,087	65,087
053	Clovis	Choices - Alternative Learning Center				7-12		12,148.0	505.5	1,081.0	13,229.0	237.0	237.0	56	102,690	7.76	433.3	98,223	179,369	179,369	98,223
054	Deming	Deming Cesar Chavez	2016	L	X	9-12	X	10,661.0	378.8	793.0	11,454.0	152.0	152.5	75	100,000	8.73	655.7	96,383	115,038	115,417	96,383
055	Espanola	Carinos Charter School	2015	L	X	K-7	X	82,982.0	494.3	994.0	83,976.0	230.0	229.5	366	138,282	1.65	602.5	137,459	174,071	173,692	137,459
056	Gadsden	Anthony Charter School	2013	L	X	7-12	X	5,760.													

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District	School	Charter School Renewal Dates	State (S) or Local (L) Charter	Charter (x for "yes")	Grade Level	Charters in Public Building or Exception ³	Lessor	Total Sq.Ft. of Leased Classroom Space	Total Sq.Ft. of Direct Admin (PED) Actual or Calculated	Total Sq. Ft. of Admin. Space	Total Sq. Ft. of Leased Space	Avg. of 80/120 Membership or Estimate	Avg. of 80/120 Membership or Estimate per PED	Sq. Ft. per PED MEM	Actual Lease	Cost/Sq Ft	Total Annual Lease Payment per PED MEM	Lease Payment for Classroom and Direct Admin Space	Maximum Allowable Lease Assist @ \$756.83/MEM ²	Maximum Allowable Lease Assist @ \$756.83/PED MEM ²	Maximum Allowable Lease Assist @ \$756.83/PED MEM ² or Adjusted Lease
071	Questa	Roots & Wings Community School	2016	L	X	K-8		2,160.0	216.8	1,840.0	4,000.0	43.0	44.5	90	40,044	10.01	899.9	23,794	32,544	33,679	23,794
072	Rio Rancho	The ASK Academy	2015	S	X	9-11		22,150.0	354.8	1,105.0	23,255.0	136.5	136.5	170	374,360	16.10	2,742.6	362,282	103,307	103,307	103,307
073	Roswell	Sidney Gutierrez Middle School	2014	L	X	6-8	X	18,564.0	243.8	244.0	18,808.0	63.0	62.5	301	30,756	1.64	492.1	30,756	47,680	47,302	30,756
074	Santa Fe	Monte del Sol Charter school	2015	L	X	7-12	Z	26,895.0	678.0	1,005.0	27,900.0	352.0	352.0	79	253,752	9.10	720.9	250,778	266,404	266,404	250,778
075	Santa Fe	New Mexico School for the Arts	2014	S	X	9-12		36,361.0	415.5	1,668.5	38,029.5	177.0	177.0	215	150,000	3.94	847.5	145,058	133,959	133,959	133,959
076	Santa Fe	The Academy for Technology & the Classics	2015	L	X	7-12		35,739.0	685.5	1,350.0	37,089.0	357.0	357.0	104	260,000	7.01	728.3	255,342	270,188	270,188	255,342
077	Santa Fe	The MASTERS Program	2015	S	X	10-12	X	6,144.0	357.8	1,545.0	7,689.0	139.0	138.5	56	114,785	14.93	828.8	97,061	105,199	104,821	97,061
078	Santa Fe	Tierra Encantada Charter High School	2015	S	X	7-12	X	28,875.0	418.5	1,125.0	30,000.0	179.0	179.0	168	135,473	4.52	756.8	132,283	135,473	135,473	132,283
079	Santa Fe	Turquoise Trail Charter School	2015	L	X	PreK-6	X	64,935.0	844.5	4,169.0	69,104.0	463.0	463.0	149	350,412	5.07	756.8	333,554	350,412	350,412	333,554
080	Silver	Aldo Leopold High School	2015	S	X	9-12		9,827.0	313.5	995.0	10,822.0	109.5	109.0	99	72,000	6.65	660.6	67,466	82,873	82,494	67,466
081	Socorro	Cottonwood Valley Charter School	2015	L	X	K-8		10,310.0	405.0	405.0	10,715.0	170.0	170.0	63	120,747	11.27	710.3	120,747	128,661	128,661	120,747
082	Taos	Anansi Charter School	2016	L	X	K-5	Y, Z	12,200.0	317.3	317.0	12,517.0	111.5	111.5	112	112,296	8.97	1,007.1	112,298	84,387	84,387	84,387
083	Taos	Taos Academy Charter School	2014	S	X	5-12		11,338.0	362.3	362.0	11,700.0	141.5	141.5	83	106,800	9.13	754.8	106,802	107,091	107,091	106,802
084	Taos	Taos Integrated School for the Arts	2015	S	X	K-7		14,622.0	332.3	332.0	14,954.0	122.0	121.5	122	144,000	9.63	1,185.2	144,002	92,333	91,955	91,955
085	Taos	Taos Municipal Charter School	2015	L	X	K-8	Z	9,630.0	469.5	469.5	10,099.5	213.0	213.0	47	142,100	14.07	667.1	142,100	161,205	161,205	142,100
086	Taos	Vista Grande High School	2012	L	X	9-12		15,200.0	299.3	1,000.0	16,200.0	100.0	99.5	163	78,968	4.87	793.6	75,552	75,683	75,305	75,305
087	West Las Vegas	Rio Gallinas School	2012	L	X	K-8	X	9,865.0	450.0	451.0	10,316.0	100.0	100.0	103	75,300	7.30	753.0	75,293	75,683	75,683	75,293
088	Albuquerque	Coral Community School	2017	S	X	K-3		26,047.0	402.0	9,539.0	35,586.0	176.0	168.0	212	192,000	5.40	1,142.9	142,702	133,202	127,147	127,147
089	Albuquerque	Mission Achievement and Success	2017	S	X	7-8		20,955.0	438.0	1,293.0	22,248.0	192.0	192.0	116	135,000	6.07	703.1	129,812	145,311	145,311	129,812
090	Albuquerque	Sage Montessori Charter School	2017	S	X	K-7		10,919.0	675.0	2,977.0	13,896.0	350.0	350.0	40	219,140	15.77	626.1	182,837	264,891	264,891	182,837
091	Albuquerque	Southwest Aeronautics, Mathematics and Science	2017	S	X	7-12	X	37,975.0	495.0	3,025.0	41,000.0	275.0	230.0	178	249,510	6.09	1,084.8	234,113	208,128	174,071	174,071
092	Albuquerque	William W. & Josephine Dorn Charter Community	2017	S	X	K-2		9,715.0	285.0	285.0	10,000.0	90.0	90.0	111	68,400	6.84	760.0	68,400	68,115	68,115	68,115
093	Espanola	La Tierra Montessori School of the Arts and Sciences	2017	S	X	K-6		6,730.0	270.0	270.0	7,000.0	80.0	80.0	88	64,800	9.26	810.0	64,800	60,546	60,546	60,546
094	Espanola	McCurdy Charter School	2017	S	X	K-12		18,648.0	1,026.0	1,026.0	19,674.0	584.0	584.0	34	441,989	22.47	756.8	441,989	441,989	441,989	441,989
095	Farmington	* New Mexico Virtual Academy	2017	L	X	6-11		2,531.0	217.5	900.0	3,431.0	500.0	45.0	76	52,518	15.31	1,167.1	42,071	378,415	34,057	34,057
096	Gallup-McKinley	Uplift Community School	2017	S	X	K-4		7,581.0	330.0	539.0	8,120.0	120.0	120.0	68	82,900	10.21	690.8	80,766	90,820	90,820	80,766
097	Las Cruces	New America School-Las Cruces	2017	S	X	9-12		5,383.0	375.0	1,395.0	6,778.0	150.0	150.0	45	249,522	36.81	1,663.5	211,972	113,525	113,525	113,525
098	Moriarty	Estancia Valley Classical Academy	2017	S	X	K-10	Z	23,000.0	660.0	660.0	23,660.0	340.0	340.0	70	600,000	25.36	1,764.7	600,000	257,322	257,322	257,322
TOTAL / AVERAGE				52	92			2,285,870	45,375	174,749	2,460,619	20,910	20,350.0	11,400	19,595,563	11.75	96,055	18,003,004	15,825,315	15,401,491	13,433,436

NOTES:

Shaded rows indicate new application (yellow)

¹ Direct Administrative Space not to exceed 150nsf + 1.5nsf x MEM

² 1.019*1.016*0.996*1.016*1.032 \$700/MEM (Consumer Price Index)= FY 09 = 1.9% FY 10 = 1.6% FY 11= -0.4% FY 12=1.6% FY 13=3.2%

³ X = Public Building; Y = Lease Purchase; Z = Lease from Non-Profit (meets standards in 22-8b-4.2. for being housed by July 1, 2015)

⁴ Staff recommendation-enrollment boudries are state wide, estimated 80th day MEM calculated on number of students physically present in classroom

Ownership Key:

C = County(3), D = District(13), F = Fed(1), M = Municip(2), N = Nonprofit(15), SL = State Land Office(4), T = Tribal (3), U = University (3)

SUBLEASE

Between

MONTESSORI EDUCATION FOUNDATION, INC.,

as sublessor

and

THE MONTESSORI ELEMENTARY SCHOOL,

as sublessee

6/20/08

DATED AS OF SEPTEMBER 2, 2008

SUBLEASE

This Sublease (this "Sublease") is between Montessori Education Foundation, Inc., a New Mexico nonprofit corporation (the "Foundation"), as sublessor, and The Montessori Elementary School, a New Mexico public charter school (the "School"), as sublessee, effective as of September 2, 2008.

RECITALS

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

A. The Foundation has entered into a lease (the "Lease") with CSPS-Albuquerque, LLC, a Nevada limited liability company (the "Owner"), of that certain real property commonly known as 3831 Midway Place NE, Albuquerque, New Mexico (the "Property"), more particularly described as Lot numbered Thirteen-A-One (13-A-1) of the Plat of Lot 13-A-1, MIDWAY BUSINESS PARK, Albuquerque, New Mexico, as the same is shown and designated on said plat thereof, filed in the office of the County Clerk of Bernalillo County, New Mexico on July 30, 1993, in Plat Book 93C, page 221.

B. The School is public charter school 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 22-8D-4(D) of the Act to contract with any third party for the use of a school building and grounds.

C. The Foundation is a nonprofit corporation organized, existing, and in good standing under the laws of the State of New Mexico (the "State"); is duly qualified to do business in the State; and is authorized under its articles of incorporation, bylaws, action of its board of directors, and applicable law, to own and manage its properties, to conduct its affairs in the State, to lease the Property to the School, and to otherwise act in the manner contemplated herein.

D. The School has determined that it is in the best interests of the School to lease the Property from the Foundation pursuant to this Sublease, and the governing body of the School has duly authorized entering into this Sublease. The Foundation has determined that it is in the best interests of the Foundation to lease the Property to the School pursuant to this Sublease, and the Board of Directors of the Foundation has duly authorized entering into this Sublease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals 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:

Section 1. Demise. The Foundation hereby subleases the Property to the School, and the School hereby subleases the Property from the Foundation. The Foundation shall not

interfere with the quiet use and enjoyment of the Property by the School during the term (and any extended terms) of this Sublease so long the School is not in default under the terms of this Sublease. This Sublease shall be subject to the terms of the Lease, and notwithstanding anything to the contrary in the Sublease, if there is any inconsistency between the terms of this Sublease and the terms of the Lease, the terms of the Lease shall control.

Section 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 it is subject to the terms hereof) adequately serve the needs for which it is being leased throughout the stated term of this Sublease. The School hereby agrees and determines that the rent during the term of this Sublease represents not more than the fair market value of the use of the Property, as remodeled, during the term. 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 Sublease.

Section 3. Term. The term of this Sublease shall be for one year commencing on September 2, 2008 and ending on June 30, 2009, unless sooner terminated pursuant to any provision of this Sublease. This Sublease is contingent upon sufficient appropriations being made by the State of New Mexico for performance of this Sublease. If sufficient appropriations and authorizations are not made by the State of New Mexico, this Sublease may terminate prior to the end of the term.

Section 4. Extended Terms. The School shall be entitled to extend the term of this Sublease for nine additional one-year terms, commencing on July 1 of a given year and ending on June 30 of the following year, provided that this Sublease has not been previously terminated and that the School is not in default under the terms of this Sublease at the time of each extension. The School shall give written notice of its intent to extend the term for an additional year at least 30 days prior to the expiration of the then-current term. The School is under no obligation to extend the term of this Sublease at any time, and the School shall have no further right to extend the term of this Sublease beyond the expiration of the extensions provided for above. Moreover, any extended term is contingent upon sufficient appropriations being made by the State of New Mexico for performance of this Sublease. If sufficient appropriations and authorizations are not made by the State of New Mexico, this Sublease may terminate prior to the end of the then current term.

Section 5. Use. The Property shall be used and occupied only for educational and related purposes, and for no other purpose. The School shall not make any use of the Property that would constitute a violation or a default under the Lease. No portion of the Property shall be used primarily for pervasively sectarian purposes. The School will be nonsectarian in its programs, admissions, policies, employment practices and all other operations, and 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

Section 6. Base Rent. The School shall pay Base Rent during the term (and any extended terms) of this Sublease, on the Base Rent due date, from any and all legally available

sources of revenue, including per pupil operating revenues payable to the School. During the term (and any extended terms) of this Sublease, "Base Rent" shall mean the amounts set forth in Exhibit A hereto and property taxes. For each year the School elects to extend the term of this Sublease, if any, a new Exhibit A with the new Base Rent amount shall be attached hereto and become a part hereof in lieu of the then current Exhibit A. The Base Rent shall be due on the first day of each month; except that the Base Rent for September, 2008 shall be due on the first day of this Sublease.

Section 7. Additional Rent. The School shall pay additional rent ("Additional Rent") during the term (and any extended terms) of this Sublease as provided in this Section 7. The Additional Rent during the term (and any extended terms) of this Sublease shall be estimated annually by the Board of Directors of the Foundation and shall be in an amount sufficient to pay the following costs during the next ensuing Fiscal Year (defined below): (i) the reasonable fees and expenses of the Foundation related to the Property; (ii) the cost of premiums for insurance on the Property (to the extent that such insurance is required in addition to the insurance that the School is obligated to obtain from the New Mexico Public School Insurance Authority); (iii) the cost of taxes and assessments, if any; (iv) amounts to establish reasonable reserves, and (v) all other costs expressly required to be paid by the School as Additional Rent hereunder. The Additional Rent may be adjusted during the term (and any extended terms) of this Sublease in the discretion of the Board of Directors of the Foundation and with the consent of the School. In the event the term (and any extended terms) of this Sublease is continued for the next ensuing Fiscal Year, the School's obligation under this Sublease to pay Additional Rent during such Fiscal Year shall be limited to the amount so appropriated for Additional Rent and any amounts subsequently appropriated by supplemental appropriation for payment of Additional Rent during such Fiscal Year. Additional Rent obligations in excess of the amounts so appropriated shall in no event be due or owing from the School. As used herein, "Fiscal Year" means the School's fiscal year, which begins on July 1st of any year and ends on June 30th of the following year. The Additional Rent during the term of this Sublease shall be in the amounts set forth in Exhibit B attached hereto, as from time to time amended or supplemented. For each year the School elects to extend the term of this Sublease, if any, a new Exhibit B with the new Additional Rent amount shall be attached hereto and become a part hereof in lieu of the then current Exhibit B. Additional Rent shall be paid directly to the Foundation.

Section 8. Nature of Payment. The School and the Foundation acknowledge and agree that the Base Rent and Additional Rent hereunder shall constitute currently appropriated expenditures of the School and may be paid from any legally available funds. No payments of Base Rent or Additional Rent shall be due under this Sublease until the School occupies the Property, which is anticipated to occur on September 2, 2008. The School's obligations under this Sublease shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond the Fiscal Year for which such appropriation has been made. No provision of this Sublease 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 Sublease shall be construed or interpreted as creating a delegation of governmental powers nor 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 Sublease

shall 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.

Section 9. Manner of Payment. The Base Rent and any Additional Rent shall be paid by lawful money of the United States of America as provided in Section 6, and otherwise in the manner reasonably directed by the Foundation. The obligation of the School to pay the Base Rent and Additional Rent required under this Sublease shall not be abated through accident or unforeseen circumstances. The School shall make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent and Additional 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 the Foundation or the Trustee shall affect the School's obligation to pay Base Rent and Additional Rent.

Section 10. Budgeting. In any Fiscal Year that this Sublease shall be in effect, the 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 100% of the Base Rent and estimated Additional Rent hereunder for such ensuing Fiscal Year, provided that the decision whether to extend the term of this Sublease and whether to appropriate such amounts shall remain solely within the discretion of the School.

Section 11. Representations, Covenants, and Warranties of the School. The School represents, covenants, and warrants 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, and will comply fully and in all respects with the provisions of the Act. The School is authorized to lease the Property from the Foundation pursuant to this Sublease and to execute, deliver, and perform its obligations under this Sublease.

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

(c) Nothing in this Sublease shall be construed as diminishing, unlawfully delegating, or otherwise restricting any legal authority of the School. Nothing in this Sublease shall be construed to require the School to hold or operate the Property other than as lessee.

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

(e) None of the execution and delivery of this Sublease, the fulfillment of or compliance with the terms and conditions of this Sublease, or the consummation of the transactions contemplated by this Sublease, 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 the Lease or this Sublease, results in the creation or imposition of any 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 pending or threatened against the School or any other person affecting the right of the School to execute and deliver this Sublease, 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 Sublease.

(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 the same relating to environmental, health, or safety matters.

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

12. Representations, Covenants, and Warranties of the Foundation. The Foundation represents, covenants, and warrants as follows:

(a) The Foundation is a nonprofit corporation duly organized, existing, and in good standing under the laws of the State, is duly qualified to do business in the State, is possessed of full power to purchase, own, hold, and lease (as owner and lessor) real and personal property, has all necessary power to lease the Property to the School pursuant to this Sublease, and to execute, deliver, and perform its obligations under the Lease and this Sublease, and has duly authorized the execution, delivery, and performance of its obligations under the Lease and this Sublease.

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

(c) The Lease and this Sublease are enforceable against the Foundation in accordance with their 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 Property will be leased by the Foundation in accordance with all Requirements of Law.

(e) Neither of the execution and delivery of the Lease or this Sublease, 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 the Foundation is now a party or by which the Foundation is bound or constitutes a default under any of the foregoing.

(f) Except as specifically provided in the Lease and this Sublease, the Foundation will not assign this Sublease, its rights to payments from the School or its duties and obligations hereunder or thereunder to any other person, firm, or corporation so as to impair or violate the representations, covenants, and warranties contained herein.

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

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

Section 14. Liens and Encumbrances. The School shall not permit any mechanic's or other lien to remain against the Property as a result of the School's actions; provided that, if the School shall first notify the Foundation of the intention of the School so to do, the School may in good faith contest any mechanic's or other lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Foundation shall notify the School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the School, but only to the extent that amounts for Additional Rent that have been specifically appropriated by the School are available for the payment of such costs, that by nonpayment of any such items the Foundation's title to the Property will be materially endangered, or the Property or any part thereof will be subject to loss or forfeiture, in which event the School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not constitute a waiver by the School of the right to continue to contest such items. The Foundation will cooperate fully with the School in any such contest, upon the request and at the expense of the School, to the extent that amounts that have been specifically appropriated by the School are available for the payment of such expenses. Neither the Foundation nor, except as provided above, the School shall directly or indirectly create, incur, or assume any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property.

Section 15. Compliance with Law. The School shall at all times operate the Property, or cause the Property to be used and operated, such that (a) the Property at all times shall be operated in substantial compliance with all Requirements of Law; (b) all permits required by Requirements of Law with respect of the Property shall be obtained and maintained in full force and effect and the School shall substantially comply with the material terms and conditions of such permits; (c) there shall be no hazardous substance, pollutant or contaminant (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.*, or any applicable regulations promulgated thereunder), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, or any applicable regulations promulgated thereunder), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in or under the Property in violation of any Requirements of Law; (d) there shall be no disposal of any of the items referred to in clause (c) on, from, into or out of the Property in violation of any Requirements of Law; and (e) there shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, or dispersing of any of the items referred to in clause (c) into the indoor or outdoor environment from, into, or out of the Property, including the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Property, or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into or out of the Property in violation of any Requirements of Law.

Section 16. Maintenance. The School agrees that at all times during the term (and any extended terms) of this Sublease the School will preserve and keep the Property or cause the Property to be preserved and kept, with the appurtenances and every part and parcel thereof, in

good repair, working order, and condition, subject to normal wear and tear. The Foundation agrees that it will from time to time, at its expense, make or cause to be made all necessary and proper repairs to the Property, and shall, at its expense and at no additional cost to the School or to the State of New Mexico, maintain the Property so that it continues to meet the statewide adequacy standards developed pursuant to the New Mexico Public School Capital Outlay Act.

Section 18. Equipment. The School may, from time to time in its sole discretion and at its own expense, install equipment and personal property on the Property. All such equipment and personal property shall remain the sole property of the School in which the Foundation shall not have any interest

Section 19. Taxes and Assessments. In the event that the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the School shall pay the amount of all such taxes, assessments, and governmental charges then due, but only to the extent that amounts for Additional Rent that have been specifically appropriated by the School are available for the payment of such costs. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the School shall be obligated to provide only for such installments as are required to be paid during the upcoming Fiscal Year. The School shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Property or any portion thereof (including any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Property or any portion thereof, or any interest therein, including the interest of the Foundation) or the rentals and revenues derived therefrom or hereunder. If the School shall first notify the Foundation of the intention of the School to do so, the School may, at the expense and in the name of the School, in good faith contest any such tax, assessment, and other charges and, in the event of any such contest, may permit the tax, assessment, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Foundation shall notify the School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the School, but only to the extent that amounts for Additional Rent that have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Property or any portion thereof will be subject to loss or forfeiture, or the Foundation will be subject to liability, in which event such tax, assessment, or other charges shall, to the extent that amounts for Additional Rent that have been specifically appropriated by the School are available for the payment thereof, be paid promptly or secured by posting a bond with the Foundation in form satisfactory to the Foundation (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, or other charges).

Section 20. Utilities. The School shall pay all gas, water, steam, electricity, heat, power, utility, and other charges incurred in the operation of the Property.

Section 21. Insurance.

(a) Upon the execution and delivery of this Sublease and until termination or end of the term (and any extended terms) or earlier termination of this Sublease, the School shall, at its own expense, obtain and maintain the following policies of insurance:

(i) Insurance against loss or damage to the Property and all improvements therein, all subject to standard form exclusions, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State of New Mexico, in an amount equal to the full replacement value of the improvements;

(ii) Commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Property, including in, on or about the sidewalks or premises adjacent to the Property, providing coverage limits not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate; and

(iii) Such other forms of insurance as are customary in the industry or as the Borrower is required by law to provide with respect to the Facilities, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

(b) The insurance policies required by this Section shall meet the following conditions: (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 the Foundation, 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 or the Foundation without first giving written notice thereof to the School and the Foundation at least 30 days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with the Foundation 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 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 that insure not only the risks required to be insured hereunder but also other similar risks. The School agrees to pay the premiums for any insurance required by the Loan Agreement as part of the Additional Rent.

(c) The parties acknowledge that the School is required to maintain insurance coverage through the New Mexico Public School Insurance Authority ("NMPSIA"). Any insurance requirement in Subsection (a) hereof that is not fully met by NMPSIA coverage may be satisfied by the School's acquisition of supplemental policies from a different insurance carrier.

Section 22. Damage, Destruction, or Condemnation; Use of Net Proceeds.

(a) *Damage, Destruction, or Condemnation.* If, during the term (and any extended terms) of this Sublease, (i) the Property or any portion thereof shall be destroyed, in whole or in part, or damaged by fire or other casualty; (ii) title to, or the temporary or permanent use of, the Property or any portion thereof or the estate of the School or the Foundation in the Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; (iii) a breach of warranty or any material defect with respect to the Property shall become apparent; or (iv) 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 resulting damage or impairment shall be repaired or remedied by the Foundation as provided in, and to the extent required by and subject to the provisions of, the Lease. Any repair, restoration, modification, improvement, or replacement shall be the property of the Owner, subject to this Sublease, and shall be included as part of the Property under this Sublease.

(b) *School Obligation.* Notwithstanding anything to the contrary in Subsection (a) hereof, if Net Proceeds are within the control of the School, and not within the control of the Foundation, the School shall have the obligation to repair or remedy any damage or impairment to the Property to the extent of such Net Proceeds. 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.

(d) *Abatement of Rent.* The School shall not be relieved from its obligation to pay Base Rent and Additional Rent hereunder by reason of any occurrence described in Subsection (a) hereof so long as the School is not prevented from using all of the Property for a period of more than 30 days. If the School is prevented from using more than 20 percent of the area of the improvements for more than 30 days, then, for each month or portion thereof following such 30 days, the School's obligation to pay Base Rent and Additional Rent shall be reduced by a fraction that is equal to the area of the improvements that it is prevented from using during such month or portion thereof.

Section 23. Events of Default. Any one of the following shall constitute an "Event of Default" under this Sublease: (i) failure by the School to pay any specifically appropriated Base Rent during the term (and any extended terms) of this Sublease on, before, or within five days of the applicable due date or to pay Additional Rent that become due during the term (and any extended terms) of this Sublease, up to the amount specifically appropriated for the payment of Additional Rent in accordance with the provisions hereof; (ii) failure by the School to observe and perform any covenant, condition, or agreement on its part to be observed or performed, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied has been given to the School by the Foundation, unless the Foundation shall agree in writing, prior to the expiration of the thirty-day period, to an extension of no more than 60 days;

provided, however, that if the failure stated in the notice cannot be corrected within the original thirty-day period, the Foundation shall not withhold its consent to an extension of up to 60 days if corrective action shall be instituted by the School within such time period and diligently pursued until the default is corrected; or (iii) failure by the School to maintain its charter under the Act. The foregoing provisions of this Section are subject to the following limitations: (i) the School shall be obligated to pay the Base Rent and Additional Rent only during the term (and any extended terms) of this Sublease, except as otherwise expressly provided in this Sublease; and (ii) if, by reason of Force Majeure, the School shall be unable in whole or in part to carry out any agreement on its part herein contained, the School shall not be deemed in default during the continuance of such inability. 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 the Foundation.

Section 24. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Foundation may, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) Terminate the term (and any extended terms) of this Sublease and give notice to the School to vacate the Property within 45 days from the date of such notice.
- (b) Sublease all or any portion of the Property.
- (c) Recover from the School: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the Property during any period beyond the 30th day following the occurrence of the Event of Default; and (ii) Base Rent and Additional Rent, to the extent amounts for such Additional Rent have been specifically appropriated in accordance with the provisions hereof, which would otherwise have been payable by the School hereunder during the remainder, after the School vacates the Property, of the Fiscal Year in which such Event of Default occurs.
- (d) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Property under this Sublease.

Section 25. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Foundation 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 the Foundation to exercise any

remedy, it shall not be necessary to give any notice, other than such notice as may be required in this Sublease.

Section 26. Further Assurances and Corrective Instruments. The Foundation and the School agree that so long as this Sublease is in full force and effect and no Event of Default shall have occurred, the Foundation 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 hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Sublease. This Section shall not be construed to obligate the Foundation to advance its own funds in order to take any action hereunder.

Section 27. Compliance with Requirements of Law. During the term (and any extended terms) of this Sublease, the School and the Foundation shall observe and comply promptly with all current and future Requirements of Law applicable to the Property or any portion thereof and all current and future requirements of all insurance companies writing policies covering the Property or any portion thereof.

Section 28. Binding Effect. This Sublease shall inure to the benefit of and shall be binding upon the Foundation and the School and their respective successors and permitted assigns.

Section 29. No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, and not of any member, director, officer, employee, or other agent of the School or the Foundation 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 the Foundation or any natural person executing this Sublease or any related document or instrument.

Section 30. Net Sublease. This Sublease shall be deemed and construed to be a "net lease," and the School shall pay absolutely net during the term (and any extended terms) of this Sublease, the Base Rent, Additional Rent, and all other payments required hereunder, free of any deductions, and without abatement, deduction, or setoff.

Section 31. Waiver. No term of this Sublease 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 Sublease. A waiver by one party of a failure of the other

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

Section 32. Assignment and Subleasing. This Sublease may not be assigned by the School for any reason, whether by operation of law or pursuant to any contract. However, the Property may be subleased, as a whole or in part, by the School, with the consent of the Foundation, which consent shall not be unreasonably withheld; subject, however, to each of the following conditions: (i) this Sublease, and the obligations of the School hereunder, shall, at all times during the term (and any extended terms) of this Sublease, remain direct obligations of the School; (ii) no sublease shall change the use of the Property; and (iii) a copy of the sublease agreement shall be provided to the Foundation.

Section 33. Amendments, Changes, and Modifications. This Sublease may not be amended, changed, modified, or altered except by a written instrument executed by both parties.

Section 34. Notices. All notices and communications required or permitted under this Sublease (including changes 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; (iii) one day after deposit with a national overnight courier addressed to the receiving party at the street address set forth below; or (iv) upon actual receipt of U.S. certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

The Foundation: Montessori Education Foundation, Inc.
3831 Midway Place NE
Albuquerque, NM 87109
Telephone No.: (505) 796-0149
Facsimile No.: (505) 796-0147

The School: The Montessori Elementary School
3831 Midway Place NE
Albuquerque, NM 87109
Telephone No.: (505) 796-0149
Facsimile No.: (505) 796-0147

Section 35. 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.

Section 36. Interpretation. The captions and paragraph headings of this Sublease 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 Sublease.

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 Sublease shall not be interpreted for or against either party based on authorship.

Section 37. Incorporation. Each and all of the recitals set forth at the beginning of this instrument, and any exhibits referenced herein and attached hereto, are incorporated herein by this reference.

Section 39. Applicable Law. Each party shall perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. This Sublease 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 Sublease shall be brought in Albuquerque before the Second Judicial District Court of the State of New Mexico.

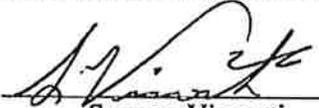
Section 40. Severability. In the event that any provision of this Sublease, other than the requirement of the School to pay Base Rent and Additional Rent, the requirement of the Foundation to provide quiet enjoyment of the Property, and the requirement that the obligations of the School to pay Base Rent and Additional Rent under this Sublease be conditioned upon the prior specific appropriation of amounts for such purposes in accordance with the requirements of State law, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 41. Counterparts. This Sublease 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.

[Signatures on following page.]

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

THE MONTESSORI ELEMENTARY SCHOOL

By: 
Spencer Visconti
President

MONTESSORI EDUCATION FOUNDATION

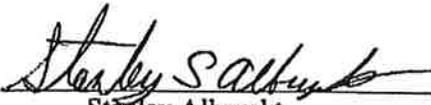
By: 
Stanley Albrycht
CFO

Exhibit A
to
Sublease Agreement

BASE RENT

<u>Date</u>	<u>Amount</u>
September 5, 2008	47,636.13
October 1, 2008	47636.13
November 1, 2008	47636.13
December 1, 2008	47636.13
January 1, 2009	47636.13
February 1, 2009	49278.75
March 1, 2009	49278.75
April 1, 2009	49278.75
May 1, 2009	49278.75
June 1, 2009	49278.75

Exhibit B
to
Sublease Agreement

ADDITIONAL RENT Property Tax as Billed

<u>Date</u>	<u>Approx. Amount</u>
September 5, 2008	2200
October 1, 2008	2200
November 1, 2008	2200
December 1, 2008	2200
January 1, 2009	2200
February 1, 2009	2200
March 1, 2009	2200
April 1, 2009	2200
May 1, 2009	2200
June 1, 2009	2220

LEASE AGREEMENT

by and between

Solidarity Investments, LLC

as Lessor

and

ALBUQUERQUE SCHOOL OF EXCELLENCE,

as Lessee

13201 Lomas Blvd. NE

Albuquerque NM 87112

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is dated as of May 8, 2010, and is entered into by and between Solidarity Investments, LLC, a New Mexico limited liability company, as lessor (the "Lessor"), and Albuquerque School of Excellence, a New Mexico public charter school ("School" or from time to time the "Lessee").

WITNESSETH

WHEREAS, the School is a New Mexico public charter school chartered by the Public Education Commission of the State of New Mexico, duly organized and validly existing under the laws of the State; and

WHEREAS, the Lessor is a New Mexico limited liability company that is duly organized, validly existing and in good standing under the laws of the State, (b) is duly qualified to do business in the State, (c) is the holder of the Leased Property (described herein) and (d) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own the Leased Property (defined herein), to lease the Leased Property to the School and to execute, deliver and perform its obligations under this Lease; and

WHEREAS, the School is authorized, under Section 22-8B-4 NMSA 1978 et seq., to lease the Leased Property from the Lessor and to execute, deliver and perform its obligations under this Lease; and

WHEREAS, the Lessor has determined that the lease of the Leased Property to the School pursuant to this Lease is in the best interests of the Lessor; and

WHEREAS, the School has determined that the lease of the Leased Property from the Lessor pursuant to this Lease serves a public purpose and is in the best interests of the School; and

WHEREAS, the Lessor desires to lease the Leased Property to the School and the School desires to lease the Leased Property from the Lessor pursuant to this Lease; and

WHEREAS, the Base Rentals and Additional Rentals (defined herein) payable by the School hereunder shall constitute currently appropriated expenditures of the School and shall not constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the School or a mandatory charge or requirement against the School in any Fiscal Year (defined herein) beyond the Fiscal Year for which such payments have been appropriated, or as a delegation of governmental powers by the School, or as a loan or pledge of the credit or faith of the School or as creating any responsibility by the School for any debt or liability of any person, company or corporation, or as a donation or grant by the School to, or in aid of, any person, company or corporation within the meaning of Article IX, Section 14 of the New Mexico Constitution; and

WHEREAS, the parties to this Lease Agreement expressly acknowledge and agree that the School exists for five-year periods, and that the School's existence beyond the end of its current renewal cycle (June 30, 2015) is dependent upon authorizer approval. In entering into or approving this Lease, the parties to this Agreement understand that the School in no way represents or guarantees that its charter will be renewed beyond the end of its current cycle.

WHEREAS, the execution, delivery and performance of this Lease by the Lessor has been duly authorized by the Lessor and, upon the execution and delivery of this Lease by the Lessor and the School, this Lease will be enforceable against the Lessor in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America; and

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

The following capitalized terms shall have the following meanings in this Lease:

"Additional Rentals" means the payments by the School pursuant to Section 6.02 hereof.

"Base Rentals" means the payments by the School pursuant to Section 6.01 hereof, for and in consideration of the right to use the Leased Property during the Lease Term.

"Board" means the Governing Council of the School.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in Albuquerque, New Mexico are authorized by law to remain closed.

"Event of Default" means an event described in Sections 11.01 or 11.07 hereof.

"Event of Nonappropriation" means an event described in Section 6.03(b) hereof.

"Fiscal Year" means the School's fiscal year, which begins on July 1 of each year and ends on June 30 of the following year.

"Force Majeure" means any event that is not within the control of the School, including, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or 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; or breakage or accidents affecting machinery, or transmission pipes.

“Improvements” means the buildings, site improvements and other real property described in Exhibit A hereto, as such buildings, site improvements and other real property may be modified pursuant to Section 8.04 or 8.07 hereof.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court in the State and who is not an employee of the Lessor or the School.

“Initial Term” means the period commencing on July 1, 2010 and ending on June 30, 2015.

“Lease” means this Lease Agreement and any amendment or supplement hereto.

“Lease Term” is defined in Section 4.01 hereof.

“Leased Property” means the land and the Improvements as set forth on Exhibit A.

“Lessor Representative” means any officer of the Lessor; and any other person or persons designated and authorized to act on behalf of the Lessor under this Lease.

“Net Proceeds” means (a) the gross proceeds received from any event referred to in Section 8.05(a) hereof, minus (b) expenses incurred in the collection of such gross proceeds or award.

“PED” means the Public Education Department of the State of New Mexico.

“Permitted Encumbrances” means, as of any particular time, (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid; (b) this Lease; (c) easements, licenses, rights of way, rights and privileges, restrictions and exceptions which the School Representative certifies will not materially adversely affect the value, or interfere with or impair the effective use or operation, of the Leased Property, including easements granted pursuant to Section 8.02 hereof; (d) any financing statements filed with respect to the Lessor’s interest in the Leased Property or this Lease; (e) any encumbrance represented by financing statements filed to perfect purchase money security interests in any portion of or all of the Leased Property; (f) any applicable zoning requirements; and (g) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Leased Property and as do not, in the opinion of the Landlord, materially impair title to the Leased Property.

“Person” means any natural person, firm, corporation, partnership, limited liability company, state, charter school, political subdivision of any state, other public body or other organization or association.

“Renewal Term” means the 5-year period, commencing on July 1 of each year and ending on June 30 of the 2015 year, for which the School renews the Lease Term.

“Requirement of Law” means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety issues.

“Scheduled Lease Term” means the period from the commencement of the Lease Term pursuant to Section 4.01(a) hereof through the date described in Section 4.01(c) hereof.

“School Representative” means the Head Administrator of the School and any other person or persons designated and authorized to act on behalf of the School for the purposes of performing any act under this Lease.

“State” means the State of New Mexico.

“Tenant Improvements” means the improvements to the Leased Property described in Exhibit A as such.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties by Lessor. The Lessor represents, covenants and warrants that:

(a) The Lessor (i) is a limited liability company duly organized and validly existing under the laws of New Mexico and in good standing under the laws of the State, (ii) is duly qualified to do business in the State, (iii) is the owner of the Leased Property (described herein) and (iv) is authorized, under its articles of incorporation and bylaws, action of its board of directors and applicable law, to own the Leased Property (defined herein), to lease the Leased Property to the School and to execute, deliver and perform its obligations under this Lease.

(b) The lease of the Leased Property to the School pursuant to this Lease is in the best interests of the Lessor.

(c) The execution, delivery and performance of this Lease by the Lessor has been duly authorized by the Lessor.

(d) This Lease is enforceable against the Lessor in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(e) The execution, delivery and performance of the terms of this Lease by the Lessor does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessor is now a party or by which the Lessor is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Lessor.

(f) There is no litigation or proceeding pending or threatened against the Lessor or any other Person affecting the right of the Lessor to execute, deliver or perform its obligations under this Lease.

(g) The Lessor acknowledges and recognizes that this Lease will be terminated upon the occurrence of an Event of Nonappropriation, and that a failure by the School to appropriate funds in a manner that results in an Event of Nonappropriation is solely within the discretion of the Board.

(h) The Lessor warrants and represents that the Leased Premises, the Fixtures and Buildings located thereon, and the operating systems thereof, including mechanical systems, HVAC, plumbing, electrical and roof systems, are in good and safe condition, structurally sound and of safe design and that, as of the date of School's occupancy, the Leased Premises comply or will comply with all applicable building, zoning and planning codes, ordinances, rules and regulations.

(i) The Lessor warrants and represents that it is not aware of any current violation of any requirement of law relating to the Leased Property.

(j) The Lessor warrants and represents that the Leased Property is free of any hazardous substance, pollutant or contaminant (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, et seq., any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq., any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in or under the Leased Property or the Facility in violation of any Requirements of Law. Lessor warrants that the Leased Premises comply with any and all federal and state environmental regulations. During the term of the

Lease, the Lessor agrees to maintain the Leased Premises consistent with those regulations. Should an environmental hazard or hazardous substance which threatens the life, health or safety of School's employees, students or the public be discovered on the Leased Premises or adjacent Premises owned by Lessor, the School may terminate this Lease with no further obligation and without penalty.

(k) The Lessor warrants and represents that 28,000 square feet of Leased Property (depicted on Exhibit A) currently is leased under a 5-year Lease to the school. Albertson's llc is now the tenant for the remaining of the building.

(l) Lessor warrants that as of the Commencement Date (defined herein), the Leased Property complies with or will comply with any and all federal, state and local building occupancy regulations, and with applicable Educational Occupancy (E-Occupancy) and state adequacy standards pertaining to the School's uses. Lessor further warrants that the Tenant Improvements described in Exhibit A have been or shall be completed in accordance with the approved plans and specifications by July 21, 2010.

Section 2.02. Representations, Covenants and Warranties by School. The School represents, covenants and warrants that:

(a) The School is a public charter school authorized by the New Mexico Public Education Commission and duly organized and validly existing under the laws of the State.

(b) The School is authorized, under NMSA 22-8B-4 et seq., to lease the Leased Property from the Lessor and to execute, deliver and perform its obligations under this Lease.

(c) The lease of the Leased Property from the Lessor pursuant to this Lease serves a public purpose and is in the best interests of the School.

(d) The execution, delivery and performance of this Lease by the School has been duly authorized by the Board.

(e) This Lease is enforceable against the School in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

(f) The execution, delivery and performance of the terms of this Lease by the School does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the School is now a party

or by which the School is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Lease, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the School or the State.

(g) There is no litigation or proceeding pending or threatened against the School or any other Person affecting the right of the School to execute, deliver or perform its obligations of the School under this Lease.

(h) The School will recognize economic and other benefits by the leasing of the Leased Property pursuant to this Lease; the Leased Property is property that is necessary and essential to the School's purpose and operations.

(i) The Base Rentals payable in each Fiscal Year during the Lease Term are not more than the fair value of the use of the Leased Property during such Fiscal Year. The Base Rentals and Additional Rentals payable in each Fiscal Year during the Lease Term do not exceed a reasonable amount so as to place the School under an economic compulsion (i) to continue this Lease beyond any Fiscal Year, (ii) not to exercise its right to terminate this Lease at any time through an Event of Nonappropriation or (iii) to exercise any of its options to purchase the Leased Property hereunder. In making the representations, covenants and warranties set forth above in this subsection, the School has given due consideration to the Leased Property, the purposes for which the Leased Property will be used by the School, the benefits to the School from the use of the Leased Property, the School's option to purchase the Leased Property hereunder and the terms of this Lease governing the use of, and the School's option to purchase, the Leased Property.

(j) The School is not aware of any current violation of any requirement of law relating to the Leased Property.

(k) The School has appropriated sufficient monies in its operating budget to pay the Base Rentals payable in the current Fiscal Year and the Additional Rentals estimated to be payable in the current Fiscal Year and, upon commencement of the Lease Term, such monies will be encumbered to pay such Base Rentals and Additional Rentals.

ARTICLE III

DEMISING CLAUSE; USE AND ENJOYMENT OF LEASED PROPERTY

Section 3.01. Demising Clause. The Lessor demises and leases the Leased Property to the School in accordance with the terms of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

Section 3.02. **Enjoyment of Leased Property.** The Lessor covenants that, during the Lease Term and so long as no Event of Default shall have occurred, the School shall peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Lessor, except as expressly required or permitted by this Lease.

Section 3.03. **Use of Leased Property.** The Leased Premises shall be used for the educational operations of the School, and all related legal uses, including but not limited to evening events, community events, public meetings, community uses.

ARTICLE IV

LEASE TERM; TERMINATION OF LEASE

Section 4.01. **Lease Term.**

(a) The Lease Term shall be comprised of the Initial Term and (5) successive-year Renewal Terms, subject to subsection (b) of this Section.

(b) **Commencement Date:** The School's obligation to pay any amounts under this Lease Agreement shall begin on: (i) July 1, 2010; or (ii) the date that the Leased Premises are certified for the School's occupancy by all relevant and required authorities, whichever is later (the "Commencement Date").

(c) **Expiration Date:** This Lease Term shall expire upon the earliest of any of the following events:

(i) the last day of the month in which the final Base Rental payment is scheduled to be paid;

(ii) June 30 of any Fiscal Year during which an Event of Nonappropriation or Nonrenewal has occurred;

(iii) the purchase of the Leased Property by the School pursuant to Section 9.01 hereof;

(iv) termination of this Lease following an Event of Default in accordance with Article XI hereof; or

(v) the final effective date of any revocation of School's charter by the applicable authorities.

Section 4.02. **Effect of Termination of Lease Term.** Upon termination of the Lease Term:

(a) All unaccrued obligations of the School hereunder shall terminate, but all obligations of the School that have accrued hereunder prior to such termination shall continue until they are discharged in full; and

(b) If the termination occurs because of the occurrence of an Event of Default, the School's right to possession of the Leased Property hereunder shall terminate and (i) the School shall, within 90 days, vacate the Leased Property and the Improvements; and (ii) if and to the extent the Board has appropriated funds for payment of Base Rentals and Additional Rentals payable during, or with respect to the School's use of the Leased Property during, the period between termination of the Lease Term and the date the Leased Property and Improvements are vacated, the School shall pay such Base Rentals and Additional Rentals to the Lessor or, in the case of Additional Rentals, the other Person entitled thereto.

(c) If the termination occurs because of the occurrence of an Event of Nonappropriation or the Nonrenewal/Revocation of the School's Charter, the termination shall be effective as of the last date of the then-fiscal year, or upon the effective date of the revocation of the School's charter in the case of revocation.

Section 4.03. Renewal Term(s). If during the life of the Lease and any renewal period thereafter, School has remained in compliance with the terms of the Lease, School will be granted additional 5-year options to renew the Lease. School will give Lessor notice of its intent to renew the Lease by delivering to Lessor written notice thereof no later than ninety (90) days prior to the expiration date of the then-current term of the Lease.

ARTICLE V

Negotiated to be removed by both parties.

ARTICLE VI

BASE RENTALS AND ADDITIONAL RENTALS; EVENT OF NONAPPROPRIATION

Section 6.01. Payment of Base Rentals. Provided that the School has received all occupancy permits necessary for its operations by the Commencement Date, the School shall, subject only to the other Sections of this Article, pay Base Rentals to the Lessor by the fifth (5th) day of each month during the Lease Term, in advance, in immediately available funds as follows:

<u>Month</u>	<u>Square Footage Leased</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
July 1 2010			\$25,000
Aug. 2010			\$25,000

Sept. 2010	\$25,000
Oct. 2010	\$25,000
Nov. 2010	\$25,000
Dec. 2010	\$25,000
Jan. 2011	\$25,000
Feb. 2011	\$25,000
Mar. 2011	\$25,000
Apr. 2011	\$25,000
May 2011	\$25,000
June 2011	\$25,000
July 2011	\$25,000
Aug. 2011	\$25,000
Sept. 2011	\$32,996
Oct. 2011	\$32,996
Nov. 2011	\$32,996
Dec. 2011	\$32,996
Jan. 2012	\$32,996
Feb. 2012	\$32,996
Mar. 2012	\$32,996
Apr. 2012	\$32,996
May 2012	\$32,996
June 2012	\$32,996
July 2012	\$32,996
Aug. 2012	\$32,996
Sept. 2012	\$38,996
Oct. 2012	\$38,996
Nov. 2012	\$38,996

Dec. 2012	\$38,996
Jan. 2013	\$38,996
Feb. 2013	\$38,996
Mar. 2013	\$38,996
Apr. 2013	\$38,996
May 2013	\$38,996
June 2013	\$38,996
July 2013	\$38,996
Aug. 2013	\$38,996
Sept. 2013	\$43,996
Oct. 2013	\$43,996
Nov. 2013	\$43,996
Dec. 2013	\$43,996
Jan. 2014	\$43,996
Feb. 2014	\$43,996
Mar. 2014	\$43,996
Apr. 2014	\$43,996
May 2014	\$43,996
June 2014	\$43,996
July 2014	\$43,996
Aug. 2014	\$43,996
Sept. 2014	\$48,996
Oct. 2014	\$48,996
Nov. 2014	\$48,996
Dec. 2014	\$48,996
Jan. 2015	\$48,996
Feb. 2015	\$48,996

Mar. 2015	\$48,996
Apr. 2015	\$48,996
May 2015	\$48,996
June 2015	\$48,996
July 2015	\$48,996
Aug. 2015	\$48,996

Notwithstanding any other provision of this Lease, School shall pay no Base Rent, operating expenses, utilities, or Additional Rentals on any portion of the Leased Property that has not received all occupancy permits necessary for School's operations on that portion of the Leased Property.

The first month of the Initial Term's Base Rental amount shall be paid to Lessor in advance, upon execution of this Lease Agreement.

Base Rental amounts shall increase by a market rate per year over the previous year's Base Rent, during any Renewal Term.

Section 6.02. Payment of Additional Rentals. The School shall, subject only to Section 7.01(b) hereof and the other Sections of this Article, pay Additional Rentals (defined in Section 7.01(a)) to the Lessor, or, upon direction of the Lessor, directly to the Persons to which they are owed, in immediately available funds in the amounts and on the dates on which they are due. Lessor shall provide to School, on an annual basis, by March 1 of each year during the Lease Term, an annual estimate of Operating Expenses expected during the forthcoming fiscal year (July 1-June 30).

Section 6.03. Event of Nonappropriation.

(a) The officer of the School who is responsible for formulating budget proposals with respect to payments of Base Rentals and Additional Rentals is hereby directed (i) to estimate the Base Rentals and Additional Rentals payable in the next ensuing Fiscal Year prior the submission of each annual budget proposal to the Board during the Lease Term and (ii) to include in each annual budget proposal submitted to the Board during the Lease Term the entire amount of Base Rentals scheduled to be paid and the Additional Rentals estimated to be payable during the next ensuing Fiscal Year; it being the intention of the School that any decision to continue or to terminate this Lease shall be made solely by the Board, in its sole discretion, and not by any other official of the School.

(b) An Event of Nonappropriation shall be deemed to have occurred:

(i) On June 30 of any Fiscal Year if the State Legislature or the School has, on such date, failed, for any reason, to appropriate sufficient amounts authorized and directed to be used to pay all Base Rentals scheduled to be paid and all Additional Rentals estimated to be payable in the next ensuing Fiscal Year; or

(ii) If:

(A) an event described in Section 8.06(a) hereof has occurred,
and

(B) the Net Proceeds received as a consequence of such event are not sufficient to repair, restore, modify, improve or replace the Leased Property in accordance with Section 8.06 hereof and

(C) the School has not appropriated amounts sufficient to proceed under clause (i) of Section 8.06(c) hereof by June 30 of the Fiscal Year in which such event occurred or by June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent, on June 30 of the Fiscal Year in which such event occurred or on June 30 of any subsequent Fiscal Year in which such insufficiency became apparent, as applicable.

(c) Notwithstanding subsection (b) of this Section, the Lessor may waive any such failure to appropriate under subsection (b) of this Section which is cured by the School within a reasonable period of time.

(d) In the event that the School shall determine to exercise its annual right to terminate this Lease effective on June 30 of any Fiscal Year, the School shall give written notice to such effect to the Lessor not later than April 1 of such Fiscal Year; provided, however, that a failure to give such notice shall not (i) constitute an Event of Default, (ii) prevent the School from terminating this Lease or (iii) result in any liability on the part of the School.

(e) The School shall furnish the Lessor with copies of all appropriation measures relating to Base Rentals, Additional Rentals or the Purchase Option Price promptly upon the adoption thereof by the Board, but not later than 30 days following the adoption thereof by the Board; provided however, that a failure to furnish copies of such measures shall not (i) constitute an Event of Default, (ii) prevent the School from terminating this Lease or (iii) result in any liability on the part of the School.

(f) Subject to the provisions of Section 6.04 hereof, the School specifically agrees that it shall not declare or cause to be declared by the School, the Board or any other officer of the School with such authority, an Event of Nonappropriation unless the New Mexico Legislature eliminates or discontinues funding for lease reimbursement payments to charter

schools or decreases said funding below an amount which is insufficient for the School to pay the Rent from the lease reimbursement funding source.

Section 6.04. Limitations on Obligations of School.

(a) Payment of Base Rentals and Additional Rentals by the School shall constitute currently appropriated expenditures of the School and may be paid from any legally available funds.

(b) The School's obligations under the Lease shall be subject to the School's annual right to terminate this Lease upon the occurrence of an Event of Nonappropriation or upon nonrenewal or revocation of the School's charter.

(c) No provision of this Lease shall be construed or interpreted (i) to directly or indirectly obligate the School to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the School within the meaning of Article IX, Section 11 of the New Mexico Constitution or any other constitutional or statutory limitation or provision; (iii) as a delegation of powers by the School; (iv) as a loan or pledge of the credit or faith of the School or as creating any responsibility by the School for any debt or liability of any person, company or corporation within the meaning of Article IX, Section 11 of the New Mexico Constitution; or (v) as a donation or grant by the School to, or in aid of, any person, company or corporation within the meaning of Article IX, Section 14 of the New Mexico Constitution.

(d) The School shall be under no obligation whatsoever to exercise its option to purchase the Leased Property.

(e) No provision of this Lease shall be construed to pledge or to create a lien on any class or source of moneys of the School, nor shall any provision of this Lease restrict the future issuance of any obligations of the School, payable from any class or source of moneys of the School.

(f) Notwithstanding any other provision of this Lease Agreement, the School shall be under no obligation to pay Base Rent, Additional Rent, operating costs or any other amount(s) on any portions of Leased Property that have not been certified for the School's occupancy by all relevant and required authorities. All payments by School contemplated under this Lease Agreement are expressly conditioned upon permitted and certified occupancy of the Leased Premises by the School.

ARTICLE VII

OPERATION, REPAIR AND MAINTENANCE OF LEASED PROPERTY

Section 7.01. Taxes, Utilities and Insurance.

(a) This Lease is intended to be a "triple-net lease" and the School shall accordingly pay, as Additional Rentals, the following with respect to the Leased Property:

(i) all taxes, assessments, and other charges, lawfully made by any governmental body, provided that any such taxes, assessments or other charges that may lawfully be paid in installments may be paid in installments as such installments are due;

(ii) all gas, water, steam, electricity, heat, power and other utility charges incurred in connection with the Leased Property (to be paid directly to utility companies per tenant meters);

(iii) casualty and property damage insurance with respect to the Leased Property in an amount equal to the full replacement value of the Improvements;

(iv) public liability insurance with respect to the activities to be undertaken by the School in connection with the Leased Property, the Facility and this Lease: (A) to the extent such activities result in injuries for which immunity is not available under NMSA 41-4-1 et seq. or any successor statute, in an amount not less than the amounts for which the School may be liable to third parties thereunder and (B) for all other activities, in an amount not less than \$1,000,000 per occurrence, or as required by the New Mexico Public Schools Insurance Authority ("NMPSIA"); and

(v) grounds maintenance and refuse charges.

(b) The School shall not allow any liens for taxes, assessments, other governmental charges or utility charges to exist with respect to any portion of the Leased Property. If the School shall first notify the Lessor of the intention of the School to do so, the School may, however, in good faith contest any such tax, assessment, other governmental charge or utility charge and, in the event of any such contest, may permit the tax, assessment, other governmental charge or utility charge so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Lessor shall notify the School that, in the opinion of Independent Counsel, whose fees and expenses shall be paid by the School from Additional Rentals appropriated for the Fiscal Year in which such fees and expenses are due, by nonpayment of any such item the interest of the Lessor in the Leased Property will be materially interfered with or endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, in which event such tax, assessment, other governmental charge or utility charge shall be paid forthwith; provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, other governmental charge or

utility charge. At the request of the School, the Lessor will cooperate fully with the School in any such contest.

(c) The insurance policies provided pursuant to subsection (a) of this Section may be provided by one or more private or public insurance companies or organizations, provided that the insurance policy (1) shall have a deductible clause in an amount not in excess of the amounts reasonably expected to be available to the School to pay such deductible in the event of an insured event, (2) shall name the School and the Lessor as insureds, (3) shall be so written or endorsed as to make losses, if any, payable to, the School and the Lessor, as their respective interests may appear, (4) shall explicitly waive any co-insurance penalty and (5) 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 or the Lessor without first giving written notice thereof to the School and the Lessor at least 10 days in advance of such cancellation or modification.

(d) A copy of each insurance policy, or of each certificate evidencing such policy, shall be delivered to the School and the Lessor prior to the issuance of the Certificates.

(e) Full payment of insurance proceeds under any casualty or property damage insurance policy up to the dollar limit required by subsection (a)(iii) of this Section in connection with damage to the Leased Property shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School or the Lessor and if the total dollar amount of insurance proceeds is insufficient to repair or replace all insured property, such proceeds shall first be applied to repair or replace the Leased Property.

(f) Each casualty or property damage insurance policy shall explicitly waive any co-insurance penalty.

(g) Lessor shall maintain insurance against all risk of physical loss or damage to the Leased Property, including the perils of fire, lightning, hail, windstorm, flood coverage, earthquake and acts of terrorism and mold insurance, in amounts not less than the actual replacement cost without deduction for depreciation. The policy of such insurance shall contain Replacement Cost and Agreed Amount Endorsements and "Law and Ordinance" coverage (at full replacement cost). Such insurance shall have a deductible of not more than one thousand dollars (\$1,000.00) per occurrence. The policy shall name Lessor as a named insured, and any lender holding a mortgage lien, beneficial interest under deed of trust or other security interest in the Leased Premises ("Lender") as mortgagee/loss payee. To the extent permitted under their respective insurance policies, Lessor and School waive all rights against each other for damages arising out of any damage to or destruction of the Leased Premises or its improvements, caused by fire or other perils insured against.

Section 7.02. Condition of Leased Premises on Commencement Date. Lessor shall deliver the Leased Premises broom clean with all building and property systems and components in good working order and repair, including, but not limited to, HVAC (constant temperature between 68 and 72 degrees Fahrenheit), structural integrity, , parking lot, landscape irrigation.

Section 7.03. Maintenance, Operation, Repair/Replacement of Leased Property. Lessor shall maintain in good order, condition and repair the foundation, exterior walls, parking lot, exterior landscaping and hardscape, , at Lessor's expense. Should School discover a need for additional repair/maintenance beyond those repairs/maintenance activities performed by Lessor, School shall notify Lessor within three (3) days of discovery of such need for repair/maintenance, and Lessor shall make the necessary repairs/maintenance within a reasonable time after notification to the Lessor, not to exceed seven (7) days. In emergency situations, School may arrange for the necessary repairs/maintenance and may abate or charge back to the Lessor any amounts required or paid by the School for such repairs/maintenance.

The School shall maintain, preserve and keep all other portions of the Leased Property not described in the first sentence of this Section, in good repair, working order and condition, subject to normal wear and tear. School shall operate the Leased Property, or cause the Leased Property to be operated, in an efficient manner and at a reasonable cost.

Section 7.04. Lessor shall be responsible for , structural components, , landscape and hardscape during the Lease Term, at Lessor's cost. School shall have a maintenance contract for the HVAC systems

Section 7.06. Indemnification. Lessor releases and discharges the School and its "public employees" as defined in the Tort Claims Act from any and all claims, damages and causes of action arising out of any damage to or destruction of the Leased Property where such damage or destruction was not caused by the willful act of School or any of its "public employees." To the extent not covered by insurance, and within the limits and subject to the provisions of the Tort Claims Act, School shall protect, defend, indemnify, and save harmless Lessor from all claims, actions, demands, liability, and expense of loss of life, damage, or injury to persons or property, brought for or on account of any action or failure to act by the School, its officials, agents and employees, pursuant to this Lease, except to the extent caused by the negligent or intentional acts or omissions of the Lessor, his agents, representatives and employees. Provided, however, that to the extent, if at all, that Section 56-7-1 NMSA 1978 is applicable to this Lease, then no agreement to indemnify in this Lease shall extend to liability, claims, damages, leases or expenses, including attorney's fees, arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specification by the party seeking indemnification (the "Indemnatee"), or the agents or employees of the Indemnatee or (2) the giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

ARTICLE VIII

TITLE, ENCUMBRANCES, MODIFICATIONS OR ADDITIONS TO LEASED PROPERTY; DAMAGE OR CONDEMNATION OF LEASED PROPERTY

Section 8.01. Title to Leased Property. Title to the Leased Property shall be held in the name of the Lessor, subject to this Lease, until the Leased Property is conveyed or otherwise disposed of as provided herein, and the School shall have no right, title or interest in the Leased Property except as expressly set forth herein.

Section 8.02. Granting of Easements. As long as no Event of Nonappropriation or Event of Default shall have happened and be continuing, the Lessor shall, at the request of the School:

(a) consent to the grant of easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property included in the Leased Property, free from this Lease and any security interest or other encumbrance created hereunder;

(b) release existing easements, licenses, rights of way and other rights and privileges with respect to the Leased Property and the Improvements, free from this Lease and any security interest or other encumbrance created hereunder, with or without consideration; and

(c) execute and deliver any instrument necessary or appropriate to confirm and grant or release any easement, license, right of way or other grant or privilege under subsection (a) or (b) of this Section, upon receipt of: (i) a copy of the instrument of grant or release; and (ii) a written application signed by the School Representative requesting such instrument and stating that such grant or release will not materially adversely affect the value, or interfere with the effective use or operation, of the Leased Property.

Section 8.03. Subleasing by School. The School may: (a) permit, pursuant to a sublease approved by the Lessor (which approval shall not unreasonably be withheld), a sublessee (the "Sublessee") to sublease all or any portion of the Leased Property; or, in the Event of Default by Sublessee of its obligation under the sublease: (b) sublease or grant the right to use or otherwise permit other Persons to use all or any portion of the Leased Property for other purposes; provided that the following condition is satisfied for any sublease: this Lease, and the obligations of the School hereunder, shall remain obligations of the School, and the School shall maintain its direct relationship with the Lessor, notwithstanding any such sublease, grant or use.

Section 8.04. Modification of Leased Property/Tenant Improvements.

(a) The Base Rent shall include completed Tenant Improvements, to be made as described in Exhibit A (the "Tenant Improvements"). The Tenant Improvements shall be made by Lessor, at Lessor's cost, to 2010 educational occupancy ("E-Occupancy") and applicable state adequacy standards, except as waived by the Public School Facilities Authority ("PSFA"). During the construction

of the Tenant Improvements, Lessor will act as the project manager, and will coordinate, supervise and pay for all contractors, subcontractors, architects, engineers, and such other consultants as necessary to complete the contract in accordance with the plans and specifications for the project. Lessor will pay all security deposits, fees and costs associated with the architect's services on this project, when requested by architect. The Lessor shall also manage or direct the management of the permitting process and deliver a turn-key facility for occupancy in accordance with plans to be mutually approved in advance by the School, and as described in Exhibit A. Lessor will be responsible for all charges related to design of the project and such other fees and costs associated with the construction through the final permitting and punch list resolution, including but without limitation all Certificates of Occupancy required to operate a school.

During the construction of the Tenant Improvements, the School and its representatives shall have the right to enter the Leased Property to inspect the construction and to direct changes or modifications in the construction plans, specifications and design. No changes to the final Plans as described in Exhibit A hereto shall be made without the prior consent of the School. If changes are made to the final construction plans as approved by the Lessor and the School, the parties shall memorialize the changes in writing, which document shall include a date and description of the change, cost if any for making the change, impact if any on the construction schedule and signatures of individuals authorized to request or make such change.

Lessor acknowledges that time is of the essence for the Tenant Improvements to be completed and certified for School's occupancy by no later than ____, 2010. Any delay in completion will cause substantial hardship, including but without limitation lost enrollment and, consequently, funding for the School. Lessor agrees to pay for all costs and expenses incurred for completion of the Tenant Improvements described in Exhibit A, including cost overruns and amounts in excess of the Tenant Improvement Allowance of \$ ____ described in Exhibit A, including without limitation additional labor costs, incurred in order to insure occupancy on or before _____, 2010. Following receipt of a Certificate of Occupancy, if the Tenant Improvement work is completed for less than the Tenant Improvement Allowance, Lessor shall reduce the rent payable by the Tenant based on a formula which holds Lessor's return constant and the parties shall create a separate amendment to this Agreement to reflect the revised rent schedule. Under no circumstances shall the Base Rental amounts due under this Lease Agreement be increased due to cost overruns or amounts incurred by Lessor in excess of the Tenant Improvement Allowance.

After the Tenant Improvements are completed, Lessor shall maintain the Leased Property to any additional or revised adequacy standards required by the State of New Mexico for the School during the term of this Lease and any extensions thereof, at no additional cost to the School. After completion of the Tenant Improvements, Lessor shall be responsible for repair/replacement of any Tenant Improvement 'punch list' items and shall assign all construction/contractor warranties related to the Tenant Improvements to the School.

(b) After the Tenant Improvements described in Section 8.04(a) have been made as provided in that Section, and subject to the Lessor's obligation to maintain the Leased Property to state adequacy standards as provided in that Section, the School or its Sublessee, at its own expense, may remodel, or make other additions, modifications or improvements to, the Leased Property, provided that (i) such remodeling, modifications and additions (A) shall not in any way damage the Leased Property as it existed prior thereto and (B) shall become part of the Leased Property; (ii) the value of the Leased Property after such remodeling, modifications and additions shall be at least as great as the value of the Leased Property prior thereto; and (iii) the Leased Property, after such remodeling, modifications and additions, shall continue to be used as provided in and shall otherwise be subject to the terms of this Lease.

(c) Signage. Lessor shall allow School to place signage on the Leased Property and on the Improvements, in accordance with applicable municipal planning and zoning regulations. School shall submit sign design and dimensions to Lessor for approval, which approval shall not be unreasonably withheld. Lessor shall cooperate in any signage approval applications and/or actions which may be required by the municipality in which the Leased Property is located.

Section 8.05. Damage to, Condemnation of, Material Defect in or Loss of Title to Leased Property.

(a) If (i) the Leased Property (or any portion thereof) is destroyed or damaged by fire or other casualty, (ii) title to, or the temporary or permanent use of, the Leased Property (or any portion thereof) or the interest of the School or the Lessor in the Leased Property (or any portion thereof), is taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, (iii) a breach of warranty or any material defect with respect to the Leased Property (or any portion thereof) becomes apparent or (iv) title to or the use of the Leased Property (or any portion thereof) is lost by reason of a defect in the title thereto, then, the Net Proceeds of any insurance, performance bond or condemnation award or the Net Proceeds received as a consequence of any default or breach of warranty under any contract relating to the Leased Property or the Facility shall be deposited into a special trust fund held by the Lessor. Base Rent shall abate during such period of time as the Leased Property or portions thereof is unusable in a

reasonable manner, based on School's ability to utilize the remaining portion of the Leased Property.

If the Leased Property or substantial portions thereof are destroyed or substantially damaged so as to substantially impair the School's uses for educational purposes, and the destruction or damage to the Leased Property cannot be substantially restored within ninety (90) days from the time of such damage or destruction, then the School or Lessor shall have the right to terminate this Lease. The Lessor shall not be responsible to the School for damages to or destruction of any furniture, equipment, alterations or other changes made or installed in, on or about the Leased Property by School regardless of the cause or the damage or destruction, unless caused by the gross negligence or intentional misconduct of Lessor, its employees, agents and representatives.

(b) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property following an event described in subsection (a) of this Section are equal to or less than the Net Proceeds available, such Net Proceeds shall be used promptly to repair, restore, modify, improve or replace the Leased Property (or portion thereof) and any excess shall be delivered to the School.

(c) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property following an event described in subsection (a) of this Section are more than the amount of Net Proceeds available, then:

(i) The School may elect either:

(A) to use the Net Proceeds promptly to repair, restore, modify or improve or replace the Leased Property (or portion thereof) with property of a value equal to or in excess of the value of the Leased Property (or applicable portion thereof), and pay (subject to Article VI hereof) as Additional Rentals the costs thereof in excess of the amount of the Net Proceeds, or

(B) to pay (subject to Article VI hereof) the Purchase Option Price, in which case the Net Proceeds shall be delivered to the School; or

(C) to terminate the Lease.

(ii) If, by June 30 of the Fiscal Year in the event described in subsection (a) of this Section occurred (or June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent), the School has not appropriated amounts sufficient to proceed under either clause (i) of this subsection, an Event of Nonappropriation shall be deemed to have occurred.

(d) The School shall not 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 default or breach of warranty under any contract relating to the Leased Property or the Facility without the written consent of the Lessor.

(e) No event described in subsection (a) of this Section shall affect the obligation of the School to pay Base Rentals or Additional Rentals hereunder, regardless of whether the Leased Property is repaired, modified, improved or replaced in full or in part, subject, however, to Article VI hereof.

Section 8.06. Personal Property of School. The School, at its own expense, may install equipment and other personal property in or on the Leased Property, which equipment or other personal property shall not become part of the Leased Property unless it is permanently affixed to the Leased Property or removal of it would materially damage the Leased Property, in which case it will become part of the Leased Property.

Section 8.08. Additional Improvements to the Leased Property. If School funds, above those required for Base Rentals, are used to construct or acquire additional improvements on the Leased Property, the cost of the additional improvements shall constitute a lien on the additional improvement in favor of the School and then, if this Lease is terminated prior to the final payment and the release of the security interest or the transfer of title at the option of the School, the School may foreclose the lien on the additional improvements.

Section 8.08. Parking. Lessor shall provide ___ onsite parking spaces. Onsite parking lot and spaces shall be paved and striped, or shall meet all applicable municipal planning/zoning requirements.

ARTICLE X

GENERAL COVENANTS

Section 10.01. Further Assurances and Corrective Instruments. So long as this Lease is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Lessor and the School shall have full power to carry out the acts and agreements provided herein and the Lessor and the School shall 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 Leased Property leased or intended to be leased hereunder, or for otherwise carrying out the intention of or facilitating the performance of this Lease.

Section 10.02. Compliance with Requirements of Law. The Lessor and the School shall comply with all Requirements of Law in performing their respective obligations with respect to the Leased Property hereunder. Without limiting the generality of the preceding sentence, the School, in particular, shall use the Leased Property in a manner such that (a) the Leased Property

at all times is operated in compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the School's use of the Leased Property are obtained, maintained in full force and effect and complied with; (c) there shall be no hazardous substance, pollutant or contaminant (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, et seq., any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq., any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing placed on, in or under the Leased Property or the Facility in violation of any Requirements of Law; (d) there shall be no disposal of any of the items referred to in clause (c) on, from, into or out of the Leased Property or the Facility in violation of any Requirements of Law; and (e) there shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing of any of the items referred to in clause (c) into the indoor or outdoor environment from, into or out of the Leased Property including but not limited to the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

Section 10.03. Participation in Legal Actions.

(a) At the request of and at the cost of the School, the Lessor shall join and cooperate fully in any legal action in which the School asserts its right to the enjoyment of the Leased Property; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Leased Property or the School's enjoyment of the Leased Property for which the School is responsible hereunder; or that involves the imposition of any charges, costs or other obligations with respect to the School's execution, delivery and performance of its obligations hereunder.

(b) At the request of the Lessor and upon a determination by the School that such action is in the best interests of the School, the School shall, at the cost of the School, join and cooperate fully in any legal action in which the Lessor asserts its ownership of or interest in the Leased Property; that involves the imposition of any charges, costs or other obligations on or with respect to the Leased Property for which the Lessor is responsible hereunder; or that involves the imposition of any charges, costs or other obligations with respect to the execution and delivery of this Lease by the Lessor or the performance of its obligations hereunder.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of School Default Defined.

(a) Any of the following shall constitute an "Event of Default" under this Lease:

(i) failure by the School to pay any specifically appropriated Base Rentals to the Lessor on or before the applicable Base Rental Payment Date; provided, however, that a failure by the School to pay Base Rentals on the applicable Base Rental Payment Date shall not constitute an Event of Default if such payment is received by the Lessor within five days following such Base Rental Payment Date;

(ii) failure by the School to pay any Additional Rental for which funds have been specifically appropriated when due, or if such Additional Rental is payable to a Person other than the Lessor, when nonpayment thereof has, or may have, a material adverse effect upon the Leased Property or the interest of the Lessor in the Leased Property;

(iii) failure by the School to vacate the Leased Property within 90 days following an Event of Nonappropriation in accordance with Section 4.02(b) hereof;

(iv) any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the School in all or any portion of the Lease or the Leased Property in violation of Section 12.02 hereof or any succession to all or any portion of the interest of the School in the Leased Property in violation of Section 12.02 hereof; or

(v) failure by the School to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i), (ii), (iii) or (iv) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the School by the Lessor, unless the Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Lessor shall not withhold its consent to an extension of such time if corrective action shall be instituted within the applicable period and diligently pursued until the default is corrected.

(b) The provisions of subsection (a) of this Section are subject to the following limitations:

(i) the School shall be obligated to pay Base Rentals and Additional Rentals only during the Lease Term, except as otherwise expressly provided in Section 4.02(b)(ii) hereof; and

(ii) if, by reason of Force Majeure, the School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than its obligation to pay Base Rentals or Additional Rentals hereunder, the School shall not be deemed in default during the continuance of such inability; provided, however, that the School shall, as promptly as legally and reasonably possible, remedy the cause or causes preventing the School from carrying out such agreement, except that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the School.

Section 11.02. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Lessor may take one or any combination of the following remedial steps:

(a) terminate the Lease Term and give notice to the School to immediately vacate the real property included in the Leased Property, in the manner provided in Section 4.02(b) hereof;

(b) sell or lease its interest in all or any portion of the Leased Property;

(c) recover from the School:

(i) the portion of Base Rentals and Additional Rentals payable pursuant to Section 4.02(b)(ii) hereof;

(ii) the portion of Base Rentals for the then current Fiscal Year that has been specifically appropriated by the Board, regardless of when the School vacates the Leased Property and Improvements to the Lessor; and

(iii) the portion of the Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the Board, but only to the extent such Additional Rentals are payable prior to the date, or are attributable to the use of the Leased Property prior to the date that the School vacates the Leased Property and Improvements and delivers to the Lessor;

(d) enforce any provision of this Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession under Article XII hereof by specific performance, writ of mandamus or other injunctive relief; and

(e) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease, subject, however, to the limitations on the obligations of the School set forth in Sections 6.04 and 11.03 hereof.

Section 11.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the 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 the Lessor to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 11.04. Waivers.

(a) The Lessor may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(b) In the event the Lessor waives any Event of Default described in Section 11.01(a)(i) hereof, any subsequent payment by the School of Base Rentals then due and owing shall be paid to the Lessor.

Section 11.05. Notice to Sublessee. Lessor shall provide written notice to any Sublessee of an Event of Default by the School by no less than five (5) days after the occurrence.

Section 11.06. Lessor's Default. If Lessor fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from School specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Lessor fails to commence to cure within that thirty (30) day period, then Lessor shall be liable to School for any damages sustained by School as a result of Lessor's breach; provided, however, it is expressly understood and agreed that if School obtains a money judgment against Lessor resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Lessor's right, title and interest in the Leased Premises, and no other real, personal or mixed property of Lessor (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy such judgment. If, after notice to Lessor of default, Lessor (or any first mortgage or first deed of trust beneficiary of Lessor) fails to cure the default as provided herein, then School shall have the right to cure that default at Lessor's expense, and to either terminate this Lease or to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this Lease. No remedy herein conferred upon School 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.

ARTICLE XII

TRANSFERS OF INTERESTS IN LEASE OR LEASED PROPERTY

Section 12.01. Transfer of School's Interest in Lease and Leased Property.

School may assign this Lease with Lessor's consent to any foundation or not-for-profit corporation created for the purpose of supporting the School, to any corporation which controls, is controlled by or is under common control with School, or to any corporation resulting from a merger or consolidation with School, or to any person or entity which acquires all the assets of School's business as a going concern, provided that: (1) the assignee assumes, in full, the obligations of School under this Lease; and (2) School remains fully liable under this Lease; and (3) the use of the Leased Premises remains unchanged. Except as otherwise permitted in this Section or by Section 8.03 hereof with respect to subleases, the School shall not sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in this Lease or the Leased Property to any Person, whether now in existence or organized hereafter.

Section 12.02. Transfer of Sublessee's Interest in the Sublease and Leased Property. A permitted Sublessee, with the prior approval of the Lessor, which shall not be unreasonably withheld, may assign its Sublease without cost to the School, to another locally chartered or state-chartered charter school or to the state or one of its institutions, instrumentalities or other political subdivisions. The assignee shall acquire all rights and benefits of its predecessor in interest under the terms and conditions of the lease purchase arrangement.

Section 12.03. Transfer of Lessor's Interest. In the event of any sale of the Leased Property, or assignment of this Lease by Lessor, it shall be deemed and construed without further agreement between the parties or their successors-in-interest that the purchaser or the tenant or assignee of the Leased Property or any portion thereof has assumed and agreed to carry out any and all covenants and obligations of Lessor hereunder.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor and the School and their respective successors and assigns, subject, however, to the limitations set forth in Article XII hereof. This Lease and the covenants set forth herein are expressly intended to be covenants, conditions and restrictions running with the Leased Property and the leasehold estate in the Leased Property under this Lease.

Section 13.02. Lessor and School Representatives. Whenever under the provisions hereof the approval of the Lessor or the School is required, or the School or the Lessor is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Lessor by the Lessor Representative and for the School by

the School Representative and the School and the Lessor shall be authorized to act on any such approval or request.

Section 13.03. Manner of Giving Notices. All notices, certificates or other communications hereunder shall be in writing and shall be deemed given when mailed by certified or registered mail, postage prepaid, addressed as follows: if to the School, to Attention: Principal; and if to the Lessor, to 10100 W Sam Houston Parkway S #340 Houston, TX 77099, Attention: Levent Ulusal. The School and the Lessor may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.04. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the School or the Lessor, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the School or the Lessor, as the case may be, and not of any member, director, officer, employee, servant or other agent of the School or the 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, servant or other agent of the School or the Lessor or any natural person executing this Lease or any related document or instrument.

Section 13.05. Amendments, Changes and Modifications. Except as otherwise provided herein, this Lease may not be effectively amended, changed, modified or altered other than by the execution of a subsequent document in the same manner as this Lease is executed.

Section 13.06. Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right under this Lease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 13.07. Severability. In the event that any provision of this Lease, other than the obligation of the School to pay Base Rentals or Additional Rentals and the Purchase Option Price hereunder and the obligation of the Lessor to provide quiet enjoyment of the Leased Property and to convey the Leased Property to the School pursuant to Article IX hereof, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.08. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 13.09. Applicable Law. The laws of the State of New Mexico shall be applied in the interpretation, execution and enforcement of this Lease.

Section 13.10. Execution in 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.

Section 13.11. Other Contingencies/Conditions Precedent.

(a) Plans/Inspections/Reports. School's obligations under this Lease are contingent upon School's inspection and approval of the following plans/reports in Lessor's possession and/or control: Phase I Environmental Report; structural report; mechanical report(s), traffic impact analysis; plats/ replats; surveys; grading/drainage analyses; most recent property tax bill. Lessor shall provide said documents/reports within five (5) days of execution of the Lease. School shall have the right to enter upon the Leased Premises for purposes of conducting its own inspections.

(b) Planning/Zoning/Regulatory approvals. The School's obligations under this Lease are contingent upon receiving, from the Lessor, proof acceptable to the School from the proper and applicable planning/zoning authorities that the Leased Property has received all the planning/zoning approvals necessary for the School's uses, including parking. The School's obligations under this Lease are further contingent upon the Leased Premises being certified for educational occupancy ("E-Occupancy") by the applicable building authority/authorities, and upon receipt of all necessary approvals from the PSFA for the School's use.

Section 13.12. Brokerage. is the Transaction Broker for the School and is the Transaction Broker for the Lessor in the Lease transaction. Lessor agrees to pay a leasing commission to N/A in the amount of N/A % of the total aggregate rent over the term of the proposed lease and any Renewal Term(s) when exercised, plus applicable New Mexico Gross Receipts Tax. Commission is due and payable upon School's occupancy. Any commission shall be the sole responsibility of the Lessor and shall not be passed through to the School in any manner. In the event School or related entity purchases the Leased Property through option, right of first refusal, or otherwise, Lessor/Owner agrees to pay a commission in the amount of N/A % of the sale price to 0 at close of escrow. Any unamortized leasing commissions will be deducted from sales commissions.

Section 13.13. Time. It is understood and agreed between the parties hereto that time is of the essence in all of the terms and provisions of this Lease Agreement.

IN WITNESS WHEREOF, the Lessor and the School have executed this Lease as of the date first above written.

LESSOR:

Solidarity Investments LLC

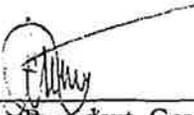
By: 

Its: LEVENT OLUSAL PRESIDENT

Date: 5/10/2010

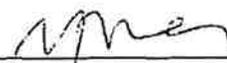
SCHOOL:

**ALBUQUERQUE SCHOOL OF
EXCELLENCE**

By: 
President, Governing Council

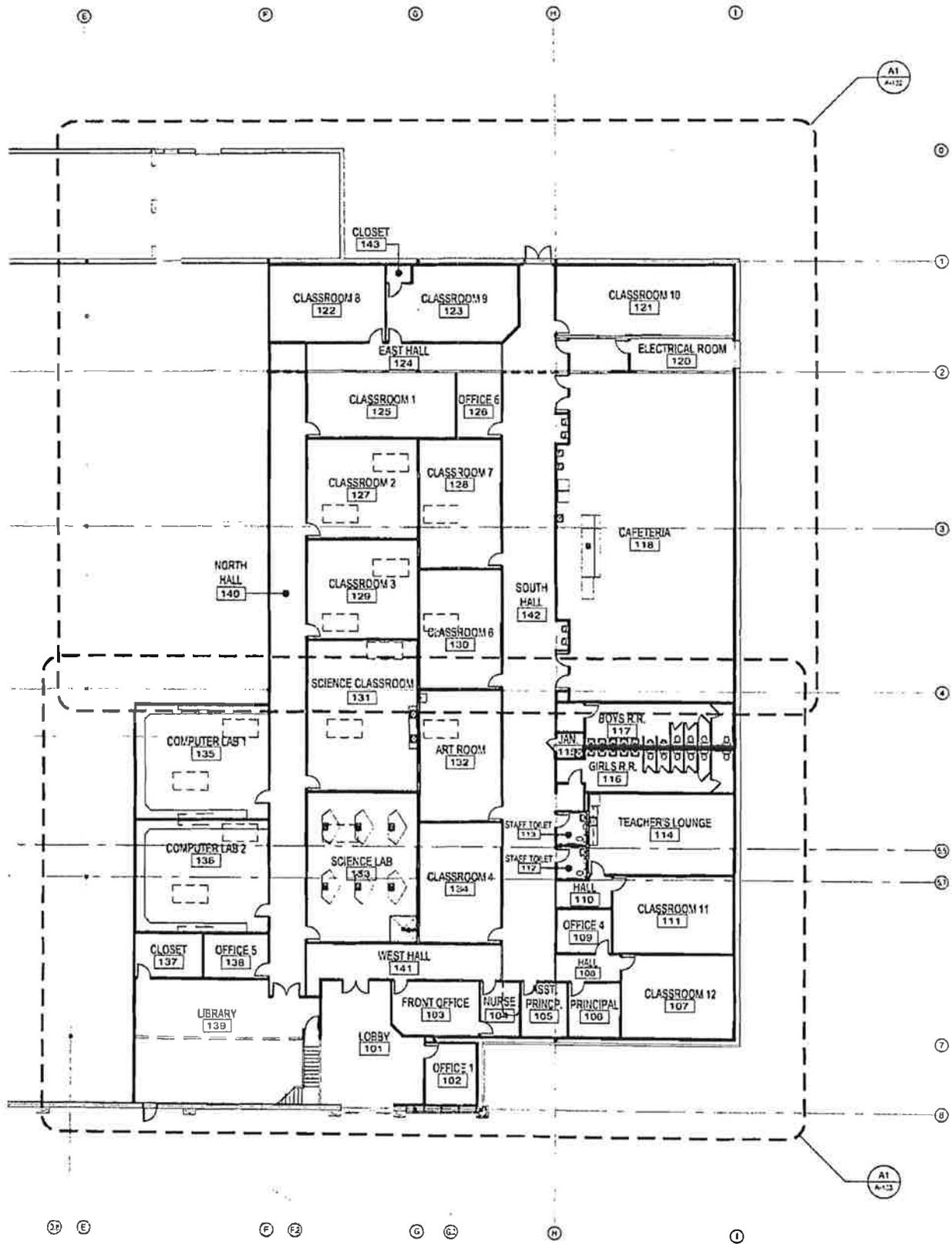
Date: _____

ATTEST:

By: 
Secretary, Governing Council

ACCEPTED BY THE SCHOOL:

By _____
Head Administrator



**PROPOSED LEASE AGREEMENT
BETWEEN
THE COUNTY OF BERNALILLO
AND
THE ALBUQUERQUE SIGN LANGUAGE ACADEMY
620 LOMAS BLVD NW**

THIS AGREEMENT, ("Lease") between the County of Bernalillo, a political subdivision of the State of New Mexico, as Lessor, and THE ALBUQUERQUE SIGN LANGUAGE ACADEMY, as Lessee:

1. Lease of Premises. The Lessor is the owner of certain real property located at 620 Lomas Blvd. NW Albuquerque, New Mexico and hereby leases to the Lessee this said property containing approximately 9510 square feet of classroom space, office space, and parking hereinafter referred to as the "Premises".
2. Property. All equipment, furnishing and movable property belonging to Lessor presently located in or on the premises; all of which is referred to hereafter as the "Premises".
3. Consideration. The total annual lease payment amount is determined by the Fair Market Rent Value of the leased portion of the property. The calculation of Fair Market Rent Value shall be determined annually prior to the renewal of the lease by using a dollar value per square foot multiplied by the square footage of the leased portion of the property as indicated in Paragraph 1 of this Lease.

The calculation for the 2012/2013 school year shall be based on a Fair Market Rent Value of \$12.00 per square foot and shall be calculated as follows: \$12.00 per square foot multiplied by 9510 square feet of leased space equals \$114,120.

Upon renewal of the Lease in subsequent years, the dollar value per square foot will reflect current market conditions as determined by the Lessor and agreed upon by the Lessee, and the square footage of the leased portion of the property will reflect the actual square footage occupied by the Lessee.

The Lessee agrees to pay the Lessor annually an amount equal to the Fair Market Rent Value provided that the total calculated Fair Market Rent Value amount does not exceed the actual PSCOC Lease Assistance Grant Award Amount. If the Fair Market Rent Value amount is greater than the actual PSCOC Lease Assistance Grant Award Amount, the Lessor shall accept the actual PSCOC Lease Assistance Grant Award Amount from the Lessee as payment in full.

4. Parking. The Lessor will make available to Lessee use of all parking upon the Premises.
5. Term of Lease. The term of this Lease shall be for a period of one (1) year, commencing on the 1st day of July 2012. Upon mutual agreement of the parties, the Lessee shall have the option to renew the term for five (5) additional one (1) year option periods on the same terms and conditions provided that (i) Lessee is authorized to and continues to provide educational services and related administrative functions to residents of Bernalillo County, and (ii)

Lessee is not then in default under this Lease. Each such option period shall be automatically exercised unless Lessee provides prior notice that it does not exercise the option, or unless Lessee provides notice that the condition set forth above has not been satisfied.

6. Option Terms. At the conclusion of the initial term and at the beginning of any option term exercised by Lessee, the annual rent set forth above shall increase or decrease for the option period. The annual lease payment for the next option period shall be negotiated based upon school revenue. The County agrees to use every effort to notify Lessee promptly of the increase or decrease as soon as practicable, in any event, at least sixty (60) days after the expiration of the prior term.
7. Quiet Enjoyment. Upon the performance of all terms, conditions, and covenants of this Lease which the Lessee is required to perform, the Lessee shall, at all times during the Term of this Lease, peaceably and quietly enjoy the Premises without any disturbance from the Lessor, its agents, representatives and/or employees.
8. Use of the Premises.
 - A. The Lessee shall:
 - 1) Use the Premises for the sole purpose of providing education classes and related administrative functions and for no other reason without first obtaining the written consent of the Lessor.
 - 2) Operate and maintain the Premises in a safe, sanitary and operable condition.
 - 3) Comply with all federal, state, county, municipal and other governmental, ordinances, laws, rules and regulations, now or hereafter enacted or amended, affecting the Premises.
 - B. The Lessee shall not:
 - 1) Use or occupy or permit the Premises to be used or occupied for any unlawful purpose; and
 - 2) Use or occupy or permit the Premises or any part of the Premises to be used or occupied, or do or permit anything to be done in or on the Premises in any manner which will:
 - a) Cause or be likely to cause structural damage to the Premises or any part thereof;
 - b) Constitute waste or a public or private nuisance; or
 - c) Violate County rules, regulations or policies promulgated for the operation and use of the Building.

- C. The Lessee acknowledges and represents that it has examined the Premises and has determined by its own independent evaluation that the Premises are suitable and useable only for the purposes and activities intended by the Lessee and contemplated by this Lease. Lessee acknowledges that it will maintain and keep clean the parking facility and parking areas. Lessee acknowledges that the Lessor has made no representation, warranty or guarantee, expressed or implied, that the Premises are now, or during the term of this Lease, will be suitable or usable for purposes or uses which the Lessee intends to make of the Premises or which are contemplated by this Lease.
9. Repairs and Maintenance. The Lessor, subject to sufficient appropriations, shall make all necessary major repairs and replacements to the Premises, including roof, mechanical systems, foundation, building exterior and plumbing of the Premises. Lessee shall, at its sole cost and expense, maintain the Premises, except to the extent the County is obligated to do so pursuant to the preceding sentence, and shall provide day-to-day maintenance, including janitorial services, and shall repair or replace any damages caused by Lessee, its employees, clients or invitees to the extent and/or pro-rata share of Lessee occupied Premises promptly upon approval from the Lessor. All such repairs and replacements shall be at least equal in quality of materials and workmanship to the original work as determined by the Lessor. The Lessee shall not make any alterations, additions, or improvements to the Premises without the Lessor's prior written consent.
10. Utilities. Lessee agrees to pay all utilities including but not limited to water, sewer, refuse, electricity, gas, telephone and security monitoring on a pro-rata share of the Premises being leased.
11. Surrender upon Termination. At the expiration of the term of this Lease or upon termination, the Lessee shall surrender the Premises to the Lessor in as good condition as it was in at the beginning of the term, reasonable use and wear excepted.
12. Alterations and Improvements.
- A. The initial remodeling of the Premises necessary to prepare the space for educational and related administrative functions will be the responsibility of the Lessor.
- B. The Lessee agrees to use grants or other revenue sources specifically designated for ADA or other approved facility improvements to further remodel the space as needed. The remodeled area will be returned to the original condition when the Lease is terminated unless modifications are allowed to remain as agreed by the Lessor
- C. The Lessee shall not make any alterations, additions, improvements, and/or changes to the Premises without the prior written consent of the Lessor. All such alterations, additions, improvements, and/or changes to the Premises made by either party upon the Premises during the Term hereof, except moveable furniture and trade fixtures put in place by at the Lessee's expense, shall become the property of the Lessor at the expiration of the Term.
- D. The Lessee shall not cause, make, suffer or permit to be made any additions to its programs, services, and personae that materially affect the premises without first

obtaining the written permission of the Lessor. This includes the assignment of space and offices to the Lessee.

13. Default and Termination.

A. The occurrence of any one or more of the following events shall constitute a default by the Lessee:

- 1) The abandonment of the Premises by the Lessee for a period of fifteen (15) days.
- 2) The failure by the Lessee to observe or perform any of the express, covenants or provisions of this Lease where such failure shall continue for a period of ten (10) days after written notice thereof from the Lessor to the Lessee, provided that if the nature of the Lessee's default is such that more than ten (10) days are reasonably required for its cure, then the Lessee shall not be deemed to be in default of the Lease. If the Lessee commences to cure within the ten (10) day period and thereafter diligently prosecutes such cure to completion.

B. In the event of default by the Lessee, as defined above, the Lessor may terminate this Lease upon ninety (90) days written notice to the Lessee, effective as of the expiration of the ninety (90) day notice period.

C. Lessee's obligations under this Lease are subject to availability of annual funding for the Charter School, and the continuation of Lessee's charter. In the event that either Lessee's funding is terminated or Lessee's charter is revoked or terminated, Lessee may cancel this Lease with sixty (60) days written notice to Lessor with no further obligations hereunder.

D. Except as otherwise provided, if this Lease is terminated, rent shall abate to the date of termination.

14. Right of Entry. The Lessor and its agents and other representatives shall have the right to enter into and upon the Premises or any part thereof at reasonable times for the purpose of inspecting the Premises.

15. Eminent Domain. If any part of the Premises shall be taken for public or quasi-public use by right of eminent domain, or transferred by agreement in connection with such public or quasi-public use, with or without any condemnation action or proceeding being instituted, this Lease shall terminate as of the date title shall vest in the condemning authority. All compensation or damages awarded upon such taking or transfer shall go to the Lessor and the Lessee shall have no claim thereto.

16. Indemnification. The Lessee agrees to defend, indemnify and hold harmless the County, its Board of County Commissioners and its employees, agents, contractors and assigns from any such liability or claim of liability against the County, its employees, agents, contractors or assigns including attorney's fees, arising out of Lessee's use or occupancy of the Premises and the negligent or intentional acts of the Lessee's employees, invitees, agents or representatives.

As used herein, the term "Hazardous Material" means a substance the release of which on the Premises would necessitate an environmental response action under any federal, state, county or municipal law, whether now in effect or enacted in the future, and includes without limitation asbestos in any form, formaldehyde, transformers or other equipment which contain fluid containing polychlorinated biphenyls, any petroleum product in non-regulated bulk storage containers, radon, or any other chemical, material or substance which is defined or classified as hazardous or toxic or the exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority having jurisdiction.

21. Lessee's Property. All property and improvements of the Lessee, which may be placed in or upon the Premises, shall be done at the sole risk of the Lessee. The Lessor shall not be liable for any damage to property or improvements of the Lessee on the Premises arising from, or for any damage to the property caused by, but not limited to, fire, water, flood, wind, vandalism, theft, larceny or burglary.
22. Fixtures. The Lessee, at any time the Lessee is not in default hereunder, may remove its moveable trade fixtures and equipment, and upon expiration or termination of this Lease, if so requested by the Lessor, the Lessee shall remove all fixtures and equipment installed on the premises by the Lessee, whether or not such fixtures and equipment are fastened to the Premises and regardless of the manner in which they are so fastened; provided, however, that the Lessee shall fully repair damage of any kind or character occasioned by the removal of any such fixtures or equipment and shall leave the Premises in a good, clean and sanitary condition.
23. Abandonment. The Lessee shall not vacate or abandon the Premises at any time during the term of this Lease; and, if the Lessee shall vacate, abandon or surrender the Premises or be dispossessed by process of law or otherwise, any personal property left on the Premises shall be deemed to be abandoned at the option of Lessor.
24. Transfer of County's Interest. The Lessor hereby reserves the right to sell, assign or transfer this Lease upon the condition that in such event this Lease shall remain in full force and effect, subject to the performance by the Lessee of all the terms, covenants and conditions on its part to be performed. Upon any such sale, assignment or transfer, with respect to all matters in connection with this Lease, the Lessor shall be released from any further obligation hereunder.
25. Rules and Regulations. The Lessor shall have the right from time to time to prescribe rules and regulations, which, in its judgment, may be desirable, for the use, entry, operation and management of the Premises, each of which rules and regulations shall become part of this Lease. The Lessee agrees to comply with such rules and regulations, provided, however, that such rules and regulations shall not contradict or abrogate any right or privilege herein expressly granted to the Lessee.
26. Holding Over. Should the Lessee hold possession of the Premises after the expiration of the Lease term with the consent of the Lessor, the Lessee shall become a tenant on a month-to-month basis upon all the terms, covenants and conditions herein specified.

27. Construction of Lease. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly neither for nor against either the Lessor or the Lessee. Paragraph headings in this Lease are for convenience only and are not to be construed as part of this Lease or in any way defining, limiting or amplifying the provisions hereof. Time is of the essence of this Lease and of every term, covenant and condition hereof. The Lessor and the Lessee agree that in the event any term, covenant or condition herein contained is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant or condition shall in no way affect any other term, covenant or condition herein contained.
28. Successors and Assigns. The terms, covenants and conditions of this Lease shall be binding upon and inure to the benefit of and shall apply to the respective successors and assigns of the Lessor and the Lessee.
29. Reasonable Consent. The Lessor agrees not to unreasonably withhold its approval of or consent to any act of the Lessee, where such approval or consent is required by the terms of this Lease.
30. Signs. The Lessee shall not place, locate or erect any signs or billboards on the Premises without the prior written consent of the Lessor in each instance.
31. Waiver of default. No failure by the Lessor to insist upon the strict performance of any term, condition or covenant of this Lease or to exercise any right or remedy available on the breach thereof, and no acceptance of full or partial rent during the continuance of any breach shall constitute a waiver of any breach or of any term, condition or covenant. No obligation of this Lease, which the Lessee is required to perform and no breach thereof, shall be waived, altered or modified, except by written instrument executed by the Lessor.
32. Notices. All notices or payments required by this Lease to be given any party shall be deemed to have been fully delivered, given, made or sent when made in writing and deposited in the United States mail, certified, with postage prepaid thereon, and addressed to the following unless either the Lessor or the Lessee change their respective address by giving written notice of such change to the other

BERNALILLO COUNTY (LESSOR):

County Manager
One Civic Plaza, 10th Floor
Albuquerque, NM 87102
Office: (505) 468-7000

LESSEE:

The Albuquerque Sign Language Academy
620 Lomas Blvd. NW
Albuquerque, NM 87102
Office: (505) 247-1701

33. Waiver; Remedies. No waiver of any default as provided in this Lease or delay or omission in exercising any right or power of the Lessor or Lessee will be considered a waiver of any other default as provided in this Lease. The exercise of or failure to exercise any one of the rights and remedies of the Lessor or Lessee as provided in this Lease will not be deemed to be instead of, or a waiver of, any other right or remedy as provided in this Lease.

34. Lien for Rent. Lessee hereby grants a lien to the Lessor on Lessee's interest in all improvements, fixtures, or personal property, including inventory on the Premises. In the event Lessee fails to cure a default under this Lease, Lessee authorizes the Lessor to take possession of the property free and clear of Lessee's interest therein.
35. Cumulative Remedies. Remedies, rights and benefits of this Lease are cumulative and shall not be exclusive of any other remedy, right or benefit allowed by law.
36. Attorney's Fee. The prevailing party is entitled to all reasonable attorney fees or other cost incurred in enforcing the provisions set forth in this Lease. Lessor obligation under this paragraph is subject to and contingent upon sufficient appropriations. This paragraph shall also apply to any court action or appeals there from.
37. Non-Appropriations Clause. The Lessor's obligation under this Lease are contingent upon sufficient appropriations and authorization being made by the Bernalillo County Commission for the performance of this Lease annually or from time to time for all or any portion of the Premises as determined in the Lessor's sole discretion. The Lessor decision as to whether sufficient appropriations are available shall be accepted by Lessee and shall be final.
38. Bankruptcy and Insolvency. The Lessor may cancel this Agreement in the event that the estate created hereby is taken in execution or by other process of law; or, if Lessee is declared bankrupt or insolvent according to law; or if any receiver is appointed for the business and property of Lessee; or if any assignment is made of Lessee's property for the benefit of creditors.
39. Partial Invalidity. If any term of this Agreement, or the application of the term to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term to persons or circumstances other than those as to which the term is held invalid or unenforceable, will not be affected by the application, and each term of this Lease will be valid and be enforced to the fullest extent permitted by law.
40. Personal Property. The Lessor shall not be liable for any damage to the personal property of Lessee arising from property damage including, but not limited to, fire, water, flood, wind, vandalism, theft, larceny or burglary.
41. State Approval. This Lease shall be subject to State Board of Finance approval. Any and all future agreements and amendments by and between the parties regarding the premises shall also be subject to State Board of Finance approval.
42. Entire Agreement. This Lease constitutes the entire agreement of the parties relating to the subject matter hereof and replaces, terminates and supersedes the terms of any prior existing leases entered into between the parties regarding the Premises.
43. Modification and Governing Law. This Lease may be amended only in writing signed by both parties and approved by the State Board of Finance. This Lease is governed by and will be construed according to the laws of the State of New Mexico and binds the successors, transferees and assigns of the parties.

44. Effective Date. This effective date of this Lease shall be date this Lease is approved by the State Board of Finance or the commencement date listed in Section 4 of this Lease whichever date occurs last.

LESSEE (The Albuquerque Sign Language Academy):

LESSOR (County of Bernalillo):

By KSILVA
Kimberly Silva, Board Chair

By _____
County Manager

Date: 6/14/12

Date: _____

Approved as to Form:

Recommended by:

Deputy County Attorney

Deputy County Manager for
Community Services

Date: _____

Date: _____

STATE BOARD OF FINANCE

By _____
Director

Date: _____

FACILITY MAINTENANCE AGREEMENT

FACILITY MAINTENANCE AGREEMENT (“Facility Maintenance Agreement”) effective the ____th day of _____, 2012 by and between EMHS FOUNDATION, a New Mexico nonprofit corporation (the “Lessor”) and THE EAST MOUNTAIN HIGH SCHOOL, a nonprofit New Mexico public school entity (the “Lessee”) pursuant to the Lease Purchase Agreement dated February 1, 2012.

WHEREAS, the Lessor and Lessee desire to enter into an agreement to provide for the long term maintenance of the facilities described in the Lease Purchase Agreement dated February 1, 2012.

NOW THEREFORE, in consideration of the mutual terms and conditions set forth hereinafter the parties to this Facility Maintenance Agreement agree as follows:

The provisions of this agreement shall extend to the grounds and the four permanent buildings. Temporary structures and school projects are not included in the agreement and remain the sole responsibility of the Lessee.

Section 6 (Repairs and Maintenance) of the Lease Purchase Agreement dated February 1, 2012 requires further clarification. The Lease Purchase Agreement states that “Lessee agrees to “maintain and keep the interior of the Subject Property in good repair, clean and free of refuse and rubbish” and is “responsible for day-to-day maintenance (including janitorial and utilities) and for ordinary and non-material repairs.”

Section 6 (Repairs and Maintenance) of the Lease Purchase Agreement states that “Lessor agrees to promptly maintain and make all necessary material repairs to the foundations, load bearing walls, roof, gutters, windows, doors, bathrooms, downspouts, heating systems, air conditioning, water mains and plumbing, gas and sewer lines, sidewalks, private roadways, parking areas, flooring and mechanical systems.”

A narrative description of the Lessor’s and Lessee’s specific responsibilities is annexed hereto as Schedule A.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above named.

LESSOR:

EMHS FOUNDATION

By: _____
Its President

Attest: _____
Its Secretary

LESSEE:

THE EAST MOUNTAIN HIGH SCHOOL

By: _____
Its Governing Council Chair

Attest: _____
Its Governing Council Secretary

Schedule A. Facility Maintenance Responsibilities

Lessee's Responsibilities: Lessee will insure that the Facilities are kept clean, sanitary and in good order. This will include but not be limited to the following:

- A. Perform cleaning of buildings and fixtures therein on a regular schedule.
- B. Remove all trash and refuse on a regular schedule.
- C. Maintain grounds, including lawns, parking lots and open areas in good order.
- D. Remove snow and ice as needed.
- E. Replace interior light bulbs as needed.
- F. Provide all necessary consumables including but not limited to, cleaning supplies, interior light bulbs, de-icing material, trash containers, etc.
- G. Provide all necessary equipment to accomplish the tasks listed above.
- H. Notify the Lessor's Facility Manager of any maintenance requirements.

Note: The Lessee, at their option, may contract for any of the above but the responsibility for accomplishment remains with the Lessee.

Lessor Responsibilities: Lessor will insure that the Facilities are maintained in good order. This will include but not be limited to the following:

- A. Maintain buildings and all permanent fixtures thereof in good order.
- B. Maintain heating system.
- C. Maintain cooling systems, including changing of filters and cooling pads on a scheduled basis.
- D. Maintain electrical and lighting systems except for changing interior bulbs.
- E. Maintain plumbing systems.
- F. Paint as needed on a schedule agreed to with Lessee.
- G. Insure proper drainage around buildings.
- H. Maintain walkways and parking lots in good order. This includes repairing, replacing, patching, sealing and repainting as needed.
- I. Maintain exterior irrigation system.

This Lease Agreement may not be modified in any manner without prior approval of the Director of Real Estate, UNM or University Counsel. Form Approved, February, 1996

LEASE OF REAL PROPERTY

between

**The Regents of the University of New Mexico,
A body corporate of the State of New Mexico, Tenant**

and

, Landlord

Date:

UNIVERSITY OF NEW MEXICO
LEASE OF REAL PROPERTY

This lease is entered into as of _____, 20__ between _____, Landlord, and The Regents of the University of New Mexico, a body corporate of the State of New Mexico, on behalf of _____, Tenant.

WITNESSETH:

Landlord and Tenant agree as follows:

1. PROPERTY LEASED. In consideration of the conditions and agreements in this lease (the "Lease"), Landlord leases to Tenant, and Tenant hires from Landlord, a portion of the real property situated in _____, County of _____, New Mexico, described as:

- (a) Street address of property, including room or suite number(s) if applicable:
- (b) Square footage:
- (c) Parking facilities and capacity:
- (d) Storage building(s):
- (e) Other:

Attach as exhibits:

- "A" Scaled floor plan showing leased premises;
- "B" Inventory of Landlord's property, if any;
- "C" Tenant's improvements provided by Landlord;
- "D" Legal description.
- "E" Insurance certificates.
- "F" Covered Parking
- "G" Storage Spaces

The leased property is referred to herein as the "premises".

2. TERM. The initial term of this Lease is for ___ months commencing _____, and terminating _____.

3. OPTION TO RENEW. In partial consideration for the rent paid under this Lease, Landlord grants Tenant, its successors and assignees an option to renew this

Lease. The renewal shall be for ___ consecutive terms of ___ months each, and shall be subject to the same conditions and agreements set forth in this Lease for the initial term, except as follows:

[specify or indicate "None"]

Tenant may exercise this option by giving Landlord written notice at least ___ days prior to the expiration of the initial term, or the then current option term.

4. DELIVERY OF POSSESSION. Landlord warrants that the premises will be vacant and suitable for occupancy on the first day of the initial term. Landlord will put Tenant in possession of the premises on such date. If possession by Tenant is delayed, for reasons caused by the Landlord, rent shall abate proportionately or, at Tenant's discretion, the Lease may be terminated without further liability by Tenant at any time prior to Tenant assuming possession.

5. HOLDING OVER. Tenant's holding over or continued use or occupancy shall be construed as a tenancy from month to month at the same monthly rent and subject to the same conditions set forth in this Lease.

6. RENT. In consideration of this lease, Tenant shall pay rent in the amount of _____ (\$_____) per month, payable in advance on the first day of each month. Tenant shall mail all payments to Landlord at the address specified in Paragraph 31 herein, unless advised otherwise in writing by Landlord.

6.1. RENT ESCALATION.

7. FUNDING AUTHORITY. Tenant's obligations under this Lease shall be subject to availability of annual funding for the program identified on the first page of this Lease. In the event that funding is terminated, Tenant may cancel this Lease with 60 days written notice to Landlord. (See Section 13-1-152, NMSA 1978.) Any obligation created under this Lease shall be subordinate to Tenant's obligations under any present or future system revenue bond(s).

8. USE OF LEASED PREMISES. Tenant shall use the leased premises for purposes of carrying on University business. More particularly, Tenant shall use leased premises for, among other things:

- General office use
- Patient care
- Instructional purposes
- Storage of materials
- Other:specify)

Landlord warrants that the premises are zoned _____ which allows these purpose(s).

9. UTILITIES AND JANITORIAL SERVICES. Utilities, services and supplies, and taxes and assessments shall be paid for by the party indicated by an "X".

	LANDLORD	TENANT (UNM)
(a) water	<input type="checkbox"/>	<input type="checkbox"/>
(b) sewer	<input type="checkbox"/>	<input type="checkbox"/>
(c) refuse disposal	<input type="checkbox"/>	<input type="checkbox"/>
(d) natural gas	<input type="checkbox"/>	<input type="checkbox"/>
(e) electricity	<input type="checkbox"/>	<input type="checkbox"/>
(f) janitorial service & supplies	<input type="checkbox"/>	<input type="checkbox"/>
(g) landscaping, grounds, and parking lot maintenance	<input type="checkbox"/>	<input type="checkbox"/>
(h) property taxes	<input type="checkbox"/>	<input type="checkbox"/>
(i) fire & extended coverage insurance	<input type="checkbox"/>	<input type="checkbox"/>
(j) general liability insurance	<input checked="" type="checkbox"/> each	<input checked="" type="checkbox"/> each
(k) other: (specify) <u>None</u>	<input type="checkbox"/>	<input type="checkbox"/>

9.1 PARKING, SERVICES AND UTILITIES.

10. DUTY TO INSURE.

(a) During the term of this Lease and any extension thereof, Tenant shall provide coverage for liability of Tenant and its "public employees," as defined in the New Mexico Tort Claims Act, and for its personal property and Tenant's improvements and betterments, as required by New Mexico law.

(b) During the term of this Lease and any extension thereof, Landlord shall maintain in force a policy or policies of insurance providing:

(1) "Commercial general liability" coverage of not less than \$1,000,000 limit per occurrence, including coverage for property damage, bodily injury and wrongful death (which limit may be increased by written notice from Tenant to correspond to any increases in the limits specified in the New Mexico Tort Claims Act; such insurance shall cover contractual liability which may arise under this Lease; and

(2) fire and extended coverage, or "all risk" coverage, for at least 80% of the

actual cash value of the premises.

Such insurance policy or policies shall name Tenant as an additional insured. A certificate evidencing such insurance shall be furnished and attached to this lease prior to the commencement date.

(c) To the extent permitted under their respective insurance policies, Landlord and Tenant waive all rights for damages arising out of any damage to or destruction of the premises caused by fire or other perils insured against under the insurance Landlord is required to carry under this Lease. In the event of loss or damage to the premises or its contents, the parties shall look first to insurance in their favor before making any claim against the other party.

11. **CONDITION OF PREMISES.** Landlord warrants that the premises will be in good and safe condition, structurally sound and of safe design and that it complies with all applicable laws, ordinances, rules and regulations prior to the commencement date of this Lease or within such additional period granted by Tenant in writing. Landlord's warranty provided in this paragraph shall continue for the term of this Lease, and any extensions thereof. Failure to correct any dangerous conditions after reasonable notice to Landlord constitutes grounds for immediate termination of the Lease at Tenant's discretion.

12. **HANDICAPPED ACCESS.** Landlord warrants that the leased premises meet the standards for physically handicapped persons' access required by law for public buildings, and/or for the programs Tenant has indicated will be using the leased premises, or will meet such standards prior to commencement of the Lease.

13. **IMPROVEMENTS BY LANDLORD.** Landlord agrees to make the following improvements or alterations prior to the commencement date of the Lease:

[Note: Specify or indicate "None". Attach separate list Exhibit "C" as necessary.]

14. **DUTY TO MAINTAIN PREMISES.**

(a) Landlord has the duty to reveal to Tenant all structural defects of which he knows or reasonably should know, and to repair all structural defects in the premises.

(b) Landlord has the duty to maintain the exterior of the premises, including roof systems, all glass, any grounds and parking lots, in safe condition and in good repair and condition. Tenant has no duty to inspect and notify Landlord of exterior conditions.

(c) Landlord has the duty to maintain and repair heating, ventilation, and air conditioning systems, and the interior of the premises, except improvements installed by Tenant with Landlord's written permission.

15. **RIGHT OF ENTRY.** Landlord or his agent has a right to enter the premises to

inspect, to make repairs, and for other reasonable purposes but only with Tenant's prior permission, which shall not be unreasonably withheld. In an emergency, such as fire, Landlord or his agent may enter the premises without securing Tenant's prior permission, but shall give Tenant notice of entry as soon thereafter as practicable.

16. **DAMAGE TO PREMISES.** If all or any part of the premises shall be so damaged or destroyed through any cause, other than Tenant's willful act, as to be rendered unfit for Tenant's occupancy, Tenant may declare this Lease terminated and rent shall be payable only to the date of the damage. Alternatively, Tenant in its sole discretion, may continue to occupy any portion useful to it, and the rent shall abate in proportion to the portions not useful to Tenant.

If all or any part of the leased premises shall be damaged through any cause (other than Tenant's willful act or ordinary wear and tear), but shall not be rendered unfit for Tenant's occupancy, Landlord shall repair the premises with all reasonable promptness at Landlord's expense, and the rent shall abate proportionately until repairs are completed. However, if Landlord fails to promptly commence or to expeditiously complete repairs necessary to restore the premises to their former condition, Tenant may declare this Lease terminated and rent, including any fair abatement thereof, shall be payable only to the date of termination.

Tenant's decision as to whether all or any part of the premises is unfit for occupancy shall be final, but Tenant's decision shall be reasonable in the circumstances.

17. **ALTERATIONS.** Tenant shall obtain the Landlord's prior written permission before making any alterations or improvements which cannot be removed without damage to the premises.

18. **OWNERSHIP OF IMPROVEMENTS.** All alterations and improvements made to the premises by Tenant which can be removed without damage to the premises are and shall remain the Tenant's property except as the parties mutually agree otherwise in writing. Such alterations and improvements shall be removed from the premises at the termination of this Lease or any renewal thereof or within such additional time as granted by the Landlord in writing. Alterations and improvements of a permanent nature which cannot be removed without undue damage to the premises shall immediately become Landlord's property except as the parties mutually agree otherwise in writing.

19. **CONDITION OF PREMISES UPON SURRENDER.** At the termination of this Lease, Tenant shall surrender the premises in the condition in which they were on the commencement date of this lease, excepting:

(a) deterioration caused through reasonable use and ordinary wear and tear;

(b) alterations, improvements or additions made with Landlord's express

approval;

(c) any change, damage or destruction not resulting from Tenant's negligent or willful act; and

(d) conditions required to be repaired by Landlord or covered by insurance which Landlord is required to carry under this Lease.

20. HAZARDOUS WASTE. Landlord warrants that there are no hazardous waste substances, toxic waste substances, radioactive waste substances, regulated substances, asbestos, PCBs or other substances (the word "substance" includes liquids, solids and gases) potentially dangerous to human health or the environment or which may require remedy at the behest of any governmental authority located on, in or under the premises and Landlord has received no notice and has no independent knowledge of the possible or actual disposal or use of any such substances on, in or under the premises or any violation or claimed violation of the laws, rules and regulations relating to hazardous waste substances, toxic waste substances, radioactive waste substances, regulated substances, asbestos, PCBs or other similar substances; to the extent any of the above-mentioned substances are removed from or remediated at the premises by the Landlord, Landlord will also provide verification of such removal or remediation. The Landlord warrants that the premises do not contain any underground treatment or storage tanks or gas or oil wells. Landlord shall indemnify and hold Tenant harmless from, and defend Tenant against, any and all loss, cost or liability (including, without limitation, court costs, attorney's fees, consultant's fees, clean-up costs, fines, penalties, damages and amounts paid in settlement, and all direct, indirect, incidental or consequential losses incurred) arising out of any event or condition constituting a breach or inaccuracy of the representations and warranties set forth in this paragraph, or any liability, penalty, cleanup or remediation cost, etc., arising from use or condition of the Premises prior to commencement of this Lease. Landlord's indemnification provided herein shall survive the expiration or termination of this Lease Agreement.

21. COMPLIANCE WITH ENVIRONMENTAL LAWS. Tenant and Landlord mutually agree that individually they shall at all times and in all respects comply with all federal, state and local laws, ordinances and regulations ("Hazardous Materials Laws") relating to industrial hygiene, environmental protection of the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any oil, petroleum products, flammable explosives, PCBs, asbestos, formaldehyde, radioactive materials or waste, or other hazardous toxins, contaminated or polluting materials, substances or waste, including, without limitations, any "hazardous substances", "hazardous materials", "toxic substances" or "regulated substance" under any such laws, ordinances or regulations (collectively, "Hazardous Materials").

22. PAYMENT OF ASSESSMENTS, ETC. Landlord shall pay as they become due all assessments, charges, mortgages, liens and taxes payable in respect to the leased premises during the initial term of this Lease, and any renewal or extension thereof. If

Landlord defaults in paying any such amounts, Tenant, in its sole discretion, may pay any such assessment, charge, mortgage, lien or tax. Upon doing so, Tenant shall be subrogated to the creditor's rights and may deduct the cost of such payment from rent.

23. RIGHT TO ASSIGN OR SUBLEASE. Tenant has the right to assign or sublease the leased premises or any part to any other University administered programs including without limitation, any University auxiliary, collaboration or joint venture, for any remaining term of this Lease or extension thereof. Tenant shall not otherwise assign or sublease the leased premises without first obtaining the written consent of Landlord, which shall not be unreasonably withheld.

24. LIABILITY. As between the parties, each party acknowledges that it will be responsible for claims or damages arising from personal injury or damage to persons or property to the extent they result from negligence of its employees or agents. The liability of the University of New Mexico shall be subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1 et seq., NMSA 1978, as amended.

25. DEFAULT. The following events shall be deemed to be events of default under this Lease:

(a) Tenant shall fail to pay any installment of rent or other monetary sums when due and shall not cure such failure within thirty (30) days after receiving written notice of default from Landlord.

(b) Either party shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rent, and shall not cure such failure within thirty (30) days after written notice thereof except that no event of default shall be deemed to exist with respect to matters which cannot reasonably be cured within thirty (30) days, if steps to cure shall, in good faith, have been commenced within said thirty (30) days and shall be completed with diligence and continuity. The nondefaulting party shall be entitled to reasonable attorney's fees resulting from any event of default.

Upon the occurrence of any event of default as specified herein, either party may declare this Lease terminated, except that Tenant may not terminate this Lease due to nonpayment of rent, unless mutually agreed to by the parties. Within sixty days of such notice of termination Tenant shall surrender the premises and rent shall be due only to the date of such surrender.

26. LANDLORD'S RIGHT TO MORTGAGE, SELL OR ASSIGN; ATTORNMEN. Throughout the term of this Lease, and any extension thereof, Landlord shall have the right to mortgage, assign, sell or otherwise convey its interest in the Leased Premises and Tenant shall, at the request of Landlord, subordinate its interest to that of any mortgagee or other lender of Landlord; provided, however, that Tenant's quiet enjoyment of the premises shall not be disturbed so long as Tenant pays the rent and fulfills the other obligations imposed upon it by this Lease. Upon request of Landlord, Tenant will execute any

document reasonably required to give effect to this paragraph. In the event of a transfer or mortgage of Landlord's interest in the premises, or upon Landlord's written request, Tenant agrees to execute, acknowledge and deliver to Landlord, within ten (10) days after written request, in recordable form, a certificate certifying that the rights of Tenant in the premises are subordinate to and inferior to those of the mortgage lender and certifying, among other things, that this Lease is in full force and effect; that there are no deficiencies or offsets thereto, or stating those claimed by Tenant, as the case may be; that there are no uncured defaults in Landlord's performance thereunder; and that not more than the current month's rent has been paid in advance as of the date the written request was delivered. Tenant agrees that failure by Tenant to deliver such statement within such time shall be deemed conclusively to mean that this Lease is in full force and effect without modifications except as may be represented by Landlord and that the requested representations are true and correct. In the event any proceedings are brought for foreclosure under any mortgage or deed of trust made by the Landlord or any predecessor or any successor covering the Premises, the Tenant shall attorn to the purchaser upon any foreclosure sale and recognize such purchaser as the Landlord under this Lease.

27. QUIET ENJOYMENT. Landlord covenants that if and so long as Tenant pays the rent and performs the covenants hereof, Tenant shall peaceably and quietly have, hold and enjoy the premises for the term herein mentioned, subject to the provisions of this Lease.

28. LEASE BINDING ON HEIRS, ETC. This Lease is binding upon the heirs, executors, administrators, personal representatives, assignees and successors in interest of the parties.

29. AMENDMENTS TO BE IN WRITING. This Lease shall not be altered or amended except by instrument in writing executed by the parties.

30. MERGER OF PRIOR AGREEMENTS. This Lease incorporates all of the conditions, agreements and understandings between the parties concerning the subject matter of this Lease, and all such conditions, understandings and agreements have been merged into this written Lease. No prior condition, agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this written Lease.

31. ADDRESS FOR NOTICES, PAYMENT OF RENT, ETC. Notices required under this Lease and rental payments shall be made at the following addresses, except as changed by written notice to the opposite party:

(a) Landlord: **NAME & ADDRESS**

(b) Tenant: **The University of New Mexico**
(Department Name, Address and Contact)

with a copy to:

UNM Real Estate Office
ATTN.: Kim D. Murphy, Director
MSC01 1030
1 University of New Mexico
Albuquerque, NM 87131

TENANT: THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

By: _____ Date _____
David W. Harris
Executive Vice President for Administration

By: _____ Date _____
Bruce Cherrin
Director Purchasing and Materials Management

Reviewed and Approved by:

Kim D. Murphy,
Director of Real Estate

STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me this _____ day of _____, by **David W. Harris, Executive Vice President for Administration** on behalf of the Board of Regents of the University of New Mexico, a body corporate of the State of New Mexico.

Notary Public

My commission expires:



STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
PROPERTY CONTROL DIVISION
Joseph Montoya Building
1100 S. St. Francis Drive, Rm. 2022
P.O. BOX 6850
Santa Fe, New Mexico 87502-0110



This lease is made and entered into in triplicate between, [Click here and type Lessors name], Lessor and [Click here and type Lessee name], Lessee an agency or instrumentality of the State of New Mexico, pursuant to Section 15-3-2(A)(5) NMSA 1978 and GSD Rule 1 NMAC 5.21 and amendments thereto.

Lessor and Lessee agree as follows:

* 1. **Property Leased.** In consideration of the terms and conditions in this lease, Lessor leases to Lessee, and Lessee Leases from Lessor, those premises with appurtenances, situated in [Click here and type City name] County of [Click here and type County name], New Mexico, described as:

"[Click here and type Street Address, Suite #, City, State & Zip]"

a. Include description of property including legal description where readily available, inventory of Lessor's furnishings and other property associated with the leased premises which shall remain on premises.

b. Square Footage of Leased Space

Leasable: [Click here and type LSF] Usable: [Click here and type USF]

c. Designated Parking Facilities

Total Number:[Click here and type # required] Accessible:[Click here and type # required] Van Accessible: [Click here and type # required]

* 2. **Term.** The term of this lease is for [Click here and type the length of initial term]
(number of months, years, etc.)

commencing [Click here and type date] , and terminating [Click here and type date]

* 3. **Option To Renew.** In partial consideration for rent paid under this lease, Lessor "[Click here and type DOES or DOES NOT]" ,

("does or does not")

grant Lessee, its successors and assignees the first option to renew this lease. The renewal shall be for a term of [Click here and type data (number of months, years, etc., not to exceed original lease term)] and shall be subject to the same terms and conditions set forth in this lease for the original term, except as may be provided otherwise in this lease with regard to rent. Lessee may exercise this option, if any, by giving Lessor written notice at least thirty days prior to the expiration of the current term.

4. **Holding Over.** Lessee's holding over or continued use or occupancy shall be construed as a month to month tenancy at the same monthly rent and subject to the same terms and conditions set forth in this lease.

Asterisked (*) provisions shall be filled in. Where appropriate, enter "N/A" or "None".

F

APPENDIX H: General Services Department (GSD) standardized lease

* 5. **Rent.** In consideration of this lease, Lessee shall pay rent in the following manner.

YR	DATE BEGINNING	ANNUAL AMOUNT	MONTHLY AMOUNT	ANN. LEASEABLE SQ. FT. RATE	* OPTION YEARS
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

The total rent for the initial term is (not including option years) [Click here and type amount of \$ for initial term of lease]

The Lessee has the sole responsibility for paying rent. Lessor should anticipate a delay in the first rent payment of each new fiscal year (July payments). The Department of Finance and Administration closes out all accounts for the fiscal year at that time and all payments may be delayed.

* 6. **Use of Leased Premises.** Lessee shall use the leased premises for purposes of carrying on state business. More particularly, Lessee shall use the leased premises for, among other things:

"[Click here and type use of leased premises]"

Lessor agrees that the premises are suitable for this (these) purpose(s) or has revealed to Lessee any reasons Lessor knows of or reasonably should know of why the premises might not be suitable for such purpose(s).

* 7. **Condition of Premises.** Lessor warrants that the premises are in good and safe condition, structurally sound and of safe design and that they comply with all applicable building codes, ordinances, rules and regulations, except as noted:

"[Click here and type noted conditions of leased premises or \"N/A\" or \"None\"]"

All noted conditions shall be rectified prior to the inception of this lease or within sixty (60) days thereafter. Failure to correct any dangerous condition constitutes substantial breach.

Asterisked (*) provisions shall be filled in. Where appropriate, enter "N/A" or "None".

APPENDIX H: General Services Department (GSD) standardized lease

8. **Accessibility to the Disabled.** The Lessor warrants that the premises shall meet standards consistent with the Americans with Disabilities Act (ADA) within sixty (60) calendar days of the execution of this lease. The Lessor also warrants that the premises will be maintained in compliance with these standards.
9. **Delivery of possession.** Lessor warrants that the premises will be vacant and will put Lessee in possession on the first day of the initial or any subsequent term.
10. **Damage to Premises.** If at the inception of this lease or at any time thereafter (including any renewal) all or any part of the leased premises shall be so damaged or destroyed through any cause, other than Lessee's willful act as to be rendered unfit for Lessee's occupancy, in Lessee's judgment, Lessee may declare this lease terminated and rent shall be payable only to the date of the damage. Alternatively, Lessee, in its sole discretion, may continue to occupy any portion useful to it, and the rent shall abate in proportion to the portions not useful to Lessee.

If at the inception of this lease or at any time thereafter (including any renewal) all or any part of the leased premises shall be so slightly damaged through any cause, other than Lessee's willful act, ordinary wear and tear or repair subject to routine maintenance, as not to be rendered unfit for Lessee's occupancy, in Lessee's judgment, Lessor shall repair the premises with all reasonable promptness, at Lessor's expense, and the rent shall abate fairly until repairs are completed. However, if Lessor fails to promptly commence or to expeditiously complete repairs necessary to restore the premises to their former condition, Lessee may declare this lease terminated and rent, including any fair abatement thereof, shall be payable only to the date of termination. Alternatively, if Lessor fails to promptly commence or to expeditiously complete repairs, Lessee, in its sole discretion, may perform or cause to be performed such repairs, and may deduct the costs from rent, including any fair abatement.

Lessee's decision as to whether all or any part of the premises is fit or unfit for occupancy shall be final, but Lessee's decision shall be reasonable in the circumstances.

11. **Alterations.** Lessee shall obtain the Lessor's written permission before making any alterations or improvements of a permanent nature.
12. **Ownership of Improvements.** All alterations and improvements made to or placed in the premises by Lessee are and shall remain the Lessee's property except as the parties mutually agree otherwise in writing, if such alterations and improvements can be removed without undue damage to the premises and are, in fact, removed by Lessee prior to termination of this lease or any renewal thereof or within a reasonable time after termination. Alterations and improvements of a permanent nature which cannot be removed without undue damage to the premises shall become Lessor's property except as the parties mutually agree otherwise in writing.
13. **Condition of Premises upon Surrender.** At the termination of this lease, Lessee shall surrender the premises in the condition in which they were at the inception of this lease, excepting:
 - a. deterioration caused through reasonable use and ordinary wear and tear;
 - b. alterations, improvements or conditions made with Lessor's written approval; and
 - c. any change, damage or destruction not resulting from Lessee's willful act.
14. **Payment of Assessments, etc.** Lessor shall pay as they become due all assessments, charges, mortgages, liens and taxes payable in respect to the leased premises during the term of this lease. If Lessor defaults in paying any such amounts, Lessee, in its sole discretion, may pay any assessment, charge, mortgage, lien or tax. Upon doing so, Lessee shall be subrogated to the creditor's rights and may deduct the cost of such payment from rent.

Asterisked (*) provisions shall be filled in. Where appropriate, enter "N/A" or "None".

APPENDIX H: General Services Department (GSD) standardized lease

* 15. **Utilities, Janitorial Services and Supplies.** Utilities, janitorial services and supplies shall be paid for by the party indicated by an "X." (Where not applicable, enter "N/A"):

	Lessor	Lessee
a. water	[place X]	[place X]
b. sewer	[place X]	[place X]
c. refuse disposal	[place X]	[place X]
d. gas	[place X]	[place X]
e. electricity	[place X]	[place X]
f. janitorial services and supplies	[place X]	[place X]
g. other (specify) _____	[place X]	[place X]

16. **Right of Entry.** Lessor or his agent has a right to enter upon the leased premises to inspect, to make repairs and for other reasonable purposes, with Lessee's permission, which shall not be unreasonably withheld. In an emergency, such as fire, Lessor or his agent may enter the premises without securing Lessee's prior permission, but shall give Lessee notice of entry as soon thereafter as practicable.

17. Duty to Maintain Premises.

- a. Lessor has the duty to reveal to Lessee all structural defects of which he knows or reasonably should know, and to repair all structural defects in the premises.
- b. Lessor has the duty to repair and maintain the exterior of the premises, including but not limited to: roof, windows, grounds, parking lots, sidewalks, doors and lighting in safe condition and in good repair and condition. Lessee has the duty to inspect and notify Lessor of exterior conditions.
- c. Lessor has the duty to repair and maintain the interior of the premises, including but not limited to: cooling system, heating system, plumbing, lighting, doors, flooring, wall finishes, except as otherwise provided in paragraphs 10 and 13.
- d. If, after written notification, the Lessor fails to perform required maintenance, the Lessee may abate rent, or perform the maintenance and withhold the cost of the maintenance from the Lessor.

18. **Right to Assign or Sublease.** Lessee has the right to assign or sublease the leased premises or any part of them to other state agencies or to qualified tenants for any remaining term of this lease. Lessee shall notify Lessor immediately upon execution of any sublease or assignment, or at such other time as may be provided in this lease. Lessee's obligation to pay the portion of the rent represented by the sublease or assignment shall cease upon the furnishing of such notice to Lessor.

19. Duty to Insure.

- a. During the term of this lease and any extension thereof, Lessee shall provide coverage for liability of Lessee and its "public employees," as defined in the Tort Claims Act, and for its personal property and tenant's improvements and betterments, as required by New Mexico law.
- b. During the term of this lease and any extension thereof, Lessor shall maintain in force a policy or policies of insurance providing:
 - 1. comprehensive general liability coverage of not less than \$1,000,000 limit per occurrence, including coverage for property damage, bodily injury and wrongful death. Such insurance policy or policies shall name the "State of New Mexico, its branches, agencies, instrumentalities and public employees" as additional insured, and
 - 2. fire, lightning and extended coverage, or "all risk" coverage, for at least 80% of the actual cash value of the premises.
- c. To the extent permitted under their respective insurance policies, Lessor and Lessee waive all rights, against each other, for damages arising out of any damage to or destruction of the leased premises caused by fire or other perils insured against.

Asterisked (*) provisions shall be filled in. Where appropriate, enter "N/A" or "None".

APPENDIX H: General Services Department (GSD) standardized lease

- d. Lessor releases and discharges the Lessee and its "public employees" as defined in the Tort Claims Act from any and all claims, damages and causes of action arising out of any damage to or destruction of the leased premises where such damage or destruction was not caused by the willful act of Lessee or any of its "public employees."
 - e. Lessor shall provide certificates of coverage or proof of self-insurance evidencing compliance with this section which shall be attached to this lease at the time of execution. Lessor shall notify Lessee within ten days after cancellation or expiration of any required coverage.
20. **Right to Terminate upon Breach of Condition or Agreement.** Either party may terminate this lease upon the other party's substantial breach of any term or condition contained in this lease, provided that the breaching party shall be given thirty (30) days from the receipt of written notice of a substantial breach to cure the breach or to begin and proceed, with due diligence, to cure a breach that cannot be cured within thirty (30) days. In the event of a substantial breach, the non breaching party shall give the breaching party written notice that describes the nature of the breach and notifies the breaching party that, unless the breach is cured within the time limits contained herein, the lease shall terminate without further notice at the end of the cure period. Upon termination of the lease, the Lessee shall surrender the premises to the Lessor and shall be obligated to pay rent only to the date of surrender.
21. **Special Damages.** If through Lessor's willful breach of any term or condition, Lessee must vacate or cannot take possession of the leased premises, Lessee may recover, in addition to any other damages, special damages, including the cost of employee time lost, moving costs and all other reasonably ascertainable costs connected with relocating to other premises.
22. **Lease Binding on Heirs, etc.** This lease is binding upon the heirs, executors, administrators, personal representatives, assignees and successors-in-interest of the parties.
23. **Amendments to be in Writing.** This lease shall not be altered or amended except by instrument in writing executed by the parties.
- * 24. **Address for Notices, Payment of Rent, etc.** Notices required under this lease and rental payments shall be made at the following addresses, except as changed by written notice to the opposite party:
- a. Lessor: [Click here and type Company name] Telephone No.: [Click here and type phone number]
[Click here and type address] Fax No.: [Click here and type fax number]
[Click here and type address] E-mail [Click here and type email address]
[Click here and type address]
 - b. Lessee: [Click here and type agency name] Telephone No.: [Click here and type phone number]
[Click here and type address] Fax No.: [Click here and type fax number]
[Click here and type address] E-mail [Click here and type email address]
[Click here and type address]
25. **Merger of Prior Agreement.** This lease incorporates all of the conditions, agreements and understandings between the parties concerning the subject matter of this lease, and all such conditions, agreements and understandings have been merged into this written lease. No prior condition, agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this written lease.
26. **Property Control Division Approval.** This lease shall not be binding or effective until approved by the Property Control Division Director.

Asterisked (*) provisions shall be filled in. Where appropriate, enter "N/A" or "None".

APPENDIX H: General Services Department (GSD) standardized lease

* LESSEE: (AGENCY NAME) "[Click here and type State Agency Name]"

* By: _____ (signature)
* Name: "[Click here and type name of signatory]"
* Title: "[Click here and type title of signatory]"

STATE OF NEW MEXICO)
)ss
* COUNTY OF)

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____, an officer or employee of the State of New Mexico, on behalf of the State of New Mexico.

My commission expires: _____

Notary Public

* LESSOR: "[Click here and type NEW Lessor or Entity Name]"

* By: _____ (signature)
* Name: "[Click here and type name of signatory]"
* Title: "[Click here and type title of signatory]"

Use appropriate acknowledgement.

(1) (For a natural person acting in his own right:)

STATE OF NEW MEXICO)
) ss.
* COUNTY OF)

The foregoing instrument was acknowledged before me this ____ day of _____, _____, by _____.

My commission expires: _____

Notary Public

(2) (For a partnership acting by one or more partners:) **

STATE OF NEW MEXICO)
) ss.
* COUNTY OF)

The forgoing instrument was acknowledged before me this ____ day of _____, _____ by _____, partner(s) on behalf of _____, a partnership.

My commission expires: _____

Notary Public

Asterisked (*) provisions shall be filled in. Where appropriate, enter "N/A" or "None".

APPENDIX H: General Services Department (GSD) standardized lease

(3) (For a corporation or incorporated association:) **

STATE OF NEW MEXICO)
) ss.
* COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____, of _____,

a _____ corporation, on behalf of said corporation.

My commission expires:

Notary Public

** Where Lessor is a partnership, corporation, or association, list all partners, officers and directors as may be applicable. This information shall be reflected in the space provided below.

APPROVED:

Alterations and additions to this lease form must be reviewed separately.

Additions to the standard Lease of Real Property have been reviewed and approved by:

_____ (signature)

Attorney's Name: "[Click here and type name of attorney]"

Title: "[Click here and type agency title of attorney]"

**GENERAL SERVICES DEPARTMENT
Property Control Division**

_____ (signature)
Director

Date: _____

Asterisked (*) provisions shall be filled in. Where appropriate, enter "N/A" or "None".