

Charter Contract Between the
New Mexico Public Education Commission
And
EXPLORE ACADEMY

This Charter Contract, (the "Contract"), is hereby entered into by and between the New Mexico Public Education Commission, (the "Commission"), and Explore Academy (the "School", and, together with the Commission, the "Parties"), a New Mexico Charter School, effective this 1st day of July, 2019.

WHEREAS, the Commission is created pursuant to Article 12, Section 6 of the New Mexico Constitution, with such powers and duties as are provided by law; and,

WHEREAS, the Commission is authorized pursuant to the Charter Schools Act, § 22-8B-1, *et seq.*, New Mexico Statutes Annotated, 1978, as amended and supplemented, (the "Act"), to, *inter alia*, authorize charter applications that meet the requirements of the Act, and to negotiate and execute, in good faith, charter contracts that meet the requirements of the Act with approved charter schools; and,

WHEREAS, the Commission is further authorized pursuant to the Act, to monitor charter schools' compliance with the requirements of the Act, and with the requirements of the charter and Contract for each approved charter school; and,

WHEREAS, the Commission is further authorized pursuant to the Act to determine whether an approved charter school merits suspension, revocation, or nonrenewal; and,

WHEREAS, the Commission approved the charter renewal application for the School on December 11, 2018, (the "Charter"); and,

WHEREAS, pursuant to the Act and the Charter, the Commission and the School wish to enter into this Contract in compliance with the Act, and in order to set out the performance frameworks, as that term is defined in the Act, that define the financial, academic, and operations performance indicators, measures and metrics that will guide the evaluation of the School.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the Commission and the School agree:

SECTION 1: DEFINITIONS

Capitalized terms defined in this Section 1 shall have the meaning specified in this Section 1 wherever used in this Contract, including the foregoing recitals, unless the context clearly requires otherwise. Capitalized terms defined in the foregoing recitals, if not defined in this Section 1, shall have the same meaning as stated when used in this Contract, unless the context clearly requires otherwise.

"Audit Act" means § 12-6-1 through 12-6-14, NMSA 1978, as amended and supplemented.

"Chair" means the chairperson of the Commission, as elected by the members of the Commission, pursuant to the Act, from time to time.

"Charter Representative(s)" means Jesse Pickard and Justin Baiardo as the person(s) authorized to sign the Contract, and other documents, on behalf of the School, and to legally bind the School to the Contract and other documents as required under the Act.

"Comprehensive Educational Program" means an educational program that meets Department academic standards as identified in this contract.

"Compulsory School Attendance Law" means the compulsory school attendance law set out at §

Adopted May 10, 2019

1.

Initials:  _____

22-12-1 through 22-12-9, NMSA 1978, as amended and supplemented.

"Corrective Action Plan" means a plan developed by the School and submitted to the Commission to remedy operational, or financial violations or problems.

"Criminal Offender Employment Act" means the criminal offender employment act set out at § 28-2-1, *et seq.*, NMSA 1978, as amended and supplemented.

"Days" means calendar days.

"Department" means the Public Education Department of the State of New Mexico, and its successors.

"Division" means the Charter School Division of the Department, and its successors.

"Effective Date" means the effective date of this Contract, which is July 1, 2019, found on the first page of this Contract.

"Facility" or "Facilities" means the facilities, including without limitation, all buildings classrooms, and other spaces owned or leased by the School, and used by the School, its staff, teachers, and students, for educational and recreational purposes, and other purposes connected with the Mission of the School.

"Governing Body" means the governing body of the School, and any successor thereto.

"Head Administrator" means a Charter Representative, as defined herein, who is also a licensed school administrator.

"Instructional Hours" means mandatory instructional time during which students are engaged in a School-directed program, and for which the School enforces the Compulsory School Attendance Law.

"Mission" means the educational and pedagogical mission of the School, as set out in Section 4.1 herein.

"NMAC" means the New Mexico Administrative Code, as amended and supplemented from time to time.

"NMSA, 1978" means the New Mexico Statutes Annotated, 1978 compilation, as amended and supplemented from time to time.

"Procurement Code" means §13-1-101, *et seq.*, NMSA 1978, as amended and supplemented from time to time.

"Public School Finance Code" means § 22-8-1, *et seq.*, NMSA 1978, as amended and supplemented from time to time.

"School Improvement Plan" means a plan developed by the School and submitted to the Commission to remedy academic performance.

"Secretary" means the Secretary of the Department, and his or her duly appointed successors.

"State" means the State of New Mexico.

"Term" means the term of this Contract, as set forth in Section 3, herein.

SECTION 2: SCOPE

1. This Charter Contract is entered into between the School and the Commission for the purpose of establishing a charter school to operate at the site(s) listed in Section 4.10. of this Contract.
2. The person authorized to sign and act on behalf of the Commission is the Chair, or such person as the Chair may lawfully designate from time to time.

The person(s) authorized to sign on behalf of the Charter School is/are the Charter Representative(s). The Charter Representative(s) affirm(s) as a condition of this Charter, that he/she is (one of) the above-described representative(s) of the Charter School and has the authority to enter into this Charter on behalf of the Charter School.

- i. The Charter School must maintain one or more Charter Representative(s), including one Charter Representative who is a Head Administrator, and provide contact information to the Commission within 30 days of the change of a Charter Representative(s).
 - ii. The Commission shall direct all communication with regard to the Charter and the Contract to the Charter Representative(s).
 - iii. The Charter Representative(s) shall respond to written communication from the Commission within the timeframe specified in the communication, which shall be no less than three business days absent exigent circumstance.
3. The Charter School is a public entity of the State of New Mexico, subject to all laws and regulations applicable to public entities.

SECTION 3: TERM

1. The term of this Contract shall be in full force and effect until June 30, 2024. The Contract will not automatically be renewed or extended; the Contract may be renewed by the Commission upon timely application by the School pursuant to the Act, and upon such terms and conditions as the Commission deems appropriate under the Act.

SECTION 4: REPRESENTATIONS, COVENANTS, AND WARRANTIES

1. **Purpose:** The School shall operate a public school consistent with the terms of the Charter and the Contract, and all applicable laws; shall achieve student outcomes according to the educational standards established by law, this Charter and Contract; and shall be governed and managed in a financially prudent manner.
2. **Mission:** The Charter School shall implement the mission identified below and shall report on the implementation of that mission in the manner described below.
 - i. Explore Academy will provide each student with a personalized educational experience through the power of student choice, allowing each student to create a unique educational pathway in preparation for a college future.
 - ii. The Charter School shall report on the implementation of its mission in the following manner:
 - a. Annually during the performance review visit required by the Act, as evaluated through the site visit team's observations and the school's response to any such observations;

- b. Annually through any mission specific goals identified in the School's Performance Framework, Attachment A, incorporated herein by reference; and
 - c. At renewal, in the event that the School applies to the Commission for renewal, through a narrative in the renewal application.
- 3. **Enrollment Cap and Authorized Grade Levels:** The School is authorized to serve no more than 500 students in grades 6 -12.
 - i. The School may make modifications as to the number of students in any particular grade, and number of students within a class to accommodate staffing decisions that are consistent with the School's programmatic needs; except that, nothing in this Contract shall give the School the authority to combine students from different grade levels into the same classroom unless the school's educational program explicitly provides for mixed grade or age education.
 - ii. The School must annually, prior to beginning the annual enrollment process, establish the number of vacancies by grade level available for student enrollment in that year. That number will govern the enrollment throughout the school year.
 - iii. The School may not exceed the building capacity of the Facility, which is 1,100.
- 4. **Partner Organization or Management Company** (Intentionally omitted):
 - i. ~~The School has a legal relationship with _____ that is distinct from a relationship with a non-profit foundation described in 4.5 of this contract. The legal agreement governing the relationship between the School and _____ is included as Attachment B, incorporated herein by reference.~~
 - ii. ~~The legal agreement in Attachment B complies with all provisions of New Mexico law and the School is financially independent from _____. The School shall not make any changes to the document set out as Attachment B, or to its legal relationship and agreements with _____ without the approval of the Commission and the Department, which approval shall not be unreasonably withheld.~~
 - iii. ~~The Commission, through its designees and the Department, shall be permitted to review the legal agreement and other relevant school documents and records to determine whether the legal relationship between the School and _____ complies with all provisions of New Mexico law, and to determine that the School is financially independent from _____.~~
- 5. **Relationship with a Non-Profit Foundation**
 - i. The school has a relationship with Explore Academy Foundation, a non-profit foundation the primary purpose of which is to provide financial support to the school or leases the facility for the charter school
 - ii. The legal agreement or Memorandum of Understanding governing the relationship between the School and the foundation is Attachment C, incorporated herein by reference.
 - iii. The identity of the Board of Directors and Executive Director of foundation with a conflict of interest disclosure from each are provided in Attachment C.

6. **Comprehensive Educational Program of the School:** The School's educational program shall be as described below:

- i. Per its mission, Explore Academy will offer shorter learning modules (seminars) through which students will receive concentrated instruction over a smaller subset of academic standards. At the conclusion of each term, students will take an exit exam in each seminar to determine whether students have reached the required proficiency levels for each standard assessed for that seminar.
- ii. The school's choice-based philosophy of education provides students the freedom to choose from a set of seminar-versions. Since seminars are often offered in various versions, taught by different teachers, students will have the choice in the specific theme through which they will receive the instruction over the content of those seminars. Thus, the different versions through which each seminar is offered will be unique in their focus and instructional approach, thus allowing students to choose how they want to learn the content through a set of discrete options. This extends across all core and elective (PE, art) content areas, as well as into the school's unique upper division seminars.
- iii. Explore Academy students will have daily academic flex periods, allowing them to complete homework, collaborate, attend tutoring, pursue credit recovery, attend school meetings, visit teachers (and case managers in the case of special education students in compliance with their IEP), and complete make-up work as needed.
- iv. The school's staff will be provided with time for professional collaboration, such as in professional learning communities, to function as a forum for the sharing of best practices/instructional strategies, data analysis from seminar/exit exams, creation/modification of future exit exams, analysis of student satisfaction data, creation/modification of future seminars, etc. This collaborative component will be essential in allowing teachers to work together, share their experiences, and streamline their efforts as they work to implement this innovative form of education.
- v. The school encourages parent involvement in all areas of its operation. The school is encouraging parent volunteerism, both in areas of instruction and general operation. The school will communicate with parents through its website and a monthly newsletter for the dissemination of general information, and as needed via phone and/or email for individual student cases (academic, behavioral, etc.). Parents will have the ability to monitor student progress through the parent portal component of the school's student information system.

7. **Governance:**

- i. The School shall be governed by a governing body in the manner set forth in the governing body's bylaws, Attachment D, incorporated herein by reference.
- ii. The School's Governing Body shall have at least five members at all times; the number of Governing Body Members shall be specified in the bylaws.
- iii. The School shall notify the Commission of all changes in membership within 30 days of the change.
- iv. The Charter School shall either replace any member who is removed or who resigns, or close the position in conformity with its bylaws, within 45 days of removal, resignation or closure.

- v. No member of the Governing Body shall serve on the governing body of another charter school, unless the School has been granted a discretionary waiver from the Secretary.
- vi. All governing body members shall comply with training requirements established in Section 6.80.5 NMAC, as amended.
- vii. The School shall notify the Chair of the Commission within 15 days of any and all written complaints of inappropriate contact as defined in its school policies with a student or other minor by a member of the Governing Body, and shall notify the Chair of the Commission within 15 days of allegations of, or convictions for, any crime related to the misappropriation of school funds or theft of school property by a member of the Governing Body.
- viii. The members of the Governing Body have a duty to comply with the provisions of this Contract, all applicable laws, including, without limitation, the Act, all regulations, and reporting requirements.
- ix. The Governing Body is responsible for the policy decisions of the School; is responsible for hiring, overseeing, and terminating the Head Administrator of the School; and is entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.
- x. The Governing Body shall, at all times, be qualified to act as a qualified board of finance as demonstrated in Attachment E, which is incorporated by reference.
- xi. In order to initially become qualified as a board of finance, the school shall provide:
 - a. The names, home addresses, personal email addresses, and personal phone numbers of each member of the board;
 - b. A statement signed by every member of the Governing Body stating that the Governing Body agrees to consult with the Department on any matter not covered by the manual of accounting and budgeting before taking any action relating to funds held as a board of finance;
 - c. A signed affidavit from each member of the Governing Body member declaring that the member is not a member of the governing body of any other charter school, unless it has been granted a waiver by the Secretary for that purpose, and that the member was not a governing body member of another charter school that was suspended and was not reinstated, or failed to receive or maintain its board of finance designation; and
 - d. An affidavit or affidavits, signed by the School's licensed business official who will be given the responsibility of keeping the financial records of the School, describing the training completed, professional licensure held and degrees earned by him or her;
 - e. A copy of a certificate of insurance that indicates that the person who will be entrusted with handling the funds of the School is adequately bonded.
- xi. Within 30 days of the change to any member of the Governing Body or the School's licensed business official who will be given the responsibility of keeping the financial records of the charter school, the school shall resubmit all information required in Section 4. Subsection 7.xi (a)-(e) above, revised to reflect the changes in staffing or board membership.

- xii. If at any time, the School's qualification as a board of finance is revoked by the Department, the Commission shall, at its next regularly scheduled meeting, consider whether to commence revocation proceedings to revoke the School's Charter. If the Commission decides not to revoke the charter, the School shall be required to develop and successfully implement a Corrective Action Plan to address the conditions and causes of the revocation of the School's qualification as a board of finance.

8. Operation:

- i. The School shall be nonsectarian in its charter school programs, enrollment policies and employment practices and all other operations. Attachment F, incorporated herein by reference, states the School's enrollment policies and procedures.
- ii. The School shall comply with all federal and state laws relating to the education of children with disabilities.
- iii. The School shall comply with applicable federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance.
- iv. The School shall, in accordance with the Compulsory School Attendance Act, maintain records to document daily student attendance and shall make such records available for inspection upon request of the Commission and the Department. The School shall comply with the number of overall instructional hours required by statute, based on the grade levels served, which may be verified through budget reporting.
- v. The School shall maintain student records in accordance with all other New Mexico public records retention requirements.
- vi. The School shall allow the Commission and the Department to visit each school site at any reasonable time.
- vii. The School shall allow the Commission and the Department to conduct financial, program or compliance audits and shall hold open for inspection all records, documents and files relating to any activity or program provided by the School relating to the School. All books, accounts, reports, files and other records relating to this Charter and Contract shall be subject, during normal business hours, to inspection and audit by the State for five years after termination of the Charter and the Contract.
- viii. The School shall notify the Chair of the Commission and the Department within 15 days of any and all written complaints of inappropriate contact as defined in the school's policies, or convictions for inappropriate contact with a student or other minor by any staff member, employee, or contractor and shall notify the Chair of the Commission within 15 days of allegations of, or convictions for, any crime related to the misappropriation of school funds or theft of school property by any staff member, employee or contractor.
- ix. If the School receives federal grant funds that flow through the Department, the School shall timely submit financial and other reports required by the Department for the School's receipt of such funds.
- x. The School shall comply with applicable federal, state and local rules, regulations and statutes relating to public education unless the School is specifically exempted from the provision of law. All members of the Governing Body shall sign a certificate, in the form attached hereto as Attachment G, certifying their compliance with all federal and state laws governing the organizational, programmatic, and financial requirements applicable

to charter schools. Within 30 days of any change to the membership of the Governing Body, the School shall provide a signed certification from any new members in the form of Attachment G, which will be incorporated into this Contract.

- xi. The School shall identify the non-discretionary waivers the School is utilizing and the discretionary waivers the School has requested from the Secretary in Attachment H, incorporated herein by reference.
 - a. If the school requests from, and is granted a discretionary waiver by the Secretary at any point during the Term, the School shall file a notification within 30 days of approval from the Secretary with the Commission to amend the Contract to reflect such waiver.
 - b. If the School begins making use of any additional non-discretionary waivers at any point during the charter term, the School shall file a notification within 30 days of first use of the waiver with the Commission to amend the contract to reflect the use of such non-discretionary waiver.
- 9. **Use of Volunteers:** The School covenants and represents that all volunteers it allows access to its students or the Facility will comply with state regulations regarding the use of volunteers set out in Section 6.50.18 NMAC.
- 10. **Background Checks:** The School shall comply with the requirements of Section 22-10A-5 NMAC 1978, relating to background checks for all staff, instructors, and volunteers, in whatever capacity, working with its students or at the Facility.
 - i. The School shall develop and implement policies and procedures to require background checks on an applicant who has been offered employment, and for all volunteers, contractors and contractor's employees with unsupervised access to students at the public school. The School shall comply with the Criminal Offender Employment Act.
 - ii. The Head Administrator of the School shall report to the Department any known conviction of a felony or misdemeanor involving moral turpitude of a licensed or certified school employee.
 - iii. The Head Administrator of the School or their respective designees shall investigate all allegations of ethical misconduct about any licensed or certified school employee who resigns, is being discharged or terminated or otherwise leaves employment after an allegation has been made, or incident occurs. If the investigation results in a finding of wrongdoing, the Head Administrator of the School shall report the identity of the licensed or certified school employee and attendant circumstances of the ethical misconduct on a standardized form to the Department and the licensed or certified school employee within thirty days following the separation from employment. No agreement between a departing licensed or certified school employee and the School shall diminish or eliminate the responsibility of investigating and reporting the alleged ethical misconduct, and any such provision or agreement to the contrary is void and unenforceable.
- 11. **Sites:** The School shall provide educational services, including the delivery of instruction, at the following location(s):

Explore Academy
5100 Masthead St NE
Albuquerque, NM 87109

The School shall ensure the Facilities meet the charter school facilities standards in Section 22-8B-4.2(A, C, D) NMSA 1978, and shall ensure that the facilities comply with all applicable federal, state and local health and safety standards and other applicable laws, regulations and rules. The School shall provide the Lease(s) or Lease Purchase Agreement(s) for all facilities, which is attached to this contract as Attachment J incorporated herein by reference,

SECTION 5: PERFORMANCE FRAMEWORKS

1. **Performance Framework: Attachment A**, incorporated herein by reference, includes the Charter Performance Review and Accountability System ("Accountability Plan"), which includes Academic Performance Framework, Organizational Performance Framework, and Financial Performance Framework adopted by the Commission. These documents together set forth the academic and operational performance indicators and performance targets that will guide the Commission's evaluation of the School and the criteria, processes and procedures that the Commission will use for ongoing oversight of operational, financial and academic performance of the School.
2. **Academic Performance Indicators and Evaluation:** The School shall:
 - i. Provide a comprehensive educational program that aligns with the state academic standards prescribed by the Department for the grades approved to operate.
 - ii. Participate in the State-required assessments as designated by the Department or the U.S. Department of Education.
 - iii. Timely report student level data for State-required assessments to the Department and report student level data from school administered assessments, as requested by the Commission or on a bi-annual basis if that data is incorporated into the Academic Performance Framework adopted by the Commission.
 - iv. Meet or make substantial progress toward achievement of the Department's standards of excellence.
 - v. Meet or make substantial progress toward achievement of the Department's standards of excellence or the performance standards identified in the Academic Performance Framework as adopted and modified periodically by the Commission.
 - i. The Academic Performance Framework adopted by the Commission allows for the inclusion of additional rigorous, valid and reliable mission specific indicators proposed by a charter school to augment external evaluations of its performance, provided that the Commission approves of the quality and rigor of such proposed indicators and the indicators are consistent with the purposes of the Act. Any such indicators will be incorporated into Attachment A.
 - ii. If the School fails to meet its academic performance indicators in any year it must develop, submit, and begin implementing a School Improvement Plan within 60 days of the release of the academic performance information. The School Improvement Plan will be submitted to the Commission, but the Commission will not evaluate the quality of, or approve, the plan. The Commission may evaluate implementation of the plan through its annual site visits and provide feedback to the School regarding fidelity of implementation and effectiveness of the plan in improving School performance.
 - iii. If the School does not meet the performance standards in the Performance Framework, it shall "make substantial progress" toward achievement of those standards as it is defined in the Commission's Accountability Plan included in Attachment A.

- iv. Failure to meet or make substantial progress toward meeting the performance standards shall be sufficient justification to revoke or non-renew the School's Charter.
- vi. The Commission is not required to allow the school the opportunity to remedy the problem if unsatisfactory review warrants revocation.

3. Organizational Performance Indicators and Evaluation: The School shall:

- i. Comply with applicable federal, state and local rules, regulations and statutes relating to public education unless the School is specifically exempted from the provision of law.
- ii. Timely submit all documentation, financial and other reports required by the Department or the Commission in order to evaluate the School's compliance with applicable federal, state and local rules, regulations and statutes relating to public education.
- iii. Provide a written copy to the Commission, within 15 days of receiving a written notice of complaint filed against the School alleging violations of federal, state, or local law, regulation or rule, or a final determination from another state government division or agency, or state or federal court regarding any such complaint against the School.
- iv. Cooperate with the Commission or authorized representative to enable them to conduct annual site visits and all other auditing visits requested or required by the Commission or the Department.
- v. Meet the organizational performance standards identified in the Organizational Performance Framework as adopted and modified periodically by the Commission.
 - a. If the school fails to meet its organizational performance indicators, the School will be provided notice through the procedures in the Commission's Accountability Plan included in Attachment A.
 - b. The school may be required to develop, submit and implement a Corrective Action Plan to address deficiencies in its organizational performance. All Corrective Action Plans must be submitted to the Commission, but the Commission will not evaluate the quality of, or approve, the plan. The Commission may evaluate implementation of the plan through its site visits and provide feedback to the School regarding fidelity of implementation and effectiveness of the plan in improving school performance.
 - c. Failure to meet the organizational performance standards shall be sufficient justification to revoke or non-renew the School's Charter.
- vi. The Commission is not required to allow the school the opportunity to remedy the problem if unsatisfactory review warrants revocation.

4. Financial Performance Indicators and Evaluation: The School shall:

- i. Meet generally accepted standards of fiscal management which shall include complying with all applicable provisions of the Public School Finance Code, the Procurement Code, and the Audit Act; paying debts as they fall due or in the usual course of business; complying with all federal requirements related to federally funded programs and awards; refraining from gross incompetence or systematic and egregious mismanagement of the School's finances or financial records; and preparing and fairly presenting its financial statements in accordance with accounting principles generally accepted in the United States of America, which include the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of

financial statements that are free from material misstatement, whether due to fraud or error.

- ii. Timely submit all documentation, financial and other reports required by the Department or the Commission. The School shall further timely submit any Corrective Action Plans or additional financial reporting or documentation that may be required by the Department or the Commission.
- iii. Cooperate with the Commission to enable them, or its authorized representative to conduct all auditing visits requested or required by the Commission or the Department.
- iv. Meet the financial performance standards identified in the Financial Performance Framework as adopted and modified periodically by the Commission, or provide an adequate response to explain why the School does not meet the performance standards and demonstrate the school is a financially viable and stable organization.
- v. Failure to meet generally accepted standards of fiscal management shall be sufficient justification to revoke or non-renew the School's Charter.
- vi. The School shall have a designated licensed business official and certified procurement officer. The School shall identify the current individual designated as the certified procurement officer and contains their CPO certification in Attachment I incorporated herein by reference. The school shall notify the Commission of all changes to the designated licensed business official or certified procurement officer within 30 days.
- vii. The Commission is not required to allow the school the opportunity to remedy the problem if unsatisfactory review warrants revocation.

5. Chartering Authority's Duties and Liabilities: The Commission, shall:

- i. Evaluate all applications submitted by this charter school, including properly submitted amendment requests, and act timely on any such applications or requests;
- ii. Monitor the performance and legal compliance of the School, in accordance with the requirements of the Act and the terms of the Charter and Contract;
- iii. Review all relevant information to determine whether the School merits suspension, revocation or nonrenewal. All evaluation and monitoring will be carried out using the processes and criteria established in the Accountability Plan in Attachment A;
- iv. Conduct all its activities in accordance with its chartering policies and practices, which shall be modified from time to time to be consistent with nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing; and
- v. Promptly notify the Governing Body of the School of unsatisfactory fiscal, overall governance or student performance or legal compliance and provide reasonable opportunity for the governing body to remedy the problem; Any such notice shall be provided in accordance with the Accountability Plan as provided in Attachment A.
- vi. The Commission is not required to allow the school the opportunity to remedy the problem if the unsatisfactory review warrants revocation.

SECTION 6: ADDITIONAL TERMS

1. Withheld Two-Percent of Program Cost: The Charter Schools Division of the Department may withhold and use two percent (2%) of the school-generated program cost for administrative support of the School as provided in Section 22-8B-13 NMSA 1978. These funds are to be utilized in the following manner:

i. New Mexico Public Education Department: The Department shall utilize the funds for the following purposes:

a. Funding the staff to conduct work for the Division, which shall include:

1. Conducting annual site visits and annual evaluations under the Performance Frameworks; receiving, processing, evaluating and making recommendations on new applications, amendment requests, and renewal applications; receiving, processing, and evaluating complaints; making recommendations to revoke charters, as necessary; making recommendations regarding School Improvement and Corrective Action Plans, as necessary; overseeing the closure of charter schools; and making recommendations regarding the development and implementation of authorizing policies and practices to ensure they are consistent with nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing; and
2. Technical assistance and support work such as providing training for new Governing Board members; providing Governing Body training; maintaining communication with the charter school field to keep them apprised of best practices, opportunities for support from Department, policy changes from the Commission; hosting other training and professional development; and developing other support materials.

b. Funding a proportional share of the Department staff to conduct work, as determined by the Department, necessary to support the administrative oversight, approval of budget matters, capital outlay, transportation, special education, federal programs, school evaluation and accountability, annual financial audits, and T&E audits.

c. Funding any other staff work necessary to provide professional support or data analysis to the Commission.

d. The Commission's reasonable request for funding of any project or service to support the work of the Commission shall not be denied by the Department. The Commission's request for funding of project or service shall take budget priority over the Department's budget priorities or allocations.

e. The Commission shall request an annual accounting from the Department on how the two percent (2%) was utilized and shall provide the information received to the school.

ii. New Mexico Public Education Commission: The New Mexico Public Education Commission shall utilize the funds for the following purposes:

a. Funding the travel and per diem expenses of Commissioners when conducting the business of the Commission.

b. Funding the administrative expenses of the business of the Commission

- iii. In addition to the above listed items, the Department and the Commission shall have authority to utilize the funds for similar or related costs for administrative support of charter schools and charter school programs.

2. Amendments to the Charter and Changes to the School:

- i. This Contract may be amended by mutual agreement, in writing, of the parties. Processes for submitting requests to amend, or notifications of amendments, as amended from time to time, shall be posted on the Commission's website as an Amendment Request or Notification. The School shall not take action or implement the amendment until approved by the Commission unless the Commission's processes indicate otherwise.
 - a. All amendment requests and notifications shall be submitted pursuant to the procedures developed by the Commission.
 - b. The Commission shall consider and vote on all properly submitted amendment requests and notifications within 60 days of receipt of a complete submission.
- ii. If the Parties cannot agree on an amendment to the terms of the contract, either party may appeal to the Department Secretary pursuant to Section 22-8B-9(A) and (C) NMSA 1978.

3. Insurance:

- i. The School shall obtain and maintain insurance in accordance with the laws of the State.
- ii. The School will participate in the Public School Insurance Authority.
- iii. Waiver of Rights: The School and its insurers providing the required coverage shall waive all rights of recovery against the State and the Commission, or the Department, their agents, officials, assignees and employees.
- iv. The School shall maintain insurance coverage as required by law and provide the types, limits, and deductibles in Attachment K.

4. Charter Revocation: The Commission may at any time take action to revoke the Charter and Contract of the School.

- i. **Criteria:** Pursuant to the Act, the Commission may revoke the Charter if the Commission determines that the School:
 - a. Committed a material violation of any of the conditions, standards or procedures set forth in the Contract,
 - b. Failed to meet or make substantial progress toward achievement of the department's standards of excellence or student performance standards identified in the Contract,
 - c. Failed to meet generally accepted standards of fiscal management, or
 - d. Violated any provision of law from which the School was not specifically

exempted.

- ii. **Procedures and Timeline:** The Commission shall utilize the following revocation process:
 - a. Notify the school at least 7 days prior to a regularly scheduled meeting that it will be on the agenda for consideration of whether to issue a Notice of Intent to Revoke the Charter.
 - b. Issue a written Notice of Intent to Revoke the Charter within 15 days of voting to issue such a notice. The Notice shall:
 - 1. State the legal basis for the potential revocation, and reasonably identify the evidence that the Commission has to support the existence of the legal basis;
 - 2. Identify the date, location, and time at which a revocation hearing will be held;
 - 3. Establish deadlines for the School and the Commission to present written materials and all evidence that will be used during the hearing; and
 - 4. Identify if the hearing will be conducted by the Commission or by an impartial hearing officer. If a hearing officer is to be used, the Notice shall establish the date on which the Commission will consider whether to accept, reject, or modify the hearing officer's findings of facts, conclusions of law, and recommendations.
 - c. After a hearing, upon making a final revocation decision, the Commission shall issue a written decision, through the Chair, within 15 days of voting to revoke the charter stating the findings of fact and conclusions of law that support the revocation.

- 5. **Charter Renewal Processes:** Within the time period established by the Act, the School's Governing Body may submit a renewal application to the Commission using the Commission's renewal application form as it may be amended from time to time. The application shall include all information required by law and necessary for the Commission to determine whether renewal, non-renewal, or a conditional or short-term renewal is most appropriate.

- i. **Criteria:** Pursuant to the Act, the Commission may refuse to renew the Charter if the Commission determines that the school:
 - a. Committed a material violation of any of the conditions, standards or procedures set forth in the Contract,
 - b. Failed to meet or make substantial progress toward achievement of the Department's standards of excellence or student performance standards identified in the Contract,
 - c. Failed to meet generally accepted standards of fiscal management, or
 - d. Violated any provision of law from which the School was not specifically exempted.

- ii. **Procedures and Timeline:** The Commission shall utilize the following renewal process:

- a. At least one year prior to the date on which the school will apply for renewal, the Commission's authorized representatives will notify the school of its preliminary renewal profile, as established in the Commission's Accountability Plan which is incorporated herein as Attachment A.
 - b. At least 20 days prior to Commission's meeting at which it will consider the school's renewal application, the Commission's authorized representatives will provide the School with a preliminary application analysis and recommendation. The recommendation shall:
 1. State the legal basis for potential non-renewal, and reasonably identify the evidence to support the existence of the legal basis; and
 2. Establish deadlines for the School to present its written materials and all evidence that will be used to respond to the recommendation, which shall be not less than 10 days from the date of the delivery of the recommendation.
 - c. No later than seven (7) days prior to the Commission's meeting at which it will consider the school's renewal application, the Commission's authorized representatives will provide the school with a final application analysis and recommendation.
 - d. Upon making a final non-renewal decision, the Commission, through the Chair, shall issue a written decision within 30 days of voting to non-renew the charter stating the findings of fact and conclusions of that support the revocation.
6. **Applicable Law:** The material and services provided by this School under this Charter shall comply with all applicable federal, state, and local laws and shall conform, in all respects, to the educational standards contained in its application and Charter. This Charter shall be governed and interpreted in accordance with the laws of the State.
- i. In the event of any conflict among the documents and practices defining this relationship, it is agreed that:
 - a. The Contract shall take precedence over policies of either Party and the Charter; and
 - b. If a provision in the Performance Framework conflicts with a provision in the Contract, the Contract shall take precedence over the Performance Framework.
 - ii. This Contract shall not take precedence over any applicable provisions of law, rule or regulation.
 - iii. In the event of a change in law, regulation, rule, procedure or form affecting the School during the term of this Contract, the Parties shall comply with the change in law, rule, regulation or procedure or utilize the new form, provided.
 - a. If an amendment to this Contract is required to comply with a change in the law or rule, then the Parties shall execute such an amendment.

7. **Charter Interpretation:**

- i. **Merger:** This Charter and Contract, including all of the attachments, constitute the entire agreement of the Parties. NMSA, Commission policies, and Department policies, and administrative rules and regulations which may be amended from time to time during the course of the Charter, are incorporated into this Charter, along with any amendments which may occur during the term of the Charter, by this reference.
 - ii. **Waiver:** Either party's failure to insist on strict performance of any term or condition of the Charter shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
 - iii. **Severability:** The provisions of this Charter are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Charter or Contract.
 - iv. **Assignment:** Neither party may assign or transfer any right or interest in this Charter and Contract unless authorized by law. No assignment, transfer or delegation of any duty of the School shall be made without prior written permission of the Commission.
8. **Indemnification and Acknowledgements:** To the extent permitted by law, the Charter School shall indemnify, defend, save and hold harmless the Commission, the State, its departments, agencies, boards, commissions, universities and its officers, officials, agents and employees ("Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) ("Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the School or any of its directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such School to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree that is applicable to the School. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the School from and against any and all claims. It is agreed that the School will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. This provision shall be subject to annual budget and appropriation by the New Mexico Legislature.
9. **Employees and Contractors:** This Charter is not an employment contract. No officer, employee, agent, or subcontractor of the School is an officer, employee, or agent of the Commission or the Department.
10. **Non-Discrimination:** The School shall comply with all applicable federal and state employment laws, rules and regulations, including the Americans with Disabilities Act. The School shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, sexual orientation, gender identity, spousal affiliation, national origin or disability.
11. **Notices:** Any notice required, or permitted, under the Contract shall be in writing and shall be effective immediately upon personal delivery, upon receipt of electronic mail, or three (3) days after mailing to the following:

Charter School:

Jesse Pickard, Governing Body President
 2716 Avenida Corazon
 Rio Rancho, NM, 87124
 jpickard@apicnm.com
 (505) 306-4511

Justin Baiardo, Head Administrator
 5100 Masthead NE
 Albuquerque, NM 87109
 baiardo@exploreacademy.org
 (505) 257-5244

NM Public Education Commission:

Patricia E. Gipson, Chair
 300 Don Gaspar Santa Fe, NM 87505
 575-405-9135
 PEC.DistrictSeven@state.nm.us

The Parties may make changes in the address of its contact person by posting the change(s) on its website.

- 12. Dispute Resolution:** Disputes arising out of the interpretation of this Contract shall be subject to the dispute resolution process set forth in this section. Disputes arising out of interpretations of state or federal statute, regulation, or policies of a federal entity or a different state entity, Charter revocation, or Charter renewal shall not be subject to this dispute resolution process.
- i. **Notice of Dispute:** Either party shall notify the other party in writing that a dispute exists between them within 30 days from the date the dispute arises. The notice of dispute shall identify the Paragraph of this Contract in dispute, reasons alleged for the dispute and copies of any documentation that supports the complaining party's position. If the dispute is not timely presented to the other party, the party receiving late notice may elect not to enter into mediation.
 - ii. **Continuation of Contract Performance:** The School and the Commission agree that the existence and details of a dispute notwithstanding, the Parties shall continue without delay their performance of this Contract, except for any performance that may be directly affected by such dispute.
 - iii. **Time limit for response to the notice and cure of the matter in dispute:** Upon receipt of a Notice of Dispute, the Chair of the Commission or the Charter Representative of the Charter School shall have 15 days to respond in writing.
 - a. The written response may:
 1. Propose a course of action to cure the dispute;
 2. Propose the parties enter into informal discussions to resolve the matter; or
 3. Require the parties select a neutral third party to assist in resolving the dispute.
 - b. If no response is received within 15 days, the Party sending the Notice may invoke the process for selecting a neutral third party to assist in resolving the dispute.
 - c. If the written response proposed a course action or negotiations to resolve the dispute, the party sending the Notice shall respond within 15 days or receiving the response.

- d. At any point in this informal process, either Party may, in writing, invoke the process for selecting a neutral third party to assist in resolving the dispute.

iv. Selection of a neutral third party to assist in resolving the dispute:

- a. If either Party invokes the process for selecting a neutral third party to assist in resolving the dispute, it shall include in the notice the name of a proposed mediator along with his/her qualifications.
- b. If the other Party does not agree to the proposed mediator, it shall identify an alternate mediator along with his/her qualifications within 5 business days.
- c. If the other Party does not agree with the alternate designation, it shall give notice within 5 business days.
- d. In the event that the Parties cannot agree on a mediator the Parties shall request that the Secretary appoint a mediator. The appointed mediator shall mediate the dispute.

- v. **Apportionment of all costs related to the dispute resolution process:** Each Party shall pay one-half of the reasonable fees and expenses of the mediator. All other fees and expenses of each party, including without limitation, the fees and expenses of its counsel, shall be paid by the Party incurring such costs.


- vi. **Process for Final Resolution of Dispute:** If settlement of the dispute is not reached through mediation or by agreement of the Parties, the Parties shall submit the matter to the Secretary for resolution.

13. Non-Availability of Funds: Every payment obligation of the State under this Charter is conditioned upon the availability of funds continuing to be appropriated or allocated for the payment of such obligations. If funds are not allocated and available for the continuance of this Charter, the Commission may terminate this Charter at the end of the period for which funds are available. No liability shall accrue to the Commission, nor the State, or any of its subdivisions, departments or divisions, in the event this provision is exercised, and neither the Commission nor the State shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

14. Release of Funding: A School may not receive state equalization funding until a current NMCI determination, certificate of occupancy, and occupancy permit for educational use are provided for each site listed in Section 4.10 (and each site subsequently approved by the New Mexico Public Education Commission). A School may not receive state equalization funding until the Commission has determined that the school has satisfied all conditions imposed by the Commission at initial approval and has demonstrated readiness to operate through completion of the Commission's Implementation Year Checklist. Upon request for renewal, the School may not receive state equalization funding until the Commission has determined that the school has satisfied all conditions imposed by the Commission.

EXPLORE ACADEMY

Executed this 21st day of MAY 2019.

By JUSTIN BAIARDO 
_____, Charter Representative for
Explore Academy

NEW MEXICO PUBLIC EDUCATION COMMISSION

Executed this _____ day of _____ 20____.

By _____
Patricia E. Gipson, Chair of the New Mexico Public Education Commission.

Certification of Board Vote

Highlight and replace all capitalized text below.

Certificate Of Governing Body Vote

This document certifies that on May 21st at 5:30 PM a meeting of the Governing Body of EXPLORE ACADEMY a New Mexico public charter school, was held at 5100 MASTHEAD NE in ALBUQUERQUE, NM. The meeting and all votes were conducted in compliance with the New Mexico Open Meetings Act.

A quorum of the Governing Body's members being present and voting, it was voted FIVE (5) in favor and ZERO (0) opposed to APPROVAL OF THE CHARTER CONTRACT BETWEEN EXPLORE ACADEMY AND THE NEW MEXICO PUBLIC EDUCATION COMMISSION .

The members voting in favor were: Pickard, Barton, Garletts, Montano, Kulb

The members voting in opposition were: N/A

I, the undersigned, certify that this is a true copy.



Signature of Individual Authorized To Certify the Vote (Secretary or Other Officer)

RAY BARTON

SECRETARY

5/21/19



New Mexico Public Education Commission Charter Performance Review and Accountability System

Explore Academy

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Introduction

Through charter schools, the Public Education Commission (“PEC”) as Chartering Authority seeks to provide families with effective, quality educational options.

The PEC is responsible for setting and implementing chartering policies that are consistent with New Mexico charter school law, charter agreements established with schools, and nationally recognized principles and standards for quality charter authorizing. The PEC, through its authorized representative(s), will carry out the data collection and monitoring activities described in the Performance Review and Accountability System.

The New Mexico Charter Schools Act purpose:

The Charter Schools Act ... is enacted to enable individual schools to structure their educational curriculum to encourage the use of different and innovative teaching methods that are based on reliable research and effective practices or have been replicated successfully in schools with diverse characteristics; to allow the development of different and innovative forms of measuring student learning and achievement; to address the needs of all students, including those determined to be at risk; to create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site; to improve student achievement; to provide parents and students with an educational alternative to create new, innovative and more flexible ways of educating children within the public school system; to encourage parental and community involvement in the public school system; to develop and use site-based budgeting; and to hold charter schools accountable for meeting the department's educational standards and fiscal requirements. (§22-8B-3 NMSA 1978 *et seq*).

Performance Review and Accountability System Objectives

PEC seeks to establish a Performance Review and Accountability System that strikes the appropriate balance between charter school autonomy and chartering authority intervention. The Performance Review and Accountability System is an adaptive tool subject to continuous review and improvement so that the students in New Mexico public charter schools are effectively served.

The PEC invites New Mexico’s charter schools to be partners in the development and continuous improvement of this Performance Review and Accountability System.

The PEC is committed to providing clear expectations about charter school performance and chartering authority oversight activities. PEC objectives for charter school performance review and accountability include:

- Provide clarity about the process and timeline for collecting performance framework data
- Streamline data collection and decrease the burden on NM charter schools
- Consider overall school academic performance across a range of different indicators, including optional, unique, school-identified measures for evaluating mission-specific goals
- Ensure all data and evidence can be reliably and accurately collected and measures can be reliably and accurately evaluated
- Establish financial metrics that provide clarity about the financial health of charter schools
- Establish clear policies and procedures for how performance frameworks inform PEC actions and decisions, including a range of interventions that PEC will take in response to charter school under performance
- Provide annual performance reports that are publicly available to families and schools

Annual Performance Review Activities

PEC, through its authorized representative(s), evaluates schools on their ability to achieve academic goals with all students while maintaining financial and organizational health. Annual accountability activities are guided by state and federal compliance requirements as well as clear measures of academic progress that allow for a rigorous, state-aligned, fact-based evaluation of school performance.

Charter School Data Submissions

- Throughout the year, charter schools are required to submit academic, financial, and organizational data to PEC, various PED departments, and other governmental entities.
- Submissions are required for PEC accountability oversight and for compliance with state and federal funding and reporting requirements.
- See Appendix B for a schedule of reports consistently required by the PEC and PED; other reporting may be required if the school is notified by PED, PEC, or other government entities.

Annual School Visits

- PEC's authorized representative(s) conduct annual site visits to all schools to collect data for the performance framework evaluation and provide feedback as technical assistance. Site visits may be differentiated based on school performance, including academic, financial, and organizational performance.
- New school visits are conducted within the first 40 days after new school opening to collect data for the performance framework evaluation and to provide early feedback and intervention as technical assistance, if necessary.
- Renewal visits are conducted during the fall of the charter school's renewal year and provide additional insights to inform PEC charter school renewal decisions, especially for schools not meeting performance expectations.
- Visits can include a combination of any of the following: file audits, classroom observations, a facility review, and staff, board, and student and family interviews.
- See Appendix C for a summary of the School Visit Protocols.

Annual Performance Review

- PEC's authorized representative(s) evaluate all schools against the PEC Performance Framework annually, which is comprised of academic, financial, and organizational performance metrics.
- PEC's authorized representative(s) share initial performance framework feedback and evaluations with charter school boards and administrative leaders for review and feedback.
- PEC, through its authorized representative(s), issues any Notices of Concern or Breach related to annual performance reviews.
- PEC approves and publishes Annual Performance Reports for schools.
- See Appendix A for the current PEC Charter School Performance Framework.

Performance Framework

The PEC Charter School Performance Framework sets the academic, fiscal, and organizational standards by which PEC-authorized public charter schools will be evaluated, informing the PEC and charter school about the school's performance and sustainability. See Appendix A for the current PEC Charter School Performance Framework.

The Performance Framework consists of three separate, free standing frameworks. Performance under these three separate frameworks does not get rolled up into one overall evaluation. No one document necessarily carries more weight than any other.

Academic Framework: The academic framework includes measures that allow the PEC to evaluate the school's academic performance and assess whether the academic program is a success and whether the charter school is implementing its academic program effectively. The framework includes measures to evaluate student proficiency, student academic growth, achievement gaps in both proficiency and growth between student subgroups, and for high schools, post-secondary readiness and graduation rate. The PEC considers increases in student academic achievement for all groups of students as one of the most important factors when determining whether to renew or revoke a school's charter. The framework also includes unique, school-identified measures for evaluating mission-specific goals. These goals must be approved by the PEC to insure quality and rigor of proposed indicators and that the indicators are consistent with the purposes of the Charter Schools Act.

Based on performance across the academic indicators and measures, schools receive an overall academic tier rating that is used by the PEC in annual monitoring and renewal decisions. The academic framework has four rating tiers. Schools in Tier 1 are exceeding PEC performance expectations and are on par with or exceed the highest-performing schools in the state. Schools in Tier 4 are consistently failing to meet academic performance expectations.

Organizational Framework: The Organizational Framework primarily lists the responsibilities and duties that charter schools are required to meet through state and federal laws. The organizational framework is the primary focus of the annual school visit process. It was developed pursuant to the New Mexico Charter Schools Act and includes indicators, criteria statements, and metrics related to schools' educational program, financial management, governing body performance, school environment, and employee and student policies, including compliance with all applicable laws, rules, policies, and terms of the charter contract. For each indicator a school receives one of three ratings: "Meets Standard," "Working to Meet Standard" and "Does Not Meet Standard". Indicator ratings are assigned based on evidence that the school is meeting the criteria statement(s).

Based on performance across the organizational indicators and measures, schools receive an overall organizational rating that is used by the PEC in annual monitoring and renewal decisions. The overall rating will be either "Meets Standard" or "Does Not Meet Standard" based on cumulative performance on the organizational indicators. A school will only receive an overall rating of "Does Not Meet Standard" if the school receives "Does Not Meet Standard" ratings for three more indicators.

Financial Framework: The financial framework is currently being revised to include more effective measures of financial health. When a new financial framework is developed, school reported financial data will be evaluated on a quarterly basis and the Performance Framework will be populated with the most recent data. This internal school data is not final, but will be

used by the PEC as a preliminary evaluation for progress monitoring improvements in financial health and/or act as a flag for potential financial problems or concerns.

A final performance framework will be populated after final audited end-of-year cash amounts are available from the annual external audit. The final framework will be used to evaluate whether the school is meeting financial performance expectations for purposes of annual evaluations and renewal decisions.

The current financial framework requires schools to annually, in August, submit a completed and signed self-reported questionnaire. The questionnaire includes a series of questions about organizational performance as it relates to financial management practices. Several of the questions in the current financial framework are included in the revised organizational framework as indicators.

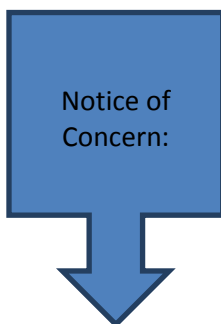
Intervention Ladder

PEC is responsible for holding charter schools accountable for the performance and legal compliance of charter schools under their authority. To meet this obligation, PEC has adopted an intervention ladder to communicate concerns about academic performance, fiscal soundness or legal, contractual, or policy requirements.

In the absence of evidence to the contrary, all schools are considered to be in **Good Standing**. Schools in good standing are expected to participate in routine annual accountability activities and maintain open communication with PEC and its authorized representative(s).

Notice of Concern

Schools may receive a **Notice of Concern** if the PEC and/or its authorized representative receives a verified complaint of significant concern, or if the annual performance review or site visit identifies significant questions or concerns about academic, financial, or organizational performance; such as a Tier 4 rating on the academic framework or a finding of “not meeting expectations” on an organizational indicator. PEC’s authorized representative(s) will communicate with school leaders, parents, and any other necessary stakeholders to verify complaints.

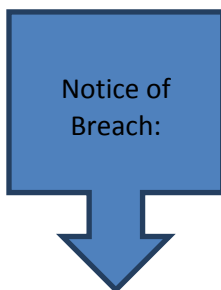


PEC will issue a Notice of Concern at a properly noticed public meeting. PEC’s authorized representative(s) shall provide schools notice that they will be appearing on the PEC’s agenda for the purposes of issuing a Notice of Concern at least 10 days prior to the meeting. As part of issuing a Notice of Concern, the PEC will establish expected outcomes and deadlines¹ that must be met by the school. The deadline established for correction shall be no less than 10 days including holidays and weekends, unless the matter is an emergency matter² in which case the deadline shall be no less than 72 hours.

Upon remedying the concern and complying with the expectations established by the PEC, the school returns to **Good Standing**. If the PEC’s expectations and deadlines are not met, the school progresses to the next level of the intervention ladder.

Notice of Breach

A school can receive a **Notice of Breach** if it fails to correct a Notice of Concern or for certain violations of law that are serious enough to justify a heightened initial response.



PEC will issue a Notice of Breach at a properly noticed public meeting. PEC’s authorized representative(s) shall provide schools notice that they will be appearing on the PEC’s agenda for the purposes of issuing a Notice of Breach at least 10 days prior to the meeting. As part of issuing a Notice of Breach, the PEC will establish expected outcomes and deadlines¹ that must be met by the school. The deadline established for correction shall be no less than 10 days including holidays and weekends, unless the matter is an emergency matter² in which case the deadline shall be no less than 72 hours.

¹ Deadlines will vary depending on the urgency of the matter and the amount of time it takes to reasonably cure the concern.

² An “emergency” refers to unforeseen circumstances that, if not addressed immediately by the public body, will likely result in injury or damage to persons or property or substantial financial loss to the public body

Once a Notice of Breach is issued, schools are required to submit a Corrective Action Plan (financial or organizational performance) or an Improvement Plan (academic performance) that details the actions and timeline that the schools will implement to correct the breach. PEC’s authorized representatives will monitor the school’s implementation of Corrective Action and Improvement Plans, and regularly update PEC on progress. Once the school has met the Notice of Breach requirements, they return to **Good Standing**. Repeated Notices of Concern or Breach may lead to increased oversight, including additional annual site visits or regular phone calls to discuss key performance indicators.

Revocation Review

Failure to meet the requirements specified in the Notice of Breach, or certain violations of law that are serious enough to justify an initial heightened response, will result in a charter school **Revocation Review**. Schools may also be subject to the Revocation Review if they receive more than one Notice of Breach in the same school year.

PEC will issue a Notice of Revocation Review at a properly noticed public meeting. Unless impractical, PEC's authorized representative(s) shall provide schools notice that they will be appearing on the PEC’s agenda for the purposes of issuing a Notice of Revocation Review at least 10 days prior to the meeting. As part of issuing a Notice of Revocation Review, the PEC will establish the actions to be taken by its authorized representative(s) and a deadline for the school to respond to the prospect of revocation. The actions of the PEC’s authorized representative may include additional visits to the school, an in-depth audit to assess the school’s educational program, and/or financial and organizational health, or other actions appropriate to determine if a revocation hearing is appropriate.

Findings from the revocation review will be presented to the PEC at a properly noticed public meeting, at which will determine whether to issue a Notice of Intent to Revoke, which sends the school into revocation proceedings. In lieu of a Notice of Intent to Revoke, the PEC may decide to grant a Notice of Breach, or a revised Notice of Breach. A revised Notice of Breach will allow a school more time to achieve expected outcomes established in an initial Notice of Breach or adjust the expected outcomes initially established by the PEC.

In extraordinary circumstances, the PEC may forgo the process outlined above and may, with proper statutory notice, consider whether to hold a revocation hearing or hold a revocation hearing.

The table on the following page provides examples regarding triggers and evidence, and actions and consequences; however, the table shall not be considered exclusive.

Revocation Review

Intervention Status	Triggers/Evidence	Actions/Consequences
Notice of Concern	<ul style="list-style-type: none"> • Failure to meet performance standards represented in the performance framework. • Receipt of verified complaint of significant concern. • Evidence of not meeting performance expectations through routine monitoring or school visit. • Failure to comply with terms of the charter. 	<ul style="list-style-type: none"> • Appearance before the Public Education Commission at public meeting. • Letter to school leader and governing board detailing areas of concern and specific outcomes and timeline for correcting the performance gap.
Notice of Breach	<ul style="list-style-type: none"> • Failure to meet objectives identified in a Notice of Concern. • Evidence of material or significant failure to comply with applicable laws. • Actions or operational deficiencies that may endanger the well-being of students and/or staff, or negatively impact the viability of the school. 	<ul style="list-style-type: none"> • Appearance before the Public Education Commission at public meeting. • Letter to school leader and governing board giving notification of breach and outlining additional terms of oversight and monitoring. • School develops, submits, and implements a Corrective Action or Improvement Plan with specific improvements, objectives, timelines, and measures that results in correction of the breach. • PEC, through authorized representative(s), monitors implementation of Corrective Action or Improvement Plan.
Revocation Review	<ul style="list-style-type: none"> • Failure to successfully meet the terms of the Corrective Action or Improvement Plan. • Repeated failure to meet the material terms of the charter agreement. • Illegal behavior, fraud, misappropriation of funds. • Extended pattern of failure to meet performance expectations set forth in the charter agreement. • Repeated failure to comply with applicable law. 	<ul style="list-style-type: none"> • Appearance before the Public Education Commission at public meeting. • The PEC's authorized representative(s) may conduct additional site visits to the school and/or conduct an in-depth audit to assess the school's educational program, and/or financial and organizational health. • The PEC's authorized representative(s) review and preparation of recommendation to revoke, or not to revoke, the charter. • PEC reviews recommendations and makes decision to commence or not commence revocation proceedings.

Charter Renewal

As part of renewal consideration, PEC will consider a schools' annual school performance, school visit reports, information contained in the school's renewal application, and other relevant information in their decisions. Renewal decisions are based on the statutory standards in Section 22-8B-12(K) New Mexico Statutes Annotated.

After the final performance evaluation is completed for each year of its contract, a school will receive notice of whether it is on track for a renewal recommendation for 1) expedited renewal, 2) full renewal, 3) renewal with conditions, or 4) non-renewal. When the school has two years remaining on its contract term, the PEC's authorized representative(s) will provide the school with a Preliminary Notification of Renewal Profile. These notices are based on the school's performance profile over the contract term and the renewal performance profiles on page 11 of this Charter Performance Review and Accountability System. The PEC expects that schools will use these notices to both take action to respond to the potential renewal action by improving performance, as necessary, and to prepare and submit a response to the potential renewal action.

After final school performance data is released for the year prior to the school's renewal year, the school will receive a final notice of its renewal profile. Schools that have an Expedited Renewal Profile will have limited submission requirements and a limited site visit.

Renewal Decision Criteria

PEC decisions on charter school renewal will be based on an analysis of the following questions:

1. Is the school an academic success or making progress toward academic success? (Academic Framework)
2. Is the school an effective, viable organization? (Organizational Framework)
3. Is the school fiscally sound? (Financial Framework)

Staff providing support to the PEC will develop renewal recommendations based on the cumulative performance of the charter school over the contract term. The PEC will consider the following sources of evidence for renewal decisions, including any additional factors highlighted in the charter school renewal application.

Renewal Evidence Sources

- Annual performance reports, which constitute a report on the status in relation to meeting the academic performance, financial compliance and governance responsibilities of the charter school, including achieving the goals, objectives, student performance outcomes, state standards of excellence and other terms of the charter contract, including the accountability requirements set forth in the Assessment and Accountability Act;
- School developed reports, for schools not meeting the above standards, on the progress toward meeting the established standards;
- Evidence gathered that confirms or does not confirm the school developed reports identified above;
- A financial statement that discloses the costs of administration, instruction and other spending categories for the charter school that is understandable to the general public, that allows comparison of costs to other schools or comparable organizations and that is in a format required by the department;
- Petitions of support; and
- Facility assurances.

Renewal Outcomes

Staff providing support to the PEC will recommend one of four renewal outcomes (profiles) for PEC to consider. Although renewal recommendations will be guided by the performance profiles described below, the PEC has ultimate authority to make any renewal decision that is consistent with New Mexico charter school law.

Renewal Decision	Renewal Performance Profile ³	Renewal Terms
Expedited Renewal⁴	Academic <ul style="list-style-type: none"> • Maintain Tier 1 or 2 rating for previous four years of the charter contract 	Five-year term with no additional conditions outside normal charter contract; streamlined renewal application and review process
	Organizational / Financial <ul style="list-style-type: none"> • Meet Expectations for previous four years of the charter contract 	
Full Renewal⁵	Academic <ul style="list-style-type: none"> • Earn no Tier 4 ratings within the past three years, and • Either: <ul style="list-style-type: none"> ○ Maintain Tier 1 or 2 rating for at least three of past four years, or ○ Demonstrate consistently improving Tier rating over the last 3 years 	Five-year term with no additional conditions outside normal charter contract
	Organizational / Financial <ul style="list-style-type: none"> • Meet Expectations for the last two years, or • Meet Expectations for at least three of past four years 	
Renewal with conditions⁶	Academic <ul style="list-style-type: none"> • Earn Tier 4 performance rating for two or more years during the last four years but not in both of the last two years, or • Earn Tier 3 or 4 rating for three of the past four years, or • Earn two or more Tier 3 or 4 ratings and demonstrate declines in Tier rating in any of the last two years 	Three- or five-year renewal term with defined goals for school improvement on academic, organizational, and/or financial frameworks
	Organizational / Financial <ul style="list-style-type: none"> • Earn “did not meet” expectations for two or more years including one of the last two years 	
Non-Renewal⁷	Academic <ul style="list-style-type: none"> • Earn Tier 4 performance rating for past two years, or • Earn Tier 4 performance rating for three or more years during the last four years including the most recent 	Recommendation for non-renewal
	Organizational / Financial <ul style="list-style-type: none"> • Earn “did not meet” expectations for three or more years during the last four years including the most recent year 	

³ PEC renewal decisions will be guided by performance profiles, but PEC has ultimate authority to make any renewal decision that is consistent with New Mexico charter school law.

⁴ When considering schools currently in a contract with a term of less than 5 years, the expedited renewal profile criteria are 1) Maintain Tier 1 academic rating for the contract term, and 2) maintain Meets Expectations for organizational and financial performance for the contract term.

⁵ When considering schools currently in a contract with a term of less than 5 years, the full renewal profile criteria are 1) in the academic framework either a) demonstrate a consistently improving Tier rating over the term of the contract or b) maintain at least Tier 2 rating for the contract term, and 2) earn Meets Expectations for organizational and financial performance for the year prior to the renewal year.

⁶ When considering schools currently in a contract with a term of less than 5 years, the conditional renewal profile is for schools that do not fall into any other renewal profile.

⁷ When considering schools currently in a contract with a term of less than 5 years, the non-renewal profile 1) earned a Tier 4 academic performance rating for the year prior to the renewal year or 2) earn Does Not Meet Expectations for organizational or financial performance for the year prior to the renewal year.

Renewal Process Steps

Renewal Process Steps	Timing (Final Year of Charter Contract)
Final Notice of Renewal Profile	Summer – After School Performance Data Released
Renewal Application by the School	Options: August 1, September 1, or October 1
Renewal Site Visit	Dependent on submission date: August, September, or October
Additional Requests for Information	As needed
Final Renewal Report	At least 5 days before PEC Vote
PEC Renewal Vote	Dependent on submission date: October, November, or December
New Contract Negotiation	Spring

Annual Performance Evaluations

After the final performance evaluation is completed for each year of its contract, a school will receive notice of whether it is on track for a renewal recommendation for 1) expedited renewal, 2) full renewal, 3) renewal with conditions, or 4) non-renewal. At least one year prior to the date the school will apply for renewal, the PEC's authorized representative(s) will provide the school with a Preliminary Notification of Renewal Profile. These notices are based on the school's performance profile over the contract term and the renewal performance profiles on page 11 of this Charter Performance Review and Accountability System. The PEC expects that schools will use these notices to both take action to respond to the potential renewal action by improving performance, as necessary, and to prepare and submit a response to the potential renewal action.

After final school performance data is released for the year prior to the school's renewal year, the school will receive a final notice of its renewal profile. Schools that have an Expedited Renewal Profile will have limited submission requirements and a limited site visit.

Renewal Profile

The first stage of the formal renewal process is the preparation by the PEC's authorized representative(s) of school-specific renewal profiles. The Renewal Profiles are based on the record of the charter school's academic, financial and organizational performance as reported in their **Annual Performance Reports** and in alignment with any prior renewal or approval conditions. Renewal Profiles will be provided to the school in the late summer of the final year of the school's charter term. The profiles are based on evidence collected over the contract term and publicly available information. Schools eligible for expedited renewal will be identified during this phase. At this time in the process, all schools will be aware of the performance profile and thus the renewal recommendations from the staff supporting the PEC. The renewal application will provide the school an opportunity to submit and prepare a response to the potential renewal action.

Renewal Application by the School

The Renewal Application provides schools the opportunity to provide an overview of school progress and a response to the potential renewal action, if performance expectations have not been met during the contract term. It is the goal of the Commission, to the extent possible, to decrease the burden from the preparation of the Renewal Application.

Schools eligible for expedited renewal will not be required to submit some sections of the renewal

application. Annually, the Public Education Commission reviews and, as necessary, revises the renewal application. The current renewal application is available on the PEC website.

Renewal Site Visit

The PEC's authorized representatives will conduct at least one Renewal Site Visit during the renewal process. The purpose of the Renewal Site Visit is to test, verify and/or supplement the information provided in the school's Renewal Application. The information obtained through the Renewal Visit will be considered with all other evidence at the time of the renewal decision by the PEC. Appendix C provides more detailed information regarding site visits.

Schools eligible for expedited renewal may be eligible to receive a site visit that utilizes a modified protocol focused on gathering community feedback and verifying any outstanding performance corrections. Site visits will also be used to investigate any significant concerns that may arise during the renewal period.

Additional Requests for Information

At any time during the renewal process, the PEC and/or its authorized representatives may request additional information from the school in an effort to fully inform the renewal decision.

Final Renewal Report

Staff supporting the PEC will prepare a renewal report once all renewal review activities are completed. The report will be provided to the school at least 5 days before the matter is put to a vote by the PEC so that the school has a final opportunity to prepare and submit a response to the information in the report.

PEC Renewal Vote

The PEC reviews and votes on each Renewal at a properly noticed public meeting. The public may offer comments to the PEC during the public participation section of PEC meeting regarding each renewal. After each decision, the PEC issues a written notice to the school detailing the renewal decision.

New Contract Negotiation

When renewal is granted by the PEC, the PEC, directly or through its authorized representatives, and the school negotiate a contract for the new term. The contract negotiation will address the school mission, any material terms that limit charter activities (e.g., enrollment cap, grade levels) or material terms that establish explicit program requirements (e.g., STEAM, PBL, vocational education). The contract negotiation shall also include additional rigorous, valid and reliable mission specific indicators, which may not to be duplicative of required state assessments but must measure achievement of the school's specific mission.

Expedited Renewal

Schools that have maintained a Tier 1 or 2 rating for previous four years of the charter contract and earned a "met expectations" rating on the organizational and financial frameworks for the previous four years are eligible for an **expedited renewal process**. The expedited process will include all of the renewal activities described above, but will include a modified renewal application and a condensed renewal site visit as appropriate.

Appendix A: Performance Frameworks with Mission Goal(s)

ACADEMIC PERFORMANCE FRAMEWORK

The Academic Performance Framework answers the evaluative question: Is the academic program a success? The framework includes indicators and measures that allow the PEC to evaluate the school's academic performance and was developed pursuant to the New Mexico Charter Schools Act. This section includes indicators, measures and metrics for student academic performance; student academic growth; achievement gaps in both proficiency and growth between student subgroups; and graduation rate and post-secondary readiness measures for high schools. (Section 22-8B-9.1.A. (1-3, 6, 7) NMSA 1978).

The Academic Performance Framework includes three indicators, with several required measures, and allows for the inclusion of additional rigorous, valid and reliable indicators proposed by the school to augment external evaluations of school performance.

Description of Academic Framework Indicators and Measures

Indicator 1: Components from NM System of School Support and Accountability. The PEC considers charter school performance on each of the components of the NM System of School Support and Accountability.		Points	
Measure	Description	Elem	High
1.1 Math and Reading Proficiency	Math and Reading Proficiency is the percentage of students who are proficient on state assessments in math and reading.	30	25
1.2 English Learner Progress Toward English Language Proficiency	English learner progress toward English language proficiency is measured by the WIDA ACCESS assessment given annually to students identified as English learners.	10	5
1.3 Science Proficiency	Science proficiency is the percentage of students who are proficient on state assessments in science.	5	5
1.4 Growth of Highest-Performing Students (Q4)	These growth measures are calculated separately for three student subgroups. The three student subgroups are the lowest-performing students (lowest 25%), the middle-performing students (middle 50%) and the highest-performing students (highest 25%).	5	5
1.5 Growth of Middle performing students (Q2/3)		10	10
1.6 Growth of Lowest-Performing Students (Q1)		25	15
1.7 Graduation Rate	<p>The graduation measure includes 4-year, 5-year, and 6-year cohort graduation rates.</p> <p>Graduation rates are one-year lagged. Meaning, rates that are published in the school report are for the cohort that graduated by August 1 of the prior year. Students are expected to graduate in four years, however rates are calculated for 5- and 6- year graduates. Calculation of 4-year, 5-year, and 6-year cohort graduation rates uses the</p>	N/A	<p>10</p> <p>5 for 4 year, 3 for 5 year, and 2 for 6 year</p>

	<p><i>Shared Accountability</i> method, which gives each school in which the student was enrolled in high school proportional credit for their timely or lack of timely graduation.</p> <p>For schools that qualify as SAM schools, an auxiliary graduation rate is computed using a senior completer method which includes only 12th grade students who are not members of the 4-year cohort.</p>		
1.8 Growth in 4-year Graduation Rate	Improvement in the 4-year graduation rate is based on the slope of the 4-year graduation rates for the past three years. For schools that have a 4-year graduation rate that is over 90%, all points are awarded for graduation growth.	N/A	5
1.9 Career and College Readiness	<p>College and Career Readiness (CCR) scores are determined by the percentage of the prior year 4-year graduation cohort members (this indicator is also one-year lagged) who show evidence of participating in college or career preparation, along with the proportion of those students meeting a benchmark. This indicator is also calculated using the shared accountability model.</p> <p>High school students are expected to participate in at least one college or career readiness program:</p> <ol style="list-style-type: none"> 1) College entrance exams (Accuplacer, ACT, ACT Aspire, Compass, PLAN, PSAT, SAT, or SAT Subject Test); 2) Evidence that the student can pass a college-level course (Advanced Placement, Dual Credit, or IB); or 3) Eligibility for an industry-recognized certification (Career Technical Education). <p>Points are given separately for students' participation and for their success in achieving targets.</p> <p>SAM schools are allowed use of additional indicators including ASVAB, WorkKeys, and TABE.</p>	N/A	10
1.10 Chronic Absenteeism	Schools earn points based on the percentage of students who were not chronically absent. A chronically absent student is one who was absent from school for any reason for at least 10 percent of the days enrolled.	5	5
1.11 Educational Climate Survey, Multicultural Initiatives, and Socio-emotional Learning (SEL)	The Educational Climate survey measures the extent to which classroom teachers demonstrate instructional practices known to facilitate student learning. Students answer survey questions on topics such as classroom teaching and expectations of students.	10	5

<p>Indicator 2: Subgroup Performance</p> <p>Subgroup measures are based on the school's relative performance (statewide percentile rank) compared to all NM public schools serving the same grades. Points assigned for each subgroup are averaged to calculate overall points for measures 2.1, 2.2, and 2.3.</p>	Points
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Measure	Description	Elem	High
2.1 Subgroup Growth of Highest- Performing Students (Q4)	Students are compared to all students statewide serving the same grade levels, based on the Growth results calculated by NM PED for Q4 students.	25	25
2.2 Subgroup Growth of Middle- Performing Students (Q2/3)	Schools are compared to all students statewide serving the same grade levels, based on the Growth results calculated by NM PED for Q2/3 students.	25	25
2.3 Subgroup Growth of Lowest- Performing Students (Q1)	Schools are compared to all students statewide serving the same grade levels, based on Growth results calculated by NM PED for Q1 students.	25	25
2.4 Subgroup Proficiency	Students are compared to all students statewide serving the same grade levels, based on subgroup proficiency rates for all eligible subgroups.	25	25

Indicator 3: School-Specific Goals The performance framework allows for the inclusion of additional rigorous, valid and reliable indicators (as determined by the PEC) proposed by a charter school to augment external evaluations of its performance. (1978 NMSA§22-8B-9.1(C).)		Points	
Measure	Description	Elem	High
School identified Mission Specific Goals, not to exceed two goals.	<p>Charter schools shall propose mission-specific goals that are specific, measurable and rigorous, School-proposed goals are subject to approval by the PEC and are incorporated into charter contracts. Not more than two goals will be used.</p> <p>The goals must appear on the NM Spotlight Dashboard to be measurable as a SMART goal.</p> <p><i>PEC guidance for setting school goals:</i> Use a SMART goal format (Specific, Measureable, Achievable, Relevant, and Time-bound) Include metrics and measures using the following criteria: “Exceeds standards,” “Meets standards,” “Does not meet standards,” and “Falls far below standards.” Set goals that <i>augment external evaluations of school performance</i> and do not duplicate existing framework measures. Goals must be able to be documented and supported using objective, verifiable evidence of results. Mission specific goals must be distinct from ESSA indicators 1 and 2 If using additional assessments: Proficiency and growth targets must be distinct and measured separately. Assessments need to be rigorous and reliable. The data will need to be reported on the NM Spotlight Dashboard, in a format useable by PED.</p>	100	100

	<p>Additional assessments must be aligned to school mission. Reading and math goals are already included within indicators 1 and 2.</p> <p>If two goals are included, the score on this measure will be the average of the two ratings. There are four rating categories:</p> <p>Exceeds = 100 pts Meets = 75 pts Does not meet = 25 pts Falls far below = 0 pts</p>		
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Mission Specific Goal for Explore Academy

Goal: At the end of each term, at least 70% of students, enrolled at both the 40th and 120th day, will pass* 80% of the standards-based exit exams administered as a measure of proficiency on each seminar's specific required standards and skills.

Measure Rating Category	Description of Target for this Performance Level	Points Assigned
<i>Exceeds Standard</i>	At the end of each term, 81-100% of students will pass* 80% of the standards-based exit exams administered as a measure of proficiency on each seminar's specific required standards and skills.	100
<i>Meets Standard</i>	At the end of each term, 70-80% of students will pass* 80% of the standards-based exit exams administered as a measure of proficiency on each seminar's specific required standards and skills.	75
<i>Does Not Meet Standard</i>	At the end of each term, 50-69% of students will pass* 80% of the standards-based exit exams administered as a measure of proficiency on each seminar's specific required standards and skills.	25
<i>Falls Far Below Standard</i>	At the end of each term, below 50% of students will pass* 80% of the standards-based exit exams administered as a measure of proficiency on each seminar's specific required standards and skills.	0

*pass >= 80%, or as indicated on the IEP

Summary of Indicator Rating System and Assigned Points

Schools receive up to 100 points for each academic measure. The average weighted points across the framework are used to assign the overall rating (tier).

Indicators	Description	Assigned Points	Total Weight?	
			Elem	High
Indicator 1: Components from NM System of School Support and Accountability	The PEC considers charter school performance on each of the components of the NM PED ESSA Plan	The school earns points equal to the school's overall index score from the New Mexico System of School Support and Accountability. (1-100 pts)	35%	37.5%
Indicator 2: Subgroup Performance	Subgroup measures are based on the school's relative performance (statewide percentile rank) compared to all NM public schools serving the same grades.	Points assigned for each subgroup are averaged to calculate overall points for measures 2.1, 2.2, 2.3, and 2.4. (1-100 points)	30%	25%
Indicator 3 Mission Specific Goals	Charter schools shall include mission-specific goals that are Specific, Measurable, Achievable, Relevant and Time-bound.	Points are assigned based on the average of the ratings (if there are two goals) for the goals listed in Indicator 3. (0-100 points)	35%	37.5%

Based on performance across the academic indicators and measures, schools receive an overall academic tier rating that is used by the PEC in annual monitoring and renewal decisions.

Tier 1	<ul style="list-style-type: none">• School is exceeding PEC academic performance framework expectations and is on par with the highest-performing schools in the state.• (Greater than or equal to 80 of the possible total weighted points)
Tier 2	<ul style="list-style-type: none">• School is consistently meeting PEC academic performance framework expectations.• (Greater than or equal to 70 and less than 80 of possible total weighted points)
Tier 3	<ul style="list-style-type: none">• School is not meeting expectations for one or more of the academic indicators. Possible intervention.• (Greater than or equal to 55 and less than 70 of possible total weighted points)
Tier 4	<ul style="list-style-type: none">• School is falling far below academic performance expectations. Intervention; possible revocation.• (Less than 55 of possible total weighted points)

ORGANIZATIONAL PERFORMANCE FRAMEWORK

The Organizational Framework primarily lists the responsibilities and duties that charter schools are required to meet through state and federal laws. It was developed pursuant to the New Mexico Charter Schools Act and includes indicators, criteria statements, and metrics related to schools' educational program, financial management, governing body performance, school environment, and employee and student policies, including compliance with all applicable laws, rules and terms of the charter contract (Section 22-8B-9.1A (4, 5, 9) NMSA 1978).

NACSA Principles & Standards (2012) states that,

"A Quality Authorizer implements an accountability system that effectively streamlines federal, state, and local...compliance requirements while protecting schools' legally entitled autonomy and minimizing schools' administrative and reporting burdens" (p. 16).

The organizational framework is the primary focus of the annual school visit process. The framework is structured into five categories of information. Each category has multiple **indicators** and each indicator includes one or more **criteria statements** that serve as the metric for evaluating organizational performance.

For each indicator a school receives one of three ratings: "Meets Standard," "Working to Meet Standard" and "Does Not Meet Standard" which are defined below. Indicator ratings are assigned based on evidence that the school is meeting the criteria statement(s).

Meets Standard:

The school meets the standard if it satisfies each of the criteria statements described for the indicator OR if the authorizer currently has no evidence or information to indicate the school does not meet the criteria statements.

Working to Meet Standard:

There is evidence to indicate the school does not, or at some point in the school year did not, satisfy the criteria statements described for the indicator AND within 30 days after receiving a notification of non-compliance, the school submitted evidence to demonstrate immediate correction of any outstanding matters AND submitted a corrective action plan to prevent future occurrences of the same concern.

Does Not Meet Standard:

There is evidence to indicate the school does not, or at some point in the school year did not, meet the criteria statements described for the indicator and the school failed to submit evidence of correction and/or a corrective action plan within 30 days of notification OR the school failed to implement the corrective action plan OR the non-compliance is repeated from the prior evaluation.

Schools receive an overall organizational performance rating of either "Meets Standard" or "Does Not Meet Standard". If a school receives "Does Not Meet Standard" ratings for three more indicators, the school will receive an overall organizational framework rating of "Does Not Meet Standard". Fewer than three such ratings will result in an overall rating of "Meets Standard." In addition, if a school receives a "Does Not Meet Standard", on any indicator, CSD and PEC may conduct a closer review the following year on that indicator, and/or the PEC may require the school to submit a corrective action plan in order to specify actions and a timeline to correct the performance deficiency.

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
1. EDUCATIONAL PROGRAM REQUIRMENTS		
1.a. Is the school implementing the material terms of the approved charter application as defined in the Charter Contract?	<ul style="list-style-type: none"> School's mission is being implemented. <i>Article VIII. Section 8.01.(a)(ii)</i> The school has documentation/evidence that it is implementing its educational programs. <i>Article VIII. Section 8.01.(a)(iii)</i> The school has documentation that demonstrates that it is implementing its parent, teacher and student-focused terms. <i>Article VIII. Section 8.01.(a)(iv), (v), (vi)</i> The school stays within its enrollment cap at all times and serves only the approved grade levels. <i>Article VIII. Section 8.01.(a)(i) and (vii)</i> 	YES
1.b. Does the school comply with state and contractual assessment requirements?	<ul style="list-style-type: none"> The school administers all required state assessments, including but not limited to: <i>NMSA 22-2C-4(E)</i> <ul style="list-style-type: none"> Grade level math and reading assessments Subject based end of course exams Early childhood assessments English Learner screening and progress monitoring assessments National performance assessments, when selected, and Language assessments for bi-lingual programs. The school administers all required contractual assessments (specified in contract/performance framework that are still applicable). The school ensures assessment accommodations are properly administered to all eligible students. The school complies with assessment training requirements: <i>NMAC 6.10.7.8 and 9</i> <ul style="list-style-type: none"> Has an identified District Test Coordinator (DTC) DTC attends all required trainings, and DTC annually provides training for all district personnel involved in test administration, preparation, and security. 	NO

⁸ Criteria statements noted in blue will be evaluated during the site visit. Criteria statements in green will be evaluated using information from PED bureaus, or otherwise available. Criteria statements in red will be evaluated using complaints. Criteria statements in black require the school to report data.

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
1.c. Is the school protecting the rights of students with special needs? <i>(Note: These provisions include only students with disabilities.)</i>	<ul style="list-style-type: none"> The school is in 100% compliance with the Special Education Bureau identified indicators. (<i>34 CFR § 300.600 (a)(2) and Subsection F of 6.31.2.9 NMAC.</i>) The school has not been the subject of a due process hearing that resulted in a finding of noncompliance during the current school year. The school has not been cited for noncompliance with applicable federal and state special education rules and regulations as the result of a state-level parental complaint during the current school year. The school is in compliance with all terms of any corrective action plan that resulted from a state-level complaint. The school has received no OCR complaints determined to be valid and demonstrate a students' rights were violated. (<i>NMSA 22-8B-4</i>) 	NO
1.d. Is the school protecting the rights of English Learner students?	<ul style="list-style-type: none"> The school has no complaints that have been evaluated and found to be valid complaints that indicate an EL student's or families' rights have been violated. (<i>NMSA 22-8B-4 (A)</i>) The school does not have a major discrepancy (>5%) between ELs identified and assessed as monitored by the Language and Culture Bureau, or is able to provide appropriate documentation and explanation for such a discrepancy. All EL students must be provided services as evidenced by STARS data reporting for services coded as 1062 (ESL) or 1063 (ELA/ELD), or must be coded as a parent refusal and have documentation to support the refusal as monitored by the Language and Culture Bureau. The school has received no OCR complaints determined to be valid that demonstrate a students' rights were violated. (<i>NMSA 22-8B-4</i>) 	NO
1.e. Does the school comply with federal and state grant program requirements?	<ul style="list-style-type: none"> Annually the school meets program requirements for all PED and federal grant programs it implements. (e.g., Perkins, K-3 plus, truancy coaches, 4RFuture, Title funding, etc.) The school is responsive to findings of non-compliance in accordance with deadlines. 	NO

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
1.f. Does the school implement an Educational Plan for Student Success (NMDASH)?	<ul style="list-style-type: none"> The school has an active core team engaged in the DASH process. The school is implementing their annual and 90-day plans, as evaluated through reviewing evidence and school/adult actions during the site visit. <p><i>Only applicable for schools rated as Tier 3 or Tier 4 on the Academic Performance Framework evaluation or meeting criteria to be identified as TSI, CSI, or MRI or schools that are required to implement an NMDASH plan by a PEC Corrective Action Plan.</i></p>	YES
2. FINANCIAL MANAGEMENT AND OVERSIGHT		
2.a. Is the school meeting financial reporting and compliance requirements?	<ul style="list-style-type: none"> The school submits all budget request documents and budget approval documents to the PED according to PED's established deadlines. (NMSA 22-8-6.1 and 10.) The school submits quarterly (or monthly) reports according to PEDs established deadlines and without frequent, repeated errors. All required reports are posted to the school's website. (NMSA 22-8-6.1 and 10) The school submits an Audit CAP to the PED Audit Bureau within 30 days of the release of the audit. The school responds to all requests by the PED Audit Bureau regarding the CAP in accordance with deadlines. The school, if subject to a T&E audit, has no more than a .06 difference in reported and audited T&E. 	NO
2.b. Is the school following Generally Accepted Accounting Principles?	<ul style="list-style-type: none"> The school received an unmodified audit opinion for the last audit. The school's last audit opinion is devoid of significant findings, material weaknesses, significant internal control weaknesses, or findings related to waste, fraud, or abuse. 	NO
2.c. Is the school responsive to audit findings?	<ul style="list-style-type: none"> The school's last audit is devoid of any multi-year repeat findings. School implements Audit CAP as submitted, as evaluated through reviewing evidence and school/adult actions during the site visit. 	YES
2.d. Is the school managing grant funds responsibly?	<ul style="list-style-type: none"> The school submits, at a minimum, RfRs to the PED on a monthly basis. The school expends at least 99% of grant funds for all accounts without reversion and submits expenditures that are allowable with at least 90% aligned to the specific categories in the grant application budget 	NO

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
2.e. Is the school adequately staffed to ensure proper fiscal management?	<ul style="list-style-type: none"> The school has a licensed business manager at all times during the school year; and demonstrates stability in this position (no more than 1 change within a year). The school has a certified State Procurement Officer and all changes are reported to the State Purchasing Agent in accordance with deadlines. (NMSA 13-1-95.2) The governing council's audit committee and finance subcommittee are properly constituted and meet as required. (NMSA 22-8-12.3) 	NO
2.f. Is the school meeting their obligations timely and with appropriate internal controls?	<ul style="list-style-type: none"> Bills, invoices, or other liabilities are paid in a timely fashion and the accounts payable transaction cycle meets standards for internal controls 	
3. GOVERNANCE AND REPORTING		
3.a. Is the school complying with governance requirements?	<ul style="list-style-type: none"> The governing body meets membership requirements: NMSA 22-8B-4; PEC policy <ul style="list-style-type: none"> Maintains at least 5 members Complies with governance change policy Notifies PEC of board membership changes within 30 days, with complete documentation, and Fills all vacancies within 45 days, or 75 days, if extension is requested by school. All members of the governing body complete all training requirements in accordance with established deadlines. (NMAC 6.80.5.8 and 9) The school's governing council independently oversees the school's finances according to law Governing council policies and procedures, minutes or other documents ensure that required financial reports are being presented to the governing council on a monthly basis The governing council demonstrates in board meetings that it is analyzing the financial position of the school The charter school maintains a Board of Finance or has the capabilities to have a Board of Finance, and maintained the Board of Finance during the contract term The governing body has not received any OMA complaints (by the AG's office) that were evaluated and found to be verified complaints of OMA violations. (NMSA 10-15-1 and 3) 	NO

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
3.b. Is the school complying with nepotism and conflict of interest requirements?	<ul style="list-style-type: none"> The school is free of nepotism concerns regarding the governing board and demonstrates compliance with nepotism statute and the school's own nepotism policy, as verified through file reviews on the site visit or when otherwise necessary. The school is free of conflict of interest concerns and demonstrates compliance with conflict of interest statute and the school's own conflict of interest policy, as verified through site visit file reviews or when otherwise necessary. 	YES
3.c. Is the school meeting reporting requirements?	<ul style="list-style-type: none"> The school complies with reporting deadlines from the PED, PEC, and other state agencies. 	NO
4. STUDENTS AND EMPLOYEES		
4.a. Is the school protecting the rights of all students?	<ul style="list-style-type: none"> The school has received no complaints determined to be valid that demonstrate the school's lottery, admission, and enrollment practices are unfair, discriminatory, or legally non-compliant and a review of lottery, admission, and enrollment policies demonstrates compliance with legal requirements. (<i>Contract Section 8.03 (a)-(e)</i>) The school has received no complaints determined to be valid that demonstrate the school's discipline hearings and practices are not conducted in accordance with law and due process. (<i>NMAC 6.11.2. 1, et seq.</i>) The school has received no complaints determined to be valid that demonstrate the school fails to respect students' privacy, civil rights, and constitutional rights, including the First Amendment protections and the Establishment Clause restrictions prohibiting schools from engaging in religious instruction. The school has received no complaints determined to be valid that demonstrate the school fails to comply with the requirements of the McKinney Vento Act and protects the rights of students in the foster care system. The PED has no information to indicate that the school does not have a board-approved complaint policy and dispute resolution process per 6.10.3D NMAC 	NO
4.b. Does the school meet attendance, retention, and recurrent enrollment goals for students?	<ul style="list-style-type: none"> The school meets the 95% average daily attendance goal, or is able to demonstrate successful efforts to improve attendance among student body. The school maintains at least 80% retention of enrolled students from date of enrollment until the end of the school year, or students who leave prior to the end of the year are classified as graduates, completers, or have earned their GEDs. The school retains at least 70% of students eligible to reenroll between school years. 	YES

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
4.c. Is the school meeting teacher and other staff credentialing requirements?	<ul style="list-style-type: none"> • All employees of the school are appropriately licensed as required by law. (<i>NMSA 22-10A-3</i>) <ul style="list-style-type: none"> - All employees hold licensure or have submitted a licensure application within 30 days of beginning employment with the school - The school employs a licensed administrator at all times - The school does not have any licensure discrepancies that are repeated from the one reporting period to any subsequent reporting period. - Discrepancies from the first reporting period are cleared by submitting all required licensure waivers within first 40 days of school year, or from the beginning of employment. • School meets the requirements of all licensure waiver plans and alternative licensure plan requirements. (<i>NMSA 22-10A-14</i>) • The school has not employed, with pay, any teacher without licensure beyond 90 days. (<i>NMSA 22-10A-3</i>) • The school accurately reports all staff to the PED, as verified through site visit reviews. 	YES
4.d. Is the school respecting employee rights?	<ul style="list-style-type: none"> • The school completes and submits all NMTEACH evaluations and observations annually in accordance with deadlines. <ul style="list-style-type: none"> - Teacher attendance data is submitted in accordance with deadlines. - Teacher observations are completed by a NMTEACH certified administrator in accordance with deadlines. - Accuroster data is verified in accordance with deadlines to ensure appropriate student data is reported. • Teachers are provided comprehensive NMTEACH report and reports are maintained in personnel files. Signed NMTEACH reports (all pages) are available in staff files from the prior year. • The school maintains teacher contracts in all staff files. (<i>NMSA 22-10A-21</i>) • The school complies with the minimum teacher salaries. (<i>NMSA 22-10A-7, 10, 11</i>) • The school does not have any verified complaints regarding violations of teacher rights under the school personnel act, FMLA, ADA, etc. (<i>NMSA 22-10A-1 et seq.</i>) • The school does not have any verified complaints regarding lack of adequate mentorship for novice teachers. 	YES

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
4.e. Is the school completing required background checks and reporting ethical violations?	<ul style="list-style-type: none"> The school maintains legally compliant background checks in all staff files including evidence of background checks for substitutes, all contracted service providers, and anyone with unsupervised access to students. (<i>NMSA 22-10A-5</i>) The school reports incidents of violations of teacher/licensed staff ethical rules or criminal convictions to the PED pursuant to the School Personnel Act. (<i>NMAC 6.60.8.8 and NMSA 22-10A-5</i>) 	YES
5. SCHOOL ENVIRONMENT		
5.a. Is the school complying with facilities requirements?	<ul style="list-style-type: none"> The school meets PSFA occupancy, NMCI and ownership requirements. (<i>NMSA 22-8B-4.</i>) The school has an e-occupancy certificate. The school has PSFA letter verifying condition index. The school is in a building that is: <ul style="list-style-type: none"> A publicly owned building Is leased to the school by a foundation formed for the purpose of providing a facility to the school, the foundation maintains the building at no cost to the school Is leased by a private owner and there is no acceptable public facility available, the owner maintains the building at no cost to the school. The school notifies the PEC prior to any change in facilities. There are no verified complaints that demonstrate buildings, grounds or facilities do not provide a safe and orderly environment for public use. (<i>Subsection P of 6.29.1.9 NMAC</i>) <ul style="list-style-type: none"> safe, healthy, orderly, clean and in good repair in compliance with the Americans with Disabilities Act-Part III and state fire marshal regulations, Sections 59A-52-1 through 59A-52-25 NMSA 1978 Written records of pesticide applications will be kept for three years at each school site and be available upon request to parents, guardians, students, teachers and staff. 	YES
5.b. Is the school complying with transportation requirements?	<ul style="list-style-type: none"> If the school owns a school bus or otherwise provides student transportation, the school complies with applicable statutes, regulations, or policies related to providing transportation. 	NO

Topics and Indicators	Criteria Statements ⁸	Component of Site Visit Evaluation?
5.c. Is the school complying with health and safety requirements?	<ul style="list-style-type: none"> • The school conducts all required emergency drills and practiced evacuations. (<i>NMSA 22-13-14 and NMAC6.29.1.9(O)</i>) <ul style="list-style-type: none"> - at least once per week during the first four weeks of the school year, and at least once per month during the remainder of the school year; - two of these drills shall be shelter-in-place drills; - one of these drills shall be an evacuation drill; - nine of these drills shall be fire drills, with one emergency drill required each week during the first four weeks of school; - in locations where a fire department is maintained, a member of the fire department shall be requested to be in attendance during the emergency drills for the purpose of giving instruction and constructive criticism. • The school submits school wellness and safety plans, and all required revisions, in accordance with deadlines to the PED. (NMAC 6.12.6.8) • The school has evidence that it complies with 24-5-2 NMSA 1978 and provides satisfactory evidence of immunization, is actively in the immunization process, or properly exempted from immunization. • The school demonstrates compliance with all facility corrective requirements from the most recent inspection from any other state entity (e.g., NMPSIA, DOH, PSFA, Fire Marshall, POSHA).. 	YES
5.d. Is the school handling information appropriately?	<ul style="list-style-type: none"> • There are no verified complaints that demonstrate the school has failed to comply with FERPA requirements. • There are no verified complaints that demonstrate the school does not obtains, maintains, and transfers cumulative files as required by law. 	NO

FINANCIAL PERFORMANCE FRAMEWORK

Under Development

Appendix B: Annual School Reporting Calendar

Under Development

Appendix C: Summary of Site Visit Protocol

Protocols under development.

The purpose of the school visit is to evaluate whether schools are in compliance with their legal and contractual requirements and to provide technical assistance including evaluative feedback, legal references and citations, and guidance manuals and resources. The goal of this visit is to evaluate compliance in key areas and observe the program of instruction in action, as described in the charter contract and Performance Framework. There are three types of school visits conducted by the PEC's authorized representatives:

- 1.** New school visits – Within the first four months of opening, the PEC's authorized representatives visit all new schools.
- 2.** Annual visits – All schools are visited annual, generally between November and May. Annual site visits may be differentiated based on school performance, including academic, financial, and organizational performance.
- 3.** Renewal visits – In the fall of the renewal year, the PEC's authorized representatives visit schools as part of renewal activities.

Two to four staff members who are the PEC's authorized representatives will participate in site visits. Site visits generally do not last longer than a day, but the time required depends on school performance and availability of necessary data, records, and staff time. Schools will be notified in advance as to the timing of site visits.

Appendix D: Glossary of Terms

Annual Notice of Renewal Profile – is an annual notice that will be sent to the school leader and all members of the school governing body. The notice will identify the renewal profile(s) the school is on track to fall within based on its performance under the current charter term. The PEC expects that schools will use these notices to both take action to respond to the potential renewal action by improving performance, as necessary, and to prepare and submit a response to the potential renewal action.

Chartering Authority Intervention – is action taken by the Commission or its authorized representatives to notify a school that it is failing to meet its legal and contractual requirements, to prompt the school to take action to correct its own failure to meet its legal and contractual requirements, and/or to revoke or non-renew a school that has demonstrated the inability or unwillingness to meet its legal and contractual requirements. Intervention may include providing findings of non-compliance during or after a site visit, issuing a Notice of Concern, a Notice of Breach, or a Notice of Revocation Review or Intent to Revoke, monitoring the implementation of an improvement plan or corrective action plan, or not-renewing a charter school.

Chartering Authority Oversight – is action taken by the Commission or its authorized representatives to evaluate whether a charter school is meeting its legal and contractual requirements. This may include evaluating submissions from the school, investigating complaints or allegations, conducting site visits or audits, evaluating data about the school's performance, or completing performance evaluations.

Charter School Autonomy – is the right of all charter schools to determine the methods by which they achieve their legal and contractual requirements, including all performance standards. Charter School Autonomy reflects the additional flexibilities granted through any non-discretionary or discretionary waivers as defined in statute, regulation, and policy.

Intervention Ladder – is the process by which the Public Education Commission will communicate to charter schools its concerns about academic performance, fiscal soundness or legal, contractual, or policy requirements.

Final Notice of Renewal Profile – is the notice provided to the school after the final performance profile prior to renewal is released. This notice will identify the renewal recommendation the school will receive and will notify any schools of their eligibility for expedited renewals.

Legal and Contractual Requirements – are the obligations a charter school must meet based on state and federal statutes, regulations and policies, and the terms of the charter contract. These requirements include the performance expectations established in the Performance Review and Accountability System, which consists of the PEC's Academic, Organizational and Financial Performance Frameworks, Intervention Ladder, Renewal Process, and Site Visit Protocols.

Mission-Specific Goals – are required indicators that are incorporated into the Academic Performance Framework. These goals should be outcome based measures of the school's effectiveness in implementing its mission. Goals are weighted as 35% (elem/middle) or 37.5% (high) of the Academic Performance Framework

Notice of Breach – a formal, written notice issued pursuant to a vote of a majority of Commission members at a properly noticed public meeting that a school is not meeting performance expectations or has failed to comply with legal or contractual requirements and, as a result, is in breach of the contract. This notice will often, but not always, be issued after a school has been issued a Notice of Concern and has failed to meet the requirements of the prior notice. In the notice, the Commission will establish expected outcomes and deadlines that must be met by the school. Deadlines will vary depending on the urgency of the matter and the amount of time it takes to reasonably cure the concern. Once a Notice of Breach is issued, schools are required to submit a Corrective Action Plan (financial or organizational performance) or an Improvement Plan (academic performance) that details the actions and timeline that the schools will implement to correct the breach. PEC’s authorized representatives will monitor the school’s implementation of Corrective Action and Improvement Plans, and regularly update PEC on progress.

Notice of Concern – a formal, written notice issued pursuant to a vote of a majority of Commission members at a properly noticed public meeting that a school is not meeting performance expectations or has failed to comply with legal or contractual requirements. In the notice, the Commission will establish expected outcomes and deadlines that must be met by the school. Deadlines will vary depending on the urgency of the matter and the amount of time it takes to reasonably cure the concern.

Performance Review and Accountability System – consists of the PEC’s Academic, Organizational and Financial Performance Frameworks, Intervention Ladder, Renewal Process, and Site Visit Protocols. It is an adaptive tool subject to continuous review and improvement so that the students in New Mexico public charter schools are effectively served. New Mexico’s charter schools are invited to be partners in the development and continuous improvement of this Performance Review and Accountability System.

Preliminary Notification of Renewal Profile – is the annual notice provided to the school at least one year prior to the date on which it must apply for renewal. The notice will identify the renewal profile(s) the school is on track to fall within based on its performance under the current charter term and will act as notice to schools that are likely to be eligible for expedited renewal. The PEC expects that schools will use these notices to both take action to respond to the potential renewal action by improving performance, as necessary, and to prepare and submit a response to the potential renewal action.

Reliability - is a demonstration that an assessment or other measure is an externally, national- or state-normed metric (e.g. ACT, SAT, ACCESS for ELLs, Spanish IPT).

Revocation Review – is the process by which a charter school is considered for revocation of their charter. The revocation review can arise as a result of the school’s failure to meet requirements specified in a Notice of Breach, receipt of multiple Notices of Breach in the same school year, or as a result of a violation of law that is significant enough to justify immediate revocation. A Notice of Revocation Review is issued at a properly noticed public meeting and established the actions to be taken by its authorized representative(s) and a deadline for the school to respond to the prospect of revocation.

Rigor – is the demonstration that a performance goal is an ambitious but realistic target that has been established using a valid benchmark (e.g. comparison to national/state average, improvement from school historic performance).

Student Academic Growth – is the measurement of student level improvement within a school year as compared to their performance peers’ improvement in the same year on the state’s annual academic

assessments in math and reading.

Student Proficiency – is performance at grade level on the state’s annual academic assessments in math and reading. This may also include performance at grade level on other state assessments including Science, and end-of-course assessments.

Substantial Progress – is related only to academic performance, is reflected in a school’s “Renewal Performance Profile,” and makes a school eligible for full renewal. This is defined as “consistently improving performance over the last 3 years.” Inconsistent performance over the last three years shall demonstrate that a school is not making “substantial progress.”

Support – is making charter schools aware of PED resources and programs available to support their improvement or excellent performance. This may also include sharing information between charter schools about effective or best practices being implemented at effective and successful schools. This shall not include providing recommendations on the method by which the school must/can/should achieve its legal or contractual requirements, as charter schools are granted the autonomy to determine the methods they will utilize to meet their legal or contractual requirements.

Technical Assistance – is information provided to make a school aware of, or to help a school understand, its legal or contractual requirements. This can include information about why the school is not currently meeting its legal or contractual requirements. Technical assistance shall not include providing recommendations on the method by which the school must achieve its legal or contractual requirements, as charter schools are granted the autonomy to determine the methods they will utilize to meet their legal or contractual requirements.

MEMORANDUM OF UNDERSTANDING
BETWEEN
EXPLORE ACADEMY AND EXPLORE ACADEMY FOUNDATION

This Memorandum of Understanding ("MOU") is entered into effective July 1, 2019, by and between Explore Academy ("School"), a New Mexico public charter school, and Explore Academy Foundation ("Foundation"), a New Mexico non-profit corporation.

WHEREAS, the Foundation is a 501(c)(3) corporation organized under the Nonprofit Corporation Act, NMSA 1978, §53-8-1, *et seq.* for the purpose of providing support and assistance to the School in achieving its goals as set forth in the Foundation's bylaws, including, but not limited to, providing a public school facility through a Public Education Department Lease Purchase Arrangement.

NOW THEREFORE it is agreed to by the parties:

1. The Foundation holds title to the facility at 5100 Masthead Street NE, Albuquerque, New Mexico, 87109 and leases the facility to the School pursuant to the Lease Purchase Agreement approved by the New Mexico Public Education Department on December 28, 2018.

2. The Foundation and School affirm that there is no other contract that exists between them than the aforementioned Lease Purchase Arrangement. The Foundation's role, other than as lessor under the Lease Purchase Arrangement, is to support the School whenever it deems appropriate, financially possible and legally permissible according to its bylaws and the School's Charter Contract with the Public Education Commission.

3. The Foundation and its members shall abide by federal and state laws, rules and regulations applicable to it as it relates to its relationship with the School, including, but without limitation, permitting the required level of financial oversight as deemed required by New Mexico law.

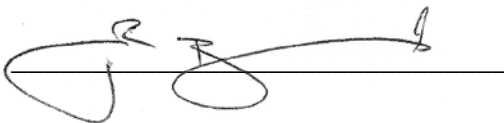
4. The current address for the Foundation is 2720 Avenida Corazon, Rio Rancho, NM 87124; the authorized representative is Justin Baiardo.

IN WITNESS WHEREOF, the FOUNDATION and the SCHOOL have caused this MEMORANDUM OF UNDERSTANDING to be executed, to be effective on the date first stated above.

EXPLORE ACADEMY FOUNDATION:

EXPLORE ACADEMY CHARTER SCHOOL:

Justin Baiardo
Printed:



Title: Chair

Date: 6/4/19

Jesse Pickard
Printed:



Title: Chair

Date: 6/4/19

Explore Academy Foundation

Conflict of Interest Statement

The standard of behavior at Explore Academy Foundation is that all board members are volunteers and should scrupulously avoid any conflict of interests between the interests of Explore Academy Foundation on one hand and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as perceptions of conflicts of interest.

I understand that the purposes of this policy are: to protect the integrity of Explore Academy Foundation's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputation of volunteers and board members.

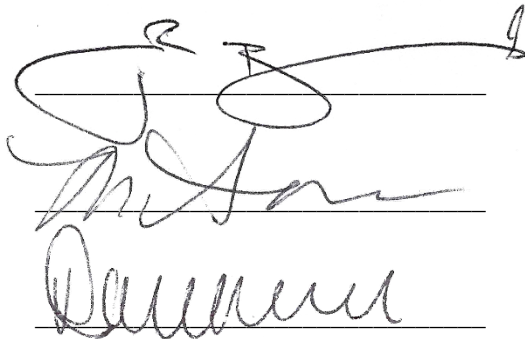
Upon or before election or appointment, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and will update it as appropriate.

In the course of meeting and activities, I will disclose any interests in a transaction or decision where I (including my business or non-profit affiliation), my family and/or my significant other, employer, or close associates will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

I understand that this policy is meant to be a supplement to good judgement, and I will respect its spirit as well as its wording.

Signed:

Date:

Three handwritten signatures are written on three horizontal lines. The first signature is large and stylized, the second is more compact, and the third is a series of connected loops.

6/05/19

6/05/19

6/05/19

GOVERNING COUNCIL BYLAWS

OF THE

EXPLORE ACADEMY CHARTER SCHOOL

Adopted: 9/10/18

EXPLORE ACADEMY CHARTER SCHOOL

GOVERNING COUNCIL BYLAWS

ARTICLE I - EXPLORE ACADEMY: CHARTER & MISSION

This document contains the Governing Council Bylaws of the Explore Academy Charter School (EA). Explore Academy is authorized directly by the State of New Mexico, under a charter contract with the PEC. Therefore, the Governing Council acts as the governing body for the school, as well as the School Board for the Explore Academy School District.

The mission of the Explore Academy is to provide students with an innovative educational system, which focuses on subject mastery, college preparation, and student-driven academic choice. Students are offered the opportunity to create a customized learning pathway, thereby generating student-ownership and a stronger personal motivation for success.

ARTICLE II - NAME OF GOVERNING BODY

The name of Explore Academy governing body shall be the Explore Academy Governing Council, and shall be referred to herein as "Council."

ARTICLE III - EQUAL OPPORTUNITY

Explore Academy is committed to providing equal opportunity. The organization does not discriminate in the administration of its programs/activities on the basis of race, age, religion, national origin/ancestry, sex/sexual orientation, physical or mental handicaps.

ARTICLE IV - GOVERNANCE AND TRAINING

The Council is the policy-making and policy-approval body for Explore Academy. As such, the Council has a responsibility to ensure that Explore Academy operates in accordance with all applicable laws and regulations, and meets its commitments to its authorizer (NMPEC) and the New Mexico Public Education Department (NMPED), as reflected in its charter. Council members should become familiar with the Explore Academy charter contract and the responsibilities involved in governing public schools. All Explore Academy Council members are required to attend annual governance training, as defined by the New Mexico Public Education Department.

ARTICLE V - GOVERNING COUNCIL AUTHORITY / RESPONSIBILITIES

The EA Governing Council is ultimately responsible for both the success of the school, as well as setting the direction which the school should take to fulfill its mission. Under the state's Performance Framework, the Council is responsible for setting standards/objectives, monitoring progress, and providing direction/guidance in the following three areas:

- Financial Management
- Operations and Planning
- Academics & Student Achievement

The Council has entered into a charter contract with the State of New Mexico. That contract dictates that the Council is responsible for the fair and uniform application of federal, state and local laws - as well as the rules, regulations and policies which guide the school.

The Chief Administrator of Explore Academy is also responsible for compliance with these laws/regulations/policies and is charged with informing and guiding the Council, in regard to any changes, requirements, concerns, and/or compliance problems, which may arise in regard to the above Council responsibilities. In this regard, the Chief Administrator serves as the primary source of compliance information, as well as the critical communication link with the state authorizing and regulatory agencies/commissions.

The primary powers and duties of the Council are to:

- A. Develop/approve/amend educational and operational policies, to delineate the authorities and responsibilities for the operation and management of Explore Academy.
- B. Set requirements and salary for, hire/terminate, supervise/evaluate and monitor the Chief Administrator of the Explore Academy Charter School.
- C. Charge the Chief Administrator with the responsibility of implementing/complying with the charter and its requirements.
- D. Provide governance oversight for the stewardship of Explore Academy's facilities, resources, budget, and other capital assets of the school.
- E. Establish and monitor a strategic plan, goals, and global student performance.
- F. Review, approve and monitor the annual budget for Explore Academy.
- G. Acquire, lease and dispose of property, to the extent permissible by law.
- H. Engage legal counsel for Explore Academy and take all necessary steps to protect the interests of the school.
- I. Review and approve contracts/agreements/commitments, consistent with budget authority thresholds - as detailed in EA Policies.
- J. Authorize the acceptance of charitable gifts, grants or bequests.
- K. Approve any amendment to the Explore Academy Charter, prior to seeking state approval.
- L. Review and consider recommendations submitted by the Chief Administrator and other advisors/staff to the Council.
- M. Evaluate its own performance.

ARTICLE VI - COLLECTIVE AUTHORITY OF COUNCIL

The Council will not be bound by any statement or action by an individual Council member, unless the Council, in a properly convened meeting, delegates authority to that individual member to speak for or represent the entire Council. Unless acting pursuant to such delegated authority from the Council, no Council member shall undertake any individual action to implement any plan or action of the Council.

When a Council member is assisting the Principal with implementing school policies, programs, or other directives of the Principal, the Council member shall be considered a volunteer and have no special authority beyond that of a volunteer.

ARTICLE VII - COUNCIL MEMBERSHIP

A. Positions and Qualifications

Explore Academy Governing Council shall have no fewer than 5 (five), but no more than nine (9) voting members. The Council shall include at least one parent, who has a child currently enrolled in Explore Academy. In general, candidates for the Council should have experience in such fields as governance, business, education, finance, law, or other fields which are beneficial to Explore Academy's mission. They should also possess interpersonal/problem-solving skills and a commitment to youth education, as well as a willingness to devote time/energy to serving on the Council.

B. Member Terms

The term for all regularly elected Members shall be for a period of two (2) years. Members may serve for a maximum of three (3) consecutive terms. If a Council vacancy occurs before a term expires, the Council shall approve an appointment to fill the remaining portion of that term. Each Council position shall be assigned to either an even or odd year expiration. Therefore, approximately one-half of the Council positions shall expire each year. Terms will end on July 1st of each year or may extend until a replacement is approved by the Council.

C. Vacancies

In order to identify and submit candidates for Council membership, the Council may appoint a nominating committee or may engage the search process directly. Regardless, the Council shall select/approve new members by a majority vote.

D. Meeting Attendance

Council members are expected to regularly attend Council meetings. If a Council member cannot be physically present at a meeting due to an unavoidable conflict, he may request to attend by telephone, in accordance with the Open Meetings Act.

E. Removal from Council

Individual members of the Council serve at the pleasure of the full Council. Therefore, the Council may remove and replace any member, at any time, by a majority vote of all Council members, at a regular or special meeting of the Council. There is no appeal or recourse for removal of a Council member.

F. Resignations

Any member may resign, by giving written notice to the Council President or Secretary. A resignation shall be effective on the date it is accepted by the Council.

G. Compensation

Members of the Council shall not be compensated for their services. However, they may be compensated for expenses, per the New Mexico Mileage and Per Diem Act.

ARTICLE VIII - OFFICERS OF THE COUNCIL

A. The officers of the Explore Academy Governing Council shall be:

- President (Chair)
- Vice President (Vice Chair)
- Secretary

The Council may, by a majority vote, create additional officers without requiring an amendment to these bylaws. When the incumbent of an office is unable to perform the duties thereof, the duties of that office shall (unless otherwise provided by the Council), be performed by the next officer set forth in the above sequence.

B. Authority and Responsibilities of Officers

Beyond the authority and responsibilities contained in the Job Descriptions for Council Officers, Council officers may not act on behalf of the Council without prior authorization and direction from the Council.

C. Election and Tenure

All officers shall be elected by a majority vote of the Council. Officers shall serve for one (1) year terms, or until their successors have been elected. Regular election of officers shall take place at the annual organizational meeting of the Council, typically held at the beginning of each school year. Any officer may be removed from office by a majority vote of all members, at a regular or special meeting of the Council. There is no appeal or recourse for removal of an officer.

An officer may resign at any time, by giving written notice to the President or the Secretary of the Council.

D. Vacancies

A vacancy in any office may be filled by a majority vote of the Council for the unexpired portion of the term of the officer being replaced.

E. Summary Job Descriptions for Council Officers

All officers of Explore Academy should have two critical sets of skills.

First: Officers should have a history of experience involving leadership, professional knowledge and problem solving. This includes clear thinking, the ability to discern critical information, and focus on the problem-at-hand.

Second: Officers should have excellent "people skills." This includes the ability to communicate clearly, to work with groups of individuals toward a common goal, and to maintain strong interpersonal relationships.

➤ President (GC Chair)

- >Presides over all meetings of the Council.
- >Provides leadership for finding solutions and coordinating Council efforts.
- >In close coordination with the Chief Administrator and Secretary, develops the agenda/meeting plans/activities/communication with Council members.
- >Acts as a critical resource to the Chief Administrator and Council, to act as a facilitator of information and global solutions, when requested.
- >Acts as a resource to the Vice President and Secretary.

➤ Vice-President (GC Vice-Chair)

- >Assumes the responsibilities of the President, in his absence.
- >Acts as a resource to the President, Chief Administrator and Secretary.

➤ Secretary

- >Assumes the responsibilities of the other officers, in their absence.
- >Acts as a resource to the President, Chief Administrator and Vice-President.
- >Facilitates the recording and communication of information and activity of the Council.
- >Works in close coordination with the President and the Chief Administrator, to develop and communicate agendas/meeting plans/activities.

ARTICLE IX - COMMITTEES

A. Council Committees

The Council may establish committees, which may consist of Council members and non-Council members. Committee assignments and chairs shall be determined by action of the Council, provided that at least one Council member shall serve on each committee. Standing committees of the Council shall include a Finance Committee and Audit Committee.

B. Committees of the Principal

The Principal is empowered to establish committees within the school that report to the Principal. The Principal shall advise the Council about the purpose of the committees and activities affecting the school.

C. Committee Functions

The function of Council committees will be fact-finding, deliberative, and advisory, rather than legislative or administrative. Committee recommendations that require school-wide policy changes must be submitted to the Council.

ARTICLE X - COUNCIL MEETINGS

A. Regular Council Meetings

The Council shall schedule Regular Council Meetings each month - on specific, recurring dates. The planned schedule and location for these regular meetings shall be detailed in the Council's annual resolution - to comply with the New Mexico Open Meetings Act (OMA). The Council may cancel any regular meeting it may deem to be unnecessary, such as a scheduled regular meeting during the summer months.

B. Special Council Meetings

Special meetings of the Council may be called by the President or the Secretary, or by written request of at least two members of the Council. Written notice of the time, place and agenda for each special meeting shall be provided to each member and also posted on the school's website, at least three days prior to the meeting. Emergency meetings of the Council may be called only by agreement of both the President and the Chief Administrator - and only if the requirements for emergency meetings are met (as detailed in the New Mexico Open Meetings Act).

C. Quorum

A quorum shall consist of a simple majority of Council members in office. If there is an even number of Council members, then a quorum shall consist of one-half or more of the currently serving members in office. When a quorum is present, any action may be taken by a majority vote of those members present, except the removal of Council members or officers. Such removal requires a majority vote (half or more) of all current Council members.

D. Council Agendas and Minutes

The Council President and Chief Administrator shall set meeting agendas, in consultation with the Council Secretary. Any suggested agenda items from other sources should be submitted to the Secretary at least seven days prior to the meeting, and may or may not be accepted for the agenda. Meeting agendas shall be posted on the school's website, at least three days prior to a meeting (except emergency mtgs.).

The events of each meeting will be recorded in the form of written minutes. This record will include the date, time, and place of the meeting, members in attendance, a brief description of business considered at the meeting, and a record of all decisions made. The Secretary shall present draft minutes for approval at the next regular Council meeting and they will be kept on file pursuant to state record retention requirements.

E. Open Meetings Act

All meeting/actions of the Council shall comply with the requirements set forth in the New Mexico Open Meetings Act (NMSA 1978 §10-15-1). On an annual basis, the Council shall review and approve an OMA Resolution, which confirms that Explore Academy will comply with the OMA and establishes the schedule for regular meetings of the Council for the school year.

F. Parliamentary Procedure

Roberts' Rules of Order, newly revised, will govern the procedural operation of the Council and its committees, except when in conflict with applicable laws or regulations (which then prevail). The meeting Chair shall have the ability to generally apply these rules and to use discretion for flexibility, as the need arises.

G. Freedom-to-Act / Indemnity

To the extent permitted under existing law, Explore Academy shall defend, indemnify and hold harmless present and past members of the Council, support staff and volunteers, for actions taken on behalf of Explore Academy. These protections are available for all actions taken in good-faith while serving in those roles, provided they have acted within the reasonable scope of their positions or office and that their decisions/actions are generally in-accordance with those that would be made in similar circumstances, by a reasonable person.

ARTICLE XI - CONFLICT OF INTEREST

A. General Principles

It is the responsibility of all Council members to conduct themselves in accordance with the highest standards of integrity, honesty, and fair dealing to preclude any appearance of a conflict between the interests of Explore Academy and the personal interests of the member. Likewise, it is the responsibility of the Council and the Chief Administrator, to ensure that the school conducts all its business and operations impartially in accordance with all laws. All decisions and transactions shall be made with the best interests of Explore Academy as the foremost consideration.

The Council also recognizes that the ultimate success of Explore Academy depends upon the active participation, cooperation and collaboration of all stakeholders. Sometimes, the best interests of Explore Academy may involve the creation of relationships that might create an appearance of impropriety or potential for abuse of position, if not carefully evaluated by disinterested parties.

B. Conflict-of-Interest Disclosure

A conflict of interest occurs whenever a Council member permits the prospect of direct or indirect personal gain (or gain to a relative or related party) to influence judgment or actions regarding school business. Members should immediately disclose any conflict-of-interest. Each Council member shall complete an “Annual Disclosure Statement,” in which any known conflict-of-interest is disclosed.

C. Application of Conflict-of-Interest Policy

Members of the Council shall not knowingly engage in any activities or transactions, which are in material conflict with their duties and obligations to Explore Academy. In addition, Council members shall not conduct private business in a manner which places them at a special advantage because of their position with Explore Academy. The Council and staff of Explore Academy shall follow the laws of New Mexico, the New Mexico Procurement Act and the New Mexico Governmental Conduct Act, as well as the policies and procedures of the Explore Academy Charter School.

D. Related Party

For purposes of these Bylaws, a "Related Party" is an individual, business enterprise, nonprofit organization or other entity with respect to which such Council member, or a relative of such a Council member (i) has a direct or indirect financial interest; (ii) is an officer or director; or (iii) is otherwise in a position to control the management or decision-making of such entity.

E. Deliberations and Voting on Conflict Issues

In order to avoid conflicts of interest and the appearance of impropriety, Council members shall not participate in portions of a meeting, deliberation, or vote of the Council relating to (i) discipline of the Council member ; (ii) contracting or employment decisions affecting any related party to the Council member; or (iii) the Council's consideration of any transaction affecting the member or related party.

ARTICLE XII - MISCELLANEOUS

A. Undue influence

A Council member shall not use his or her position at Explore Academy to attempt to influence the decision of any Explore Academy employee to grant special treatment to (a) the child or ward of the member, (b) any relative of the member, or (c) any "Related Party" as defined in Article XI. Every Council member and every Explore Academy employee who is a parent or ward of a Explore Academy student should inform their child that they are required to follow all rules, policies and procedures applicable to Explore Academy students and that they are not entitled to special treatment by virtue of the relationship with a Council member or employee.

B. Commitment to Collaboration

All Council members shall work collaboratively with each other, with the sole goal of achieving Explore Academy's educational mission. The Council has been constituted so as to include a broad spectrum of experience and perspectives, and every Council member shall be afforded the opportunity to express his or her opinion, in a professional manner. Council members should refrain from non-constructive or personality-based comments that do not advance Explore Academy's mission.

C. Confidentiality

Council members shall be expected to keep confidential any deliberations or discussions that take place in closed session meetings. It is expected that Council members will raise concerns or share information about closed session meetings within the context of Council and/or other committee meetings, with other members of the Council and appropriate staff members only. A member's obligation to maintain confidentiality shall survive the Council member's tenure on the Explore Academy Council.

D. Amendments to the By-Laws

These Governing Council Bylaws may be amended by a majority vote of the Governing Council, as defined in Article X, Section C.

First Name	Last Name	Position	Committee	Term Start	Term End	Street Address	City	State	Zipcode	Email Address	Phone Number	Alternate Email	Affidavit	Certificate of Assurances
John	Garletts	Member		11/14/2017	None	10504 Figaro Drive NW	Albuquerque	NM	87114	johngarletts@gmail.com	(505) 459-2988		X	x
Ray	Barton III	Member		7/10/2017	None	5025 Eakes Road NW	Los Ranchos	NM	87107	rbarton3@aol.com	(505) 366-4190		X	x
David	Kulb	Member		7/10/2017	None	2020 Somervell Street	Albuquerque	NM	87112	dakookiemonster@msn.com	(505) 321-7300		X	x
Jesse	Pickard	President		1/1/2014	None	2716 Avenida Corazon	Rio Rancho	NM	87124	jpickard@apicnm.com	(505) 306-4511		X	x
Ralph	Montano	Member		1/1/2016	1/1/2018	217 Margaret's Lane	Bernalillo	NM	87004	ralphrmontano@outlook.com	(505) 250-3546		X	x
Shane	Mulligan	Member		6/1/16	6/1/18	7621 Sharpe Road NE	Albuquerque	NM	87109	shane.patrick314@gmail.com	(505) 328-3172		X	

Attachment E - Board of Finance Documents:

Statement to Consult with PED signed by all members	X
Affidavits from each board member	X
Affidavit signed by the school's licensed business official	X
School Business Official License	X
Certificate of insurance that indicates adequately bonded	in Attachment K

Attachment D - Governing Board ByLaws

Dated 9/10/2018

STATEMENT OF GOVERNING BODY TO CONSULT WITH PED

We, the undersigned, make up the governing body of the Explore Academy located in Albuquerque, New Mexico.

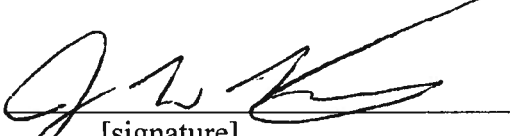
In accordance with 6.80.4.16 NMAC, we agree to consult with the New Mexico Public Education Department on any matter not covered by the manual of accounting and budgeting before taking any action related to funds held as a board of finance.

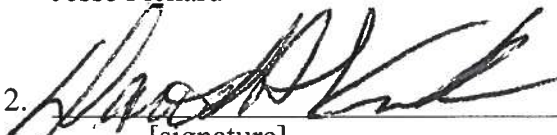
We make this statement as part of Explore Academy's application to the Public Education Commission for status as a board of finance under 6.80.4.16 NMAC.


We understand that we must retain or hire a Licensed School Business Manager as soon as financial feasible and, thereafter, notify the New Mexico Public Education Commission within 30 days of hiring and/or changing in a Licensed School Business Manager for the school, and a new, signed "Affidavit of Financial Custodian" must be submitted.


We understand that we must submit an Affidavit of Governing Body Member to the Public Education Commission within 60 days of a change in membership of our governing body.

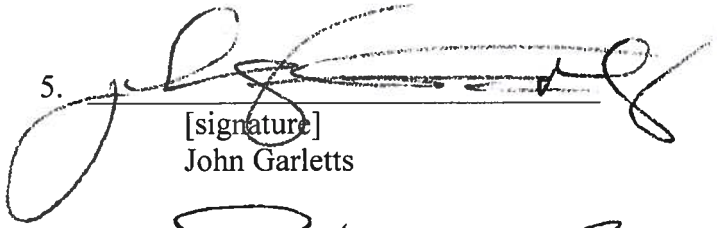
THE FOLLOWING MEMBERS OF THE EXPLORE ACADEMY GOVERNING COUNCIL
GIVE THE FOREGOING STATEMENT THIS 12th DAY OF July, 2016.


1. 
[signature]
Jesse Pickard

2. 
[signature]
David Kulb

3. 
[signature]
Ray Barton

4. 
[signature]
Ralph Montano

5. 
[signature]
John Garletts

6. 
[signature]
Shane Mulligan

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)

COUNTY OF)

I, John Garlettis, after being duly sworn, state:

1. My name is John Garlettis and I reside in Albuquerque, New Mexico.

2. I am a member of the governing body of the Explore Academy Charter School in Albuquerque, New Mexico.

3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.

4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.

5. I understand that as a member of the [insert name of school]'s governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

[Signature]

Date 5/9/2018

[Print]

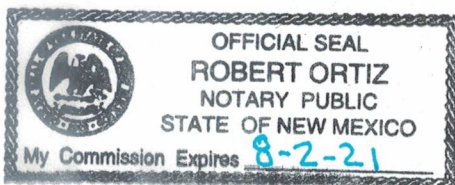
VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 9th day of May, 2018.

[Notary Seal:]

[Signature]
NOTARY PUBLIC

My commission expires: 8-2-21, 2018.



AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)

COUNTY OF Bernalillo

I, RAY H. BARTON III, after being duly sworn, state:

1. My name is RAY H. BARTON III and I reside in LOS RANCHOS New Mexico.
2. I am a member of the governing body of Explore Academy in Albuquerque, New Mexico.
3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.
4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.
5. I understand that as a member of the Explore Academy's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

Ray H. Barton III
[Signature]

8-3-17

Date

RAY H. BARTON III
[Print]

VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 3rd day of Aug, 2017.

[Notary Seal]
OFFICIAL SEAL
BRENN A GAFFNEY
NOTARY PUBLIC - State of New Mexico
My Commission Expires 06/08/2019

Brenna Gaffney
NOTARY PUBLIC

My commission expires: 06/08, 2019.

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)

COUNTY OF)

I, David A. Kulb, after being duly sworn, state:

1. My name is David A. Kulb and I reside in Albuquerque, New Mexico.

2. I am a member of the governing body of Explore Academy in Albuquerque, New Mexico.

3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.

4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.

5. I understand that as a member of the Explore Academy's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

[Signature]
[Signature]

August 5, 2017
Date

David A. Kulb
[Print]

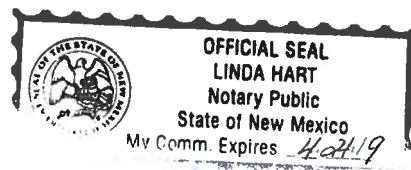
VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 5th day of August, 2017.

[Notary Seal:]

[Signature]
NOTARY PUBLIC

My commission expires: 4.24, 2019.



AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)
)
COUNTY OF Sandoval)

I, Jesse W. Pickard, after being duly sworn, state:

1. My name is Jesse W. Pickard and I reside in Rio Rancho, New Mexico.
2. I am a member of the governing body of Explore Academy in Albuquerque, New Mexico.
3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.
4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.
5. I understand that as a member of the Explore Academy's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

[Signature]

11/12/2013
Date

Jesse W. Pickard
[Print]

VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 12th day of November, 2013.

[Notary Seal:]



[Signature]
NOTARY PUBLIC

My commission expires: October 9, 2016.

AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)
)
COUNTY OF)

I, RAIPH R. MONTANO, after being duly sworn, state:

1. My name is RAIPH R. MONTANO and I reside in BERNALILLO, New Mexico.
2. I am a member of the governing body of Explore Academy in Albuquerque, New Mexico.
3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.
4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.
5. I understand that as a member of the Explore Academy's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

Raiph R. Montano
[Signature]

JUNE 16, 2016
Date

RAIPH R. MONTANO
[Print]

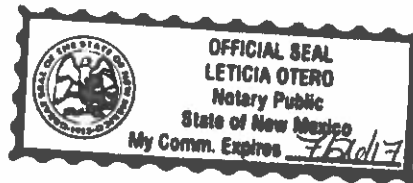
VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 16th day of June, 2016.

[Notary Seal:]

Leticia Otero
NOTARY PUBLIC

My commission expires: July 26th, 2017.



AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO)

COUNTY OF Sandoval)

I, Shane Mulligan, after being duly sworn, state:

1. My name is Shane Mulligan and I reside in Albuquerque, New Mexico.

2. I am a member of the governing body of Explore Academy in Albuquerque, New Mexico.

3. I attest that I am currently not a current governing body member of any other charter school authorized in the state of New Mexico.

4. I have never been a governing body member of a charter school that was suspended or failed to receive or maintain their board of finance designation.

5. I understand that as a member of the Explore Academy's governing body, I am entrusted with oversight of expenditure of public funds in accordance with all applicable laws, regulations and rules, including but without limitation any laws or rules pertaining to conflicts of interest, public school finance, and procurement.

[Signature]
[Signature]

Shane Mulligan
[Print]

6/17/16
Date

[Signature]

VERIFICATION

The forgoing Affidavit of Governing Body Member was subscribed and sworn to before me, this 17 day of JUNE, 2016.

[Notary Seal:]

[Signature]
NOTARY PUBLIC

My commission expires: 2.19., 2020.



OFFICIAL SEAL
GARRETT T. PIERSALL
NOTARY PUBLIC - State of New Mexico

My Commission Expires 2.19.2020

AFFIDAVIT OF FINANCIAL RECORD CUSTODIAN

STATE OF NEW MEXICO)
)
COUNTY OF Bernalillo)

I, Ashley Wolfel, [affiant] after being duly sworn, state:

1. I live in the City of Rio Rancho, County of Sandoval, New Mexico.
2. In accordance with 6.80.4.16 NMAC, I agree to accept the responsibility of keeping the financial records of the charter school and recognized that I am in charge of maintaining public funds with fidelity and in accordance to public finance laws, rules and regulations.
3. I have completed the following training in the maintenance of financial records:
 - a) NMASBO training – Winter Conference
 - b) NMASBO training – Fall Conference
 - c) NMASBO training – Spring Budget
4. Attached is a certificate of insurance that indicates that I am adequately bonded to take this responsibility.
5. I have earned the following certificates, licensures and/or degrees:

Certificate, licensure or degree	Educational Institution	Date	Current Yes/No
BBA	New Mexico Highlands University	12/2014	Yes
MBA	New Mexico Highlands University	05/2016	Yes
Business License	NMPED	7/2018	Yes

FURTHER AFFIANCE SAYETH NAUGHT.

Ashley Wolfel
Ashley Wolfel

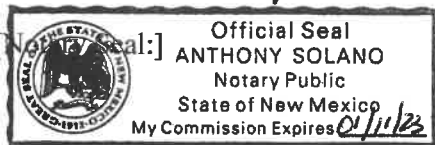
4/30/2019

Date

Ashley Wolfel
Ashley Wolfel

VERIFICATION

The forgoing Affidavit of Financial Records Custodian was subscribed and sworn to before me, this 30 day of April, 2019.



Anthony Solano
NOTARY PUBLIC

My commission expires: 01/11, 2023.

STATE OF NEW MEXICO



*In Recognition of
The Fulfillment of the Requirements for
School Personnel Licensure
this*

LEVEL TWO PROFESSIONAL SCHOOL BUSINESS OFFICIAL LICENSE

is issued to

ASHLEY K. WOLFFEL

Effective from July 1, 2018 to June 30, 2027

Licensure Number: 366278

A handwritten signature in black ink, appearing to be "C. N.", with a stylized flourish at the end.

Secretary of Education

ADMISSION POLICY AND PROCEDURES

EXPLORE ACADEMY



- a) The annual open enrollment period for available positions at Explore Academy is from October 1st through the second Monday in February.
- b) Explore Academy will announce its open enrollment period and provide an Interest Form that can be submitted online through the website or in person at the school site. Submission of the Interest Form officially places a student on the list for a position at Explore Academy. Parents and students should ensure that the information entered on the Interest Form is accurate. Explore Academy is not responsible for errors in grade level, contact information, or any other information that results in enrollment errors or mistakes.
- c) Parents of current Explore Academy students have until January 31 annually to notify the school of their intent to return. From these responses, the school determines the number of available seats at grade levels 7-12. Grade 6 will have 80 seats available each year.
- d) Siblings of current Explore Academy students and children of Explore Academy employees will be accepted for the following school year. Parents of these students will be notified in October and must commit via an Interest Form with “sibling” or “employee” indicated on the submission no later than January 31. Failure to do this will result in the student being added to the general list of student applications which are subject to enrollment lotteries per grade level when necessary.
- e) Once all lottery-exempt students are accounted for, Explore Academy will count the number of student seats remaining at all grade levels. This will occur during the first week of February annually and will determine the available seats for each grade level for the following academic year.
- f) At the close of business day on the second Monday of February annually, the Interest Form open enrollment list for each grade level will be locked and finalized. At this time, should Explore Academy receive Interest Forms that exceed the available seats in a given grade level, then it must conduct a lottery to assign seats to students.
- g) If a lottery is necessary at any grade level, Explore Academy will enter all students from that grade level’s Interest Form list into a random lottery. The lottery will be held annually on the second Tuesday in February. It is conducted in an open forum and is open to the public. This process will be completed separately for any grade level for which Explore Academy received more Interest Forms than there were available seats. For each grade level lottery, students are assigned a computer-generated, randomized number. This number is their position on the lottery.
- h) Students whose number corresponds to an available seat will receive an acceptance letter by the end of February annually. All students who are not accepted for enrollment through the lottery are placed on grade level waiting lists. Any student who submits an Interest Form after the second Monday in February will be added to the grade level waiting lists in the order of Interest Form submission.
- i) All students accepted in February after the lottery process, both from the lottery process or from sibling and employee priority acceptance, have until April 1 annually to complete the enrollment process. This process requires that each accepted student submit the Enrollment Form, birth certificate, and proof of vaccinations to Explore Academy. If a family requires assistance with this process, they must contact the school immediately. If a student has not completed this enrollment process by April 1, they will forfeit their position immediately.
- j) If seats become available for any grade level after the initial February lottery and acceptance period, these seats will be given to students assigned to the applicable grade level waiting lists in numerical order. Students have one month to complete the enrollment process from the date of their acceptance letter or they will forfeit their position.

Explore Academy is a public school open to all students and does not discriminate based on race, ethnicity, ability, socio-economic status, disability, or any other factor.

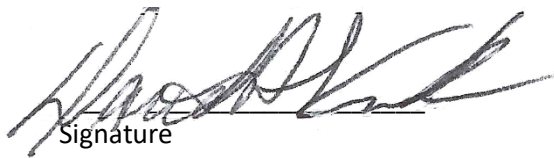
CERTIFICATE OF ASSURANCES

My name is David Kulb and I reside in Albuquerque, NM. I am a member of the governing body for Explore Academy a charter school which is located at 5100 Masthead NE, Albuquerque NM 87109, I certify that the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disability Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

David Kulb
Printed Name


Signature

4/22/19
Date

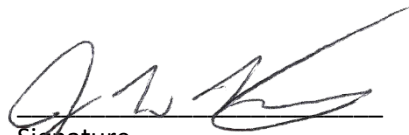
CERTIFICATE OF ASSURANCES

My name is Jesse Pickard and I reside in Rio Rancho, NM. I am a member of the governing body for Explore Academy a charter school which is located at 5100 Masthead NE, Albuquerque NM 87109, I certify that the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disability Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
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15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

Jesse Pickard
Printed Name


Signature

4/22/19
Date

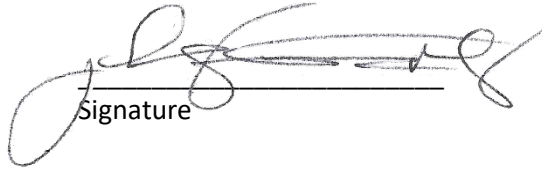
CERTIFICATE OF ASSURANCES

My name is John Garletts and I reside in Albuquerque, NM. I am a member of the governing body for Explore Academy a charter school which is located at 5100 Masthead NE, Albuquerque NM 87109, I certify that the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
7. The CHARTER SCHOOL complies with all applicable state and federal laws and rules related to identifying and providing special education services.
8. The CHARTER SCHOOL complies with provisions regarding public property identified in the Public School Code, the New Mexico Procurement Code, and the New Mexico Prohibited Sales Act, the Internal Revenue Code, and other applicable federal and state regulations.
9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disability Education Act.
12. The CHARTER SCHOOL provides equitable access to and participation in its federally assisted program for students, teachers, and other program beneficiaries with special needs.
13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

John Garletts
Printed Name


Signature

4/22/19
Date


CERTIFICATE OF ASSURANCES

My name is Ralph Montano and I reside in Bernalillo, NM. I am a member of the governing body for Explore Academy a charter school which is located at 5100 Masthead NE, Albuquerque NM 87109, I certify that the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
6. The governing body does not and will not contract with a for-profit entity for the management of the CHARTER SCHOOL.
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9. The CHARTER SCHOOL ensures that criminal background checks are conducted on all employees and applicable reporting is completed in accordance with Section 22-10A-5 NMSA 1978.
10. The CHARTER SCHOOL ensures that it complies with state regulations regarding the use of volunteers set out in Section 6. 50.18 NMAC.
11. The CHARTER SCHOOL complies with the Age Discrimination Act of 1975, Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disability Education Act.
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13. Meetings of the CHARTER SCHOOL Governing Body comply with the New Mexico Open Meetings Act, Sections 10-15-1 et seq., NMSA 1978 and the Inspection of Public Records Act, Section 14-2-1 et seq., NMSA 1978.

14. The CHARTER SCHOOL complies with all requirements of The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 CFR Part 99.
15. The CHARTER SCHOOL has and will adopt all policies and procedures required by the Public School Code, the New Mexico Administrative Code, and the Public Education Commission.
16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

Ralph Montano
Printed Name


Signature

4/22/19
Date

CERTIFICATE OF ASSURANCES

My name is Ray Barton and I reside in Los Ranchos, NM. I am a member of the governing body for Explore Academy a charter school which is located at 5100 Masthead NE, Albuquerque NM 87109, I certify that the CHARTER SCHOOL complies with all applicable federal and state laws governing the organizational programmatic, and financial requirements applicable to charter schools, including:

1. The CHARTER SCHOOL'S admission processes are in compliance with Sections 22-2-4(A)-(D) and 22-8B-4.1 NMSA 1978.
2. The CHARTER SCHOOL'S admission process do not discriminate against anyone regarding race, color, age, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, physical or mental disability, or serious medical condition.
3. The CHARTER SCHOOL is a nonsectarian and non-religious public school.
4. Except as otherwise provided in Section 22-12-5(C) NMSA 1978 the Public School Code, the CHARTER SCHOOL does not charge tuition or have admission requirements.
5. The CHARTER SCHOOL complies with all state and federal health and safety requirements applicable to public schools, complies with Sections 22-8B-4.2(A), (C), and (D) NMSA 1978, and must produce an E-Occupancy certificate for all school facilities.
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16. The Governing Body or head administrator of the CHARTER SCHOOL recognizes and works with employee labor representatives, if any.
17. The CHARTER SCHOOL has and will develop personnel policies that comply with all applicable federal and state labor laws, regulations and rules implementing them.
18. The CHARTER SCHOOL had and will develop a curriculum that is aligned to the New Mexico State Standards found in Title 6 Chapter 29 of the New Mexico Administrative Code, as amended.

Ray Barton
Printed Name


Signature

4/22/19
Date

Waiver Notification Form

Explore Academy Charter School

Contract term July 1, 2019 – June 30, 2024

Instructions:

- (1) Identify all non-discretionary waivers that will be utilized and discretionary waivers that will be requested.
- (2) Specifically identify statutes or state rules for which a waiver is requested.
- (3) Describe how the school's practice and **how it varies** from statutory requirements.

Non-Discretionary Waivers			
NMSA 1978 § 22-8B-5(C) Waiver	Utilized	Specific provision of relevant statute to which waiver is applied.	Description the school's practice and how it varies from statutory requirements.
Individual class load	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Teaching load	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Length of school day	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Staffing pattern	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Subject areas	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Purchase of instructional materials	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Evaluation standards for school personnel	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
School principal duties	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Drivers education	<input checked="" type="checkbox"/>	Click here to enter text.	Click here to enter text.
Discretionary Waivers			
Statute for which Waiver Requested under NMSA 1978 § 22-2-2.1	Specific provision of relevant statute for which waiver is sought.		Description of how the school's practice will vary from statutory requirements.
Click here to enter text.			Click here to enter text.
Click here to enter text.			Click here to enter text.



NEW MEXICO
GENERAL SERVICES DEPARTMENT

Michael Vigil

*Who has satisfactorily pursued the certification training program and
passed the required examination*

in accordance with the requirements established pursuant to

NMSA 13-1-95.2

is hereby awarded on this 2nd day of November 2017

Chief Procurement Officer Certification

Certificate No. **CPO-2015-S6745-00154**



Lawrence O. Maxwell

State Purchasing Agent



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into on the ____ day of April 2018 by and between the Cottonwood Classical Preparatory School, a public charter school located at 7801 Jefferson St. NE, Albuquerque, NM, and Explore Academy, a public charter school located at 5100 Masthead St. NE, Albuquerque, NM, for the purpose of sharing a certified chief procurement officer.

Under 1.4.1.94 NMAC, Subsection I, it is allowable for a certified chief procurement officer to be shared amongst state agencies or local public bodies, insofar as there is an agreement supporting the arrangement between the state agencies or local public bodies. This memorandum will serve as that agreement.

1.4.1.94 NMAC

...

- I. Delegation or sharing of certified chief procurement officer duties.
The sharing of a certified chief procurement officer through mutual execution of a memorandum of agreement by the state agency (agencies) or local public body (bodies) is allowed. A state agency or local public body wanting to delegate or share a certified chief procurement officer with another state agency or local public body shall: provide to the state purchasing agent for such sharing agreement, information identifying the state agency or local public body central purchasing office, the name of the state agency or local public body shared certified chief procurement officer and the intergovernmental agreement supporting the arrangement.

GENERAL TERMS AND CONDITIONS

1) Scope of Work

- a. Cottonwood Classical Preparatory School will share its certified Chief Procurement Officer with Explore Academy.
- b. The certified Chief Procurement Officer of Cottonwood Classical Preparatory School is an employee of good-standing at the charter school.
- c. The certified Chief Procurement Officer for Cottonwood Classical Preparatory School is Michael J. Vigil, CPA. Michael J. Vigil was awarded his recertification as a Chief Procurement Officer on November 2, 2017.
- d. Michael J. Vigil, CPA, certified Chief Procurement Officer, will perform all of the duties, responsibilities, and obligations of a Chief Procurement Officer for the consenting parties in this agreement, including but not limited to:

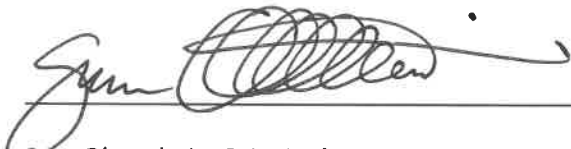


- i. Make determinations, including determinations regarding exemptions to the Procurement Code;
 - ii. Issue purchase orders and authorize small purchases pursuant to the Procurement Code; and
 - iii. Approve procurement pursuant to the Procurement Code.
- 2) Term of Agreement: The term of this agreement shall begin on April __, 2018 and end on November 2, 2019, or at such time as an employee of Explore Academy becomes a certified CPO. This agreement is contingent on Cottonwood Classical Preparatory School's Chief Procurement Officer (CPO) maintaining his certification. CPO's require recertification every two (2) years. A new Memorandum of Understanding will be issued after the recertification of the CPO.
- 3) Termination: Cottonwood Classical Preparatory School may terminate this agreement with Explore Academy at any time provided a written notification is given to Explore Academy at least thirty (30) days in advance of the effective date of termination. Cottonwood Classical Preparatory School may terminate services for reasonable cause with (30) days advance written notification. The agreement will also be terminated if/when an employee of Explore Academy becomes a certified CPO.
- 4) Integration Clause: Cottonwood Classical Preparatory School agrees that this document is the full and complete agreement between the parties, and there are no terms and conditions, expressed or implied, other than set forth herein.
- 5) Amendments: This agreement is subject to amendment at such time when all parties agree to an amendment in writing.



I hereby agree to the above terms and conditions and will comply with all rules and regulations.

For Cottonwood Classical Preparatory School:




Sam Obenshain, Principal

5-2-18

Date

For Explore Academy:



Justin Baiardo, Principal

4/30/18

Date

LEASE AGREEMENT

Dated as of May 10, 2018,

by and between

EXPLORE ACADEMY FOUNDATION
A New Mexico Nonprofit Corporation,

and

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

LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into by and between Explore Academy Foundation, a New Mexico nonprofit corporation (the "Foundation"), as lessor, and Explore Academy, a New Mexico public charter school (the "Charter School"), as lessee, effective as of May 10, 2018.

RECITALS

A. On December 15, 2017 the Foundation entered into a Purchase Agreement to acquire approximately 3.3 acres of land ("Land"), and improvements consisting of an existing approximately 25,398 square-foot, one-story school building (the "Building") located at 5100 Masthead St. NE, Albuquerque, Bernalillo County, New Mexico 87109, as more particularly described on Exhibit A hereto.

B. The Foundation requested that Public Finance Authority, a body corporate and politic under the laws of the State of Wisconsin, issue its Educational Facility Lease Revenue Bonds (Explore Academy Project) Series 2018A and 2018B collectively, the "Bonds") to, among other things, acquire, equip, renovate and expand the Building, by expanding and equipping the existing cafeteria and adding approximately five classrooms totaling approximately 972 new usable square feet (the "Improvements") as described in Exhibit B hereto, all for use as a public charter school (the Building as improved by the Improvements and Land are collectively, the "Facility").

C. As of the Commencement Date (as hereinafter defined), the Foundation shall have secured the necessary funds to acquire the Facility and complete the Improvements. As of the Rental Commencement Date (as hereinafter defined) the Foundation agrees to cause the Facility to meet the educational occupancy requirements of the governmental authorities with jurisdiction and the Statewide Adequacy Standards for New Mexico public schools as contemplated by NMSA 1978, §22-8B-4.2(D)(2).

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

E. The Foundation is a non-profit corporation organized, existing, and in good standing under the laws of the State of New Mexico and is authorized under its articles of incorporation, bylaws, action of its board of directors, and applicable law, to own and manage its properties, to conduct its affairs in the state of New Mexico, to lease the Facility to the Charter School, and to otherwise act in the manner contemplated herein.

F. The Foundation executed that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of May 10, 2018 (the "Deed of Trust"), to Stewart Title of Albuquerque, LLC, Deed of Trust trustee for the benefit of Wilmington Trust

National Association, as beneficiary (hereinafter “Beneficiary,” Assignee” or “Trustee” as defined herein) thereunder, to secure the Foundation’s obligations under a loan agreement and otherwise related to acquisition, as trustee, expansion and improvement of the Facility as described above, pursuant to which the Foundation assigned to the Trustee all of the Foundation’s right, title, and interest in, to, and under this Lease. The Charter School shall promptly comply with all of the Foundation’s written instructions related to the Charter School’s compliance with its obligations under this Lease.

G. The Base Rent and Additional Rent (both as hereinafter defined) payable by the Charter School hereunder shall constitute currently appropriated expenditures of the Charter School and the Charter School shall for the Initial Term and any Extended Term authorize and appropriate the payments required hereunder for such year. No obligation for payment hereunder shall constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the Charter School, or a mandatory charge or requirement against the Charter School in any fiscal year (as hereinafter defined) beyond the fiscal year for which such payments have been appropriated.

H. The Charter School desires to have and the Foundation agrees to extend to the Charter School an option, contingent on meeting the requirements of Section 4.4 herein, to enter into a Lease Purchase Arrangement pursuant to the Public Charter Schools Lease Purchase Act, NMSA 1978, §§22-26A-1, *et seq.* and NMSA 1978, §22-20-1, and substantially in the form attached hereto as Exhibit C (“Lease Purchase Arrangement”).

I. The execution, delivery and performance of this Lease by the Charter School are in the best interest of the Charter School, serve a public purpose, and have been duly authorized by the governing board of the Charter School.

J. The Foundation desires to lease the Facility to the Charter School and the Charter School desires to lease the Facility from the Foundation, pursuant to the terms and conditions and contingencies and for the purposes set forth in this Lease.

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:

ARTICLE I DEFINITIONS AND EXHIBITS

Section 1.1 Definitions. The following terms shall have the meaning set forth below:

“ACH” means Federal Automated Clearing House electronic network for financial transactions in the United States.

“ACH Authorization Agreement” means a debit authorization in the form attached hereto as Exhibit E.

"Additional Rent" means as set forth in Section 5.3 hereof, all amounts due by the Charter School under the terms of this Lease, except Base Rent, as provided herein.

"Agreement" means this Lease Agreement, dated as of May 10, 2018, by and between the Foundation and the Charter School and any amendments or supplements hereto, including all exhibits hereto and thereto.

"Assignee" means the Trustee under the Deed of Trust.

"Base Rent" means the amount of "Base Rent" shown on Exhibit D attached hereto for each month of this Lease.

"Business Day" means any day other than a Saturday, Sunday, holiday or a day on which banking institutions in the State of New Mexico are authorized to be closed.

"Building" shall have the meaning set forth in paragraph A of the Recitals constituting a portion of the Facility.

"Capital Improvements" means the construction or reconstruction of improvements, betterments, and extensions which, under generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

"Certificate of Occupancy" means the governmental authorization to permit the Charter School to occupy the Improvements.

"Commencement Date" means the date of execution of this Agreement by the parties.

"E-Occupancy" shall have the meaning set forth in Section 6.1 hereof.

"Event of Default" shall have the meaning ascribed to it in Section 8.1.

"Extended Term" shall have the meaning ascribed to it in Section 5.

"Facility" shall have the meaning ascribed thereto in paragraph B of the Recitals including furnishings and equipment, if any, leased by the Foundation to the Charter School under this Agreement.

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

"Force Majeure" shall have the meaning ascribed in Section 8.4.

"Improvements" – shall have the meaning ascribed thereto in paragraph B of the Recitals.

"Initial Term" shall have the meaning ascribed to it in Section 4.1 hereof.

"Land" shall have the meaning ascribed thereto in paragraph A of the Recitals.

"Lease" means this Lease Agreement, dated as of May 10, 2018, by and between the Foundation and the Charter School and any amendments or supplements thereto, including all exhibits hereto and thereto.

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

"Net Proceeds" means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof, less the costs and expenses (including attorneys' fees) incurred in the collection of such proceeds.

"Public Education Department" means the New Mexico Public Education Department.

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

"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.

"State" means the State of New Mexico.

"Statewide Adequacy Standards" means the standards set forth in Title 6, Chapter 27, Part 30 NMAC (08/31/2005), and any subsequent versions thereof, subject to any variances granted to the Charter School by the Public Charter School Capital Outlay Council pursuant to Section 22-8B-4.2(F)(2) NMSA 1978.

"Term " or "term of this Lease" shall mean unless sooner terminated as provided herein, the Initial Term and all Extended Terms as provided herein.

"Trustee" means Wilmington Trust, National Association, its successors and assigns.

Section 1.2 Exhibits.

Exhibit A Legal Description

Exhibit B Improvements

Exhibit C Form of Lease Purchase Arrangement

Exhibit D Base Rent Schedule

Exhibit E ACH Authorization Agreement

Exhibit F Reporting Requirements

ARTICLE II
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants, and Warranties of the Charter School. The Charter School represents, covenants, and warrants as follows:

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

(b) It is, and will use its best efforts to remain a public charter school duly organized and validly existing under the Act.

(c) It is authorized: (i) to lease the Facility from the Foundation pursuant to this Lease; and (ii) to execute and deliver this Lease and related documents and instruments.

(d) It will perform its obligations under this Lease including making appropriations for the payment of all scheduled obligations hereunder, subject to the limitations and conditions stated herein and the availability of sufficient appropriations and revenues therefor.

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

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

(g) 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 Charter School is now a party or by which the Charter 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 Charter School.

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

(i) The Facility will be operated in accordance with all Requirements of Law.

(j) The Facility is necessary and essential to the Charter School's operations.

Section 2.2 Representations, Covenants, and Warranties of the Foundation. The Foundation represents, covenants, and warrants as follows:

(a) It is a non-profit corporation (i) duly organized, existing, and in good standing under the laws of New Mexico, (ii) is possessed of full power to purchase, own, hold, and lease (as owner and landlord) real and personal property, (iii) has all necessary power to lease the Facility to the Charter School pursuant to this Lease, (iv) with the power, and authorized to execute, deliver, and perform its obligations under this Lease and (v) has duly authorized the execution, delivery, and performance of its obligations under this Lease.

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

(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 new components that will comprise the Facility and the existing Building are and will be constructed to educational occupancy standards and will meet all applicable Statewide Adequacy Standards. The Facility will be leased from the Foundation in accordance with all Requirements of Law, and the Foundation shall maintain the Facility at a level that satisfies all applicable State Adequacy Standards at no additional cost to the Charter School or the State of New Mexico.

(e) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which 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 may assign the Lease, its rights to payments from the Charter School or its duties and obligations hereunder or thereunder to any other person, firm, or corporation so long as said assignment does not impair or violate the representations, covenants, and warranties contained herein.

(g) To the knowledge of the Foundation after diligent inquiry, 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 Foundation's knowledge, the Foundation has not received any written notice that the Facility or its present use and condition violates any applicable deed restrictions or other covenants, restrictions or agreements, mortgages, or conditions of title or ownership, site plan approval, zoning or subdivision regulations, urban development plans, the laws statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, or requirements of any authorities governing or

regulating the use and operation, or otherwise applicable to the Facility.

(i) To the knowledge of the Foundation: (i) the Facility 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 Facility have been obtained and are in full force and effect and the Charter 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 Facility and there are no grounds on which any such litigation, investigation or proceedings might be commenced; (iv) the Facility 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 Facility 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 Facility 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 Facility 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 Facility 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 Facility or the Improvements in violation of any Requirements of Law.

ARTICLE III AGREEMENT TO LEASE

Section 3.1 Lease of Facility. The Foundation hereby leases the Facility to the Charter School, and the Charter School hereby leases the Facility from the Foundation, upon the terms and conditions set forth in this Agreement, provided that any term or condition herein in contravention of any applicable laws shall be automatically stricken from this Lease. This Agreement, once fully executed, shall supersede any prior written agreement between the Parties for the lease of the Facility.

Section 3.2 Possession and Enjoyment. During the Term of this Agreement, the Foundation shall provide the Charter School with quiet use and enjoyment of the Facility and during such term the Charter School shall peaceably and quietly have and hold and enjoy the Facility, without suit, trouble, or hindrance from the Foundation, except as expressly set forth herein. The Foundation will, at the request of the Charter School and at the Charter School's cost, join in any legal action in which the Charter School asserts its right to such possession and enjoyment to the extent the Foundation may lawfully do so. Notwithstanding the foregoing, the

Foundation shall have the right to inspect the Facility as provided in Section 3.3 hereof.

Section 3.3 The Foundation's Access to Facility. The Charter School further agrees that the Foundation shall have such rights of access to the Facility upon compliance with any security requirements imposed by the Charter School as may be reasonably necessary to complete the Improvements and to cause the proper maintenance of the Facility in the event of failure by the Charter School to perform its obligations hereunder, provided that at no time shall the Foundation be compelled or required to make any improvements, alterations, or additions to the Facility for which it is not obligated to do so according to the terms of this Agreement.

Section 3.4 Use. The Facility shall be used and occupied only for educational and related purposes, and for no other purpose. No portion of the Facility shall be used primarily for pervasively sectarian purposes. The Charter School will comply with all applicable state and federal laws concerning discrimination on the basis of disability, physical or mental handicap, serious medical conditions, race, creed, color, sex, gender identity, sexual orientation, spousal affiliation, national origin, religion, ancestry or need for special education services, or any other state or federally protected classification of persons.

ARTICLE IV TERM OF AGREEMENT

Section 4.1 Initial Term. The Initial Term of this Lease shall be for a period commencing on the Commencement Date and ending no later than June 30, 2019 (the "Initial Term"), unless sooner terminated pursuant to any provision of this Lease or in the event the Charter School and the Foundation enter into a Lease Purchase Arrangement pursuant to the terms of Section 4.4, below, which Lease Purchase Arrangement shall supersede and replace this Lease in all respects and this Lease thereupon shall terminate. Notwithstanding the length of the Initial Term, the Foundation acknowledges and agrees that the Charter School's charter(s) is/are granted for terms up to five (5) years each and are subject to renewal and revocation by the Charter School's charter authorizer. By entering into this Lease, the Charter School does not guarantee or represent that it will continue to exist for the full length of the Initial Term, though it will make best efforts to do so. The Foundation further acknowledges and agrees that, should the Charter School's charter be revoked or non-renewed, the Foundation shall, subject to the requirements of the Act, only be entitled to payments for the Charter School's obligations described in this Lease for the remainder of the Charter School's then-current fiscal year, and not through the remainder of the Term (as defined herein). The obligations of the Charter School to make payments hereunder are contingent upon sufficient appropriations being made therefor, by the State of New Mexico for performance of this Lease. If an Event of Non-appropriations occurs, the payment obligations of the Charter School under this Lease may terminate prior to the end of the Term subject to the obligations of the Charter School in Section 4.3(d).

Section 4.2 Extended Terms. The Charter School shall be entitled to extend the term of this Lease beyond the Initial Term for thirty (30) additional one-year terms (each an "Extended Term") through and including June 30, 2049, commencing on July 1st of a given year and ending on June 30th of the following year, provided that this Lease has not been previously terminated and that the Charter School is not in default under the terms of this Lease at the time of such extension.

The Charter School shall give written notice of the intent to extend at least thirty (30) days prior to the expiration of the Initial Term and for every Extended Term, thereafter. The Charter School is under no obligation to extend the term of this Lease at any time, and the Charter School shall have no further right to extend the term of this Lease beyond the expiration of the extensions provided in this paragraph. The Initial Term and any Extended Term shall hereinafter be known collectively as (the "Term").

Section 4.3 Nonrenewal of Lease due to Event of Non-appropriation.

(a) An "Event of Non-appropriation" shall mean (i) a failure by the State legislature to appropriate or the Public Education Department to distribute sufficient funds to the Charter School to make the Base Rent and Additional Rent payments required by this Lease; or (ii) a failure by the Charter School to appropriate sufficient amounts to proceed under Section 7.3(c) of this Lease following the occurrence of an event described in Section 7.3(a) of this Lease.

(b) In the event that the Charter School shall determine, for any reason, to exercise its annual right not to renew this Lease through an Event of Non-appropriation, or otherwise, effective on June 30 of any fiscal year, the Charter School shall give written notice within one (1) Business Day of such determination to such effect to the Foundation and to the Trustee. The exercise of the Charter School's annual option to not renew this Lease shall be conclusively determined by the Charter School's failure, for any reason, (a) to appropriate by June 30 of each Fiscal Year sufficient amounts authorized and directed to be used to pay all Base Rent due in the next ensuing Fiscal Year or (b) upon the occurrence of any of the other events described in the definition of Event of Non-appropriation herein.

(c) Any decision not to renew this Lease shall be made solely by the governing authority of the Charter School and not by any other agency or official of the Charter School except as otherwise provided in the New Mexico Public School Code. E.g. NMSA 1978, §22-8-39

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

(e) The Charter School shall, in all events, vacate the Facility and surrender it to the Foundation or the Trustee, if the Foundation has any payment obligation under any financing, whether a bond financing or otherwise within thirty (30) days or by June 30th following an Event of Non-appropriation.

Section 4.4 Lease Purchase Arrangement. The parties agree that this Lease shall be automatically superseded by a Lease Purchase Arrangement, provided that all of the following requirements have been satisfied: (i) the School provides a certificate of no Event of Default or event which the passage of time or the giving of notice would result in an Event of Default, then

exists, (ii) the Charter School's chief financial officer certifies in writing that the Charter School's entering into a Lease Purchase Arrangement is duly authorized and the entry into a Lease Purchase Arrangement is the legal, valid and binding obligation of the Charter School, and a Lease Purchase Arrangement will not impair the financial operations of the Charter School, (iii) a five-year budget forecast of the Charter School's operations projects the net operating income of the School in each year will be at least 1.10 times the amount of the projected lease payment under the Lease Purchase Arrangement, (iv) the Foundation has established, based on opinion of qualified bond counsel, that entering into the Lease Purchase Arrangement as it is contemplated at the time, does not adversely affect the tax-exempt status of the interest on the Foundation's bond or other financing, if any, and (v) the Charter School has obtained the necessary approval of regulatory authorities as contemplated in the Public School Lease Purchase Act, NMSA 1978, §§22-26A-1 *et seq.* and NMSA 1978, §22-20-1. The Lease Purchase Arrangement between the Charter School and the Foundation shall be submitted to the New Mexico Public Education Department in a form substantially similar to Exhibit C hereto.

ARTICLE V RENT AND EXPENSES

Section 5.1 Rental Commencement Date. The Charter School shall pay Base Rent according to Exhibit D on July 1, 2018 (Rental Commencement Date), which shall represent Base Rent for the Building and Land, but not the Improvements. Rent for the entire Facility, including the Improvements, shall commence according to Exhibit D when the Certificate of Occupancy is issued by the governmental authority with jurisdiction after completion of the Improvements, whichever date is later. The Foundation acknowledges and agrees that the Charter School shall have possession of the Building and Land as of the Commencement Date.

Section 5.2 Base Rent. From and after the Rental Commencement Date as defined herein, and during the Term of this Lease, the Charter School shall pay Base Rent directly to the Foundation, in the manner described in Sections 5.5 and 5.6, or to any "assignee" or person or entity designated by the Foundation as the Foundation's representative for rent collection purposes, on the twentieth (20th) day following the Rental Commencement Date of each month of the Term. The Base Rent for this Lease for the Initial Term and any Extended Term shall be in the monthly amounts set forth in Exhibit D hereto. Any partial month will be calculated on a *pro rata* basis.

Section 5.3 Additional Rent. In addition to Base Rent, the Charter School shall pay Additional Rent during the Term, which shall be estimated annually by the Charter School and shall be in an amount sufficient to pay the following costs during the next ensuing fiscal year: (i) the reasonable fees and expenses of the Foundation related to the Facility including, but without limitation, all fees related to administration and management as determined by the Foundation; (ii) the cost of insurance premiums for insurance deemed necessary or desirable in the Foundation's reasonable discretion; and (iii) all other costs expressly required to be paid by the Foundation hereunder, if any, as determined by the Foundation. The Additional Rent may be adjusted during the Term of this Lease in the discretion of the Foundation and with the consent of the Charter School which shall not be unreasonably withheld. If the Charter School elects to extend the Lease for its next ensuing fiscal year, the Charter 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 appropriations for payment of Additional Rent during such fiscal year. Additional Rent obligations in excess of the amounts so appropriated shall, in no event, be due or owing from the Charter School.

Section 5.4 Nature of Payment. The Charter School and the Foundation expressly acknowledge and agree that the Base Rent and Additional Rent hereunder shall constitute currently appropriated expenditures of the Charter School and shall be paid from any legally available funds and the Charter School shall take all actions necessary to achieve said results. The Charter 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 Charter School within the meaning of any New Mexico 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 Charter School within the meaning of any New Mexico constitutional or statutory limitation or requirement. This Lease does not directly or indirectly obligate the Charter School to make any payments beyond those appropriated for any fiscal year for which payments have been appropriated.

Section 5.5 Manner of Payment; No Abatement. The Base Rent and any Additional Rent shall be paid, commencing on the Rental Commencement Date and continuing on the twentieth (20th) day of every month of the Term thereafter by lawful money of the United States of America. The Charter School agrees to make payment of all Base Rent and Additional Rent by ACH debit according to the requirements of Section 5.6 below. The obligation of the Charter School to pay the Base Rent and Additional Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The Charter School shall, during the Initial Term (and any Extended Term) of this Lease, make all payments of Base Rent and Additional Rent as and when due and has no right to withhold nor shall it withhold any Base Rent or Additional Rent, nor shall the Charter 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 Charter School of any rights, claims, or defenses which the Charter School may assert except as otherwise limited herein. No action or inaction on the part of the Foundation shall affect the Charter School's obligation to pay Base Rent and Additional Rent of this Lease.

Section 5.6 ACH Debt/Authorization Agreement. The Charter School shall make all Base Rent and Additional Rent payments pursuant to an ACH debit authorization in the form of Exhibit E ("Authorization Agreement"). Upon execution of this Lease, the Charter School shall deliver to the Foundation or its Assignee or any representative designated by the Trustee, for rent collection purposes, a completed Authorization Agreement together with a voided check for account verification, establishing arrangements whereby payments of the Base Rent and Additional Rent are transferred by ACH debit initiated by the Foundation or the Assignee, from an account established by Charter School at a United States bank or other financial institution to such account as the Foundation or the Trustee may designate. The Charter School

shall continue to pay all Base Rent and Additional Rent by ACH debit unless otherwise directed by the Foundation or the Assignee, unless or until this Lease is terminated.

Section 5.7 Budgeting. In each fiscal year during the Lease term, an authorized officer of the Charter School responsible for the preparation of the annual budget shall include in the budget proposal to the Public Education Department for the next succeeding fiscal year of the Charter School an amount equal to one-hundred percent (100%) of the total annual 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 shall remain solely within the discretion of the Charter School as provided herein. The Base Rent and Additional Rent and other obligations payable by the Charter School under this Agreement shall constitute and be deemed for all purposes currently appropriated expenditures of the Charter School and shall not constitute a debt or multiple fiscal year direct or indirect obligations whatsoever of the Charter School or a mandatory charge or requirement against the Charter School in any fiscal year beyond the fiscal year for which such payments have been approved.

Section 5.8 Taxes and Assessments. During the Term, if the Facility or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body or otherwise, the Charter School shall pay, as Additional Rent, the amount of all such taxes, assessments, and governmental charges then due. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Charter School shall be obligated to provide only for such installments as are required to be paid during the Term of this Lease. The Charter School shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Facility 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 Facility or any portion thereof, or any interest therein, including the interest of the Foundation) or the rentals and revenues derived therefrom or hereunder. If the Charter School shall first notify in writing the Foundation of the intention of the Charter School to do so, the Charter School may, at the expense and in the name of the Charter 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 Charter School that, in the opinion of independent counsel, whose fees and costs shall be paid by the Charter School, by nonpayment of any such items, the Facility or the 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 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). The Foundation shall reasonably cooperate in any efforts by the Charter School to contest any taxes or assessments.

Section 5.9 Utilities. During the Term, the Charter School shall pay, as the same respectively become due, all gas, water, electricity, heat, sewer and waste disposal, and other utility charges incurred in the maintenance and upkeep of the Facility, and the Charter School shall place all such utilities relating to the Facility in its name or otherwise.

ARTICLE VI

IMPROVEMENTS AND MAINTENANCE

Section 6.1 Improvements. As soon as reasonably practicable after execution of this Lease as determined by the Foundation, the Foundation shall commence the Improvements described in Exhibit B. The Foundation shall make all Improvements at the Foundation's sole cost and expense, using properly licensed, insured and bonded contractors, in accordance with plans and specifications approved by the Charter School, PSFA, and all other required governmental authorities. The Improvements shall be designed and constructed to meet all requirements for Educational Occupancy ("E-Occupancy") in the International Building Code, and to meet all applicable Statewide Adequacy Requirements. The Foundation shall use reasonable efforts to target completion of the Improvements and certified for the Charter School's occupancy by all required authorities no later than [REDACTED], 2018.

Section 6.2 Maintenance. During the period of the Foundation's construction of the Improvements hereunder, the Foundation shall maintain, preserve and keep the portion of the Facility on which the Improvements are being constructed, at its expense; the Land and Building shall be maintained, preserved and kept by the Charter School during construction of the Improvements as set forth herein. After the Certificate of Occupancy for the Improvements has issued and the Charter School takes possession of the Improvements, the Charter School shall maintain, preserve and keep the entire Facility as described herein. Thereafter, and for the remainder of the Term, the Charter School agrees to maintain, preserve, and keep the entire Facility or cause the Facility 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 Charter School will, from time to time, make or cause to be made all necessary and proper repairs. Notwithstanding the foregoing, during the Term of this Lease, the Foundation shall make all extraordinary repairs and replacements considered to be Capital Improvements not to exceed an amount equal to the balance in the Foundation's repair and replacement reserve funds maintained and accessible by the Foundation pursuant to its financing obligations. The Foundation shall maintain the Facility to all applicable Statewide Adequacy Standards applicable to charter schools, at no additional cost to the Charter School or the State of New Mexico as set forth in NMSA 1978, §22-8B-4.2(D)(2)(a) or a successor statute. Except as expressly set forth in this Lease, the Foundation shall not have any other responsibility for the making of any additions, modifications, or replacements to the Facility during the Term of this Lease.

Section 6.3 Modifications. During the Term of this Lease, with the Foundation's prior written consent, the Charter School may remodel or make substitutions, additions, modifications, or improvements to the Facility, and the same (if permanently affixed) shall be part of the Facility, 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 Facility; and (ii) the Facility, 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 Facility immediately prior to such remodeling or such making of substitutions, additions, modifications, and improvements.

Section 6.4 Equipment. The Charter School may, from time to time, in its sole discretion and at its own expense, install equipment and personal property in the Facility. All such equipment and personal property shall remain the sole property of the Charter School in which the Foundation shall not have any interest; provided, however, that any such equipment and personal property which becomes a fixture or is otherwise permanently affixed and becomes a part of the Facility, shall be subject to this Lease and shall be included under the terms of this Lease. Upon termination of the Lease, the Charter School may remove its equipment and personal property, but shall be responsible for all damage caused by said removal. The Charter School shall repair the Facility or pay for all damages within sixty (60) days of vacating the Facility.

Section 6.5 Title to the Facility. Any improvements permanently affixed to the Facility shall become part of the Facility. The Charter School shall have no right, title, or ownership interest in the Facility or any fixtures or other permanent additions and modifications thereto or replacements thereof by virtue of this Lease.

Section 6.6 Compliance with Law. The Charter School shall at all times operate the Facility, or cause the Facility to be used and operated, such that (a) the Facility 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 Facility shall be obtained and maintained in full force and effect and the Charter 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 Facility in violation of any Requirements of Law; (d) there shall be no disposal of any of the items referred to in clause (c) on, from, into or out of the Facility 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 Facility including the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Facility or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into or out of the Facility in violation of any Requirements of Law.

ARTICLE VII INSURANCE

Section 7.1 The Charter School's Insurance.

(a) Liability Insurance. Beginning upon the Commencement Date, the Charter School shall procure and maintain or cause to be carried and maintained in full force and effect during the term of this Lease and any extension thereof at the Charter School's sole cost and expense and as Additional Rent above the Base Rent hereunder, such public liability insurance

covering bodily injury, disease, illness or death and property damage liability, as is available from and provided by the New Mexico Public Charter Schools Insurance Authority (“NMPSIA”) or its successor with limits of coverage not less than \$300,000 for each person for all past and future medical and medically-related expenses arising out of a single occurrence and \$400,000 in the aggregate for all claims other than medical or medically-related expenses arising out of a single occurrence, and \$100,000 for each accident for property damage liability for the benefit of the Charter School and the Foundation as protection against all liability claims arising from activities on the Facility, causing the Foundation to be named as additional-named insureds on such policy of insurance, and delivering a copy thereof to the Foundation upon the commencement of the term of this Lease. The Charter School shall adjust such minimum coverage limits annually or as necessary to conform to the minimum coverage limits required for local public bodies pursuant to NMSA 1978, §§41-4-19 and 41-4-20 and NMSA 1978, §§22-29-1 through 22-29-11, as amended.

(b) Property Insurance. Subject to the availability of such coverage from NMPSIA, the Charter School shall also carry and maintain or cause to be carried and maintained in full force and effect during the term of this Lease and any renewal thereof, at the Charter School’s sole cost and expense, fire and extended coverage insurance upon the Facility and Improvements, including all buildings, alterations, and additions in an amount equal to their replacement values [excluding the Land]. The Foundation and any financing entity(ies) of record or otherwise identified by the Foundation shall be named as additional insureds and loss payees on the Facility Insurance Policy and the Foundation shall be provided with a copy of the policy or declaration of coverage certificate at renewal. In the event that the Facility should be destroyed or substantially damaged in whole or in part, and such loss is covered by fire and extended coverage insurance, the provisions of Section 7.3, below, shall apply. If for any reason the Charter School is prohibited by law or regulation from carrying such insurance, the Foundation may obtain such insurance, and the Charter School shall pay the premiums of such insurance as Additional Rent.

(c) Business Personal Facility Insurance. Subject to the availability of such coverage from NMPSIA, the Charter School shall also carry and maintain Business Personal Facility Insurance. Special form insurance for perils on all business personal property on the Facility including fixtures, machinery and equipment installed by the Charter School, and such other insurance as the Foundation may require, if available, to the Charter School by NMPSIA. Such insurance to be in an amount equal to one hundred percent (100%) of the insurable value thereof, if available by NMPSIA.

(d) Business Interruption Insurance. The Charter School shall obtain Business Interruption Insurance with sufficient coverage to provide for payment of Base Rent, Additional Rent and all other fixed costs during any interruption of the Charter School’s operations by reason of fire or other casualties contemplated in Section 7.1(b), above.

(e) Worker's Compensation Insurance. If required by state law as of the Commencement Date, the Charter School shall carry worker's compensation insurance covering all of its respective employees on, in, near or about the Facility and upon request, shall furnish certificates to the Foundation evidencing such coverage.

Section 7.2 The Foundation's Insurance. The Foundation shall, from the date of approval of this Lease, obtain and maintain Commercial general liability insurance with coverage limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Section 7.3 Damage, Destruction, or Condemnation; Use of Net Proceeds.

(a) *Damage, Destruction, or Condemnation.* If, during the Term of this Lease, (i) the Facility, 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 Facility or any portion thereof or the estate of the Charter School, or the Foundation in the Facility or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; (iii) a breach of warranty or any material defect with respect to the Facility shall become apparent; or (iv) title to or the use of all or any portion of the Facility shall be lost by reason of defect in the title thereto, then, the Charter School shall be obligated, subject to the provisions of Subsection (c) of this Section 7.3 hereof, to continue to pay the amounts specified in Subsection (b) of this Section 7.3 hereof and, to the extent of amounts specifically appropriated by the Charter School, to pay Base Rent and Additional Rent.

(b) *Repair and Replacement.* To the extent not contrary to applicable law, the Charter School and, to the extent such Net Proceeds are within its 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) of this Section 7.3 hereof, all Net Proceeds of any insurance, performance bonds, or condemnation awards owed to either the Charter School or the Foundation shall be applied to the prompt repair, restoration, modification, improvement, or replacement of the Facility or the Improvements, as the case may be, by the Charter 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 Charter 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 of the Facility or Improvements paid for in whole or in part out of Net Proceeds of the Charter School's Insurance shall be the property of the Foundation, subject to this Lease, and shall be included as part of the Facility or the Improvements under this Lease.

(c) *Insufficiency of Net Proceeds for Facility.* 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 Facility required under Subsection (b) hereof, the Charter School shall elect one of the following options:

(i) The Charter School may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the

Facility or replace the Facility (or portion thereof) with property of a value equal to or in excess of the Facility, 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 Charter School, are available for the payment of such costs, and the Charter School agrees to make Additional Rental payments pursuant to the provisions of this paragraph and to the extent permitted by law, the Charter School shall not be entitled to any reimbursement therefor from the Foundation, nor shall the Charter 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 Facility become apparent), the Charter School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Charter School may make demand on the Foundation to make up the insufficiency in the Net Proceeds and if the Foundation refuses, the Charter School may terminate the Lease.

(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 Charter School shall elect one of the following options:

(i) The Charter School may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the Improvements or replace the Facility (or portion thereof) with property of a value equal to or in excess of the Facility, 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 Charter School, are available for the payment of such costs, and the Charter School agrees to make Additional Rental payments pursuant to the provisions of this paragraph and to the extent permitted by law, the Charter School shall not be entitled to any reimbursement therefor from the Foundation, nor shall the Charter 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 Facility become apparent), the Charter School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Charter School may make demand on the Foundation to make up the insufficiency in the Net Proceeds and if the Foundation refuses, the Charter School may terminate the Lease.

(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 Facility 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 Facility 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 Facility 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.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default Defined. Each of the following shall constitute an “Event of Default” under this Agreement, and the terms “Event of Default” and “Default” shall mean, whenever they are used herein, any one or more of the following events whether occurring voluntarily or involuntarily, by operation of law, or pursuant to any order of any State governmental agency or court of competent jurisdiction:

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

(b) Any representation made by the Charter School or the Foundation hereunder later found to be untrue in any material respect as of the date it was made;

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

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

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

Section 8.2 Remedies of the Foundation upon Event of Default. Upon the happening and continuance of any event of default specified in Article XI of this Agreement, the Foundation or its assigns may, without any further demand or notice to the Charter School, take one or any combination of the following remedial steps:

(a) Terminate this Agreement and give written notice to the Charter School to vacate the Facility within sixty days (60) days from the date of such notice.

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

(c) Recover from the Charter School: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the Facility during any period beyond the thirtieth (30th) day following the occurrence of the Event of Default; and (ii) Base Rent and Additional Rent, which would otherwise have been payable by the Charter School hereunder during the remainder, after the Charter School vacates the Facility, of the Fiscal Year in which such Event of Default occurs.

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

Section 8.3 Remedies of the Charter School upon Event of Default. Upon the happening and continuance of any Event of Default specified in Article XI of this Agreement, the Charter School or its assigns may, without any further demand or notice to the Foundation, take one or any combination of the following remedial steps:

(a) Give notice to the Foundation of the Charter School's intent to terminate this Agreement as of the end of the Charter School's then current fiscal year or sooner as determined by the Charter School, however, such obligations of the Charter School to pay Base Rent and Additional Rent under Article V, shall continue until the Charter School vacates the Facility; or

(b) Take whatever action either at law or in equity as the Charter School or its legal counsel shall deem most effectual to protect and enforce this Agreement and the Charter School's rights hereunder.

Section 8.4 Force Majeure. The provisions of Sections 8.1 and 8.2 of this Agreement are subject to the following limitations: if by reason of *force majeure* the Charter School or the Foundation is unable, in whole or in part, to carry out its obligations under this Agreement, the Foundation or the Charter School shall not be deemed in default during the continuance of such

inability or during any other delays which are a direct consequence of the *force majeure* inability. The term “*force majeure*” as used herein shall mean, without limitation: acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority other than the Charter School or the Foundation; insurrections; riots; earthquakes; fires; storms; drought; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the Foundation or the Charter School and not resulting from the negligence of the party claiming a force majeure event. The Foundation and the Charter School agree, however, to remedy with all reasonable dispatch the cause or causes preventing them from carrying out their respective obligation under this Agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall not be required if in the judgment of the party raising the defense of *force majeure*, acceding to the demands of the person or persons creating the strike, lockout or industrial disturbance, would be injurious to such party.

Section 8.5 Remedies Cumulative. The above-provided rights and remedies to which either party is entitled hereunder, at law or in equity, are cumulative and not exclusive of all other rights and remedies to which a party may be entitled herein, at law or in equity, in the event of breach or threatened breach by a party in default of any of the terms, conditions, and provisions contained herein.

Section 8.6 No Additional Waiver Implied by One Waiver. The failure, neglect, or omission of a non-defaulting party to terminate this Agreement for any breach or default shall not be deemed a consent by the non-defaulting party of such breach or default and shall not stop, bar, or prevent the non-defaulting party from thereafter terminating this Agreement, either for such violation or for prior or subsequent violation of any covenant hereof. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX MISCELLANEOUS

Section 9.1 Further Assurances and Corrective Instruments. The Foundation and the Charter 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 Charter 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 Facility hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Agreement.

Section 9.2 Compliance with Requirements of Law. During the Term of this Lease, the Charter School and the Foundation shall observe and comply promptly with all current and future Requirements of Law applicable to the Facility (including those set forth in NMSA 1978, §22-8B-4.2(D)(2)) and the Improvements or any portion thereof and all current and future

requirements of all insurance companies writing policies covering the Facility or any portion thereof.

Section 9.3 Reporting Requirements; Access to Records. The Charter School shall comply with the reporting requirements set forth in Exhibit F (“Reporting Requirements”) hereto and provide such reporting to the Foundation or any third party designated by the Foundation. In addition, to the extent not expressly prohibited by New Mexico and federal law, the Charter School shall permit the Foundation and any third party designated by the Foundation so long as this Lease is in effect, to have access to its books and records during normal business hours upon reasonable prior notice (of no more than five (5) Business Days) unless the requesting party believes there is an emergent situation, in which case no such notice shall be required. For purposes of this Section “books and records” shall mean the public records maintained by the Charter School, other than those records which are excepted from public inspection pursuant to NMSA 1978, §14-2-1(A); or as otherwise provided by state or federal law, including without limitation the Family Educational Records Privacy Act (20 U.S.C. §1232g). If the Charter School fails to comply with the Reporting Requirements as described in this Section 9.3 and in Exhibit F, the Charter School shall, within ten (10) business days, make all books and records available to the Foundation or its designee, to complete the Reporting Requirements. The Charter School shall, to the extent permitted by law, be responsible for all costs, fees and other associated expenses of the Foundation or its designee in performing the Reporting Requirements contemplated as the Charter School’s responsibility hereunder and in Exhibit F. If the Charter School refuses to permit the Foundation access to the School’s books and records and the Foundation must initiate enforcement actions to obtain the books and records, whether through a judicial or administrative process, to the extent permitted by law, the Charter School hereby waives any objection to the said enforcement actions or such other remedies the Foundation determines to be in the Foundation’s best interest. To the extent permitted by law, the Charter School shall be responsible for all fees, costs, and other associated expenses related to the Foundation’s enforcement actions.

Section 9.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Foundation and the Charter School and their respective successors and permitted assigns.

Section 9.5 No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the Charter 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 Charter School or the Foundation, as the case may be, and not of any member, director, officer, employee, attorneys or other agent of the Charter 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, attorneys or other agent of the Charter School or the Foundation or any natural person executing this Lease or any related document or instrument.

Section 9.6 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.

Section 9.7 Assignment and Subleasing. This Lease may not be assigned by the Charter School for any reason, whether by operation of law or pursuant to any contract. However, the Facility may be subleased, as a whole or in part, by the Charter School, with the consent of the Foundation, which consent will not be unreasonably withheld; subject to each of the following conditions: (i) this Lease, and the obligations of the Charter School hereunder, shall, at all times during the Term of this Lease, remain direct obligations of the Charter School; (ii) no additional lease shall change the use of the Facility; and (iii) the terms of this Lease shall remain in full force and effect and the Charter School assumes all obligations of the Foundations hereunder.

Section 9.8 Acknowledgement of Series 2018 Bonds; Subordination of Lease. The Charter School acknowledges the issuance of the Series 2018 Bonds by the Issuer and its execution of the Loan Agreement, and agrees to provide the Foundation requested information it deems sufficient to comply with its obligations under the Continuing Disclosure Agreement that the Foundation will enter into in connection with the issuance of the Series 2018 Bonds. The Charter School acknowledges and consents to the assignment of this Agreement by the Foundation to the Authority and the Trustee, pursuant to the Loan Agreement and the Deed of Trust, respectively and the subsequent assignment by the Authority to the Trustee, pursuant to the Indenture, of all rights, title and interest of the Foundation in, to and under this Agreement. This Lease and all rights of the Charter School to the Property hereunder are expressly subordinated to the liens of the Deed of Trust given by the Foundation to secure the Loan Agreement and the Series 2017 Bonds issued under the Indenture. This Lease shall be subordinate to the liens of the Loan Agreement and the Deed of Trust and any liens or security interests created under the Indenture and any other mortgage, deed of trust (now or hereafter placed upon the Property) and to any and all advances made under any mortgage or deed of trust and to all renewals, modifications, replacements or extensions thereof; provided, however, that in the event of foreclosure on the Deed of Trust caused by the Foundation's default under this Lease, the Charter School shall continue to have the right to possess the Property or otherwise enjoy its rights under the Lease provided that it fully performs its obligations hereunder. The Charter School agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. Notwithstanding the foregoing, upon the written request of the Foundation, the Authority or the Trustee, the Charter School agrees to deliver a Subordination, Non-Disturbance and Attornment Agreement to the holder of the Deed of Trust or to any other holder of any debt incurred in connection with a refinancing of the debt evidenced by the Loan Agreement and the Indenture.

Section 9.9 Amendments, Changes, and Modifications. This Lease shall not be altered, changed, or amended other than by a written instrument executed by the parties.

Section 9.10 Notices. All notices and communications required or permitted under this Lease (including change of address, telephone number, email addresses set forth below) shall be in writing and shall be deemed given to, and received by, the receiving party: (i) when hand-delivered to the street address of the receiving party set forth below; (ii) when sent by electronic mail to the email address set forth below with a receipt showing delivery; (iii) one (1) day after deposit with a national overnight courier addressed to the receiving party at the street address set forth below; or (iv) three (3) days after deposit in the U. S. mail, certified mail, return

receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

The Foundation: Explore Academy Foundation
5100 Masthead St. NE
Albuquerque, NM 87109
Attn: Justin Baiardo
Telephone: (505) 336-1466
baiardo@exploreacademy.org

With a copy to: Modrall Sperling
500 4th St. NW
Albuquerque, NM 87102
Attn: Margaret L. Meister
Telephone: (505)848-1800
mmeister@modrall.com

The Charter School: Explore Academy
5100 Masthead St. NE
Albuquerque, NM 87109
Attn: Head Administrator
Telephone: (505) 336-1466
baiardo@exploreacademy.org

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

With a copy to: Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, CA 92626
Attn: Amiee Tabor, Vice President
Telephone: (714) 384-4153
atabor2@wilmingtontrust.com

Section 9.11 Calculation of Time. Any time period herein calculated by reference to "days" means calendar days, *i.e.*, including Saturdays, Sundays, and holidays as observed by the State of New Mexico; provided, however, that if the last day for a given act falls on a Saturday, Sunday, or such observed holiday, the day for such act shall be the first day following such Saturday, Sunday, or observed holiday that is not a Saturday, Sunday, or such observed holiday.

Section 9.12 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.

Section 9.13 Incorporation. Each and all of the recitals set forth at the beginning of this instrument and any exhibits referenced herein and attached hereto, are incorporated herein by this reference.

Section 9.14 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 Second Judicial District Court of the State of New Mexico.

Section 9.15 Severability. In the event that any provision of this Lease, other than the requirement of the Charter School to pay Base Rent and Additional Rent, the requirement of the Foundation to provide quiet enjoyment of the Facility, and the requirement that the obligations of the Charter School to pay Base Rent and Additional Rent under this Lease are conditioned upon the prior specific appropriation by the Charter 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.

Section 9.16 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.

[Signatures on following page.]

IN WITNESS WHEREOF, Explore Academy Foundation and Explore Academy, each acting through their duly authorized agent or legal representative, have made and executed this Agreement as of the date first written above.

EXPLORE ACADEMY, a New Mexico public charter school

By:

Name: Jesse Pickard

Title: Chair - Governance Council

EXPLORE ACADEMY FOUNDATION, a New Mexico nonprofit corporation

By:

Name: Justin Balardo

Title: Chair - Explore Academy Foundation

EXHIBIT A
LEGAL DESCRIPTION

Tract "4AA-5A-1" of Journal Center, Albuquerque, New Mexico, as the same is shown and designated on the Replat thereof, for Tracts 4AA-5A-1 and 4AA-5A-2 of said Addition filed in the Office of the County Clerk of Bernalillo County, New Mexico, on November 21, 1989 in Plat Book C40, Page 48.

EXHIBIT B

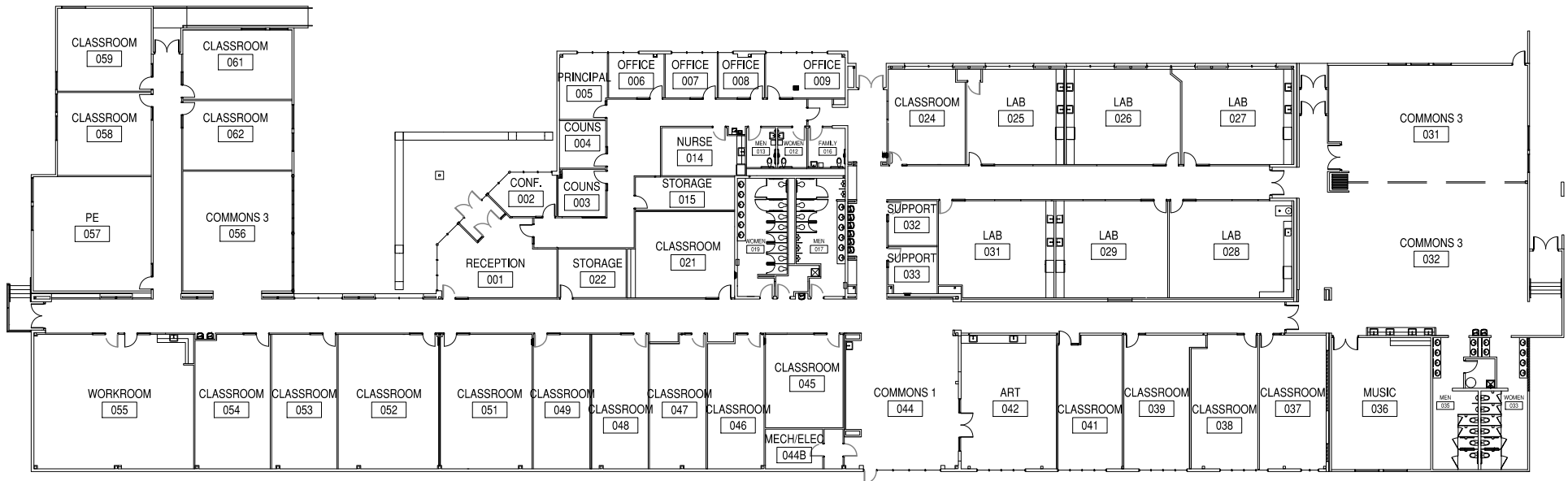
IMPROVEMENTS

New construction includes expansion of the Building by approximately 10,000 square feet. The new construction will include a cafeteria, additional student bathrooms, six new classrooms and a student common area.

Renovation of the existing facility to include reconfiguration of existing space to include new administrative offices, a teacher workroom and additional classrooms including new science laboratory classrooms.

New construction and renovation shown as completed on the floor plans. See Attachment.

ATTACHMENT TO EXHIBIT A - IMPROVEMENTS



EXPLORE ACADEMY

3.19.2018

AS COMPLETED CONSTRUCTION
APPROXIMATELY 35,398 SF

EXHIBIT C
FORM OF LEASE PURCHASE ARRANGEMENT

(See attached)

EXHIBIT C TO LEASE AGREEMENT
EXPLORE ACADEMY FOUNDATION AND EXPLORE ACADEMY

LEASE PURCHASE ARRANGEMENT

dated as of _____, 201_,

by and between

EXPLORE ACADEMY FOUNDATION,

A New Mexico non-profit corporation,

and

EXPLORE ACADEMY,

A New Mexico public charter school.

THIS LEASE PURCHASE ARRANGEMENT, dated as of _____, 2018 (“Agreement”), is made and executed by and between Explore Academy Foundation, a New Mexico non-profit corporation (“Foundation”) as lessor, and Explore Academy, a New Mexico public charter school (“Charter School”) as lessee.

RECITALS

A. Charter School is a charter school as defined in NMSA 1978, 22-8B-2(A), authorized by the New Mexico Public Education Commission, and may enter into a “lease purchase arrangement” or “financing agreement” as defined in NMSA 1978, § 22-26A-3(A), part of the Public School Lease Purchase Act, Chapter 22, Article 26A NMSA 1978 (“Public School Lease Purchase Act”).

B. Charter School’s governing body has determined that it is necessary, desirable, and in Charter School’s best interest, subject to separate statutory approval by the Public Education Department (NMSA 1978, §22-26A-4) and the Public School Facilities Authority (NMSA 1978, §22-20-1), to acquire from the Foundation through a lease purchase arrangement approximately 3.3 acres of land (“Land”), plus an approximately 35,122 square-foot, one-story building, equipment and improvements (“Improvements”) located at 5100 Masthead St. NE, Albuquerque, Bernalillo County, New Mexico, 87109 (hereafter the Land and Improvements referred to as the “Facility”), and more particularly described on Exhibit A.

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

D. Foundation granted a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of May 10, 2018 (the "Deed of Trust") to Stewart Title of Albuquerque, LLC. as trustee for the benefit of Wilmington Trust National Association (hereinafter “Beneficiary,” “Assignee” or “Trustee” as defined below), to secure the Foundation’s obligations related to acquisition, renovation, and expansion of the Facility. Under the Deed of Trust the Foundation assigned the Lease (as defined below) to the Beneficiary of the Deed of Trust, this Lease Purchase Agreement shall be substituted for and supersede the Lease Agreement by and between the Foundation and the Charter School dated May 10, 2018 (“Lease”) and assigned thereunder.

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

F. The Base Rent and Additional Rent (both as hereinafter defined) payable by the Charter School hereunder shall constitute currently appropriated expenditures of the Charter School and the Charter School shall for the Term authorize and appropriate the payments required hereunder

for such year. No obligation for payment hereunder shall constitute a debt or multiple Fiscal Year direct or indirect obligation whatsoever of the Charter School, or a mandatory charge or requirement against the Charter School in any Fiscal Year (as hereinafter defined) beyond the Fiscal Year for which such payments have been appropriated.

G. This Agreement, once fully executed by the parties, replaces and supersedes the Lease.

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

ARTICLE I DEFINITIONS AND EXHIBITS

Section 1.1 Definitions. Unless otherwise specified in this Agreement, the capitalized terms used herein shall have the meanings specified below.

“ACH” Federal Automated Clearing House electronic network for financial transactions in the United States.

“ACH Authorization Agreement” means a debit authorization in the form attached hereto as Exhibit C.

"Additional Rent" means as set forth in Section 5.3 hereof, all amounts due by the Charter School under the terms of this Agreement, except Base Rent, as provided herein.

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

“Assignee” means Wilmington Trust, National Association as the beneficiary under the Deed of Trust, executed by the Foundation to secure the Foundation’s obligations related to acquisition of the Facility.

“Base Rent” means the amount of “Base Rent” shown on Exhibit C attached hereto for each month of this Agreement.

“Beneficiary” means Wilmington Trust, National Association., its successors and assigns.

"Business Day" means any day other than a Saturday, Sunday, holiday or a day on which banking institutions in the State of New Mexico are authorized to be closed.

"Capital Improvements" means the construction or reconstruction of improvements, betterments, and extensions which, under generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

“Charter School’s Representative” means the chair of Charter School’s governing body or any other person duly authorized by Charter School to act on its behalf under or with respect to this Agreement.

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

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

“Facility” shall have the meaning ascribed thereto in paragraph B of the Recitals, including furnishings and equipment, if any, leased by the Foundation to the Charter School under this Agreement and described in Exhibit A to this Agreement.

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

"Force Majeure" shall have the meaning ascribed in Section 11.4.

“Foundation’s Representative” means Foundation’s chief executive officer or any other person duly authorized by Foundation to act on its behalf under or with respect to this Agreement.

“Improvements” shall have the meaning ascribed thereto in paragraph B and as described in Exhibit A to this Agreement.

“Land” means the approximately 3.3 acres located at 5100 Masthead Street N.E., Albuquerque, New Mexico, as part of the Facility described in Exhibit A to this Agreement.

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

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

“Net Proceeds” means any insurance proceeds or condemnation award paid on the Facility, remaining after payment of all costs and expenses (including attorney’s fees) incurred in the collection of such proceeds.

“Option to Purchase” means the right of Charter School to purchase the Facility in accordance with the terms of Article VI of this Agreement and the provisions of the Public School Lease Purchase Act.

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

“Public Education Department” means the New Mexico Public Education Department.

“PSFA” means the New Mexico Public School Facilities Authority.

“Public School Lease Purchase Act” means NMSA 1978, §§22-26A, *et seq.*

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

"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.

"State" means the State of New Mexico.

“Statewide Adequacy Standards” mean the standards set forth in Title 6, Chapter 27, Part 30 NMAC (08/31/2005), and any subsequent versions thereof, subject to any variances granted to Charter School by the Public School Capital Outlay Council pursuant to NMSA 1978, §22-8B-4.2(F)(2).

“Term” means the time period during which this Agreement is in effect, as provided in Section 4.1 hereof.

“Trustee” means Wilmington Trust, National Association, its successors and assigns.

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

Exhibit A - Legal Description, Description of Improvements, Floor Plan

Exhibit B – Base Rent Schedule

Exhibit C – ACH Authorization Agreement

Exhibit D – Reporting Requirements

Exhibit E - Copies of the New Mexico Public Education Department’s and Public School Facilities Authority’s respective approvals of this Agreement.

ARTICLE II REPRESENTATIONS, COVENANTS, AND WARRANTIES

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

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

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

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

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

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

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

(g) It shall not transfer, lease, assign, mortgage, or encumber all or any portion of its interest under this Agreement, or the Facility itself, except in accordance with the terms and conditions hereunder and as provided by law, including NMSA 1978, §22-26A-5(K) with respect to assignment of the lease purchase arrangement to any third party.

(h) It shall use and occupy the Facility for the primary purpose of a public charter school and the activities directly related thereto, or for such other public school purposes as may be lawfully authorized or permitted by the Charter School or the Foundation under state or federal law.

(i) It shall conform to and comply with all applicable municipal, state, and federal laws, ordinances, rules and regulations in its use of the Facility, and Charter School will not use or suffer to be used the Facility in any manner contrary to any applicable municipal, state, or

federal laws, ordinances, rules or regulations, so as to create or cause to exist any nuisance or hazardous condition.

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

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

(a) It is a non-profit corporation duly organized, existing, and in good standing under the laws of New Mexico, 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 Facility to the Charter School pursuant to this Agreement, and to execute, deliver, and perform its obligations under this Agreement and has duly authorized the execution, delivery, and performance of its obligations under this Agreement.

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

(c) This Agreement is enforceable against 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 Improvements have been constructed to educational occupancy standards and will meet all applicable Statewide Adequacy Standards. The Facility will be leased from Foundation in accordance with all Requirements of Law, and Foundation shall maintain the Facility to all applicable State Adequacy Standards at no additional cost to the Charter School or the State of New Mexico.

(e) Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which Foundation is now a party or by which Foundation is bound or constitutes a default under any of the foregoing.

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

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

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

(i) To the knowledge of Foundation: (i) the Facility 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 Facility have been obtained and are in full force and effect and the Charter 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 Facility and there are no grounds on which any such litigation, investigation or proceedings might be commenced; (iv) the Facility 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 Facility 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 Facility 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 Facility including the movement of any such items through or in the air, soil, surface water, ground water from, into, or out of the Facility or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into, or out of the Facility in violation of any Requirements of Law.

ARTICLE III AGREEMENT TO LEASE

Section 3.1 Lease. Foundation hereby leases the Facility to Charter School, and Charter School hereby leases the Facility from Foundation with an option to purchase, upon the terms and conditions set forth in this Agreement, provided that the terms and conditions herein

are not in contravention of any applicable laws. This Agreement, once fully executed, shall supersede any prior written agreement between the parties for the lease of the Facility.

Section 3.2 Possession and Enjoyment. During the Term of this Agreement, Foundation shall provide Charter School with quiet use and enjoyment of the Facility and during such term Charter School shall peaceably and quietly have and hold and enjoy the Facility, without suit, trouble, or hindrance from Foundation, except as expressly set forth herein. Foundation will, at the request of Charter School and at Charter School's cost, join in any legal action in which Charter School asserts its right to such possession and enjoyment to the extent Foundation may lawfully do so. Notwithstanding the foregoing, Foundation shall have the right to inspect the Facility as provided in Section 3.4 hereof.

Section 3.3 Use. The Facility shall be used and occupied only for educational and related purposes, and for no other purpose. No portion of the Facility shall be used primarily for pervasively sectarian purposes. The Charter School will comply with all applicable state and federal laws concerning discrimination on the basis of disability, physical or mental handicap, serious medical conditions, race, creed, color, sex, gender identity, sexual orientation, spousal affiliation, national origin, religion, ancestry or need for special education services, or any other state or federally protected classification of persons.

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

ARTICLE IV TERM OF AGREEMENT

Section 4.1 Term. The Term shall commence upon the Commencement Date, and continue for no more than thirty (30) years from the date of its execution by the parties ("Term").

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

- (a) purchase of the Facility by Charter School pursuant to Article VI;
- (b) default by Charter School and Foundation's election to terminate this Agreement pursuant to Article XI;

(c) default by Foundation and Charter School's election to terminate this Agreement pursuant to Article XI;

(d) if sufficient money is not available to meet any current lease payments; or

(e) Charter School's charter contract is revoked or not renewed by the Public Education Commission and any adverse final decision by the Secretary of Public Education on such prior action by the chartering authority is not set aside or reversed by the district court pursuant to the provisions of NMSA 1978, §39-3-1.1.

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

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

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

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

Section 4.4 Continuation. The parties stipulate and agree that there is no legal obligation for Charter School to continue the lease under this Agreement from year to year or to purchase the Facility, in accordance with NMSA 1978, §22-26A-5(I).

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

(a) An "Event of Non-appropriation" shall mean (i) a failure by the State legislature to appropriate or the Public Education Department to distribute sufficient funds to the Charter School to make the Base Rent and Additional Rent payments required by this Agreement;

LEASE PURCHASE ARRANGEMENT

or (ii) a failure by the Charter School to appropriate sufficient amounts to proceed under Section 7.6(c)(ii) of this Agreement following the occurrence of an event described in Section 7.6(a) of this Agreement.

(b) In the event that the Charter School shall determine, for any reason, to exercise its annual right not to renew this Agreement through an Event of Non-appropriation, or otherwise, effective on June 30 of any Fiscal Year, the Charter School shall give written notice within one (1) Business Day of such determination to such effect to the Foundation and the Trustee. The exercise of the Charter School's annual option to not renew this Agreement shall be conclusively determined by the Charter School's failure, for any reason, (a) to appropriate by June 30 of each Fiscal Year sufficient amounts authorized and directed to be used to pay all Base Rent due in the next ensuing Fiscal Year or (b) upon the occurrence of any of the other events described in the definition of Event of Non-appropriation herein.

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

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

(e) The Charter School shall in all events vacate the Facility and surrender it to the Trustee so long as the Foundation's obligations under the bonds are outstanding, or otherwise to the Foundation, by June 30th following an Event of Non-appropriation.

ARTICLE V AGREEMENT LEASE PAYMENTS

Section 5.1 Lease Payments.

(a) Base Rent. Charter School agrees to pay Foundation, its successors and assigns, for the right to use, improve, and acquire by purchase the Facility, and Foundation agrees to accept as full Lease Payments for the Facility individual sums equal to the monthly Base Rent set forth in Exhibit B to this Agreement, the first one being due and payable on the twentieth (20th) day of the first month following the Commencement Date hereof and each succeeding month thereafter during the Term of this Agreement. Any partial month will be calculated on a *pro rata* basis.

(b) A portion of each Base Rent payment is paid as, and represents payment of, interest as shown on Exhibit B hereto, which sets forth the principal and interest component of each payment made. Upon receipt of each Base Rent, Foundation shall apply the amount of such

payment to principal and interest as shown on Exhibit B, thereby reducing the purchase price as contemplated in Article VI on any date the Charter School elects to exercise the option to purchase.

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

Section 5.3 Additional Rent. In addition to the Base Rent, Charter School shall pay Additional Rent during the Term as herein provided. Additional Rent shall be estimated annually by the Charter School and shall be in an amount sufficient to pay the following costs during the next ensuing Fiscal Year: (i) the reasonable fees and expenses of the Foundation related to the Facility including but without limitation, all fees related to administration and management as determined by the Foundation; (ii) the cost of insurance premiums for insurance deemed necessary or desirable in Foundation's reasonable discretion; and (iii) all other costs expressly required to be paid by the Foundation hereunder, if any, as determined by the Foundation. The Additional Rent may be adjusted during the Term of this Agreement in the discretion of the Foundation and with the consent of the Charter School. If the Charter School elects to extend the Agreement for the next ensuing Fiscal Year, the Charter School's obligation under this Agreement to pay Additional Rent during such Fiscal Year shall be limited to the amount so appropriated for Additional Rent and any amounts subsequently appropriated by supplemental appropriations for payment of Additional Rent during such Fiscal Year. Additional Rental obligations in excess of the amounts so appropriated shall in no event be due or owing from the Charter School.

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

Section 5.5 Manner of Payment. The Base Rent and any Additional Rent shall be paid, from Commencement Date and continuing on the twentieth (20th) day of every month of the Term thereafter by lawful money of the United States of America. The Charter School agrees to make payment of all Base Rent and Additional Rent by an ACH debit according to the requirements of Section 5.6, below. The obligation of the Charter School to pay the Base Rent and Additional Rent required under this Agreement shall not be abated through accident or unforeseen circumstances. The Charter School shall, during the Initial Term (and any Extended Term) of this Agreement, make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent or Additional Rent nor shall the Charter 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 Charter School of any rights, claims, or defenses which the Charter School may assert. No action or inaction on the part of Foundation shall affect the Charter School's obligation to pay Base Rent and Additional Rent of this Agreement.

Section 5.6 ACH Debt/Authorization Agreement. The Charter School shall make all Base Rent and Additional Rent payments pursuant to an ACH debit authorization in the form of Exhibit C. Upon execution of this Agreement, the Charter School shall deliver to the Foundation or the Assignee or any representative designated by the Trustee, for rent collection purposes, a completed ACH Authorization Agreement together with a voided check for account verification, establishing arrangements whereby payments of the Base Rent and Additional Rent are transferred by ACH debit initiated by the Foundation or the Assignee, from an account established by Charter School at a United States bank or other financial institution to such account as the Foundation or Assignee may designate. The Charter School shall continue to pay all Base Rent and Additional Rent by ACH debit according to the terms of the ACH Authorization Agreement unless otherwise directed by the Foundation or the Assignee, unless or until this Agreement is terminated.

Section 5.7 Funding of Improvements to Facility. Charter School and Foundation agree that Charter School may use all legally available funds to acquire, construct, equip, install, or make improvements to the Facility during the Term of this Agreement. Prior to any termination of this Agreement as provided hereunder, Foundation may require Charter School to remove at Charter School's own expense any improvements to the Facility that were funded by Charter School.

Section 5.8 Taxes and Assessments. During the Term, if the Facility or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the Charter School shall pay, as Additional Rent the amount of all such taxes, assessments, and governmental charges then due. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Charter School shall be obligated to provide only for such installments as are required to be paid during the Term of this Agreement. The Charter School shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Facility or any portion thereof (including any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Facility or any portion thereof, or any interest therein, including the interest Foundation) or the rentals and revenues derived therefrom or hereunder. If the Charter School

shall first notify Foundation of the intention of the Charter School to do so, the Charter School may, at the expense and in the name of the Charter 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 Foundation shall notify the Charter School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Charter School, by nonpayment of any such items the Facility or any portion thereof will be subject to loss or forfeiture, or Foundation will be subject to liability, in which event such tax, assessment, or other charges shall be paid promptly or secured by posting a bond with Foundation in form satisfactory to Foundation (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, or other charges). Foundation shall cooperate in any efforts by Charter School to contest any taxes or assessments.

Section 5.9 Utilities. During the Term, the Charter School shall pay, as the same respectively become due, all gas, water, electricity, heat, sewer and waste disposal, and other utility charges incurred in the maintenance and upkeep of the Facility, and the Charter School shall place all such utilities in its name.

Section 5.10 No Pledge of Charter School's Credit. Charter School's governing body has not formally pledged its credit as security for the debt or financial obligations of the Foundation or any other domestic or foreign private nonprofit corporation, relative to this Agreement as prohibited by the New Mexico Constitution at Article 9, §14.

ARTICLE VI OPTION TO PURCHASE

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

Section 6.2 Purchase Price on Exercise of Option. The "Purchase Price" for the Facility on exercise of the option to purchase hereunder shall be the amount necessary to pay the outstanding principal balance on the unpaid purchase price, as set forth in the Base Rent Schedule attached at Exhibit B hereto, plus any accrued and unpaid interest to that date, with any penalties for interest forbearance, as well as any associated closing costs. The interest rate on the principal balance remaining on exercise of the option to purchase shall not exceed the maximum permitted by the Public Securities Act.

Section 6.3 Expenses, Mortgage. The Purchase Price to be paid by Charter School to Foundation shall be a net amount to Foundation, and all expenses in connection with the transfer of the Facility, including title insurance, recording fees, documentary stamps, and any other closing costs, shall be paid by the Charter School. The Purchase Price shall be paid by Charter School in cash to Foundation concurrent with Foundation's conveyance of the Facility to Charter School by special warranty deed as provided in Section 6.4 hereof.

Section 6.4 Transfer of Title. Except as provided in Section 6.7 hereof, at the closing of the transaction between the parties, Foundation shall convey the Facility to Charter School free and clear of any mortgage, indenture, other encumbrances of record, except permitted exceptions. The conveyance shall be by a standard form special warranty deed from Foundation to Charter School.

Section 6.5 Agreement is Subordinate. Charter School's rights under this Agreement are and shall be subject and subordinate to any underlying mortgage (including a consolidated mortgage), indenture, or deed of trust constituting a first lien on the Facility, or any part thereof, including the Deed of Trust whether such mortgage, indenture, or deed of trust has heretofore been, or may hereafter be, placed upon the Facility to secure Foundation's indebtedness to any bank or other financial institution, trust company, or other financial lender, whether private or public, for the purchase of the Facility, or to any renewal, modification, consolidation, replacement, or extension of any such mortgage, indenture, or deed of trust. This subordination clause applies only to a first mortgage securing any indebtedness which shall not exceed the Purchase Price when the option to purchase hereunder is then exercised. This subordination clause shall be self-operative and no further instrument of subordination shall be required. Charter School shall, nevertheless, execute and deliver, from time to time, any instrument and certificate affirming and confirming such subordination that Foundation may reasonably request. Foundation will cause any such mortgage, indenture, or deed of trust to contain provisions requiring the holder of the indebtedness secured thereby to mail to Charter School by registered mail, addressed to Charter School at its office as set forth in this Agreement, a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee under such mortgage, indenture, or deed of trust to Foundation. Charter School may, upon receiving notice of breach of covenant, default, or foreclosure under any such mortgage, indenture, or deed of trust as herein provided exercise the option to purchase set forth herein by paying the then-outstanding principal amount of the debt secured by mortgage, indenture, or deed of trust plus any accrued and unpaid interest and any amounts necessary to pay all amounts due to the first call date secured by the mortgage, indenture, or deed of trust.

Section 6.6 Performance of Lease. The right to exercise the option to purchase as set forth herein is conditioned upon the faithful performance by Charter School of all its covenants, conditions, and agreements under this Agreement, and the payment by Charter School of all Base Rent and Additional Rent, and other special payments as provided for in this Agreement to the date of the completion of the purchase of the Facility by Charter School.

Section 6.7 Adjustments. Adjustments and proration of taxes, water rents, insurance premiums, and similar items shall be made as of the date of the closing of title, in accordance with the practice approved by the parties.

Section 6.8 Security Deposit. The parties stipulate that no security deposit was paid by Charter School as part of this Agreement and that none is required.

Section 6.9 Priority. The option to purchase set forth herein shall be a covenant running with the land, and no conveyance, transfer, easement, or encumbrance thereof shall defeat or adversely affect the option to purchase hereunder.

ARTICLE VII MAINTENANCE AND INSURANCE

Section 7.1 Maintenance and Facility Costs. After the Commencement Date the Charter School shall, for the remainder of the Term, maintain, preserve, and keep the entire Facility or cause the Facility 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 Charter School will from time to time make or cause to be made all necessary and proper repairs. Provided, however, that during the Term of this Agreement, Foundation shall make all extraordinary repairs and replacements considered to be Capital Improvements in an amount not to exceed the balance in Foundation's repair and replacement reserve funds maintained pursuant to its financing obligations. Except as expressly set forth in this Agreement, Foundation shall not have any other responsibility for the making of any additions, modifications, or replacements to the Facility during the Term of this Agreement.

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

Section 7.3 Liens. Neither Charter School nor Foundation shall directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the improvements, other than the individual rights of Foundation and Charter School as herein provided. Except as otherwise expressly provided herein, Foundation and Charter School shall promptly, at their own expense, take such action as may be necessary to duly discharge or remove any such mortgage, other than existing mortgages or subsequent mortgages as agreed to by the parties in writing, pledge, lien, charge, encumbrance or claim if the same shall arise at any time, during the respective party's control of the Facility and each party shall reimburse the other for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance, or claim which arose during the control of the Facility. Nothing herein shall limit the Foundation's right to refinance or restructure debt against the Facility; however, no refinance or restructure shall impair Charter School's rights under the terms of this Agreement. Charter School covenants and agrees to execute and deliver, upon

demand, such further reasonable instrument or instruments subordinating this Agreement to the lien of any mortgage or mortgages as shall be desired by Foundation and any mortgagees or proposed mortgagees, provided such documents contain commercially reasonable non-disturbance agreements. Foundation, within thirty (30) days of refinancing or restructuring, shall provide notification to Charter School with certification from the financial institution that this Agreement does not violate any term or condition of the restructured or refinanced obligation and Foundation shall pay for any of Charter School's costs associated with said refinancing.

Section 7.4 Charter School's Insurance Obligations.

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

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

(c) Business Personal Property Insurance. Subject to the availability of such coverage from NMPSIA, the Charter School shall also carry and maintain Business Personal Facility Insurance. Special form insurance for perils on all business personal property on the

Facility including fixtures, machinery and equipment installed by the Charter School, and such other insurance as the Foundation may require if available to the Charter School by NMPSIA. Such insurance to be in an amount equal to one hundred percent (100%) of the insurable value thereof, if available by NMPSIA.

(d) Business Interruption Insurance. Charter School shall obtain Business Interruption Insurance with sufficient coverage to provide for payment of rent and other fixed costs during any interruption of the Charter School's operations by reason of fire or other casualties contemplated in Section 7.6(a) hereof.

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

Section 7.5 Foundation's Insurance. The Foundation shall, from the date of approval of this Agreement, obtain and maintain during the Term, Commercial general liability insurance with coverage limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate.

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

(a) Damage, Destruction, or Condemnation. If, during the Term of this Agreement, (i) the Facility, 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 Facility or any portion thereof, or the estate of the Charter School or the estate of the Foundation in the Facility or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; (iii) a breach of warranty or any material defect with respect to the Facility shall become apparent; or (iv) title to or the use of all or any portion of the Facility shall be lost by reason of defect in the title thereto, then, the Charter 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 Charter School, to pay Base Rent and Additional Rent.

(b) Repair and Replacement. To the extent not contrary to applicable law, the Charter School and, to the extent such Net Proceeds are within its 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 Charter School or Foundation shall be applied to the prompt repair, restoration, modification, improvement, or replacement of the Facility, as the case may be, by the Charter School upon receipt of requisitions acceptable to 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. Foundation shall cooperate with the Charter 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 of the Facility paid for in whole or in part out of Net Proceeds of the Charter School's insurance as described in Section 7.4 shall be the property of Foundation, subject to this Agreement, and shall be included as part of the Facility under this Agreement.

(c) Insufficiency of Net Proceeds for Facility. 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 Facility required under Subsection (b) hereof, the Charter School shall elect one of the following options:

(i) The Charter School may, to the extent permitted by law, in accordance with Subsection (b) hereof, repair, restore, modify, or improve the Facility or replace the Facility (or portion thereof) with property of a value equal to or in excess of the Facility, 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 Charter School, are available for the payment of such costs, and the Charter School agrees to make Additional Rental payments pursuant to the provisions of this paragraph and to the extent permitted by law, the Charter School shall not be entitled to any reimbursement therefor from Foundation, nor shall the Charter 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 Facility become apparent), the Charter School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the Charter School may make demand on the Foundation to make up the insufficiency in the Net Proceeds and if the Foundation refuses, the Charter School may terminate the Agreement.

(d) Cooperation. The parties to this Agreement shall cooperate fully with the other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Subsection (a) hereof, in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Facility or any portion thereof, and in the prosecution of any action relating to defaults or breaches of warranty under any contract relating to the Facility. 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 Facility or any portion thereof without the written consent of the other party. Each party shall be responsible for their respective fees and expenses incurred under this section.

ARTICLE VIII CONDEMNATION; USE OF NET PROCEEDS

Section 8.1 Condemnation. In the event that all or any portion of the Facility is condemned by any governmental body or entity under the power of eminent domain or are sold under threat of condemnation to any public body or entity prior to Charter School's purchase of the Facility, Foundation shall be entitled to all compensation awarded, less an amount equal to Charter School's principal payments made to date in accordance with Article VI hereof, plus the value of any improvements placed on the Facility by Charter School pursuant to Article IX herein, which portions of the compensation awarded shall be paid to Charter School.

Section 8.2 Condemnation of Other Property Owned by Charter School. Charter School shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to, or taking of its property not included in the Facility. Foundation agrees that Charter School shall have the option, upon written notice to Foundation, to enter an appearance and defend in any condemnation action as to both the Facility and the Charter School's improvements made pursuant to Article IX, and upon such election, Foundation shall not be obligated to provide a defense as to the Charter School's improvements, but may do so at Foundation's sole expense. In consideration for such option granted in this paragraph, Charter School agrees not to enter into any settlement agreement as to the condemnation award to be paid for the taking or partial taking of the Charter School's improvements without Foundation's prior written consent, which consent shall not be unreasonably withheld.

ARTICLE IX LESSEE'S IMPROVEMENTS, EQUIPMENT, AND WARRANTIES

Section 9.1 Improvements to Facility. Charter School, at its own expense, may remodel, or make additions, modifications, or improvements to the Facility, provided that (i) such remodeling, modifications and additions shall not in any way damage the Facility as it existed prior thereto, and shall become part of the Facility, subject to the provisions of Section 4.3(d) hereof; (ii) the value of the Facility after such remodeling, modifications, and additions shall be at least as great as the value of the Facility prior thereto; and (iii) the Facility, after such remodeling, modifications, and additions, shall continue to be used as set forth herein and shall otherwise be subject to the terms of this Agreement. Capital Improvements made by Charter School to the Facility shall not change the Lease Payments or the Purchase Price without a written amendment to this Agreement approved by the Public Education Department.

Section 9.2 Installation of Charter School's Equipment. Charter School may at any time and from time to time in its sole discretion and at its own expense, install items of movable machinery, standard office partitions, railings, doors, gates, counters, cabinets, lighting fixtures, signs, and such other furnishings and equipment as may in Charter School's judgment be necessary for its purposes in or upon the Facility. All such items shall remain the sole property of Charter School, in which Foundation shall have no interest, and may be modified or removed by Charter School at any time provided that Charter School shall repair and restore any and all damage to the Facility resulting from the installation, modification or removal of any such items

upon termination of this Agreement for any reason other than purchase of the Facility by Charter School. Nothing in this Agreement shall prevent Charter School from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facility.

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

Section 9.4 Disclaimer of Warranties. Upon acceptance of the Facility by the Charter School, Foundation makes no warranty or representation except as stated in Section 9.3 hereof, either express or implied, as to the value, design, condition, merchantability, or fitness for any particular purpose or fitness for the use contemplated by Charter School of the Facility, or any other representation or warranty with respect to the Facility. In no event shall Foundation be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or Charter School's use of any portion of the Facility provided for in this Agreement.

ARTICLE X ASSIGNMENT, SUBLEASING, MORTGAGING, AND SELLING

Section 10.1 Assignment. Subject to the other provisions of this Agreement, neither party shall assign its interests herein without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Any consent by a party to any assignment shall not operate as consent to any further assignment, and any further assignment shall be subject to the prior written consent of the other party in accordance with the provisions of Section 10.1 hereof. Unless otherwise agreed to by the parties, no assignment permitted hereunder shall relieve a party from liability for the performance of its obligations under this Agreement for the remainder of the then current term. The Charter School acknowledges and agrees that any assignment of the Agreement that violates the terms of the Foundation's underlying financial obligations is just and reasonable cause to deny approval of said Assignment.

With the prior approval of Foundation, which shall not be unreasonably withheld, this Agreement is assignable by the parties, without cost to Charter School and with all of the rights and benefits of its predecessor in interest in being transferred to the assignee to: (a) a New Mexico

school district or charter school; or (b) the State of New Mexico or one of its institutions, instrumentalities, or other political subdivisions.

Section 10.2 Restriction on Mortgage or Sale of Facility by Charter School. Prior to closing on the purchase of the Facility, Charter School shall not mortgage, sell, assign, transfer, lease, or convey the Facility or any portion thereof without the written consent of Foundation, which consent shall not be unreasonably withheld or delayed, and subject to the applicable provisions of the Public School Lease Purchase Act. The Charter School agrees that the Foundation has good cause to refuse consent of any such mortgage, sale, assignment, transfer, lease or conveyance, if it affects the Foundation's underlying financial obligations related to acquisition of the Facility.

ARTICLE XI EVENTS OF DEFAULT AND REMEDIES

Section 11.1 Events of Default Defined. Each of the following shall constitute an "Event of Default" under this Agreement, and the terms "Event of Default" and "Default" shall mean, whenever they are used herein, any one or more of the following events whether occurring voluntarily or involuntarily, by operation of law, or pursuant to any order of any State governmental agency or court of competent jurisdiction:

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

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

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

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

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

(a) Terminate this Agreement and give written notice to Charter School to vacate the Facility within sixty days (60) days from the date of such notice.

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

(c) Recover from Charter School: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the Facility during any period beyond the thirtieth (30th) day following the occurrence of the Event of Default; and (ii) Base Rent and Additional Rent, which would otherwise have been payable by Charter School hereunder during the remainder, after the Charter School vacates the Facility, of the Fiscal Year in which such Event of Default occurs.

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

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

(a) Give notice to the Foundation of the Charter School's intent to terminate this Agreement as of the end of the Charter School's then current Fiscal Year or sooner as determined by the Charter School, however, such obligations of the Charter School to pay Lease Payments under Article V, shall continue until the Charter School vacates the Facility.

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

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

Section 11.4 Force Majeure. The provisions of Sections 11.1 and 11.2 of this Agreement are subject to the following limitations: if by reason of *force majeure* Charter School or Foundation is unable in whole or in part to carry out its obligations under this Agreement, Foundation or Charter School shall not be deemed in default during the continuance of such inability or during any other delays which are a direct consequence of the *force majeure* inability.

The term “*force majeure*” as used herein shall mean, without limitation: acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority other than Charter School or Foundation; insurrections; riots; earthquakes; fires; storms; drought; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Foundation or Charter School and not resulting from the negligence of the party claiming a force majeure event. Foundation and Charter School agree, however, to remedy with all reasonable dispatch the cause or causes preventing them from carrying out their respective obligation under this Agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall not be required if in the judgment of the party raising the defense of *force majeure*, acceding to the demands of the person or persons creating the strike, lockout or industrial disturbance, would be injurious to such party.

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

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

ARTICLE XII TITLE

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

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

ARTICLE XIII HAZARDOUS MATERIALS LAWS

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

Section 13.2 Charter School’s Responsibility. Upon and after acceptance of the Facility by the Charter School, Charter School shall be solely responsible to pay or otherwise satisfy any claim, written notice or demand, penalty, fine, settlement, loss, damage, cost, expense or liability made against Foundation or Charter School directly or indirectly arising out of or attributable to the violation by Charter School of any Hazardous Materials Law, orders, written notice or demand of governmental authorities, or the use, generation, manufacture, storage, release, threatened release, discharge, disposal, production, abatement or presence of Hazardous Materials on, under or about the premises including, without limitation: the costs of any required or necessary investigation, repair, cleanup or detoxification of the Facility, and the preparation and

implementation of any closure, abatement, containment, remedial or other required plan and shall to the extent allowable by law applicable to public schools, indemnify Foundation and hold Foundation harmless from any such claim, demand, penalty, fine, settlement, loss, damage, cost, expense or liability subject to the limitations and waivers contained in the New Mexico Tort Claims Act and any insurance coverage issued pursuant thereto.

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

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

ARTICLE XIV LIMITATION OF LIABILITY

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

ARTICLE XV MISCELLANEOUS

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

receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

Foundation: Explore Academy
5100 Masthead Street, N.E.
Albuquerque, NM 87109
Attention: Justin Baiardo
Telephone: (505) 336-1466
baiardo@exploreacademy.org

With a copy to: Modrall Sperling
500 4th St. NW
Albuquerque, NM 87102
Attn: Margaret L. Meister
Telephone: (505) 848-1800
mmeister@modrall.com

The Charter School: Explore Academy
5100 Masthead St. NE
Albuquerque, NM 87109
Attn: Head Administrator
Telephone: (505) 336-1466
baiardo@exploreacademy.org

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

With a copy to Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, CA 92626
Attn: Amiee Tabor, Vice President
Telephone: (714) 384-4153
atabor2@wilmingtontrust.com

Section 15.2 Reporting Requirements; Access to Records. The Charter School shall comply with the reporting requirements set forth in Exhibit D hereto and provide such reporting to the Foundation or any third party designated by the Foundation. In addition, to the extent not expressly prohibited by New Mexico and federal law, the Charter School shall permit the Foundation and any third party designated by the Foundation so long as this Agreement is in effect, to have access to its books and records during normal business hours upon reasonable prior notice (of no more than five (5) Business Days) unless the requesting party believes there is an emergent situation, in which case no such notice shall be required. For purposes of this Section

“books and records” shall mean the public records maintained by the Charter School other than those records which are excepted from public inspection pursuant to NMSA 1978, §14-2-1(A); or as otherwise provided by state or federal law, including without limitation the Family Educational Records Privacy Act (20 U.S.C. §1232g). If School fails to comply with the Reporting Requirements as described herein and in Exhibit D, the School shall, within ten (10) business days, make all books and records available to the Foundation or its designee, to complete the Reporting Requirements. School shall be responsible for all costs, fees and other associated expenses of the Foundation or its designee in performing the Reporting Requirements contemplated as the School’s responsibility hereunder and in Exhibit D. If the School refuses to permit Foundation access to the School’s books and records and Foundation must initiate enforcement actions to obtain the books and records, whether through a judicial or administrative process, the School, hereby waives any objection to the said enforcement actions or such other remedies the Foundation determines to be in its best interest. To the extent permitted by law, the School shall be responsible for all fees, costs, and other associated expenses related to Foundation’s enforcement actions.

Section 15.3 Further Assurances and Corrective Instruments. Foundation and the Charter School agree that so long as this Agreement is in full force and effect and no Event of Default shall have occurred, Foundation and the Charter 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 Facility hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Agreement.

Section 15.4 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Foundation and Charter School and their respective successors and assigns.

Section 15.5 Severability. In the event that any provision of this Agreement, other than the requirement of the Charter School to pay Base Rent and Additional Rent, the requirement of Foundation to provide quiet enjoyment of the Facility, and the requirement that the obligations of the Charter School to pay Base Rent and Additional Rent under this Agreement are conditioned upon the prior specific appropriation by the Charter 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.

Section 15.6 Amendments, Changes, and Modifications. This Agreement may be amended or any of its terms modified only by a written amendment authorized and executed by both Charter School and Foundation. Amendments to this Agreement, except amendments that would improve the building or other real property without additional financial obligations to the Charter School, shall be approved by the Public Education Department pursuant to NMSA 1978, §22-26A-5(L).

Section 15.7 Further Assurances and Corrective Instruments. Foundation and Charter School agree that they will, if necessary, 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 carrying out the expressed intention of this Agreement.

Section 15.8 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.9 Applicable Law. Each party shall perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. This Agreement shall be governed by the laws of the State of New Mexico (without giving effect to the State of New Mexico's choice of law provisions). All legal proceedings arising from unresolved disputes under this Agreement shall be brought in Albuquerque before the Second Judicial District Court of the State of New Mexico.

Section 15.10 Foundation and Charter School Representatives. Whenever under the provisions of this Agreement the approval of Foundation or Charter School is required, or Foundation or Charter School is required to take some action at the request of the other, such approval or such request shall be given for Foundation by a Foundation Representative and for Charter School by a Charter School Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 15.11 Integration. This Agreement contains all of the agreements of Charter School and Foundation respecting the subject matters hereof, and all prior negotiations are merged herein.

Section 15.12 Incorporation. Each and all of the recitals set forth at the beginning of this instrument, and any exhibits referenced herein and attached hereto, are incorporated herein by this reference.

Section 15.13 Captions. The captions and paragraph headings of this Agreement are not necessarily descriptive, or intended or represented to be descriptive, of all the terms thereunder, and shall not be deemed to limit, define, or enlarge the terms of this Agreement. Whenever used herein, unless otherwise indicated by the context, the singular shall include the plural, the plural shall include the singular, the use of any gender shall include all genders, and the use of the words "include" and "including" shall be construed as if the phrases "without limitation" or "but not [be] limited to" were annexed thereafter. The parties were, or had ample opportunity to be, represented by counsel, and as such this Agreement shall not be interpreted for or against either party based on authorship.

Section 15.14 Calculation of Time. Any time period herein calculated by reference to "days" means calendar days, i.e., including Saturdays, Sundays, and holidays as observed by the State of New Mexico; provided, however, that if the last day for a given act falls on a Saturday, Sunday, or such observed holiday, the day for such act shall be first day following such Saturday, Sunday, or observed holiday that is not a Saturday, Sunday, or such observed holiday.

Section 15.15 No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the Charter School or Foundation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the Charter School or Foundation, as the case may be, and not of any member, director, officer, employee, or other agent of the Charter School or 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 Charter School or Foundation or any natural person executing this Agreement or any related document or instrument.

Section 15.16 Waiver. No term of this Agreement shall be deemed waived unless such waiver is in writing signed by the party making the waiver. No delay or omission by either party in exercising or enforcing any right or power hereof shall impair such right or power or be construed to be a waiver thereof. No custom or practice that may evolve between the parties shall be construed to lessen the right of a party to require the performance of the other party in strict accordance with the terms of this Agreement. A waiver by one party of a failure of the other party to fully comply with any of the terms of this Agreement shall not be construed to be a waiver of any subsequent failure to comply or any other failure to comply.

Section 15.17 Administrative Approval. Pursuant to NMSA 1978, §22-26A-4, the parties to this Agreement acknowledge that they have obtained the required statutory approval from both the Public Education Department and the Public School Facilities Authority.

IN WITNESS WHEREOF, Foundation and Charter School, each acting through their duly authorized agent or legal representative, have made and executed this Agreement as of the date first above.

EXPLORE ACADEMY FOUNDATION, a New Mexico non-profit corporation,

By: 

Name: Justin Balardo

Title: Chair - Explore Academy Foundation

EXPLORE ACADEMY, a New Mexico public charter school,

By: 

Name: Jesse Pickard

Title: Chair - Explore Academy Governance Council

ACKNOWLEDGEMENT

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

The foregoing LEASE PURCHASE ARRANGEMENT was acknowledged before me this _____ day of _____, 201__, by _____, as President of Explore Academy Foundation's Board of Directors, a New Mexico non-profit corporation, on behalf of the corporation.

(Seal)

Notary Public

My Commission Expires:

[illegible]

The foregoing LEASE PURCHASE ARRANGEMENT was acknowledged before me this _____ day of _____, 201__, by _____, as chair of the governing body of Explore Academy, A New Mexico public charter school.

(Seal)

Notary Public

EXHIBIT A
LEGAL DESCRIPTION, FLOOR PLAN

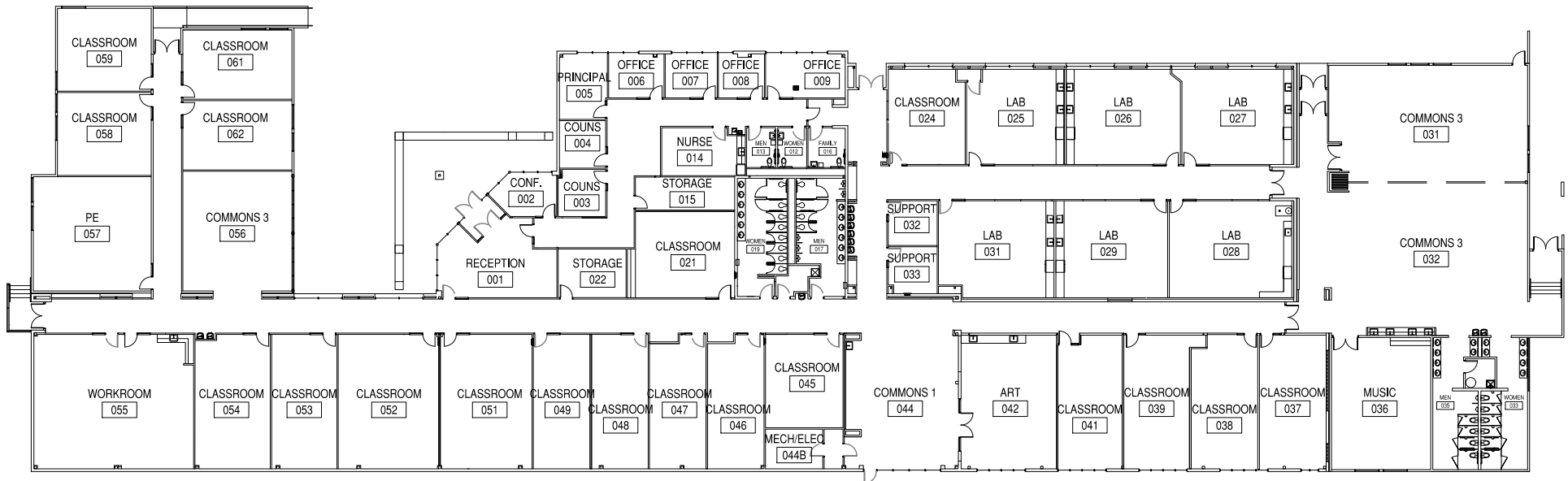
LEGAL DESCRIPTION (LAND):

Tract "4AA-5A-1" of Journal Center, Albuquerque, New Mexico, as the same is shown and designated on the Replat thereof, for Tracts 4AA-5A-1 and 4AA-5A-2 of said Addition filed in the Office of the County Clerk of Bernalillo County, New Mexico, on November 21, 1989 in Plat Book C40, Page 48.

FLOOR PLAN SHOWING BUILDING AND IMPROVEMENTS (FACILITY):

See Attached.

ATTACHMENT TO EXHIBIT A - IMPROVEMENTS



EXPLORE ACADEMY

3.19.2018

AS COMPLETED CONSTRUCTION
APPROXIMATELY 35,398 SF

EXHIBIT B
BASE RENT SCHEDULE

[To be revised prior to submission to Public Education Department
to reflect current Purchase Price]

EXHIBIT B BASE RENT SCHEDULE

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
1	7/20/2018	\$8,881,637.50	\$0.00	\$0.00	\$0.00	\$8,881,637.50
2	8/20/2018	\$8,881,637.50	\$0.00	\$0.00	\$0.00	\$8,881,637.50
3	9/20/2018	\$8,881,637.50	\$0.00	\$0.00	\$0.00	\$8,881,637.50
4	10/20/2018	\$8,881,637.50	\$0.00	\$0.00	\$0.00	\$8,881,637.50
5	11/20/2018	\$8,881,637.50	\$0.00	\$0.00	\$0.00	\$8,881,637.50
6	12/20/2018	\$8,881,637.50	\$0.00	\$0.00	\$0.00	\$8,881,637.50
7	1/20/2019	\$8,881,637.50	\$0.00	\$0.00	\$0.00	\$8,881,637.50
8	2/20/2019	\$8,881,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,871,637.50
9	3/20/2019	\$8,871,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,861,637.50
10	4/20/2019	\$8,861,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,851,637.50
11	5/20/2019	\$8,851,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,841,637.50
12	6/20/2019	\$8,841,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,831,637.50
13	7/20/2019	\$8,831,637.50	\$58,891.18	\$10,000.00	\$48,891.18	\$8,821,637.50
14	8/20/2019	\$8,821,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,811,637.50
15	9/20/2019	\$8,811,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,801,637.50
16	10/20/2019	\$8,801,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,791,637.50
17	11/20/2019	\$8,791,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,781,637.50
18	12/20/2019	\$8,781,637.50	\$58,891.14	\$10,000.00	\$48,891.14	\$8,771,637.50
19	1/20/2020	\$8,771,637.50	\$58,891.18	\$10,000.00	\$48,891.18	\$8,761,637.50
20	2/20/2020	\$8,761,637.50	\$58,707.80	\$10,416.66	\$48,291.14	\$8,751,220.84
21	3/20/2020	\$8,751,220.84	\$58,707.80	\$10,416.66	\$48,291.14	\$8,740,804.18
22	4/20/2020	\$8,740,804.18	\$58,707.80	\$10,416.66	\$48,291.14	\$8,730,387.52
23	5/20/2020	\$8,730,387.52	\$58,707.80	\$10,416.66	\$48,291.14	\$8,719,970.86
24	6/20/2020	\$8,719,970.86	\$58,707.80	\$10,416.66	\$48,291.14	\$8,709,554.20
25	7/20/2020	\$8,709,554.20	\$58,707.84	\$10,416.66	\$48,291.18	\$8,699,137.54
26	8/20/2020	\$8,699,137.54	\$58,707.80	\$10,416.66	\$48,291.14	\$8,688,720.88
27	9/20/2020	\$8,688,720.88	\$58,707.80	\$10,416.66	\$48,291.14	\$8,678,304.22
28	10/20/2020	\$8,678,304.22	\$58,707.80	\$10,416.66	\$48,291.14	\$8,667,887.56
29	11/20/2020	\$8,667,887.56	\$58,707.80	\$10,416.66	\$48,291.14	\$8,657,470.90
30	12/20/2020	\$8,657,470.90	\$58,707.80	\$10,416.66	\$48,291.14	\$8,647,054.24
31	1/20/2021	\$8,647,054.24	\$58,707.92	\$10,416.74	\$48,291.18	\$8,636,637.50
32	2/20/2021	\$8,636,637.50	\$58,499.47	\$10,833.33	\$47,666.14	\$8,625,804.17
33	3/20/2021	\$8,625,804.17	\$58,499.47	\$10,833.33	\$47,666.14	\$8,614,970.84
34	4/20/2021	\$8,614,970.84	\$58,499.47	\$10,833.33	\$47,666.14	\$8,604,137.51
35	5/20/2021	\$8,604,137.51	\$58,499.47	\$10,833.33	\$47,666.14	\$8,593,304.18
36	6/20/2021	\$8,593,304.18	\$58,499.47	\$10,833.33	\$47,666.14	\$8,582,470.85
37	7/20/2021	\$8,582,470.85	\$58,499.51	\$10,833.33	\$47,666.18	\$8,571,637.52
38	8/20/2021	\$8,571,637.52	\$58,499.47	\$10,833.33	\$47,666.14	\$8,560,804.19
39	9/20/2021	\$8,560,804.19	\$58,499.47	\$10,833.33	\$47,666.14	\$8,549,970.86

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
40	10/20/2021	\$8,549,970.86	\$58,499.47	\$10,833.33	\$47,666.14	\$8,539,137.53
41	11/20/2021	\$8,539,137.53	\$58,499.47	\$10,833.33	\$47,666.14	\$8,528,304.20
42	12/20/2021	\$8,528,304.20	\$58,499.47	\$10,833.33	\$47,666.14	\$8,517,470.87
43	1/20/2022	\$8,517,470.87	\$58,499.55	\$10,833.37	\$47,666.18	\$8,506,637.50
44	2/20/2022	\$8,506,637.50	\$58,682.80	\$11,666.66	\$47,016.14	\$8,494,970.84
45	3/20/2022	\$8,494,970.84	\$58,682.80	\$11,666.66	\$47,016.14	\$8,483,304.18
46	4/20/2022	\$8,483,304.18	\$58,682.80	\$11,666.66	\$47,016.14	\$8,471,637.52
47	5/20/2022	\$8,471,637.52	\$58,682.80	\$11,666.66	\$47,016.14	\$8,459,970.86
48	6/20/2022	\$8,459,970.86	\$58,682.80	\$11,666.66	\$47,016.14	\$8,448,304.20
49	7/20/2022	\$8,448,304.20	\$58,682.84	\$11,666.66	\$47,016.18	\$8,436,637.54
50	8/20/2022	\$8,436,637.54	\$58,682.80	\$11,666.66	\$47,016.14	\$8,424,970.88
51	9/20/2022	\$8,424,970.88	\$58,682.80	\$11,666.66	\$47,016.14	\$8,413,304.22
52	10/20/2022	\$8,413,304.22	\$58,682.80	\$11,666.66	\$47,016.14	\$8,401,637.56
53	11/20/2022	\$8,401,637.56	\$58,682.80	\$11,666.66	\$47,016.14	\$8,389,970.90
54	12/20/2022	\$8,389,970.90	\$58,682.80	\$11,666.66	\$47,016.14	\$8,378,304.24
55	1/20/2023	\$8,378,304.24	\$58,682.92	\$11,666.74	\$47,016.18	\$8,366,637.50
56	2/20/2023	\$8,366,637.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,354,137.50
57	3/20/2023	\$8,354,137.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,341,637.50
58	4/20/2023	\$8,341,637.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,329,137.50
59	5/20/2023	\$8,329,137.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,316,637.50
60	6/20/2023	\$8,316,637.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,304,137.50
61	7/20/2023	\$8,304,137.50	\$58,816.18	\$12,500.00	\$46,316.18	\$8,291,637.50
62	8/20/2023	\$8,291,637.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,279,137.50
63	9/20/2023	\$8,279,137.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,266,637.50
64	10/20/2023	\$8,266,637.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,254,137.50
65	11/20/2023	\$8,254,137.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,241,637.50
66	12/20/2023	\$8,241,637.50	\$58,816.14	\$12,500.00	\$46,316.14	\$8,229,137.50
67	1/20/2024	\$8,229,137.50	\$58,816.18	\$12,500.00	\$46,316.18	\$8,216,637.50
68	2/20/2024	\$8,216,637.50	\$58,888.01	\$13,333.33	\$45,554.68	\$8,203,304.17
69	3/20/2024	\$8,203,304.17	\$58,888.01	\$13,333.33	\$45,554.68	\$8,189,970.84
70	4/20/2024	\$8,189,970.84	\$58,888.01	\$13,333.33	\$45,554.68	\$8,176,637.51
71	5/20/2024	\$8,176,637.51	\$58,888.01	\$13,333.33	\$45,554.68	\$8,163,304.18
72	6/20/2024	\$8,163,304.18	\$58,888.01	\$13,333.33	\$45,554.68	\$8,149,970.85
73	7/20/2024	\$8,149,970.85	\$58,888.06	\$13,333.33	\$45,554.73	\$8,136,637.52
74	8/20/2024	\$8,136,637.52	\$58,888.01	\$13,333.33	\$45,554.68	\$8,123,304.19
75	9/20/2024	\$8,123,304.19	\$58,888.01	\$13,333.33	\$45,554.68	\$8,109,970.86
76	10/20/2024	\$8,109,970.86	\$58,888.01	\$13,333.33	\$45,554.68	\$8,096,637.53
77	11/20/2024	\$8,096,637.53	\$58,888.01	\$13,333.33	\$45,554.68	\$8,083,304.20
78	12/20/2024	\$8,083,304.20	\$58,888.01	\$13,333.33	\$45,554.68	\$8,069,970.87
79	1/20/2025	\$8,069,970.87	\$58,888.10	\$13,333.37	\$45,554.73	\$8,056,637.50
80	2/20/2025	\$8,056,637.50	\$58,904.68	\$14,166.66	\$44,738.02	\$8,042,470.84
81	3/20/2025	\$8,042,470.84	\$58,904.68	\$14,166.66	\$44,738.02	\$8,028,304.18
82	4/20/2025	\$8,028,304.18	\$58,904.68	\$14,166.66	\$44,738.02	\$8,014,137.52
83	5/20/2025	\$8,014,137.52	\$58,904.68	\$14,166.66	\$44,738.02	\$7,999,970.86
84	6/20/2025	\$7,999,970.86	\$58,904.68	\$14,166.66	\$44,738.02	\$7,985,804.20

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
85	7/20/2025	\$7,985,804.20	\$58,904.69	\$14,166.66	\$44,738.03	\$7,971,637.54
86	8/20/2025	\$7,971,637.54	\$58,904.68	\$14,166.66	\$44,738.02	\$7,957,470.88
87	9/20/2025	\$7,957,470.88	\$58,904.68	\$14,166.66	\$44,738.02	\$7,943,304.22
88	10/20/2025	\$7,943,304.22	\$58,904.68	\$14,166.66	\$44,738.02	\$7,929,137.56
89	11/20/2025	\$7,929,137.56	\$58,904.68	\$14,166.66	\$44,738.02	\$7,914,970.90
90	12/20/2025	\$7,914,970.90	\$58,904.68	\$14,166.66	\$44,738.02	\$7,900,804.24
91	1/20/2026	\$7,900,804.24	\$58,904.77	\$14,166.74	\$44,738.03	\$7,886,637.50
92	2/20/2026	\$7,886,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,871,637.50
93	3/20/2026	\$7,871,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,856,637.50
94	4/20/2026	\$7,856,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,841,637.50
95	5/20/2026	\$7,841,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,826,637.50
96	6/20/2026	\$7,826,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,811,637.50
97	7/20/2026	\$7,811,637.50	\$58,870.33	\$15,000.00	\$43,870.33	\$7,796,637.50
98	8/20/2026	\$7,796,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,781,637.50
99	9/20/2026	\$7,781,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,766,637.50
100	10/20/2026	\$7,766,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,751,637.50
101	11/20/2026	\$7,751,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,736,637.50
102	12/20/2026	\$7,736,637.50	\$58,870.31	\$15,000.00	\$43,870.31	\$7,721,637.50
103	1/20/2027	\$7,721,637.50	\$58,870.33	\$15,000.00	\$43,870.33	\$7,706,637.50
104	2/20/2027	\$7,706,637.50	\$58,784.89	\$15,833.33	\$42,951.56	\$7,690,804.17
105	3/20/2027	\$7,690,804.17	\$58,784.89	\$15,833.33	\$42,951.56	\$7,674,970.84
106	4/20/2027	\$7,674,970.84	\$58,784.89	\$15,833.33	\$42,951.56	\$7,659,137.51
107	5/20/2027	\$7,659,137.51	\$58,784.89	\$15,833.33	\$42,951.56	\$7,643,304.18
108	6/20/2027	\$7,643,304.18	\$58,784.89	\$15,833.33	\$42,951.56	\$7,627,470.85
109	7/20/2027	\$7,627,470.85	\$58,784.91	\$15,833.33	\$42,951.58	\$7,611,637.52
110	8/20/2027	\$7,611,637.52	\$58,784.89	\$15,833.33	\$42,951.56	\$7,595,804.19
111	9/20/2027	\$7,595,804.19	\$58,784.89	\$15,833.33	\$42,951.56	\$7,579,970.86
112	10/20/2027	\$7,579,970.86	\$58,784.89	\$15,833.33	\$42,951.56	\$7,564,137.53
113	11/20/2027	\$7,564,137.53	\$58,784.89	\$15,833.33	\$42,951.56	\$7,548,304.20
114	12/20/2027	\$7,548,304.20	\$58,784.89	\$15,833.33	\$42,951.56	\$7,532,470.87
115	1/20/2028	\$7,532,470.87	\$58,784.95	\$15,833.37	\$42,951.58	\$7,516,637.50
116	2/20/2028	\$7,516,637.50	\$58,648.43	\$16,666.66	\$41,981.77	\$7,499,970.84
117	3/20/2028	\$7,499,970.84	\$58,648.43	\$16,666.66	\$41,981.77	\$7,483,304.18
118	4/20/2028	\$7,483,304.18	\$58,648.43	\$16,666.66	\$41,981.77	\$7,466,637.52
119	5/20/2028	\$7,466,637.52	\$58,648.43	\$16,666.66	\$41,981.77	\$7,449,970.86
120	6/20/2028	\$7,449,970.86	\$58,648.43	\$16,666.66	\$41,981.77	\$7,433,304.20
121	7/20/2028	\$7,433,304.20	\$58,648.44	\$16,666.66	\$41,981.78	\$7,416,637.54
122	8/20/2028	\$7,416,637.54	\$58,648.43	\$16,666.66	\$41,981.77	\$7,399,970.88
123	9/20/2028	\$7,399,970.88	\$58,648.43	\$16,666.66	\$41,981.77	\$7,383,304.22
124	10/20/2028	\$7,383,304.22	\$58,648.43	\$16,666.66	\$41,981.77	\$7,366,637.56
125	11/20/2028	\$7,366,637.56	\$58,648.43	\$16,666.66	\$41,981.77	\$7,349,970.90
126	12/20/2028	\$7,349,970.90	\$58,648.43	\$16,666.66	\$41,981.77	\$7,333,304.24
127	1/20/2029	\$7,333,304.24	\$58,648.52	\$16,666.74	\$41,981.78	\$7,316,637.50
128	2/20/2029	\$7,316,637.50	\$58,877.59	\$17,916.66	\$40,960.93	\$7,298,720.84
129	3/20/2029	\$7,298,720.84	\$58,877.59	\$17,916.66	\$40,960.93	\$7,280,804.18

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
130	4/20/2029	\$7,280,804.18	\$58,877.59	\$17,916.66	\$40,960.93	\$7,262,887.52
131	5/20/2029	\$7,262,887.52	\$58,877.59	\$17,916.66	\$40,960.93	\$7,244,970.86
132	6/20/2029	\$7,244,970.86	\$58,877.59	\$17,916.66	\$40,960.93	\$7,227,054.20
133	7/20/2029	\$7,227,054.20	\$58,877.64	\$17,916.66	\$40,960.98	\$7,209,137.54
134	8/20/2029	\$7,209,137.54	\$58,877.59	\$17,916.66	\$40,960.93	\$7,191,220.88
135	9/20/2029	\$7,191,220.88	\$58,877.59	\$17,916.66	\$40,960.93	\$7,173,304.22
136	10/20/2029	\$7,173,304.22	\$58,877.59	\$17,916.66	\$40,960.93	\$7,155,387.56
137	11/20/2029	\$7,155,387.56	\$58,877.59	\$17,916.66	\$40,960.93	\$7,137,470.90
138	12/20/2029	\$7,137,470.90	\$58,877.59	\$17,916.66	\$40,960.93	\$7,119,554.24
139	1/20/2030	\$7,119,554.24	\$58,877.72	\$17,916.74	\$40,960.98	\$7,101,637.50
140	2/20/2030	\$7,101,637.50	\$59,030.20	\$19,166.66	\$39,863.54	\$7,082,470.84
141	3/20/2030	\$7,082,470.84	\$59,030.20	\$19,166.66	\$39,863.54	\$7,063,304.18
142	4/20/2030	\$7,063,304.18	\$59,030.20	\$19,166.66	\$39,863.54	\$7,044,137.52
143	5/20/2030	\$7,044,137.52	\$59,030.20	\$19,166.66	\$39,863.54	\$7,024,970.86
144	6/20/2030	\$7,024,970.86	\$59,030.20	\$19,166.66	\$39,863.54	\$7,005,804.20
145	7/20/2030	\$7,005,804.20	\$59,030.21	\$19,166.66	\$39,863.55	\$6,986,637.54
146	8/20/2030	\$6,986,637.54	\$59,030.20	\$19,166.66	\$39,863.54	\$6,967,470.88
147	9/20/2030	\$6,967,470.88	\$59,030.20	\$19,166.66	\$39,863.54	\$6,948,304.22
148	10/20/2030	\$6,948,304.22	\$59,030.20	\$19,166.66	\$39,863.54	\$6,929,137.56
149	11/20/2030	\$6,929,137.56	\$59,030.20	\$19,166.66	\$39,863.54	\$6,909,970.90
150	12/20/2030	\$6,909,970.90	\$59,030.20	\$19,166.66	\$39,863.54	\$6,890,804.24
151	1/20/2031	\$6,890,804.24	\$59,030.29	\$19,166.74	\$39,863.55	\$6,871,637.50
152	2/20/2031	\$6,871,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,851,637.50
153	3/20/2031	\$6,851,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,831,637.50
154	4/20/2031	\$6,831,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,811,637.50
155	5/20/2031	\$6,811,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,791,637.50
156	6/20/2031	\$6,791,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,771,637.50
157	7/20/2031	\$6,771,637.50	\$58,689.60	\$20,000.00	\$38,689.60	\$6,751,637.50
158	8/20/2031	\$6,751,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,731,637.50
159	9/20/2031	\$6,731,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,711,637.50
160	10/20/2031	\$6,711,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,691,637.50
161	11/20/2031	\$6,691,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,671,637.50
162	12/20/2031	\$6,671,637.50	\$58,689.58	\$20,000.00	\$38,689.58	\$6,651,637.50
163	1/20/2032	\$6,651,637.50	\$58,689.60	\$20,000.00	\$38,689.60	\$6,631,637.50
164	2/20/2032	\$6,631,637.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,610,387.50
165	3/20/2032	\$6,610,387.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,589,137.50
166	4/20/2032	\$6,589,137.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,567,887.50
167	5/20/2032	\$6,567,887.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,546,637.50
168	6/20/2032	\$6,546,637.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,525,387.50
169	7/20/2032	\$6,525,387.50	\$58,714.60	\$21,250.00	\$37,464.60	\$6,504,137.50
170	8/20/2032	\$6,504,137.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,482,887.50
171	9/20/2032	\$6,482,887.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,461,637.50
172	10/20/2032	\$6,461,637.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,440,387.50
173	11/20/2032	\$6,440,387.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,419,137.50
174	12/20/2032	\$6,419,137.50	\$58,714.58	\$21,250.00	\$37,464.58	\$6,397,887.50

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
175	1/20/2033	\$6,397,887.50	\$58,714.60	\$21,250.00	\$37,464.60	\$6,376,637.50
176	2/20/2033	\$6,376,637.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,354,137.50
177	3/20/2033	\$6,354,137.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,331,637.50
178	4/20/2033	\$6,331,637.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,309,137.50
179	5/20/2033	\$6,309,137.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,286,637.50
180	6/20/2033	\$6,286,637.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,264,137.50
181	7/20/2033	\$6,264,137.50	\$58,663.03	\$22,500.00	\$36,163.03	\$6,241,637.50
182	8/20/2033	\$6,241,637.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,219,137.50
183	9/20/2033	\$6,219,137.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,196,637.50
184	10/20/2033	\$6,196,637.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,174,137.50
185	11/20/2033	\$6,174,137.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,151,637.50
186	12/20/2033	\$6,151,637.50	\$58,663.02	\$22,500.00	\$36,163.02	\$6,129,137.50
187	1/20/2034	\$6,129,137.50	\$58,663.03	\$22,500.00	\$36,163.03	\$6,106,637.50
188	2/20/2034	\$6,106,637.50	\$58,951.55	\$24,166.66	\$34,784.89	\$6,082,470.84
189	3/20/2034	\$6,082,470.84	\$58,951.55	\$24,166.66	\$34,784.89	\$6,058,304.18
190	4/20/2034	\$6,058,304.18	\$58,951.55	\$24,166.66	\$34,784.89	\$6,034,137.52
191	5/20/2034	\$6,034,137.52	\$58,951.55	\$24,166.66	\$34,784.89	\$6,009,970.86
192	6/20/2034	\$6,009,970.86	\$58,951.55	\$24,166.66	\$34,784.89	\$5,985,804.20
193	7/20/2034	\$5,985,804.20	\$58,951.59	\$24,166.66	\$34,784.93	\$5,961,637.54
194	8/20/2034	\$5,961,637.54	\$58,951.55	\$24,166.66	\$34,784.89	\$5,937,470.88
195	9/20/2034	\$5,937,470.88	\$58,951.55	\$24,166.66	\$34,784.89	\$5,913,304.22
196	10/20/2034	\$5,913,304.22	\$58,951.55	\$24,166.66	\$34,784.89	\$5,889,137.56
197	11/20/2034	\$5,889,137.56	\$58,951.55	\$24,166.66	\$34,784.89	\$5,864,970.90
198	12/20/2034	\$5,864,970.90	\$58,951.55	\$24,166.66	\$34,784.89	\$5,840,804.24
199	1/20/2035	\$5,840,804.24	\$58,951.67	\$24,166.74	\$34,784.93	\$5,816,637.50
200	2/20/2035	\$5,816,637.50	\$58,721.34	\$25,416.66	\$33,304.68	\$5,791,220.84
201	3/20/2035	\$5,791,220.84	\$58,721.34	\$25,416.66	\$33,304.68	\$5,765,804.18
202	4/20/2035	\$5,765,804.18	\$58,721.34	\$25,416.66	\$33,304.68	\$5,740,387.52
203	5/20/2035	\$5,740,387.52	\$58,721.34	\$25,416.66	\$33,304.68	\$5,714,970.86
204	6/20/2035	\$5,714,970.86	\$58,721.34	\$25,416.66	\$33,304.68	\$5,689,554.20
205	7/20/2035	\$5,689,554.20	\$58,721.39	\$25,416.66	\$33,304.73	\$5,664,137.54
206	8/20/2035	\$5,664,137.54	\$58,721.34	\$25,416.66	\$33,304.68	\$5,638,720.88
207	9/20/2035	\$5,638,720.88	\$58,721.34	\$25,416.66	\$33,304.68	\$5,613,304.22
208	10/20/2035	\$5,613,304.22	\$58,721.34	\$25,416.66	\$33,304.68	\$5,587,887.56
209	11/20/2035	\$5,587,887.56	\$58,721.34	\$25,416.66	\$33,304.68	\$5,562,470.90
210	12/20/2035	\$5,562,470.90	\$58,721.34	\$25,416.66	\$33,304.68	\$5,537,054.24
211	1/20/2036	\$5,537,054.24	\$58,721.47	\$25,416.74	\$33,304.73	\$5,511,637.50
212	2/20/2036	\$5,511,637.50	\$58,831.24	\$27,083.33	\$31,747.91	\$5,484,554.17
213	3/20/2036	\$5,484,554.17	\$58,831.24	\$27,083.33	\$31,747.91	\$5,457,470.84
214	4/20/2036	\$5,457,470.84	\$58,831.24	\$27,083.33	\$31,747.91	\$5,430,387.51
215	5/20/2036	\$5,430,387.51	\$58,831.24	\$27,083.33	\$31,747.91	\$5,403,304.18
216	6/20/2036	\$5,403,304.18	\$58,831.24	\$27,083.33	\$31,747.91	\$5,376,220.85
217	7/20/2036	\$5,376,220.85	\$58,831.28	\$27,083.33	\$31,747.95	\$5,349,137.52
218	8/20/2036	\$5,349,137.52	\$58,831.24	\$27,083.33	\$31,747.91	\$5,322,054.19
219	9/20/2036	\$5,322,054.19	\$58,831.24	\$27,083.33	\$31,747.91	\$5,294,970.86

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
220	10/20/2036	\$5,294,970.86	\$58,831.24	\$27,083.33	\$31,747.91	\$5,267,887.53
221	11/20/2036	\$5,267,887.53	\$58,831.24	\$27,083.33	\$31,747.91	\$5,240,804.20
222	12/20/2036	\$5,240,804.20	\$58,831.24	\$27,083.33	\$31,747.91	\$5,213,720.87
223	1/20/2037	\$5,213,720.87	\$58,831.32	\$27,083.37	\$31,747.95	\$5,186,637.50
224	2/20/2037	\$5,186,637.50	\$58,839.06	\$28,750.00	\$30,089.06	\$5,157,887.50
225	3/20/2037	\$5,157,887.50	\$58,839.06	\$28,750.00	\$30,089.06	\$5,129,137.50
226	4/20/2037	\$5,129,137.50	\$58,839.06	\$28,750.00	\$30,089.06	\$5,100,387.50
227	5/20/2037	\$5,100,387.50	\$58,839.06	\$28,750.00	\$30,089.06	\$5,071,637.50
228	6/20/2037	\$5,071,637.50	\$58,839.06	\$28,750.00	\$30,089.06	\$5,042,887.50
229	7/20/2037	\$5,042,887.50	\$58,839.08	\$28,750.00	\$30,089.08	\$5,014,137.50
230	8/20/2037	\$5,014,137.50	\$58,839.06	\$28,750.00	\$30,089.06	\$4,985,387.50
231	9/20/2037	\$4,985,387.50	\$58,839.06	\$28,750.00	\$30,089.06	\$4,956,637.50
232	10/20/2037	\$4,956,637.50	\$58,839.06	\$28,750.00	\$30,089.06	\$4,927,887.50
233	11/20/2037	\$4,927,887.50	\$58,839.06	\$28,750.00	\$30,089.06	\$4,899,137.50
234	12/20/2037	\$4,899,137.50	\$58,839.06	\$28,750.00	\$30,089.06	\$4,870,387.50
235	1/20/2038	\$4,870,387.50	\$58,839.08	\$28,750.00	\$30,089.08	\$4,841,637.50
236	2/20/2038	\$4,841,637.50	\$58,744.78	\$30,416.66	\$28,328.12	\$4,811,220.84
237	3/20/2038	\$4,811,220.84	\$58,744.78	\$30,416.66	\$28,328.12	\$4,780,804.18
238	4/20/2038	\$4,780,804.18	\$58,744.78	\$30,416.66	\$28,328.12	\$4,750,387.52
239	5/20/2038	\$4,750,387.52	\$58,744.78	\$30,416.66	\$28,328.12	\$4,719,970.86
240	6/20/2038	\$4,719,970.86	\$58,744.78	\$30,416.66	\$28,328.12	\$4,689,554.20
241	7/20/2038	\$4,689,554.20	\$58,744.81	\$30,416.66	\$28,328.15	\$4,659,137.54
242	8/20/2038	\$4,659,137.54	\$58,744.78	\$30,416.66	\$28,328.12	\$4,628,720.88
243	9/20/2038	\$4,628,720.88	\$58,744.78	\$30,416.66	\$28,328.12	\$4,598,304.22
244	10/20/2038	\$4,598,304.22	\$58,744.78	\$30,416.66	\$28,328.12	\$4,567,887.56
245	11/20/2038	\$4,567,887.56	\$58,744.78	\$30,416.66	\$28,328.12	\$4,537,470.90
246	12/20/2038	\$4,537,470.90	\$58,744.78	\$30,416.66	\$28,328.12	\$4,507,054.24
247	1/20/2039	\$4,507,054.24	\$58,744.89	\$30,416.74	\$28,328.15	\$4,476,637.50
248	2/20/2039	\$4,476,637.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,444,137.50
249	3/20/2039	\$4,444,137.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,411,637.50
250	4/20/2039	\$4,411,637.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,379,137.50
251	5/20/2039	\$4,379,137.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,346,637.50
252	6/20/2039	\$4,346,637.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,314,137.50
253	7/20/2039	\$4,314,137.50	\$58,965.13	\$32,500.00	\$26,465.13	\$4,281,637.50
254	8/20/2039	\$4,281,637.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,249,137.50
255	9/20/2039	\$4,249,137.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,216,637.50
256	10/20/2039	\$4,216,637.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,184,137.50
257	11/20/2039	\$4,184,137.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,151,637.50
258	12/20/2039	\$4,151,637.50	\$58,965.10	\$32,500.00	\$26,465.10	\$4,119,137.50
259	1/20/2040	\$4,119,137.50	\$58,965.13	\$32,500.00	\$26,465.13	\$4,086,637.50
260	2/20/2040	\$4,086,637.50	\$58,641.14	\$34,166.66	\$24,474.48	\$4,052,470.84
261	3/20/2040	\$4,052,470.84	\$58,641.14	\$34,166.66	\$24,474.48	\$4,018,304.18
262	4/20/2040	\$4,018,304.18	\$58,641.14	\$34,166.66	\$24,474.48	\$3,984,137.52
263	5/20/2040	\$3,984,137.52	\$58,641.14	\$34,166.66	\$24,474.48	\$3,949,970.86
264	6/20/2040	\$3,949,970.86	\$58,641.14	\$34,166.66	\$24,474.48	\$3,915,804.20

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
265	7/20/2040	\$3,915,804.20	\$58,641.14	\$34,166.66	\$24,474.48	\$3,881,637.54
266	8/20/2040	\$3,881,637.54	\$58,641.14	\$34,166.66	\$24,474.48	\$3,847,470.88
267	9/20/2040	\$3,847,470.88	\$58,641.14	\$34,166.66	\$24,474.48	\$3,813,304.22
268	10/20/2040	\$3,813,304.22	\$58,641.14	\$34,166.66	\$24,474.48	\$3,779,137.56
269	11/20/2040	\$3,779,137.56	\$58,641.14	\$34,166.66	\$24,474.48	\$3,744,970.90
270	12/20/2040	\$3,744,970.90	\$58,641.14	\$34,166.66	\$24,474.48	\$3,710,804.24
271	1/20/2041	\$3,710,804.24	\$58,641.22	\$34,166.74	\$24,474.48	\$3,676,637.50
272	2/20/2041	\$3,676,637.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,640,387.50
273	3/20/2041	\$3,640,387.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,604,137.50
274	4/20/2041	\$3,604,137.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,567,887.50
275	5/20/2041	\$3,567,887.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,531,637.50
276	6/20/2041	\$3,531,637.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,495,387.50
277	7/20/2041	\$3,495,387.50	\$58,631.78	\$36,250.00	\$22,381.78	\$3,459,137.50
278	8/20/2041	\$3,459,137.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,422,887.50
279	9/20/2041	\$3,422,887.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,386,637.50
280	10/20/2041	\$3,386,637.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,350,387.50
281	11/20/2041	\$3,350,387.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,314,137.50
282	12/20/2041	\$3,314,137.50	\$58,631.77	\$36,250.00	\$22,381.77	\$3,277,887.50
283	1/20/2042	\$3,277,887.50	\$58,631.78	\$36,250.00	\$22,381.78	\$3,241,637.50
284	2/20/2042	\$3,241,637.50	\$58,911.45	\$38,750.00	\$20,161.45	\$3,202,887.50
285	3/20/2042	\$3,202,887.50	\$58,911.45	\$38,750.00	\$20,161.45	\$3,164,137.50
286	4/20/2042	\$3,164,137.50	\$58,911.45	\$38,750.00	\$20,161.45	\$3,125,387.50
287	5/20/2042	\$3,125,387.50	\$58,911.45	\$38,750.00	\$20,161.45	\$3,086,637.50
288	6/20/2042	\$3,086,637.50	\$58,911.45	\$38,750.00	\$20,161.45	\$3,047,887.50
289	7/20/2042	\$3,047,887.50	\$58,911.50	\$38,750.00	\$20,161.50	\$3,009,137.50
290	8/20/2042	\$3,009,137.50	\$58,911.45	\$38,750.00	\$20,161.45	\$2,970,387.50
291	9/20/2042	\$2,970,387.50	\$58,911.45	\$38,750.00	\$20,161.45	\$2,931,637.50
292	10/20/2042	\$2,931,637.50	\$58,911.45	\$38,750.00	\$20,161.45	\$2,892,887.50
293	11/20/2042	\$2,892,887.50	\$58,911.45	\$38,750.00	\$20,161.45	\$2,854,137.50
294	12/20/2042	\$2,854,137.50	\$58,911.45	\$38,750.00	\$20,161.45	\$2,815,387.50
295	1/20/2043	\$2,815,387.50	\$58,911.50	\$38,750.00	\$20,161.50	\$2,776,637.50
296	2/20/2043	\$2,776,637.50	\$58,621.35	\$40,833.33	\$17,788.02	\$2,735,804.17
297	3/20/2043	\$2,735,804.17	\$58,621.35	\$40,833.33	\$17,788.02	\$2,694,970.84
298	4/20/2043	\$2,694,970.84	\$58,621.35	\$40,833.33	\$17,788.02	\$2,654,137.51
299	5/20/2043	\$2,654,137.51	\$58,621.35	\$40,833.33	\$17,788.02	\$2,613,304.18
300	6/20/2043	\$2,613,304.18	\$58,621.35	\$40,833.33	\$17,788.02	\$2,572,470.85
301	7/20/2043	\$2,572,470.85	\$58,621.36	\$40,833.33	\$17,788.03	\$2,531,637.52
302	8/20/2043	\$2,531,637.52	\$58,621.35	\$40,833.33	\$17,788.02	\$2,490,804.19
303	9/20/2043	\$2,490,804.19	\$58,621.35	\$40,833.33	\$17,788.02	\$2,449,970.86
304	10/20/2043	\$2,449,970.86	\$58,621.35	\$40,833.33	\$17,788.02	\$2,409,137.53
305	11/20/2043	\$2,409,137.53	\$58,621.35	\$40,833.33	\$17,788.02	\$2,368,304.20
306	12/20/2043	\$2,368,304.20	\$58,621.35	\$40,833.33	\$17,788.02	\$2,327,470.87
307	1/20/2044	\$2,327,470.87	\$58,621.40	\$40,833.37	\$17,788.03	\$2,286,637.50
308	2/20/2044	\$2,286,637.50	\$58,620.31	\$43,333.33	\$15,286.98	\$2,243,304.17
309	3/20/2044	\$2,243,304.17	\$58,620.31	\$43,333.33	\$15,286.98	\$2,199,970.84

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
310	4/20/2044	\$2,199,970.84	\$58,620.31	\$43,333.33	\$15,286.98	\$2,156,637.51
311	5/20/2044	\$2,156,637.51	\$58,620.31	\$43,333.33	\$15,286.98	\$2,113,304.18
312	6/20/2044	\$2,113,304.18	\$58,620.31	\$43,333.33	\$15,286.98	\$2,069,970.85
313	7/20/2044	\$2,069,970.85	\$58,620.31	\$43,333.33	\$15,286.98	\$2,026,637.52
314	8/20/2044	\$2,026,637.52	\$58,620.31	\$43,333.33	\$15,286.98	\$1,983,304.19
315	9/20/2044	\$1,983,304.19	\$58,620.31	\$43,333.33	\$15,286.98	\$1,939,970.86
316	10/20/2044	\$1,939,970.86	\$58,620.31	\$43,333.33	\$15,286.98	\$1,896,637.53
317	11/20/2044	\$1,896,637.53	\$58,620.31	\$43,333.33	\$15,286.98	\$1,853,304.20
318	12/20/2044	\$1,853,304.20	\$58,620.31	\$43,333.33	\$15,286.98	\$1,809,970.87
319	1/20/2045	\$1,809,970.87	\$58,620.35	\$43,333.37	\$15,286.98	\$1,766,637.50
320	2/20/2045	\$1,766,637.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,720,387.50
321	3/20/2045	\$1,720,387.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,674,137.50
322	4/20/2045	\$1,674,137.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,627,887.50
323	5/20/2045	\$1,627,887.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,581,637.50
324	6/20/2045	\$1,581,637.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,535,387.50
325	7/20/2045	\$1,535,387.50	\$58,882.83	\$46,250.00	\$12,632.83	\$1,489,137.50
326	8/20/2045	\$1,489,137.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,442,887.50
327	9/20/2045	\$1,442,887.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,396,637.50
328	10/20/2045	\$1,396,637.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,350,387.50
329	11/20/2045	\$1,350,387.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,304,137.50
330	12/20/2045	\$1,304,137.50	\$58,882.81	\$46,250.00	\$12,632.81	\$1,257,887.50
331	1/20/2046	\$1,257,887.50	\$58,882.83	\$46,250.00	\$12,632.83	\$1,211,637.50
332	2/20/2046	\$1,211,637.50	\$58,966.66	\$49,166.66	\$9,800.00	\$1,162,470.84
333	3/20/2046	\$1,162,470.84	\$58,966.66	\$49,166.66	\$9,800.00	\$1,113,304.18
334	4/20/2046	\$1,113,304.18	\$58,966.66	\$49,166.66	\$9,800.00	\$1,064,137.52
335	5/20/2046	\$1,064,137.52	\$58,966.66	\$49,166.66	\$9,800.00	\$1,014,970.86
336	6/20/2046	\$1,014,970.86	\$58,966.66	\$49,166.66	\$9,800.00	\$965,804.20
337	7/20/2046	\$965,804.20	\$58,966.66	\$49,166.66	\$9,800.00	\$916,637.54
338	8/20/2046	\$916,637.54	\$58,966.66	\$49,166.66	\$9,800.00	\$867,470.88
339	9/20/2046	\$867,470.88	\$58,966.66	\$49,166.66	\$9,800.00	\$818,304.22
340	10/20/2046	\$818,304.22	\$58,966.66	\$49,166.66	\$9,800.00	\$769,137.56
341	11/20/2046	\$769,137.56	\$58,966.66	\$49,166.66	\$9,800.00	\$719,970.90
342	12/20/2046	\$719,970.90	\$58,966.66	\$49,166.66	\$9,800.00	\$670,804.24
343	1/20/2047	\$670,804.24	\$58,966.74	\$49,166.74	\$9,800.00	\$621,637.50
344	2/20/2047	\$621,637.50	\$58,591.66	\$51,803.12	\$6,788.54	\$569,834.38
345	3/20/2047	\$569,834.38	\$58,591.66	\$51,803.12	\$6,788.54	\$518,031.26
346	4/20/2047	\$518,031.26	\$58,591.66	\$51,803.12	\$6,788.54	\$466,228.14
347	5/20/2047	\$466,228.14	\$58,591.66	\$51,803.12	\$6,788.54	\$414,425.02
348	6/20/2047	\$414,425.02	\$58,591.66	\$51,803.12	\$6,788.54	\$362,621.90
349	7/20/2047	\$362,621.90	\$58,591.67	\$51,803.12	\$6,788.55	\$310,818.78
350	8/20/2047	\$310,818.78	\$58,591.66	\$51,803.12	\$6,788.54	\$259,015.66
351	9/20/2047	\$259,015.66	\$58,591.66	\$51,803.12	\$6,788.54	\$207,212.54
352	10/20/2047	\$207,212.54	\$58,591.66	\$51,803.12	\$6,788.54	\$155,409.42
353	11/20/2047	\$155,409.42	\$58,591.66	\$51,803.12	\$6,788.54	\$103,606.30
354	12/20/2047	\$103,606.30	\$58,591.66	\$51,803.12	\$6,788.54	\$51,803.18

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE
355	1/20/2048	\$51,803.18	\$58,591.73	\$51,803.18	\$6,788.55	\$0.00

EXHIBIT C
ACH AUTHORIZATION AGREEMENT
See Attached

ACH AUTHORIZATION AGREEMENT

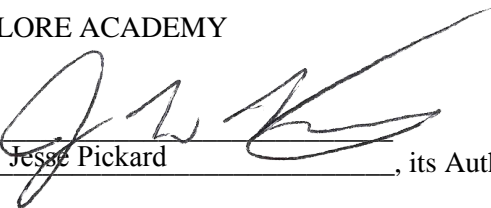
Explore Academy, a New Mexico Public Charter School, authorizes Wells Fargo Bank, N.A. to make the following ACH debits from its checking account as herein described.

1. Explore Academy Checking Account number: 3497393805
2. Explore Academy-Routing Number: 107002192
3. Bank Name: Wells Fargo, N.A.
4. Payee: Manufacturers & Traders Trust Company, ABA # 031100092, Credit to Account No. 128289-000, Ref. Explore 2018AB, Attn: Corporate Trust.
5. Date and Amount of ACH debit: As set forth in the attached Base Rent Schedule.
6. Commencement Date of ACH payments: July 1, 2018
7. Purpose: Making all rent payments due and owing according to that certain Lease Agreement by and between Explore Academy and Explore Academy Foundation, a New Mexico nonprofit corporation, dated May 10, 2018.

Explore Academy understands that this authorization will remain in effect until cancelled by an authorized representative of Explore Academy, which authorization shall be evidenced by a signed resolution of Explore Academy's governing body. Explore Academy shall provide no less than thirty (30) days' notice to the Bank prior to the next transfer date of its intent to terminate this ACH Authorization Agreement. If the above noted payment date falls on a weekend or holiday, Explore Academy understands that the payments may be executed on the preceding business day. For each ACH debit from Explore Academy's checking account, Explore Academy authorizes the transfer to be made on the above noted periodic transaction dates. Explore Academy acknowledges that the origination of ACH transactions to its account must comply with the provisions of United States laws. The undersigned certifies that he/she is an authorized agent for Explore Academy's Bank Account as described above.

EXPLORE ACADEMY

By:


Jesse Pickard

, its Authorized Representative

Accepted by:
WELLS FARGO, N.A.

By: _____

_____, its Authorized Representative

EXHIBIT D

REPORTING REQUIREMENTS

- Quarterly financial statements prepared by the School's designated financial consultant, within 30 days of the end of each fiscal quarter;
- Certain financial statements as follows: (i) by no later than December 15 of each year, the School shall submit a copy of the School's draft financial statements which are required pursuant to New Mexico State law to be submitted to the New Mexico State Auditor for preparation of the audited financial statements of the School, and (ii) within ten (10) business days after they are distributed by the New Mexico State Auditor pursuant to New Mexico State law, a copy of the audited financial statements required of the School under State law for the preceding Fiscal Year, including a balance sheet and operating statements, or, alternatively, a notice that such audited financial statements of the School have been posted and are publicly available on the website of the New Mexico State Auditor. The School and the Foundation acknowledge that the School's audited financial statements are prepared by the New Mexico State Auditor as a component part of the financial statements of the New Mexico Public Education Department, and as such are not under the control of the School. The School shall be deemed to have complied with this reporting and disclosure requirement so long as the School provides (i) its draft financial statements by December 15 of each year, and (ii) its annual audited financial statements (or notice that such audited financial statements of the School have been posted and are publicly available on the website of the New Mexico State Auditor) to the Trustee within ten (5) business days of when such audited financial statements are distributed by the New Mexico State Auditor.
- Annual capital and operating budgets within 5 days of final approval by the Charter School's governing body; and
- Notice of changes in the Charter School's governing body and senior management.

EXHIBIT E
COPIES OF THE NEW MEXICO PUBLIC EDUCATION DEPARTMENT'S AND PUBLIC
SCHOOL FACILITIES AUTHORITY'S RESPECTIVE APPROVALS OF THIS
AGREEMENT

[Completed after NMPED approval and before execution]

EXHIBIT D
BASE RENT SCHEDULE
(See attached)

EXHIBIT D BASE RENT SCHEDULE

Date	Base Rent		Date	Base Rent
4/20/2018	-		2/20/2021	68,499.47
5/20/2018	-		3/20/2021	68,499.47
6/20/2018	-		4/20/2021	68,499.47
7/20/2018	10,000.00		5/20/2021	68,499.47
8/20/2018	10,000.00		6/20/2021	68,499.47
9/20/2018	10,000.00		7/20/2021	68,499.51
10/20/2018	10,000.00		8/20/2021	68,499.47
11/20/2018	10,000.00		9/20/2021	68,499.47
12/20/2018	10,000.00		10/20/2021	68,499.47
1/20/2019	10,000.00		11/20/2021	68,499.47
2/20/2019	68,891.14		12/20/2021	68,499.47
3/20/2019	68,891.14		1/20/2022	68,499.55
4/20/2019	68,891.14		2/20/2022	68,682.80
5/20/2019	68,891.14		3/20/2022	68,682.80
6/20/2019	68,891.14		4/20/2022	68,682.80
7/20/2019	68,891.18		5/20/2022	68,682.80
8/20/2019	68,891.14		6/20/2022	68,682.80
9/20/2019	68,891.14		7/20/2022	68,682.84
10/20/2019	68,891.14		8/20/2022	68,682.80
11/20/2019	68,891.14		9/20/2022	68,682.80
12/20/2019	68,891.14		10/20/2022	68,682.80
1/20/2020	68,891.18		11/20/2022	68,682.80
2/20/2020	68,707.80		12/20/2022	68,682.80
3/20/2020	68,707.80		1/20/2023	68,682.92
4/20/2020	68,707.80		2/20/2023	68,816.14
5/20/2020	68,707.80		3/20/2023	68,816.14
6/20/2020	68,707.80		4/20/2023	68,816.14
7/20/2020	68,707.84		5/20/2023	68,816.14
8/20/2020	68,707.80		6/20/2023	68,816.14
9/20/2020	68,707.80		7/20/2023	68,816.18
10/20/2020	68,707.80		8/20/2023	68,816.14
11/20/2020	68,707.80		9/20/2023	68,816.14
12/20/2020	68,707.80		10/20/2023	68,816.14
1/20/2021	68,707.92		11/20/2023	68,816.14

**Public Finance Authority
Explore Academy Project
Base Rent Schedule**

Date	Base Rent		Date	Base Rent
12/20/2023	68,816.14		12/20/2026	68,870.31
1/20/2024	68,816.18		1/20/2027	68,870.33
2/20/2024	68,888.01		2/20/2027	68,784.89
3/20/2024	68,888.01		3/20/2027	68,784.89
4/20/2024	68,888.01		4/20/2027	68,784.89
5/20/2024	68,888.01		5/20/2027	68,784.89
6/20/2024	68,888.01		6/20/2027	68,784.89
7/20/2024	68,888.06		7/20/2027	68,784.91
8/20/2024	68,888.01		8/20/2027	68,784.89
9/20/2024	68,888.01		9/20/2027	68,784.89
10/20/2024	68,888.01		10/20/2027	68,784.89
11/20/2024	68,888.01		11/20/2027	68,784.89
12/20/2024	68,888.01		12/20/2027	68,784.89
1/20/2025	68,888.10		1/20/2028	68,784.95
2/20/2025	68,904.68		2/20/2028	68,648.43
3/20/2025	68,904.68		3/20/2028	68,648.43
4/20/2025	68,904.68		4/20/2028	68,648.43
5/20/2025	68,904.68		5/20/2028	68,648.43
6/20/2025	68,904.68		6/20/2028	68,648.43
7/20/2025	68,904.69		7/20/2028	68,648.44
8/20/2025	68,904.68		8/20/2028	68,648.43
9/20/2025	68,904.68		9/20/2028	68,648.43
10/20/2025	68,904.68		10/20/2028	68,648.43
11/20/2025	68,904.68		11/20/2028	68,648.43
12/20/2025	68,904.68		12/20/2028	68,648.43
1/20/2026	68,904.77		1/20/2029	68,648.52
2/20/2026	68,870.31		2/20/2029	68,877.59
3/20/2026	68,870.31		3/20/2029	68,877.59
4/20/2026	68,870.31		4/20/2029	68,877.59
5/20/2026	68,870.31		5/20/2029	68,877.59
6/20/2026	68,870.31		6/20/2029	68,877.59
7/20/2026	68,870.33		7/20/2029	68,877.64
8/20/2026	68,870.31		8/20/2029	68,877.59
9/20/2026	68,870.31		9/20/2029	68,877.59
10/20/2026	68,870.31		10/20/2029	68,877.59
11/20/2026	68,870.31		11/20/2029	68,877.59

**Public Finance Authority
Explore Academy Project
Base Rent Schedule**

Date	Base Rent		Date	Base Rent
12/20/2029	68,877.59		11/20/2032	68,714.58
1/20/2030	68,877.72		12/20/2032	68,714.58
2/20/2030	69,030.20		1/20/2033	68,714.60
3/20/2030	69,030.20		2/20/2033	68,663.02
4/20/2030	69,030.20		3/20/2033	68,663.02
5/20/2030	69,030.20		4/20/2033	68,663.02
6/20/2030	69,030.20		5/20/2033	68,663.02
7/20/2030	69,030.21		6/20/2033	68,663.02
8/20/2030	69,030.20		7/20/2033	68,663.03
9/20/2030	69,030.20		8/20/2033	68,663.02
10/20/2030	69,030.20		9/20/2033	68,663.02
11/20/2030	69,030.20		10/20/2033	68,663.02
12/20/2030	69,030.20		11/20/2033	68,663.02
1/20/2031	69,030.29		12/20/2033	68,663.02
2/20/2031	68,689.58		1/20/2034	68,663.03
3/20/2031	68,689.58		2/20/2034	68,951.55
4/20/2031	68,689.58		3/20/2034	68,951.55
5/20/2031	68,689.58		4/20/2034	68,951.55
6/20/2031	68,689.58		5/20/2034	68,951.55
7/20/2031	68,689.60		6/20/2034	68,951.55
8/20/2031	68,689.58		7/20/2034	68,951.59
9/20/2031	68,689.58		8/20/2034	68,951.55
10/20/2031	68,689.58		9/20/2034	68,951.55
11/20/2031	68,689.58		10/20/2034	68,951.55
12/20/2031	68,689.58		11/20/2034	68,951.55
1/20/2032	68,689.60		12/20/2034	68,951.55
2/20/2032	68,714.58		1/20/2035	68,951.67
3/20/2032	68,714.58		2/20/2035	68,721.34
4/20/2032	68,714.58		3/20/2035	68,721.34
5/20/2032	68,714.58		4/20/2035	68,721.34
6/20/2032	68,714.58		5/20/2035	68,721.34
7/20/2032	68,714.60		6/20/2035	68,721.34
8/20/2032	68,714.58		7/20/2035	68,721.39
9/20/2032	68,714.58		8/20/2035	68,721.34
10/20/2032	68,714.58		9/20/2035	68,721.34

**Public Finance Authority
Explore Academy Project
Base Rent Schedule**

Date	Base Rent		Date	Base Rent
10/20/2035	68,721.34		9/20/2038	68,744.78
11/20/2035	68,721.34		10/20/2038	68,744.78
12/20/2035	68,721.34		11/20/2038	68,744.78
1/20/2036	68,721.47		12/20/2038	68,744.78
2/20/2036	68,831.24		1/20/2039	68,744.89
3/20/2036	68,831.24		2/20/2039	68,965.10
4/20/2036	68,831.24		3/20/2039	68,965.10
5/20/2036	68,831.24		4/20/2039	68,965.10
6/20/2036	68,831.24		5/20/2039	68,965.10
7/20/2036	68,831.28		6/20/2039	68,965.10
8/20/2036	68,831.24		7/20/2039	68,965.13
9/20/2036	68,831.24		8/20/2039	68,965.10
10/20/2036	68,831.24		9/20/2039	68,965.10
11/20/2036	68,831.24		10/20/2039	68,965.10
12/20/2036	68,831.24		11/20/2039	68,965.10
1/20/2037	68,831.32		12/20/2039	68,965.10
2/20/2037	68,839.06		1/20/2040	68,965.13
3/20/2037	68,839.06		2/20/2040	68,641.14
4/20/2037	68,839.06		3/20/2040	68,641.14
5/20/2037	68,839.06		4/20/2040	68,641.14
6/20/2037	68,839.06		5/20/2040	68,641.14
7/20/2037	68,839.08		6/20/2040	68,641.14
8/20/2037	68,839.06		7/20/2040	68,641.14
9/20/2037	68,839.06		8/20/2040	68,641.14
10/20/2037	68,839.06		9/20/2040	68,641.14
11/20/2037	68,839.06		10/20/2040	68,641.14
12/20/2037	68,839.06		11/20/2040	68,641.14
1/20/2038	68,839.08		12/20/2040	68,641.14
2/20/2038	68,744.78		1/20/2041	68,641.22
3/20/2038	68,744.78		2/20/2041	68,631.77
4/20/2038	68,744.78		3/20/2041	68,631.77
5/20/2038	68,744.78		4/20/2041	68,631.77
6/20/2038	68,744.78		5/20/2041	68,631.77
7/20/2038	68,744.81		6/20/2041	68,631.77
8/20/2038	68,744.78		7/20/2041	68,631.78

**Public Finance Authority
Explore Academy Project
Base Rent Schedule**

Date	Base Rent		Date	Base Rent
8/20/2041	68,631.77		6/20/2044	68,620.31
9/20/2041	68,631.77		7/20/2044	68,620.31
10/20/2041	68,631.77		8/20/2044	68,620.31
11/20/2041	68,631.77		9/20/2044	68,620.31
12/20/2041	68,631.77		10/20/2044	68,620.31
1/20/2042	68,631.78		11/20/2044	68,620.31
2/20/2042	68,911.45		12/20/2044	68,620.31
3/20/2042	68,911.45		1/20/2045	68,620.35
4/20/2042	68,911.45		2/20/2045	68,882.81
5/20/2042	68,911.45		3/20/2045	68,882.81
6/20/2042	68,911.45		4/20/2045	68,882.81
7/20/2042	68,911.50		5/20/2045	68,882.81
8/20/2042	68,911.45		6/20/2045	68,882.81
9/20/2042	68,911.45		7/20/2045	68,882.83
10/20/2042	68,911.45		8/20/2045	68,882.81
11/20/2042	68,911.45		9/20/2045	68,882.81
12/20/2042	68,911.45		10/20/2045	68,882.81
1/20/2043	68,911.50		11/20/2045	68,882.81
2/20/2043	68,621.35		12/20/2045	68,882.81
3/20/2043	68,621.35		1/20/2046	68,882.83
4/20/2043	68,621.35		2/20/2046	68,966.66
5/20/2043	68,621.35		3/20/2046	68,966.66
6/20/2043	68,621.35		4/20/2046	68,966.66
7/20/2043	68,621.36		5/20/2046	68,966.66
8/20/2043	68,621.35		6/20/2046	68,966.66
9/20/2043	68,621.35		7/20/2046	68,966.66
10/20/2043	68,621.35		8/20/2046	68,966.66
11/20/2043	68,621.35		9/20/2046	68,966.66
12/20/2043	68,621.35		10/20/2046	68,966.66
1/20/2044	68,621.40		11/20/2046	68,966.66
2/20/2044	68,620.31		12/20/2046	68,966.66
3/20/2044	68,620.31		1/20/2047	68,966.74
4/20/2044	68,620.31		2/20/2047	68,591.66
5/20/2044	68,620.31		3/20/2047	68,591.66

**Public Finance Authority
Explore Academy Project
Base Rent Schedule**

<u>Date</u>	<u>Base Rent</u>		<u>Date</u>	<u>Base Rent</u>
4/20/2047	68,591.66		3/20/2050	-
5/20/2047	68,591.66		4/20/2050	-
6/20/2047	68,591.66		5/20/2050	-
7/20/2047	68,591.67		6/20/2050	-
8/20/2047	68,591.66		7/20/2050	-
9/20/2047	68,591.66		8/20/2050	-
10/20/2047	68,591.66		9/20/2050	-
11/20/2047	68,591.66		10/20/2050	-
12/20/2047	68,591.66		11/20/2050	-
1/20/2048	68,591.73		12/20/2050	-
2/20/2048	-		1/20/2051	-

EXHIBIT E
ACH AUTHORIZATION AGREEMENT

ACH AUTHORIZATION AGREEMENT

Explore Academy, a New Mexico Public Charter School, authorizes Wells Fargo Bank, N.A. to make the following ACH debits from its checking account as herein described.

1. Explore Academy Checking Account number: 3497393805
2. Explore Academy-Routing Number: 107002192
3. Bank Name: Wells Fargo, N.A.
4. Payee: Manufacturers & Traders Trust Company, ABA # 031100092, Credit to Account No. 128289-000, Ref. Explore 2018AB, Attn: Corporate Trust.
5. Date and Amount of ACH debit: As set forth in the attached Base Rent Schedule.
6. Commencement Date of ACH payments: July 1, 2018
7. Purpose: Making all rent payments due and owing according to that certain Lease Agreement by and between Explore Academy and Explore Academy Foundation, a New Mexico nonprofit corporation, dated May 10, 2018.

Explore Academy understands that this authorization will remain in effect until cancelled by an authorized representative of Explore Academy, which authorization shall be evidenced by a signed resolution of Explore Academy's governing body. Explore Academy shall provide no less than thirty (30) days' notice to the Bank prior to the next transfer date of its intent to terminate this ACH Authorization Agreement. If the above noted payment date falls on a weekend or holiday, Explore Academy understands that the payments may be executed on the preceding business day. For each ACH debit from Explore Academy's checking account, Explore Academy authorizes the transfer to be made on the above noted periodic transaction dates. Explore Academy acknowledges that the origination of ACH transactions to its account must comply with the provisions of United States laws. The undersigned certifies that he/she is an authorized agent for Explore Academy's Bank Account as described above.

EXPLORE ACADEMY

By: 
Jesse Pickard, its Authorized Representative

Accepted by:
WELLS FARGO, N.A.

By: _____
_____, its Authorized Representative

EXHIBIT F
REPORTING REQUIREMENTS
(To Foundation)

- Quarterly financial statements prepared by the Charter School's designated financial consultant, within 30 days of the end of each fiscal quarter.
- Certain financial statements as follows: (i) by no later than December 15 of each year, the School shall submit a copy of the School's draft financial statements which are required pursuant to New Mexico State law to be submitted to the New Mexico State Auditor for preparation of the audited financial statements of the School, and (ii) within ten (10) business days after they are distributed by the New Mexico State Auditor pursuant to New Mexico State law, a copy of the audited financial statements required of the School under State law for the preceding fiscal year, including a balance sheet and operating statements, or, alternatively, a notice that such audited financial statements of the School have been posted and are publicly available on the website of the New Mexico State Auditor. The School and the Foundation acknowledge that the School's audited financial statements are prepared by the New Mexico State Auditor as a component part of the financial statements of the New Mexico Public Education Department, and as such are not under the control of the School. The School shall be deemed to have complied with this reporting and disclosure requirement so long as the School provides (i) its draft financial statements by December 15 of each year, and (ii) its annual audited financial statements (or notice that such audited financial statements of the School have been posted and are publicly available on the website of the New Mexico State Auditor) to the Trustee within ten (5) business days of when such audited financial statements are distributed by the New Mexico State Auditor.
- Annual capital and operating budgets within five (5) days of final approval by the Charter School's governing body.
- Notice of changes in the Charter School's governing body and senior management.



May 3, 2019

New Mexico Public Education Department
Options for Parents/Charter Schools Division
300 Don Gawpar, Room 301
Santa Fe, New Mexico 87501

Re: Explore Academy
Fiscal Year Audit Ending June 30, 2019

Dear PED:

In accordance with a request from Explore Academy, we provide the following information:

1. Policies in force during the period **7/1/18 through 6/30/19**

PROPERTY INSURANCE

Lexington Insurance Company
Policy Number MOC NO. P0021
\$149,500,000 each occurrence, excess of \$750,000 Self-Insured Retention (Self-Insured Retention is the responsibility of New Mexico Public Schools Insurance Authority).
Covers buildings, contents, equipment and vehicles of Explore Academy subject to a \$1,000 deductible each occurrence, which is the responsibility of the district. The Named Insured is Explore Academy, and 202 additional members of the New Mexico Public Schools Insurance Authority.

LIABILITY INSURANCE

Great America Reinsurance
Policy Number MOC NO. L0021
\$9,500,000 excess of \$750,000 Self-Insured Retention, each occurrence (Self-Insured Retention is the responsibility of New Mexico Public Schools Insurance Authority)
Coverage is provided for General, Automobile, Civil Rights and other miscellaneous liabilities up to the limits provided for under the Tort Claims Act. Additional limit is available for liability incurred in foreign jurisdictions. The Named Insured is Explore Academy, its employees, board members, volunteers and others whom the district may be contractually obligated to name as an insured. The policy also provides coverage for 202 other members of the New Mexico Public Schools Insurance Authority. Refer to the Summary of Coverage for more detail as to coverage and limits.

The combined annual premium for Property and Liability: \$ 39,017



WORKERS' COMPENSATION INSURANCE

Safety National Casualty Corporation

Policy Number SP 4055030

Statutory coverage applies excess of the \$750,000 Self-Insured Retention, which is the responsibility of the New Mexico Public Schools Insurance Authority.

There is no Member deductible.

The annual premium: \$ 22,105

EQUIPMENT BREAKDOWN INSURANCE

Liberty Mutual Company

Policy Number YB2-L9L-465931-018

Coverage provided for mechanical and other perils related to boilers, heating and air conditioning equipment, electrical apparatus, etc. up to a limit of \$50,000,000 each occurrence and \$2,500 deductible.

The annual premium: \$ 127

STUDENT ACCIDENT MANDATORY CATASTROPHIC INSURANCE

Ace American Insurance Company

Mandatory Catastrophic Insurance

Coverage is provided for students participating in New Mexico Activities Association (NMAA) sponsored events from Grades 7-12.

For the 2018/2019 policy, there is a \$5,000,000 limit per accident, subject to a \$25,000 deductible.

The annual premium: NOT APPLICABLE

STUDENT ACCIDENT VOLUNTARY CATASTROPHIC INSURANCE

Ace American Insurance Company

Policy Number **NOT APPLICABLE**

This coverage provides the opportunity for schools to extend the catastrophic insurance to all students for all other school activities during the school year. For the 2018/2019 policy, there is a \$5,000,000 limit per accident, subject to a \$25,000 deductible.

The annual premium: \$ NOT APPLICABLE



EXCESS EMPLOYEE FIDELITY/FAITHFUL PERFORMANCE INSURANCE

Berkley Regional Insurance Company
Policy Number BGOV-45001509-23
Excess Fidelity Insurance Coverage

Excess Fidelity Insurance Coverage covers losses caused by failure of any employee to faithfully perform his or her duties as prescribed by law as well as losses caused by forgery or alteration of checks, drafts, promissory notes or orders to pay moneys that are drawn upon your accounts by someone acting as your agent. \$2,250,000 limit subject to a \$250,000 deductible.

The annual Premium: \$ No cost to member

2. Explore Academy is not entitled to any refunds or rebates on the above policies; there are no assessments or other amounts (including premium amounts) due for this period.
3. See attached claims information (if applicable) for the policy period of July 1, 2018 to June 30, 2019.

If you need any further information, please do not hesitate to contact us directly.

Sincerely,



Jessie Monterrosa-Torres, CISR
Senior Account Manager
Risk Services Department

cc: Patrick Sandoval, NMPSIA



CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
05/03/2019

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

PRODUCER Poms & Associates Insurance Brokers CA License #0814733 5700 Canoga Ave. #400 Woodland Hills CA 91367	CONTACT NAME: Risk Services PHONE (A/C, No, Ext): (800) 578-8802 E-MAIL ADDRESS: rservices@pomsassoc.com PRODUCER CUSTOMER ID: 00016280	FAX (A/C, No): (818) 449-9449
INSURED New Mexico Public Schools Insurance Authority Member: Explore Academy 410 Old Taos Highway Santa Fe NM 87501	INSURER(S) AFFORDING COVERAGE INSURER A: Berkley Regional Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC #

COVERAGES

CERTIFICATE NUMBER: Explore Academy

REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
	<input type="checkbox"/> PROPERTY					
	CAUSES OF LOSS	DEDUCTIBLES			BUILDING	\$
		BUILDING			PERSONAL PROPERTY	\$
	<input type="checkbox"/> BASIC				BUSINESS INCOME	\$
	<input type="checkbox"/> BROAD	CONTENTS			EXTRA EXPENSE	\$
	<input type="checkbox"/> SPECIAL				RENTAL VALUE	\$
	<input type="checkbox"/> EARTHQUAKE				BLANKET BUILDING	\$
	<input type="checkbox"/> WIND				BLANKET PERS PROP	\$
	<input type="checkbox"/> FLOOD				BLANKET BLDG & PP	\$
					Contents	\$
						\$
	<input type="checkbox"/> INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	<input type="checkbox"/> NAMED PERILS	POLICY NUMBER				\$
						\$
A	<input checked="" type="checkbox"/> CRIME	BGOV-45001509-23	07/01/2018	07/01/2019	<input checked="" type="checkbox"/> Employee Theft	\$ 2,000,000
	TYPE OF POLICY				<input checked="" type="checkbox"/> Forgery or Alteration	\$ 2,000,000
					<input checked="" type="checkbox"/> Faithful Performanc	\$ 1,000,000
	<input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
						\$
						\$
						\$

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

Evidence of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

05/03/2019

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

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

PRODUCER Poms & Associates Insurance Brokers CA License #0814733 5700 Canoga Ave. #400 Woodland Hills CA 91367	CONTACT NAME: Risk Services PHONE (A/C, No, Ext): (800) 578-8802 E-MAIL ADDRESS: rservices@pomsassoc.com FAX (A/C, No): (818) 449-9449
INSURED New Mexico Public Schools Insurance Authority Member: Explore Academy 410 Old Taos Highway Santa Fe NM 87501	INSURER(S) AFFORDING COVERAGE INSURER A: New Mexico Public Schools Insurance Authority INSURER B: Safety National INSURER C: New Mexico Public Schools Insurance Authority INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** Explore Academy **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Owners Contractors <input type="checkbox"/> Protective Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			MOC NO. L0021	07/01/2018	07/01/2019	EACH OCCURRENCE \$ Tort Limit DAMAGE TO RENTED PREMISES (Ea occurrence) \$ Tort Limit MED EXP (Any one person) \$ Tort Limit PERSONAL & ADV INJURY \$ Tort Limit GENERAL AGGREGATE \$ Tort Limit PRODUCTS - COMP/OP AGG \$ Tort Limit MAXIMUM LIABILITY \$ 1,050,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			MOC NO. L0021	07/01/2018	07/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ Tort Limit BODILY INJURY (Per accident) \$ Tort Limit PROPERTY DAMAGE (Per accident) \$ Tort Limit MAXIMUM LIABILITY \$ 1,050,000
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input type="checkbox"/>	N / A	SP4055030	07/01/2018	07/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000
C	PROPERTY			MOC NO. P0021	07/01/2018	07/01/2019	Building Deductible: PER SCHEDULE Contents Deductible: ON FILE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Self-Insured Retention for Liability is \$750,000 and \$1,000,000 for Workers' Compensation. See attached New Mexico Tort Claims Act Section 41-4-19: Maximum Liability Summary.

CERTIFICATE HOLDER**CANCELLATION**

Evidence of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: _____

LOC #: _____

ADDITIONAL REMARKS SCHEDULE

Page _____ of _____

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

ADDITIONAL REMARKS**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,****FORM NUMBER:** _____ **FORM TITLE:** : Notes

Summary of New Mexico Tort Claims Act Section 41-4-19: Maximum Liability
Governmental entities and agencies, including public schools, public charter schools and community colleges and universities are granted immunity from liability.
Commercial General Liability
Products and Completed Operations
Professional Liability
Contractual Liability
Imposed by New Mexico Tort Claims Act [NMSA 1975 §41-4-1 through 41-4-29]
\$400,000 Bodily Injury Per Person
\$200,000 Property Damage Per Property Address
\$300,000 Medical
\$750,000 Per Occurrence
\$1,050,000 Combined Limit/Maximum Liability