

Charter Contract Between the  
New Mexico Public Education Commission  
And  
**TAOS ACADEMY**

This Charter Contract, (the "Contract"), is hereby entered into by and between the New Mexico Public Education Commission, (the "Commission"), and Taos 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 November 15, 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 Traci Filiss and William "Bill" MacDonald 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 §

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. The mission of Taos Academy is to prepare students in fifth through twelfth grade to achieve and maintain a level of excellence by supporting and promoting academic achievement, strong leadership skills, and social responsibility. Through the use of innovative curriculum, leadership training, and enrichment opportunities, we foster a community of self-motivated, independent, lifelong learners. The partnership of school, parents, and community creates a learning environment where students acquire the knowledge, leadership skills, and sense of responsibility needed to succeed in the 21st century.
  - 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 250 students in grades 5-12.
  - 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 will be provided by the effective date of the contract.
- 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 The Taos 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. Educational Philosophy - Taos Academy provides a hybrid learning environment that combines direct and digital instruction with experiential curriculum to create a holistic learning environment able to meet each student's academic and social/emotional needs. Taos Academy blends traditional classroom teaching methods with the latest technological advances, allowing students to benefit from both group and one-on-one approaches.
  - ii. Instructional Approach - Using proven educational practices, intentional instructional design, and meaningful assessments, the school provides students with the individualized instruction necessary to meet their learning goals. After a thorough assessment, students are placed appropriately according to academic need. Placing students according to present performance levels ensures student success by building on their individual knowledge base rather than grade level. The school provides academic classes to students in a highly interactive digital format with the flexibility of anytime, anywhere learning. After students begin digital studies, their advisor will monitor all academic activities through the web-based program. The advisor has access to all daily academic activity, is able to track time spent on assignments, view scores of individual lessons and quizzes, and determine areas of weakness. Advisor and student are able to communicate using state-of-the-art web-based communications with the capability for audio, visual, and written communication, or live face-to-face communication in a traditional manner. Students are required to attend Math and Language Arts enrichment classes and have access to tutoring to further support academic excellence.
  - iii. 21<sup>st</sup> Century Learning: Taos Academy is devoted to developing a strong community of leaders throughout the organization, focusing our attention on 21st-century learning skills such as communication skills, teamwork, and research skills. Students are required to successfully complete one or more credits per year developing 21Century skills to ensure preparation of future endeavors. Classes offered yearly include but are not limited to, leadership training, global studies, career and technical education development, and STEM institute. Leadership training programs include but are not be limited to, classes in emotional intelligence, advisory groups, outdoor education, and service learning projects. Global studies classes incorporate but are not limited to, global awareness, language study, cultural studies, and geography. The STEM Institute classes offer students a variety of courses, aligned to STEM standards, to enrich the academic programming. Instructional methods include, but are not be limited to, direct instruction, guided teaching, and a constructivist approach (inquiry, analysis, synthesis, etc.). Students attend these classes on campus on a regular basis, depending on their individual plan.
  - iv. Career and Technical Education: Taos Academy students are given choice and flexibility in deciding non-core educational programming. With the development of the individualized career pathway plan, students, parents and the school advisors design a schedule that promotes academic success along with targeting areas of interest with classes aligned to the student's career plan. Career and Technical Education courses such as (21st Century classes, dual credit, internship, STEM Institute classes, career prep, elective and/or honors classes) are offered each semester. Students must earn a minimum of 1 credit per year from the list above that aligns to the pathway plan.

**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):

Taos Academy Charter School  
110 Paseo Del Cañon West  
Taos, NM 87571

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:**

William "Bill" MacDonald  
Governing Board President  
1127 Juniper Rd, Taos, NM 87571  
(575) 770-1858  
bmacdonald@taosacademy.org

Traci Filiss  
Head Administrator  
PO Box 3113, Taos, NM 87571  
(575) 776-7546  
tfiliss@taosacademy.org

**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.

TAOS ACADEMY

Executed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

By   
\_\_\_\_\_  
Charter Representative for Taos Academy

NEW MEXICO PUBLIC EDUCATION COMMISSION

Executed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

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



## **New Mexico Public Education Commission Charter Performance Review and Accountability System**



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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.

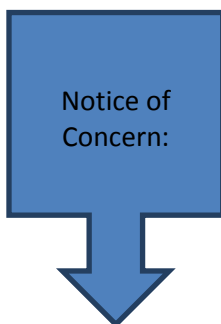
## Intervention Ladder

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.

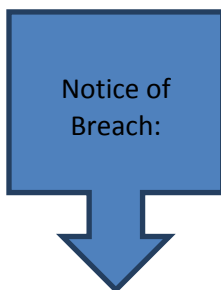


PEC will issue a Notice of Concern at a properly noticed public meeting. PEC’s authorized representative(s) shall provide schools notice that they will be appearing on the PEC’s agenda for the purposes of issuing a Notice of Concern at least 10 days prior to the meeting. As part of issuing a Notice of Concern, the PEC will establish expected outcomes and deadlines<sup>1</sup> 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 matter<sup>2</sup> 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 deadlines<sup>1</sup> 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 matter<sup>2</sup> in which case the deadline shall be no less than 72 hours.

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

<sup>2</sup> 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
<b>Notice of Concern</b>	<ul style="list-style-type: none"> <li>• Failure to meet performance standards represented in the performance framework.</li> <li>• Receipt of verified complaint of significant concern.</li> <li>• Evidence of not meeting performance expectations through routine monitoring or school visit.</li> <li>• Failure to comply with terms of the charter.</li> </ul>	<ul style="list-style-type: none"> <li>• Appearance before the Public Education Commission at public meeting.</li> <li>• Letter to school leader and governing board detailing areas of concern and specific outcomes and timeline for correcting the performance gap.</li> </ul>
<b>Notice of Breach</b>	<ul style="list-style-type: none"> <li>• Failure to meet objectives identified in a Notice of Concern.</li> <li>• Evidence of material or significant failure to comply with applicable laws.</li> <li>• Actions or operational deficiencies that may endanger the well-being of students and/or staff, or negatively impact the viability of the school.</li> </ul>	<ul style="list-style-type: none"> <li>• Appearance before the Public Education Commission at public meeting.</li> <li>• Letter to school leader and governing board giving notification of breach and outlining additional terms of oversight and monitoring.</li> <li>• 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.</li> <li>• PEC, through authorized representative(s), monitors implementation of Corrective Action or Improvement Plan.</li> </ul>
<b>Revocation Review</b>	<ul style="list-style-type: none"> <li>• Failure to successfully meet the terms of the Corrective Action or Improvement Plan.</li> <li>• Repeated failure to meet the material terms of the charter agreement.</li> <li>• Illegal behavior, fraud, misappropriation of funds.</li> <li>• Extended pattern of failure to meet performance expectations set forth in the charter agreement.</li> <li>• Repeated failure to comply with applicable law.</li> </ul>	<ul style="list-style-type: none"> <li>• Appearance before the Public Education Commission at public meeting.</li> <li>• 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.</li> <li>• The PEC's authorized representative(s) review and preparation of recommendation to revoke, or not to revoke, the charter.</li> <li>• PEC reviews recommendations and makes decision to commence or not commence revocation proceedings.</li> </ul>

## **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 <sup>3</sup>	Renewal Terms
<b>Expedited Renewal<sup>4</sup></b>	<b>Academic</b> <ul style="list-style-type: none"> <li>• Maintain Tier 1 or 2 rating for previous four years of the charter contract</li> </ul>	Five-year term with no additional conditions outside normal charter contract; streamlined renewal application and review process
	<b>Organizational / Financial</b> <ul style="list-style-type: none"> <li>• Meet Expectations for previous four years of the charter contract</li> </ul>	
<b>Full Renewal<sup>5</sup></b>	<b>Academic</b> <ul style="list-style-type: none"> <li>• Earn no Tier 4 ratings within the past three years, and</li> <li>• Either: <ul style="list-style-type: none"> <li>○ Maintain Tier 1 or 2 rating for at least three of past four years, or</li> <li>○ Demonstrate consistently improving Tier rating over the last 3 years</li> </ul> </li> </ul>	Five-year term with no additional conditions outside normal charter contract
	<b>Organizational / Financial</b> <ul style="list-style-type: none"> <li>• Meet Expectations for the last two years, or</li> <li>• Meet Expectations for at least three of past four years</li> </ul>	
<b>Renewal with conditions<sup>6</sup></b>	<b>Academic</b> <ul style="list-style-type: none"> <li>• 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</li> <li>• Earn Tier 3 or 4 rating for three of the past four years, or</li> <li>• Earn two or more Tier 3 or 4 ratings and demonstrate declines in Tier rating in any of the last two years</li> </ul>	Three- or five-year renewal term with defined goals for school improvement on academic, organizational, and/or financial frameworks
	<b>Organizational / Financial</b> <ul style="list-style-type: none"> <li>• Earn “did not meet” expectations for two or more years including one of the last two years</li> </ul>	
<b>Non-Renewal<sup>7</sup></b>	<b>Academic</b> <ul style="list-style-type: none"> <li>• Earn Tier 4 performance rating for past two years, or</li> <li>• Earn Tier 4 performance rating for three or more years during the last four years including the most recent</li> </ul>	Recommendation for non-renewal
	<b>Organizational / Financial</b> <ul style="list-style-type: none"> <li>• Earn “did not meet” expectations for three or more years during the last four years including the most recent year</li> </ul>	

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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	<b>Options:</b> August 1, September 1, or October 1
Renewal Site Visit	<b>Dependent on submission date:</b> August, September, or October
Additional Requests for Information	As needed
Final Renewal Report	<b>At least 5 days before PEC Vote</b>
PEC Renewal Vote	<b>Dependent on submission date:</b> 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.

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#### **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"> <li>1) College entrance exams (Accuplacer, ACT, ACT Aspire, Compass, PLAN, PSAT, SAT, or SAT Subject Test);</li> <li>2) Evidence that the student can pass a college-level course (Advanced Placement, Dual Credit, or IB); or</li> <li>3) Eligibility for an industry-recognized certification (Career Technical Education).</li> </ol> <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><b>Indicator 2: Subgroup Performance</b></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 TAOS ACADEMY

**Goal #1:** Students in grades 5-12 at Taos Academy, enrolled on both the 40<sup>th</sup> and 120<sup>th</sup> day of the academic year, will complete at least 1 credit in Career and Technology Education (CTE) course (21<sup>st</sup> Century classes, dual credit, internship, STEAM Institute classes, career prep, elective and/or honors classes). The student Individual Learning Plan (ILP) and student transcript will document credit earned and grade in the class, respectively, as demonstrated by an exported report from the school's Student Information System (SIS).

Measure Rating Category	Description of Target for this Performance Level	Points Assigned
<i>Exceeds Standard</i>	80% or higher of Taos Academy students will complete at least 1 credit in Career and Technology Education (CTE) course each year with a passing grade of "B" (80%) or higher.	100
<i>Meets Standard</i>	70% to 79% of Taos Academy students will complete at least 1 credit in Career and Technology Education (CTE) course each year with a passing grade of "B" (80%) or higher.	75
<i>Does Not Meet Standard</i>	60% to 69% of Taos Academy students will complete at least 1 credit in Career and Technology Education (CTE) course each year with a passing grade of "B" (80%) or higher.	25
<i>Falls Far Below Standard</i>	Below 60% of Taos Academy students will complete at least 1 credit in Career and Technology Education (CTE) course each year with a passing grade of "B" (80%) or higher.	0



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

## 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 <sup>8</sup>	Component of Site Visit Evaluation?
<b>1. EDUCATIONAL PROGRAM REQUIREMENTS</b>		
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"> <li>School's mission is being implemented. <i>Article VIII. Section 8.01.(a)(ii)</i></li> <li>The school has documentation/evidence that it is implementing its educational programs. <i>Article VIII. Section 8.01.(a)(iii)</i></li> <li>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></li> <li>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></li> </ul>	YES
1.b. Does the school comply with state and contractual assessment requirements?	<ul style="list-style-type: none"> <li>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"> <li>Grade level math and reading assessments</li> <li>Subject based end of course exams</li> <li>Early childhood assessments</li> <li>English Learner screening and progress monitoring assessments</li> <li>National performance assessments, when selected, and</li> <li>Language assessments for bi-lingual programs.</li> </ul> </li> <li>The school administers all required contractual assessments (specified in contract/performance framework that are still applicable).</li> <li>The school ensures assessment accommodations are properly administered to all eligible students.</li> <li>The school complies with assessment training requirements: <i>NMAC 6.10.7.8 and 9</i> <ul style="list-style-type: none"> <li>Has an identified District Test Coordinator (DTC)</li> <li>DTC attends all required trainings, and</li> <li>DTC annually provides training for all district personnel involved in test administration, preparation, and security.</li> </ul> </li> </ul>	NO

<sup>8</sup> 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 <sup>8</sup>	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"> <li>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>)</li> <li>The school has <b>not</b> been the subject of a due process hearing that resulted in a finding of noncompliance during the current school year.</li> <li>The school has <b>not</b> 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.</li> <li>The school is in compliance with all terms of any corrective action plan that resulted from a state-level complaint.</li> <li>The school has received no OCR complaints determined to be valid and demonstrate a students' rights were violated. (<i>NMSA 22-8B-4</i>)</li> </ul>	NO
1.d. Is the school protecting the rights of English Learner students?	<ul style="list-style-type: none"> <li>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>)</li> <li>The school does not have a major discrepancy (&gt;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.</li> <li>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.</li> <li>The school has received no OCR complaints determined to be valid that demonstrate a students' rights were violated. (<i>NMSA 22-8B-4</i>)</li> </ul>	NO
1.e. Does the school comply with federal and state grant program requirements?	<ul style="list-style-type: none"> <li>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.)</li> <li>The school is responsive to findings of non-compliance in accordance with deadlines.</li> </ul>	NO

Topics and Indicators	Criteria Statements <sup>8</sup>	Component of Site Visit Evaluation?
1.f. Does the school implement an Educational Plan for Student Success (NMDASH)?	<ul style="list-style-type: none"> <li>The school has an active core team engaged in the DASH process.</li> <li>The school is implementing their annual and 90-day plans, as evaluated through reviewing evidence and school/adult actions during the site visit.</li> </ul> <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
<b>2. FINANCIAL MANAGEMENT AND OVERSIGHT</b>		
2.a. Is the school meeting financial reporting and compliance requirements?	<ul style="list-style-type: none"> <li>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.)</li> <li>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)</li> <li>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.</li> <li>The school, if subject to a T&amp;E audit, has no more than a .06 difference in reported and audited T&amp;E.</li> </ul>	NO
2.b. Is the school following Generally Accepted Accounting Principles?	<ul style="list-style-type: none"> <li>The school received an unmodified audit opinion for the last audit.</li> <li>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.</li> </ul>	NO
2.c. Is the school responsive to audit findings?	<ul style="list-style-type: none"> <li>The school's last audit is devoid of any multi-year repeat findings.</li> <li>School implements Audit CAP as submitted, as evaluated through reviewing evidence and school/adult actions during the site visit.</li> </ul>	YES
2.d. Is the school managing grant funds responsibly?	<ul style="list-style-type: none"> <li>The school submits, at a minimum, RfRs to the PED on a monthly basis.</li> <li>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</li> </ul>	NO

Topics and Indicators	Criteria Statements <sup>8</sup>	Component of Site Visit Evaluation?
2.e. Is the school adequately staffed to ensure proper fiscal management?	<ul style="list-style-type: none"> <li>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).</li> <li>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)</li> <li>The governing council's audit committee and finance subcommittee are properly constituted and meet as required. (NMSA 22-8-12.3)</li> </ul>	NO
2.f. Is the school meeting their obligations timely and with appropriate internal controls?	<ul style="list-style-type: none"> <li>Bills, invoices, or other liabilities are paid in a timely fashion and the accounts payable transaction cycle meets standards for internal controls</li> </ul>	
<b>3. GOVERNANCE AND REPORTING</b>		
3.a. Is the school complying with governance requirements?	<ul style="list-style-type: none"> <li>The governing body meets membership requirements: NMSA 22-8B-4; PEC policy <ul style="list-style-type: none"> <li>Maintains at least 5 members</li> <li>Complies with governance change policy</li> <li>Notifies PEC of board membership changes within 30 days, with complete documentation, and</li> <li>Fills all vacancies within 45 days, or 75 days, if extension is requested by school.</li> </ul> </li> <li>All members of the governing body complete all training requirements in accordance with established deadlines. (NMAC 6.80.5.8 and 9)</li> <li>The school's governing council independently oversees the school's finances according to law</li> <li>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</li> <li>The governing council demonstrates in board meetings that it is analyzing the financial position of the school</li> <li>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</li> <li>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)</li> </ul>	NO



Topics and Indicators	Criteria Statements <sup>8</sup>	Component of Site Visit Evaluation?
3.b. Is the school complying with nepotism and conflict of interest requirements?	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	YES
3.c. Is the school meeting reporting requirements?	<ul style="list-style-type: none"> <li>The school complies with reporting deadlines from the PED, PEC, and other state agencies.</li> </ul>	NO
<b>4. STUDENTS AND EMPLOYEES</b>		
4.a. Is the school protecting the rights of all students?	<ul style="list-style-type: none"> <li>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>)</li> <li>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>)</li> <li>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.</li> <li>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.</li> <li>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</li> </ul>	NO
4.b. Does the school meet attendance, retention, and recurrent enrollment goals for students?	<ul style="list-style-type: none"> <li>The school meets the 95% average daily attendance goal, or is able to demonstrate successful efforts to improve attendance among student body.</li> <li>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.</li> <li>The school retains at least 70% of students eligible to reenroll between school years.</li> </ul>	YES

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

Topics and Indicators	Criteria Statements <sup>8</sup>	Component of Site Visit Evaluation?
4.e. Is the school completing required background checks and reporting ethical violations?	<ul style="list-style-type: none"> <li>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>)</li> <li>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>)</li> </ul>	YES
<b>5. SCHOOL ENVIRONMENT</b>		
5.a. Is the school complying with facilities requirements?	<ul style="list-style-type: none"> <li>The school meets PSFA occupancy, NMCI and ownership requirements. (<i>NMSA 22-8B-4.</i>)</li> <li>The school has an e-occupancy certificate.</li> <li>The school has PSFA letter verifying condition index.</li> <li>The school is in a building that is: <ul style="list-style-type: none"> <li>A publicly owned building</li> <li>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</li> <li>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.</li> </ul> </li> <li>The school notifies the PEC prior to any change in facilities.</li> <li>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"> <li>safe, healthy, orderly, clean and in good repair</li> <li>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</li> <li>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.</li> </ul> </li> </ul>	YES
5.b. Is the school complying with transportation requirements?	<ul style="list-style-type: none"> <li>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.</li> </ul>	NO

Topics and Indicators	Criteria Statements <sup>8</sup>	Component of Site Visit Evaluation?
5.c. Is the school complying with health and safety requirements?	<ul style="list-style-type: none"> <li>• 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"> <li>- 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;</li> <li>- two of these drills shall be shelter-in-place drills;</li> <li>- one of these drills shall be an evacuation drill;</li> <li>- nine of these drills shall be fire drills, with one emergency drill required each week during the first four weeks of school;</li> <li>- 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.</li> </ul> </li> <li>• The school submits school wellness and safety plans, and all required revisions, in accordance with deadlines to the PED. (NMAC 6.12.6.8)</li> <li>• 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.</li> <li>• 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)..</li> </ul>	YES
5.d. Is the school handling information appropriately?	<ul style="list-style-type: none"> <li>• There are no verified complaints that demonstrate the school has failed to comply with FERPA requirements.</li> <li>• There are no verified complaints that demonstrate the school does not obtains, maintains, and transfers cumulative files as required by law.</li> </ul>	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.

**Meeting Minutes**  
**Taos Academy Charter School**  
**Governing Council Meeting**  
**110 Paseo Del Canon Taos, NM 87571**  
**Monday, May 13, 2019**

**A. Call To Order – 5:42 pm**

**B. Roll Call** – Bill MacDonald (President) by phone, Dean Caldwell (Vice President), Matthew Currey (Treasurer), Kristen Torres (Member), Traci Filiss (Director), Karin Moulton (Community Coordinator), Elizabeth LeBlanc, (Curriculum, Instructional Coach and Data Coordinator), Deanna Gomez (Contracted Finance Director/Business Official- via Zoom) **Absent:** Simeon Herskovits (Secretary) **Other Staff:** None

**C. Pledge of Allegiance**

**D. Approval of Minutes (Action)** – Matthew moves to approve the minutes. Kristen seconds the motion. Motion carries.

**E. Approval of Agenda (Action)** - Matt moves to approve the agenda. Kristen seconds the motion. Motion carries.

**F. Governing Council Input** - Dean went to a training last week on Saturday and will connect with Traci on sharing out at a Strategic Planning Meeting.

**G. Public Input (See below)** - None

**H. Financial reports (Discussion & Action)**

**a. Business Services Update** - Deanna reported that she and Traci have been working on the budget. We are in the middle of the conversion back to the APTA system.

**b. BAR Approvals (Action)** - No ratification was needed from last month's meeting. Matthew moves to approve any BARs necessary to meet end of year deadline with ratification at the next meeting in June and July. Kristen seconds the motion. Motion carries.

**c. Finance/Audit Committee Update** - Bill, Traci, and Dean met and reported that they talked about reduction of small school size adjustment.

Matthew moves to approve the unaudited financial reports as presented by the Business Manager. Kristen seconds the motion. Motion carries.

**I. Reports & Discussion & Action Items-**

**a. Parent/Student Advisory Report** - Both Student and Parent Advisories are finished for the school year and will resume in August.

**b. Community Coordinator's Report** - Gala was a success; it was well attended and went smoothly. Heather Sparrow will be installing some of the student's street art around town this summer as well as renewing artwork at Cici's Cafe.

**c. Foundation Report** - Quarterly report included P&L report, copies of meeting minutes, copies of bank statements. Changes in TAF board members since the last quarter were David Clancy left the board and Don

Bush joined the board. Board positions shifted as well - Saskia Iliohan is president, Julee LaMure is vice president, Karin remains treasurer, Don is a voting member. Taxes were just submitted to the IRS for the 2017-2018 fiscal year. Copies of the taxes, general ledger, income sheet, and balance sheets were made available to TA Governing Council Members.

- d. **Director's report - Facility:** School Security monies from the PFSA were approved a year ago and are finally able to be spent. We will be moving forward with these purchases. We have procured carpet for four buildings and vinyl flooring, as well as the asphalt material covering for the track. **Recharter Negotiations:** On Thursday, E and Traci went down and negotiated our new charter contract with the Public Education Commission. We have the same Math, ELA, and CTE goals that we had before with minor revisions to the last one. **Staff breakfast potluck:** We do this in August. **Graduation:** Friday, May 17th from 2-4 pm at TCA. **GC training completion:** ALL GC members report they have completed their annual training. **Legislation Update:** The charter school moratorium did not pass nor did the size cap, but the proposed age limit did. NMPED's interpretation of these legislative changes remains to be seen. The increased enrollment will mean that we are hiring some new staff. **Strategic planning date** - tentatively scheduled on Saturday, June 22, 2019 from 9am -4pm.(edit GC self eval, impact from legislative session, Karin succession, beginning of year breakfast, reduction of small school size 5 year projections)
- e. **Director of Teaching and Learning Report:** Elizabeth reported on our US News and World Report award growth towards school wide goal of math growth and culture. Kristen suggests that we post it on the website.
- f. **2019-20 Calendar (Action)** - Matthew moves to approve the 2019-20 Calendar. Kristen seconds the motion. Motion carries.
- g. **2019-20 Budget (Action)** - Tabled
- h. **Title 1 & 2 Federal Grants (Action)** - Matthew moves to approve the Title 1 (\$46,312.20 to support math instruction) & Title II (\$7,631 for professional development/instructional coaching) Federal Grants. Kristen seconds the motion. Motion carries.
- i. **IDEA -B Federal Grant (Action)** - \$40,423.51 for Special Education coordination. Matthew moves to approve the IDEA-B Federal Grant. Kristen seconds the motion. Motion carries.
- j. **Fine Arts Grant (Action)** - (\$8,331.87 for Elementary Art supplies, professional development and a portion for salaries for STEM+Arts instructors) Matthew moves to approve the Fine Arts Grant. Kristen seconds the motion. Motion carries.
- k. **Lease Assistance Application (Action)** - Our lease assistance is \$159,766 and we pay \$180,536 for our lease payments. Kristen moves to approve the Lease Assistance Application. Matt seconds the motion. Motion carries.
- l. **Medicaid Memorandum of Agreement (Action)** - Kristen moves to approve the Medicaid MOA. Matthew seconds the motion. Motion carries.

- m. **Review Draft of Charter Contract & Charter Performance Review & Accountability System** - PED has sent a draft. The complete contract is not finished yet.
- n. **Signature Authority to GC President to sign final copy of Charter Contract & Charter Performance Review & Accountability System (Action)** Matthew moves to approve the GC President signature authority to sign final copy of Charter Contract and Charter Performance Review and Accountability System, Kristen seconds the motion. Motion carries
- o. **Policy Approval (Action)** - (IKEB Acceleration, IL-1 Evaluation of Instructional Programs Revised, IKFB Graduation Exercises Revised, IKFA Early Graduation Revised, ILB Test Assessment Administration Revised, IMA-1 Teaching Methods and Lesson Plans Revised, IL- Evaluation of Instructional Programs Revised, ILC Use and Dissemination of Test Results Revised, IMA Teaching Methods Revised, IMB Teaching About Controversial Sensitive Issues Revised, IMD School Ceremonies and Observances Revised, IMG-1 Animals in Schools Revised, IMG Animals in Schools, IMH Class Interruptions Revised), Kristen moves to approve all policies presented, Bill seconds the motion. Motion carries.
- p. **Closed Session** - Staffing discussion  
 Kristen makes a motion to go into closed session to discuss the staffing. Traci, Karin, Elizabeth are invited to stay. Matthew seconds the motion.  
**Roll Call Vote:** Dean Caldwell - **Yes**, Bill MacDonald - **Yes**, Matthew Currey - **Yes**, and Kristen Torres- **Yes**; **No:** None **Absent:** Simeon Herskovits **Motion Carries**  
**7:28 pm** - Kristen moves to come out of closed session. Matthew seconds the motion.  
**Roll Call Vote:** Bill MacDonald - **Yes**, Matthew Currey - **Yes**, Dean Caldwell-**Yes**, and Kristen Torres- **Yes**; **No:** None **Absent:**Simeon Herskovits **Motion Carries**  
 Matter discussed during the closed session were limited to those specified in the motion for closure.
- q. **Next Board Meeting Agenda** - Policies, Staff/GC breakfast, strategic planning agenda,
- r. **Adjournment – 7:30 pm** Kristen moves to adjourn. Matthew seconds the motion. \ Motion carries.



**Memorandum of Understanding (MOU) Between  
Taos Academy Charter School and  
Taos Academy Foundation**

This agreement is between Taos Academy (herein referred to as TA) and Taos Academy Foundation (herein after referred to as TAF) in Taos, New Mexico.

**PURPOSE**

The purpose of this agreement is to add a 2% administrative fee to the agreement between TA and TAF. This increase will provide support with accrued service and accounting expenses related to the Lease Purchase agreement, as well as administrative costs accrued for services provided to TA by TAF. Furthermore, this MOU is established to promote and sustain a positive and proactive partnership which honors mutual respect and accountability for all parties involved.

**PARTICIPANTS**

Taos Academy Charter School Governing Council President on behalf of the school's governing council, the director of Taos Academy, and the Taos Academy Foundation Board of Directors.

**RESPONSIBILITIES OF TAOS ACADEMY (TA) AND ASSIGNED PROVIDERS**

TA will provide monthly payments in the amount of \$15,045.66, according to the Lease Purchase Agreement between TA and TAF signed and dated July 20, 2016. In addition, TA will provide monthly payments in the amount of \$400.00 to provide support with accrued service and accounting expenses related to the Lease Purchase agreement, as well as administrative costs for services provided to TA from TAF

TA will follow all procurement policies and procedures according to New Mexico laws in providing the monthly payments.

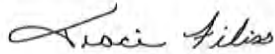
TA will follow all representations, covenants, and warranties outlined in the Lease Purchase Agreement

**RESPONSIBILITIES OF TAOS ACADEMY FOUNDATION (TAF)**

TAF will provide monthly payments in the amount of \$15,046 to Luna Azul, according to the Purchase and Sale Agreement between Luna Azul, LLC and Taos Academy Foundation.

TAF will do those things necessary for the accomplishment of these and related purposes, not forbidden by law and the Articles of Incorporation, including receiving grants and gifts and acquiring and disposing of property for the furtherance of the stated purposes.

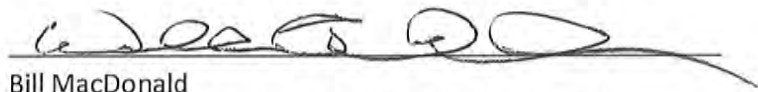
We have read the following MOA and are in full agreement of the above articles and statements:



Traci Filiss, Superintendent  
Taos Academy

11/13/17

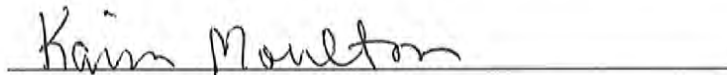
Date



Bill MacDonald  
President of the Governing Council, Taos Academy

11/13/17

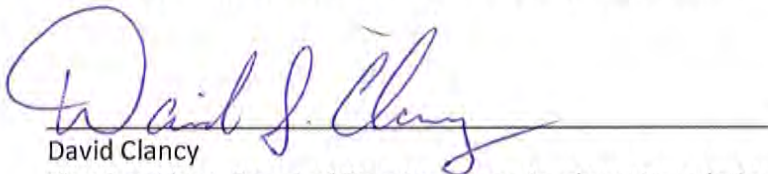
Date



Karin Moulton  
President, Board of Directors, Taos Academy Foundation

11/13/17

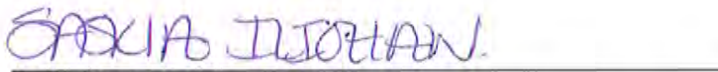
Date



David Clancy  
Vice President, Board of Directors, Taos Academy Foundation

11/13/17

Date



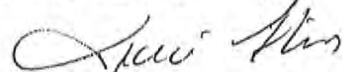
Saskia Iliohan  
Secretary, Board of Directors, Taos Academy Foundation

10/9/17

Date

11/13/17  
SI

\* Payments for accrued services and account  
expenses will begin Dec. 2017.



Taos Academy Foundation

Conflict of Interest Statement

The standard of behavior at Taos Academy Foundation is that all board members are volunteers and should scrupulously avoid any conflict of interests between the interests of Taos 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 Taos 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 I 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:

Karin Moulton

Date:

1/18/18

Taos Academy Foundation

Conflict of Interest Statement

The standard of behavior at Taos Academy Foundation is that all board members are volunteers and should scrupulously avoid any conflict of interests between the interests of Taos 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.

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Signed:

SPENCER J. JORDAN

Date:

1/18/2018

Taos Academy Foundation

Conflict of Interest Statement

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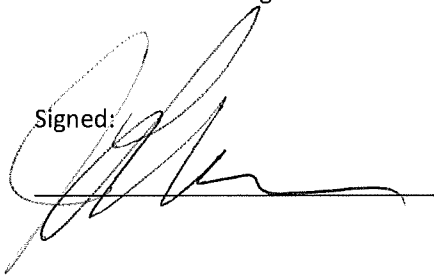
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I understand that this policy is meant to be a supplement to good judgement, and I will respect its spirit as well as its wording.

Signed:

A handwritten signature in black ink, appearing to be 'J. H.', written over a horizontal line.

Date:

4/18/18



## Taos Academy Foundation

### Conflict of Interest Statement

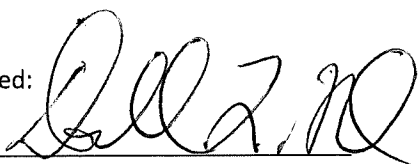
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I understand that this policy is meant to be a supplement to good judgement, and I will respect its spirit as well as its wording.

Signed: 

Date: April 18, 2019

**Taos Academy Charter School**  
**Governance Council Bylaws and Operation Guidelines**  
**Reviewed 7.0913.1857/1487/2/1432**

Taos Academy is governed by the Governing Council, who act as a Board of Finance for the state-approved charter school. The Governing Council has a responsibility to ensure that Taos Academy operates in accordance with all applicable laws and regulations, complies with the Open Meetings Act ( NMSA 1978.10.15), and meets its commitments to the PED authorizer as reflected in its charter.

#### Development and size:

From the term that begins upon the approval of this charter all members of the Governing Council shall be appointed by the founding members as listed in the charter applications. Positions that become available on the Governing council after this term shall be filled by the remaining majority vote of the Governing Council.

The Governing Council consisting of no less than five (5) members shall govern Taos Academy. Taos Academy's Educational Director will be the sixth non-voting member of this council. The Governing Council may also include other non-voting members: student, parent, and staff member. This aligns with our advisory required participation.

A Governing Council member will hold office for three years from the date of their first election. Members may serve no more than two full three-year elected terms during an eight-year period unless voted for more terms by majority vote of GC. Terms will be staggered so that approximately one third of the terms expire each year. The seats on the Governing Council shall be assigned as follows:

- ~~Seat 1 term expires on June 30<sup>th</sup>, 2010 and every three years following~~
- ~~Seat 2 term expires on June 30<sup>th</sup>, 2011 and every three years following~~
- ~~Seat 3 term expires on June 30<sup>th</sup>, 2011 and every three years following~~
- ~~Seat 4 term expires on June 30<sup>th</sup>, 2012 and every three years following~~
- ~~Seat 5 term expires on June 30<sup>th</sup>, 2012 and every three years following~~
- Seat 1 Approved change July ~~7<sup>20</sup>~~<sup>20</sup> 201~~60~~<sup>16</sup> Expires June 30<sup>th</sup> 201~~96~~<sup>16</sup>
- Seat 2 Approved change July ~~10<sup>6</sup>~~<sup>10</sup> 201~~74~~<sup>14</sup> Expires June 30<sup>th</sup> 20~~20~~<sup>14</sup>
- Seat 3 Approved change July ~~10<sup>6</sup>~~<sup>10</sup> 201~~74~~<sup>14</sup> Expires June 30<sup>th</sup> 20~~20~~<sup>14</sup>
- Seat 4 Approved change July ~~9<sup>th</sup>~~<sup>9</sup> 201~~82~~<sup>12</sup> Expires June 30<sup>th</sup> 20~~21~~<sup>15</sup>
- Seat 5 Approved change July ~~9<sup>th</sup>~~<sup>9</sup> 201~~82~~<sup>12</sup> Expires June 30<sup>th</sup> 20~~21~~<sup>15</sup>

In the event that a Governing Council member vacates his or her seat prior to the end of the three-year elected term they are serving, a new Governing Council member shall be elected as soon as reasonably possible by the remaining serving Governing Council members. The new Governing Council member shall serve out the remainder of the departing member's term, after which the new member shall be eligible to serve two full three-year terms if elected to do so.

#### Description of Positions:

The Governing Council will consist of: President, Vice President, Treasurer, Secretary, and one additional office.

**President:** The President will act as a liaison between the Governing Council and the Educational Director and Business Manager. The President will coordinate all orders and resolutions of the council with the Educational Director and Business Manager and will review progress with these individuals at the Governing Council Meetings.

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Taos Academy Charter School

Governing Council Bylaws and Operation Guidelines

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Vice President: The Vice President will have all powers and perform all duties of the President in the absence, resignation, or incapacity of the President.

Secretary: The Secretary will keep full minutes of all meetings of the Governing Council.

Treasurer: The Treasurer will oversee the maintenance of records for all revenues and expenditures of the Charter School, maintain accurate and up-to-date records of the school budget, and oversee the monthly status of these records.

#### **Recruitment and selection, orientation process and professional development:**

The governing body will be selected from the community. Due to the nature of the responsibilities of a Board of Finance, Taos Academy will recruit community members who have finance, business, law, and/or school leadership experience.

Individuals wishing to serve on the Governing Council need to submit their names, brief resumes, and a short statement outlining their interests, goals, and objectives in serving on the Governing Council. If a Governing Council Member resigns, the member's seat will be filled by a majority vote of the remaining Governing Council members until the expiry of the term without penalty against the two-term limit.

Newly elected board members will be expected to participate in trainings, review the charter bylaws and content, and review meeting minutes. The Governing Council will support new members by ensuring he/she feels prepared to participate in the decision-making process.

The Governing Council are required to attend ~~5 hrs of~~ training required by statute including: charter school law, budget, policy, procurement code, open meetings act, code of ethics, strategic planning and the Council will support the New Mexico Coalition for Charter Schools as appropriate. Taos Academy will provide each Council member travel and training expenses as appropriated by the Council.

Governing Council members who wish to resign must do so with 30 day notice in writing to the council president. The exiting council member agrees to return all Taos Academy equipment and materials.

#### **Code of Ethics:**

The Taos Academy Governing Council commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as council members.

- Council members must have loyalty to the founding mission and vision and avoid conflicts caused by loyalties to staff, other organizations, and any personal interests.
- Council members must avoid conflict of interest with respect to their fiduciary responsibility.
  - There will be no self-dealing of business by a member with the organization. Members must disclose any conflict of interest and then refrain from comment and voting.
  - Council members will not use their position to obtain employment in the organization for themselves or family members. Council members must resign 30 days prior to applying for employment.

- Council members will respect the confidentiality appropriate to issues of a sensitive nature.
  - All personnel discussion must only occur in closed session
  - Members must refrain from individual judgments of employees of the school.
  - Council members and designees are authorized to only repeat explicitly stated board decisions to public, press, and other entities.
- Council members will be properly prepared for board meetings, actions, and deliberation.
- Council members, to the best of their ability, will be prompt and consistent to their attendance of meetings.

#### **Governing Council Meetings:**

The Governing Council will meet at regularly advertised monthly meetings. All meetings will be open to the public and the Council will provide notices to comply with all provisions of the Open Meetings Act. All meetings will be advertised in the local media and posted throughout the area in a timely manner and according to the provisions of the Open Meetings Act (NMSA 1978.10.15). An agenda will be made public and contain items of business to be discussed. Public participation will be made available at a specific time in each agenda. Personnel issues will be discussed in closed session and reported thereafter. A majority vote will be required to pass a vote on school matters. The general rules of procedures will be governed by a modified version of Robert's Rules of Order.

When necessary the Governing Council may proceed into Executive Session as provided by The Open Meetings Act to discuss personnel matters, litigation, and acquisitions or sales of real property. Final actions taken in Executive Session shall be taken into open session if required by the Act. Members of the Governing Council will be expected to adhere to the Code of Ethics for New Mexico School Board Members. (See Open Meetings Act Policy)

#### **Parental/Community Involvement:**

Taos Academy Governing Council is committed to parental and community involvement to further utilize resources needed to maximize student potential for success. Our parent cooperative model forms partnerships for parents to be actively involved in their child's educational growth through advisory roles.

Advisory council is a representative structure for students and parents, through which they can become involved in the affairs of the school, working in partnership with school management and staff for the benefit of the school and its students. The advisory council brings a forum to share ideas, interests, and concerns with teachers and school officials. Part of the advisory council's duties will be to assign a parent liaison to report to the Governing Council. This will ensure that decision making will be shared among all those associated with the school. The parent liaison has no voting powers.

#### **Decision making:**

The decisions and role of the Taos Academy Governing Council in areas such as policy, personnel, budgeting, curriculum, contracts, and facility rests in the voting members of the

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Taos Academy Charter School

Governing Council Bylaws and Operation Guidelines

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Governing Council. The ~~State Board of Education~~Public Education Department requires the Governing Council to be accountable for content standards, benchmarks, performance standards, state accreditation, standardized testing, and the school report card. Taos Academy Governing Council will uphold all those state requirements.

The Taos Academy Governing Council will make known and delegate all programs, policies, procedures, fiscal and otherwise, to the Educational Director ~~and Business Manager~~, who will then be responsible for their implementation and administration on a day-to-day basis. The Governing Council will not be responsible for the day-to-day operations of the school other than on an advisory level.

The Governing Council will review and discuss annually the appropriate methods of implementing the school's program, policies, and procedures with all educators, staff, parents, and students. The Council will review the policies at least annually for compliance with all state and federal Acts and regulations.

Taos Academy will operate in compliance with all local, state or federal laws, acts, rules and regulations including constitutional provisions prohibiting discrimination on the basis of race, color, national and ethnic origin, disability, age, creed, gender, religion, or ancestry.

#### **Description of site-based reporting structure-**

The governing council will have full fiscal responsibility along with other duties listed. The Business Manager along with the Educational Director of the school will have direct communications with the Council pertaining to the fiscal and legal operations of the school. In turn, the Administrative Assistant, Counselor, Maintenance, Technology Director, Special Programs Director, and Special Education Director will report directly to the Educational Director pertaining to day-to-day operations. The general education teachers will report directly to the Special Programs Director for student issues and report to the Educational Director for personnel issues. The educational assistant and ancillary staff will report directly to the Special Education Director for all student issues and report to the Educational Director for personnel issues.

#### **Governing Council Responsibilities and Accountability-**

In accordance with the 1999 Charter Schools Act Taos Academy will operate with a school-centered Governing Council, site-based and autonomous fiscal management, and an innovative educational program. The Governing Council will be empowered to make decisions in school matters unless otherwise prescribed by the PED or other state and federal regulations. The Taos Academy Governing Council will manage the general property, business, and affairs of the charter school. The Governing council may exercise powers provided by the State Board of Education, the Taos Academy Charter Application, and the charter bylaws. The Governing Council will assign and reassign as necessary duties and responsibilities to appropriate committees. The Governing Council will not be responsible for the day-to-day operations of the school other than on an advisory level.

The Governing Council will be responsible for:

- Compliance with all local, state, and federal law
- Fiscal oversight

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Taos Academy Charter School

Governing Council Bylaws and Operation Guidelines

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- Progress towards achievement of school's goals
- Strategic planning
- Policy development and review
- Community partnerships
- Hire and evaluate school's administration
- Charter compliance
- School facility funding
- Public Relations

#### **Legal Responsibility**

- Ensure the charter school is properly managed. The Governing Council will have a way to validate information from the educational director.
- Maintain legal status; ensures proper paperwork is submitted to governmental agencies in compliance with all state and federal law.
- Review financial and business dealings and exercises proper judgment in self-dealing transactions to avoid conflicts of interest.
- Adopt and comply with all provisions of the Open Meetings Act. The Governing Council will advertise all meetings in the local media and post notices throughout the area in a timely manner and according to the provisions of the Open Meetings Act (NMSA 1978.10.15). Agendas will be made public and contain items of business to be discussed. Public participation will be made available at a specific time in each agenda. Personnel issues will be discussed in closed session and reported thereafter.

#### **Financial Responsibility**

- Held accountable for Taos Academy's fiscal performance in accordance with the 1999 Charter School Act.
- Acts as board of finance responsible for fiscal soundness.
- Review, approve and monitor implementation of the annual budget
- Review periodic financial reports such as balance sheets, income statements, and changes in financial position.
- Ensure proper internal controls are in place.
- Accept or reject any charitable gift, grant, device or bequest
- Develop finance and audit committees for fiscal oversight.

#### **Planning Responsibility**

- Reviews strategic plan and progress.
- Assess compliance and progress in achieving educational outcomes.
- Assess program evaluation plan.
- Plan for school facility funding

#### **Policy Responsibility**

- Develop and adopt written policies.
- Review policies periodically.
- Maintain mission and program direction for the charter school.
- Make policy changes when needed.

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Taos Academy Charter School

Governing Council Bylaws and Operation Guidelines

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- Approve amendments to the Charter

#### **Personnel Responsibility**

- Sets and reviews personnel policies.
- Hire Charter School Educational Director and evaluate his/her performance.
- Delegate to the Educational Director the authority to implement the charter, policies and procedures, facilities plans, budget and such other directives and policies adopted by the Governing Council from time to time. To the extent reasonable, the Governing Council shall not be involved in the day-to-day operations of the school
- Approve all personnel based on the recommendation of the Educational Director.
- Procurement of insurance: Taos Academy will participate in the New Mexico Public School Insurance Authority.
- Enter contracts consistent with approved budget for any service or activity that is required to perform in order to carry out the educational program
- Complete 5hrs per year of PED approved Governing Council.

#### **Public Relations Responsibility**

- Develop Community/Parent partnerships
- Review satisfaction surveys and make changes if necessary.

#### **School Facility and Property Responsibility**

- Acquire, lease and dispose of property, both real and personal to the extent permissible by laws applicable to public schools
- Authorize the repair and maintenance of all property
- Acquire and dispose of property

#### **Such other powers and authorities as provided for by law.**

- Charter School Act (NMSA 1978 §§ 22-8B-1 et seq.)
- School Personnel Act (NMSA 1978 §§ 22-10A-1 et seq.);
- Procurement Code (NMSA 1978 §§ 13-1-1 et. seq.);
- Open Meetings Act (NMSA 1978, Sections 10-15-1 et seq.);
- Public School Finance Act (NMSA 1978 §§22-8-1 et seq.); and
- applicable rules and regulations issued by the New Mexico Public Education Department (“PED”) (contained in Title 6 of the New Mexico Administrative Code)

Passed by the Taos Academy Charter School Governance Council this day of July 9th ~~h2nd~~, 2018~~2~~.

President: \_\_\_\_\_

Date: \_\_\_\_\_

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Taos Academy Charter School  
Governing Council Bylaws and Operation Guidelines

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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
Dean	Caldwell	Vice President				351 Blueberry Hill	El Prado	NM	87529	<a href="mailto:dcaldwell@taosacademy.org">dcaldwell@taosacademy.org</a>	(719) 839-1828	<a href="mailto:drdean@caldwell.net">drdean@caldwell.net</a>	X	
Matthew	Currey	Treasurer				621 Academy Lane	Taos	NM	87571	<a href="mailto:matthewcurrey@taosacademy.org">matthewcurrey@taosacademy.org</a>	(575) 613-3342	<a href="mailto:chefcurrey@yahoo.com">chefcurrey@yahoo.com</a>	x	
Kristen	Torres	Member				PO Box 7	Arroyo Seco	NM	87514	<a href="mailto:ktorrez@taosacademy.org">ktorrez@taosacademy.org</a>	(575) 779-6659	<a href="mailto:kristenktorrez@gmail.com">kristenktorrez@gmail.com</a>	x	
Simeon	Herskovits	Secretary				PO Box 1075	El Prado	NM	87529	<a href="mailto:sherskovits@taosacademy.org">sherskovits@taosacademy.org</a>	(575) 758-7202	<a href="mailto:simeon@commur.com">simeon@commur.com</a>	x	
Bill	MacDonald	President				1127 Juniper Road	Taos	NM	87571	<a href="mailto:bmacdonald@taosacademy.org">bmacdonald@taosacademy.org</a>	(575) 770-1858	<a href="mailto:billmac@taosnet.net">billmac@taosnet.net</a>	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 7/9/2018

**STATEMENT OF GOVERNING BODY TO CONSULT WITH PED**

We, the undersigned, make up the governing body of the Taos Academy Charter School in Taos, 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 Taos Academy Charter School's application as a board of finance under 6.80.4.16 NMAC.

We understand that we must notify the New Mexico Public Education Commission within 30 days of a change in Business Manager for the school, and a new, signed "Affidavit of Business Manager" must be submitted.

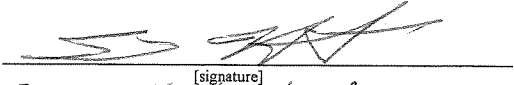
We understand that we must submit a new, signed statement to the New Mexico Public Education Commission within 60 days of a change in membership of our governing body.

  
[signature]

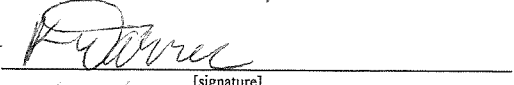
William G. Mac DONALD, Member of Governing Body of Taos Academy Charter School

  
[signature]

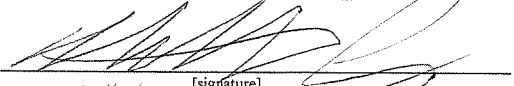
Art Mulligan, Member of Governing Body of Taos Academy Charter School

  
[signature]

Simon Herskowitz, Member of Governing Body of Taos Academy Charter School

  
[signature]

Kristen Torres, Member of Governing Body of Taos Academy Charter School

  
[signature]

Matthew Correa, Member of Governing Body of Taos Academy Charter School

8/11/14  
Date



**AFFIDAVIT OF BUSINESS MANAGER**

STATE OF NEW MEXICO )  
 )  
COUNTY OF SANTA FE )

I, Deanna Gomez, after being duly sworn, states as follows:

1. My name is Deanna Gomez and I live in the City of Espanola, County of Rio Arriba, New Mexico.
2. I have been hired as the business manager for the Taos Academy Charter School.
3. In my duties as business manager for Taos Academy Charter School, I will be given the responsibility of keeping the financial records of the charter school.
4. I have completed the following training in the maintenance of financial records:
  - a) NMASBO- 4 Years Attendance Fall/Winter
  - b) 13 Classes in Accounting Field or 58.5 Semester Hours
  - c) 20 Years Experience in the Accounting Field – 3+ Years in The Education Sector
5. I currently hold a license as a certified school business official for the State of New Mexico, and have attached a copy of this license to this document. ***Level Two License – Copy Attached***
6. I have earned the following degrees:

Degree earned	Educational Institution
Bachelor of Science in Accounting	Strayer University

Deanna Gomez  
[signature of business manager]

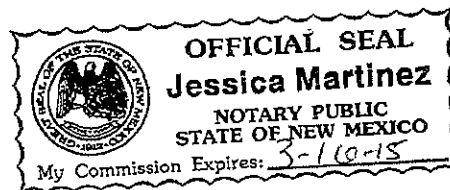
4 - Aug - 2011  
Date

Business Manager for Taos Academy Charter School

Subscribed and sworn to before me, this 4<sup>th</sup> day of August 2011.

[Notary Seal:]

Jessica Martinez  
[signature of Notary]  
Jessica Martinez  
[typed name of Notary]



NOTARY PUBLIC

My commission expires: 3 - 10, 2015.

# 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

**DEANNA GAYLE GOMEZ**

Effective from July 1, 2011 to June 30, 2020

Licensure Number: 328874

*Hanna Ponderosa*  
Secretary of Education

## DECLARATION OR CERTIFICATE OF INSURANCE

Please attach or insert a copy of a declaration or certificate of insurance that indicates that the financial manager of Taos Academy Charter School is adequately bonded and the Charter School is insured through Public School Insurance Authority.

Attached:

☒ Bonding Declaration from: Philadelphia Indemnity Insurance Company

[Name of institution or agency]

☒ Certificate of Insurance from: Poms and Associates

[Name of institution or agency]



# CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)  
8/4/2011

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 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).

<b>PRODUCER</b>  BusinessInsuranceNow 1301 Central Expy. South, Suite 115 Allen, TX 75013	<b>CONTACT NAME:</b> PHONE (A/C No. Ext): (800) 655-1714 FAX (A/C No.): (972) 390-8484 E-MAIL ADDRESS: PRODUCER CUSTOMER ID #:														
<b>INSURED</b>  Deanna Gomez 458 Calle Don Leandro Espanola, NM 87532	<table border="1"> <thead> <tr> <th data-bbox="803 535 1388 556">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1388 535 1520 556">NAIC #</th> </tr> </thead> <tbody> <tr> <td data-bbox="803 556 1388 577">INSURER A: Philadelphia Indemnity Insurance Company</td> <td data-bbox="1388 556 1520 577">18058</td> </tr> <tr> <td data-bbox="803 577 1388 598">INSURER B:</td> <td data-bbox="1388 577 1520 598"></td> </tr> <tr> <td data-bbox="803 598 1388 619">INSURER C:</td> <td data-bbox="1388 598 1520 619"></td> </tr> <tr> <td data-bbox="803 619 1388 640">INSURER D:</td> <td data-bbox="1388 619 1520 640"></td> </tr> <tr> <td data-bbox="803 640 1388 661">INSURER E:</td> <td data-bbox="1388 640 1520 661"></td> </tr> <tr> <td data-bbox="803 661 1388 682">INSURER F:</td> <td data-bbox="1388 661 1520 682"></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Philadelphia Indemnity Insurance Company	18058	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER A: Philadelphia Indemnity Insurance Company	18058														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

## COVERAGES

## CERTIFICATE NUMBER:

## 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 SUBR INSR I WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below					WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability (Errors and Omissions)		TBA 84 CRL 1793	8/3/2011	8/3/2012	Occurrence / Aggregate \$1,000,000 / \$1,000,000

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

## CERTIFICATE HOLDER

## CANCELLATION

 Taos Academy  
 110 Paseo del Canon West  
 Taos, NM 87571

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



# CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

7/7/2011

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.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

<b>PRODUCER</b> Poms & Associates Insurance Brokers, Inc. CA License #0814733 5700 Canoga Ave. #400 Woodland Hills CA 91367		<b>CONTACT NAME:</b> <b>PHONE</b> (A/C No. Ext): (800) 578-8802 <b>FAX</b> (A/C No.): (818) 449-9449 <b>E-MAIL ADDRESS:</b> rservices@pomsassoc.com <b>PRODUCER CUSTOMER ID:</b> 00000173	
<b>INSURED</b> NMPSIA Member - Taos Academy 410 Old Taos Highway  Santa Fe NM 87501		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> NMPSIA <b>INSURER B:</b> National Union Fire Ins Co of PA/AIG19445 <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	

**COVERAGES** **CERTIFICATE NUMBER:** Taos 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
A	PROPERTY				BUILDING	\$
	CAUSES OF LOSS				PERSONAL PROPERTY	\$
	BASIC				BUSINESS INCOME	\$
	BROAD				EXTRA EXPENSE	\$
	SPECIAL				RENTAL VALUE	\$
	EARTHQUAKE				BLANKET BUILDING	\$
	WIND				BLANKET PERS PROP	\$
	FLOOD				BLANKET BLDG & PP	\$
						\$
						\$
	INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	NAMED PERILS	POLICY NUMBER				\$
						\$
A	X CRIME	01-977-35-48	7/1/2011	7/1/2012	X Employee Dishonesty	\$ 1,250,000
	TYPE OF POLICY				X Depository Forgery	\$ 1,250,000
					X Money & Securities	\$ 1,250,000
	BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
						\$
						\$

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

NMPSIA IS SELF INSURED \$250,000

Evidence of Crime coverage for Taos Academy

## CERTIFICATE HOLDER

New Mexico Public Education Department  
Attention: Dr. Duran  
300 Don Gaspar  
Santa Fe, NM 87501

## CANCELLATION

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

AUTHORIZED REPRESENTATIVE

J Monterrosa/JESSIE

ACORD 24 (2009/09)  
INS024 (200909)

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**AFFIDAVIT OF GOVERNING BODY MEMBER**

STATE OF NEW MEXICO )

COUNTY OF )

I, Dean Caldwell, after being duly sworn, state as follows:

1. My name is Dean Caldwell and I reside in El Prado, New Mexico.

2. I am a member of the governing body of the Taos Academy charter school located in Taos, New Mexico.

3. I am not currently a member of any governing body of any other charter school.

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

5. I have read the school's conflict of interest policy and I assure that the school will be in compliance with state and federal law when administering grants and entering into contracts.

[Signature]  
[Signature]

14 April 2015  
Date

\_\_\_\_\_, Governing Body Member of \_\_\_\_\_  
Charter School

Subscribed and sworn to before me, this 14 day of April, 2015.

[Notary Seal]

PUBLIC

[signature of Notary]

Jacqueline Lamendola  
[typed name of Notary]

NOTARY PUBLIC

My commission expires: March 30<sup>th</sup>, 2016.



# AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO )  
COUNTY OF )

I, Kristen Torres, after being duly sworn, state as follows:

1. My name is Kristen Torres and I reside in Arroyo Seco, New Mexico.
2. I am a member of the governing body of the Taos Academy charter school located in Taos, New Mexico.
3. I am not currently a member of any governing body of any other charter school.
4. I have never been a member of any governing body of any other charter school that was suspended or failed to receive or maintain their board of finance designation.
5. I have read the school's conflict of interest policy and I assure that the school will be in compliance with state and federal law when administering grants and entering into contracts.

Kristen Torres  
[Signature]

4-14-14  
Date

Taos Academy, Governing Body Member of Taos Academy  
Charter School

Subscribed and sworn to before me, this 14 day of April, 2014

[Notary Seal:]

Anna M. Fresquez  
[signature of Notary]  
Anna M. Fresquez  
[typed name of Notary]

NOTARY PUBLIC

My commission expires: Dec 10, 2014.

# AFFIDAVIT OF GOVERNING BODY MEMBER

STATE OF NEW MEXICO )

COUNTY OF TAOS )

I, Simeon Herskovits, after being duly sworn, state as follows:

1. My name is Simeon Herskovits and I reside in Taos, New Mexico.
2. I am a member of the governing body of the Taos Academy charter school located in Taos, New Mexico.
3. I am not currently a member of any governing body of any other charter school.
4. I have never been a member of any governing body of any other charter school that was suspended or failed to receive or maintain their board of finance designation.
5. I have read the school's conflict of interest policy and I assure that the school will be in compliance with state and federal law when administering grants and entering into contracts.

[Signature]  
[Signature]

September 13, 2010  
Date

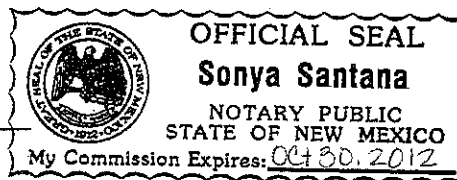
Simeon Herskovits, Governing Body Member of Taos Academy Charter School

Subscribed and sworn to before me, this 13<sup>th</sup> day of September 2010.

[Notary Seal:]

[Signature]  
[signature of Notary]

Sonya Santana  
[typed name of Notary]



NOTARY PUBLIC

My commission expires: October 30, 2012.

**AFFIDAVIT OF GOVERNING BODY MEMBER**

STATE OF NEW MEXICO )

COUNTY OF )

I, William G. Mac Donald, after being duly sworn, state as follows:

1. My name is William G. Mac Donald and I reside in Taos, New Mexico.
2. I am a member of the governing body of the Taos Academy charter school located in Taos, New Mexico.
3. I am not currently a member of any governing body of any other charter school.
4. I have never been a member of any governing body of any other charter school that was suspended or failed to receive or maintain their board of finance designation.
5. I have read the school's conflict of interest policy and I assure that the school will be in compliance with state and federal law when administering grants and entering into contracts.

William G. Mac Donald  
[Signature]

Nov. 5, 2010  
Date

William G. Mac Donald Governing Body Member of Taos Academy Charter School

Subscribed and sworn to before me, this 5<sup>th</sup> day of November, 2010.

[Notary Seal:]

Tina Garcia  
[signature of Notary]

Tina Garcia  
[typed name of Notary]

NOTARY PUBLIC

My commission expires: Jan 29, 2012.

**AFFIDAVIT OF GOVERNING BODY MEMBER**

STATE OF NEW MEXICO )

COUNTY OF )

I, Matthew Currey, after being duly sworn, state as follows:

1. My name is Matthew Currey and I reside in Taos, New Mexico.

2. I am a member of the governing body of the Taos Academy charter school located in Taos, New Mexico.

3. I am not currently a member of any governing body of any other charter school.

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

5. I have read the school's conflict of interest policy and I assure that the school will be in compliance with state and federal law when administering grants and entering into contracts.

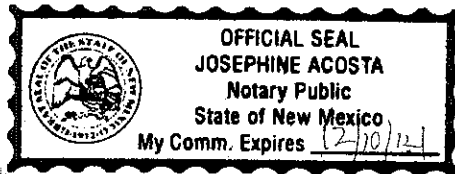
[Signature]  
[Signature]

08/14/2012  
Date

Taos Academy, Governing Body Member of Taos Academy Charter School

Subscribed and sworn to before me, this 13 day of Sept., 2012

[Notary Seal:]



Josephine Acosta  
[signature of Notary]

Josephine Acosta  
[typed name of Notary]

NOTARY PUBLIC

My commission expires: 12/10, 2014.

# Enrollment Policy and Procedures

## Enrollment Policy

Taos Academy sets forth the following policies. In accordance with the Charter School Act, any student, regardless of where he/she resides in New Mexico, may attend Taos Academy. Taos Academy's enrollment policies prohibit discrimination on the basis of disability, race, creed, color, gender, national origin, religion, or need for special education services. These policies are necessary in the event that enrollment interest exceeds the enrollment capacity. If it is the intent of the parents to enroll their student, the parent must submit an electronic [Letter of Intent](#) during our enrollment period for each student. Any student not selected from the lottery with a submitted letter of intent will be placed on a waiting list.

As per NMSA Section 22-8B-4.1 NMSA 1978 enrollment and the lottery will be governed by the following rules:

(1) a start-up school may either enroll students on a first-come, first-served basis or through a lottery selection process if the total number of applicants exceeds the number of spaces available at the start-up school; and

Taos Academy gives enrollment preference to:

- (1) students who have been admitted to the charter school through an appropriate admission process and remain in attendance through subsequent grades; and
- (2) siblings of students already admitted to or attending the same charter school.

## Enrollment Procedures/Letter of Intent/Lottery

If a parent or guardian (collectively referred to as "Parent") wants to enroll a student, the parent must submit an electronic Letter of Intent during our enrollment period for each student requesting admission. A complete and timely Letter of Intent is required to ensure that the student will be included in the lottery. A lottery is required when the number of students wanting to enroll exceed the number of seats available at the school.

If you would like to enroll a student, please complete and submit the [Letter of Intent](#) during the open enrollment period (spring semester dates will be posted on that page). The Letter of Intent initiates the enrollment process and enters the child into the lottery. If a lottery is not required, the Letter of Intent will be followed with the enrollment procedures described below. An electronic receipt will be generated and sent to the listed parent email upon submission of the Letter of Intent. This e-receipt is your proof stating that Taos Academy has received your Letter of Intent. Your letter will be assigned a number that will be used for enrollment and lottery purposes. The

Letter of Intent deadline and date of the lottery will be set and approved by the Governing Council. To receive help completing or submitting the Letter of Intent or to schedule a school visit, please contact a Taos Academy representative at 575-751-3109.

## **Lottery Procedures**

Once received by our office, a number will be assigned to each intent letter followed by grade level. On the approved lottery date, numbers are drawn at random, one at a time, until all available slots are filled. The random drawing continues and a grade level waiting list will be generated based on the order in which they were drawn. Lottery numbers are directly correlated to the numbers on the Letters of Intent. Lottery applicants will be notified in writing or by phone regarding their placement as a result of the lottery process, either admitted, or on waiting list. A student may apply for one slot only. Students who apply for more than one slot will be removed from the lottery. A student must apply using his/her legal name. Using an alias could result in disqualification from the lottery or dis-enrollment at a later date.

## **Waiting List Procedures**

Students who are not selected through the lottery and have submitted a Letter of Intent will be placed on a waiting list. As openings become available, the top of the waiting list will be notified of the opening by email and phone. The parent will be given five (5) business days to accept the student's position and to complete the enrollment packet. If the parent does not respond within five (5) business days, the slot will be offered to the next student on the waiting list and so on. If a student is on the waiting list and he/she declines a slot when offered, he/she will be removed and be required to submit another Letter of Intent and follow in the process described above. Taos Academy will open the enrollment and lottery each year in the spring for a limited period that will be advertised publicly and on our site. If there is a waiting list from the previous enrollment period those students will receive a new number and will then participate in a new lottery process. Waiting lists do not transfer from year to year. On the last school day of the school year, the waiting lists for that school year will be voided. The waiting list for the upcoming school year will replace all waiting list for the school year just completed. The names will be added to the TACS waiting list per grade.

## **Withdrawal**

Due to the nature of the hybrid model of instruction, we ask that students only withdraw from Taos Academy at semester intervals. If this is unavoidable please give us ample notice of withdrawal.

Upon terminating enrollment at Taos Academy Charter School, for any reason, please follow this procedure.



1. Inform your instructional advisor and the office of your leaving with as much notice as possible, preferably a minimum of thirty days notice.
2. Complete and return the withdrawal form to the office.
3. Schedule a final conference with the director and instructional advisor.

**NOTE:** If a withdrawn student chooses to re-enroll, a new Letter of Intent is required and the student will be placed into the lottery.

Students not in attendance for 30 calendar days will voluntarily relinquish lottery position unless arrangements have been made with the Director prior to the absence.

See [attendance policy](#) for more detail.

# Waiver Notification Form

School Name: \_Taos Academy\_ Date: 6/5/19

## 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"/>	<p style="text-align: center;">Statute and Description not required per Chairwoman Gipson</p>	
Teaching load	<input checked="" type="checkbox"/>		
Length of school day	<input checked="" type="checkbox"/>		
Staffing pattern	<input checked="" type="checkbox"/>		
Subject areas	<input checked="" type="checkbox"/>		
Purchase of instructional materials	<input checked="" type="checkbox"/>		
Evaluation standards for school personnel	<input checked="" type="checkbox"/>		
School principal duties	<input checked="" type="checkbox"/>		
Drivers education	<input checked="" type="checkbox"/>		
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.	

# Waiver Notification Form

School Name: Taos Academy Date: 6/5/19



NEW MEXICO  
GENERAL SERVICES DEPARTMENT

*Traci Filiss*

*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 3rd day of January 2018*

*Chief Procurement Officer Certification*

Certificate No. **CPO-2015-S0226-00166**



*Lawrence O. Maxwell*

Lawrence O. Maxwell

State Purchasing Agent

# LEASE PURCHASE ARRANGEMENT

Between

TAOS ACADEMY FOUNDATION

A New Mexico non-profit corporation,  
as LESSOR

and

TAOS ACADEMY

A New Mexico public charter school  
as LESSEE

Dated as of July 20, 2016

THIS LEASE PURCHASE ARRANGEMENT (this "Agreement"), is made this \_\_\_\_ day of \_\_\_\_\_, 2016, between Taos Academy Foundation, a New Mexico nonprofit corporation ("Lessor"), and Taos Academy, a New Mexico public charter school ("Lessee").

### Recitals

A. Lessee is a New Mexico state-chartered charter school, authorized to enter into "lease purchase arrangements" under the New Mexico Public School Lease Purchase Act, Chapter 22, Article 26A NMSA 1978 (the "Lease Purchase Act").

B. Lessee has determined that it is necessary, desirable and in the best interest of the Lessee to lease, and subject to certain contingencies, purchase from Lessor the Land and Improvements (collectively the "School Site") 110 Paseo Del Cañon West in Taos, New Mexico 87571 as shown in Exhibit A hereto.

### Agreement

## ARTICLE I DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified.

For purposes of this Lease Purchase Arrangement and for purposes of all appertaining exhibits and documents, the term "Agreement" 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, Section 22-26A-3(A) (2015).

"Agreement Payment" means any payment due from Lessee to Lessor under this Agreement.

"Capital Outlay Act" means the Public School Capital Outlay Act, Chapter 22, Article 24 NMSA 1978.

"Charter Schools Act" means the Charter Schools Act, Chapter 22, Article 8B NMSA 1978.

"Commencement Date" means the date of execution of the Lease Purchase Arrangement by the parties after approval by the New Mexico Public Education Department and New Mexico Public School Finance Authority after which date the payment obligations under the Lease Purchase Arrangement will continue for a period not exceeding thirty years after the date of execution as prescribed by NMSA 1978, Section 22-26A-5(C) (2015).

"Department" is the New Mexico Public Education Department.

"Improvements" means any building(s), capital improvements and other facilities on the School Site.



“Land” means the tract containing 5.646 acres more or less, as shown on Red Tall Surveying, Inc. plat no. 971.LS1, entitled RJ2M, LLC and Taos Academy, dated 21 January January 2013, prepared by Robert A. Watt, NMPS #11770.

“Lease Purchase Act” means the Public School Lease Purchase Act, Chapter 22, Article 26A NMSA 1978.

“Lessee Representative” means the President of the Governance Council or other designated person delegated the authority to act on behalf of Lessee under or with respect to this Agreement as evidenced by a document conferring such authority executed by the Lessee’s governing body and delivered to Lessor or Lessor’s Representative.

“Lessor Representative” means the person acting with proper authority to administer and transfer property with respect to this Agreement as evidenced by a document conferring such authority executed by an officer of Lessor, given to Lessee or a Lessee Representative.

“Net Proceeds” means any insurance proceeds or condemnation award paid with respect to the School Site, remaining after payment therefrom of all expenses incurred in the collection thereof.

“Outlay Council” means the New Mexico Public School Capital Outlay Council.

“Option to Purchase” means the right of Lessee to purchase the School Site in accordance with the terms of Article VI.

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

“School Site” means the certain parcel of land as described on Exhibit “A” and any Improvements.

“State Adequacy Standards” means the standards set forth by the Public School Capital Outlay Council in 6.27.30.1 NMAC, *et seq.* or any successor provisions and includes applicable waivers given to charter schools in general or variances granted to the Lessee specifically.

“Term” means the term of this Agreement, including any renewal term.

## Section 1.2 Exhibits.

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

Exhibit A - Legal Description of Land

Exhibit B - Site Plans and Floor Plan

Exhibit C – Base Rent payment schedule

Exhibit D – Planned funding sources and Budget to make Base Rent

Exhibit E – Copy of the New Mexico Public Education Department's and Public School Facilities Authority's approval of this Agreement

## ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) Lessee is a duly formed and validly existing public school, formed and existing under the Charter Schools Act.

(b) State law authorizes Lessee to lease, operate, maintain and purchase the School Site, to enter into this Agreement and the transactions contemplated herein, and to carry out its obligations under this Agreement subject to the limitations and conditions stated and the availability of sufficient appropriations and revenues therefor.

(c) The representatives of Lessee executing this Agreement have been duly authorized to execute and deliver this Agreement under the terms and provisions of a resolution of Lessee's governing body or by other appropriate official action.

(d) Lessee has complied with all open meeting laws applicable to actions of Lessee with respect to this Agreement and acquisition of the School Site, and all other state and federal laws applicable to this Agreement.

(e) Lessee will not transfer, lease, assign, mortgage or encumber this Agreement or the School Site, except in accordance with the provisions of Section 22-26A-5(K) (2015).

(f) Lessee will use and occupy the School Site for the primary purpose of a public school and related activities thereto and for such other public purposes as may be lawfully authorized or permitted by Lessee.

(g) Lessee will conform and comply with all applicable municipal, state and federal ordinances, laws, rules and regulations in using the School Site and will not use or suffer to be used the School Site in any manner which contravenes any applicable municipal, state or federal ordinance, law, rule or regulation, or so as to create any nuisance.

(h) Lessee will use its best efforts to purchase the School Site from Lessor with funds obtained from grant assistance from the Outlay Council or from other available revenue or funding sources at the earliest possible time, but in no event later than thirty (30) years from the date the Agreement is executed.

Section 2.2. Representations, Covenants and Warranties of Lessor.

Lessor represents, covenants and warrants as follows:

(a) Lessor is a nonprofit corporation duly organized, existing and in good standing under the laws of the State of New Mexico and has full and complete power to enter into this Agreement and to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Agreement; and is possessed of full power to own and hold real and personal property, and to lease the same and has duly authorized the execution and delivery of this Agreement.

(b) Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions thereof, nor the consummation of the transactions contemplated hereby and thereby, conflicts with or will result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party.

(c) Lessor warrants that it is in good standing pursuant to the terms of any underlying mortgage or obligations affecting the School Site, if any.

(d) To the best of Lessor's knowledge, Lessor has not received any notice that the School Site and/or the present use and condition of the School Site 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 School Site.

(e) To the best of Lessor's knowledge, there are no underground storage tanks at the School Site and, to the best of Lessor's knowledge, Lessor has not used the School Site to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process pollutants, dangerous substances, toxic substances, hazardous wastes, hazardous materials or hazardous substances as defined in or pursuant to the Resource Conservation and Recovery Act (42 U.S.C.A. §§6901 *et seq.*) as amended, the comprehensive Environmental Response Compensation and Liability Act (42 U.S.C.A. §§9601 *et seq.*) as amended, or any other related Legal Requirement, and to the best of Lessor's knowledge, Lessor has not caused, and has no knowledge of, the leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any hazardous substances on or off the School Site on adjacent properties.

### ARTICLE III AUTHORIZATION OF AGREEMENT

Section 3.1. Agreement. Lessor hereby leases the School Site to Lessee, and Lessee hereby leases the School Site from Lessor, upon the terms and conditions set forth in this Agreement.

Section 3.2. Possession and Enjoyment. Lessor hereby covenants with respect to the School Site, to provide Lessee during the Term with quiet use and enjoyment of the School Site, and Lessee shall during the Term peaceably and quietly have and hold and enjoy the School Site, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement.

Section 3.3. Lessor Access to School Site. Lessee agrees that during the term of this Agreement following the Commencement Date of this Agreement, Lessor shall have the right during Lessee's normal working hours on Lessee's normal working days, upon compliance with any security requirements imposed by Lessee and upon reasonable notice, to enter on and examine and inspect the School Site for the purpose of assuring that the School Site is being properly maintained, preserved and kept in good repair and condition. Lessee further agrees that Lessor shall have such rights of access to the School Site as may be reasonably necessary to cause the proper maintenance of the School Site in the event of failure by Lessee to perform its obligations hereunder, provided that at no time shall Lessor be compelled or required to make any improvements, alterations or additions to the School Site, except as expressly provided in Section 7.1.

Section 3.4. School Site. The School Site is the real property described on Exhibit "A" and any Improvements.

#### ARTICLE IV TERM OF AGREEMENT

Section 4.1. Term. The Term shall commence upon the execution of this Agreement by the Parties after approval of the Department and the PSFA, ("Commencement Date") and continue for thirty (30) years ("Term").

Section 4.2. Termination of Term. The Agreement will terminate upon the occurrence of the first of the following events:

- (a) the purchase of the School Site by the Lessee pursuant to Article VI of this Agreement;
- (b) a default by Lessee and Lessor's election to terminate this Agreement pursuant to Article XI;
- (c) a default by Lessor and Lessee's election to terminate this Agreement pursuant to Article XI; or,
- (d) if sufficient money is not available to meet any current lease payment.

Section 4.3. Effect of Termination of Term. Upon termination of the Agreement:

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

(b) If the termination occurs because of the occurrence of a non-appropriation or an Event of Default (Article XI), (i) Lessee's right to possession of the School Site hereunder shall terminate; (ii) Lessee shall, within 90 days, vacate the School Site; and (iii) if and to the extent Lessee has appropriated funds for payment of Base Rent payable during, or with respect to Lessee's use of the School Site during, the period between termination of the Term and the date the School Site is vacated, Lessee shall pay such Base Rent to Lessor or, in the case of Operational Expenses, the other Person entitled thereto, subject to Section 22-2-2(C) (2004) and Section 22-8B-12.1(C) (2012).

(c) If the Agreement is terminated prior to the final payment and the release of the security interest or the transfer of title, the current value of all Improvements at the time of termination in excess of the outstanding principal due and attributable to capital improvements that were made by Lessee during the term of the Agreement and that were not a term or condition of the Agreement shall be paid in accordance with Section 22-26A-1 et seq., as amended NMSA 1978, to Lessee.

(d) Lien on Improvements by Lessee. If State or Lessee's funds, above those required for lease payments, are used to construct or acquire Improvements after the Commencement Date, the cost of such Improvements shall constitute a lien on the School Site in favor of Lessee and then, if this Agreement is terminated prior to the final payment and the release of the security interest or the transfer of title at the option of the Lessee: (1) Lessee may foreclose the lien on the School Site; or (2) the current market value of the School Site or other



real property at the time of termination, as determined by an independent appraisal certified by the New Mexico Taxation and Revenue Department, in excess of the outstanding principal due under the Agreement shall be paid to Lessee. The priority of any such lien shall be determined according to New Mexico law.

Section 4.4 Continuation. Pursuant to Section 22-26A-5(I) (2015) the parties agree that there is no legal obligation for the Lessee to continue the Agreement from year to year or to purchase the School Site.

## ARTICLE V AGREEMENT RENTAL PAYMENTS

### Section 5.1. Agreement Payments.

(a) Lessee agrees to pay Lessor and Lessor agrees to accept as full rent payment for the premises a sum equal to the amounts provided in the "Base Rent Schedule" attached as Exhibit C ("Base Rent"), payable monthly on or before the first day of the month of the first month following the Commencement Date and each succeeding month throughout the term of the Agreement. Any partial month will be calculated on a pro rata basis.

(b) A portion of each payment of Base Rent is paid as, and represents payment of, interest as shown on Exhibit C hereto, which sets forth the interest component of each payment of Base Rent. Upon receipt by the Lessor of each payment of Base Rent, the Lessor shall apply the amount of each Base Rent payment to principal and interest as shown on Exhibit C, thereby reducing the purchase price for each succeeding Option Date.

(c) Lessee and Lessor agree that the Base Rent payments, as used in this Section 5.1 hereof, do not include payments for repair, maintenance, operating expenses and the like which are otherwise obligations of Lessee as Operating Expenses under the terms of Section 7.1 of this Agreement.

(d) The Base Rent and other obligations payable by the Lessee under this Agreement shall constitute currently appropriated expenditures of the Lessee and shall not constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the Lessee or a mandatory charge or requirement against the Lessee in any fiscal year (July 1 to June 30) beyond the fiscal year for which such payments have been approved.

## ARTICLE VI CONTINGENT OBLIGATION TO PURCHASE

Section 6.1. Option to purchase. In consideration of the promises and covenants made in this Agreement, and other good and valuable consideration, Lessor grants to Lessee the option to purchase the School Site upon the terms and conditions set forth in this Agreement.

Section 6.2 Accelerated Sale and Transfer. Lessee may acquire the leased property only on an option date. The term "Option Date" shall be the anniversary date of the Commencement Date and the corresponding date in each year thereafter. If the sale and transfer of the property is not completed on or prior to last Option Date the option to purchase shall expire and thereafter and be of no further force or effect.

Section 6.3 Notice of sale and transfer. Lessee's election to proceed to sale and transfer of the property on an Option Date must be evidenced by a written notice addressed to Lessor, sent by registered or certified mail to Lessor's office or to any other place designated by Lessor by

written notice to Lessee. Such written notice must be given not less than 12 months before the Option Date on which the option is to be exercised and sale and transfer is to occur.

Section 6.4 Purchase Price on Exercise of Option: The Purchase Price for the School Site shall be \$3,000,000 (Three Million Dollars) of principal upon which interest shall accrue at an annual rate of 7.75% per annum and in accordance with the schedules attached as Exhibit C. Said interest rate does not exceed the maximum permitted by the Public Securities Act, Section 6-14-1 through 6-14-3 NMSA 1978. The price to be paid by Lessee to Lessor for the School Site on an Option Date ("Purchase Price on Exercise of Option") shall be the principal balance of the unpaid Purchase Price as of that Option Date, as set forth in the schedule attached at Exhibit C, plus any accrued and unpaid interest plus expenses described in Section 6.5. below. Lessee shall make advance lease payments of \$900,000.00 (Nine Hundred Thousand Dollars) to be applied toward principal upon execution of this Agreement.

Section 6.5. Expenses, mortgage. The Purchase Price on Exercise of Option to be paid to Lessor, as provided above, shall be a net amount to Lessor, and all expenses in connection with the transfer of the School Site, including, but not limited to, title insurance, recording fees, documentary stamps, and all other closing costs, shall be divided evenly by Lessor and Lessee. The Purchase Price on Exercise of Option shall be paid by Lessee in cash to Lessor concurrently with the conveyance of the School Site by Lessor to Lessee.

Section 6.6. Transfer of title. Except as provided below, at closing Lessor shall convey the School Site to Lessee free and clear of any mortgage, indenture or other encumbrance. Any such transfer shall be effected by a special warranty deed by Lessor.

Section. 6.7 First mortgage. Lessee's rights under this option are and shall be subject and subordinate to any mortgage (including a consolidated mortgage), indenture or deed of trust constituting a first lien on the School Site, or any part thereof, whether such mortgage, indenture or deed of trust has heretofore been, or may hereafter be, placed upon the School Site to secure an indebtedness to any savings bank, bank, trust company, or other institutional lender, private or public for the purchase of the School Site and Improvements on the Land, and to any renewal, modification, consolidation, replacement, or extension of any such mortgage or deed of trust. This subordination is limited and relates only to a first mortgage securing an indebtedness that will not on any Option Date exceed the price at which this option may then be exercised on that date, as herein provided. This subordination shall be self-operative and no further instrument of subordination shall be required. Lessee shall, nevertheless, execute and deliver, from time to time, any instrument and certificate affirming and confirming such subordination that Lessor may reasonably request. Lessor will cause any such mortgage or deed of trust to contain provisions requiring the holder of the indebtedness secured by mortgage or deed of trust to mail to Lessee by registered mail, addressed to Lessee at its office as set forth in this lease, a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee under such mortgage or deed of trust to Lessor. Notwithstanding the provisions of Section 6.3, Lessee may, upon receiving notice of breach of covenant, default, or foreclosure under any such mortgage or deed of trust as herein provided after the First Option Date, exercise this option at the following option price: the amount which would have been payable, as provided in Section 6.5, at the next succeeding option date, plus 1/365ths of the difference between that amount and the amount which would have been payable, as provided in Section 6.5, at the last preceding option date, multiplied by the number of days remaining between the settlement date and the next succeeding option date. Notwithstanding the provisions of this Article 6, Lessee may, upon receiving notice of breach of covenant, default, or foreclosure under any such mortgage or deed



of trust as herein provided before the first Option Date, exercise this option by paying the then-outstanding principal amount of the debt secured by mortgage, indenture or deed of trust plus any accrued and unpaid interest plus any amounts necessary to pay all amounts due to the first call date the indebtedness secured by the mortgage, indenture or deed of trust.

Section 6.8. Performance of lease. The right to exercise this option is conditioned upon the faithful performance by Lessee of all its covenants, conditions, and agreements under this lease, and the payment by Lessee of all Base Rent, and other special payments as provided in this lease to the date of the completion of the purchase of the School Site by Lessee.

Section 6.9. 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 6.10. Security deposit. The parties stipulate that no security deposit was paid by Lessee as part of this agreement and none is required.

Section 6.11. Priority. This option shall be a covenant running with the land described above, and no conveyance, transfer, easement, or encumbrance of such land shall defeat or adversely affect this option.

Section 6.12. Assignment of option, binding effect. Lessee may not assign this option to another charter school, school district, the state or one of its institutions, instrumentalities or other political subdivisions without the prior written consent of Lessor, which shall inure to the benefit of Lessee's respective successors and assigns. Any assignment of this option is subject to Section 22-26A-5(K) (2015).

Section 6.13. Prepayment. The amounts due under this Agreement are subject to prepayment at the option of the Lessee at such time or times and upon such terms and conditions, with or without the payment of such premium or premiums as determined by the Lessee's Governing Council. Beginning with the first Option Date, the parties may proceed to closing on purchase at any time without assessment of costs, expenses or penalties except that Lessee agrees to pay any prepayment amounts required by any loan secured by the Land and Lessor's Improvements.

## ARTICLE VII MAINTENANCE AND INSURANCE

Section 7.1. Construction. Lessor will cause to be built on the School Site the Lessor's Improvements in accordance with the plans and specifications attached hereto as Exhibit "B" and which will meet statewide adequacy standards and educational occupancy.

Section 7.2. Maintenance and Facility Costs. Lessee shall at all times during the Term maintain, preserve and keep the School Site in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the School Site in such condition. This Lease is intended to be and shall be construed consistently with it being an absolute net lease with Lessee paying all expenses related to the School Site, including without limitation, (i) the cost of insurance premiums for insurance deemed necessary or desirable in Lessor's reasonable discretion; (ii) the cost of taxes, utility charges, maintenance, upkeep, and repair costs including routine repair and replacement of roof, structural components, HVAC, and carpet and/or tile; and (iii) all other costs associated with operation, repair and maintenance of the School Site (collectively, "Operating Expenses"). Portions of Operating

Expenses may be, at Lessor's option, paid by Lessee directly to the third parties who are owed certain amounts (e.g. insurance companies, taxing authorities, utility companies).

Section 7.3. Removal of Improvements. Except as provided for in Section 4.3.c. and 9.3, Lessee hereby agrees and covenants with Lessor that any and all alterations, additions, and improvements, except moveable furniture, equipment, portable or modular buildings and such other items of personal property that are removable from the wall, ceiling and floor surfaces without causing damage to such surfaces, shall become a permanent part of the School Site at the termination of this Agreement, if not removed by the Lessee. Lessee agrees that if such Improvements are removed at the termination hereof, it will repair or restore the area of such surface, if removal of Lessee's personal property creates an unsightly condition, by capping any electrical outlets and concealing any surface areas where personal property, such as counters or shelving, may have been stabilized by attachment to such surfaces.

Section 7.3. Lessee's Insurance Obligations.

(a) Liability Insurance. Beginning upon the Commencement Date, Lessee shall procure and maintain or cause to be carried and maintained in full force and effect during the term of this Agreement and any extension thereof at Lessee's sole cost and expense and as additional rent above the Base Rent hereunder, such public liability insurance covering bodily injury, disease, illness or death and property damage liability, as is available from and provided by the New Mexico Public 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 both Lessee and Lessor as protection against all liability claims arising from activities on the School Site, causing Lessor to be named as an additional-named insured on such policy of insurance, and delivering a copy thereof to Lessor upon the commencement of the term of this Agreement. Lessee shall adjust such minimum coverage limits annually or as necessary to conform to the minimum coverage limits required for local public bodies pursuant to Sections 41-4-19 and 41-4-20 NMSA 1978, and Sections 22-29-1 through 22-29-11 NMSA 1978, as amended.

(b) Property Insurance. Subject to the availability of such coverage from NMPSIA, Lessee shall also carry and maintain or cause to be carried and maintained in full force and effect during the term of this Agreement and any renewal thereof, at Lessee's sole cost and expense, fire and extended coverage insurance upon the School Site, including all buildings, alterations, additions and improvements in an amount equal to their replacement values. Lessor and 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 School Site should be destroyed or substantially damaged in whole or in part, and such loss is covered by fire and extended coverage insurance, Lessee shall have the option to either continue this Agreement and use the insurance proceeds to replace or repair the School Site and on Lessor's behalf, or terminate this Agreement and tender to the Lessor all such insurance proceeds attributable to the loss or damage to the School Site. If for any reason Lessee is prohibited by law or regulation from carrying such insurance, Lessor may obtain such insurance, and Lessee shall pay the premiums of such insurance as Operating Expenses.

Section 7.4. Worker's Compensation Insurance. If required by state law as of the Commencement Date, Lessee shall carry worker's compensation insurance covering all of its

respective employees on, in, near or about the School Site and upon request, shall furnish certificates to the Lessor evidencing such coverage.

Section 7.5. Liens. Except as provided in Section 4.3, neither Lessee or Lessor shall directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Improvements, other than the respective rights of Lessor and Lessee as herein provided. Except as otherwise expressly provided in this Article, Lessor and Lessee shall promptly, at its own expense, take such action as may be necessary duly to 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 School Site 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 School Site. Nothing herein shall limit the Lessor's right to refinance or restructure debt against the property, however, no refinance or restructure shall impair Lessee's rights under the terms of this Agreement. Lessee covenants and agrees to execute and deliver, upon demand, such further reasonable instrument or instruments subordinating this Lease to the lien of any mortgage or mortgages as shall be desired by Lessor and any mortgagees or proposed mortgagees, provided such documents contain commercially reasonable non-disturbance agreements. Lessor shall, within 30 days of refinancing or restructuring provide notification to Lessee with certification from the financial institution that this Agreement does not violate any term or condition of the restructured or refinanced obligation and Lessor shall pay for any of Lessee's costs associated with said refinancing.

#### ARTICLE VIII CONDEMNATION; USE OF NET PROCEEDS

Section 8.1. Condemnation. In the event that all or any portion of the School Site or Improvements are condemned by any governmental body or agency other than Lessee under power of eminent domain or is sold under threat of condemnation to any public body other than Lessee prior to purchase of the School Site by Lessee, Lessor shall be entitled to all compensation awarded, less an amount equal to the Lessee's principal payments made to date in accordance with Article VI, plus the value of any improvements placed on the School Site by Lessee pursuant to Section 9 herein, which portions of the compensation awarded shall be paid to Lessee.

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

#### ARTICLE IX LESSEE'S IMPROVEMENTS, EQUIPMENT AND WARRANTIES



Section 9.1. Improvements to School Site. The Lessee, at its own expense, may remodel, or make additions, modifications or improvements to, the School Site, provided that (i) such remodeling, modifications and additions (A) shall not in any way damage the School Site as it existed prior thereto and (B) shall become part of the School Site, subject to the provisions of Section 9.3; (ii) the value of the School Site after such remodeling, modifications and additions shall be at least as great as the value of the School Site prior thereto; and (iii) the School Site, after such remodeling, modifications and additions, shall continue to be used as provided in and shall otherwise be subject to the terms of this Agreement. If Lessee makes capital improvements to the School Site there shall be no change in the lease payments or final payment without a written amendment approved by the New Mexico Public Education Department.

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

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

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

## ARTICLE X ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 10.1. Assignment. Neither party shall assign its interests in this Agreement 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 this Section 10.1. Unless otherwise agreed, no assignment permitted hereunder shall relieve a party from liability for the performance of its obligations under this Agreement for the remainder of the then current term.

With the prior approval of the Lessor, which shall not unreasonably be withheld, the Lease Purchase Arrangement is assignable, without cost to the charter school and with all of the rights and benefits of its predecessor in interest in being transferred to the assignee, to: (1) a school district or charter school; or (2) the state or one of its institutions, instrumentalities or other political subdivisions.

Nothing in this Section 10.1 shall be deemed to prohibit, limit or restrict the Lessee's power to enter into joint powers agreements as provided in Sections 11-1-1 *et seq.* NMSA 1978, as amended for shared use of the School Site.

Section 10.2. Restriction on Mortgage or Sale of School Site by Lessee. Prior to closing on purchase of the School Site, Lessee will not mortgage, sell, assign, transfer or convey the School Site or any portion thereof without the written consent of Lessor, which consent shall not be unreasonably withheld or delayed.

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

## ARTICLE XI EVENTS OF DEFAULT AND REMEDIES

Section 11.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the terms "Event of Default" and "Default" shall mean, whenever they are used in this Agreement, with respect to the School Site, any one or more of the following events:

(a) Failure by Lessee to make any payments under this Agreement as and when due, except where sufficient money is not available to meet any current lease payment;

(b) Failure by Lessor or Lessee to observe and perform any covenant, condition or agreement (other than as described in Section 11.1(a)) on its part to be observed or performed, for a period of thirty days after written notice specifying such failure and requesting that it be remedied has been given by the nondefaulting party unless the nondefaulting party shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the nondefaulting party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the defaulting party within the applicable period and diligently pursued until the default is corrected.

(c) The filing by Lessor or Lessee of a voluntary petition in bankruptcy, or failure by Lessor or Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessor or Lessee to carry on its operations at the School Site, or adjudication of Lessor or Lessee as a bankrupt, or assignment by Lessee for the benefit of

creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessor or Lessee in any proceedings instituted under the provisions of the federal Bankruptcy Act, as amended, or under any similar acts which may hereafter be enacted.

Section 11.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Lessor may, without any further demand or notice, take one or any combination of the following remedial steps:

(a) Terminate the Lease and give notice to the Lessee to vacate the School Site within one-hundred twenty days (120) days from the date of such notice.

(b) Lease all or any portion of the School Site.

(c) Recover from the Lessee: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the School Site during any period beyond the thirtieth (30<sup>th</sup>) day following the occurrence of the Event of Default; and (ii) Base Rent, to the extent amounts for such Base Rent has been specifically appropriated in accordance with the provisions hereof, which would otherwise have been payable by the Lessee hereunder during the remainder, after the Lessee vacates the School Site, of the Fiscal Year in which such Event of Default occurs.

(d) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the School Site under this Lease.

Section 11.3. Force Majeure. The provisions of Sections 11.1 and 11.2 are subject to the following limitations: if by reason of *force majeure* Lessee or Lessor is unable in whole or in part to carry out its obligations under this Agreement, Lessor or Lessee shall not be deemed in default during the continuance of such inability or during any other delays which are a direct consequence of the *force majeure* inability. The term "*force majeure*" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or any of its departments, agencies or officials, or any civil or military authority other than the Lessee or Lessor; insurrections; riots; earthquakes; fires; storms; drought; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessor or Lessee and not resulting from the negligence of the party claiming a force majeure event. Lessor and Lessee agree, however, to remedy with all reasonable dispatch the cause or causes preventing them from carrying out their respective obligation under this Agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall not be required if in the judgment of the party raising the defense of *force majeure*, acceding to the demands of the person or persons creating the strike, lockout or industrial disturbance, would be injurious to such party.

Section 11.4. Remedies Cumulative. The above-provided rights and remedies to which either party is entitled hereunder are cumulative, and not exclusive, of all other rights and remedies to which a party may be entitled in the event of breach or threatened breach by a party in default of any of the terms, conditions and provisions contained herein.

Section 11.5. 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.

Section 11.6. Dispute Resolution. The parties shall endeavor to resolve all disputes arising as to this Agreement by mediation before a mutually agreed mediator the cost of which shall be shared by the parties. In the event mediation is unsuccessful, arbitration in accordance with the terms of this Section shall be used to resolve any and all claims, disputes or disagreements arising under this Agreement, except for (i) matters requiring immediate exigent relief, including without limitation unlawful detainer; and (ii) all claims by either party which (a) seek anything other than enforcement of rights under this Agreement, or (b) are primarily founded upon matters of fraud, willful misconduct or any other allegations of tortious action, and seek the award of punitive or exemplary damages, which disputes shall be resolved by suit filed in the Second Judicial District Court, Bernalillo County, New Mexico, the decision of which court shall be subject to appeal pursuant to applicable law. The parties hereby agree to conduct themselves in strict, full, complete and timely accordance with the terms of this Section.

(a) Any dispute to be arbitrated pursuant to the provisions of this Section shall be determined by binding arbitration before a single arbitrator (the "Arbitrator") under the auspices of the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Such arbitration shall be initiated by either party, within thirty days after either party sends written notice (the "Arbitration Notice") of a demand to arbitrate by registered or certified mail to the other party and to AAA. The Arbitration Notice shall contain a description of the subject matter of the arbitration, the dispute with respect thereto, the amount involved, if any, and the remedy or determination sought. The parties may agree on the selection of an Arbitrator.

(b) The arbitration shall be conducted in Taos County metropolitan area and, unless otherwise agreed by the parties must be completed within 180 days. Any party may be represented by counsel or other authorized representative. In rendering a decision, the Arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of New Mexico and the terms and provisions of this Agreement. The decision shall be conclusive and binding, and it may thereafter be confirmed as a judgment by the Eighth Judicial District Court, Taos County, New Mexico in accordance with the New Mexico Uniform Arbitration Act. The Arbitrator may award injunctive relief. The Arbitrator may award costs, including without limitation, attorneys' fees, and expert and witness costs, to the prevailing party, if any as determined by the Arbitrator in his or her discretion. A party shall be determined by the Arbitrator to be the prevailing party if its proposal for the resolution of the dispute in the discretion of the Arbitrator was closest to that adopted by the Arbitrator.

## ARTICLE XII TITLE

Section 12.1. Title to Improvements. During the Term, legal title to the School Site shall be in Lessor.

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 School Site shall be considered to be a public property pursuant to Section 22-26A-5.1(B) (2009).

## ARTICLE XIII

## HAZARDOUS MATERIALS LAWS

Section 13.1. Compliance with all Hazardous Materials Laws. As of the Commencement Date, Lessee, shall at all times keep and maintain the School Site in compliance with and shall not cause or permit the School Site 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 School Site, including, but not limited to, air, soil, subsurface and ground water conditions. Neither party shall permit any subtenant or other occupant of the School Site, 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 School Site 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 either party, the other party will prepare and provide such reports as will evidence compliance by the party with Hazardous Materials laws, and which will evidence that the School Site 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 School Site ("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 School Site; (iii) all claims made or threatened by any third party against a party or the School Site 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 School Site that could cause the School Site to be subject to any restrictions on the ownership, Completion, transferability or use of the premises under any Hazardous Materials Law.

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

damage, cost, expense or liability subject to the limitations and waivers contained in the New Mexico Tort Claims Act and any insurance coverage issued pursuant thereto.

Section 13.3. Remedial Action Required. Without the other party's prior written consent, which shall not be unreasonably withheld, a party shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the School Site, 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 the other party's reasonable judgment, impair the value of party's fee interest in the School Site; 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 School Site 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 the other party's consent before taking such action; provided that in such event notice shall be given as soon as practicable of any action so taken. Each party 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) the party establishes to the reasonable satisfaction of the other party that there is no reasonable alternative to such remedial action that would result in less impairment to the value of the party's interest in the School Site.

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

#### ARTICLE XIV LIMITATION OF LIABILITY

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

#### ARTICLE XV ADMINISTRATION PROVISIONS

Section 15.1 Notices. All notices required under this Agreement shall be in writing, signed by the party or agent sending them, and (i) delivered personally, (ii) sent by registered or certified mail, (iii) sent by a recognized overnight express mail carrier, or (iv) sent by facsimile, if a copy is sent by one of methods (i), (ii) or (iii) as soon as practicable thereafter, addressed to Lessor or Lessee, as the case may be, at the following addresses (or such other addresses as either party may give by notice conforming with this Section 16.1), and such notices shall be effective on the date of receipt thereof.

Lessor:

Taos Academy Foundation  
c/o Karen Moulton or President  
110 Paseo Del Cañon West  
Taos, NM 87571 575-  
Telephone No.: (505) 770-6317

Lessee:

Taos Academy  
c/o School's Director  
110 Paseo Del Cañon  
Taos, NM 87571  
Telephone No.: (575) 751-3109



575-  
Facsimile No.: (505) 716 1115

Facsimile No.: (575) 751-3394

Section 15.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective administrators, successors and assigns.

Section 15.3. Severability. In the event any provision of this Agreement 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 15.4. Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by a written amendment authorized and executed by both Lessee and Lessor. Amendments to this Agreement, except amendments that would improve the building or other real property without additional financial obligations to the Lessee, shall be approved by the Department pursuant to 22-26A-5(L) NMSA 1978.

Section 15.5. Further Assurances and Corrective Instruments. Lessor and Lessee 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 15.6. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.7. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico, with regard to conflicts of laws rules.

Section 15.8. Lessor and Lessee Representatives. Whenever under the provisions of this Agreement the approval of Lessor or Lessee is required, or Lessor or Lessee is required to take some action at the request of the other, such approval of such request may be given for Lessor by a Lessor Representative and for Lessee by a Lessee Representative, and any party hereto shall be authorized to rely upon any such approval or request.

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

Section 15.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

Section 15.11. Business Days. If the day upon which any action required by the Agreement shall fall on a Saturday, Sunday or banking holiday, then such actions shall be deemed timely if made or taken on the next succeeding business day.

Section 15.12. Administrative Approval. Pursuant to Section 22-26A-4 NMSA 1978, the parties to this Lease acknowledge that they have obtained prior written consent from the Public Education Department prior to executing this Agreement. A copy of said approval is attached to this Agreement as Exhibit "E".

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officers; and Lessee has caused this Agreement to be executed in its name by its duly authorized officers, as of the date first above.

LESSOR:  
TAOS ACADEMY FOUNDATION

By: Karin Moulton

Its: Board President, Authorized Member


LESSEE:  
TAOS ACADEMY

By: Simon Herskovits

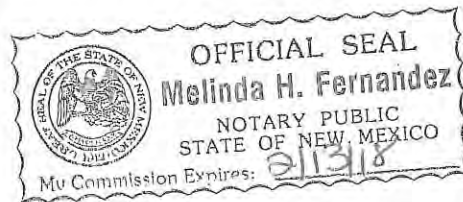
Its: ~~Governing Council President~~ Secretary  
SMH

STATE OF NEW MEXICO           )  
  ) ss.  
COUNTY TAOS           )

This instrument was acknowledged before me on July 20, 2016 by Karin Moulton  
President as the authorized officer of TAOS ACADEMY FOUNDATION, a New  
Mexico nonprofit corporation.

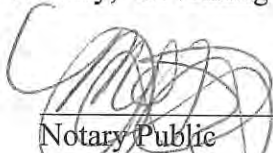
  
\_\_\_\_\_  
Notary Public  
My commission expires: 2/13/18

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



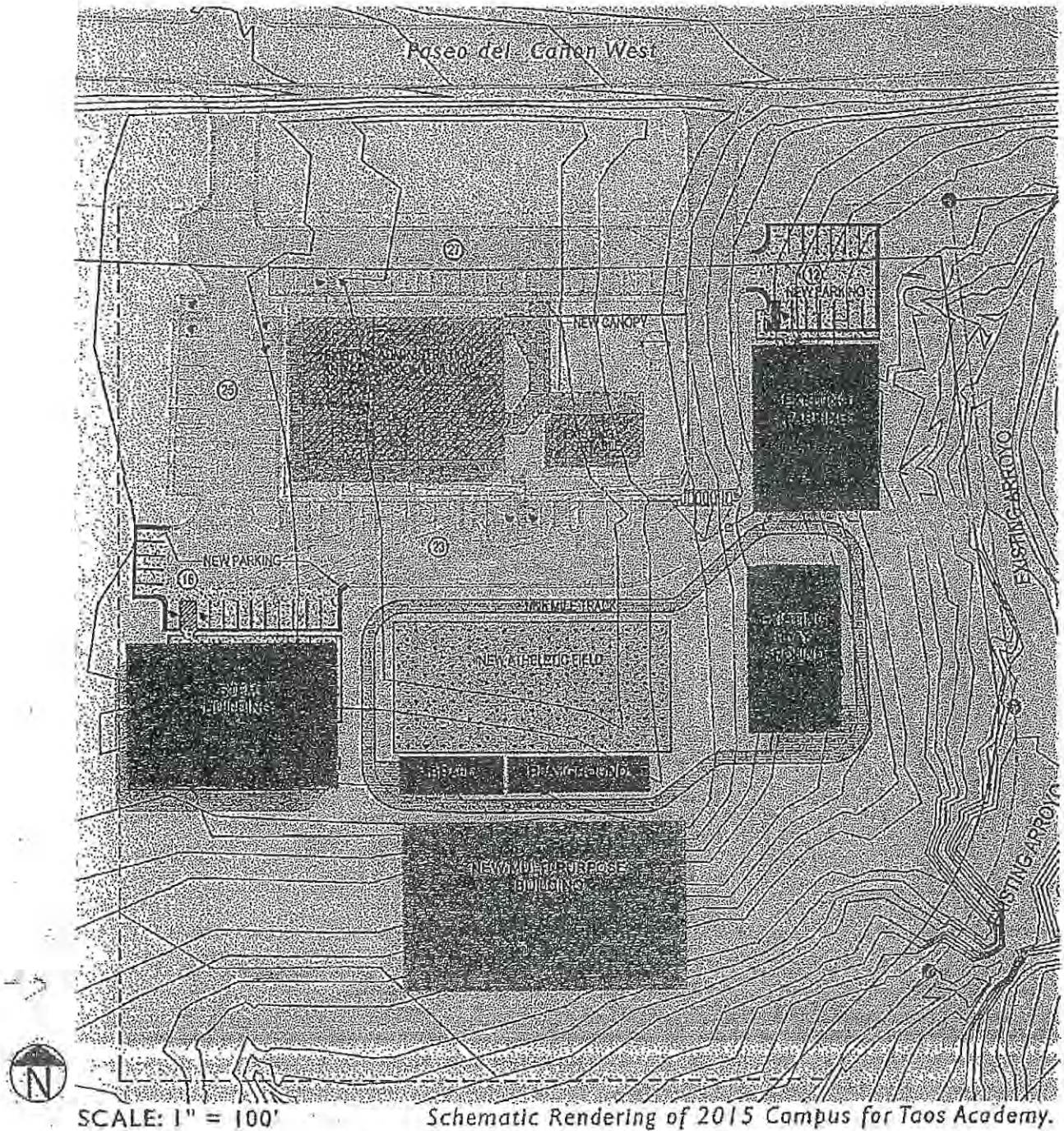
This instrument was acknowledged before me on July 20, 2016 by  
Simeon Herskovits as President of Taos Academy, Governing Council, a New Mexico public  
charter school.           Secretary

ME

  
\_\_\_\_\_  
Notary Public  
My commission expires: 2/13/18







SCALE: 1" = 100'

Schematic Rendering of 2015 Campus for Taos Academy.

EXHIBIT B



# EXHIBIT "C" - BASE RENT SCHEDULE

Enter values	
Loan amount	\$ 2,100,000.00
Annual interest rate	7.75 %
Loan period in years	30
Number of payments per year	12
Start date of loan	8/1/2016
Optional extra payments	\$ -

Loan summary	
Scheduled payment	\$ 15,044.66
Scheduled number of payments	360
Actual number of payments	360
Total early payments	\$ -
Total interest	\$3,316,076.58

## PARTIES TAOS ACADEMY FOUNDATION & TAOS ACADEMY

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	9/1/2016	\$ 2,100,000.00	\$ 15,044.66	\$ -	\$ 15,044.66	1,482.16	13,562.50	\$2,098,517.84	\$ 13,562.50
2	10/1/2016	2,098,517.84	15,044.66	-	15,044.66	1,491.73	13,552.93	2,097,026.11	27,115.43
3	11/1/2016	2,097,026.11	15,044.66	-	15,044.66	1,501.36	13,543.29	2,095,524.75	40,658.72
4	12/1/2016	2,095,524.75	15,044.66	-	15,044.66	1,511.06	13,533.60	2,094,013.69	54,192.32
5	1/1/2017	2,094,013.69	15,044.66	-	15,044.66	1,520.82	13,523.84	2,092,492.87	67,716.16
6	2/1/2017	2,092,492.87	15,044.66	-	15,044.66	1,530.64	13,514.02	2,090,962.23	81,230.17
7	3/1/2017	2,090,962.23	15,044.66	-	15,044.66	1,540.53	13,504.13	2,089,421.70	94,734.30
8	4/1/2017	2,089,421.70	15,044.66	-	15,044.66	1,550.48	13,494.18	2,087,871.23	108,228.49
9	5/1/2017	2,087,871.23	15,044.66	-	15,044.66	1,560.49	13,484.17	2,086,310.74	121,712.65
10	6/1/2017	2,086,310.74	15,044.66	-	15,044.66	1,570.57	13,474.09	2,084,740.17	135,186.75
11	7/1/2017	2,084,740.17	15,044.66	-	15,044.66	1,580.71	13,463.95	2,083,159.46	148,650.69
12	8/1/2017	2,083,159.46	15,044.66	-	15,044.66	1,590.92	13,453.74	2,081,568.54	162,104.43
13	9/1/2017	2,081,568.54	15,044.66	-	15,044.66	1,601.19	13,443.46	2,079,967.35	175,547.89
14	10/1/2017	2,079,967.35	15,044.66	-	15,044.66	1,611.53	13,433.12	2,078,355.82	188,981.02
15	11/1/2017	2,078,355.82	15,044.66	-	15,044.66	1,621.94	13,422.71	2,076,733.87	202,403.73
16	12/1/2017	2,076,733.87	15,044.66	-	15,044.66	1,632.42	13,412.24	2,075,101.46	215,815.97
17	1/1/2018	2,075,101.46	15,044.66	-	15,044.66	1,642.96	13,401.70	2,073,458.50	229,217.67
18	2/1/2018	2,073,458.50	15,044.66	-	15,044.66	1,653.57	13,391.09	2,071,804.92	242,608.75
19	3/1/2018	2,071,804.92	15,044.66	-	15,044.66	1,664.25	13,380.41	2,070,140.67	255,989.16
20	4/1/2018	2,070,140.67	15,044.66	-	15,044.66	1,675.00	13,369.66	2,068,465.68	269,358.82
21	5/1/2018	2,068,465.68	15,044.66	-	15,044.66	1,685.82	13,358.84	2,066,779.86	282,717.66
22	6/1/2018	2,066,779.86	15,044.66	-	15,044.66	1,696.70	13,347.95	2,065,083.16	296,065.61
23	7/1/2018	2,065,083.16	15,044.66	-	15,044.66	1,707.66	13,337.00	2,063,375.49	309,402.61
24	8/1/2018	2,063,375.49	15,044.66	-	15,044.66	1,718.69	13,325.97	2,061,656.80	322,728.57
25	9/1/2018	2,061,656.80	15,044.66	-	15,044.66	1,729.79	13,314.87	2,059,927.01	336,043.44
26	10/1/2018	2,059,927.01	15,044.66	-	15,044.66	1,740.96	13,303.70	2,058,186.05	349,347.14
27	11/1/2018	2,058,186.05	15,044.66	-	15,044.66	1,752.21	13,292.45	2,056,433.85	362,639.59
28	12/1/2018	2,056,433.85	15,044.66	-	15,044.66	1,763.52	13,281.14	2,054,670.32	375,920.72
29	1/1/2019	2,054,670.32	15,044.66	-	15,044.66	1,774.91	13,269.75	2,052,895.41	389,190.47
30	2/1/2019	2,052,895.41	15,044.66	-	15,044.66	1,786.37	13,258.28	2,051,109.04	402,448.75
31	3/1/2019	2,051,109.04	15,044.66	-	15,044.66	1,797.91	13,246.75	2,049,311.13	415,695.50
32	4/1/2019	2,049,311.13	15,044.66	-	15,044.66	1,809.52	13,235.13	2,047,501.60	428,930.63
33	5/1/2019	2,047,501.60	15,044.66	-	15,044.66	1,821.21	13,223.45	2,045,680.39	442,154.08
34	6/1/2019	2,045,680.39	15,044.66	-	15,044.66	1,832.97	13,211.69	2,043,847.42	455,365.77
35	7/1/2019	2,043,847.42	15,044.66	-	15,044.66	1,844.81	13,199.85	2,042,002.61	468,565.61
36	8/1/2019	2,042,002.61	15,044.66	-	15,044.66	1,856.72	13,187.93	2,040,145.89	481,753.55
37	9/1/2019	2,040,145.89	15,044.66	-	15,044.66	1,868.71	13,175.94	2,038,277.18	494,929.49

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
38	10/1/2019	2,038,277.18	15,044.66	-	15,044.66	1,880.78	13,163.87	2,036,396.39	508,093.36
39	11/1/2019	2,036,396.39	15,044.66	-	15,044.66	1,892.93	13,151.73	2,034,503.46	521,245.09
40	12/1/2019	2,034,503.46	15,044.66	-	15,044.66	1,905.16	13,139.50	2,032,598.31	534,384.59
41	1/1/2020	2,032,598.31	15,044.66	-	15,044.66	1,917.46	13,127.20	2,030,680.85	547,511.79
42	2/1/2020	2,030,680.85	15,044.66	-	15,044.66	1,929.84	13,114.81	2,028,751.00	560,626.60
43	3/1/2020	2,028,751.00	15,044.66	-	15,044.66	1,942.31	13,102.35	2,026,808.70	573,728.95
44	4/1/2020	2,026,808.70	15,044.66	-	15,044.66	1,954.85	13,089.81	2,024,853.84	586,818.76
45	5/1/2020	2,024,853.84	15,044.66	-	15,044.66	1,967.48	13,077.18	2,022,886.37	599,895.94
46	6/1/2020	2,022,886.37	15,044.66	-	15,044.66	1,980.18	13,064.47	2,020,906.19	612,960.42
47	7/1/2020	2,020,906.19	15,044.66	-	15,044.66	1,992.97	13,051.69	2,018,913.21	626,012.10
48	8/1/2020	2,018,913.21	15,044.66	-	15,044.66	2,005.84	13,038.81	2,016,907.37	639,050.92
49	9/1/2020	2,016,907.37	15,044.66	-	15,044.66	2,018.80	13,025.86	2,014,888.57	652,076.78
50	10/1/2020	2,014,888.57	15,044.66	-	15,044.66	2,031.84	13,012.82	2,012,856.74	665,089.60
51	11/1/2020	2,012,856.74	15,044.66	-	15,044.66	2,044.96	12,999.70	2,010,811.78	678,089.30
52	12/1/2020	2,010,811.78	15,044.66	-	15,044.66	2,058.16	12,986.49	2,008,753.62	691,075.79
53	1/1/2021	2,008,753.62	15,044.66	-	15,044.66	2,071.46	12,973.20	2,006,682.16	704,048.99
54	2/1/2021	2,006,682.16	15,044.66	-	15,044.66	2,084.83	12,959.82	2,004,597.33	717,008.81
55	3/1/2021	2,004,597.33	15,044.66	-	15,044.66	2,098.30	12,946.36	2,002,499.03	729,955.17
56	4/1/2021	2,002,499.03	15,044.66	-	15,044.66	2,111.85	12,932.81	2,000,387.18	742,887.98
57	5/1/2021	2,000,387.18	15,044.66	-	15,044.66	2,125.49	12,919.17	1,998,261.69	755,807.14
58	6/1/2021	1,998,261.69	15,044.66	-	15,044.66	2,139.22	12,905.44	1,996,122.47	768,712.58
59	7/1/2021	1,996,122.47	15,044.66	-	15,044.66	2,153.03	12,891.62	1,993,969.44	781,604.21
60	8/1/2021	1,993,969.44	15,044.66	-	15,044.66	2,166.94	12,877.72	1,991,802.50	794,481.93
61	9/1/2021	1,991,802.50	15,044.66	-	15,044.66	2,180.93	12,863.72	1,989,621.57	807,345.65
62	10/1/2021	1,989,621.57	15,044.66	-	15,044.66	2,195.02	12,849.64	1,987,426.55	820,195.29
63	11/1/2021	1,987,426.55	15,044.66	-	15,044.66	2,209.19	12,835.46	1,985,217.35	833,030.75
64	12/1/2021	1,985,217.35	15,044.66	-	15,044.66	2,223.46	12,821.20	1,982,993.89	845,851.95
65	1/1/2022	1,982,993.89	15,044.66	-	15,044.66	2,237.82	12,806.84	1,980,756.07	858,658.79
66	2/1/2022	1,980,756.07	15,044.66	-	15,044.66	2,252.27	12,792.38	1,978,503.80	871,451.17
67	3/1/2022	1,978,503.80	15,044.66	-	15,044.66	2,266.82	12,777.84	1,976,236.98	884,229.01
68	4/1/2022	1,976,236.98	15,044.66	-	15,044.66	2,281.46	12,763.20	1,973,955.52	896,992.20
69	5/1/2022	1,973,955.52	15,044.66	-	15,044.66	2,296.19	12,748.46	1,971,659.32	909,740.67
70	6/1/2022	1,971,659.32	15,044.66	-	15,044.66	2,311.02	12,733.63	1,969,348.30	922,474.30
71	7/1/2022	1,969,348.30	15,044.66	-	15,044.66	2,325.95	12,718.71	1,967,022.35	935,193.01
72	8/1/2022	1,967,022.35	15,044.66	-	15,044.66	2,340.97	12,703.69	1,964,681.38	947,896.69
73	9/1/2022	1,964,681.38	15,044.66	-	15,044.66	2,356.09	12,688.57	1,962,325.29	960,585.26
74	10/1/2022	1,962,325.29	15,044.66	-	15,044.66	2,371.31	12,673.35	1,959,953.98	973,258.61
75	11/1/2022	1,959,953.98	15,044.66	-	15,044.66	2,386.62	12,658.04	1,957,567.36	985,916.65
76	12/1/2022	1,957,567.36	15,044.66	-	15,044.66	2,402.03	12,642.62	1,955,165.32	998,559.27
77	1/1/2023	1,955,165.32	15,044.66	-	15,044.66	2,417.55	12,627.11	1,952,747.78	1,011,186.38
78	2/1/2023	1,952,747.78	15,044.66	-	15,044.66	2,433.16	12,611.50	1,950,314.62	1,023,797.87
79	3/1/2023	1,950,314.62	15,044.66	-	15,044.66	2,448.88	12,595.78	1,947,865.74	1,036,393.66
80	4/1/2023	1,947,865.74	15,044.66	-	15,044.66	2,464.69	12,579.97	1,945,401.05	1,048,973.62
81	5/1/2023	1,945,401.05	15,044.66	-	15,044.66	2,480.61	12,564.05	1,942,920.44	1,061,537.67
82	6/1/2023	1,942,920.44	15,044.66	-	15,044.66	2,496.63	12,548.03	1,940,423.81	1,074,085.70
83	7/1/2023	1,940,423.81	15,044.66	-	15,044.66	2,512.75	12,531.90	1,937,911.06	1,086,617.60
84	8/1/2023	1,937,911.06	15,044.66	-	15,044.66	2,528.98	12,515.68	1,935,382.08	1,099,133.28
85	9/1/2023	1,935,382.08	15,044.66	-	15,044.66	2,545.31	12,499.34	1,932,836.76	1,111,632.62
86	10/1/2023	1,932,836.76	15,044.66	-	15,044.66	2,561.75	12,482.90	1,930,275.01	1,124,115.52
87	11/1/2023	1,930,275.01	15,044.66	-	15,044.66	2,578.30	12,466.36	1,927,696.71	1,136,581.88
88	12/1/2023	1,927,696.71	15,044.66	-	15,044.66	2,594.95	12,449.71	1,925,101.76	1,149,031.59
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Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
89	1/1/2024	1,925,101.76	15,044.66	-	15,044.66	2,611.71	12,432.95	1,922,490.05	1,161,484.54
90	2/1/2024	1,922,490.05	15,044.66	-	15,044.66	2,628.58	12,416.08	1,919,861.48	1,173,880.62
91	3/1/2024	1,919,861.48	15,044.66	-	15,044.66	2,645.55	12,399.11	1,917,215.93	1,186,279.73
92	4/1/2024	1,917,215.93	15,044.66	-	15,044.66	2,662.64	12,382.02	1,914,553.29	1,198,661.75
93	5/1/2024	1,914,553.29	15,044.66	-	15,044.66	2,679.83	12,364.82	1,911,873.46	1,211,026.57
94	6/1/2024	1,911,873.46	15,044.66	-	15,044.66	2,697.14	12,347.52	1,909,176.31	1,223,374.09
95	7/1/2024	1,909,176.31	15,044.66	-	15,044.66	2,714.56	12,330.10	1,906,461.75	1,235,704.18
96	8/1/2024	1,906,461.75	15,044.66	-	15,044.66	2,732.09	12,312.57	1,903,729.66	1,248,016.75
97	9/1/2024	1,903,729.66	15,044.66	-	15,044.66	2,749.74	12,294.92	1,900,979.93	1,260,311.67
98	10/1/2024	1,900,979.93	15,044.66	-	15,044.66	2,767.50	12,277.16	1,898,212.43	1,272,588.83
99	11/1/2024	1,898,212.43	15,044.66	-	15,044.66	2,785.37	12,259.29	1,895,427.06	1,284,848.12
100	12/1/2024	1,895,427.06	15,044.66	-	15,044.66	2,803.36	12,241.30	1,892,623.70	1,297,089.42
101	1/1/2025	1,892,623.70	15,044.66	-	15,044.66	2,821.46	12,223.19	1,889,802.24	1,309,312.62
102	2/1/2025	1,889,802.24	15,044.66	-	15,044.66	2,839.68	12,204.97	1,886,962.56	1,321,517.59
103	3/1/2025	1,886,962.56	15,044.66	-	15,044.66	2,858.02	12,186.63	1,884,104.53	1,333,704.22
104	4/1/2025	1,884,104.53	15,044.66	-	15,044.66	2,876.48	12,168.18	1,881,228.05	1,345,872.40
105	5/1/2025	1,881,228.05	15,044.66	-	15,044.66	2,895.06	12,149.60	1,878,332.99	1,358,021.99
106	6/1/2025	1,878,332.99	15,044.66	-	15,044.66	2,913.76	12,130.90	1,875,419.24	1,370,152.89
107	7/1/2025	1,875,419.24	15,044.66	-	15,044.66	2,932.57	12,112.08	1,872,486.66	1,382,264.98
108	8/1/2025	1,872,486.66	15,044.66	-	15,044.66	2,951.51	12,093.14	1,869,535.15	1,394,358.12
109	9/1/2025	1,869,535.15	15,044.66	-	15,044.66	2,970.58	12,074.08	1,866,564.57	1,406,432.20
110	10/1/2025	1,866,564.57	15,044.66	-	15,044.66	2,989.76	12,054.90	1,863,574.81	1,418,487.10
111	11/1/2025	1,863,574.81	15,044.66	-	15,044.66	3,009.07	12,035.59	1,860,565.74	1,430,522.69
112	12/1/2025	1,860,565.74	15,044.66	-	15,044.66	3,028.50	12,016.15	1,857,537.24	1,442,638.84
113	1/1/2026	1,857,537.24	15,044.66	-	15,044.66	3,048.06	11,996.59	1,854,489.17	1,454,635.43
114	2/1/2026	1,854,489.17	15,044.66	-	15,044.66	3,067.75	11,976.91	1,851,421.43	1,466,612.34
115	3/1/2026	1,851,421.43	15,044.66	-	15,044.66	3,087.56	11,957.10	1,848,333.87	1,478,469.44
116	4/1/2026	1,848,333.87	15,044.66	-	15,044.66	3,107.50	11,937.16	1,845,226.37	1,490,406.60
117	5/1/2026	1,845,226.37	15,044.66	-	15,044.66	3,127.57	11,917.09	1,842,098.80	1,502,323.68
118	6/1/2026	1,842,098.80	15,044.66	-	15,044.66	3,147.77	11,896.89	1,838,951.03	1,514,220.57
119	7/1/2026	1,838,951.03	15,044.66	-	15,044.66	3,168.10	11,876.56	1,835,782.93	1,526,097.13
120	8/1/2026	1,835,782.93	15,044.66	-	15,044.66	3,188.56	11,856.10	1,832,594.37	1,537,953.23
121	9/1/2026	1,832,594.37	15,044.66	-	15,044.66	3,209.15	11,835.51	1,829,385.22	1,549,788.73
122	10/1/2026	1,829,385.22	15,044.66	-	15,044.66	3,229.88	11,814.78	1,826,155.34	1,561,603.51
123	11/1/2026	1,826,155.34	15,044.66	-	15,044.66	3,250.74	11,793.92	1,822,904.60	1,573,397.43
124	12/1/2026	1,822,904.60	15,044.66	-	15,044.66	3,271.73	11,772.93	1,819,632.87	1,585,170.36
125	1/1/2027	1,819,632.87	15,044.66	-	15,044.66	3,292.86	11,751.80	1,816,340.01	1,596,922.15
126	2/1/2027	1,816,340.01	15,044.66	-	15,044.66	3,314.13	11,730.53	1,813,025.88	1,608,652.68
127	3/1/2027	1,813,025.88	15,044.66	-	15,044.66	3,335.53	11,709.13	1,809,690.35	1,620,361.81
128	4/1/2027	1,809,690.35	15,044.66	-	15,044.66	3,357.07	11,687.58	1,806,333.28	1,632,049.39
129	5/1/2027	1,806,333.28	15,044.66	-	15,044.66	3,378.75	11,665.90	1,802,954.52	1,643,715.29
130	6/1/2027	1,802,954.52	15,044.66	-	15,044.66	3,400.58	11,644.08	1,799,553.94	1,655,359.38
131	7/1/2027	1,799,553.94	15,044.66	-	15,044.66	3,422.54	11,622.12	1,796,131.41	1,666,981.49
132	8/1/2027	1,796,131.41	15,044.66	-	15,044.66	3,444.64	11,600.02	1,792,686.77	1,678,581.51
133	9/1/2027	1,792,686.77	15,044.66	-	15,044.66	3,466.89	11,577.77	1,789,219.88	1,690,159.28
134	10/1/2027	1,789,219.88	15,044.66	-	15,044.66	3,489.28	11,555.38	1,785,730.60	1,701,714.66
135	11/1/2027	1,785,730.60	15,044.66	-	15,044.66	3,511.81	11,532.84	1,782,218.78	1,713,247.50
136	12/1/2027	1,782,218.78	15,044.66	-	15,044.66	3,534.49	11,510.16	1,778,684.29	1,724,757.66
137	1/1/2028	1,778,684.29	15,044.66	-	15,044.66	3,557.32	11,487.34	1,775,126.97	1,736,245.00
138	2/1/2028	1,775,126.97	15,044.66	-	15,044.66	3,580.30	11,464.36	1,771,546.67	1,747,709.36
139	3/1/2028	1,771,546.67	15,044.66	-	15,044.66	3,603.42	11,441.24	1,767,943.26	1,759,150.60
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EXHIBIT A  
LEASE AGREEMENT WITH OPTION TO PURCHASE  
PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

Tract B

A tract of land within the Cristoval de la Serna Land Grant in Taos, Taos County, New Mexico, shown on the Taos County Property ID maps within Projected Section 19, Township 25 North, Range 13 East, NMPM; also described as part of Tract 2, Map 31, Survey 2 of the 1941 Taos County Reassessment Survey, and more particularly described as follows:

BEGINNING at the southerly corner of this tract, a 1/2" rebar set with a cap stamped NMPS 11770, from whence "Lady," a 1973 State Engineer's Office brass cap monument found, bears S 39° 10' 46" W, 5113.71 ft. distant, thence:

N 08° 22' 39" E, 285.55 ft. to the westerly corner of this tract, a 1/2" rebar set, thence:

N 29° 40' 08" E, 310.74 ft. to a 1/2" rebar set, thence:

N 38° 16' 11" E, 239.22 ft. to the northerly corner of this tract, a point on the southerly right-of-way of Paseo del Canon West, thence along said Paseo del Canon West right-of-way:

An arc distance of 365.21 ft. along a curve concave to the north, having a radius of 5829.58 ft. through a central angle of 03° 35' 22", the chord of which bears S 55° 10' 31" E, 365.15 ft. to the easterly corner of this tract, a 1/2" rebar set, thence leaving said right-of-way:

S 35° 48' 18" W, 590.36 ft. to a 1/2" rebar set, thence:

S 81° 38' 38" W, 293.61 ft. to the POINT OF BEGINNING.

This tract contains 5.646 acres more or less, as shown on Red Tall Surveying, Inc. plat no. 971.LS1, entitled RJ2M, LLC and Taos Academy, dated 21 January 2013, prepared by Robert A. Watt, NMPS #11770.

with a street address of 110 Paseo Del Cañon West, in the Town and County of Taos, State of New Mexico 87571, together with all site improvements and building structures, landscaping, irrigation equipment, and fixtures erected thereon or affixed thereto, or which belong to or are used in connection therewith and all rights, privileges, interests, leases, easements and appurtenances belonging or in any way pertaining thereto.



Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
140	4/1/2028	1,767,943.26	15,044.66	-	15,044.66	3,626.69	11,417.97	1,764,316.56	1,770,568.57
141	5/1/2028	1,764,316.56	15,044.66	-	15,044.66	3,650.11	11,394.54	1,760,666.45	1,781,963.11
142	6/1/2028	1,760,666.45	15,044.66	-	15,044.66	3,673.69	11,370.97	1,756,992.77	1,793,334.08
143	7/1/2028	1,756,992.77	15,044.66	-	15,044.66	3,697.41	11,347.24	1,753,295.35	1,804,681.33
144	8/1/2028	1,753,295.35	15,044.66	-	15,044.66	3,721.29	11,323.37	1,749,574.06	1,816,004.69
145	9/1/2028	1,749,574.06	15,044.66	-	15,044.66	3,745.32	11,299.33	1,745,828.74	1,827,304.03
146	10/1/2028	1,745,828.74	15,044.66	-	15,044.66	3,769.51	11,275.14	1,742,059.22	1,838,579.17
147	11/1/2028	1,742,059.22	15,044.66	-	15,044.66	3,793.86	11,250.80	1,738,265.37	1,849,829.97
148	12/1/2028	1,738,265.37	15,044.66	-	15,044.66	3,818.36	11,226.30	1,734,447.01	1,861,056.27
149	1/1/2029	1,734,447.01	15,044.66	-	15,044.66	3,843.02	11,201.64	1,730,603.99	1,872,257.90
150	2/1/2029	1,730,603.99	15,044.66	-	15,044.66	3,867.84	11,176.82	1,726,736.15	1,883,434.72
151	3/1/2029	1,726,736.15	15,044.66	-	15,044.66	3,892.82	11,151.84	1,722,843.33	1,894,586.56
152	4/1/2029	1,722,843.33	15,044.66	-	15,044.66	3,917.96	11,126.70	1,718,925.37	1,905,713.25
153	5/1/2029	1,718,925.37	15,044.66	-	15,044.66	3,943.26	11,101.39	1,714,982.10	1,916,814.65
154	6/1/2029	1,714,982.10	15,044.66	-	15,044.66	3,968.73	11,075.93	1,711,013.37	1,927,890.57
155	7/1/2029	1,711,013.37	15,044.66	-	15,044.66	3,994.36	11,050.29	1,707,019.01	1,938,940.87
156	8/1/2029	1,707,019.01	15,044.66	-	15,044.66	4,020.16	11,024.50	1,702,998.85	1,949,965.37
157	9/1/2029	1,702,998.85	15,044.66	-	15,044.66	4,046.12	10,998.53	1,698,952.73	1,960,963.90
158	10/1/2029	1,698,952.73	15,044.66	-	15,044.66	4,072.25	10,972.40	1,694,880.47	1,971,936.30
159	11/1/2029	1,694,880.47	15,044.66	-	15,044.66	4,098.55	10,946.10	1,690,781.92	1,982,882.41
160	12/1/2029	1,690,781.92	15,044.66	-	15,044.66	4,125.02	10,919.63	1,686,656.89	1,993,802.04
161	1/1/2030	1,686,656.89	15,044.66	-	15,044.66	4,151.66	10,892.99	1,682,505.23	2,004,695.03
162	2/1/2030	1,682,505.23	15,044.66	-	15,044.66	4,178.48	10,866.18	1,678,326.75	2,015,561.21
163	3/1/2030	1,678,326.75	15,044.66	-	15,044.66	4,205.46	10,839.19	1,674,121.29	2,026,400.40
164	4/1/2030	1,674,121.29	15,044.66	-	15,044.66	4,232.62	10,812.03	1,669,888.66	2,037,212.44
165	5/1/2030	1,669,888.66	15,044.66	-	15,044.66	4,259.96	10,784.70	1,665,628.70	2,047,997.14
166	6/1/2030	1,665,628.70	15,044.66	-	15,044.66	4,287.47	10,757.19	1,661,341.23	2,058,754.32
167	7/1/2030	1,661,341.23	15,044.66	-	15,044.66	4,315.16	10,729.50	1,657,026.07	2,069,483.82
168	8/1/2030	1,657,026.07	15,044.66	-	15,044.66	4,343.03	10,701.63	1,652,683.04	2,080,185.44
169	9/1/2030	1,652,683.04	15,044.66	-	15,044.66	4,371.08	10,673.58	1,648,311.96	2,090,859.02
170	10/1/2030	1,648,311.96	15,044.66	-	15,044.66	4,399.31	10,645.35	1,643,912.65	2,101,504.37
171	11/1/2030	1,643,912.65	15,044.66	-	15,044.66	4,427.72	10,616.94	1,639,484.93	2,112,121.31
172	12/1/2030	1,639,484.93	15,044.66	-	15,044.66	4,456.32	10,588.34	1,635,028.61	2,122,709.65
173	1/1/2031	1,635,028.61	15,044.66	-	15,044.66	4,485.10	10,559.56	1,630,543.52	2,133,269.21
174	2/1/2031	1,630,543.52	15,044.66	-	15,044.66	4,514.06	10,530.59	1,626,029.45	2,143,799.80
175	3/1/2031	1,626,029.45	15,044.66	-	15,044.66	4,543.22	10,501.44	1,621,486.24	2,154,301.24
176	4/1/2031	1,621,486.24	15,044.66	-	15,044.66	4,572.56	10,472.10	1,616,913.68	2,164,773.34
177	5/1/2031	1,616,913.68	15,044.66	-	15,044.66	4,602.09	10,442.57	1,612,311.59	2,175,215.91
178	6/1/2031	1,612,311.59	15,044.66	-	15,044.66	4,631.81	10,412.85	1,607,679.78	2,185,628.75
179	7/1/2031	1,607,679.78	15,044.66	-	15,044.66	4,661.73	10,382.93	1,603,018.05	2,196,011.68
180	8/1/2031	1,603,018.05	15,044.66	-	15,044.66	4,691.83	10,352.82	1,598,326.22	2,206,364.51
181	9/1/2031	1,598,326.22	15,044.66	-	15,044.66	4,722.13	10,322.52	1,593,604.09	2,216,687.03
182	10/1/2031	1,593,604.09	15,044.66	-	15,044.66	4,752.63	10,292.03	1,588,851.45	2,226,979.06
183	11/1/2031	1,588,851.45	15,044.66	-	15,044.66	4,783.32	10,261.33	1,584,068.13	2,237,240.39
184	12/1/2031	1,584,068.13	15,044.66	-	15,044.66	4,814.22	10,230.44	1,579,253.91	2,247,470.83
185	1/1/2032	1,579,253.91	15,044.66	-	15,044.66	4,845.31	10,199.35	1,574,408.60	2,257,670.18
186	2/1/2032	1,574,408.60	15,044.66	-	15,044.66	4,876.60	10,168.06	1,569,532.00	2,267,838.23
187	3/1/2032	1,569,532.00	15,044.66	-	15,044.66	4,908.19	10,136.56	1,564,623.91	2,277,974.79
188	4/1/2032	1,564,623.91	15,044.66	-	15,044.66	4,939.79	10,104.86	1,559,684.11	2,288,079.66
189	5/1/2032	1,559,684.11	15,044.66	-	15,044.66	4,971.70	10,072.96	1,554,712.41	2,298,152.62
190	6/1/2032	1,554,712.41	15,044.66	-	15,044.66	5,003.81	10,040.85	1,549,708.61	2,308,193.47

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
191	7/1/2032	1,549,708.61	15,044.66	-	15,044.66	5,036.12	10,008.53	1,544,672.49	2,318,202.00
192	8/1/2032	1,544,672.49	15,044.66	-	15,044.66	5,068.65	9,976.01	1,539,603.84	2,328,178.01
193	9/1/2032	1,539,603.84	15,044.66	-	15,044.66	5,101.38	9,943.27	1,534,502.46	2,338,121.29
194	10/1/2032	1,534,502.46	15,044.66	-	15,044.66	5,134.33	9,910.33	1,529,368.13	2,348,031.62
195	11/1/2032	1,529,368.13	15,044.66	-	15,044.66	5,167.49	9,877.17	1,524,200.64	2,357,908.78
196	12/1/2032	1,524,200.64	15,044.66	-	15,044.66	5,200.86	9,843.80	1,518,999.78	2,367,752.58
197	1/1/2033	1,518,999.78	15,044.66	-	15,044.66	5,234.45	9,810.21	1,513,765.33	2,377,562.79
198	2/1/2033	1,513,765.33	15,044.66	-	15,044.66	5,268.26	9,776.40	1,508,497.07	2,387,339.19
199	3/1/2033	1,508,497.07	15,044.66	-	15,044.66	5,302.28	9,742.38	1,503,194.79	2,397,081.57
200	4/1/2033	1,503,194.79	15,044.66	-	15,044.66	5,336.52	9,708.13	1,497,858.27	2,406,789.70
201	5/1/2033	1,497,858.27	15,044.66	-	15,044.66	5,370.99	9,673.67	1,492,487.28	2,416,463.37
202	6/1/2033	1,492,487.28	15,044.66	-	15,044.66	5,405.68	9,638.98	1,487,081.60	2,426,102.35
203	7/1/2033	1,487,081.60	15,044.66	-	15,044.66	5,440.59	9,604.07	1,481,641.01	2,435,706.42
204	8/1/2033	1,481,641.01	15,044.66	-	15,044.66	5,475.73	9,568.93	1,476,165.29	2,445,275.35
205	9/1/2033	1,476,165.29	15,044.66	-	15,044.66	5,511.09	9,533.57	1,470,654.20	2,454,808.91
206	10/1/2033	1,470,654.20	15,044.66	-	15,044.66	5,546.68	9,497.98	1,465,107.52	2,464,306.89
207	11/1/2033	1,465,107.52	15,044.66	-	15,044.66	5,582.50	9,462.15	1,459,525.01	2,473,769.04
208	12/1/2033	1,459,525.01	15,044.66	-	15,044.66	5,618.56	9,426.10	1,453,906.45	2,483,195.14
209	1/1/2034	1,453,906.45	15,044.66	-	15,044.66	5,654.84	9,389.81	1,448,251.61	2,492,584.95
210	2/1/2034	1,448,251.61	15,044.66	-	15,044.66	5,691.37	9,353.29	1,442,560.24	2,501,938.25
211	3/1/2034	1,442,560.24	15,044.66	-	15,044.66	5,728.12	9,316.53	1,436,832.12	2,511,254.78
212	4/1/2034	1,436,832.12	15,044.66	-	15,044.66	5,765.12	9,279.54	1,431,067.00	2,520,534.32
213	5/1/2034	1,431,067.00	15,044.66	-	15,044.66	5,802.35	9,242.31	1,425,264.65	2,529,776.63
214	6/1/2034	1,425,264.65	15,044.66	-	15,044.66	5,839.82	9,204.83	1,419,424.83	2,538,981.46
215	7/1/2034	1,419,424.83	15,044.66	-	15,044.66	5,877.54	9,167.12	1,413,547.29	2,548,148.58
216	8/1/2034	1,413,547.29	15,044.66	-	15,044.66	5,915.50	9,129.16	1,407,631.80	2,557,277.74
217	9/1/2034	1,407,631.80	15,044.66	-	15,044.66	5,953.70	9,090.96	1,401,678.09	2,566,368.70
218	10/1/2034	1,401,678.09	15,044.66	-	15,044.66	5,992.15	9,052.50	1,395,685.94	2,575,421.20
219	11/1/2034	1,395,685.94	15,044.66	-	15,044.66	6,030.85	9,013.81	1,389,655.09	2,584,435.01
220	12/1/2034	1,389,655.09	15,044.66	-	15,044.66	6,069.80	8,974.86	1,383,585.29	2,593,409.86
221	1/1/2035	1,383,585.29	15,044.66	-	15,044.66	6,109.00	8,935.65	1,377,476.29	2,602,345.52
222	2/1/2035	1,377,476.29	15,044.66	-	15,044.66	6,148.46	8,896.20	1,371,327.83	2,611,241.72
223	3/1/2035	1,371,327.83	15,044.66	-	15,044.66	6,188.16	8,856.49	1,365,139.66	2,620,098.21
224	4/1/2035	1,365,139.66	15,044.66	-	15,044.66	6,228.13	8,816.53	1,358,911.53	2,628,914.74
225	5/1/2035	1,358,911.53	15,044.66	-	15,044.66	6,268.35	8,776.30	1,352,643.18	2,637,691.04
226	6/1/2035	1,352,643.18	15,044.66	-	15,044.66	6,308.84	8,735.82	1,346,334.34	2,646,426.86
227	7/1/2035	1,346,334.34	15,044.66	-	15,044.66	6,349.58	8,695.08	1,339,984.76	2,655,121.94
228	8/1/2035	1,339,984.76	15,044.66	-	15,044.66	6,390.59	8,654.07	1,333,594.17	2,663,776.01
229	9/1/2035	1,333,594.17	15,044.66	-	15,044.66	6,431.86	8,612.80	1,327,162.31	2,672,388.80
230	10/1/2035	1,327,162.31	15,044.66	-	15,044.66	6,473.40	8,571.26	1,320,688.91	2,680,960.06
231	11/1/2035	1,320,688.91	15,044.66	-	15,044.66	6,515.21	8,529.45	1,314,173.70	2,689,489.51
232	12/1/2035	1,314,173.70	15,044.66	-	15,044.66	6,557.29	8,487.37	1,307,616.42	2,697,976.88
233	1/1/2036	1,307,616.42	15,044.66	-	15,044.66	6,599.63	8,445.02	1,301,016.78	2,706,421.90
234	2/1/2036	1,301,016.78	15,044.66	-	15,044.66	6,642.26	8,402.40	1,294,374.53	2,714,824.30
235	3/1/2036	1,294,374.53	15,044.66	-	15,044.66	6,685.16	8,359.50	1,287,689.37	2,723,183.80
236	4/1/2036	1,287,689.37	15,044.66	-	15,044.66	6,728.33	8,316.33	1,280,961.04	2,731,500.13
237	5/1/2036	1,280,961.04	15,044.66	-	15,044.66	6,771.78	8,272.87	1,274,189.26	2,739,773.00
238	6/1/2036	1,274,189.26	15,044.66	-	15,044.66	6,815.52	8,229.14	1,267,373.74	2,748,002.14
239	7/1/2036	1,267,373.74	15,044.66	-	15,044.66	6,859.54	8,185.12	1,260,514.20	2,756,187.27
240	8/1/2036	1,260,514.20	15,044.66	-	15,044.66	6,903.84	8,140.82	1,253,610.37	2,764,328.09
241	9/1/2036	1,253,610.37	15,044.66	-	15,044.66	6,948.42	8,096.23	1,246,661.95	2,772,424.32

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
242	10/1/2036	1,246,661.95	15,044.66	-	15,044.66	6,993.30	8,051.36	1,239,668.65	2,780,475.68
243	11/1/2036	1,239,668.65	15,044.66	-	15,044.66	7,038.46	8,006.19	1,232,630.18	2,788,481.87
244	12/1/2036	1,232,630.18	15,044.66	-	15,044.66	7,083.92	7,960.74	1,225,546.26	2,796,442.61
245	1/1/2037	1,225,546.26	15,044.66	-	15,044.66	7,129.67	7,914.99	1,218,416.59	2,804,357.59
246	2/1/2037	1,218,416.59	15,044.66	-	15,044.66	7,175.72	7,868.94	1,211,240.87	2,812,226.54
247	3/1/2037	1,211,240.87	15,044.66	-	15,044.66	7,222.06	7,822.60	1,204,018.81	2,820,049.13
248	4/1/2037	1,204,018.81	15,044.66	-	15,044.66	7,268.70	7,775.95	1,196,750.11	2,827,825.09
249	5/1/2037	1,196,750.11	15,044.66	-	15,044.66	7,315.65	7,729.01	1,189,434.47	2,835,554.10
250	6/1/2037	1,189,434.47	15,044.66	-	15,044.66	7,362.89	7,681.76	1,182,071.57	2,843,235.86
251	7/1/2037	1,182,071.57	15,044.66	-	15,044.66	7,410.44	7,634.21	1,174,661.13	2,850,870.07
252	8/1/2037	1,174,661.13	15,044.66	-	15,044.66	7,458.30	7,586.35	1,167,202.82	2,858,456.43
253	9/1/2037	1,167,202.82	15,044.66	-	15,044.66	7,506.47	7,538.18	1,159,696.35	2,865,994.61
254	10/1/2037	1,159,696.35	15,044.66	-	15,044.66	7,554.95	7,489.71	1,152,141.40	2,873,484.32
255	11/1/2037	1,152,141.40	15,044.66	-	15,044.66	7,603.74	7,440.91	1,144,537.66	2,880,925.23
256	12/1/2037	1,144,537.66	15,044.66	-	15,044.66	7,652.85	7,391.81	1,136,884.81	2,888,317.04
257	1/1/2038	1,136,884.81	15,044.66	-	15,044.66	7,702.28	7,342.38	1,129,182.53	2,895,659.42
258	2/1/2038	1,129,182.53	15,044.66	-	15,044.66	7,752.02	7,292.64	1,121,430.51	2,902,952.06
259	3/1/2038	1,121,430.51	15,044.66	-	15,044.66	7,802.09	7,242.57	1,113,628.42	2,910,194.63
260	4/1/2038	1,113,628.42	15,044.66	-	15,044.66	7,852.47	7,192.18	1,105,775.95	2,917,386.81
261	5/1/2038	1,105,775.95	15,044.66	-	15,044.66	7,903.19	7,141.47	1,097,872.76	2,924,528.28
262	6/1/2038	1,097,872.76	15,044.66	-	15,044.66	7,954.23	7,090.43	1,089,918.53	2,931,618.71
263	7/1/2038	1,089,918.53	15,044.66	-	15,044.66	8,005.60	7,039.06	1,081,912.93	2,938,657.77
264	8/1/2038	1,081,912.93	15,044.66	-	15,044.66	8,057.30	6,987.35	1,073,855.63	2,945,645.12
265	9/1/2038	1,073,855.63	15,044.66	-	15,044.66	8,109.34	6,935.32	1,065,746.29	2,952,580.44
266	10/1/2038	1,065,746.29	15,044.66	-	15,044.66	8,161.71	6,882.94	1,057,584.58	2,959,463.38
267	11/1/2038	1,057,584.58	15,044.66	-	15,044.66	8,214.42	6,830.23	1,049,370.16	2,966,293.62
268	12/1/2038	1,049,370.16	15,044.66	-	15,044.66	8,267.47	6,777.18	1,041,102.68	2,973,070.80
269	1/1/2039	1,041,102.68	15,044.66	-	15,044.66	8,320.87	6,723.79	1,032,781.81	2,979,794.59
270	2/1/2039	1,032,781.81	15,044.66	-	15,044.66	8,374.61	6,670.05	1,024,407.20	2,986,464.64
271	3/1/2039	1,024,407.20	15,044.66	-	15,044.66	8,428.69	6,615.96	1,015,978.51	2,993,080.60
272	4/1/2039	1,015,978.51	15,044.66	-	15,044.66	8,483.13	6,561.53	1,007,495.38	2,999,642.13
273	5/1/2039	1,007,495.38	15,044.66	-	15,044.66	8,537.92	6,506.74	998,957.46	3,006,148.87
274	6/1/2039	998,957.46	15,044.66	-	15,044.66	8,593.06	6,451.60	990,364.41	3,012,600.47
275	7/1/2039	990,364.41	15,044.66	-	15,044.66	8,648.55	6,396.10	981,715.85	3,018,996.57
276	8/1/2039	981,715.85	15,044.66	-	15,044.66	8,704.41	6,340.25	973,011.45	3,025,336.82
277	9/1/2039	973,011.45	15,044.66	-	15,044.66	8,760.62	6,284.03	964,250.82	3,031,620.85
278	10/1/2039	964,250.82	15,044.66	-	15,044.66	8,817.20	6,227.45	955,433.62	3,037,848.31
279	11/1/2039	955,433.62	15,044.66	-	15,044.66	8,874.15	6,170.51	946,559.47	3,044,018.81
280	12/1/2039	946,559.47	15,044.66	-	15,044.66	8,931.46	6,113.20	937,628.01	3,050,132.01
281	1/1/2040	937,628.01	15,044.66	-	15,044.66	8,989.14	6,055.51	928,638.86	3,056,187.53
282	2/1/2040	928,638.86	15,044.66	-	15,044.66	9,047.20	5,997.46	919,591.67	3,062,184.98
283	3/1/2040	919,591.67	15,044.66	-	15,044.66	9,105.63	5,939.03	910,486.04	3,068,124.01
284	4/1/2040	910,486.04	15,044.66	-	15,044.66	9,164.43	5,880.22	901,321.60	3,074,004.24
285	5/1/2040	901,321.60	15,044.66	-	15,044.66	9,223.62	5,821.04	892,097.98	3,079,825.27
286	6/1/2040	892,097.98	15,044.66	-	15,044.66	9,283.19	5,761.47	882,814.79	3,085,586.74
287	7/1/2040	882,814.79	15,044.66	-	15,044.66	9,343.14	5,701.51	873,471.65	3,091,288.25
288	8/1/2040	873,471.65	15,044.66	-	15,044.66	9,403.49	5,641.17	864,068.16	3,096,929.42
289	9/1/2040	864,068.16	15,044.66	-	15,044.66	9,464.22	5,580.44	854,603.94	3,102,509.86
290	10/1/2040	854,603.94	15,044.66	-	15,044.66	9,525.34	5,519.32	845,078.60	3,108,029.18
291	11/1/2040	845,078.60	15,044.66	-	15,044.66	9,586.86	5,457.80	835,491.75	3,113,486.98
292	12/1/2040	835,491.75	15,044.66	-	15,044.66	9,648.77	5,395.88	825,842.97	3,118,882.86



Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
293	1/1/2041	825,842.97	15,044.66	-	15,044.66	9,711.09	5,333.57	816,131.88	3,124,216.43
294	2/1/2041	816,131.88	15,044.66	-	15,044.66	9,773.81	5,270.85	806,358.08	3,129,487.28
295	3/1/2041	806,358.08	15,044.66	-	15,044.66	9,836.93	5,207.73	796,521.15	3,134,695.01
296	4/1/2041	796,521.15	15,044.66	-	15,044.66	9,900.46	5,144.20	786,620.69	3,139,839.21
297	5/1/2041	786,620.69	15,044.66	-	15,044.66	9,964.40	5,080.26	776,656.29	3,144,919.47
298	6/1/2041	776,656.29	15,044.66	-	15,044.66	10,028.75	5,015.91	766,627.54	3,149,935.38
299	7/1/2041	766,627.54	15,044.66	-	15,044.66	10,093.52	4,951.14	756,534.02	3,154,886.51
300	8/1/2041	756,534.02	15,044.66	-	15,044.66	10,158.71	4,885.95	746,375.31	3,159,772.46
301	9/1/2041	746,375.31	15,044.66	-	15,044.66	10,224.32	4,820.34	736,151.00	3,164,592.80
302	10/1/2041	736,151.00	15,044.66	-	15,044.66	10,290.35	4,754.31	725,860.65	3,169,347.11
303	11/1/2041	725,860.65	15,044.66	-	15,044.66	10,356.81	4,687.85	715,503.84	3,174,034.96
304	12/1/2041	715,503.84	15,044.66	-	15,044.66	10,423.69	4,620.96	705,080.15	3,178,655.92
305	1/1/2042	705,080.15	15,044.66	-	15,044.66	10,491.01	4,553.64	694,589.13	3,183,209.56
306	2/1/2042	694,589.13	15,044.66	-	15,044.66	10,558.77	4,485.89	684,030.36	3,187,695.45
307	3/1/2042	684,030.36	15,044.66	-	15,044.66	10,626.96	4,417.70	673,403.40	3,192,113.15
308	4/1/2042	673,403.40	15,044.66	-	15,044.66	10,695.59	4,349.06	662,707.81	3,196,462.21
309	5/1/2042	662,707.81	15,044.66	-	15,044.66	10,764.67	4,279.99	651,943.14	3,200,742.20
310	6/1/2042	651,943.14	15,044.66	-	15,044.66	10,834.19	4,210.47	641,108.95	3,204,952.67
311	7/1/2042	641,108.95	15,044.66	-	15,044.66	10,904.16	4,140.50	630,204.79	3,209,093.16
312	8/1/2042	630,204.79	15,044.66	-	15,044.66	10,974.58	4,070.07	619,230.20	3,213,163.23
313	9/1/2042	619,230.20	15,044.66	-	15,044.66	11,045.46	3,999.20	608,184.74	3,217,162.43
314	10/1/2042	608,184.74	15,044.66	-	15,044.66	11,116.80	3,927.86	597,067.94	3,221,090.29
315	11/1/2042	597,067.94	15,044.66	-	15,044.66	11,188.59	3,856.06	585,879.35	3,224,946.35
316	12/1/2042	585,879.35	15,044.66	-	15,044.66	11,260.85	3,783.80	574,618.50	3,228,730.16
317	1/1/2043	574,618.50	15,044.66	-	15,044.66	11,333.58	3,711.08	563,284.92	3,232,441.24
318	2/1/2043	563,284.92	15,044.66	-	15,044.66	11,406.78	3,637.88	551,878.14	3,236,079.12
319	3/1/2043	551,878.14	15,044.66	-	15,044.66	11,480.44	3,564.21	540,397.70	3,239,643.33
320	4/1/2043	540,397.70	15,044.66	-	15,044.66	11,554.59	3,490.07	528,843.11	3,243,133.40
321	5/1/2043	528,843.11	15,044.66	-	15,044.66	11,629.21	3,415.45	517,213.90	3,246,548.84
322	6/1/2043	517,213.90	15,044.66	-	15,044.66	11,704.32	3,340.34	505,509.58	3,249,889.18
323	7/1/2043	505,509.58	15,044.66	-	15,044.66	11,779.91	3,264.75	493,729.67	3,253,153.93
324	8/1/2043	493,729.67	15,044.66	-	15,044.66	11,855.99	3,188.67	481,873.68	3,256,342.60
325	9/1/2043	481,873.68	15,044.66	-	15,044.66	11,932.56	3,112.10	469,941.13	3,259,454.70
326	10/1/2043	469,941.13	15,044.66	-	15,044.66	12,009.62	3,035.04	457,931.51	3,262,489.74
327	11/1/2043	457,931.51	15,044.66	-	15,044.66	12,087.18	2,957.47	445,844.32	3,265,447.21
328	12/1/2043	445,844.32	15,044.66	-	15,044.66	12,165.25	2,879.41	433,679.08	3,268,326.63
329	1/1/2044	433,679.08	15,044.66	-	15,044.66	12,243.81	2,800.84	421,435.27	3,271,127.47
330	2/1/2044	421,435.27	15,044.66	-	15,044.66	12,322.89	2,721.77	409,112.38	3,273,849.24
331	3/1/2044	409,112.38	15,044.66	-	15,044.66	12,402.47	2,642.18	396,709.90	3,276,491.42
332	4/1/2044	396,709.90	15,044.66	-	15,044.66	12,482.57	2,562.08	384,227.33	3,279,053.51
333	5/1/2044	384,227.33	15,044.66	-	15,044.66	12,563.19	2,481.47	371,664.14	3,281,534.98
334	6/1/2044	371,664.14	15,044.66	-	15,044.66	12,644.33	2,400.33	359,019.82	3,283,935.31
335	7/1/2044	359,019.82	15,044.66	-	15,044.66	12,725.99	2,318.67	346,293.83	3,286,253.98
336	8/1/2044	346,293.83	15,044.66	-	15,044.66	12,808.18	2,236.48	333,485.65	3,288,490.46
337	9/1/2044	333,485.65	15,044.66	-	15,044.66	12,890.90	2,153.76	320,594.76	3,290,644.22
338	10/1/2044	320,594.76	15,044.66	-	15,044.66	12,974.15	2,070.51	307,620.61	3,292,714.73
339	11/1/2044	307,620.61	15,044.66	-	15,044.66	13,057.94	1,986.72	294,562.67	3,294,701.44
340	12/1/2044	294,562.67	15,044.66	-	15,044.66	13,142.27	1,902.38	281,420.39	3,296,603.83
341	1/1/2045	281,420.39	15,044.66	-	15,044.66	13,227.15	1,817.51	268,193.24	3,298,421.33
342	2/1/2045	268,193.24	15,044.66	-	15,044.66	13,312.58	1,732.08	254,880.67	3,300,153.42
343	3/1/2045	254,880.67	15,044.66	-	15,044.66	13,398.55	1,646.10	241,482.12	3,301,799.52
					7				

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
344	4/1/2045	241,482.12	15,044.66	-	15,044.66	13,485.09	1,559.57	227,997.03	3,303,359.09
345	5/1/2045	227,997.03	15,044.66	-	15,044.66	13,572.18	1,472.48	214,424.85	3,304,831.57
346	6/1/2045	214,424.85	15,044.66	-	15,044.66	13,659.83	1,384.83	200,765.02	3,306,216.40
347	7/1/2045	200,765.02	15,044.66	-	15,044.66	13,748.05	1,296.61	187,016.97	3,307,513.01
348	8/1/2045	187,016.97	15,044.66	-	15,044.66	13,836.84	1,207.82	173,180.14	3,308,720.83
349	9/1/2045	173,180.14	15,044.66	-	15,044.66	13,926.20	1,118.46	159,253.93	3,309,839.28
350	10/1/2045	159,253.93	15,044.66	-	15,044.66	14,016.14	1,028.51	145,237.79	3,310,867.80
351	11/1/2045	145,237.79	15,044.66	-	15,044.66	14,106.66	937.99	131,131.13	3,311,805.79
352	12/1/2045	131,131.13	15,044.66	-	15,044.66	14,197.77	846.89	116,933.36	3,312,652.68
353	1/1/2046	116,933.36	15,044.66	-	15,044.66	14,289.46	755.19	102,643.90	3,313,407.87
354	2/1/2046	102,643.90	15,044.66	-	15,044.66	14,381.75	662.91	88,262.15	3,314,070.78
355	3/1/2046	88,262.15	15,044.66	-	15,044.66	14,474.63	570.03	73,787.52	3,314,640.81
356	4/1/2046	73,787.52	15,044.66	-	15,044.66	14,568.11	476.54	59,219.40	3,315,117.35
357	5/1/2046	59,219.40	15,044.66	-	15,044.66	14,662.20	382.46	44,557.21	3,315,499.81
358	6/1/2046	44,557.21	15,044.66	-	15,044.66	14,756.89	287.77	29,800.31	3,315,787.58
359	7/1/2046	29,800.31	15,044.66	-	15,044.66	14,852.20	192.46	14,948.12	3,315,980.04
360	8/1/2046	14,948.12	15,044.66	-	14,948.12	14,851.58	96.54	0.00	3,316,076.58



**EXHIBIT D**

**SOURCE OF FUNDS FOR FACILITY PAYMENTS PURSUANT TO  
LEASE PURCHASE ARRANGEMENT  
BASED ON 30 YEAR AMORTIZATION**

Purchase Price	\$3,000,000.00
Advanced Lease Payments (First Year)	\$900,000.00
Balance of Purchase Price <sup>1</sup>	<b>\$2,100,000.00</b>
Monthly Payment	\$15,044.66
Annual Payment	<b>\$180,535.92</b>

<b>DESCRIPTION OF FUNDING SOURCES FOR ADVANCED LEASE PAYMENTS</b> <i>(Based on Available Funds)</i>	<b>TOTAL</b>	<b>CURRENT AVAILABLE FUNDS</b>
Advanced Lease Payment	\$900,000.00	
Taos County Gross Receipts Tax income pursuant to NMSA 1978, §7-20E-20		\$320,000
<sup>3</sup> Supplemental Payments from SB9 (Public School Capital Improvements Act, NMSA 1978, §22-25-1, <i>et seq.</i> )		\$160,000
<sup>2</sup> Supplemental Payments from Operational (SEG)		\$420,000

<b>DESCRIPTION OF FUNDING SOURCES FOR PAYMENTS ON BALANCE OF PURCHASE PRICE</b> <i>Based on FY16 Funding</i>	<b>PROJECTED AVAILABLE FUNDS ANNUALLY</b>
<sup>2</sup> PSFA Lease Assistance Award pursuant to NMSA 1978, §22-24-4(I) <b>\$736.25/MEM</b> PROJECTED ANNUAL 80/120 STUDENT COUNT <b>223</b>	\$149,459.00
<sup>3</sup> Supplemental Payments from Operational (SEG)	\$31,076.92
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$180,535.92</b>

<sup>1</sup>Because there is no interest charged on the advanced lease payment (\$900,000), the balance (\$2,100,000) is amortized separately. The Sources of Funds shows how each amount will be paid for.

<sup>2</sup>Projected PSFA Lease Assistance Award assumes per-member funding remaining at \$736.25, which is the FY16 calculation. The Public School Capital Outlay Act, at NMSA 1978, §22-24-4(I) provides for an annual CPI adjustment to the per-member funding amount, however the Lessee has not forecasted any potential increase or decrease when considering its source of funds.

<sup>3</sup>The Lessee will budget \$31,076.92 each year from operational funds to supplement its annual Lease Reimbursement payments, unless or until mill levy proceeds from Public School Capital Improvements Act, NMSA 1978, §22-25-1, *et seq.* or Public School Buildings Act, NMSA 1978, §22-26-1, *et seq.* are made available to supplement the Lease Reimbursement payments.

## LEASE TERMINATION AGREEMENT

This Lease Termination Agreement ("**Agreement**") is made and entered into as of July 20, 2016, by and between LUNA AZUL, LIMITED PARTNERSHIP, a South Dakota limited partnership ("**Landlord**"), and TAOS ACADEMY, a New Mexico public charter school ("**Tenant**").

### Introductory Provisions

The following provisions constitute the basis for and are a part of this Agreement:

A. RJ2M, LLC, a New Mexico limited liability company ("**RJ2M**") and Tenant entered into that certain Lease Agreement dated May 19, 2011 (the "**Lease**"), respecting those certain premises described in Exhibit A attached hereto and incorporated by reference (the "**Premises**"). Landlord is the successor in interest to RJ2M under the Lease.

B. Landlord and Tenant have agreed to terminate the Lease in connection with Landlord's sale (the "**Sale**") of the Premises to Taos Academy Foundation, a New Mexico non-profit corporation (the "**Foundation**"), on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

### Agreements

1. Termination of Lease. Landlord and Tenant hereby agree that, subject to the terms of this Agreement, the Lease shall terminate as of the date of recording of the Deed conveying the Premises to the Foundation (the "**Termination Date**"). Tenant shall pay Rent pursuant to the terms of the Lease through the Termination Date. If the Termination Date is a day other than the last day of the month, Tenant shall pay prorated monthly rent for the partial month by multiplying the monthly rent by a fraction, the denominator of which the total number of days in the month in which the Termination Date falls and the numerator of which is the number of days in such month from and including the first day of the month through and including the Termination Date. If Tenant has paid the Rent for the month in which the Termination Date falls, Landlord shall refund to Tenant the amount of prorated unearned rent for such month.

2. Liabilities and Obligations Released. Excluding the obligations, duties and rights of the parties under this Agreement and the Surviving Obligations as described and defined below, effective as of the Termination Date:

(a) the parties shall be fully and unconditionally released and discharged from their respective obligations arising from or in connection with the provisions of the Lease and the Premises; and



(b) the parties mutually release, acquit and forever discharge each other and their respective agents, employees, officers, directors, members, joint venturers and partners from, and this Agreement shall fully and finally settle, all past, present and future demands, charges, claims, accounts, damages, liabilities, obligations and causes of action of any nature, whether known or unknown, which either party had or now has or hereafter can, shall, or may have against any of the other parties arising out of or in connection with the Lease or the Premises, but excluding the Surviving Obligations.

3. Surviving Obligations. Notwithstanding the termination of the Lease and the release of liability provided above, Tenant shall remain liable for and is not released from any of the following (the "**Surviving Obligations**") (i) any obligation to indemnify, defend and hold harmless Landlord under the Lease concerning claims of third parties; (ii) obligations under the Lease arising by virtue of events or circumstances first occurring or arising on or before the Termination Date, and (iii) obligations under the Lease which, by the terms of the Lease, survive the expiration or termination of the Lease.

4. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties regarding the subject matter hereof. It is understood and acknowledged that there are no oral agreements among the parties concerning the subject matter of this Agreement and this Agreement supersedes and all previous negotiations, arrangements, agreements and understandings of the parties relating to the subject matter of this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

5. Attorneys' Fees. Should any dispute arise between the parties hereto or the legal representatives, successors and assigns concerning any provision of this Agreement or rights and duties of any person in relation thereto, the party prevailing in such dispute or action shall be entitled, in addition to such other relief that may be granted, to recover reasonable attorneys' fees and expenses and costs of court incurred in connection with such dispute.

6. Governing Law; Venue. This Agreement shall be governed by and construed under the laws of the State of New Mexico, and the state courts of Taos County shall be the exclusive venue for any action related to this Agreement.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all such counterparts together, shall constitute one and the same instrument.

This Agreement is executed by the parties hereto as of the date first written above.

**LANDLORD:**


LUNA AZUL, LIMITED PARTNERSHIP,  
a South Dakota limited partnership

By: JRC, LLC,

a South Dakota corporation  
Its General Partner

**TENANT:**

TAOS ACADEMY,  
a New Mexico public charter school

By: 

Its: Secretary  
Simon Herskovits

By: Roels F. Cunnyingham Living Trust  
Its Manager

By: Roels Cunnyingham  
Roels F. Cunnyingham, Trustee

By: Joni V. Cunnyingham Living Trust  
Its Manager

By: Joni V. Cunnyingham  
Joni V. Cunnyingham, Trustee



## MEMORANDUM OF LEASE PURCHASE ARRANGEMENT

THIS MEMORANDUM OF LEASE PURCHASE ARRANGEMENT (this "Memorandum") is made, dated and effective as of July \_\_, 2016 (the "Effective Date"), by and between Taos Academy Foundation, a New Mexico non-profit corporation ("Lessor"), and Taos Academy, a New Mexico public charter school ("Lessee"), in light of the following facts and circumstances:

### RECITALS:

WHEREAS, Lessor and Lessee have entered a Lease Purchase Arrangement dated as of the Effective Date with respect to a certain parcel of land and real property improvements on the property ("the School Site") as more particularly described in Exhibit A (as heretofore or hereinafter amended, restated or supplemented from time to time, the "Lease Agreement"); and

WHEREAS, Lessor and Lessee desire to set forth certain terms and conditions of the Lease Agreement in a manner suitable for recording in the Public Records of Taos County, New Mexico, in order to provide record notice of the Lease Agreement and Lessee's rights in and to the School Site as provided herein.

NOW, THEREFORE, in consideration of mutual covenants contained in the Lease Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree and stipulate as follows:

1. Description of School Site. The real property and improvements subject to the Lease Agreement is described on Exhibit A attached hereto, and by this reference made a part hereof (the "School Site").

2. Demise. Under the Lease Agreement Lessor leases, demises, lets and warrants to Lessee, and Lessee leases, hires and takes from Lessor, a leasehold estate for the purposes described in the Lease Agreement upon, over, across and under the School Site on the terms and conditions more particularly set forth in the Lease Agreement. The leasehold estate created by the Lease Agreement (collectively, the "Leasehold Estate") is solely and exclusively for use as a public school and related activities thereto and for such other public purposes as may be lawfully authorized or permitted by the Lessee, and not for any other purpose.

3. Term of Lease Agreement. Unless extended or earlier terminated, as provided in the Lease Agreement, the Leasehold Estate and the Lease Agreement shall be for an initial term to commence on the Effective Date (the "Commencement Date") and to continue for thirty (30) years from the Commencement Date.

4. Names and Addresses of Parties. The names and addresses of the parties to the Lease Agreement are as follows:

Lessor:

Taos Academy Foundation  
c/o Karen Moulton or President  
110 Paseo Del Cañon West  
Taos, NM 87571

Lessee:

Taos Academy  
c/o School's Director  
110 Paseo Del Cañon  
Taos, NM 87571



5. Successors and Assigns. The terms of this Memorandum and the Lease Agreement are covenants running with the land and inure to the benefit of, and are binding upon, the parties and their respective successors and assigns, including all subsequent Lessors of all or any portion of the School Site. References to Lessor and Lessee include their respective successors and assigns. References to the Lease Agreement includes any amendments thereto.

6. Miscellaneous. This Memorandum is executed for the purpose of recording in the Public Records of Taos County, New Mexico, in order to provide public record notice of the Lease Agreement and Lessee's rights in and to the property subject to the Lease Agreement. The entire Lease Agreement is hereby incorporated into this Memorandum by reference. Copies of the Lease Agreement are maintained by Lessor and Lessee. Notwithstanding anything to the contrary contained herein, the provisions of this Memorandum do not in any way alter, amend, supplement, change or affect the terms, covenants or conditions of the Lease Agreement, all of which terms, covenants and conditions shall remain in full force and effect. In the event of any conflict between the terms of this Memorandum and the Lease Agreement, the terms of the Lease Agreement shall prevail. This instrument may for convenience be executed in any number of original counterparts, each of which shall be an original and all of which taken together shall constitute one instrument.

IN WITNESS WHEREOF, Lessor and Lessee, acting through their duly authorized representatives, have made and entered into this Memorandum as of the Effective Date.

LESSOR:

TAOS ACADEMY FOUNDATION, a New Mexico non-profit corporation

By: Karin Moulton  
Name: Karen Moulton  
Title: President

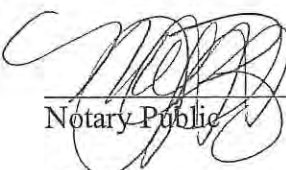
LESSEE:

TAOS ACADEMY, a New Mexico public charter school

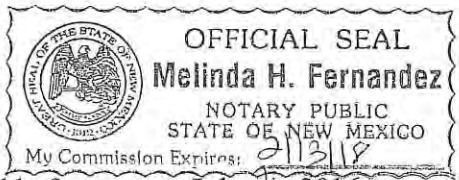
By: Simon Herskowitz  
Name: Simon Herskowitz  
Title: Secretary

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

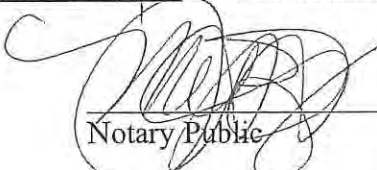
This instrument was acknowledged before me on July 20, 2016 by Karin Mouton  
as President of Taos Academy Foundation, a New Mexico not for profit  
corporation.

  
\_\_\_\_\_  
Notary Public  
My commission expires: 2/13/18

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



This instrument was acknowledged before me on July 20, 2016  
by Simon Herskovits as Secretary of Taos Academy, a New Mexico charter  
school.

  
\_\_\_\_\_  
Notary Public  
My commission expires: 2/13/18



## EXHIBIT A

The School Site

### Legal description of the Property

with a street address of 110 Paseo Del Cañon West, in the Town and County of Taos, State of New Mexico 87571, together with all site improvements and building structures, landscaping, irrigation equipment, and fixtures erected thereon or affixed thereto, or which belong to or are used in connection therewith and all rights, privileges, interests, leases, easements and appurtenances belonging or in any way pertaining thereto.



May 28, 2019

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

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

Dear PED:

In accordance with a request from Taos 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 Taos Academy subject to a \$1,000 deductible each occurrence, which is the responsibility of the district. The Named Insured is Taos 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 Taos 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: \$ 15,123**



### 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: \$ 4,923**

### 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: \$ 88**

### 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: \$49**

### 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

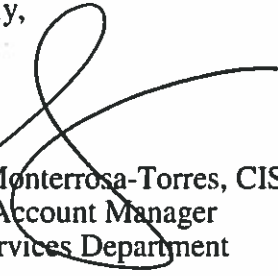
Excess Fidelity Insurance Coverage covers losses caused by failure of any employee to faithfully perform his or her duties as prescribed by law as well as losses caused by forgery or alteration of checks, drafts, promissory notes or orders to pay moneys that are drawn upon your accounts by someone acting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

**The annual Premium: \$ NO COST TO MEMBER**

2. Taos 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)  
05/28/2019

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.

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

**COVERAGES** **CERTIFICATE NUMBER:** Taos 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"/> <b>PROPERTY</b>					
	CAUSES OF LOSS	DEDUCTIBLES			BUILDING	\$
		BUILDING			PERSONAL PROPERTY	\$
	<input type="checkbox"/> <b>BASIC</b>				BUSINESS INCOME	\$
	<input type="checkbox"/> <b>BROAD</b>	CONTENTS			EXTRA EXPENSE	\$
	<input type="checkbox"/> <b>SPECIAL</b>				RENTAL VALUE	\$
	<input type="checkbox"/> <b>EARTHQUAKE</b>				BLANKET BUILDING	\$
	<input type="checkbox"/> <b>WIND</b>				BLANKET PERS PROP	\$
	<input type="checkbox"/> <b>FLOOD</b>				BLANKET BLDG & PP	\$
					Contents	\$
						\$
	<input type="checkbox"/> <b>INLAND MARINE</b>	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	<input type="checkbox"/> <b>NAMED PERILS</b>	POLICY NUMBER				\$
						\$
A	<input checked="" type="checkbox"/> <b>CRIME</b>					
	TYPE OF POLICY	BGOV-45001509-23	07/01/2018	07/01/2019	<input checked="" type="checkbox"/> Employee Theft	\$ 2,000,000
					<input checked="" type="checkbox"/> Forgery or Alteration	\$ 2,000,000
					<input checked="" type="checkbox"/> Faithful Performanc	\$ 1,000,000
	<input type="checkbox"/> <b>BOILER &amp; MACHINERY / EQUIPMENT BREAKDOWN</b>					\$
						\$
						\$
						\$

**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)

04/16/2019

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).

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

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

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. See attached New Mexico Tort Claims Act Section 41-4-19: Maximum Liability Summary.

Evidence of insurance with respects to liability arising out of the use of certificate holder facilities for Taos Academy students Internship for a college class "Intro to EMT" to include riding in an ambulance.

**CERTIFICATE HOLDER****CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

87571

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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