

AGENDA ITEM EXECUTIVE SUMMARY

- I. Public Education Commission Meeting Date: April 13, 2018
- II. Item Title: Facility Concerns Regarding:
 - A. School of Dreams Academy
 - B. Student Athlete Headquarters
- III. Executive Summary and Proposed Motions:

Please find materials regarding concerns about facility arrangements at each of the above identified schools.

A. School of Dreams Academy

Poulos, Katie, PED

From: Denise Irion <dirion@nmppsfa.org>
Sent: Monday, March 19, 2018 11:34 AM
To: Ortiz, Antonio, PED; Rael, Marian K., PED
Cc: Martica Casias; Jonathan Chamblin; Poulos, Katie, PED
Subject: SODA Charter School Leases
Attachments: Foundation Lease - School of Dreams amendment signed.pdf; Foundation Lease - School of Dreams.pdf; Village Lease - School of Dreams amendment signed.pdf; Village Lease - School of Dreams.pdf

Good Morning,

Attached are leases and lease amendments associated with School of Dreams (SODA) Charter School. They have two leases:

- Village of Los Lunas and School of Dreams Charter School
- School of Dreams Foundation and School of Dreams Charter School

Upon review of these leases, there are questions that require PED review. In summary:

- PED has not received a lease purchase agreement for approval from SODA (confirmed via email Robert Sanchez on 3/22/18). The lease with the Village of Los Lunas is for site/building improvements and land. Land amount is not specifically listed in lease and is included in the amortization schedule. Also there is a question as to why SODA would lease site improvements from the Village of Los Lunas. The lease purchase arrangement requires review and approval by PED.
- The School of Dreams Foundation and SODA lease is for building improvements. On the signature page of the lease, the principal and founder of SODA has signed as the President of the School of Dreams Foundation while the board president has signed for SODA. The structure of the charter is questioned and it would seem to be a conflict of interest for the charter's school founder/principal to be the president of the foundation.
- Overall, PSFA suggest review of both leases by legal counsel.

I am available to meet to discuss if you have any questions. I will be at meeting and trainings tomorrow 3/20/18 but available the rest of the week.

Thanks,

Denise A. Irion, CFO

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LEASE AGREEMENT

By and Between

**VILLAGE OF LOS LUNAS, NEW MEXICO,
A New Mexico municipal corporation,**

and

**THE SCHOOL OF DREAMS ACADEMY,
A New Mexico public charter school**

DATED AS OF Oct 1, 2016

LEASE AGREEMENT

This Lease Agreement (this "Lease") is entered into by and between Village of Los Lunas, a New Mexico municipal corporation (the "Village"), as lessor, and School of Dreams Academy, a New Mexico public charter school, (the "School"), as lessee, effective as of _____.

RECITALS

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

A. On _____ the Village entered into Purchase and Sale Agreements for certain real property in Valencia County, New Mexico and more particularly described on Exhibit A (the "Property").

B. The Property has been designated as a blighted area by the Village pursuant to the Metropolitan Redevelopment Code, §3-60A-1, et. seq ("Code"), and the Village is acquiring the Property and entering into this Lease in accordance with the Code and in furtherance of the Metropolitan Redevelopment plan adopted by the Village on December 17, 2015.

C. The School and their successors and assigns, from the date of the execution of this Lease, and for the next twenty (20) years thereafter, shall be obligated to devote the Property only to the uses specified in the metropolitan redevelopment plan adopted by the Village on December 17, 2015.

D. The Village will close on the purchase of the Property simultaneously with entering into this Lease.

D. As of the date hereof, the Property is vacant. Under the terms of this Lease, the Village shall cause the Property to be improved in accordance with the specifications attached as Exhibit "B" hereto (collectively, the "Improvements"). As of the date of execution of this Lease, the Village has secured the necessary funds to complete the Improvements to the Property. After completion of the Improvements, the school facility leased to the School pursuant to this Lease will meet educational occupancy and adequacy requirements according to New Mexico school building requirements, and will meet or exceed the weighted New Mexico Condition Index for public schools established by the New Mexico Public School Facilities Authority ("PSFA").

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

F. The Village is a municipal 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.

G. The School desires to lease the Land and the Improvements (collectively, the "Property") from the Village, and the Village desires to lease the Property to the School.

H. The School desires to have and the Village agrees to extend to the School a right to enter a Lease-Purchase Agreement pursuant to the Public Schools Lease Purchase Act, NMSA 1978 §§22-26A-1, *et seq.*, and substantially in the form attached hereto as Exhibit C, pursuant to Section 32 herein.

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:

1. **Demise.** The Village hereby leases the Property to the School, and the School hereby leases the Property from the Village. The Village shall not interfere with the quiet use and enjoyment of the Property by the School during the Initial Term (and any Extended Terms) of this Lease so long the School is not in default under the terms of this Lease. Provided, however, that notwithstanding the foregoing, the School shall not take possession of the Property, nor shall the School be required to pay any Base Rent or Additional Rent under this Lease Agreement, until all Improvements described in Exhibit B hereto are substantially complete, which date shall in no event be later than August 1, 2016.

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

3. **Initial Term.** The Initial Term of this Lease shall be for a period commencing on the date of this Lease and ending no later than June 30, 2017 ("Initial Term"), unless sooner terminated pursuant to any provision of this Lease or in the event the School and Village enter into a Lease-Purchase Agreement. This Lease is contingent upon sufficient appropriations being made by the State of New Mexico for performance of this Lease. If sufficient appropriations and authorization are not made by the State of New Mexico, this Lease may terminate prior to the end of the term. During the Initial Term, School shall have no obligation to pay any Base Rent or Additional Rent under this Lease until the Improvements have been certified as substantially complete and School begins its use of the Property.

4. Extended Terms. The School shall be entitled to extend the term of this Lease beyond the Initial Term for nineteen (19) additional terms (each an "Extended Term"), with the first extended term commencing on July 1, 2017 and ending on the next following June 30th, and each subsequent additional term being one (1) year in duration, provided that this Lease has not been previously terminated and that the School is not in default under the terms of this Lease at the time of each extension. The School shall give written notice of the intent to extend at least thirty (30) days prior to the expiration of the then-current term. The School is under no obligation to extend the term of this Lease at any time, and the School shall have no further right to extend the term of this Lease beyond the expiration of the extensions provided for above. Further, any Extended Term is contingent upon sufficient appropriations being made by the State of New Mexico to the School for performance of this Lease. If sufficient appropriations and authorization are not made by the State of New Mexico to the School, this Lease may terminate prior to the end of the then current term.

5. Use. The Property, for the next twenty (20) years shall be used and occupied only for educational and related purposes or those purposes established in the Metropolitan Redevelopment Plan adopted by the Village on December 17, 2015, and for no other purposes. No portion of the Property shall be used primarily for pervasively sectarian purposes. The School will comply with all applicable state and federal laws concerning discrimination on the basis of race, creed, color, gender, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of persons working for the School.

6. Rental Commencement Date; Base Rent. The School shall not be obligated to pay any Base Rent until the Rental Commencement Date. The Rental Commencement Date shall be August 1, 2016, 2016; provided that all Improvements described in Exhibit B hereto are substantially complete unless the Lease is earlier terminated or not renewed. From and after the Rental Commencement Date during all Extended Terms of this Lease, the School shall pay Base Rent directly to the Village or to a person designated by the Village as the Village's representative for rent collection purposes, on the fifteenth (15th) day of each month of an Extended Term from any and all legally available sources of revenue, including per pupil operating revenues payable to the School. The Base Rent for this Lease and any Extended Term shall be in the monthly amount of \$22,118.28 per month. The Village and the School agree that the Base Rent does not include payments for repairs, maintenance, operating expenses and the like, which are otherwise obligations of the School under Sections 7 and 16 of this Lease.

7. Absolute Net Lease. The School shall pay as Additional Rent during any Extended Terms of this Lease as herein provided all expenses of operation of the Property. Commencing with the Rental Commencement Date, this Lease is intended to be and shall be construed consistently with it being an absolute net lease with the School paying all expenses related to the Property, including without limitation, (i) the cost of insurance premiums for insurance deemed necessary or desirable in Lessor's reasonable discretion; (ii) the cost of taxes, utility charges, maintenance, upkeep, and repair costs; and (iii) all other costs associated with operation, repair and maintenance of the School Site (collectively, "Operating Expenses"). Portions of Operating Expenses may be, at the Village's option, be paid by the School directly to

the third parties who are owed certain amounts included in additional rent (e.g. insurance companies, taxing authorities, utility companies).

8. Nature of Payment. The School and the Village 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 Lease until the School occupies the Improvements. The School's obligations under this Lease shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation either of governmental powers or as a donation by or a lending of the credit of the School within the meaning of any constitutional or statutory limitation or requirement. This Lease does not directly or indirectly obligate the School to make any payments beyond those appropriated for any Fiscal Year for which such payments have been appropriated.

9. Manner of Payment. The Base Rent and any Additional Rent shall be paid, commencing on the Rental Commencement Date and continuing on the fifteenth (15th) day of every month of the Term or any Extended Term thereafter by lawful money of the United States of America in the manner reasonably directed by the Village. The obligation of the School to pay the Base Rent and Additional Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The School shall, during the Initial Term (and any Extended Terms) of this Lease, make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent or 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 Village shall affect the School's obligation to pay Base Rent and Additional Rent of this Lease.

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

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. The School is authorized: (i) to lease the Property from the Village pursuant to this Lease; (ii) to lease the Improvements from the

Village pursuant to this Lease, and (iii) to execute, deliver, and perform its obligations under this Lease.

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

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

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

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

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

(g) The Property will be operated in accordance with all Requirements of Law. As used herein, "Requirements of Law" means any material federal, state, or local statute, ordinance, rule, or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any applicable common-law doctrine, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including any of relating to environmental, health, or safety matters.

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

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

(a) The Village is a municipal 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 landlord) real and personal property, has all necessary power to lease the Property to the School pursuant to this Lease, and to execute, deliver, and perform its obligations under this

Lease and has duly authorized the execution, delivery, and performance of its obligations under this Lease.

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

(d) The Improvements will be constructed to educational occupancy standards, will meet all applicable state adequacy standards, and at the time of completion, the Property will meet or exceed the statewide condition index for public schools maintained by the New Mexico Public Schools Facilities Authority ("PSFA"). The Property will be leased by the Village in accordance with all Requirements of Law.

(e) The execution and delivery of this Lease, or the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which the Village is now a party or by which the Village is bound or constitutes a default under any of the foregoing.

(f) Except as specifically provided in this Lease, the Village will not assign the Lease, 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 Village, there is no litigation or proceeding pending or threatened against the Village or any other person affecting the right of the Village to execute and deliver this Lease, or the ability of the Village otherwise to comply with its obligations under this Lease.

(h) To the knowledge of the Village: (i) the Property has at all times been operated in substantial compliance with all Requirements of Law; (ii) all permits required by Requirements of Law in respect of the Property have been obtained and are in full force and effect and the School is in substantial compliance with the material terms and conditions of such permits; (iii) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other person or entity relating to, or alleging, any violation of any Requirements of Law in connection with the Property and there are no grounds on which any such litigation, investigation or proceedings might be commenced; (iv) the Property is not subject to any judgment, injunction, writ, order, or agreement respecting any

Requirements of Law; (v) there is no hazardous substance (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.*, any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in, or under the Property or the Improvements 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 or the Improvements in violation of any Requirements of Law; and (vii) there has been no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any of the items referred to in clause (v) into the indoor or outdoor environment from, into, or out of the Property or the Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into, or out of the Property or the Improvements 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 or the Improvements in violation of any Requirements of Law.

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

14. Liens and Encumbrances. The School shall not permit any mechanic's or other lien to remain against the Property; provided that if the School shall first notify the Village 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 Village 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 which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Village's interest in the Property or title to the Improvements 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 Village will cooperate fully with the School in any such contest, upon the request and at the expense of the School, to the extent that Additional Rent which has been specifically appropriated by the School is available for the payment of such expenses. The School shall not directly or indirectly create, incur, or assume any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property.

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 in 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.*, any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in or under the Property in violation of any Requirements of Law; (d) there shall be no disposal of any of the items referred to in clause (c) on, from, into or out of the Property or on, from, into or out of the Improvements in violation of any Requirements of Law; and (e) there shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any of the items referred to in clause (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.

16. Maintenance. The parties acknowledge that during the Initial Term of this Lease, the Village will commence and complete the construction of the Improvements as set forth in Exhibit B, and, until August 1, 2016 or such time as School takes occupancy, the Village agrees that it will maintain, preserve, and keep the Property or cause the Property to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the Village will from time to time make or cause to be made all necessary and proper repairs, where applicable, until the Improvements are certified for School's occupancy. Thereafter, and for any Extended Term, the School agrees to maintain, preserve, and keep the Property or cause the Property to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the School will from time to time make or cause to be made all necessary and proper repairs. Except as expressly set forth in this Section 16, the Village shall not have any responsibility for the making of any additions, modifications, or replacements to the Property or the Improvements after August 1, 2016 or after such time as School takes occupancy and during any Extended Term of this Lease.

17. Modifications. During any Extended Term of this Lease, with the Village's prior written consent, the School may remodel or make substitutions, additions, modifications, or improvements to the Property or the Improvements, at its own cost and expense, and the same (if permanently affixed) shall be part of the Property, or the Improvements, as the case may be, subject to, and shall be included under the terms of this Lease; provided, however, that (i) such remodeling, substitutions, additions, modifications, and improvements shall not in any way damage the Improvements; and (ii) the Improvements, as remodeled, improved, or altered, upon completion of such remodeling, or such making of substitutions, additions, modifications, and

improvements, shall be of a value not less than the value of the Improvements immediately prior to such remodeling or such making of substitutions, additions, modifications, and improvements.

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 Improvements. All such equipment and personal property shall remain the sole property of the School in which the Village shall not have any interest; provided, however, that any such equipment and personal property which becomes permanently affixed to the Property shall become part of the Improvements, subject to this Lease and shall be included under the terms of this Lease.

19. Initial Term -Taxes and Assessments. During the Initial Term up to August 1, 2016, if the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the Village shall pay the amount of all such taxes, assessments, and governmental charges then due as of August 1, 2016. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Village shall be obligated to provide only for such installments as are required to be paid up to August 1, 2016 during the Initial Term. The Village shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Property or Improvements or any portion thereof.

20. Extended Term – Taxes and Assessments. Beginning on August 1, 2016, and for any Extended Term, if the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the 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 which 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 Extended Terms of this Lease. The School shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Property or Improvements or any portion thereof (including any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Property or any portion thereof, or any interest therein, including the interest the Village) or the rentals and revenues derived therefrom or hereunder. If the School shall first notify the Village 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 Village 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 which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Property or the Improvements or any portion thereof will be subject to loss or forfeiture, or the Village will be subject to liability, in which event such tax, assessment, or other charges shall, to the extent that amounts for Additional Rent which have been specifically appropriated by the School are available for the payment thereof, be paid promptly or secured by posting a bond with the Village in form satisfactory to the Village

(provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, or other charges).

21. Utilities. During the Initial Term of the Lease until School's occupancy, the Village shall pay for all gas, water, steam, electricity, heat, power, utility, and other charges incurred in the maintenance and upkeep of the Property. After the School's occupancy and for any Extended Term, the School shall pay, as the same respectively become due, all gas, water, steam, electricity, heat, power, utility, and other charges incurred in the maintenance and upkeep of the Property and the Improvements, and the School shall place all such utilities in its name.

22. Insurance – Initial Term. During the Initial term, the Village shall, at its own expense, obtain and maintain or cause its contractor to obtain and maintain the following policies of insurance. 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 Village and the School, 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 Village or the School without first giving written notice thereof to the Village and the School at least thirty (30) days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with the School upon request; (v) full payment of insurance proceeds under any insurance policy up to the dollar limit required by this Section in connection with damage to the Property or the Improvements shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School; and (vi) to the extent the Village can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. The Village may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks.

(a) Casualty and property damage insurance with respect to the Property and the Improvements in an amount equal to the full replacement value of the Property and the Improvements.

(b) Commercial general liability insurance against claims arising in, on, or about the Improvements, including in, on, or about the sidewalks, parking lots, or premises adjacent to the Improvements, providing coverage limits not less than the coverage limits customarily carried by owners or operators of facilities of similar size and character within the State.

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

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

23. Insurance - Extended Terms. After School's occupancy and for any Extended Term of the Lease, the School shall, at its own expense, obtain and maintain the following policies of insurance. The insurance policies required by this Section shall meet the following conditions, to the extent allowed by state law or the School's required insurer, the New Mexico Public Schools Insurance Authority ("NMPSIA"): (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 Village, as their respective interests may appear; (iii) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the School and the Village without first giving written notice thereof to the School and the Village at least thirty (30) days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with the Village upon request; (v) full payment of insurance proceeds under any insurance policy up to the dollar limit required by this Section in connection with damage to the Property or the Improvements shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School; and (vi) to the extent the School can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. The School may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks. The School agrees to pay the premiums for any insurance required by the Village, as part of the Additional Rent.

(a) Casualty and property damage insurance with respect to the Property and the Improvements in an amount equal to the full replacement value of the Property and the Improvements.

(b) Commercial general liability and automobile liability insurance against claims arising in, on, or about the Improvements, including in, on, or about the sidewalks, parking lots, or premises adjacent to the Improvements, providing coverage limits not less than the coverage limits allowed by NMPSIA or customarily carried on public school facilities of similar size and character within the State.

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

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

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

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

(a) *Damage, Destruction, or Condemnation.* If, during the term (and any extended terms) of this Lease, (i) the Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; (ii) title to, or the temporary or permanent use of, the Property or any portion thereof or the estate of the School, the County, or the Village 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) 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 School shall be obligated, subject to the provisions of Subsection (c) hereof, to continue to pay the amounts specified in Subsection (b) hereof and, to the extent of amounts specifically appropriated by the School, to pay Base Rent and Additional Rent. As used herein, "Net Proceeds" means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys' fees) incurred in the collection of such gross proceeds.

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

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

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

(i) The School may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the Property or replace the Property (or portion thereof) with property of a value equal to or in excess of the Property, and pay as Additional Rent any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Additional Rent which have been specifically appropriated by the School are available for the payment of such costs, and the School agrees that, if by reason of any such insufficiency of the Net Proceeds, the School shall make any Additional Rental payments pursuant to the provisions of this paragraph, the School shall not be entitled to any reimbursement therefor from the Village, nor shall the School be entitled to any diminution of the Base Rent and Additional Rent.

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Property become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Village may then pursue remedies as provided in Section 24 ("Remedies on Default").

(d) *Insufficiency of Net Proceeds for Improvements.* If there occurs an event described in Subsection (a) hereof, and if any Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement, or replacement of the Improvements required under Subsection (b) hereof, the School shall elect one of the following options:

(i) The School may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the Improvements or replace the Improvements (or portion thereof) with property of a value equal to or in excess of the Improvements, and pay as Additional Rent any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Additional Rent which have been specifically appropriated by the School are available for the payment of such costs, and the School agrees that, if by reason of any such insufficiency of the Net Proceeds, the School shall make any Additional Rental payments pursuant to the provisions of this paragraph, the School shall not be entitled to any reimbursement therefor from the Village, nor shall the School be entitled to any diminution of the Base Rent and Additional Rent.

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Improvements become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Village may then pursue remedies as provided in Section 24 ("Remedies on Default").

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

25. **Events of Default.** Any one of the following shall constitute an "Event of Default" under this Lease: (i) failure by the School to pay any specifically appropriated Base Rent during the Initial Term (and any Extended Terms) of this Lease on, before, or within five (5) days of the applicable due date or to pay Additional Rent which become due during the Initial Term (and any Extended Terms) of this Lease, 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 thirty (30) days after written notice, specifying such failure and requesting that it be remedied shall be given to the School by the Village, unless the party giving such notice shall agree in writing, prior to the expiration of the thirty-day period, to an extension of no more than sixty (60) days; provided, however, that if the failure stated in the notice cannot be corrected within the original thirty-day period, the party giving such notice shall not withhold their consent to an extension of up to sixty (60) days if corrective action shall be instituted by the 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 Initial Term (and any Extended Terms) of this Lease, except as otherwise expressly provided in this Lease; 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 the obligations on the part of the School contained herein and until the termination or end of the Initial Term (and any Extended Terms) of this Lease, 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 Village.

26. Remedies on Default. Subject to the provisions of Section 44 herein, whenever any Event of Default shall have happened and be continuing, the Village may, without any further demand or notice, take one or any combination of the following remedial steps:

(a) Terminate the Initial Term (and any Extended Terms) of this Lease and give notice to the School to vacate the Property within one-hundred twenty days (120) days from the date of such notice.

(b) Lease all or any portion of the Property or the Improvements.

(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 thirtieth (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 of 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 Lease.

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

28. Further Assurances and Corrective Instruments. The Village and the School agree that so long as this Lease is in full force and effect and no Event of Default shall have occurred, the Village and the School shall have full power to carry out the acts and agreements provided herein and they will, so far as it may be authorized by law, from time to time, execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property or the Improvements hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Lease.

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

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

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

32. **Conversion to Lease-Purchase Agreement.** At the discretion and option of the School, the parties agree that this Lease shall be superseded by a Lease with Option to Purchase Agreement, provided approval of the Lease-Purchase Agreement has been approved by the necessary regulatory authorities in the Public Schools Lease Purchase Act, NMSA 1978 §§22-26A-1 et seq., and, as applicable, the Local Government Division of the Department of Finance and Administration. The Lease Purchase Agreement between the School and the Village shall be substantially in the form and upon the terms attached as Exhibit "C" hereto.

33. **Waiver.** No term of this Lease shall be deemed waived unless such waiver is in writing signed by the party making the waiver. No delay or omission by either party in exercising or enforcing any right or power hereof shall impair such right or power or be construed to be a waiver thereof. No custom or practice that may evolve between the parties shall be construed to lessen the right of a party to require the performance of the other party in strict accordance with the terms of this Lease. A waiver by one party of a failure of the other party to fully comply with any of the terms of this Lease shall not be construed to be a waiver of any subsequent failure to comply or any other failure to comply.

34. **Assignment and Subleasing.** This Lease 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 leased, as a whole or in part, by the School, with the consent of the Village, which consent will not be unreasonably withheld; subject, however, to the provisions of Section 5 herein and further subject to each of the following conditions: (i) this Lease, and the obligations of the School hereunder, shall, at all times during the Initial Term (and any Extended Terms) of this Lease, remain direct obligations of the School; (ii) no additional lease shall change the use of the Property; and (iii) a copy of the lease agreement is provided to the Village.

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

36. **Notices.** All notices and communications required or permitted under this Lease (including change of address and facsimile or telephone number set forth below) shall be in writing and shall be deemed given to, and received by, the receiving party: (i) when

hand-delivered to the street address of the receiving party set forth below; (ii) when sent by facsimile transmission to the facsimile number of the receiving party set forth below with a receipt showing delivery; (iii) when sent by electronic mail to the email address set forth below with a receipt showing delivery; (iv) one (1) day after deposit with a national overnight courier addressed to the receiving party at the street address set forth below; or (v) three (3) days after deposit in the U. S. mail, certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

The Village: Mr. Gregory D. Martin, Village Administrator
Village of Los Lunas
660 Main Street SW
Los Lunas, NM 87031

With a copy to: Mr. Laurence P. Guggino, Jr.
Griego and Guggino
PO Box 2430
Los Lunas, NM 87031

The School:

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

37. 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.

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

39. 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.

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

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

42. Approval of Department of Finance. This Lease shall not be effective until/unless approval of its terms has been obtained from the Local Government Division of the Department of Finance and Administration, if and as required by §3-54-2 NMSA 1978.

43. 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.

44. Acceptance of Rent. Receipt or acceptance of Rent by Village and payment of any Rent by School shall not be deemed to be a waiver of any default under the covenants, agreements, terms, provisions and conditions of this Lease, or of any right which Village or School, as the case may be, may be entitled to exercise under this Lease. Failure to insist upon the strict performance of any of the provisions of this Lease or to exercise any right, remedy or election herein contained or permitted by law shall not constitute or be construed as a waiver or relinquishment for the future of such provision, right, remedy or election, but the same shall continue and remain in full force and effect. The waiver by either party of any breach of this Lease shall not be deemed a waiver of any future breach.

45. Consent of Village. Consent of the Village to any act or matter must be in writing and shall apply only with respect to the particular act or matter to which such consent is given and shall not relieve School from the obligation wherever required under this Lease to obtain the consent of the Village to any other act or matter. If School requests Village's consent or approval and Village fails or refuses to give such consent or approval, School shall not be entitled to any damages for any withholding by Village of its consent or approval, it being intended that School's sole remedy shall be an action for specific performance or injunction, and that such remedy shall be available only in those cases where Village has expressly agreed in writing not to unreasonably withhold or delay its consent or where as a matter of law Village may not

unreasonably withhold its consent.

46. Village and School not Partners. Village and School acknowledge that they are not partners or joint venturers and that, except with respect to casualty insurance proceeds and condemnation awards herein, they do not stand in a fiduciary relationship to one another.

47. Invalidity of Term or Provision. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by Law.

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

THE SCHOOL

The School of Dreams Academy,
a New Mexico public charter school

By: Kathy Chavez
Name: Kathy Chavez
Title: Chair

THE VILLAGE

Village of Los Lunas,
a New Mexico municipal corporation

By: Charles Griego
Name: Charles Griego
Title: Mayor

EXHIBIT A
Legal Description

EXHIBIT B
PLANS AND SPECIFICATIONS FOR IMPROVEMENTS
[see attached]

"EXHIBIT B"
SODA Portable Village Improvements

CS#	DESCRIPTION OF SERVICES	SUPPLIER	TOTAL
SITE WORK			
021040	DEMOLITION - Clearing and grubbing of trees and shrubbery, Demolition and disposal of existing asphalt and concrete pads and driveways, Demolition and disposal of existing utility systems.	JAYNES	\$ 10,000
022010	EARTHWORK - Grading of site per engineering	JAYNES	\$ 60,000
154000	WATER - New water service and lateral connections; ave 50" x 30 portables	JAYNES	\$ 21,750
154000	SEWER - New sewer service and lateral connections; ave 50" x 30 portables.	JAYNES	\$ 40,500
154000	GAS - New gas service and lateral connections; ave 50" x 30 portables	JAYNES	\$ 40,500
154000	SEWER TAPS - 18 each	JAYNES	\$ 9,000
154000	SEWER TAPS - 18 each	JAYNES	\$ 15,300
025500	SPECIAL SYSTEMS - Main + Distribution	JAYNES	\$ 22,450
154000	ELECTRICAL - 3 PNM Transformers, 3" underground conduit feed (1200'), 3" conduit comm/data (600'), conductor (100 Amp feed @ 1000 ft), data/comm infrastructure, panel board (x3 @ 200Amp +42 breakers), trenching and backfill	JAYNES	\$ 194,100
154000	PATCH STREET ASPHALT & CURBS - for area within the new portable village school site	JAYNES	\$ 4,410
025500	SITE LIGHTING - 6 pole lights	JAYNES	\$ 15,100
026010	CRACK SEAL - Street crack seal for the area within the new portable village school site	JAYNES	\$ 2,700
026010	SEAL COAT - Street seal coat for the area within the new portable village school site	JAYNES	\$ 4,750
026010	PARKING LOT - Crusher fine parking lot	JAYNES	\$ 27,183
026010	DUMPSTER ENCLOSURE	JAYNES	\$ 7,500
026060	STRIPING AND SIGNAGE	JAYNES	\$ 5,000
027000	FENCING AND GATES - Fencing and security gates; approx 1000'	JAYNES	\$ 35,000
030310	SIDEWALKS - 4' wide x 1000'	JAYNES	\$ 16,000
SUBTOTAL SITE WORK			
			\$ 581,248
PORTABLE VILLAGE CONSTRUCTION			
030300	BIDG CONCRETE - Installation of concrete pads for portable buildings; up to 30 portables	JAYNES	\$ 93,600
SUBTOTAL CONSTRUCTION			
			\$ 93,600
ENGINEERING AND DESIGN			
017123	FIELD ENGINEERING - Engineering of site and proposed improvements	Motzen Corbin	\$ 83,645
017124	ADDITIONAL SERVICES - As quoted by Motzen Corbin	Motzen Corbin	\$ 98,670
013316	SITE DESIGN - Design of portable school campus for SODA	Greer Stafford	\$ 64,979
SUBTOTAL ENGINEERING AND DESIGN			
			\$ 247,294
SUBTOTAL COST OF PORTABLE VILLAGE IMPROVEMENTS			
			\$ 872,137
OTHER COSTS			
N/A	CONSTRUCTION GENERAL CONDITIONS	JAYNES	\$ 30,000
N/A	CONSTRUCTION CONTINGENCY - 10% of Site Work and Construction Subtotals	JAYNES	\$ 62,484
N/A	CONSTRUCTION OVERHEAD - 3% of work performed by Jaynes Incl. Contingency	JAYNES	\$ 21,520
N/A	CONSTRUCTION PROFIT - 6% of work performed by Jaynes Incl. Overhead	JAYNES	\$ 44,331
N/A	G/L BUILDERS INSURANCE	JAYNES	\$ 11,477
N/A	PAYMENT AND PERFORMANCE BOND	JAYNES	\$ 6,892
N/A	RAILWAY LAND COMPANY DEVELOPMENT FEE	RLC	\$ 104,884
N/A	LOS LUNAS GRT (8.3125%) - Transportation figures include GRT	TAKES	\$ 93,410
SUBTOTAL OTHER COSTS			
			\$ 374,998
TOTAL COST OF PORTABLE VILLAGE IMPROVEMENTS			
			\$ 1,247,134

EXCLUSIONS
The following items are not included: IT & Security wiring and devices; Backflow Preventers; Utility Company fees; Water / Sewer / Gas Main Lines (all assumed to be in streets), Permit fees, transportation costs, wood ramps, rehabilitation of portables

EXHIBIT C
FORM OF
Lease-Purchase Agreement
(SEE ATTACHED)

Village Purchases 20.5 Acres and Leases it to SODA with Improvement

Beginning Balance \$3,650,000.00
Interest Rate 4.000%
Months 240
Monthly Payments \$22,118.28
Term 240 Months

Property Address: School of Dream Academy
1000 Juan Perea Rd
Los Lunas, NM

Year 10 figures

PMT	Period	Beginning Balance	Payment	Principal	Interest	Cumulative Principal	Cumulative Interest	Purchase Price
1	Oct-16	\$3,650,000.00	\$22,118.28	\$9,951.62	\$12,166.67			\$3,640,049.38
2	Nov-16	\$3,640,048.38	\$22,118.28	\$9,984.79	\$12,133.49	\$9,984.79	\$12,133.49	\$3,630,064.60
3	Dec-16	\$3,630,063.60	\$22,118.28	\$10,018.07	\$12,100.21	\$20,002.86	\$24,233.71	\$3,620,046.53
4	Jan-17	\$3,620,045.53	\$22,118.28	\$10,051.46	\$12,066.82	\$30,054.32	\$36,300.53	\$3,609,995.06
5	Feb-17	\$3,609,994.06	\$22,118.28	\$10,084.97	\$12,033.31	\$40,139.29	\$48,333.84	\$3,599,910.10
6	Mar-17	\$3,599,909.10	\$22,118.28	\$10,118.59	\$11,999.70	\$50,257.87	\$60,333.54	\$3,589,791.51
7	Apr-17	\$3,589,790.51	\$22,118.28	\$10,152.31	\$11,965.97	\$60,410.19	\$72,299.50	\$3,579,639.20
8	May-17	\$3,579,638.20	\$22,118.28	\$10,186.15	\$11,932.13	\$70,596.34	\$84,231.63	\$3,569,453.04
9	Jun-17	\$3,569,452.04	\$22,118.28	\$10,220.11	\$11,898.17	\$80,816.45	\$96,129.80	\$3,559,232.93
10	Jul-17	\$3,559,231.93	\$22,118.28	\$10,254.18	\$11,864.11	\$91,070.63	\$107,993.91	\$3,548,978.76
11	Aug-17	\$3,548,977.76	\$22,118.28	\$10,288.36	\$11,829.93	\$101,358.98	\$119,823.84	\$3,538,690.40
12	Sep-17	\$3,538,689.40	\$22,118.28	\$10,322.65	\$11,795.63	\$111,681.63	\$131,619.47	\$3,528,367.75
120	Sep-26	\$2,199,413.49	\$22,118.28	\$14,786.90	\$7,331.38	\$1,455,421.80	\$1,176,653.76	\$2,184,627.58
121	Oct-26	\$2,184,626.58	\$22,118.28	\$14,836.19	\$7,282.09	\$1,470,258.00	\$1,183,935.85	\$2,169,791.39
122	Nov-26	\$2,169,790.39	\$22,118.28	\$14,885.65	\$7,232.63	\$1,485,143.64	\$1,191,168.48	\$2,154,905.74
123	Dec-26	\$2,154,904.74	\$22,118.28	\$14,935.27	\$7,183.02	\$1,500,078.91	\$1,198,351.50	\$2,139,970.48
124	Jan-27	\$2,139,969.48	\$22,118.28	\$14,985.05	\$7,133.23	\$1,515,063.96	\$1,205,484.73	\$2,124,985.43
125	Feb-27	\$2,124,984.43	\$22,118.28	\$15,035.00	\$7,083.28	\$1,530,098.96	\$1,212,568.01	\$2,109,950.42
126	Mar-27	\$2,109,949.42	\$22,118.28	\$15,085.12	\$7,033.16	\$1,545,184.08	\$1,219,601.18	\$2,094,865.31
127	Apr-27	\$2,094,864.31	\$22,118.28	\$15,135.40	\$6,982.88	\$1,560,319.48	\$1,226,584.06	\$2,079,729.91
128	May-27	\$2,079,728.91	\$22,118.28	\$15,185.85	\$6,932.43	\$1,575,505.33	\$1,233,516.49	\$2,064,544.05
129	Jun-27	\$2,064,543.05	\$22,118.28	\$15,236.47	\$6,881.81	\$1,590,741.80	\$1,240,398.30	\$2,049,307.58
130	Jul-27	\$2,049,306.58	\$22,118.28	\$15,287.26	\$6,831.02	\$1,606,029.06	\$1,247,229.32	\$2,034,020.32
131	Aug-27	\$2,034,019.32	\$22,118.28	\$15,338.22	\$6,780.06	\$1,621,367.28	\$1,254,009.38	\$2,018,682.10
132	Sep-27	\$2,018,681.10	\$22,118.28	\$15,389.35	\$6,728.94	\$1,636,756.63	\$1,260,738.32	\$2,003,292.76
133	Oct-27	\$2,003,291.76	\$22,118.28	\$15,440.64	\$6,677.64	\$1,652,197.27	\$1,267,415.96	\$1,987,852.12
134	Nov-27	\$1,987,851.12	\$22,118.28	\$15,492.11	\$6,626.17	\$1,667,689.38	\$1,274,042.13	\$1,972,360.00
135	Dec-27	\$1,972,359.00	\$22,118.28	\$15,543.75	\$6,574.53	\$1,683,233.13	\$1,280,616.66	\$1,956,816.25
136	Jan-28	\$1,956,815.25	\$22,118.28	\$15,595.56	\$6,522.72	\$1,698,828.70	\$1,287,139.38	\$1,941,220.69
137	Feb-28	\$1,941,219.69	\$22,118.28	\$15,647.55	\$6,470.73	\$1,714,476.25	\$1,293,610.11	\$1,925,573.14
138	Mar-28	\$1,925,572.14	\$22,118.28	\$15,699.71	\$6,418.57	\$1,730,175.95	\$1,300,028.68	\$1,909,873.43
139	Apr-28	\$1,909,872.43	\$22,118.28	\$15,752.04	\$6,366.24	\$1,745,927.99	\$1,306,394.92	\$1,894,121.39
140	May-28	\$1,894,120.39	\$22,118.28	\$15,804.55	\$6,313.73	\$1,761,732.54	\$1,312,708.66	\$1,878,316.84
141	Jun-28	\$1,878,315.84	\$22,118.28	\$15,857.23	\$6,261.05	\$1,777,589.77	\$1,318,969.71	\$1,862,459.61
142	Jul-28	\$1,862,458.61	\$22,118.28	\$15,910.09	\$6,208.20	\$1,793,499.86	\$1,325,177.91	\$1,846,549.53
143	Aug-28	\$1,846,548.53	\$22,118.28	\$15,963.12	\$6,155.16	\$1,809,462.98	\$1,331,333.07	\$1,830,586.41
144	Sep-28	\$1,830,585.41	\$22,118.28	\$16,016.33	\$6,101.95	\$1,825,479.31	\$1,337,435.02	\$1,814,570.08
145	Oct-28	\$1,814,569.08	\$22,118.28	\$16,069.72	\$6,048.56	\$1,841,549.03	\$1,343,483.58	\$1,798,500.36
146	Nov-28	\$1,798,499.36	\$22,118.28	\$16,123.28	\$5,995.00	\$1,857,672.31	\$1,349,478.58	\$1,782,377.07
147	Dec-28	\$1,782,376.07	\$22,118.28	\$16,177.03	\$5,941.25	\$1,873,849.34	\$1,355,419.83	\$1,766,200.04
148	Jan-29	\$1,766,199.04	\$22,118.28	\$16,230.95	\$5,887.33	\$1,890,080.29	\$1,361,307.17	\$1,749,969.09
149	Feb-29	\$1,749,968.09	\$22,118.28	\$16,285.06	\$5,833.23	\$1,906,365.35	\$1,367,140.39	\$1,733,684.04
150	Mar-29	\$1,733,683.04	\$22,118.28	\$16,339.34	\$5,778.94	\$1,922,704.69	\$1,372,919.34	\$1,717,344.70
151	Apr-29	\$1,717,343.70	\$22,118.28	\$16,393.80	\$5,724.48	\$1,939,098.49	\$1,378,643.81	\$1,700,950.90
152	May-29	\$1,700,949.90	\$22,118.28	\$16,448.45	\$5,669.83	\$1,955,546.94	\$1,384,313.65	\$1,684,502.45
153	Jun-29	\$1,684,501.45	\$22,118.28	\$16,503.28	\$5,615.00	\$1,972,050.21	\$1,389,928.65	\$1,667,999.17
154	Jul-29	\$1,667,998.17	\$22,118.28	\$16,558.29	\$5,559.99	\$1,988,608.50	\$1,395,488.65	\$1,651,440.88
155	Aug-29	\$1,651,439.88	\$22,118.28	\$16,613.48	\$5,504.80	\$2,005,221.99	\$1,400,993.45	\$1,634,827.40
156	Sep-29	\$1,634,826.40	\$22,118.28	\$16,668.86	\$5,449.42	\$2,021,890.85	\$1,406,442.87	\$1,618,158.54
157	Oct-29	\$1,618,157.54	\$22,118.28	\$16,724.42	\$5,393.86	\$2,038,615.27	\$1,411,836.73	\$1,601,434.12
158	Nov-29	\$1,601,433.12	\$22,118.28	\$16,780.17	\$5,338.11	\$2,055,395.44	\$1,417,174.84	\$1,584,653.94
159	Dec-29	\$1,584,652.94	\$22,118.28	\$16,836.11	\$5,282.18	\$2,072,231.55	\$1,422,457.01	\$1,567,817.84
160	Jan-30	\$1,567,816.84	\$22,118.28	\$16,892.23	\$5,226.06	\$2,089,123.77	\$1,427,683.07	\$1,550,925.61
161	Feb-30	\$1,550,924.61	\$22,118.28	\$16,948.53	\$5,169.75	\$2,106,072.31	\$1,432,852.82	\$1,533,977.08
162	Mar-30	\$1,533,976.08	\$22,118.28	\$17,005.03	\$5,113.25	\$2,123,077.33	\$1,437,966.07	\$1,516,972.05

163	Apr-30	\$1,516,971.05	\$22,118.28	\$17,061.71	\$5,056.57	\$2,140,139.05	\$1,443,022.64	\$1,499,910.34
164	May-30	\$1,499,909.34	\$22,118.28	\$17,118.58	\$4,999.70	\$2,157,257.63	\$1,448,022.34	\$1,482,791.75
165	Jun-30	\$1,482,790.75	\$22,118.28	\$17,175.65	\$4,942.64	\$2,174,433.28	\$1,452,964.97	\$1,465,616.11
166	Jul-30	\$1,465,615.11	\$22,118.28	\$17,232.90	\$4,885.38	\$2,191,666.17	\$1,457,850.36	\$1,448,383.21
167	Aug-30	\$1,448,382.21	\$22,118.28	\$17,290.34	\$4,827.94	\$2,208,956.52	\$1,462,678.30	\$1,431,092.87
168	Sep-30	\$1,431,091.87	\$22,118.28	\$17,347.98	\$4,770.31	\$2,226,304.49	\$1,467,448.61	\$1,413,744.89
169	Oct-30	\$1,413,743.89	\$22,118.28	\$17,405.80	\$4,712.48	\$2,243,710.29	\$1,472,161.08	\$1,396,339.09
170	Nov-30	\$1,396,338.09	\$22,118.28	\$17,463.82	\$4,654.46	\$2,261,174.12	\$1,476,815.55	\$1,378,875.27
171	Dec-30	\$1,378,874.27	\$22,118.28	\$17,522.03	\$4,596.25	\$2,278,696.15	\$1,481,411.79	\$1,361,353.23
172	Jan-31	\$1,361,352.23	\$22,118.28	\$17,580.44	\$4,537.84	\$2,296,276.59	\$1,485,949.63	\$1,343,772.79
173	Feb-31	\$1,343,771.79	\$22,118.28	\$17,639.04	\$4,479.24	\$2,313,915.63	\$1,490,428.87	\$1,326,133.75
174	Mar-31	\$1,326,132.75	\$22,118.28	\$17,697.84	\$4,420.44	\$2,331,613.47	\$1,494,849.32	\$1,308,435.91
175	Apr-31	\$1,308,434.91	\$22,118.28	\$17,756.83	\$4,361.45	\$2,349,370.31	\$1,499,210.77	\$1,290,679.08
176	May-31	\$1,290,678.08	\$22,118.28	\$17,816.02	\$4,302.26	\$2,367,186.39	\$1,503,513.03	\$1,272,863.06
177	Jun-31	\$1,272,862.06	\$22,118.28	\$17,875.41	\$4,242.87	\$2,385,061.74	\$1,507,755.90	\$1,254,987.65
178	Jul-31	\$1,254,986.65	\$22,118.28	\$17,934.99	\$4,183.29	\$2,402,996.73	\$1,511,999.19	\$1,237,052.65
179	Aug-31	\$1,237,051.65	\$22,118.28	\$17,994.78	\$4,123.51	\$2,420,991.51	\$1,516,062.69	\$1,219,057.88
180	Sep-31	\$1,219,056.88	\$22,118.28	\$18,054.76	\$4,063.52	\$2,439,046.27	\$1,520,126.22	\$1,201,003.12
181	Oct-31	\$1,201,002.12	\$22,118.28	\$18,114.94	\$4,003.34	\$2,457,161.21	\$1,524,129.56	\$1,182,888.18
182	Nov-31	\$1,182,887.18	\$22,118.28	\$18,175.32	\$3,942.96	\$2,475,336.53	\$1,528,072.51	\$1,164,712.85
183	Dec-31	\$1,164,711.85	\$22,118.28	\$18,235.91	\$3,882.37	\$2,493,572.44	\$1,531,954.89	\$1,146,476.94
184	Jan-32	\$1,146,475.94	\$22,118.28	\$18,296.70	\$3,821.59	\$2,511,869.14	\$1,535,776.47	\$1,128,180.25
185	Feb-32	\$1,128,179.25	\$22,118.28	\$18,357.68	\$3,760.60	\$2,530,226.82	\$1,539,537.07	\$1,109,822.56
186	Mar-32	\$1,109,821.56	\$22,118.28	\$18,418.88	\$3,699.41	\$2,548,645.70	\$1,543,236.48	\$1,091,403.69
187	Apr-32	\$1,091,402.69	\$22,118.28	\$18,480.27	\$3,638.01	\$2,567,125.97	\$1,546,874.48	\$1,072,923.41
188	May-32	\$1,072,922.41	\$22,118.28	\$18,541.87	\$3,576.41	\$2,585,667.84	\$1,550,450.89	\$1,054,381.54
189	Jun-32	\$1,054,380.54	\$22,118.28	\$18,603.68	\$3,514.60	\$2,604,271.52	\$1,553,965.49	\$1,035,777.86
190	Jul-32	\$1,035,776.86	\$22,118.28	\$18,665.69	\$3,452.59	\$2,622,937.22	\$1,557,418.08	\$1,017,112.17
191	Aug-32	\$1,017,111.17	\$22,118.28	\$18,727.91	\$3,390.37	\$2,641,665.13	\$1,560,808.45	\$998,384.26
192	Sep-32	\$998,383.26	\$22,118.28	\$18,790.34	\$3,327.94	\$2,660,455.47	\$1,564,136.40	\$979,593.92
193	Oct-32	\$979,592.92	\$22,118.28	\$18,852.97	\$3,265.31	\$2,679,308.44	\$1,567,401.71	\$960,740.95
194	Nov-32	\$960,739.95	\$22,118.28	\$18,915.82	\$3,202.47	\$2,698,224.25	\$1,570,604.18	\$941,825.13
195	Dec-32	\$941,824.13	\$22,118.28	\$18,978.87	\$3,139.41	\$2,717,203.12	\$1,573,743.59	\$922,846.26
196	Jan-33	\$922,845.26	\$22,118.28	\$19,042.13	\$3,076.15	\$2,736,245.25	\$1,576,819.74	\$903,804.13
197	Feb-33	\$903,803.13	\$22,118.28	\$19,105.60	\$3,012.68	\$2,755,350.86	\$1,579,832.42	\$884,698.53
198	Mar-33	\$884,697.53	\$22,118.28	\$19,169.29	\$2,948.99	\$2,774,520.15	\$1,582,781.41	\$865,529.24
199	Apr-33	\$865,528.24	\$22,118.28	\$19,233.19	\$2,885.09	\$2,793,753.34	\$1,585,666.50	\$846,296.05
200	May-33	\$846,295.05	\$22,118.28	\$19,297.30	\$2,820.98	\$2,813,050.64	\$1,588,487.49	\$826,998.75
201	Jun-33	\$826,997.75	\$22,118.28	\$19,361.62	\$2,756.66	\$2,832,412.26	\$1,591,244.15	\$807,637.13
202	Jul-33	\$807,636.13	\$22,118.28	\$19,426.16	\$2,692.12	\$2,851,838.42	\$1,593,936.27	\$788,210.96
203	Aug-33	\$788,209.96	\$22,118.28	\$19,490.92	\$2,627.37	\$2,871,329.34	\$1,596,563.63	\$768,720.05
204	Sep-33	\$768,719.05	\$22,118.28	\$19,555.89	\$2,562.40	\$2,890,885.22	\$1,599,126.03	\$749,164.16
205	Oct-33	\$749,163.16	\$22,118.28	\$19,621.07	\$2,497.21	\$2,910,506.29	\$1,601,623.24	\$729,543.09
206	Nov-33	\$729,542.09	\$22,118.28	\$19,686.48	\$2,431.81	\$2,930,192.77	\$1,604,055.05	\$709,856.62
207	Dec-33	\$709,855.62	\$22,118.28	\$19,752.10	\$2,366.19	\$2,949,944.86	\$1,606,421.23	\$690,104.52
208	Jan-34	\$690,103.52	\$22,118.28	\$19,817.94	\$2,300.35	\$2,969,762.80	\$1,608,721.58	\$670,286.58
209	Feb-34	\$670,285.58	\$22,118.28	\$19,884.00	\$2,234.29	\$2,989,646.80	\$1,610,955.86	\$650,402.59
210	Mar-34	\$650,401.59	\$22,118.28	\$19,950.28	\$2,168.01	\$3,009,597.07	\$1,613,123.87	\$630,452.31
211	Apr-34	\$630,451.31	\$22,118.28	\$20,016.78	\$2,101.50	\$3,029,613.85	\$1,615,225.37	\$610,435.53
212	May-34	\$610,434.53	\$22,118.28	\$20,083.50	\$2,034.78	\$3,049,697.35	\$1,617,260.15	\$590,352.03
213	Jun-34	\$590,351.03	\$22,118.28	\$20,150.45	\$1,967.84	\$3,069,847.80	\$1,619,227.99	\$570,201.59
214	Jul-34	\$570,200.59	\$22,118.28	\$20,217.61	\$1,900.67	\$3,090,065.41	\$1,621,128.66	\$549,983.97
215	Aug-34	\$549,982.97	\$22,118.28	\$20,285.01	\$1,833.28	\$3,110,350.42	\$1,622,961.94	\$529,698.97
216	Sep-34	\$529,697.97	\$22,118.28	\$20,352.62	\$1,765.66	\$3,130,703.04	\$1,624,727.60	\$509,346.35
217	Oct-34	\$509,345.35	\$22,118.28	\$20,420.46	\$1,697.82	\$3,151,123.50	\$1,626,425.41	\$488,925.88
218	Nov-34	\$488,924.88	\$22,118.28	\$20,488.53	\$1,629.75	\$3,171,612.03	\$1,628,055.16	\$468,437.35
219	Dec-34	\$468,436.35	\$22,118.28	\$20,556.83	\$1,561.45	\$3,192,168.86	\$1,629,616.62	\$447,880.52
220	Jan-35	\$447,879.52	\$22,118.28	\$20,625.35	\$1,492.93	\$3,212,794.21	\$1,631,109.55	\$427,255.17
221	Feb-35	\$427,254.17	\$22,118.28	\$20,694.10	\$1,424.18	\$3,233,488.31	\$1,632,533.73	\$406,561.07
222	Mar-35	\$406,560.07	\$22,118.28	\$20,763.08	\$1,355.20	\$3,254,251.40	\$1,633,888.93	\$385,797.99
223	Apr-35	\$385,796.99	\$22,118.28	\$20,832.29	\$1,285.99	\$3,275,083.69	\$1,635,174.92	\$364,965.70
224	May-35	\$364,964.70	\$22,118.28	\$20,901.73	\$1,216.55	\$3,295,985.42	\$1,636,391.47	\$344,063.96
225	Jun-35	\$344,062.96	\$22,118.28	\$20,971.41	\$1,146.88	\$3,316,956.83	\$1,637,538.35	\$323,092.56

226	Jul-35	\$323,091.56	\$22,118.28	\$21,041.31	\$1,076.97	\$3,337,998.14	\$1,638,615.32	\$302,051.25
227	Aug-35	\$302,050.25	\$22,118.28	\$21,111.45	\$1,006.83	\$3,359,109.58	\$1,639,622.15	\$280,939.80
228	Sep-35	\$280,938.80	\$22,118.28	\$21,181.82	\$936.46	\$3,380,291.40	\$1,640,558.61	\$259,757.98
229	Oct-35	\$259,756.98	\$22,118.28	\$21,252.43	\$865.86	\$3,401,543.83	\$1,641,424.47	\$238,505.56
230	Nov-35	\$238,504.56	\$22,118.28	\$21,323.27	\$795.02	\$3,422,867.10	\$1,642,219.49	\$217,182.29
231	Dec-35	\$217,181.29	\$22,118.28	\$21,394.34	\$723.94	\$3,444,261.44	\$1,642,943.42	\$195,787.94
232	Jan-36	\$195,786.94	\$22,118.28	\$21,465.66	\$652.62	\$3,465,727.10	\$1,643,596.05	\$174,322.29
233	Feb-36	\$174,321.29	\$22,118.28	\$21,537.21	\$581.07	\$3,487,264.31	\$1,644,177.12	\$152,785.07
234	Mar-36	\$152,784.07	\$22,118.28	\$21,609.00	\$509.28	\$3,508,873.31	\$1,644,686.40	\$131,176.07
235	Apr-36	\$131,175.07	\$22,118.28	\$21,681.03	\$437.25	\$3,530,554.34	\$1,645,123.65	\$109,495.04
236	May-36	\$109,494.04	\$22,118.28	\$21,753.30	\$364.98	\$3,552,307.65	\$1,645,488.63	\$87,741.74
237	Jun-36	\$87,740.74	\$22,118.28	\$21,825.81	\$292.47	\$3,574,133.46	\$1,645,781.10	\$65,915.93
238	Jul-36	\$65,914.93	\$22,118.28	\$21,898.57	\$219.72	\$3,596,032.02	\$1,646,000.81	\$44,017.36
239	Aug-36	\$44,016.36	\$22,118.28	\$21,971.56	\$146.72	\$3,618,003.59	\$1,646,147.54	\$22,045.80
240	Sep-36	\$22,044.80	\$22,118.28	\$22,044.80	\$73.48	\$3,640,048.38	\$1,646,221.02	\$1.00

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LEASE AGREEMENT

By and Between

**SCHOOL OF DREAMS EDUCATION FOUNDATION, INC.,
A non-profit corporation,**

and

**THE SCHOOL OF DREAMS ACADEMY,
A New Mexico public charter school**

DATED AS OF Aug 22 2016

LEASE AGREEMENT

This Lease Agreement (this "Lease") is entered into by and between the School of Dreams Education Foundation, Inc., a New Mexico nonprofit corporation (the "Foundation"), as lessor, and The School of Dreams Academy, a New Mexico public charter school, (the "School"), as lessee, effective as of _____, 2016.

RECITALS

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

A. On _____, 2016 the School entered into a lease for 20 acres +/-, as described on Exhibit A ("Land") in the Village of Los Lunas, NM ("Village") from the Village, pursuant to which the Village purchased the Land and made certain improvements for the purpose of placing portable school buildings on the Land for School's use as part of its School facilities, and is leasing the improved Land to School (the "Land Lease"). The School has placed or shall place approximately _____ publicly-owned portable school buildings ("Portables") on the Land for use by the School as part of its School facility.

B. The Portables require certain improvements in order to be suitable for the School's uses. The Foundation intends to construct certain improvements on and in the Portables to meet educational occupancy and applicable state adequacy standards and to make them ready for use as a school (collectively, the "Portable Building Improvements") for School of Dreams Academy, as described in Exhibit B. The Foundation was created to support the School, and for the purpose of providing the School with school facilities pursuant to NMSA 1978 §22-8B-4.2 and, as of the date of execution of this Lease, has secured the necessary funds to complete the Portable Building Improvements to the Property. After completion of the Portable Building Improvements, the Portables will meet educational occupancy and adequacy requirements according to New Mexico school building requirements, and shall meet or exceed the weighted average condition index for public school, as determined by the New Mexico Public School Facilities Authority ("PSFA") or will meet or exceed the condition index within 18 months of the School's occupancy of the Property and Improvements.

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

D. 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 Portable Building Improvements to the School, and to otherwise act in the manner contemplated herein.

E. The School desires to lease the Portable Building Improvements from the Foundation, and the Foundation desires to lease the Portable Building Improvements to the School.

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:

1. **Demise.** The Foundation hereby leases the Portable Building Improvements to the School, and the School hereby leases the Portable Building Improvements from the Foundation. The Foundation shall not interfere with the quiet use and enjoyment of the Land and the Portable Building Improvements by the School during the Initial Term (and any Extended Terms) of this Lease so long the School is not in default under the terms of this Lease. Provided, however, that notwithstanding the foregoing, the School shall not take possession of the Land or the Portable Building Improvements, nor shall the School be required to pay any Base Rent or Additional Rent under this Lease Agreement, until all Portable Building Improvements described in Exhibit B hereto are substantially complete, which date shall in no event be later than September 7, 2016.

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

3. **Initial Term.** The Initial Term of this Lease shall be for a period commencing on the date of this Lease and ending no later than June 30, 2017 ("Initial Term"), unless sooner terminated pursuant to any provision of this Lease or in the event the School and Foundation enter into a Lease Purchase Agreement. This Lease is contingent upon sufficient appropriations being made by the State of New Mexico for performance of this Lease. If sufficient appropriations and authorization are not made by the State of New Mexico to allow the School to meet its obligations under this Lease, this Lease may terminate prior to the end of the Initial Term. During the Initial Term, School shall have no obligation to pay any Base Rent or Additional Rent under this Lease until the Portable Building Improvements have been certified as substantially complete and School begins its use of the Property.

4. **Extended Term.** The Lease shall be extended for ten additional one-year terms (each an "Extended Term" and collectively, "Extended Terms"), commencing on July 1 of each

successive year ending on June 30 of the following year until June 30, 2027, provided that this Lease has not been previously terminated and that the School is not in default under the terms of this Lease at the time of extension. The Extended Term is contingent upon sufficient appropriations being made by the State of New Mexico to the School for performance of this Lease. If sufficient appropriations and authorization are not made by the State of New Mexico to the School, this Lease may terminate prior to the end of the then current fiscal year.

5. Use. The Portable Building Improvements shall be used and occupied only for educational and related purposes, and for no other purpose.

6. Rental Commencement Date; Base Rent. The School shall not be obligated to pay any Base Rent until the Rental Commencement Date. The Rental Commencement Date shall be September 7, 2016; provided that all Portable Building Improvements described in Exhibit B hereto are substantially complete unless the Lease is earlier terminated or not renewed. From and after the Rental Commencement Date during all Extended Terms of this Lease, the School shall pay Base Rent directly to the Foundation or to a person designated by the Foundation as the Foundation's representative for rent collection purposes, on the 15th day of each month of an Extended Term from any and all legally available sources of revenue, including per pupil operating revenues payable to the School. The Base Rent of this Lease shall be in the amounts set forth in Exhibit C attached hereto, which from time to time may be amended or supplemented.

7. Additional Rent. The School shall pay as Additional Rent during any the Initial Term and each of the Extended Terms of this Lease all amounts required to be paid by the School hereunder, other than Base Rent (collectively, "Additional Rent"). In the event the Lease term is extended for the next ensuing Fiscal Year, the School's obligation under this Lease 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 Rental 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.

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 Lease until the School occupies the Portables. The School's obligations under this Lease shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation either of governmental powers or as a donation by or a lending of the credit of the School within the meaning of any constitutional or statutory limitation or

requirement. This Lease does not directly or indirectly obligate the School to make any payments beyond those appropriated for any Fiscal Year for which such payments have been appropriated.

9. Manner of Payment. The Base Rent and any Additional Rent shall be paid, commencing on the Rental Commencement Date and continuing on the 15th day of every month of an Extended Term thereafter by lawful money of the United States of America in the manner reasonably directed by the Foundation. The obligation of the School to pay the Base Rent and Additional Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The School shall, during the Initial Term (and any Extended Terms) of this Lease, make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent or 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 shall affect the School's obligation to pay Base Rent and Additional Rent of this Lease.

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

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. The School is authorized: (i) to lease the Portable Building Improvements from the Foundation pursuant to this Lease; and (ii) to execute, deliver, and perform its obligations under this Lease.

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

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

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

(e) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease, or the consummation of the

transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions, or provisions of any material restriction or any agreement or instrument to which the School is now a party or by which the School is bound, or constitutes a default under any of the foregoing or, except as specifically provided in this Lease, results in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the School.

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

(g) The Portable Building Improvements will be operated in accordance with all Requirements of Law. As used herein, "Requirements of Law" means any material federal, state, or local statute, ordinance, rule, or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any applicable common-law doctrine, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including any of relating to environmental, health, or safety matters.

(h) The Portable Building Improvements are 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, lessee, and sublessor) real and personal property, has all necessary power to make and lease the Portable Building Improvements to the School pursuant to this Lease, and to execute, deliver, and perform its obligations under this Lease and has duly authorized the execution, delivery, and performance of its obligations under this Lease.

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

(d) The Portable Building Improvements will be constructed to educational occupancy standards, will meet all applicable state adequacy standards, and at the time of completion, the Portable Building Improvements will meet or exceed the statewide weighted average condition index for public schools maintained by the New Mexico Public Schools Facilities Authority ("PSFA") or will meet or exceed the condition index within 18 months of the School's occupancy of the Property and Improvements. The Portable Building Improvements will be leased by the Foundation in accordance with all Requirements of Law.

(e) The execution and delivery of this Lease, or the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which 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 this Lease, the Foundation will not assign the Lease, 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 Lease, or the ability of the Foundation otherwise to comply with its obligations under this Lease.

(h) To the knowledge of the Foundation: (i) all permits required by Requirements of Law in respect of the Portable Building Improvements have been obtained and are in full force and effect and the School 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 Portable Building Improvements and there are no grounds on which any such litigation, investigation or proceedings might be commenced; (iv) the Portable Building Improvements are not subject to any judgment, injunction, writ, order, or agreement respecting any Requirements of Law; (v) there has been and shall be no hazardous substance (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.*, any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in, or under the Land or the Portable Building Improvements by Foundation 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 Land or the Portable Building Improvements in violation of any Requirements of Law; and (vii) there has been and shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any of the items referred to in clause (v) into the indoor or outdoor environment from, into, or out of the Land or the Portable Building Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into, or out of the Property or the Improvements 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 or the Improvements in violation of any Requirements of Law, by the Foundation.

13. Title to the Property. Any improvements permanently affixed to the Portables or the Land by the Foundation shall become part of the Portables or the Land, as the case may be.

14. Liens and Encumbrances. The School shall not permit any mechanic's or other lien to remain against the Portable Building Improvements; 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 Portable Building Improvements, 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 which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Foundation's leasehold interest in the Portable Building Improvements will be materially endangered, or the Portable Building Improvements 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 Additional Rents which have been specifically appropriated by the School are available for the payment of such expenses. The School shall directly or indirectly create, incur, or assume any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Portable Building Improvements.

15. Compliance with Law. The School shall at all times operate the Portable Building Improvements, or cause the Portable Building Improvements to be used and operated, such that (a) the Portable Building Improvements at all times shall be operated in substantial compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the Portable Building Improvements 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.*, 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 Portable Building Improvements 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 Portable Building Improvements or on, from, into or out of the Portable Building Improvements 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 Portable Building Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Portable Building Improvements or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into or out of the Portable Building Improvements in violation of any Requirements of Law.

16. **Maintenance.** The School agrees to maintain, preserve, and keep the Portable Building Improvements or cause the Portable Building Improvements to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the School will from time to time make or cause to be made all necessary and proper repairs except to the extent as required to be maintained by the Foundation. The Foundation shall be required to keep the Portable Building Improvements to compliance with all applicable statewide adequacy standards, at no additional cost to the School or the State of New Mexico, during any Term of this Lease.

17. **Modifications.** During any Term of this Lease, with the Foundation's prior written consent, the School may remodel or make substitutions, additions, modifications, or improvements to the Portable Building Improvements, at its own cost and expense, and the same (if permanently affixed) shall be part of the Portables or the Land (as the case may be) subject to, and shall be included under the terms of this Lease; provided, however, that (i) such remodeling, substitutions, additions, modifications, and improvements shall not in any way damage the Portable Building Improvements; and (ii) the Portable Building Improvements, as remodeled, improved, or altered, upon completion of such remodeling, or such making of substitutions, additions, modifications, and improvements, shall be of a value not less than the value of the Portable Building Improvements immediately prior to such remodeling or such making of substitutions, additions, modifications, and improvements.

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 Portable Building Improvements. All such equipment and personal property shall remain the sole property of the School in which the Foundation shall not have any interest; provided, however, that any such equipment and personal property which becomes permanently affixed to the Portable Building Improvements shall become part of the Portable Building Improvements, subject to this Lease and shall be included under the terms of this Lease.

19. **Taxes and Assessments.** The Foundation shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Land, the Portables, or the

Portable Building Improvements or any portion thereof. If the Portable Building Improvements 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 which have been specifically appropriated by the School are available for the payment of such costs. 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 which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Portable Building Improvements 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 which 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).

20. Utilities. During the Term of the Lease, the School shall pay for all gas, water, steam, electricity, heat, power, utility, and other charges incurred in the maintenance and upkeep of the Portable Building Improvements.

21. Insurance. For any Term of the Lease, the School shall, at its own expense, obtain and maintain the following policies of insurance. The insurance policies required by this Section shall meet the following conditions, to the extent allowed by state law or the School's required insurer, the New Mexico Public Schools Insurance Authority ("NMPSIA"): (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 and the Foundation without first giving written notice thereof to the School and the Foundation at least thirty (30) days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with 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 Portable Building Improvements shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School; and (vi) to the extent the School can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. The School may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks. The School agrees to pay the premiums for any insurance required by the Foundation, as part of the Additional Rent.

(a) Casualty and property damage insurance with respect to the Portable Building Improvements in an amount equal to the full replacement value of the Portable Building Improvements.

(b) Commercial general liability and automobile liability insurance against claims arising in, on, or about the Portable Building Improvements, including in, on, or about the sidewalks, parking lots, or premises adjacent to the Portable Building Improvements, providing coverage limits not less than the coverage limits allowed by NMPSIA or customarily carried on public school facilities of similar size and character within the State.

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

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

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

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

(a) *Damage, Destruction, or Condemnation.* If, during the term (and any extended terms) of this Lease, (i) the Portable Building Improvements, or any portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty; (ii) title to, or the temporary or permanent use of, the Portable Building Improvements, or any portion thereof or the estate of the School, the Village, , or the Foundation in the Portable Building Improvements 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) breach of warranty or any material defect with respect to the Portable Building Improvements shall become apparent; or (iv) title to or the use of all or any portion of the Portable Building Improvements shall be lost by reason of defect in the title thereto, then, the School shall be obligated, subject to the provisions of Subsection (c) hereof, to continue to pay the amounts specified in Subsection (b) hereof and, to the extent of amounts specifically appropriated by the School, to pay Base Rent and Additional Rent. As used herein, "Net Proceeds" means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys' fees) incurred in the collection of such gross proceeds.

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

(c) *Insufficiency of Net Proceeds for Property.* If there occurs an event described in Subsection (a) hereof, and if any Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement, or replacement of the Portable Building Improvements required under Subsection (b) hereof, the School shall elect one of the following options:

(i) The School may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the Portable Building Improvements or replace them (or portion thereof) with property of a value equal to or in excess of the Portable Building Improvements, and pay as Additional Rent any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Additional Rent which have been specifically appropriated by the School are available for the payment of such costs, and the School agrees that, if by reason of any such insufficiency of the Net Proceeds, the School shall make any Additional Rental payments pursuant to the provisions of this paragraph, the School shall not be entitled to any reimbursement therefor from the Foundation, nor shall the School be entitled to any diminution of the Base Rent and Additional Rent.

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Portable Building Improvements become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Foundation may then pursue remedies as provided in Section 24 ("Remedies on Default").

(d) ***Insufficiency of Net Proceeds for Improvements.*** If there occurs an event described in Subsection (a) hereof, and if any Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement, or replacement of the Improvements required under Subsection (b) hereof, the School shall elect one of the following options:

(i) The School may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the Improvements or replace the Improvements (or portion thereof) with property of a value equal to or in excess of the Improvements, and pay as Additional Rent any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Additional Rent which have been specifically appropriated by the School are available for the payment of such costs, and the School agrees that, if by reason of any such insufficiency of the Net Proceeds, the School shall make any Additional Rental payments pursuant to the provisions of this paragraph, the School shall not be entitled to any reimbursement therefor from the Foundation, nor shall the School be entitled to any diminution of the Base Rent and Additional Rent.

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Improvements become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Foundation may then pursue remedies as provided in Section 24 ("Remedies on Default").

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

23. **Events of Default.** Any one of the following shall constitute an "Event of Default" under this Lease: (i) failure by the School to pay any specifically appropriated Base Rent during the Initial Term (and any Extended Terms) of this Lease on, before, or within five (5) days of the applicable due date or to pay Additional Rent which become due during the Initial Term (and any Extended Terms) of this Lease, 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 thirty (30) days after written notice, specifying such failure and requesting that it be remedied shall be given to the School by the Foundation, unless the party giving such notice shall agree in writing, prior to the expiration of the thirty-day period, to an extension of no more than sixty (60) days; provided, however, that if the failure stated in the notice cannot be corrected within the original thirty-day period, the party giving such notice shall not withhold their consent to an extension of up to sixty (60) days if corrective action shall be instituted by the 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 Initial Term (and any Extended Terms) of this Lease, except as otherwise expressly provided in this Lease; 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 the obligations on the part of the School contained herein and until the termination or end of the Initial Term (and any Extended Terms) of this Lease, 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.

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 Initial Term (and any Extended Terms) of this Lease and give notice to the School to vacate the Property and the Improvements within one-hundred twenty days (120) days from the date of such notice.

(b) Recover from the School: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the Portable Building Improvements during any period beyond the thirtieth (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 of 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.

(c) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Portable Building Improvements under this Lease.

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 Lease.

26. Further Assurances and Corrective Instruments. The Foundation and the School agree that so long as this Lease 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 Portable Building Improvements hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Lease.

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

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

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 Lease or any related document or instrument.

30. Waiver. No term of this Lease shall be deemed waived unless such waiver is in writing signed by the party making the waiver. No delay or omission by either party in exercising or enforcing any right or power hereof shall impair such right or power or be

construed to be a waiver thereof. No custom or practice that may evolve between the parties shall be construed to lessen the right of a party to require the performance of the other party in strict accordance with the terms of this Lease. A waiver by one party of a failure of the other party to fully comply with any of the terms of this Lease shall not be construed to be a waiver of any subsequent failure to comply or any other failure to comply.

31. Assignment and Subleasing. This Lease may not be assigned or subleased by the School for any reason, whether by operation of law or pursuant to any contract, without the written permission of the Foundation.

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

33. Notices. All notices and communications required or permitted under this Lease (including change of address and facsimile or telephone number set forth below) shall be in writing and shall be deemed given to, and received by, the receiving party: (i) when hand-delivered to the street address of the receiving party set forth below; (ii) when sent by facsimile transmission to the facsimile number of the receiving party set forth below; (iii) one (1) day after deposit with a national overnight courier addressed to the receiving party at the street address set forth below; or (iv) five (5) days after deposit in the U. S. mail, certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

The Foundation: School of Dreams Education Foundation, Inc.

Telephone No.: _____
Facsimile No.: (505) _____

With a copy to: Modrall, Sperling, Roehl, Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, New Mexico 87103
or
500 Fourth Street N.W. Suite 1000
Albuquerque, New Mexico 87102
Attn: Margaret Lewis Meister

The School: The School of Dreams Academy
c/o Principal _____

Telephone No: (505) _____
Facsimile: (505) _____

With a copy to: Matthews Fox, P.C.
1925 Aspen Drive, Suite 301A
Santa Fe, New Mexico 87505
Attn: Susan B. Fox

34. **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.

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

36. **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.

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

38. **Severability.** In the event that any provision of this Lease, other than the requirement of the School to pay Base Rent and Additional Rent, the requirement of 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 Lease are conditioned upon the prior specific appropriation by the School of amounts for such purposes in accordance with the requirements of State law, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

39. **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.


40. **Lease Deposit.** School shall deposit with Foundation the sum of _____ dollars and no/cents (\$ __,000) ("Lease Deposit") to be held by the Foundation during the Initial Term as consideration for the Foundation's undertaking the acquisition and development of the Portable Building Improvements on behalf of the School and shall be utilized by the Foundation for the benefit of the School; Lease Deposit amounts shall be held by the Foundation as security for the performance and observance of all of the terms, obligations, conditions, and covenants to be performed or observed by the School under the Original Lease and, immediately upon the failure for any reason by School to so perform or comply, Foundation shall, without notice, have the right, but not the obligation, in its sole discretion, to use or apply any portion of the Security Deposit as Foundation shall deem appropriate, in its sole discretion, to cure or otherwise correct such failure. Foundation shall have no obligation to segregate or escrow the Security Deposit. Provided School shall not then be in default in the observance or performance of any term, obligation, condition, or covenant to be observed or performed hereunder by School, Foundation shall return to School such portion, if any, of the Security Deposit as shall not have been theretofore used or applied as provided herein or apply balance to the purchase price negotiated for the Lease Purchase Agreement contemplated between the parties to this Lease.

[Signatures on following page.]

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

THE SCHOOL

**The School of Dreams Academy,
a New Mexico public charter school**

By: 
Name: Kathy Chavez
Title: President

THE FOUNDATION

**School of Dreams Education Foundation, Inc.
a New Mexico nonprofit corporation**

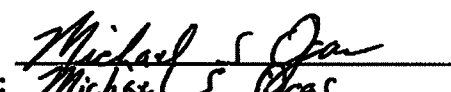
By: 
Name: Michael S. Gas
Title: President

Exhibit A
Description of Land

Exhibit B
Portable Building Improvements

EXHIBIT C

Base Rent

Exhibit "A"
Description of Land

The property is an approximate 20.5-acre vacant mobile home park located on the south side of Juan Perea Road, south of Courthouse Road, Los Lunas, New Mexico 87031.

LEGAL:

Monte Vista Mobile Home Park, comprising a portion of Village Plaza Addition, comprising Tracts 3-B, 3-A, 3-E-1, 3-E-2, 3-E-3, and the major portion of Tract 3-E-4, Middle Rio Grande Conservancy District Property Maps 73 and 75, within projected Sections 28 and 33, T7N, R2E, N.M.P.M.

Exhibit "B"
Portable Building Improvements

[See portable building improvements reports for north and south campuses from
Jaynes Construction attached]

Exhibit "C"

Base Rent

A Base Rent of Sixteen Thousand Four Hundred Twenty Dollars (\$16,420.00), as described on page 4, § 6, Rental Commencement Date; shall be paid monthly by the School to the Foundation.



FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment to Lease Agreement amends the Lease Agreement by and between The School of Dreams Academy ("School") and the School of Dreams Education Foundation ("Foundation"), dated as of August 22, 2016 ("Lease"). The Lease between the parties is hereby amended as follows:

1. Paragraphs 16 of the Lease provide that the "School" would "maintain and preserve, the portable village. The change is to read that the "Foundation" will provide maintenance.
2. In consideration of the Improvements made by the Foundation and such other consideration as reflected in the Lease, the parties agree to amend the amount of the lease from \$16,420.00 to \$23,420.00 per month. The terms of the lease will be revisited in June 2018 for the new year beginning July 1, 2018.
3. All other provisions of the Lease remain unchanged.

The parties agree to the foregoing First Amendment to Lease Agreement as of the date of their respective signatures below.

THE FOUNDATION:

School of Dreams Education Foundation

By: Michael S. Gar
President

Date: Sept 5, 2017

THE SCHOOL

The School of Dreams Academy,
A New Mexico Public Charter School

By: [Signature]
Authorized Governing Council Representative

Date: 9-5-17

RECEIVED

OCT 12 2017

By
PSFA/ABQ

FIRST AMENDMENT TO LEASE AGREEMENT

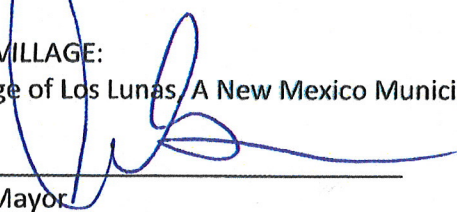
This First Amendment to Lease Agreement amends the Lease Agreement by and between The School of Dreams Academy ("School") and the Village of Los Lunas, New Mexico ("Village"), dated as of March 24, 2016 ("Lease"). The Lease between the parties is hereby amended as follows:

1. Paragraphs 12 and 16 of the Lease provide that the Village would make certain Improvements to the Property, set forth in Exhibit B to the Lease. The Village has made the Improvements and incurred additional costs in making the Improvements in the amount of \$928,704. The adjusted rent amounts set forth in this First Amendment represent the additional costs incurred by the Village in making the Improvements pursuant to the Lease amortized over any further Extended Terms of the Lease provided all options are exercised.
2. In consideration of the Improvements made by the Village and such other consideration as reflected in the Lease, the parties agree to amend paragraph 6 of the Lease to increase School's monthly payment of Base Rent by \$2,063.79 for a monthly total of \$24,182.07, commencing October 1, 2017 and ending June 30, 2018; beginning on July 1, 2018, and for the duration of any further Extended Term(s) of the Lease, the School's monthly payment of Base Rent shall increase to \$26,331.85. All other provisions of paragraph 6 of the Lease remain unchanged.
3. Base Rent amounts over the remaining available Extended Term(s) are shown on Exhibit D attached hereto and made a part of the Lease.
4. All other provisions of the Lease remain unchanged.

The parties agree to the foregoing First Amendment to Lease Agreement as of the date of their respective signatures below.

THE VILLAGE:

Village of Los Lunas, A New Mexico Municipal Corporation

By: 
Mayor

Date:  10/5/17

THE SCHOOL

The School of Dreams Academy,
A New Mexico Public Charter School

By: 
Authorized Governing Council Representative

Date: 9-5-17

B. Student Athlete Headquarters

March 19, 2018

I am sad that my experiences at SAHQ Academy Charter School end with an email to the PEC regarding serious concerns of funding abuse and neglect for student safety. I report the following information with hope of whistleblower protection as a government employee to expose inappropriate use of public funds, violation of state law and policy in education, and inappropriate mental and emotional interactions with students. As a licensed teacher of years in New Mexico and teaching experience in rural and urban schools, homeschool, and now a charter school, I trust the PEC and Charter School Division accept my expertise as a front-line educator and defender of student lives on a daily basis.

I came to SAHQ Academy with a fair understanding of the monumental challenge I faced, but I trusted the team with the director, board, and founder, and I believed in best intentions. My beliefs align in vision and purpose with SAHQ for the targeted population of student athletes. I am a parent of successful student-athletes in high school and college, and I possess a License with years of () experiences in and out of public education. In the summer prior to opening,

Many important policies and procedures were not prepared for the opening of the school. I became keenly aware that the details of education were secondary to the cosmetics of a building in this circumstance.

I have come to understand that approval of this charter by the PEC was delayed by serious concerns including the meddling of the founder and the inability of the board to maintain consistent leadership in administrative roles and Governing Council membership. I was naïve to these issues when I accepted my position where I serve as

Now I have lived exhausting hours of battling the founders' concepts that are not grounded in educating learners, starved resources, daily vulnerability of attack in an unsafe environment, and a building-rich but school poor budget.

In the area of funding, Charlotte Rode, who founded this school, is also landlord of the building that houses SAHQ Academy. Concerns regarding her position and receipt of funds include:

- Mrs. Rode operates under the umbrella of SAHQ Backers where she has returned to a sitting member of that board in violation of PEC directive and condition of receiving the charter.
- Aside from a remodeled environment that complicates student learning and supervision, Mrs. Rode receives public funding for 7,000 – 10,000 square feet more than the school uses or needs.
- Mrs. Rode stores personal possessions on site in rooms and storage closets that the school leases;

- Mrs. Rode accesses school equipment and resources after school hours and on weekends for her own purposes;
- Mrs. Rode enters locked school rooms without permission;
- Mrs. Rode padlocks doors identified as emergency exits;
- Mrs. Rode permits unsupervised students access to the building before school hours;
- Mrs. Rode removed school equipment from the building to use in a personal restaurant business, including a commercial stove and warming ovens that were donated from a charter school that closed last year;
- Mrs. Rode invites guests to use SAHQ Gym during school hours.

The lease was drafted and approved prior to the hiring of school personnel, so the director has been bound by an inherited lease that has ultimately strangled the school with funds needed to support student success in ways such as counselor, teacher, and even a performance trainer for which this charter was conceived. The director has made attempts to encourage the board chair to engage in discussions to renegotiate the lease in price or space needed. Fact is, we are in March and nothing has changed. More so, the board only recently approved a Facilities Use Agreement with the SAHQ Gym for afterschool use of the building. Mrs. Rode fought this agreement and preferred to function with understanding rather than a policy. Our reality is public funds pay all utilities plus lease for school and gym use. All costs for maintenance and inspections of the property are the responsibility of the school including deficient items the school inherited

that violate building security and safety or impede student success to include but not limited to:

- Landlord securing an emergency exit with a padlock instead of fitting the doors with proper locks;
- Double doors which serve as the back exit were secured only with chain and padlock until March 14, 2018 – requiring parking lot gates to be locked as the only means to discourage intruders from entering the building;
- Broken front glass door that eventually shattered and required school funds to repair;
- Major portion of learning environment remodeled with only two electrical outlets. The section is unusable for instruction except a portion designated as high school lunch for 20 minutes, 4 days a week and to store landlord furniture;
- Violation of city code by reactivating outlets that were plated after a building inspection;
- Unfulfilled promises of fencing for security;
- No attempt to provide security to ground-level windows;
- No air conditioning in learning environment, resulting in opening unsecured windows for cooling and ventilation in warm weather and risk of student leaving or intruder entering at any moment.
- Mrs. Rode has entered the building during school hours with laborers to deliver personal items, including tables inappropriate

for student use that she placed without staff input and prohibited the moving of those tables to more practical placement.

Instead of renegotiating the lease to support the needs of the school, Mrs. Rode and the SAHQ Backers are not demonstrating a commitment to the school. Apparently only the students and staff are supposed to suffer the constraints of opening a school, but the landlord/founder watches, condemns, and interferes from top of her well fed, state funded, fat cow.

