



EAST MOUNTAIN HIGH SCHOOL

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AGENDA

EAST MOUNTAIN HIGH SCHOOL GOVERNING COUNCIL

March 13, 2026

- I. Call to Order
- II. Roll Call
- III. Adoption of Agenda
- IV. Public Forum/Public Input
- V. Resolution Approval Regarding Updated Lease Agreement
- VI. Updated Lease Purchase Agreement documents between East Mountain and the East Mountain Foundation
- VII. Adjournment

RESOLUTION OF EAST MOUNTAIN GOVERNING COUNCIL

APPROVING CERTAIN AGREEMENTS RELATING TO FINANCING FOR A MIDDLE SCHOOL FACILITY; AUTHORIZING CERTAIN OFFICERS TO TAKE ADDITIONAL ACTION; AND OTHER MATTERS RELATING THERETO

This Resolution is adopted this _____ day of March, 2026 by the Governing Council of East Mountain (“Governing Council” and “School”), a duly chartered New Mexico public charter school, at a duly called Governing Council meeting, at a public meeting held in compliance with the New Mexico Open Meetings Act, NMSA 1978, §10-15-1, *et seq.*

WHEREAS, the Governing Council of School recognizes that East Mountain High School Foundation ("Foundation") is a New Mexico nonprofit corporation with an Internal Revenue Service designation as a 501(c)(3) organization, whose primary purpose is to receive and maintain a fund or funds to acquire real or personal property or both and to use and apply the whole or any part of the income therefrom and the principal thereof for the purpose of supporting the public educational purposes of the School, including providing suitable facilities for the operation of the School.

WHEREAS, the Governing Council is aware that the Foundation intends to acquire, construct, expand, remodel, renovate, improve, furnish and equip a new facility for the School to use as a middle school.

WHEREAS, the Governing Council has been informed that to facilitate the project, the Foundation has applied for and been approved for a loan from a nonprofit social impact fund, Equitable Facilities Fund, Inc. (“EFF”), whose mission is to help high performing public charter schools. The loan will provide funding for the Foundation to construct and equip an approximately 27,302 square foot new building of multi-purpose space, a new learning commons, and middle school classrooms, and related space for grades six through eight, parking, and related structures (together the "Middle School Facility"). The Foundation's loan to construct the Middle School Facility will be an amount not to exceed \$21,400,000 (the "Loan") and amortized over thirty (30) years with a five-year maturity. In addition, the Loan includes funding for capitalized interest during construction of the Middle School Facility and the costs of issuance of the Loan.

WHEREAS, upon completion, the Middle School Facility will meet the Statewide Adequacy Standards required to house a public charter school as the term is defined and as it applies to charter schools according to 6.27.30 NMAC [1.14.2025].

WHEREAS, the Foundation has approved the construction of the Middle School Facility, the execution of the Loan Agreement to be entered into between the Foundation and EFF for the Middle School Facility (the “Loan Agreement”), including approving the form of the Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement, Fixture Filing and Other Real Property Related Financing Statement Filing (“Deed of Trust”) as security for the Loan, and related matters.

WHEREAS, the Governing Council has been generally informed about the terms and conditions of the financing sought by the Foundation to construct the Middle School Facility.

WHEREAS, the Foundation has represented to the School that the Foundation's obligations related to the Loan are solely the obligation of the Foundation and that neither the School, nor the Governing Council or any of its individual members, officers, employees, agents or other representatives of the School, will be obligated for any outstanding debt as contemplated by Art. 9 §11 of the New Mexico Constitution, or be required to give or pledge a guaranty, security or other credit as may be contemplated in Art. 9 §14 of the New Mexico Constitution.

WHEREAS, the Council, upon verification by a subsequent review of the closing documents to be signed by the Foundation, intends to lease the Middle School Facility according to a lease agreement (the “Middle School Facility Lease”), which will be separately considered and approved by the Governing Council at or before closing of the Foundation's Loan. The Governing Council has been advised by administration and its business manager that the lease payments, plus additional rents, as projected are reasonable and necessary to provide a facility that meets the needs of the School's educational program and the School's facility obligations as required by NMSA 1978, §22-8B-4.2 (2024).

WHEREAS, it is the School's intent to acquire the Middle School Facility by entering a Lease Purchase Arrangement with the Foundation pursuant to the Public School Lease Purchase Act, NMSA 1978, §22-26A-1, *et seq.* (2024), following receipt of approval from the Public Education Department and the Public School Facilities Authority (the “Required Approvals”), which acquisition will ensure that the School has a permanent middle school facility as contemplated by NMSA 1978, §22-8B-4.2. A draft form of the Lease Purchase Arrangement will

be separately considered and approved, subject to the Required Approvals, by the Governing Council at or before closing of the Foundation's Loan.

WHEREAS, to further the Council's objective to secure a public middle school facility that meets the School's education program and requirements of state law, the Governing Council agrees, to the extent permitted by law, to cooperate in the Foundation's acquisition of the funding to construct the Middle School Facility.

NOW THEREFORE BE IT RESOLVED by the Governing Council of East Mountain as follows:

1. The Middle School Facility described in Exhibit "A" attached hereto is approved as suitable for expansion and use as School facilities.

2. The terms of the Master Covenant Agreement are approved in substantially the form attached hereto as Exhibit "B".

3. The terms of the federal Tax Certificate (the "Tax Certificate") insofar as they apply to the School as user and lessee of the Middle School Facility and Existing Facility are approved in substantially the form attached hereto as Exhibit "C".

4. The terms of the General Certificate (the "General Certificate") are approved in substantially the form attached hereto as Exhibit "D".

5. The source of funds which the School will utilize for the payments to be made under the Middle School Facility Lease is currently appropriated expenditures of the School as set forth in the Middle School Facility Lease, and Master Covenant Agreement but excludes State of New Mexico funding under the Charter Schools Act which is specifically dedicated to the payment of expenses of the School, which do not include the payment of amounts due under the Middle School Facility Lease, and funding for all such operating expenses of the School required under State or federal laws to provide required educational program expenditures.

6. The Governing Council understands that the Foundation intends to fund the Middle School Facility by incurring a debt secured by the Loan Agreement and Deed of Trust encumbering the Middle School Facility. The Governing Council has been advised that to secure the funding described in the Recitals, the Foundation will borrow the proceeds from EFF in accordance with various documents (the "Loan Documents"); however, the Governing Council shall have no financial obligations under the Loan Documents and is not a signatory thereto, other than as provided herein.

7. If financing for the Middle School Facility is approved, at closing the Foundation and the School intend to enter into the Middle School Facility Lease, which will be separately considered by the Governing Council in an open meeting before voting to accept the terms and conditions of the Lease. The School will occupy and pay rent for the Middle School Facility according to the Lease and base rent schedule that will be attached to the Lease and will subsequently take occupancy of the Middle School Facility or portion(s) thereof upon issuance of a certificate of occupancy. The School will be expected to commence rent to the Foundation for the Middle School Facility according to the terms of the Lease.

8. The Governing Council understands that the Foundation is incurring the obligations under the Loan Documents for the benefit of the School for the sole purpose of providing the School a public school facility.

9. The Governing Council has determined that leasing the Middle School Facility from the Foundation is in the School's best interest, and, therefore, the Governing Council hereby agrees to enter into an acceptable lease agreement for the Property, if the Foundation completes the construction of the Middle School Facility. In addition, the Governing Council acknowledges that the Foundation must report certain financial information about the Foundation and the School to the Foundation's lender at such times, in such form and to such designees as set forth in the Loan Documents. The Governing Council and School will cooperate in reporting requirements necessary for the Foundation to secure and comply with the terms of the Loan Documents.

10. Based upon the Recitals above which are incorporated herein and determinations made in this Resolution, the Governing Council authorizes the Officers designated below, in consultation with the School's legal counsel, to review, negotiate, execute and deliver, on behalf of the Governing Council, all certificates and other documents which in such Officer's or Officers' discretion may be necessary and proper to consummate the transactions described in this Resolution, including but not limited to the Master Covenant Agreement, the General Certificate, the Tax Certificate, and such other related documents, certificates or instruments which are consistent with the intent of this Resolution, but in no event shall any document have the consequence of creating a financial obligation to the School, the Governing Council or any of its officers, directors, employees, agents, attorneys or assigns.

11. The Governing Council President, Vice President, and Executive Director, (collectively, "Officers"), and each of them acting alone, is hereby authorized and directed to

review, negotiate, finalize, execute, seal, attest and deliver the documents identified above, and any and all other documents pertaining to this transaction. Any one or more of the Officers may consent to this transaction, or consent to any change or modification in or to the form of documents described herein, as he, she or they deem reasonable and appropriate and such approval shall be conclusively evidenced by his, her or their execution thereof.

12. All actions heretofore taken by the Officers in connection with the Middle School Facility construction and the leasing of the Middle School Facility are hereby ratified and confirmed, including without limitation the employment of legal counsel.

13. This Resolution shall take immediate effect upon its adoption by the Governing Council.

[The remainder of this page intentionally left blank. Signature page to follow.]

APPROVED AND ADOPTED THIS _____ day of _____, 2026
by the Governing Council of East Mountain as follows:

**MEMBERS VOTING IN
FAVOR OF THE RESOLUTION**

**MEMBERS VOTING
AGAINST THE RESOLUTION**

**MEMBERS ABSTAINING
FROM THE VOTE ON THE
RESOLUTION**

**GOVERNING COUNCIL OF
EAST MOUNTAIN:**

By: _____,
Dr. Glenn Hushman, President
and authorized representative

Date: _____

Attest: _____
Governing Council Secretary

Date: _____

**PRESIDENT'S CERTIFICATE REGARDING
GOVERNING COUNCIL RESOLUTION**

I hereby certify that I am the President of the Governing Council of East Mountain, a New Mexico public charter school authorized pursuant to the Charter Schools Act, NMSA 1978, §22-8B-1, *et seq.*, and that the forgoing is a true copy of a resolution duly adopted by the Governing Council of the East Mountain at a meeting held the _____ day of March, 2026, at which meeting a quorum was present acting throughout, and that the resolution has not been rescinded or modified and is in full force and effect.

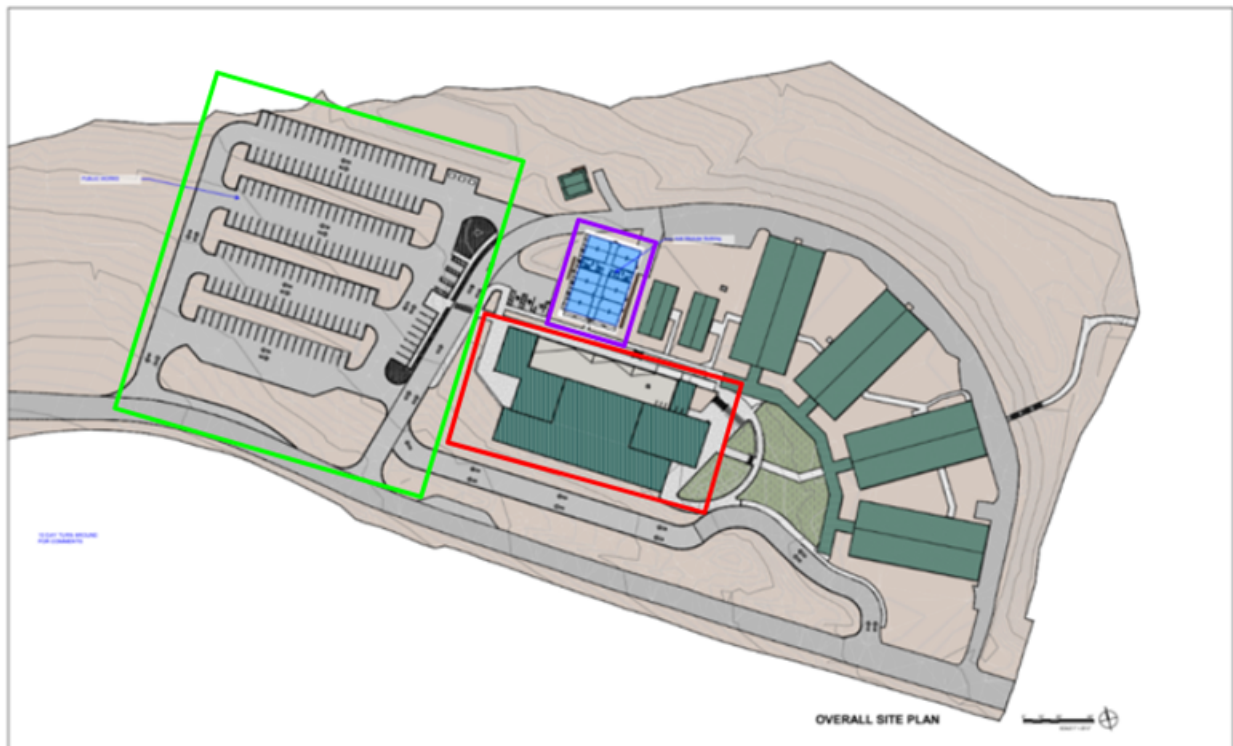
Dr. Glenn Hushman, President

EXHIBIT A

Project Description

The Project will construct (i) a ~6,100 sq. ft. prefabricated modular building, and a ~28,700 sq. ft. parking lot (Phase 1 Improvements), and (ii) a new ~27,400 sq. ft. middle school facility (Phase 2 Improvements) at 25 La Madera Road, Sandia Park, New Mexico.

Figure 1: EMHS Future Site Plan



Red Box = Middle School Building, Purple Box = Modular Building, and Green Box = Parking Lot

EXHIBIT B

Master Covenant Agreement

(See Attached)

MASTER COVENANT AGREEMENT

THIS MASTER COVENANT AGREEMENT (the “Agreement”), dated as of February __, 2026, is between EAST MOUNTAIN, a New Mexico public charter school (“Charter School”), and EAST MOUNTAIN HIGH SCHOOL FOUNDATION, a New Mexico nonprofit corporation (“Landlord”).

RECITALS:

A. Charter School and Landlord have entered into that certain Lease (hereinafter defined) whereby, subject to the terms and conditions contained therein, Landlord has agreed to lease the building and premises more particularly described in Exhibit A hereto (the “Premises”) to Charter School, and to enter, upon receipt of all required approvals, into that Lease Purchase Agreement with an option to purchase pursuant to the terms and requirements of the New Mexico Public School Lease Purchase Act, NMSA 1978 §§ 22-26A-1 et seq. attached to the Lease as Exhibit [__].

B. Landlord has requested that Equitable Facilities Fund, Inc. (“Lender”) finance or refinance the costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of existing and new facilities located at 25 La Madera Road, Sandia Park, New Mexico 87047, that will be leased to and operated by Charter School (referred to herein as the “Project”) pursuant to a loan agreement dated as of February __, 2026 between Lender and Landlord (the “Loan Agreement”) in the amount of \$[_____] (the “Loan”). Landlord is the Borrower under the Loan structure.

C. In connection with the Loan, the parties hereto now desire to set forth additional representations, warranties, covenants and agreements that were not originally contemplated in the Lease but that are critical in connection to the Landlord’s receipt of the Loan.

D. Nothing in this Master Covenant Agreement shall be construed as a lending or pledging of Charter School’s credit or the giving of security to any person or entity on the part of Charter School for any of Landlord’s obligations relating to the Loan, or as a guarantee or surety of any of Landlord’s Loan obligations, and Charter School expressly disclaims any responsibility for Landlord’s Loan-related obligations. Charter School’s obligations relating to the Loan transaction described herein are limited to Charter School’s obligations under the Lease between the parties.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Definitions

Section 1.1 **Defined Terms.** As used herein, the following terms shall have the following meanings (all terms, defined in this Article I or in other provisions of this Agreement, in the singular have the same meanings when used in the plural and vice versa):

“*Additional Debt*” means any additional Debt incurred by Landlord.

“*Additional Rent*” has the meaning set forth in the Lease.

“*Affiliate*” of any Person means any other Person directly or indirectly controlling, controlled by, or under common control with, such Person.

“*Agreement*” means this Master Covenant Agreement and any amendments thereto.

“*Annual Debt Service Requirements*” means the total principal and interest required to be paid on all Debt in a Fiscal Year.

“*Authorized Representative*” means the Chair of the Charter School Board or the Executive Director of the Charter School, or any other person duly appointed by the Governing Body of Charter School to act on behalf of Charter School, each as evidenced by a written certificate furnished to Lender containing the specimen signature of such person or persons and signed on behalf of Charter School by an authorized officer of Charter School.

“*Base Rent*” means the greater of (i) the Annual Debt Service Requirement due and payable on the Loan or (ii) the amount set forth as Base Rent in the Lease.

“*Cash on Hand*” means the sum of unrestricted cash, cash equivalents, liquid investments, and unrestricted marketable securities (valued at the lower of cost or market), excluding any trustee-held or similar funds held as collateral with respect to any obligations for borrowed money or leases.

“*Charter*” means the charters issued to the Charter School or such other entity incorporated into the Charter School, including the following: (i) that certain Charter Contract between the Charter School and the Albuquerque Public Schools Board of Education dated July 1, 2025, and any amendments or renewals thereof, and (ii) any other charter issued to the Charter School for other charter schools.

“*Chartering Authority*” means the Albuquerque Public Schools Board of Education.

“*Charter School Board*” means the Governing Council of Charter School.

“*Claims*” means all claims, lawsuits, causes of action and other legal actions and proceedings of whatever nature brought (whether by way of direct action, counter claim, cross action or impleader) against any Indemnified Party, even if groundless, false, or fraudulent, so

long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, to result from, to relate to or to be based upon, in whole or in part, the duties, activities, acts or omissions of any person in connection with the School's operation, use, occupancy, maintenance or ownership of the Project or any part thereof.

“*Closing Date*” means February __, 2026.

“*Days Cash on Hand*” means (A) the cash requirements of Charter School and Landlord during such Fiscal Year related to or payable from revenues attributable to Charter School and Landlord (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of Charter School and Landlord (i) all Tenant Operating Expenses and Landlord Operating Expenses for such Fiscal Year, and (ii) the maximum Base Rent [and Additional Rent] payable under the Lease, interest expense or any rent or other amounts due under any lease for that year, divided by (B) 365. For the avoidance of doubt, any proceeds of any Outstanding (as defined under the Loan Agreement) Debt, regardless of maturity, whose proceeds were drawn for the payment of Tenant Operating Expenses and Landlord Operating Expenses or the funding of cash shall not be considered Cash on Hand for the purposes of Days Cash on Hand.

“*Debt*” means all:

(i) indebtedness incurred or assumed by a Person for borrowed money or for the acquisition, construction or improvement of property other than goods that are acquired in the ordinary course of business of such Person;

(ii) lease obligations of the Person that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(iii) all indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money for the acquisition, construction or improvement of property or capitalized lease obligations guaranteed, directly or indirectly, in any manner by the Person, or in effect guaranteed, directly or indirectly, by the Person through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(iv) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Person whether or not the Person has assumed or become liable for the payment thereof.

For the purpose of computing “Debt”, there shall be excluded any particular Debt if upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Debt or investments that will provide sufficient funds,

if permitted by the instrument creating such Debt) for the payment, redemption or satisfaction of such Debt; and thereafter such funds, evidences of Debt and investments so deposited shall not be included in any computation of the assets of the Person, and the income from any such deposits shall not be included in the assets of the Person.

“*Defeasance Obligations*” means any obligations authorized under State law and the related financing documents to be deposited in escrow for the defeasance of any Debt.

“*Enhanced School Improvement Plan*” means a plan prepared by the Independent Management Consultant to address the Charter School’s failure to meet two or more standards for two consecutive academic years.

“*ESRF*” means Equitable School Revolving Fund, LLC, a Delaware limited liability company.

“*Facilities*” means the property and improvements located at 25 La Madera Road, Sandia Park, New Mexico 87047 and leased to and operated by the Charter School, as such are specified, and as may be revised from time to time, pursuant to the terms of the Lease and financed in whole or in part with proceeds of Note.

“*Fiscal Year*” means July 1 to June 30 or such other twelve-month period adopted as the Fiscal Year as designated by Charter School.

“*GAAP*” means generally accepted accounting principles and practices recognized from time to time by the Financial Accounting Standards Board (or any generally recognized successor) consistently applied for all periods to properly reflect the financial condition, and the results of operations and changes in financial position, of the Charter School (and, on a consolidated basis, of the Charter School and its consolidated subsidiaries, if applicable).

“*Gross Tenant Revenues*” means, for any period of calculation, the total of all operating and nonoperating revenues of the Charter School, including but not limited to revenues received from the State, pursuant to its Charters, federal and local funds for school lunches and other food programs, special education, gifts, bequests or donations and income thereon, and transportation, including accounts receivable and rights to receive the same plus investment and other income or loss of the Charter School for such period; provided, however, that no determination thereof shall take into account (a) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on Debt, (b) any gains or losses resulting from the early extinguishment of Debt, or the reappraisal, reevaluation or write-up of assets, (c) gifts, grants (excluding grants from the State), bequests or donations and income thereon restricted as to use by the donor or grantor for a purpose inconsistent with the payment of debt service on Debt (i.e., unrelated to the purposes for which such obligations were issued), (d) non-cash items and (e) net unrealized gain (losses) on investments.

“*Hazardous Materials*” means those substances currently included within the definitions of “hazardous waste,” “hazardous substance,” “hazardous constituent,” “toxic substances,” “toxic materials,” “toxic waste,” “pollutant,” “contaminant” or similar term under any federal, state or

local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.

“*Independent*” when used with respect to any specified Person, means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Charter School, and (iii) is not connected with the Charter School as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person’s opinion or certificate shall be furnished to the Lender, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

“*Indemnified Party*” or “*Indemnified Parties*” means one or more of Landlord, the Board of Directors of Landlord, Charter School Board, the Trustee, Lender and any of their successors, officers, directors, members, employees, agents, servants and any other person acting for or on behalf of any of them, as the case may be, but only to the extent that indemnification is allowed by applicable law.

“*Issuer*” means any municipal issuer of tax-exempt bonds or other debt on behalf of the Lender or ESRF.

“*Landlord Operating Expenses*” means, for any period of time for which calculated, the total of all operating and non-operating expenses or losses incurred during such period by the Landlord as determined in accordance with GAAP, including without limitation (i) salaries and administrative expenses, (ii) the cost of supplies and materials, (iii) insurance premiums, (iv) professional services, (v) interest expense, and (vi) any rental payments made for operating leases, other than any lease for facilities; provided however, there shall be excluded from the Landlord Operating Expenses (a) any non-cash expenses resulting from depreciation, amortization or the write down of existing assets, (b) expenses incurred for capital improvements and capital leases, (c) expenses paid from grants from state, federal, local sources, or from any Person, provided that such grants were not included as part of Pledged Revenues, and (d) any principal and interest paid under or with respect to any Debt.

“*Laws*” means the laws of the United States of America, the State, and any other political subdivision having authority over the Loan (as defined in the Loan Agreement).

“*Lease*” means the Lease Purchase Agreement between Landlord and Charter School, dated [____], attached as Exhibit B, as may be amended or supplemented, or as superseded by any Lease Purchase Arrangement entered into between the parties pursuant to the New Mexico Public School Lease Purchase Act.

“*Lease Revenues*” means, for any period of time for which calculated, the total of all moneys received by Landlord from the Charter School pursuant to the Lease for the Facilities and any supplements thereto during such period.

“*Lease Payment(s)*” means the amounts set forth in the Lease.

“*Losses*” means losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, attorney’s, accountant’s and other professional’s fees, litigation and court costs and expenses, amounts paid in settlement and amounts paid to discharge judgments and amounts payable by an Indemnified Party) directly or indirectly resulting from, arising out of or relating to one or more Claims.

“*Management Consultant*” means a firm of Independent professional management consultants, or an Independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

“*Mortgage*” means the Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement, Fixture Filing and Other Real Property Related Financing Statement Filing, dated as of February __, 2026, executed by the Borrower for the benefit of the Trustee and to be filed in the County Clerk’s Official Public Records of Bernalillo County, New Mexico, as amended, restated, supplemented and/or otherwise modified.

“*Net Tenant Revenues*” means for any period of determination thereof, the amount of excess (deficit) of Gross Tenant Revenues less Tenant Operating Expenses for such period, plus any gifts, grants, requests or donations and income thereon restricted as to use by the donor or grantor for the sole purpose of paying Tenant Operating Expenses, but less: (a) unrealized pledges for such period to make a donation, gift, or other charitable contribution, (b) insurance (other than business interruption) and condemnation proceeds, and (c) any other extraordinary gains or losses.

“*Note*” means Promissory Note in the original principal amount of \$[_____] executed by the Landlord for the benefit of the Lender.

“*Person*” means firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

“*Pledged Revenue*” has the meaning set forth in the Loan Agreement.

“*Project*” means the (i) acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of existing and new facilities located at 25 La Madera Road, Sandia Park, New Mexico, 87047, (ii) funding of capitalized interest on the Loan, and (iii) payment of costs of issuance of the Note.

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

“*Release*” or “*Released*” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of any Hazardous Materials into the environment.

“*School Improvement Plan*” means a plan identifying actions to be taken by the Charter School to address and meet each of the standards not met for one academic year.

“*Similar Schools Methodology*” shall mean a regression forecasting model that compares a school’s prior performance to similar schools based on socio-economic composition and grade configuration (elementary, middle, high, or a combination), in which each school receives a ratio comparing their actual performance to their predicted proficiency, which is then used to rank schools and assign a percentile ranking.

“*State*” means the State of New Mexico.

“*Tax Certificate*” means the Tax Certificate dated as of the Closing Date, together with all exhibits thereto, setting forth, among other matters, certain covenants and representations of the Landlord and the Charter School regarding the Project and the Loan and agreeing to deliver certain certificates and documents at subsequent times as required or requested by the Lender, ESRF, or the Issuer.

“*Tenant Operating Expenses*” means, for any period of time for which calculated, the total of all operating and non-operating expenses or losses incurred during such period by the Charter School as determined in accordance with GAAP, including without limitation (i) salaries and administrative expenses, (ii) the cost of supplies and materials, (iii) insurance premiums, (iv) professional services, (v) interest expense, and (vi) any rental payments made for operating leases, other than any lease for facilities; provided however, there shall be excluded from the Tenant Operating Expenses (a) any non-cash expenses resulting from depreciation, amortization or the write down of existing assets, (b) expenses incurred for capital improvements and capital leases, (c) expenses paid from grants from state, federal, local sources, or from any Person, provided that such grants were not included as part of Gross Tenant Revenues, and (d) any principal and interest paid under or with respect to any Debt.

“*Tenant Lease Payment Coverage Ratio*” means, for the Fiscal Year in question, the ratio obtained by dividing (i) Net Tenant Revenues for such Fiscal Year by (ii) the sum of the Annual Debt Service Requirement of the Charter School, Base Rent payable under the Lease, and any actual rent or other amounts due under any facility lease, for such period.

ARTICLE II

REPRESENTATIONS, COVENANTS, AND WARRANTIES

Section 2.1 **Representations and Covenants of Charter School.** Charter School represents and covenants as follows:

(a) Charter School is a duly formed and validly existing public charter school operating under the laws of the State of New Mexico;

(b) Charter School has full power and authority to execute the Lease and perform its obligations thereunder, subject to obtaining all required approvals from the New Mexico Public

Education Department and the New Mexico Public Schools Facilities Authority;

(c) the execution of the Lease and the performance of its obligations thereunder and compliance with the terms hereof by Charter School will not conflict with, or constitute a default under, any law (including administrative rule), judgment, decree, order, permit, license, agreement, mortgage, lease, or other instrument to which Charter School is subject or by which Charter School or any of its property is bound;

(d) Charter School currently is not in violation of any law, which violation could adversely affect the performance of its obligations under the Lease;

(e) Charter School presently expects to have sufficient revenues or other funds to satisfy its obligations under the Lease, and Charter School will use its best efforts to manage its affairs in such a way as to ensure sufficient revenues, or other similar funds, available to Charter School to pay Lease Payments;

(f) the Lease is the legal, valid, and binding obligation of Charter School, enforceable in accordance with its terms;

(g) Charter School and its invitees will be the sole users of the Project, and Charter School will use the Project during the term of the Lease for the purpose of operating school facilities or for other educational purposes of Charter School as provided within the Lease;

(h) Charter School agrees to keep the Project free and clear of all liens, encumbrances, and security interests (other than the Permitted Encumbrances and those arising under the provisions of the New Mexico Public School Lease Purchase Act); and

(i) once approved by the New Mexico Public Education Department and the PSFA, no further approval, consent, or withholding of objections is required from any governmental authority with respect to the Lease, except for any amendments thereto falling within the requirements of the New Mexico Lease Purchase Act.

ARTICLE III

LEASE PAYMENTS

Section 3.1 Charter School's Acknowledgment. It is understood and acknowledged that the Loan will be sold to Lenders thereof in reliance upon Charter School's commitment to make Lease Payments as provided in the Lease and subject to the terms of the Lease.

ARTICLE IV

THE LOAN

Section 4.1 **Issuance and Sale of the Loan**. Subject to applicable terms, limitations, and procedures, the parties understand that Lender will issue and lend the proceeds of the Loan to Landlord to finance the Project, at such interest rate and/or discount and other terms in accordance with applicable Laws and pursuant to the terms and conditions set forth in the Loan Agreement.

Section 4.2 **Cooperation by Charter School**. Charter School shall take the actions contemplated by and in the Lease, and to the extent legally possible and permissible shall cooperate with Landlord and its agents in Landlord's Loan financing, including the delivery of the following documents necessary in connection with the closing of the Loan:

- (i). the opinion of Cuddy & McCarthy, LLC, Santa Fe, New Mexico, counsel to the Lessee;
- (ii). certificates of Charter School satisfactory to Lender; and
- (iii). a duly certified copy of a Charter School Resolution authorizing and approving the execution and delivery of the Lease and this Agreement.

ARTICLE V

SPECIAL COVENANTS OF CHARTER SCHOOL

Section 5.1 **Removal of Liens**. With the exception of any lien imposed in accordance with the New Mexico Public School Lease Purchase Act, if Charter School shall cause any lien, encumbrance or charge of any kind based on any claim of any kind (including, without limitation, any claim for income, franchise or other taxes, whether federal, state or otherwise) to be asserted or filed against the Pledged Revenue, or any Lease Payment paid or payable by Charter School under or pursuant to the Lease, or any order (whether or not valid) of any court shall be entered with respect to the Pledged Revenue, or any such Lease Payment by virtue of any claim of any kind, in any case so as to:

- (a) interfere with the due payment of the Lease Payments to Landlord or the due application of such amount by Lender from Landlord pursuant to the applicable provisions of the Lease, the Loan Agreement or any other documents related to the Loan and executed by the Landlord,
- (b) subject Lender to any obligation to refund any money applied to payment of principal (premium, if any) and interest on the Note, or
- (c) result in the refusal of Lender to apply the Lease Payments to payment of the Loan as set forth in the Loan Agreement because of its reasonable determination that liability might be incurred if such due application were to be made, then Charter School will promptly take such action (including, but not limited to, the payment of money) as may be necessary to prevent, or to nullify the cause or result of, such interference, obligation or refusal, as the case may be.

Section 5.2 Tax Covenants.

(a) Charter School covenants and agrees that it will at all times do and perform all acts and things permitted by law which are necessary in order to assure that interest paid on any Bonds will be excluded from gross income for federal income tax purposes and will take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, Charter School agrees to comply with the provisions of the Tax Certificate and take all actions, deliver all certificates or other documents subsequent to the date hereof, and provide all information required by the Tax Certificate as may be necessary or advisable as determined by Lender, ESRF or the Issuer to maintain exclusion from gross income for federal income tax purposes of the interest on Bonds. This covenant shall survive payment in full or defeasance of Loan.

(b) Charter School covenants and agrees that, in connection with the offering of any Bonds (as defined in the Tax Certificate) by ESRF, upon request of Lender or ESRF, Charter School shall cooperate in reviewing and approving any information related to Charter School in the offering documents related to such Bonds and shall, upon request of Lender or ESRF and prior to the publication of such offering documents, provide a certificate that the information contained therein related to Charter School is, as of such date, true and correct in all material respects. Charter School further agrees that Lender and ESRF may use any information related to Charter School, as provided by Charter School in connection with due diligence and underwriting of the Loan or as uploaded via Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access (“EMMA”) System at www.emma.msrb.org in connection with the ongoing obligations to provide information required by the Loan, (i) in the offering documents related to any Bonds issued by ESRF, (ii) to investors in such Bonds issued by ESRF during or after the bond marketing period, and/or (iii) to satisfy ESRF’s continuing disclosure obligations pursuant to the United States Securities Exchange Commission Rule 15c2-12. This covenant shall survive payment in full or defeasance of Loan.

Section 5.3 Reporting Requirements; Compliance Certificate. Charter School shall provide to Landlord and Lender each of the following:

(a) Annual Data. As soon as available, and in any event within 180 days after the close of each Fiscal Year of Charter School, (1) the audited financial statements of Charter School and Landlord; provided that if the audited financial statements are delayed due to the fact they have not been released by the New Mexico State Auditor, Charter School shall be deemed to have complied with financial reporting requirements so long as Charter School provides (i) its draft financial statements by January 15 of each year to the extent permitted by applicable laws and regulations, and (ii) its annual audited financial statements (or notice that such audited financial statements of Charter School have been posted and are publicly available on the website of the New Mexico State Auditor) to Lender within ten (10) business days of when such audited financial statements are distributed by the New Mexico State Auditor; and (2) updated data for Charter School for the most recently completed Fiscal Year in compliance with the financial and reporting information required under Exhibit E of the Loan Agreement including:

1. amount of lottery applications;
2. student retention rate;
3. open seats and number of applicants on waiting list by grade;
4. faculty retention;
5. changes in Charter School administration leadership;
6. administration turnover;
7. Board members;
8. historic, current and projected enrollment by grade;
9. student demographics including ethnicity, economically disadvantaged status, ELL, FRL and SPED;
10. Charter School administration leadership demographics including gender, ethnicity and race;
11. State accountability/performance ratings and authorizer reports;
12. charter contract expiration dates; and
13. Charter School aggregated academic performance results, including growth and proficiency scores and, if applicable, high school graduation rate and Charter School aggregated college entrance exam results for the highest grade tested by campus

Charter School shall provide the calculation of the financial covenants in Sections 6.10 and 6.11 of the Loan Agreement in the form prescribed by the Lender.

(b) Interim Data. (1) Quarterly, unaudited income statements and balance sheets and comparison of actual expenditures to budgeted expenditures within forty-five (45) days of the end of each fiscal quarter; and (2) Charter School's annual Fiscal Year budget within sixty (60) days of the commencement of each Fiscal Year.

(c) Amendments. Promptly after the adoption thereof, copies of any amendments of or supplements to the articles of incorporation, by-laws or other organizational documents of Charter School and copies of any amendments to any of the Loan Documents.

(d) Notice. Charter School shall notify Lender and Landlord in writing promptly after obtaining knowledge of any of the following events, specifying in each case the action Charter School has taken or proposes to take with respect thereto: (a) the occurrence of a default under the Lease; (b) any default by the Charter School under any Legal Requirement that results in a Material Adverse Effect (as defined in the Loan Agreement); (c) any Litigation instituted or threatened against Charter School or any development in any such Litigation that results in a Material Adverse Effect; (d) any labor controversy pending or threatened in writing against Charter School or any material development therein that results in a Material Adverse Effect with respect to the Project; (e) any change in Charter School's name, head administrator/superintendent, the chief financial officer, chief academic officer, other officers or campus leadership (e.g., principals or executive director); (f) any material correspondence from the Chartering Authority, including but not limited to: any meetings in which Charter School is required to appear before the Chartering Authority, copies of any Chartering Authority approvals or denials of Charter amendments, review or

revocation notice regarding the Charter and copies of written complaint notifications from the Charter Authority, along with Charter School's responses thereto; and (g) any change in any rating of Charter School's long-term Indebtedness by any rating agency for issues of non-compliance along with the minutes of such meetings and any responses provided by Charter School.

(e) Other Information. Such other information respecting the business, properties or the condition or operations, financial or otherwise, of Charter School as Lender may from time-to-time reasonably request, including without limitation, reports of any governmental audits and inspections.

(f) Compliance Certificate. A Compliance Certificate in the form attached hereto as Exhibit C.

Section 5.4 Further Assurances and Corrective Instruments; Recordation. Landlord and Charter School agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention or facilitating the performance of the Lease.

Charter School agrees that the Lease, and any other instruments in which Charter School is a party as may be required from time to time to be kept, may be recorded and filed in such manner and in such places as may from time to time be required by law.

Section 5.5 Existence of Charter School. While the Loan remains Outstanding (as defined in the Loan Agreement), Charter School agrees to take all necessary steps to retain its charter and good standing, including pursuit of any appeals of a revocation/nonrenewal. The Charter School shall notify Landlord of any notice of Charter revocation, vote by the Charter School Board to relinquish its Charter, if the Charter is ending and the Charter School has not taken the necessary action to have the Charter renewed, if the Charter School has provided written notification to the Chartering Authority that it does not intend to renew the Charter or intends to relinquish the Charter, the Chartering Authority revokes the Charter, or acceptance by the Chartering Authority of relinquishment of the Charter, which shall constitute an Event of Default.

Section 5.6 Lease Payment Coverage Ratio.

(a) It shall constitute an Event of Default (a) if the Tenant Lease Payment Coverage Ratio, as calculated at the end of any Fiscal Year, is less than 1.0, based upon the results of the annual audit.

(b) The Charter School shall manage its business such that the Tenant Lease Payment Coverage Ratio calculated at the end of each Fiscal Year, will not be less than 1.10 for such Fiscal Year. In the event Charter School fails to maintain a Tenant Lease Payments Coverage Ratio less than 1.10 for any Fiscal year, such failure shall not constitute an Event of Default so long as Charter School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management

Consultant shall prepare a report with recommendations for meeting the required Tenant Lease Payments Coverage Ratio. As soon as practicable, but no later than thirty (30) days after receipt of such report, Charter School shall consider Consultant's recommendations and, to the extent consistent with and allowable under applicable State and/or federal laws and Charter School's existing contractual obligations, adopt/implement them. Notwithstanding any other provision of this Section, if Charter School fails to maintain a Tenant Lease Payment Coverage Ratio for any Fiscal Year of less than 1.0:1.0, then such failure shall immediately constitute an Event of Default under the Lease.

Section 5.7 Negative Covenants. While the Loan remains Outstanding (as defined in the Loan Agreement), Charter School shall not:

(a) Liquidate, terminate, consolidate, merge or dissolve, unless directed to do so by the State Public Education Department or State Legislature;

(b) Create, incur, permit or assume any Debt, including Subordinate Indebtedness (as defined in the Loan Agreement) or Short-Term Indebtedness (as defined in the Loan Agreement), without written consent of the Lender, other than (i) non-recourse Debt not to exceed at any time an amount aggregate amount of \$750,000 as tested as of the end of each Fiscal Year and reported on the audited financial statement of the Charter School, and (ii) Debt secured by or paid from Gross Tenant Revenues (including leases for facilities) upon the delivery of a Certificate of the Charter School stating that: (i) for the Charter School's most recently completed Fiscal Year, the Tenant Lease Payment Coverage Ratio equaled at least 1.20 prior to the issuance of the Additional Debt; and (ii) the Tenant Lease Payment Coverage is projected to be at least 1.20 on all Debt Outstanding and the proposed Additional Debt in the first fiscal year following the issuance of the Additional Debt, taking into account certain assumptions as required by Lender; or

(c) Create or suffer to be created any lien, encumbrance easement, use or charge affecting the Facilities or the Gross Tenant Revenues.

Section 5.8 Continuing Disclosure Agreement. Upon request of Lender, Charter School will deliver an undertaking of continuing disclosure obligations pursuant to the United States Securities Exchange Commission Rule 15c2-12 (a "Continuing Disclosure Agreement") relating to the dissemination of financial information described above on a quarterly and/or annual basis, substantially in the form set forth in Exhibit D hereto, relating to public securities that may be issued from time to time by Lender or its affiliates for the purpose of reimbursing or refinancing the Loan. Any costs or expenses associated with such continuing disclosure obligations of Charter School will be paid by Lender. Upon request of Lender, Charter School will cooperate with Lender in the production of financial and operating information for purposes of review by one or more rating agencies. Any costs or expenses associated with such rating agency review of Charter School will be paid by Lender within thirty (30) days from Charter School's invoice. If Charter School fails to comply with any of the reporting requirements under the Continuing Disclosure Agreement as required in Exhibit D, Charter School shall, within ten (10) business days, make all its books and records available to Lender or its designee, to complete the disclosure requirements. If Charter School refuses or fails to permit Lender or its designee to obtain the books and records,

whether through a judicial or administrative process, to the extent permitted by law, Charter School hereby waives any objection to the aforementioned enforcement actions or such other remedies Lender determines to be in Lender's best interest. To the extent permitted by law, Charter School shall be responsible for all fees, costs, and other associated expenses related to the Landlord's and Lender's enforcement action. Any costs or expenses associated with such rating agency review of the Landlord under Section 6.13 of the Loan Agreement which are outside of the scope of the Landlord's normal rating agency review for its Loan rating will be paid by the Lender.

Section 5.9 Academic Covenant. Commencing 2026-2027 school year, the Tenant covenants that the Tenant shall:

(a) Each year, (a) maintain a minimum weighted average for all students of 70th percentile using the Similar Schools Methodology, in both Math and English Language Arts, calculated separately for each respective subject; or (b) maintain a weighted average proficiency rate for all students, in both Math and English Language Arts, calculated separately, that exceeds 100% of the state's weighted average for all students, in each respective subject; and

(b) Each year the weighted average proficiency rate for all socioeconomically disadvantaged students, in both Math and English Language Arts, calculated separately, shall exceed 100% of the state's weighted average for all socioeconomically disadvantaged students, in each respective subject; and

(c) Each year, at least 90% of students in the school's own 4-year graduating cohort shall graduate, as determined by the state reported data; and

(d) Increase the percentage of students meeting or exceeding the New Mexico statewide average on the SAT and/or ACT English scores by at least 3 percentage points each year until performance exceeds the national benchmark for college readiness, as determined by College Board or alternative acceptable to Lender, and maintain that level; and

(e) Increase the percentage of students meeting or exceeding the New Mexico statewide average on the SAT and/or ACT Math scores by at least 3 percentage points each year until performance exceeds the national benchmark for college readiness, as determined by College Board or alternative acceptable to Lender, and maintain that level; and

(f) Each year, internally reduce the performance gap between FRL and non-FRL students who meet or exceed the SAT and/or ACT national benchmark, as determined by the College Board or an alternative acceptable to the Lender, by at least 10 percentage points until the gap falls below 5 percent.

Beginning in the academic year following the Loan closing, in the event that the Tenant fails to meet two or more designated standards for one academic year, the Tenant agrees that it shall (i) within sixty (60) days of such determination, provide the Lender a plan identifying actions taken or to be taken to address and meet this standard (the "School Improvement Plan");

and (ii) as soon as possible, the Tenant shall implement or begin to implement all the recommendations of the School Improvement Plan, to the extent legally permissible.

If the Tenant fails to meet two or more designated standards for two consecutive academic years, the Tenant agrees that it shall (i) within thirty (30) days of such failure, engage a mutually acceptable Independent Management Consultant (as defined in the Loan Agreement) to assist the Tenant in the preparation of an Enhanced School Improvement Plan; (ii) within sixty (60) days of engaging such consultant, provide to the Lender the enhanced School Improvement Plan (the “Enhanced School Improvement Plan”); and (iii) within forty-five (45) days after receipt of the final Enhanced School Improvement Plan from the consultant, the Tenant shall implement or begin to implement the recommendations of the Enhanced School Improvement Plan, to the extent legally permissible. Notwithstanding any other provision of this Section 5.9, failure of the Tenant to meet the academic goals as outlined herein or otherwise comply with this Section 5.9 shall not constitute an Event of Default under this Agreement.

Section 5.10 Enrollment Covenant. The Tenant shall maintain annual enrollment levels, according to the official fall census reported to the State Department of Education, as reported to the Lender no later than November 15 of such year, corresponding to the Enrollment Requirements in Table 1 below. The Tenant further covenants that, in the event it fails to maintain such Enrollment Requirement, it will within sixty (60) days, prepare, share, and discuss with the Lender a detailed plan for enrollment turnaround.

If the enrollment count is ever below the enrollment minimum in Table 1 below, the Tenant shall, at its own expense, timely engage an Independent Management Consultant acceptable to the Lender. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report to Lender with recommendations for meeting the required Enrollment Requirement. As soon as practicable, but no later than thirty (30) days after receipt of such report, the Tenant shall, to the extent legally permissible, implement the Independent Management Consultant’s recommendations. The Enrollment Requirement and Enrollment Minimum shall be reevaluated by the Tenant and Lender should there be any material changes to the Tenant enrollment plans. Notwithstanding any other provision of this Section 5.10, failure of the Tenant to maintain annual enrollment levels above the Enrollment Minimum as reported by the State on each fall census day enrollment count or otherwise comply with this Section 5.10 shall not constitute an Event of Default under this Agreement.

Table 1: Enrollment Requirements

Fall Testing Date	Full Enrollment	Enrollment Requirement	Enrollment Minimum
2026 (FY27)	554	500	470
2027 (FY28)	663	600	560
2028 (FY29) and thereafter	755	680	640

Section 5.11 Environmental Covenants. The Charter School shall (a) not dispose of any Hazardous Materials at, in or under the Project in violation of applicable environmental laws; (b) keep records of any Hazardous Materials Released by the Charter School or any of its contractors, agents or employees at the Project; (c) comply with any land use restrictions and not impede the effectiveness or integrity of any institutional controls at the Project; (d) take reasonable steps to prevent Releases, stop continuing Releases, and avoid exacerbating any existing Hazardous Materials Released at the Property; (e) reasonably cooperate, assist, and provide access to persons authorized to conduct remediation actions and efforts required by applicable environmental law, and shall not impede the performance of, response actions or natural resource restoration related thereto; (f) comply with all information requests and administrative subpoenas from any Governmental Authority; and (g) provide all required legal notices with respect to the discovery or Release of any Hazardous Materials at the Project in violation of applicable environmental law.

Section 5.12 Immunity. To the extent permitted by law that Charter School has acquired or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit, arbitration or other proceeding, from jurisdiction of any court or arbitration panel or from set-off or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, Charter School hereby irrevocably and unconditionally waives and agrees not to plead or claim such immunity in respect of its obligations under this Agreement, the Lease or any document in connection with the Note.

Section 5.13 Subordination. Charter School hereby agrees that the Lease now is, and shall at all times continue to be, subject, inferior and subordinate in each and every respect to the lien of the Mortgage and to any and all renewals, amendments, modifications, extensions, substitutions, replacements, increases and/or consolidations of the Mortgage and/or the Note; and the lien of the Mortgage, and any and all renewals, amendments, modifications, extensions, substitutions, replacements, increases and/or consolidations of the Mortgage and/or the Note, shall be and remain, in each and every respect prior and superior to the Lease. This Agreement shall be the whole and only agreement with regard to the subordination of the Lease to the lien of the Mortgage and shall supersede and cancel insofar as same may affect the priority between the Mortgage and the Lease, any prior agreements or provisions relating to the subordination of the Lease to the lien of the Mortgage, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination thereof to the lien of any Mortgage, mortgage or other security agreement

Section 5.14 Management Agreements. Charter School agrees that if Charter School has entered or enters into a management agreement for the payment of facility management fees to Landlord, Affiliate, or any supporting organization of Charter School under Internal Revenue Code Section 509(a)(3), or any of their respective Affiliates, with respect to any Facilities, Charter School shall amend any such management agreement such that, so long as the Loan remains outstanding: (i) the obligation of Charter School to pay facility management fees shall be subordinate to its payment of operating expenses and Base Rent to Landlord under the Lease; (ii) the obligation of Charter School to pay facility management fees shall be suspended for any such

time as the payment of such facility management fees would cause Charter School to fail to meet Sections 5.7 and 5.8 of the Lease and any of the financial covenants contained in the Lease; and (iii) during any period of time when such facility management fees remain unpaid, such fees shall accrue without interest. If Charter School has not engaged a separate facilities manager, Charter School agrees that it shall not apply any Gross Tenant Revenues to costs and expenses of facility management, other than ordinary compensation and benefits of Charter School's managerial employees.

Section 5.15 Days Cash on Hand. Charter School and Landlord shall manage their business to maintain not less than consolidated sixty (60) Days Cash on Hand in the current Fiscal Year and for each Fiscal Year thereafter. Failure to maintain the consolidated sixty (60) Days Cash on Hand as required by this Section shall not constitute an Event of Default so long as Charter School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required consolidated sixty (60) Days Cash on Hand. As soon as practicable, but no later than thirty (30) days after receipt of such report, Charter School shall consider the Independent Management Consultant's recommendations and, to the extent consistent with and allowable under applicable State and/or federal laws and Charter School's existing contractual obligations, adopt/implement them. Notwithstanding any other provision of this Section 5.15, failure of Charter School to maintain not less than consolidated sixty (60) Days Cash on Hand for two consecutive Fiscal Years shall immediately constitute an Event of Default. If at any time the New Mexico Public Education Department prohibits Charter School from maintaining consolidated sixty (60) Days Cash on Hand in any Fiscal Year, the provisions of this section shall be reduced to consolidated forty-five (45) Days Cash on Hand.

Section 5.16 Indemnification. SUBJECT TO AND WITHOUT WAIVING THE IMMUNITY, LIMITATIONS AND OTHER PROVISIONS OF THE NEW MEXICO TORT CLAIMS ACT, NMSA 1978 SECTION 41-4-1 ET SEQ., AND ONLY TO THE EXTENT ALLOWED, IF AT ALL, BY NEW MEXICO LAW:

(a) Agreements to Indemnify. Charter School agrees that it will at all times indemnify and hold harmless each of the Indemnified Parties against any and all Losses other than Losses resulting from fraud, willful misconduct or theft on the part of the Indemnified Party claiming indemnification.

(b) Release. None of the Indemnified Parties shall be liable to Charter School for, and Charter School hereby releases each of them from, all liability to Charter School for, any Claim in connection with the Project.

(c) Subrogation. Each Indemnified Party, as appropriate, shall reimburse Charter School for payments made by Charter School pursuant to this Section to the extent of any proceeds, net of all expenses of collection, actually received by it from any other source (but not from the proceeds of any claim against any other Indemnified Party) with respect to any Loss to the extent

necessary to prevent a multiple recovery by such Indemnified Party with respect to such Loss. At the request and expense of Charter School, each Indemnified Party shall claim or prosecute any such rights of recovery from other sources (other than any claim against another Indemnified Party) and such Indemnified Party shall assign its rights to such rights of recovery from other sources (other than any claim against another Indemnified Party), to the extent of such required reimbursement, to Charter School.

(d) Notice. In case any Claim shall be brought or, to the knowledge of any Indemnified Party, threatened against any Indemnified Party in respect of which indemnity may be sought against Charter School, such Indemnified Party promptly shall notify Charter School in writing; provided, however, that any failure so to notify shall not relieve Charter School of its obligations under this Section.

(e) Defense. Charter School shall have the right to assume the investigation and defense of all Claims, including the employment of counsel and the payment of all expenses. Each Indemnified Party shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party unless (i) the employment of such counsel has been specifically authorized by Charter School, in writing, (ii) Charter School has failed after receipt of notice of such Claim to assume the defense and to employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both an Indemnified Party and Charter School, and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to Charter School (in which case, if such Indemnified Party notifies Charter School in writing that it elects to employ separate counsel at Charter School's expense, Charter School shall not have the right to assume the defense of the action on behalf of such Indemnified Party; provided, however, that Charter School shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Parties).

(f) Cooperation; Settlement. Each Indemnified Party shall cooperate with Charter School in the defense of any action or Claim. Charter School shall not be liable for any settlement of any action or Claim without Charter School's consent but, if any such action or Claim is settled with the consent of Charter School or there be final judgment for the plaintiff in any such action or with respect to any such Claim, Charter School shall indemnify and hold harmless the Indemnified Parties from and against any Loss by reason of such settlement or judgment to the extent provided in Subsection (a).

(g) Survival; Right to Enforce. The provisions of this Section shall survive the termination of the Lease, and the obligations of Charter School hereunder shall apply to Losses or Claims under Subsection (a) whether asserted prior to or after the termination of the Lease. In the event of failure by Charter School to observe the covenants, conditions and agreements contained in this Section, any Indemnified Party may take any action at law or in equity to collect amounts

then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Charter School under this Section. The obligations of Charter School under this Section shall not be affected by any assignment or other transfer by Landlord of its rights, titles or interests under the Lease to the Trustee pursuant to the Indenture and will continue to inure to the benefit of the Indemnified Parties after any such transfer. The provisions of this Section shall be cumulative with and in addition to any other agreement by Charter School to indemnify any Indemnified Party.

Section 5.17 Authority to Reproduce Student Images. Charter School certifies that, that prior to providing any items containing student images to the Lender, it will have the appropriate written consent, in compliance with applicable state/federal law, from the parents, guardians and/or students served by Charter School to: (1) lawfully furnish images of such students to Lender and ESRF; and (2) authorize Lender and ESRF to use such student images in any marketing or public relations materials and/or to further their business purposes.

Section 5.18 School Certificate. The Charter School agrees that, at the time of issuance of any Bond by the Lender, the Charter School shall cooperate in reviewing and approving any information related to the Charter School in the Preliminary Official Statement and Official Statement related to such Bonds and shall provide a certificate that the information contained related to the Charter School is, as of such date, true and correct in all material respects.

Section 5.19 Ratings. The Charter School hereby agrees that, upon request of the Lender, the Charter School shall cooperate with the Lender or Standard & Poor's Financial Services LLC (S&P") or substitute rating agency, in the production of financial and operating information, and coordination of site visits or other information gathering activities, for purposes of review by S&P or substitute rating agency in connection with a credit rating on the Loan.

Section 5.20 Use of Project for Sectarian Use. Charter School agrees that to the full extent required from time to time by applicable laws and Constitutional provisions of the United States of America and the State in order for the Lease and all other transactions provided for in this Agreement to be made and effected in compliance with such laws and Constitutional provisions, no part of the Project financed in whole or in part with proceeds of the Note shall be primarily used for sectarian instruction or as a place of religious worship or in connection with any part of the program of a school or department of divinity for any religious denomination.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Severability. In the event any provision of the Lease 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 6.2 Applicable Law. The Lease and this Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

Section 6.3 **Survival of Representations and Warranties.** The respective agreements, representations and other statements of Charter School and their respective officials or officers set forth herein will remain in full force and effect, regardless of any investigation or statements as to the results thereof, made by or on behalf of Lender, Charter School or Charter School and will survive delivery of and payment for the Loan.

Section 6.4 **Successors and Assigns.** This Agreement is binding upon and shall inure to the benefit of Landlord and Charter School and their respective successors and assigns, except Charter School may not assign or transfer any of its rights or obligations hereunder without the prior written consent of Landlord.

Section 6.5 **Execution in Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original, but taken together shall constitute only one instrument.

[signatures begin on next page]

Executed as of the date first written above.

Charter School:

EAST MOUNTAIN,
a New Mexico public charter school

By: _____

Name: _____

Title: _____

Landlord:

EAST MOUNTAIN HIGH SCHOOL
FOUNDATION,
a New Mexico nonprofit corporation

By: _____

Name: _____

Title: _____

EXHIBIT A

The Premises

Tracts A and B, School Site, as the same are shown and designated on the plat entitled, "Plat of Tracts A & B, School Site, Section 18, T. 11 N., R. 6 E., N.M.P.M., Bernalillo County, New Mexico," filed in the Office of the County Clerk of Bernalillo County, New Mexico, on June 24, 2011, in [Plat Book 2011C, Page 63](#).

EXHIBIT B

Lease Agreement

[SEE ATTACHED]

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

The undersigned hereby certifies that he or she holds the office set forth below his or her signature EAST MOUNTAIN, a New Mexico public charter school (the “*Tenant*”) and that, as such, he or she is authorized to execute and deliver this Compliance Certificate on behalf of the Tenant pursuant to the Loan Agreement dated as of February __, 2026 (as it may be amended, restated, supplemented and/or otherwise modified from time to time, the “*Loan Agreement*”) by and between the EAST MOUNTAIN HIGH SCHOOL FOUNDATION, and EQUITABLE FACILITIES FUND, INC. (the “*Lender*”), and on behalf of the Tenant further certifies, represents and warrants as follows (each capitalized term used herein having the same meaning given to it in the Loan Agreement unless otherwise specified):

1. Pursuant to Section 6.10 of the Loan Agreement, the Tenant has maintained a Tenant Lease Payment Coverage Ratio of not less than 1.1.

Tenant Lease Payment Coverage Ratio for Fiscal Year Ended 20__: _____

2. Pursuant to Section 6.11 of the Loan Agreement, the Tenant and Landlord have maintained consolidated sixty (60) Days Cash on Hand for Fiscal Year ____.

Day Cash on Hand for Fiscal Year ended 20:__: _____

3. Hereto attached as Exhibit A is detailed information on the compliance with the Tenant Lease Payment Coverage Ratio and Days Cash on Hand financial covenants set forth in Article VI of the Loan Agreement, and evidence of compliance with the Charter Covenant, Academic Covenant, and Enrollment Covenant for the applicable time periods set forth in Article VI of the Loan Agreement, including the supporting calculations using the Lender-approved annual templates.

EXECUTED AND DELIVERED as of _____.

TENANT:

EAST MOUNTAIN,
a New Mexico public charter school

By: _____

Name: _____

Title: _____

EXHIBIT A TO COMPLIANCE CERTIFICATE

Calculation of Financial Covenants including Tenant Lease Payment Coverage Ratio and Days
Cash on Hand set forth in Article VI of the Loan Agreement

Evidence of compliance with the Charter Covenant, Academic Covenant, and Enrollment
Covenant for the applicable time periods set forth in Article VI of the Loan Agreement

[LENDER TO PROVIDE ANNUAL FORM]

EXHIBIT D

FORM OF CONTINUING DISCLOSURE AGREEMENT OF THE TENANT

This Continuing Disclosure Agreement, dated as of [_____, 20__] (the “*Continuing Disclosure Agreement*”), is executed and delivered by and among EAST MOUNTAIN, a New Mexico public charter school (“*East Mountain*”) and [Dissemination Agent], as dissemination agent (the “*Dissemination Agent*”) for the benefit of the Foundation (as defined herein) and in connection with the issuance by [ISSUER] (the “*Issuer*”) of its [BONDS] (collectively, the “*Bonds*”). The Bonds are being issued pursuant to a Master Trust Indenture and Security Agreement, dated as of [_____, 20__] (the “*Bond Indenture*”) between the Issuer and U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank National Association, as master trustee (the “*Trustee*”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Bond Indenture and the Loan Agreement (defined herein).

Section 1. Purpose of Agreement

Inasmuch as the Bonds are limited obligations of the Issuer, no financial or operating data concerning it is material to any decision to purchase, hold or sell the Bonds, and the Issuer has not covenanted to provide such information. East Mountain has undertaken the responsibilities set forth in that certain Master Covenant Agreement between the East Mountain High School Foundation (“*Foundation*”) and East Mountain wherein East Mountain has agreed to provide continuing disclosure information as it applies to East Mountain to the Foundation’s Lender or its designee as described therein and herein. Neither this Continuing Disclosure Agreement nor the Master Covenant Agreement is intended to create a financial obligation for East Mountain under the Bonds, the Master Trust Indenture and Security Agreement, Loan Agreement, Note or any other debt instrument. No such obligation, indebtedness, or other responsibility shall be implied or inferred as a consequence of East Mountain’s provision of the requested information hereunder.

This Continuing Disclosure Agreement is being executed and delivered by East Mountain at the direction of the Lender for the benefit of the registered owners of the Bonds (for such purpose beneficial owners of the Bonds shall also be considered registered owners of the Bonds) and to assist RBC Capital Markets, or its successors in interest (the “*Underwriter*”) in complying with paragraph (b)(5) of Securities and Exchange Commission (“*SEC*”) Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the “*Rule*”). This Continuing Disclosure Agreement constitutes the written undertaking required by the Rule to provide certain updated financial information and operating data annually, audited financial statements and timely notice of specified material events, in an electronic format, but only to the extent required of East Mountain as the lessee to that certain Lease between East Mountain and Foundation. Each and every filing made hereunder shall be disseminated by transmission to the Municipal Securities Rulemaking Board (the “*MSRB*”) through the Electronic Municipal Market Access (“*EMMA*”) System at www.emma.msrb.org or any successor system that the MSRB may prescribe. Such filings will be in the format and will be accompanied by the identifying information prescribed by the MSRB.

Section 2. Defined Terms

“*Annual Report*” means the reports required to be provided pursuant to **Section 3** hereof.

“*Financial Obligation*” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “*Financial Obligation*” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“*Interim Report*” means the reports required to be provided pursuant to **Section 4** hereof.

“*Master Covenant Agreement*” means that certain Master Covenant Agreement, dated as of February __, 2026 by and between East Mountain High School Foundation and East Mountain.

“*Official Statement*” means the Official Statement dated [_____, 20__] pertaining to the Bonds.

“State” means the State of New Mexico.

Section 3. Annual Reports

Upon request of the Lender to complete a Continuing Disclosure required by the Rule, East Mountain shall cause the Dissemination Agent to provide for dissemination in the manner required under this Continuing Disclosure Agreement, within 180 days after the end of the immediately preceding Fiscal Year, commencing with the Fiscal Year ending June 30, 20[___], an Annual Report for the immediately preceding Fiscal Year which shall include all annual information pertinent to such Fiscal Year as provided below:

(i) Audited Financials: Each Annual Report shall include a copy of the financial statements of East Mountain which shall be audited pursuant to New Mexico state law. As soon as available, and in any event within 180 days after the close of each Fiscal Year of East Mountain, the audited financial statements of East Mountain; provided that if the audited financial statements are delayed due to the fact they have not been released by the New Mexico State Auditor, East Mountain shall be deemed to have complied with financial reporting requirements so long as East Mountain provides (i) its draft financial statements by January 15 of each year to the extent permitted by applicable laws and regulations, and (ii) its annual audited financial statements (or notice that such audited financial statements of the East Mountain have been posted and are publicly available on the website of the New Mexico State Auditor) to Lender within ten (10) business days of when such audited financial statements are distributed by the New Mexico State Auditor. In addition, the Annual Report shall include a calculation of (a) East Mountain’s Lease Payment Coverage Ratio required by Section 5.6 of the Master Covenant Agreement and (b) East Mountain and Foundation’s Days Cash on Hand required by Section 5.15 of the Master Covenant Agreement.

(ii) Updated data for East Mountain for the most recently completed Fiscal Year including:

- amount of lottery applications;
- student retention rate;
- open seats and number of applicants on waiting list by grade;
- faculty retention;
- changes in Charter School administration leadership;
- administration turnover;
- Board members;
- historic, current and projected enrollment by grade;
- student demographics including ethnicity, economically disadvantaged status, ELL, FRL and SPED;
- Charter School administration leadership demographics including gender, ethnicity and race;
- State accountability/performance ratings and authorizer reports;
- charter contract expiration dates;
- Charter School aggregated academic performance results, including growth and proficiency scores; and
- high school graduation rate and Charter School aggregated college entrance exam results for the highest grade tested.

Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information provided pursuant to this Continuing Disclosure Agreement. If East Mountain fails to provide any Annual Report within the time periods required hereby, then East Mountain shall promptly send a notice of such failure to the Dissemination Agent and the Dissemination Agent shall promptly file such notice with the MSRB. So long as the Bonds remain outstanding, if East Mountain changes its Fiscal Year, it shall provide notice of such event prior to the next date by which East Mountain otherwise would be required to provide financial information and operating data pursuant to this section.

Section 4. Quarterly Reports

East Mountain intends to voluntarily cause the Dissemination Agent to provide Interim Reports, consisting of copies of:

(i) quarterly, unaudited income statements and balance sheets and comparison of actual expenditures to budgeted expenditures within forty-five days [_____, 20[___]; and

(ii) annual Fiscal Year budget within sixty days of the commencement of each Fiscal Year.

Each Quarterly Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information provided pursuant to this Agreement. The quarterly reports shall be in the form shown in the Official Statement and shall include a comparison of budgeted and actual results. If East Mountain does not provide the quarterly information contemplated by **clause (i)** or **(ii)** of this Section, it shall not constitute a failure hereunder and shall not give rise to a requirement to provide notice to the MSRB or otherwise.

Section 5. Material Events

East Mountain agrees to provide or cause to be provided, to the extent such information is applicable to East Mountain, in a timely manner (but not in excess of ten business days after the occurrence of the event), notice of the occurrence of any of the following events with respect to the Bonds ("*Reportable Events*"):

- (a) lease payment delinquencies;
- (b) nonpayment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
- (g) modifications to rights of the Registered Owners, if material;
- (h) Bond calls, if material (other than mandatory sinking fund redemptions), and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes of East Mountain;
- (l) bankruptcy, insolvency, receivership or similar event of East Mountain;
- (m) the consummation of a merger, consolidation, or acquisition involving East Mountain or the sale of all or substantially all of the assets of East Mountain, other than in the ordinary course of business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of the name of a trustee, if material;
- (o) incurrence of a Financial Obligation of East Mountain, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of East Mountain, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of East Mountain, any of which reflect financial difficulties.

Each material event notice shall be so captioned and shall prominently state the date, title and (to the extent less than all of the Bonds are affected by the related material event) CUSIP numbers of the Bonds.

East Mountain may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but East Mountain does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Dissemination Agent; Initial Dissemination Agent

East Mountain has engaged the Dissemination Agent to assist it in disseminating information hereunder. At least 30 calendar days prior to the due date of any Annual Report or Interim Report requested by Lender, the Dissemination Agent shall notify East Mountain of its obligation to file such Annual Report or Interim Report. East Mountain shall be responsible for the content and preparation of the Annual Report, the Interim Report and Reportable Event reports (collectively, the “*Reports*”). The Reports shall be delivered in electronic form suitable to be filed with the MSRB in accordance with its procedures, and shall be deemed to have been delivered upon receipt of electronic mail thereof. The period of review of the Reports by the Dissemination Agent shall commence at the time of such delivery. East Mountain shall send the Reports required by this Continuing Disclosure Agreement to the Dissemination Agent at least 5 business days prior to the date on which such Reports are required to be disseminated by the Dissemination Agent as provided herein. If such Report is an Annual Report, it shall contain the information specified under the caption Annual Report in **Exhibit A** attached hereto. If such Report is an Interim Report, it shall contain the information specified under the caption Interim Report in **Exhibit A**. If such Report is a Reportable Event Report, East Mountain shall specify the Reportable Event. Unless otherwise agreed to, the Dissemination Agent shall, as soon as practicable but not later than 3 business days of receipt of the Annual Reports and Interim Reports review the Annual Reports and Interim Reports to confirm that each of them contains the items under the applicable caption. If the Dissemination Agent determines that an item has not been so included, it will promptly deliver a written request to East Mountain for such item. The Dissemination Agent shall not be responsible for the content of the Reports. The Dissemination Agent shall not be responsible for the failure of East Mountain to provide any the Reports or the failure of East Mountain to respond to a request for an item in any Annual or Interim Report. The Dissemination Agent shall forward the Reports to (i) the MSRB, as described herein and (ii) any Registered or Beneficial Owner of the Bonds who requests such information in writing to the Dissemination Agent or East Mountain.

The initial Dissemination Agent shall be [Dissemination Agent]. East Mountain may discharge the Dissemination Agent or any successor Dissemination Agent, but in such event shall take steps necessary to appoint a successor Dissemination Agent who shall be responsible for undertaking all responsibilities of dissemination hereunder.

The Dissemination Agent will not have any fiduciary duties nor will it have responsibilities or obligations other than those expressly assumed by it in this Continuing Disclosure Agreement. No implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Continuing Disclosure Agreement or otherwise exist against the Dissemination Agent. Without limiting the generality of the foregoing sentences, the use of the term “agent” in this Agreement with reference to the Dissemination Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

If East Mountain does not provide to the Dissemination Agent a copy of an Annual Report or an Interim Report by the applicable dates required herein or an item as described herein relating to such Report, the Dissemination Agent shall send a notice to the MSRB, East Mountain and the Participating Underwriter in substantially the form attached as **Exhibit B** hereto. If East Mountain files any report directly with MSRB, East Mountain shall promptly provide the Dissemination Agent with a certificate or other documentation reasonably required by the Dissemination Agent that the filing of such report was made in a timely manner on or before the date required herein (or if not as of such date, specifying the date of filing) and that such filing contained the information required by this Disclosure Agreement.

Section 7. Termination of Obligations

Pursuant to paragraph (b)(5)(iii) of the Rule, the obligation of East Mountain to provide financial and operating information of East Mountain and notices of material events, shall terminate in accordance with the Rule.

Section 8. Enforceability and Remedies

This Continuing Disclosure Agreement is intended to be for the sole benefit of the Foundation to meet its obligations to the Trustee, the Underwriter and the registered owners of the Bonds (for such purpose beneficial owners of the Bonds shall also be considered registered owners of the Bonds) and shall create no rights in any other person or entity.

Any failure by East Mountain to comply with the provisions of this Continuing Disclosure Agreement shall not be an Event of Default under the Bond Indenture.

Section 9. Amendment

Notwithstanding any other provision of this Continuing Disclosure Agreement, East Mountain and the Dissemination Agent may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, without the consent of the registered owners but with the consent of the Trustee, under the following conditions:

(a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of East Mountain, or type of business conducted;

(b) This Continuing Disclosure Agreement, as amended or with the provision so waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interest of registered owners of the Bonds, as determined either by parties unaffiliated with East Mountain (which shall include nationally recognized bond counsel, or any other party determined by such counsel to be unaffiliated), or by approving vote of registered owners of the Bonds.

East Mountain shall provide notice of each amendment or waiver for dissemination in the manner specified herein. The initial annual financial or operating information provided by East Mountain after the amendment or waiver shall explain, in narrative form, the reasons for the amendment or waiver and the effect of the change in the type of operating data or financial information being provided.

Section 10. Counterparts

This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

IN WITNESS WHEREOF, we have set our hands as of the date set forth above.

EAST MOUNTAIN

By:

Name:

Title:

[DISSEMINATION AGENT],
as Dissemination Agent

By: _____

Name: _____

Title: _____

EXHIBIT A
(To Form of Continuing Disclosure Agreement)

[Dissemination Agent],
Dissemination Agent
[Address]

Re: Continuing Disclosure Agreement between EAST MOUNTAIN (the “*School*”) and [Dissemination Agent],
as Dissemination Agent

Pursuant to the Agreement referred to above the following is delivered to you for filing pursuant to the terms of the Agreement: (Check documents being delivered):

Annual Report

- As soon as available, and in any event within 180 days after the close of each Fiscal Year of the School, the audited financial statements of the School and the Borrower; provided that if the audited financial statements are delayed due to the fact they have not been released by the New Mexico State Auditor, the School shall be deemed to have complied with financial reporting requirements so long as the School provides (i) its draft financial statements by January 15 of each year to the extent permitted by applicable laws and regulations, and (ii) its annual audited financial statements (or notice that such audited financial statements of the School have been posted and are publicly available on the website of the New Mexico State Auditor) within ten (10) business days of when such audited financial statements are distributed by the New Mexico State Auditor.

- Updated data for the School for the most recently completed Fiscal Year including:
 - amount of lottery applications;
 - student retention rate;
 - open seats and number of applicants on waiting list by grade;
 - faculty retention;
 - changes in Charter School administration leadership;
 - administration turnover;
 - Board members;
 - historic, current and projected enrollment by grade;
 - student demographics including ethnicity, economically disadvantaged status, ELL, FRL and SPED;
 - Charter School administration leadership demographics including gender, ethnicity and race;
 - State accountability/performance ratings and authorizer reports;
 - charter contract expiration dates;
 - Charter School aggregated academic performance results, including growth and proficiency scores; and
 - high school graduation rate and Charter School aggregated college entrance exam results for the highest grade tested.

Quarterly Reports

- quarterly, unaudited income statements and balance sheets and comparison of actual expenditures to budgeted expenditures within forty-five (45) days of the end of each fiscal quarter; and

- annual Fiscal Year budget within sixty (60) days of the commencement of each Fiscal Year.

Event Report

Specify _____

Very truly yours:

EAST MOUNTAIN

By: _____

Name: _____

Title: _____

EXHIBIT B
(To Form of Continuing Disclosure Agreement)

NOTICE TO MSRB OF FAILURE TO FILE REPORT

Issuer: [ISSUER]
Issue: [BONDS]
East Mountain: EAST MOUNTAIN
Dissemination Agent: [DISSEMINATION AGENT]
Participating Underwriter: [UNDERWRITER]
Date of Issue: [_____, 20__]

NOTICE IS HERBY GIVEN that East Mountain has not provided the [Annual Report] [Interim Report] with respect to the above-specified Bonds as required by the Continuing Disclosure Agreement, dated as of [_____, 20__], by and between East Mountain and the Dissemination Agent.

DATED:

[Dissemination Agent]

By: _____
Name: _____
Title: _____

EXHIBIT C

Tax Certificate

(See Attached)

TAX CERTIFICATE

EAST MOUNTAIN HIGH SCHOOL FOUNDATION AND EAST MOUNTAIN

The undersigned, each being an authorized representative of East Mountain High School Foundation, a New Mexico nonprofit corporation (the “Lessor” or the “Borrower”), and East Mountain, a New Mexico public charter school (the “School” and, together with the Lessor, the “Lessor/School”) respectively, having responsibilities attributed to each or both of them for the matters set forth herein, DO HEREBY CERTIFY with respect to the loan from Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Lender”) to the Lessor in the aggregate principal amount of \$[PAR].00, dated February [26], 2026 (the “Loan”), as follows:

I. GENERAL

1.01. Delivery and Reliance. The Lessor/School is delivering this Borrower Tax Certificate (the “Certificate”) with the understanding that (i) the Lender will rely upon this Certificate in making the Loan, (ii) Orrick, Herrington & Sutcliffe LLP, counsel to the Lender, will rely in part upon this Certificate in advising the Lender that the Loan qualifies for refinancing with one or more series or issues of bonds (the “Bonds”) the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), (iii) Modrall, Sperling, Roehl, Harris & Sisk, P.A. will rely upon this Certificate in delivering its Borrower’s Counsel Opinion, and (iv) Cuddy McCarthy will rely upon this Certificate in delivering its School’s Counsel Opinion. This Certificate is being delivered for the purposes of (a) establishing the reasonable expectations of the Lessor/School as to the amount and use of the proceeds of the Loan and the use of the property financed and refinanced with proceeds of the Loan, and (b) documenting the Lessor/School’s agreement to deliver certain certificates and documents subsequent to the date hereof as required or requested by the Lender, Equitable School Revolving Fund, a Delaware limited liability company affiliate of the Lender (“ESRF”), or any municipal issuer of the Bonds or other debt on behalf of the Lender or ESRF (the “Issuer”). For purposes of this Certificate, “Bonds” shall refer only to the portion of any issue of Bonds allocable directly and indirectly to the refinancing of the Loan, which Bonds will be generally consistent with the term and debt service structure of the Loan (including retirement or prepayment of a corresponding portion of the Bonds as soon as practicable in the event the Loan is prepaid).

1.02. Loan Agreement. The Loan is being made pursuant to that certain Loan Agreement by and between the Lender and the Lessor dated the date hereof (the “Loan Agreement”).

1.03. Lessor’s Expectations. This Certificate sets forth the facts, estimates and circumstances now in existence that are the basis for the Lessor’s expectation that the proceeds of the Loan and the facilities financed thereby will not be used in a manner that would cause the interest on the Bonds to be included in gross income for federal income tax purposes. To the best of the Lessor’s knowledge and belief, such expectation is reasonable and there are no other facts, estimates or circumstances that would materially change that expectation. To the best of the Lessor’s knowledge and belief, for federal income tax purposes, the proceeds of the Loan will constitute proceeds of the Bonds upon the issuance of the Bonds and the allocation of the Loan, in

whole or in part, to the Bonds. In making certain warranties, representations and certifications contained herein, the Lessor has consulted with their legal counsel.

II. DEFINITIONS

“Gross Proceeds” shall have the meaning used in Section 1.148-1(b) of the Treasury Regulations, and generally means all proceeds of the Loan and Replacement Proceeds.

“Investment Proceeds” shall mean any amounts actually or constructively received from investing proceeds of the Loan.

“Investment Property” shall mean any security or obligation (other than tax-exempt bonds which are not “specified private activity bonds” as defined in Section 57(a)(5)(C) of the Code), any annuity contract or any other investment-type property within the meaning of Section 1.148-1(b) of the Treasury Regulations.

“Opinion of Bond Counsel” shall mean a written opinion satisfactory to the Lender and the Issuer of counsel nationally recognized in the area of municipal finance to the effect that such action or inaction described in said opinion will not impair the exclusion of interest on the portion of the Bonds that finance or refinance the Loan from gross income for purposes of federal income taxation, treating, for this purpose, such portion as a separate issue for federal income tax purposes.

“Other Replacement Proceeds” shall have the meaning set forth in Section 1.148-1(c)(4) of the Treasury Regulations. Other Replacement Proceeds do not arise for the portion of the Bonds that is to be used to finance or refinance capital projects (within the meaning of Treasury Regulation Section 1.148-1(b)) if that portion of the Bonds does not exceed one-hundred twenty percent (120%) of the average reasonably expected life of the financed capital projects.

“Replacement Proceeds” shall have the meaning set forth in Section 1.148-1(c) of the Treasury Regulations.

“Treasury Regulations” shall mean such regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury including Treasury Regulations issued pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and Sections 103 and 141 through 150, inclusive, of the Code.

III. PURPOSE OF ISSUE. Proceeds of the Loan will be applied by the Lessor to (i) finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of existing and new facilities located at facilities located at located at 25 La Madera Road, Sandia Park, New Mexico to be operated by the School (the “Project”), and (ii) pay costs of making the Loan. Unless an Opinion of Bond Counsel is delivered to the Lender with respect to uses of the proceeds of the Loan other than specified in this Article III, the Lessor/School agrees to use the proceeds of the Loan (which, for federal tax purposes, constitute proceeds of the Bonds) solely for the above-described purposes.

IV. USE OF PROCEEDS AND YIELD RESTRICTION

4.01. Amount and Use of Proceeds. The total proceeds of the Loan are \$[PAR].00, aggregate principal amount, which shall be used as set forth in this Section 4.01.

(a) Project. Proceeds of the Loan shall be applied as follows to finance the Project: \$[___] shall be applied to pay costs of the Project. All of the proceeds of the Loan allocable to the Project are reasonably expected to be spent on the Project within 3 years of the date hereof. Project expenditures of the Lessor incurred prior to the date hereof to be reimbursed with Proceeds of the Loan are consistent with the reimbursement requirements set forth in Section 4.02.

(b) Costs of Issuance. \$[___] shall be transferred to the Lessor/School or paid directly to vendors to pay certain costs incident to the issuance of the Loan, which includes title fees.

4.02. Reimbursement. The Lessor represents that all reimbursements were for Preliminary Expenditures or costs incurred no more than 60 days prior to [___], the date the Lessor adopted a resolution declaring its official intent to finance the Project with debt and to reimburse itself with proceeds of debt, in accordance with the rules set forth in Section 1.150-2(d) of the Treasury Regulations. Preliminary Expenditures means architectural, engineering, surveying, soil testing, costs of issuing the Loan, and similar costs paid with respect to the Project in an aggregate amount not exceeding 20% of the issue price of the Loan. However, Preliminary Expenditures do not include land acquisition, site preparation or similar costs incident to the commencement of construction.

4.03. Yield Restriction. All proceeds of the Loan to be allocated to the Project are reasonably expected to be spent within 3 years of the date hereof. The Lessor expects to pay all costs incident to the Loan within 90 days of the date hereof. The Lessor represents and covenants that it will not invest proceeds of the Loan at a yield in excess of the yield on the Bonds, except pursuant to an allowable “temporary period” or other exception to “yield restriction” under applicable Treasury Regulations. The yield on the Bonds will be provided to the Borrower at the time the Bonds are issued.

V. DEBT SERVICE ON BONDS

5.01. Source of Debt Service; Debt Service Fund. The Lessor expects to pay debt service on the Loan from rental payments from the School pursuant to a lease agreement entered into between the Lessor and School dated as of February [26], 2026 and the lease with option to purchase agreement to be entered into between the Lessor and the School after the closing of the Loan and following obtaining the requisite governmental approvals (collectively, the “Lease Agreement”). The Lessor will make payments on the Loan on a monthly basis. Any amounts held in the Revenue Fund of the Lessor established under the Master Trust Indenture to be used to pay debt service on the Loan (if applicable, the “Debt Service Fund”) will be depleted within one year from the date of such deposit except for a reasonable carryover amount which will not exceed, in the aggregate, the greater of: (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) one-twelfth ($1/12$) of the principal and interest payments on the Loan for the immediately preceding bond year. The School will not accumulate and hold funds to be used to pay debt service on the Loan. Thus, no such amounts are reasonably expected to be held for a period longer than the 13-month temporary period provided by Treasury Regulation Section 1.148-2(e)(5)(ii) for a “bona fide debt service fund.” Amounts held in such portion pending application to pay debt service on the Loan will be invested without restriction as to yield.

5.02. Investment Earnings on Debt Service Fund. Investment Proceeds held in the Debt Service Fund will be used to pay debt service on the Bonds within one year of receipt.

5.03. No Other Funds. Other than the Debt Service Fund as described above in Section 5.01, there are no other funds or accounts of the Lessor or any fund of the School which are reasonably expected to be used to pay debt service on the Loan or which are pledged as collateral for the Loan, for which there is a reasonable assurance that amounts therein or the investment income earned from such funds or accounts will be available to pay debt service on the Loan in the event the Lessor/School encounters financial difficulties.

VI. STATUS OF LESSOR/SCHOOL AND USE OF PROJECT

6.01. General Representation. Each of the Lessor and the School represent, warrant and covenant that it will not take any action or inaction, nor fail to take any action or permit any action to be taken, with respect to the Project, the Loan or the Bonds if any action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code, treating, for this purpose, the portion of the Bonds that refinanced the Loan as a separate issue for federal income tax purposes.

6.02. Status of Lessor and School. The Lessor represents, warrants and covenants that it is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code, or corresponding provisions of prior law, as set forth in a determination letter or letters or other notification issued by the Internal Revenue Service to that effect. Since the Lessor's recognition as a supporting organization, said letters with respect to Section 501(c)(3) status have not been modified, limited or revoked. With respect to the Lessor's Section 501(c)(3) status, the Lessor is in substantial compliance with the terms, conditions and limitations, if any, in said letters, and the facts and circumstances that form the basis of the determination that the Lessor is an organization described in Section 501(c)(3) of the Code, as represented to the Internal Revenue Service, continue substantially to exist and no other material facts or circumstances have arisen which could adversely affect such determination in such letters. At all times since its formation, the Lessor has been organized and operated for the benefit of, to perform the functions of, or to carry out the purposes of the School and has only engaged in activities that support or benefit the School. At all times since its formation, the Lessor has been operated, supervised, or controlled by the School pursuant to the terms of its Bylaws, which require that at all times a majority of the Lessor's directors be directors nominated by the Governing Board or Principal of the School. At all times since its formation, the Lessor has not been directly or indirectly controlled by one or more disqualified persons as defined in Section 4946 of the Code other than foundation managers and the School. The Lessor will take all action reasonably necessary to maintain its status as such an organization and its exemption from federal income tax under said Section of the Code or corresponding provisions of future federal income tax laws at all times until the Bonds have been redeemed. No proceedings are pending or, to the knowledge of the Lessor, threatened which, if successful, would adversely affect its status as an organization described in Section 501(c)(3) of the Code, or which would subject any of its income to federal income taxation to such extent as would result in the loss of its tax-exempt status under Section 501(a) of the Code or the loss of the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code. The ownership and lease of the Project to the School is consistent with the charitable purpose of the Lessor and the determination letter issued by the Internal Revenue Service. Under New Mexico law, the School is treated as a public entity. Accordingly, the School has not sought recognition of status as an organization described in Section 501(c)(3) of the Code but reports as part of a state or local governmental body.

6.03. Ownership. The Project is or will be treated as owned for federal tax purposes by the Lessor. The Lessor/School represents that it will not sell or dispose of the Project, in whole or in part, except due to normal wear, tear and obsolescence, before payment in full of the Bonds unless the Lessor/School provides prior written notice to the Lender of its proposed sale and the Lender and the Issuer receive a written Opinion of Bond Counsel with respect to such sale.

6.04. Unrelated Trade or Business Use. Except to the extent treated as Private Use within the de minimis limits set forth in Section 6.05(a), the Lessor/School shall not perform any act, enter into any agreement, or use or permit any of the Project (or any portion thereof) to be used for any trade or business unrelated to the exempt purposes of the Lessor (as defined in Section 513(a) of the Code), unless the Lessor provides prior written notice to the Lender of its proposed act, agreement or use and the Lender and the Issuer receive a written Opinion of Bond Counsel with respect to such act, agreement or use.

6.05. Private Business Use. The Lessor/School represents, warrants and covenants that so long as the Loan is outstanding, the proceeds of the Loan allocable to the Project will be used in compliance with the following subsections.

(a) No more than five percent (5%) of the proceeds of the Loan allocable to the Project may be used for any activity or activities which constitute a private trade or business or group of private trades or businesses, or any unrelated trade or business use other than any activity or activities substantially related to the exempt purposes of the Lessor (a "Private Use," as hereinafter defined). For purposes of this Certificate, the term "Private Use" means any activity or activities which constitute a private trade or business or group of private trades or businesses, including any unrelated trade or business of the Lessor (or another organization described in Section 501(c)(3) of the Code) other than any activity or activities substantially related to the exempt purposes of the Lessor (or another organization described in Section 501(c)(3) of the Code), and use by a nongovernmental person in a manner that provides such nongovernmental person with special legal entitlements to the Project. The term "Private Use" shall include without limitation the lease of the Project (or any portion thereof) to nongovernmental persons or use pursuant to a management contract that does not satisfy the Guidelines as described in subsection 6.05(b).

(b) Except to the extent treated as Private Use within the de minimis limits set forth in subsection 6.05(a), the Lessor/School has not entered into, does not expect to and will not enter into any agreement (a "Management Contract") with any person or organization (a "Service Provider") which provides for such person or organization to manage, operate or provide services with respect to the Project facilities, unless an Opinion of Bond Counsel is received or the guidelines set forth in Revenue Procedure 2017-13 (the "Guidelines") and as summarized herein are satisfied. A Management Contract will satisfy the Guidelines if and only if the requirements of each of the following subsections is satisfied:

(i) The compensation of the Service Provider under the Management Contract must be reasonable for the services rendered.

(ii) The Management Contract must not provide to the Service Provider a share of net profits from the operation of the Project (for purposes hereof, the "Project" shall include any component or portion thereof). Compensation to the Service Provider will not be treated as providing a share of net profits if no element

of the compensation takes into account, or is contingent upon, either the Project's net profits or both the Project's revenues and expenses for any fiscal period. For this purpose, the elements of the compensation are the eligibility for, the amount of, and the timing of the payment of the compensation. Further, solely for purposes of determining whether the amount of the compensation meets the requirements of this Section 6.05(b)(ii), any reimbursements of actual and direct expenses paid by the Service Provider to unrelated parties are disregarded as compensation. Incentive compensation will not be treated as providing a share of net profits if the eligibility for the incentive compensation is determined by the Service Provider's performance in meeting one or more standards that measure quality of services, performance, or productivity, and the amount and the timing of the payment of the compensation meet the requirements of this Section 6.05(b)(ii).

(iii) The Management Contract must not, in substance, impose upon the Service Provider the burden of bearing any share of net losses from the operation of the Project. An arrangement will not be treated as requiring the Service Provider to bear a share of net losses if: (A) the determination of the amount of the Service Provider's compensation and the amount of any expenses to be paid by the Service Provider (and not reimbursed), separately and collectively, do not take into account either the Project's net losses or both the Project's revenues and expenses for any fiscal period, and (B) the timing of the payment of compensation is not contingent upon the Project's net losses. For example, a Service Provider whose compensation is reduced by a stated dollar amount (or one of multiple stated dollar amounts) for failure to keep the Project's expenses below a specified target (or one of multiple specified targets) will not be treated as bearing a share of net losses as a result of this reduction.

(iv) The term of the Management Contract, including renewal options, is not longer than the lesser of 30 years or 80 percent of the reasonably expected useful life of the financed property.

(v) The Management Contract requires the Lessor/School (or the School, as applicable) to approve:

(A) The annual budget of the managed property;

(B) Capital expenditures with respect to the managed property (for this purpose, the Lessor/School may show approval of capital expenditures for the managed property by approving an annual budget for capital expenditures described by functional purpose and specific maximum amounts);

(C) Each disposition of property that is part of the managed property;

(D) Rates charged for use of the managed property (for this purpose, the Lessor/School may show approval of rates charged for use of the managed property by either expressly approving such rates (or the

methodology for setting such rates) or by including in the Management Contract a requirement that the Service Provider charge rates that are reasonable and customary as specifically determined by or negotiated with an independent third party, e.g., a medical insurance company); and

(E) The general nature and type of use of the managed property (for example, the type of services).

(vi) The Lessor/School bears the risk of loss upon damage or destruction of the managed property (for example, upon force majeure). The Lessor/School does not fail to meet this risk of loss requirement as a result of insuring against risk of loss through a third party or imposing upon the Service Provider a penalty for failure to operate the managed property in accordance with the standards set forth in the Management Contract.

(vii) The Service Provider must agree that it is not entitled to and will not take any tax position that is inconsistent with being a Service Provider to the Lessor/School (or the School, as applicable) with respect to the managed property.

(viii) The Service Provider may not have a role or relationship with the Lessor/School that, in effect, substantially limits the ability of the Lessor/School to exercise its rights, including cancellation rights, under the Management Contract. Accordingly:

(A) Not more than 20 percent of the voting power of the governing body of the Lessor/School in the aggregate may be vested in the Service Provider and its directors, officers, shareholders, partners, members and employees.

(B) The governing body of the Lessor/School does not include the chief executive officer of the Service Provider or the chairperson (or equivalent executive) of the Service Provider's governing body.

(C) The chief executive officer of the Service Provider is not the chief executive officer of the Lessor/School or any related person to the Lessor/School.

For purposes of this Section 6.05(b)(viii), the phrase Service Provider includes related persons thereto and the phrase "chief executive officer" includes a person with equivalent management responsibilities.

The Guidelines shall not apply to contracts for the janitorial, machine repair, billing services, or other incidental services. In lieu of the Guidelines, with respect to Management Contracts entered into before August 18, 2017 that are not materially modified or extended on or after August 18, 2017, the Lessor/School (or the School, as applicable) may apply the guidelines set forth in Revenue Procedure 97-13, and as modified by Revenue Procedure 2001-39 and as amplified by Notice 2014-67.

6.06. Joint Ventures. The Lessor represents, warrants and covenants that it has not entered into and does not expect to enter into any business ventures, partnerships or joint ventures with for-profit organizations or entities (including business ventures in which either the Lessor or the School is a member of any partnership or joint venture) which may adversely affect the status of the Lessor as an organization described in Section 501(c)(3) of the Internal Revenue Code or which partnership or joint venture uses the Project.

6.07. Tax Questionnaire Response. The Lessor/School represents that the information provided in its final response to Bond Counsel's Tax Questionnaire, as supplemented, together with all attachments to such responses and supplemental or amendatory letters and information, is, except to the extent modified by the representations contained herein, true, accurate and factually complete on the date hereof and the Lessor/School is not aware of any fact which would cause the representations to not be materially true, and factually accurate and complete.

6.08. Financing of Loans. The Lessor represents, warrants and covenants that it has not and will not use any portion of the proceeds of the Loan to make or finance loans to any person.

6.09. Reasonably Expected Economic Life. The Lessor represents, warrants and covenants that the remaining reasonably expected economic life of the assets constituting the Project is no less than 30 years. Land was not taken into account in determining the average economic life of the Project.

6.10. Receipt of Other Funds. The Lessor/School represents, warrants and covenants that any funds received by the Lessor/School prior to the date hereof (including any grants made by state or local governments), with respect to solicitations for money which funds are restricted by: (i) applicable law, (ii) the donor of such funds, or (iii) the Lessor/School to the payment of or reimbursement for the costs of the facilities of the Lessor/School ("Restricted Funds"), have been or will be applied to costs other than Project costs. The Lessor/School represents, warrants and covenants that any Restricted Funds restricted to costs of the Project received by the Lessor/School subsequent to the date hereof will be applied to repay the Loan as rapidly as possible to the extent permitted by law. Notwithstanding the foregoing, funds received by the Lessor/School which are not Restricted Funds may be expended pursuant to the discretion of the Lessor/School.

6.11. \$150,000,000 Limit. The Lessor represents that at least ninety five percent (95%) of the proceeds of the Loan are allocable to capital expenditures incurred after August 5, 1997.

6.12. Overburdening. The Lessor/School represents, warrants and covenants that the Bonds are not and will not be a part of a transaction or series of transactions that: (i) enables the Lessor/School or any Related Party to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) overburdens the market for tax-exempt obligations in any manner, including, without limitation, by selling bonds that would not otherwise be sold, or selling more bonds, or issuing bonds sooner, or allowing bonds to remain outstanding longer, than would otherwise be necessary.

6.13. No Replacement. The Lessor/School represents, warrants and covenants that no portion of the proceeds of the Loan will be used directly or indirectly to replace funds of the Lessor/School or any Related Party which were intended to be used for the purpose of the Loan and will be used directly or indirectly to acquire investment property reasonably expected to produce

a yield higher than the yield on the Loan. The Lessor/School represents, warrants and covenants that the term of the Loan is not longer than is reasonably necessary to accomplish the governmental purpose for which the proceeds of the Loan are being borrowed.

6.14. Federal Guarantee. The Lessor represents, warrants and covenants that it will not directly or indirectly use or permit the use of any proceeds of the Loan or any other funds of the Lessor or any Related Party or take or omit to take any action that would cause the Bonds to be obligations that are “federally guaranteed” within the meaning of Section 149(b) of the Code. In furtherance of this representation, warranty and covenant, the Lessor will not allow the payment of principal or interest with respect to the Bonds to be guaranteed (directly or indirectly) in whole or in part by the United States or any agency or instrumentality thereof. Except as provided in the next sentence, the Lessor will not invest 5% or more of the proceeds in federally-insured deposits or accounts. The preceding sentence shall not apply to investments in the Debt Service Fund.

6.15. Schedule K. The Lessor/School acknowledges that the Internal Revenue Service requires the annual Return of Organizations Exempt From Income Tax on Form 990 to include Supplemental Information on Tax-Exempt Bonds (Schedule K) (“Schedule K”), and that both the Lender and the Lessor will be required to report information on the Loan and the Project on its respective Schedule K to the extent the Loan is refinanced with proceeds of the Bonds. It is expected that the Loan will be refinanced with the Bonds at the closing of the Loan. The Lessor/School covenants and agrees to provide all information requested by the Lender for the purpose of completing the Lender’s Schedule K, and the Lessor further acknowledges that it assumes full responsibility for completing and filing its own Schedule K and that neither the Issuer nor the Lender has any such responsibility. Further, the Lessor covenants and agrees to provide the Lender with a copy of its Schedule K on the timeline required by the Lender.

6.16. Spend Down of Proceeds. With respect to the Project, the Lessor represents, warrants and covenants that it reasonably expects to spend at least 85% of the proceeds of the Loan allocable to the Project within three years of the date hereof. The Lessor has incurred or reasonably expects to incur within 6 months a binding contractual obligation to spent at least 5% of the proceeds of the Loan allocable to the Project on the Project. Construction of the Project will proceed diligently.

VII. OTHER MATTERS

7.01. Due Authorization. The undersigned is an authorized representative of the Lessor or the School acting for and on behalf of the Lessor or the School in executing this Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

7.02. Public Hearing and Approval. The Lessor represents that: (i) it caused to be published on January 30, 2026, in the *Albuquerque Journal* a newspaper of general circulation in Bernalillo County, New Mexico, a notice of public hearing regarding the Issuer’s issuance of the Bonds necessary to refinance or reimburse for the Loan, copies of which are attached hereto as Exhibit E, (ii) such hearing was held on February 6, 2026, on behalf of the State of New Mexico (the “State”), (iii) at this hearing all interested persons were invited and given a reasonable opportunity to comment upon the nature of the financing, and (iv) on February 18, 2026, the

Governor of the State approved the issuance of the Bonds for the purpose of financing a portion of the costs of the Project, a copy of which approval is attached hereto as Exhibit E.

7.03. Cooperation and Provision of Information. The Lessor/School acknowledges that the United States Department of the Treasury has issued regulations with respect to the method of computing whether any rebate amount is due to the federal government under Section 148(f) of the Code. The Lessor/School represents, warrants and covenants that it will undertake to comply with the rebate provisions contained in Section 148(f) of the Code and furnish the Lender or the Issuer with any requested information in a timely manner. In that regard, the Lessor/School will, on a timely basis, provide the Lender with all necessary information and payments of earnings on the proceeds of the Loan and such other amounts as the Lender or Issuer shall deem necessary to enable the Issuer to comply with the arbitrage and rebate requirements of the Code. The Lessor also hereby covenants, represents and warrants to restrict the yield on the proceeds of the Loan (to the extent required) as provided in Section 4.03 of this Certificate.

7.04. Record Retention. The Lessor/School covenants to maintain all records relating to the requirements of the Code and the representations, certifications and covenants set forth in this Certificate until the date three years after the last outstanding Bonds have been retired. If any of the Bonds are refunded by tax-exempt obligations (the “Refunding Obligations”), the Lessor/School covenants to maintain all records required to be retained by this 7.04 until the later of the date three years after the last outstanding Bonds or portion of the Loan has been retired or the date three years after the last Refunding Obligations have been retired. The records that must be retained include, but are not limited to:

- (a) Basic records and documents relating to the Loan (including the Loan Agreement);
 - (b) Documentation evidencing expenditure of proceeds of the Loan;
 - (c) Documentation evidencing use of the Project by public and private sources (e.g., copies of management contracts, research agreements, leases, etc.);
 - (d) Documentation evidencing all sources of payment or security for the Loan;
- and
- (e) Documentation pertaining to any investment of proceeds of the Loan (including the purchase and sale of securities, United States Treasury Securities – State and Local Government Series subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds of the Loan, guaranteed investment contracts, and rebate calculations).

VIII. POST-CLOSING REQUIREMENTS AND DELIVERABLES

8.01. Supplemental Lessor/School Certification. As consideration for the Loan, at the time the Bonds are issued, each of the Lessor and the School agree that it will deliver a certificate to the Lender and the Issuer affirming all of the representations and covenants set forth herein in the form attached hereto as Exhibit C, which form may be updated by the Lender.

8.02. Post Issuance Tax Compliance. As consideration for the Loan, the Lessor/School agrees to furnish the lender with a completed “Annual Post-Issuance Compliance” questionnaire in the form attached hereto as Exhibit D, which may be updated from time to time by the Lender.

IN WITNESS WHEREOF, I have hereunto set my hand February [26], 2026.

**EAST MOUNTAIN HIGH SCHOOL
FOUNDATION,**
a New Mexico non-profit corporation,

By: _____
Name:
Its:

EAST MOUNTAIN,
a New Mexico public charter school

By: _____
Name:
Its:

EXHIBIT A

PROJECT DESCRIPTION AND ECONOMIC LIFE OF ASSETS

Acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of facilities located at 25 La Madera Road, Sandia Park, New Mexico

At least 30 years

EXHIBIT B

SOURCES AND USES

EXHIBIT C

SUPPLEMENTAL TAX CERTIFICATE

[To Be Executed and Provided to the Lender and Bond Counsel on Issuance of the Bonds]

The undersigned, each being an authorized representative of East Mountain High School Foundation, a New Mexico nonprofit corporation (the “Lessor”), and East Mountain, a New Mexico public charter school (the “School”), respectively, having responsibility for the matters set forth herein, DOES HEREBY CERTIFY with respect to the loan from Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Lender”), in the aggregate principal amount of \$[PAR].00 (the “Loan”), dated February [26], 2026, as follows:

All statements, covenants, representations, and warranties of each of the School and the Lessor set forth in the Tax Certificate dated as of February [26], 2026 to which this Supplemental Tax Certificate is included as Exhibit C are accurate and complete as of the date hereof. No information has come to the attention of either of the undersigned that would change or modify any of such statements, covenants, representations or warranties, and the undersigned covenant and agree to continue to comply with the Tax Certificate and to notify the Lender in the event that facts or circumstances with respect to the Loan or the use of the facilities financed with proceeds of the Loan change after the date hereof.

**EAST MOUNTAIN HIGH SCHOOL
FOUNDATION,**
a New Mexico nonprofit corporation

By: _____
Name:
Its:

EAST MOUNTAIN,
a New Mexico public charter school

By: _____
Name:
Its:

EXHIBIT D

ANNUAL POST-ISSUANCE COMPLIANCE QUESTIONNAIRE

[TO BE COMPLETED, EXECUTED, AND PROVIDED TO THE LENDER BY *MARCH 1*
OF EACH YEAR THE LOAN IS OUTSTANDING WITH RESPECT TO THE PRIOR
CALENDAR YEAR]

ANNUAL POST-ISSUANCE COMPLIANCE QUESTIONNAIRE
For Calendar Year Ending December 31, 20__

The undersigned representatives of East Mountain High School Foundation, a New Mexico nonprofit corporation (the “Lessor”), and East Mountain, a New Mexico public charter school (the “School” and, together with the Lessor, the “Lessor/School”), hereby represents that he/she is authorized by the respective entity to complete and execute this Annual Post-Issuance Compliance Questionnaire (the “Questionnaire”) on behalf of respective Lessor/School entity in connection with the loan (the “Loan”) by Equitable Facilities Fund, Inc. (the “Lender”) to the Lessor/School dated February [26], 2026.

The following information is being requested in order to aid in the review of compliance with the Internal Revenue Code of 1986 (the “Code”) with respect to the facilities that were financed with the proceeds of the Loan that is expected to be refinanced with bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code by the Lender or its affiliate. This Certificate is being delivered for the purposes of documenting the Lessor/School’s compliance with the Tax Certificate (the “Tax Certificate”) executed in connection with the making of the Loan by the Lender. The Lessor/School understands that the information contained herein will be relied upon by the Lender and by the issuer of any bonds to refinance the Loan. For purposes of this Questionnaire, the term “Project” includes only those assets and/or facilities financed or refinanced with the proceeds of the Loan and the term “this calendar year” refers to the reporting period set forth in the heading above.

In executing this Questionnaire, the Lessor/School has reviewed its governing documents, contracts and other relevant information with particular attention to the organization, operation, use and management of the Project, including any compensation and operational arrangements.

**EAST MOUNTAIN HIGH SCHOOL
FOUNDATION,**

a New Mexico nonprofit corporation

By: _____

Name:

Its:

EAST MOUNTAIN,

a New Mexico public charter school

By: _____

Name:

Its:

1. Please provide records regarding the expenditure of proceeds of the Loan and any interest earnings on investment of proceeds of the Loan, including, as applicable, trustee statements, bank account records, spend-down schedules, etc.
2. Have there been any amendments or other changes to the Lessor/School's governing documents in this calendar year?

Yes

No

If "yes" please provide copies of all amended documents.

3. Has the Lessor/School been audited by the Internal Revenue Service in this calendar year or been notified by the IRS that the IRS is proposing to (i) revoke its determination letter, or (ii) investigate the Lessor/School's continued qualification as an organization described in Section 501(c)(3) of the Code?

Yes

No

If yes, please provide details.

4. Has the Lessor/School been notified by the governmental authority that issued the charter to any public charter school operated by the Lessor/School that the charter is under review (other than a standard periodic review), being revoked, or otherwise in jeopardy of not being continued or renewed?

Yes

No

If yes, please provide details.

5. Did the Lessor/School engage in “unrelated trade or business” activities within the meaning of Section 513(a) of the Code this calendar year (regardless of whether such activities generated taxable income)?

Yes

No

If yes, please describe the scope of such activities and whether any occurred in Project facilities.

6. Did the Lessor/School enter into any transactions with its employees, officers or any members of its governing body (other than contracts for services as an employee, officer, or member of its governing body) or any person, firm or other entity owned or controlled by any of its employees, officers or members of its governing body (e.g., rental of property from an officer or entity owned by an officer, or a loan to an employee)?

Yes

No

If yes, please describe. Please also attach a copy of any such agreements.

7. Did the Lessor/School lease any portion of the Project during the calendar year, including but not limited to leases to an organization described in Section 501(c)(3), to a governmental entity, or to a private party?

Yes

No

If yes, please describe. Please also attach a copy of any such lease agreements and provide details on the specific Project facilities subject to the lease.

8. Did the Lessor/School sell any of the Project facilities or equipment during the calendar year?

Yes

No

If yes, please describe.

9. Did the Lessor/School enter into any Management Contract (as defined in the Tax Certificate) other than as permitted by such Tax Certificate during the calendar year or have such Management Contract in place that it did not disclose on a prior year's questionnaire?

Yes

No

If yes, please describe and provide a copy of such agreement(s).

TEFRA MATERIALS

[SEE TAB 13]

EXHIBIT D

General Certificate

(See Attached)

GENERAL CERTIFICATE OF THE TENANT

I hereby certify that I am a duly appointed and acting officer of East Mountain, a public charter school (the “*Tenant*”), holding the office set forth below. The capitalized terms used herein, but not defined herein, shall have the meanings given to such terms, or incorporated by reference, in the Master Covenant Agreement (defined herein).

This certificate is given for the benefit of Orrick, Herrington & Sutcliffe LLP and Equitable Facilities Fund, Inc. (the “*Lender*”) under that certain Master Covenant Agreement dated as of February __, 2026 (the “*Master Covenant Agreement*”), by and between East Mountain High School Foundation (“*Landlord*”) and the Tenant.

I hereby further certify on behalf of the Tenant that:

1. Attached hereto as **Exhibit A** is a true and correct copy of the Letter of Charter Renewal from the Albuquerque Public Schools Board of Education.
2. Attached hereto as **Exhibit B** is a true and correct copy of the Charter Contract by and between the Tenant and the Albuquerque Public Schools Board of Education, dated July 1, 2025, and letter of good standing from the Albuquerque Public Schools Board of Education.
3. Attached hereto as **Exhibit C** is a true and correct copy of the Resolution of the Governing Council of the Tenant.
4. The Tenant is a is a duly formed and validly existing public charter school operating under the laws of the State of New Mexico and, as of the date of this certificate, is in good standing with its authorizer, the Albuquerque Public Schools Board of Education. Additionally, the Tenant meets the federal definition of a “charter school” as defined in Section 4310(2) of the Elementary and Secondary Education Act of 1965, as amended through P.L. 115-224, enacted July 31, 2018.
5. To the knowledge of Tenant, no event not previously disclosed has occurred since the date of the Landlord’s application to the Lender to issue the Loan to Landlord that would result in a material adverse change in the financial condition of the Tenant or the Tenant’s ability to perform its obligations under the Tenant Documents, and the Lender will be provided with a complete description of the facts and circumstances of such event, to the extent required by the Tenant Documents to which it is a party, should such event occur. “Tenant Documents” mean the Tax Certificate, Master Covenant Agreement, and the Lease.
6. To the knowledge of Tenant, there is no default or event of default under any agreement to which the Tenant is a party which has a material adverse effect on the Tenant, and the Lender will be provided with a complete description of the facts and circumstances of any such default, to the extent required by the Lender and the Tenant Documents to which the Tenant is a party, should any occur.
7. No Event of Default has occurred under the Tenant Documents. Tenant is in full compliance with all warranties, covenants and agreements set forth in the Tenant Documents.

8. That the description and status of the Project and the facts represented with respect thereto, as set forth herein and in the Tax Certificate are true and correct in all material respects.

9. No litigation not previously disclosed is pending, or to the knowledge of Tenant is threatened in writing, in any court in any way affecting the existence of the Tenant or which will materially adversely impact the financial position of the Tenant or that will materially and adversely impact the Tenant's ability to conduct its business affairs, or seeking to restrain or to enjoin the issuance or delivery of the Tenant Documents to which Tenant is a party, or in any way contesting or materially and adversely affecting the validity or enforceability of the Tenant Documents to which the Tenant is a party, or contesting in any materially adverse way the powers of the Tenant or its authority with respect to the Tenant Documents to which it is a party.

10. The Tenant's President of its Governing Council, or their designees, are the Authorized Representatives of the Tenant.

11. I, Dr. Glenn Hushman, am the duly chosen, qualified and acting President of the Governing Council of the Tenant, and the signature appearing above my name below is my true and genuine signature.

Executed as of _____, 2026.

EAST MOUNTAIN,
a New Mexico public charter school

By: _____
Name: Dr. Glenn Hushman
Title: President, Governing Council

- Exhibit A Letter of Charter Renewal from the Albuquerque Public Schools Board of Education
- Exhibit B Charter Contract and Letter of Good Standing
- Exhibit C Resolution of the Governing Council of the Tenant

EXHIBIT A

Letter of Charter Renewal from the Albuquerque Public Schools Board of Education

EXHIBIT B

Charter Contract and Letter of Good Standing

EXHIBIT C

Resolution of the Governing Council of the Tenant

RESOLUTION OF EAST MOUNTAIN GOVERNING COUNCIL

RESOLUTION DETERMINING THE NECESSITY FOR THE LEASE OF REAL PROPERTY FOR CHARTER SCHOOL FACILITIES; APPROVING A SUMMARY OF THE TERMS OF THE LEASE; RESOLUTION DETERMINING THE NECESSITY FOR ACQUIRING BUILDINGS OR OTHER REAL PROPERTY THROUGH A LEASE-PURCHASE ARRANGEMENT; DETERMINING THE ESTIMATED COST OF THE BUILDING OR OTHER REAL PROPERTY NEEDED; APPROVING THE SOURCE OF FUNDS FOR THE LEASE PAYMENTS; AND OTHER MATTERS RELATED THERETO

This Resolution is adopted this _____ day of March, 2026 by the Governing Council of East Mountain (“Governing Council” and “School”), a duly chartered New Mexico public charter school, at a duly called Governing Council meeting, at a public meeting held in compliance with the New Mexico Open Meetings Act, NMSA 1978, §10-15-1, *et seq.*

WHEREAS, the Governing Council of School recognizes that East Mountain High School Foundation ("Foundation") is a New Mexico nonprofit corporation with an Internal Revenue Service designation as a 501(c)(3) organization, whose primary purpose is to receive and maintain a fund or funds to acquire real or personal property or both and to use and apply the whole or any part of the income therefrom and the principal thereof for the purpose of supporting the public educational purposes of the School, including providing suitable facilities for the operation of the School.

WHEREAS, the School entered into a Lease Purchase Agreement dated February 1, 2012 with the Foundation, under which the School currently leases the real property and improvements located at 25 La Madera Road, Sandia Park, Bernalillo County, New Mexico (the “Property”).

WHEREAS, the Governing Council is aware that the Foundation intends to construct and equip an approximately 27,302 square foot new building of multi-purpose space, a new learning commons, and middle school classrooms, and related space for grades six through eight, parking, and related structures (together the "Middle School Facility"), as generally described in Exhibit to the Lease appended hereto as Exhibit 1, on the Property.

WHEREAS, the Governing Council has considered and hereby determines that it is necessary and in the best interest of the School for the operation of the charter school to expand its capacity to serve grades six through eight in the to-be-constructed Middle School Facility through a lease from the Foundation, which arrangement provides for the Foundation to lease buildings or other real property and equipment to the School and to improve and construct the same to serve the interests of the students of the School.

WHEREAS, upon completion, the Middle School Facility will meet the Statewide Adequacy Standards required to house a public charter school as the term is defined and as it applies to charter schools according to 6.27.30 NMAC [1.14.2025].

WHEREAS, the Foundation has agreed to finance the construction of the Middle School Facility and, upon closing of the Foundation's financing, the Foundation intends to construct certain improvements to the Property, and the School has agreed to the Base Rent Schedule, as provided in Exhibit to the Lease appended hereto as Exhibit 1. The Governing Council has been generally informed about the terms and conditions of the financing sought by the Foundation to construct the Middle School Facility (the "Loan") in an amount not to exceed \$21,400,000 (the "Loan") and amortized over thirty (30) years with a five-year maturity and the School has agreed to secure certain property, buildings, equipment, fixtures and proceeds thereof, including the Middle School Facility, as collateral for payment under the Lease , all subject to the required prior Required Approvals.

WHEREAS, the Foundation has represented to the School that the Foundation's obligations related to the Loan are solely the obligation of the Foundation and that neither the School, nor the Governing Council or any of its individual members, officers, employees, agents or other representatives of the School, will be obligated for any outstanding debt as contemplated by Art. 9 §11 of the New Mexico Constitution, or be required to give or pledge a guaranty, security or other credit as may be contemplated in Art. 9 §14 of the New Mexico Constitution.

WHEREAS, the Governing Council has been advised by administration and its business manager that the lease payments, plus additional rents, as projected are reasonable and necessary to provide a facility that meets the needs of the School's educational program and the School's facility obligations as required by NMSA 1978, §22-8B-4.2 (2024).

WHEREAS, it is the School's intent to acquire the Middle School Facility by entering a Lease Purchase Arrangement with the Foundation, subject to and following receipt of required approvals of the New Mexico Public Education Department ("PED") and the New Mexico Public School Facilities Authority ("PSFA") (collectively referred to herein as the "Required Approvals"), pursuant to the Public School Lease Purchase Act, NMSA 1978, §22-26A-1, *et seq.* (2024), which acquisition will ensure that the School has a permanent middle school facility as contemplated by NMSA 1978, §22-8B-4.2. A draft form of the Lease Purchase Arrangement is attached as Exhibit D to the Lease.

WHEREAS, the Governing Council has made a determination that the maximum purchase price for the Property and improvements of \$21,400,000 (Twenty-One Million Four Hundred Thousand Dollars and 00/100), with a Maximum Monthly Base Rent Amount of \$_____

_____, is fair and reasonable based on the School's current and projected educational program needs. The interest rate charged shall not exceed the maximum interest rate allowed pursuant to the Public Securities Act, NMSA 1978, §6-14-1 through 6-14-3.

WHEREAS, the Governing Council has reviewed a summary of the terms of the proposed Lease Agreement and Lease Purchase Agreement and determined that the terms and conditions of the Lease and Lease Purchase Agreement are in the best interest of the School and are acceptable to the Governing Council, subject to the Required Approvals.

WHEREAS, the Governing Council has determined that the Middle School Facility will be suitable for the School's educational program as contemplated by its charter. Further, development and construction of the Middle School Facility and improvements as its long-term facility is in the School's best interest.

WHEREAS, the Council will, prior to executing the Lease Purchase Agreement, submit it to PED and PSFA for approval, pursuant to the requirements of PED, the terms of the Public School Lease Purchase Act, and the Charter Schools Act, NMSA 1978, §§22-8B-1, *et seq.*

WHEREAS, the Governing Council has reviewed the Sources of Funds that will be used to make the required payments pursuant to the Lease and the Lease Purchase Agreement, which sources comply with NMSA 1978, §22-26A-7 and the Council is satisfied that the School has eligible funding to enter into the Lease and proposed Lease Purchase Agreement, subject to receipt of the Required Approvals.

THEREFORE, BE IT RESOLVED BY THE GOVERNING COUNCIL OF EAST MOUNTAIN THAT:

1. Based upon the recitals above, which are incorporated herein, and determinations made in this Resolution, the Governing Council approves of and concludes that it is necessary and in the School's best interest to lease the Middle School Facility from the Foundation.
2. The form of the Lease has been reviewed by the Council and is approved in substantially the form as appended to this Resolution as **Exhibit 1**.
3. The source of funds which the School will utilize for the payments to be made under the Lease and Lease Purchase Agreement including any legally available funds under NMSA 1978, Section 22-26A-7, to acquire or improve buildings or other real property subject to a lease purchase arrangement or to the payments due under a lease purchase arrangement, including any combination of: money from the charter school's general fund; investment income actually received from investments; proceeds from taxes imposed pursuant to the Public School Capital

Improvements Act, Chapter 22, Article 25 NMSA 1978, or the Public School Buildings Act, Chapter 22, Article 26 NMSA 1978; loans, grants or lease payments received from the Public School Capital Outlay Council pursuant to the Public School Capital Outlay Act, Chapter 22, Article 24 NMSA 1978; state distributions to the charter school pursuant to the Public School Capital Improvements Act; fees or assessments received by the charter school; proceeds from the sale of real property and rental income received from the rental or leasing of charter school property; grants from the federal government as assistance to those areas affected by federal activity authorized in accordance with Title 20 of the United States Code, commonly known as "impact aid"; and New Mexico legislative appropriations (together, the "Sources of Funds").

4. It is necessary and in the School's best interest to acquire from the Foundation, the Middle School Facility, through a lease purchase arrangement as defined by NMSA 1978, §22-26A-3(A).

5. The maximum purchase price for the Property and improvements of \$21,400,000 (Twenty-One Million Four Hundred Thousand Dollars and 00/100), with a Maximum Monthly Base Rent Amount of \$ _____, is fair and reasonable based on the School's current and projected educational program needs. The interest rate charged shall not exceed the maximum interest rate allowed pursuant to the Public Securities Act, NMSA 1978, §6-14-1 through 6-14-3.

6. Upon receipt of the Required Approvals, the School will enter into the 2026 Lease Purchase Agreement and will terminate the 2012 Lease Purchase Agreement.

7. The School will not be liable for the loan incurred by Foundation for purposes of constructing the Middle School Facility.

8. The Lease Purchase Agreement, along with all required documentation, shall be forwarded to PED and PSFA for consideration and approval prior to its execution.

9. Subject to receipt of the Required Approvals of the Lease Purchase Agreement, the Governing Council President and Executive Director, (collectively "Officers"), are hereby authorized and directed to finalize, execute, seal, attest and deliver the documents identified above, and any and all other documents pertaining to this transaction. Any one or more of the Officers may consent to this transaction, or consent to any change or modification in or to the form of documents described herein, as he, she or they may deem appropriate and such approval shall be conclusively evidenced by his, her or their execution thereof. Each such Officer is hereby authorized to sign, acknowledge and deliver all necessary certificates, documents, instruments and papers and to do all such other acts and things as may, in said Officer's discretion, be necessary or proper to carry out the purposes and intent of, and to consummate the transactions consistent with this Resolution; and

10. All actions heretofore taken by the Officers in connection with the Lease and lease-purchase of the Project are hereby ratified and confirmed, including without limitation, the employment of legal counsel; and

11. This Resolution shall take immediate effect upon its adoption by the Council.

APPROVED AND ADOPTED THIS _____ day of March, 2026 by the Governing Council of East Mountain as follows:

MEMBERS VOTING IN FAVOR OF THE RESOLUTION

MEMBERS VOTING AGAINST THE RESOLUTION

MEMBERS ABSTAINING FROM THE VOTE ON THE RESOLUTION

GOVERNING COUNCIL OF EAST MOUNTAIN:

By: _____,
Dr. Glenn Hushman, President
and authorized representative

Date: _____

Attest: _____
Governing Council Secretary

Date: _____

**PRESIDENT'S CERTIFICATE REGARDING
GOVERNING COUNCIL RESOLUTION**

I hereby certify that I am the President of the Governing Council of East Mountain, a New Mexico public charter school authorized pursuant to the Charter Schools Act, NMSA 1978, §22-8B-1, *et seq.*, and that the forgoing is a true copy of a resolution duly adopted by the Governing Council of the East Mountain at a meeting held the _____ day of March, 2026, at which meeting a quorum was present acting throughout, and that the resolution has not been rescinded or modified and is in full force and effect.

Dr. Glenn Hushman, President

EXHIBIT 1

Form of Lease Agreement

(SEE ATTACHED)

LEASE AGREEMENT

By and Between

EAST MOUNTAIN HIGH SCHOOL FOUNDATION, INC.,

A New Mexico nonprofit corporation,

and

EAST MOUNTAIN,

A New Mexico public charter school

DATED AS OF March _____, 2026

LEASE AGREEMENT

This Lease Agreement (this "Lease") is entered into by and between the East Mountain High School Foundation, Inc., a New Mexico nonprofit corporation (the "Foundation"), as lessor, and East Mountain, a New Mexico public charter school, (the "School"), as lessee, effective as of March _____, 2026.

RECITALS

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

A. The Foundation is the owner of certain real property commonly described as 725 La Madera Rd, Sandia Park, NM 87047, together with any existing site improvements, building structures, landscaping, irrigation equipment, and fixtures erected thereon or affixed thereto, or which belong to or are used in connection therewith and all minerals, mineral rights, water rights, tenements, hereditaments, rights, privileges, interests, leases, easements and appurtenances belonging or in any way pertaining thereto (the "Property") located in Bernalillo County, New Mexico and more particularly described as:

Tracts A and B, School Site, as the same are shown and designated on the plat entitled, "Plat of Tracts A & B, School Site, Section 18, T. 11 N., R. 6 E., N.M.P.M., Bernalillo County, New Mexico," filed in the Office of the County Clerk of Bernalillo County, New Mexico, on June 24, 2011, in Plat Book 2011C, Page 63.

B. A portion of the Property contains certain improvements currently used to house the School, serving grades 9 through 12 and subject to that Lease Purchase Agreement dated February 1, 2012 and maturing on January 15, 2027 (the "Lease Purchase Agreement").

C. The Foundation intends to construct additional improvements on the Property upon obtaining necessary funds for completion of the Improvements on the Property that will allow the expansion of the School to serve grades 6 through 12, including (i) an approximately 6,100 square foot prefabricated modular building and an approximately 28,700 square foot parking lot (the "Phase 1 Improvements"), and (ii) a new approximately 27,400 square foot middle school facility (the "Phase 2 Improvements", collectively referred to herein as the "Improvements"). The Improvements, leased pursuant to this Lease, are not a part of the Lease Purchase Agreement. The Improvements leased to the School pursuant to this Lease will meet educational occupancy and adequacy requirements according to New Mexico school building requirements

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

E. The Foundation is a nonprofit corporation organized, existing, and in good standing under the laws of the State of New Mexico (the "State"); is duly qualified to do business in the State;

and is authorized under its articles of incorporation, bylaws, action of its board of directors, and applicable law, to own and manage its properties, to conduct its affairs in the State, to lease the Property to the School, and to otherwise act in the manner contemplated herein. The Foundation was created to support the School, and for the purpose of providing the School with a facility pursuant to NMSA 1978 §22-8B-4.2.

F. The Landlord has entered into a Loan Agreement, dated March _____, 2026 (“Loan Agreement”), with the Equitable Facilities Fund, Inc. a nonprofit social impact fund (“EFF”), pursuant to which EFF has loaned to Foundation the principal amount of **\$21,400,000 (Twenty-One Million and Four Hundred Thousand Dollars** and 00/100). The Foundation entered a “Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement, Fixture Filing and Other Real Property Related Financing Statement Filing” with Centrix Title & Escrow Company, as Trustee and EFF, dated March _____, 2026, and filed of record as of the same date with the Bernalillo County Clerk’s Office as Document # _____ (“Deed of Trust”), to secure Landlord’s indebtedness under the Loan Agreement and related Promissory Note “the Note”), and any and all past, concurrent or future modifications, extensions, renewals, rearrangements, replacements and increases thereof. The Tenant is not a party to or a borrower/trustor under the Loan Agreement, Deed of Trust or the Note. Under the Deed of Trust, the Landlord (a) mortgaged to Trustee for the benefit of EFF, the Property, and (b) assigned all leases between Landlord and the Tenant, and any subsequent lease purchase arrangements, this Agreement included, to EFF.

G. The School desires to lease the Improvements from the Foundation, and the Foundation desires to lease the Improvements to the School, pursuant to the terms and conditions and contingencies and for the purposes set forth in this Lease, subject in all respects to the liens evidenced by the Loan Agreement and all other related loan documents executed by the Landlord. The School desires to have and the Foundation agrees to extend to the School a right to enter a Lease Agreement with Option to Purchase pursuant to the Public Schools Lease Purchase Act, NMSA 1978 §§22-26A-1, *et seq.*, and substantially in the form attached hereto as Exhibit D, pursuant to Section 32 herein, upon the execution of which both this Lease and the Lease Purchase Agreement shall immediately terminate.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Demise. The Foundation hereby leases the Improvements to the School, and the School hereby leases the Improvements from the Foundation. The Foundation shall not interfere with the quiet use and enjoyment of the Improvements by the School during the Initial Term (and any Extended Terms) of this Lease so long the School is not in default under the terms of this Lease.

2. Need. The School hereby declares its current need for the Improvements that may hereafter be constructed by the Foundation and further determines and declares its expectation that

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

3. Initial Term. The Initial Term of this Lease shall be for a period commencing on the date of this Lease and ending no later than **June 30, 2027** (“Initial Term”), unless sooner terminated pursuant to any provision of this Lease or in the event the School and Foundation enter into a Lease Agreement with Option to Purchase. This Lease is contingent upon sufficient appropriations being made by the State for performance of this Lease. If sufficient appropriations and authorization are not made by the State, this Lease may terminate prior to the end of the then current term.

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

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

6. Rental Commencement Date; Base Rent. The School shall not be obligated to pay any Base Rent until the Rental Commencement Date. The Rental Commencement Dates shall be (i) the date of Substantial Completion on Phase 1 Improvements (expected to be August 31, 2026) and (ii) the date of Substantial Completion of the Phase 2 Improvements (expected to be August 31, 2027). From and after the Rental Commencement Dates during all Extended Terms of this Lease, the School shall pay Base Rent directly to the Foundation or to a person designated by the Foundation as the Foundation’s representative for rent collection purposes, on the fifteenth day of each month of an Extended Term from any and all legally available sources of revenue, including per pupil

operating revenues payable to the School. The Base Rent of this Lease shall be in the amounts set forth in Exhibit B attached hereto, which from time to time may be amended or supplemented.

7. Additional Rent. The School shall pay Additional Rent during any Extended Terms of this Lease as herein provided. Commencing with the Rental Commencement Date, the Additional Rent shall be estimated annually by the Board of Directors of the Foundation and shall be in an amount sufficient to pay the following costs during the next ensuing Fiscal Year: (i) the reasonable management fees and expenses of the Foundation related to the Improvements; (ii) the cost of insurance premiums; (iii) the cost of taxes, utility charges, maintenance, upkeep, and repair costs including routine repair and replacement of roof, HVAC, and carpet and/or tile incorporated into any Improvements; (iv) all costs of common area maintenance charges, operating charges, association dues and fees; and (v) all other costs included in the definition of, or expressly required to be paid by the School as Additional Rent hereunder. The Additional Rent may be adjusted during any Extended Term of this Lease in the discretion of the Board of Directors of the Foundation and with the consent of the School. In the event the Lease term is extended for the next ensuing Fiscal Year, the School's obligation under this Lease to pay Additional Rent during such Fiscal Year shall be limited to the amount so appropriated for Additional Rent and any amounts subsequently appropriated by supplemental appropriation for payment of Additional Rent during such Fiscal Year. Additional Rental obligations in excess of the amounts so appropriated shall in no event be due or owing from the School. As used herein, "Fiscal Year" means the School's fiscal year, which begins on July 1st of any year and ends on June 30th of the following year. The Additional Rent during the first Fiscal Year after the Rental Commencement Date shall be in the amounts set forth in Exhibit C attached hereto. The Foundation will provide a proposed new Exhibit C no later than April 1 of each year. For each year the School elects to extend the term of this Lease, if any, a new Exhibit C with the new Additional Rent amount shall be attached hereto and become a part hereof in lieu of the then current Exhibit C.

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

9. Manner of Payment. The Base Rent and any Additional Rent shall be paid, commencing on the Rental Commencement Dates and continuing on the fifteenth day of every month of an Extended Term thereafter by lawful money of the United States of America in the

manner reasonably directed by the Foundation. The obligation of the School to pay the Base Rent and Additional Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The School shall, during the Initial Term (and any Extended Terms) of this Lease, make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent or Additional Rent nor shall the School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the School of any rights, claims, or defenses which the School may assert. No action or inaction on the part of the Foundation shall affect the School's obligation to pay Base Rent and Additional Rent of this Lease.

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

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

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

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

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

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

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

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

(g) The Improvements will be operated in accordance with all Requirements of Law. As used herein, "Requirements of Law" means any material federal, state, or local statute, ordinance, rule, or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any applicable common-law doctrine, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including any of relating to environmental, health, or safety matters including without limitation, Environmental Laws. "Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, codes, plans, judgments, orders, decrees, permits, concessions, grants, restrictions, franchises, licenses, policies, binding and enforceable guidelines, agreements or other governmental restrictions (or judicial or administrative interpretations thereof) relating to air, water or land pollution, wetlands or the protection of the environment, public health and safety or to emissions, discharges or releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials or the clean-up or other remediation thereof.

(h) The Improvements are necessary and essential to the School's operations.

(i) The School will observe and perform all covenants, conditions and agreements on its part to be performed under that certain Master Covenant Agreement dated as of March ____, 2026 (the "Covenant Agreement") between the School and the Foundation.

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

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

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

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

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

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

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

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

(h) To the knowledge of the Foundation: (i) all permits required by Requirements of Law in respect of the Improvements will be obtained and in full force and effect prior to the School's occupancy, and the Foundation is in substantial compliance with the material terms and conditions of such permits; (ii) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other person or entity relating to, or alleging, any violation of any Requirements of Law in connection with the Improvements and there are no grounds on which any such litigation, investigation or proceedings might be commenced; (iii) the Improvements are not subject to any judgment, injunction, writ, order, or agreement respecting any Requirements of Law; (iv) there is no hazardous substance (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.*, any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or

any constituent of any of the foregoing located on, in, or under the Property or the Improvements in violation of any Requirements of Law; (v) there has been no disposal of any of the items referred to in clause (vi) on, from, into, or out of the Property or the Improvements in violation of any Requirements of Law; and (vii) there has been no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any of the items referred to in clause (v) into the indoor or outdoor environment from, into, or out of the Property or the Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into, or out of the Property or the Improvements or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into, or out of the Property or the Improvements in violation of any Requirements of Law.

(i) The Foundation will observe and perform all covenants, conditions and agreements on its part to be performed in the Loan Agreement dated February ____, 2026 (“Loan Agreement”), as well as in all other documents and agreements related to the Loan (as defined in the Loan Agreement) to which the Foundation is a party.

13. Title to the Improvements. During the pendency of this Lease, title to the Improvements shall not merge with or become a part of the Property. The School shall have no right, title, or ownership interest in the Improvements or any permanent additions and modifications thereto or replacements thereof, whether or not the School obtains title to the Property.

14. Liens and Encumbrances. The School shall not permit any mechanic's or other lien to remain against the Property or Improvements; provided that if the School shall first notify the Foundation and the Trustee of the intention of the School so to do, the School may in good faith contest any mechanic's or other lien filed or established against the Property or Improvements, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Foundation or Trustee shall notify the School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the School, but only to the extent that amounts for Additional Rent which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Foundation's title in the Property or the Improvements will be materially endangered, or the Property or the Improvements or any part thereof will be subject to loss or forfeiture, in which event the School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not constitute a waiver by the School of the right to continue to contest such items. The Foundation and the Trustee will cooperate fully with the School in any such contest, upon the request and at the expense of the School, to the extent that Additional Rents which have been specifically appropriated by the School are available for the payment of such expenses. The School shall not directly or indirectly create, incur, or assume any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property or the Improvements.

15. Compliance with Law. The School shall at all times operate the Improvements, or cause the Improvements to be used and operated, such that (a) the Property and the Improvements at all times shall be operated in substantial compliance with all Requirements of Law; (b) all permits

required by Requirements of Law in respect of the Improvements shall be obtained and maintained in full force and effect and the School shall substantially comply with the material terms and conditions of such permits; (c) there shall be no Hazardous Material located on, in or under the Property or the Improvements in violation of any Requirements of Law including without limitation Environmental Laws; (d) there shall be no disposal of any Hazardous Material on, from, into or out of the Property or on, from, into or out of the Improvements in violation of any Requirements of Law; and (e) there shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any Hazardous Material into the indoor or outdoor environment from, into, or out of the Property or the Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Property or the Improvements or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into or out of the Property or the Improvements in violation of any Requirements of Law, including without limitation Environmental Laws.

16. Maintenance. During the Initial Term of this Lease, and for any Extended Term, the Foundation agrees to maintain, preserve, and keep the Improvements or cause the Improvements to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the Foundation will from time to time make or cause to be made all necessary and proper repairs. The Foundation shall be required to provide maintenance as required by applicable law.

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

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

19. Initial Term -Taxes and Assessments. During the Initial Term, if the Improvements or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the Foundation shall pay the amount of all such taxes, assessments, and governmental charges then due. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Foundation shall be obligated to provide only for such installments as are required to be paid during

the Initial Term. The Foundation shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Improvements or any portion thereof.

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

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

22. Insurance. The Foundation shall, at its own expense, obtain and maintain or cause its contractor to obtain and maintain the following policies of insurance. The insurance policies required by this Section shall meet the following conditions: (i) any insurance policy may have a deductible clause in an amount not to exceed \$20,000; (ii) each insurance policy shall be so written or endorsed as to make losses, if any, payable to the Foundation, the Trustee and the School, as their respective interests may appear; (iii) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Foundation, the Trustee or the School without first giving written notice thereof to the Foundation, the Trustee and the School at least thirty (30) days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with the Trustee and a true and complete copy with the School; (v) full payment of

insurance proceeds under any insurance policy up to the dollar limit required by this Section in connection with damage to the Property or the Improvements shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School; and (vi) to the extent the Foundation can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. The Foundation may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks.

(a) At the time of construction of any Improvements on the Property, casualty and property damage insurance with respect to the Improvements in an amount equal to the full replacement value of the Improvements.

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

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

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

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

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

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

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

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

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

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

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

(b) *Repair and Replacement.* To the extent permitted by applicable law, subject to the provisions of Subsection (c) hereof, the School (and, to the extent such Net Proceeds are within their control, the Foundation) shall cause such Net Proceeds to be deposited in a separate trust fund held by the Trustee. Except as set forth in Subsection (c) hereof, all

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

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

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

or

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Improvements become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the School may terminate the Lease for lack of sufficient appropriations by giving the Foundation and Trustee sixty (60) days prior written notice and in such event the School's termination shall not constitute a default permitting the Foundation or Trustee to pursue the remedies provided in Section 26 ("Remedies on Default"); provided that, all Net Proceeds are paid to the Foundation.

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

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

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Improvements become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the School may terminate the Lease for lack of sufficient appropriations by giving the Foundation and Trustee sixty (60) days prior written notice and in such event the School's termination shall not constitute a default permitting the Foundation or Trustee to pursue the remedies provided in Section 26 ("Remedies on Default"); provided that, all Net Proceeds are paid to the Foundation.

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

25. Events of Default. Any one of the following shall constitute an "Event of Default" under this Lease: (i) failure by the School to pay any specifically appropriated Base Rent during the Initial Term (and any Extended Terms) of this Lease on, before, or within fifteen (15) days of the applicable due date or to pay Additional Rent which become due during the Initial Term (and any

Extended Terms) of this Lease, up to the amount specifically appropriated for the payment of Additional Rent in accordance with the provisions hereof; (ii) failure by the School to observe and perform any covenant, condition, or agreement on its part to be observed or performed, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied shall be given to the School by the Foundation or Trustee, unless the party giving such notice shall agree in writing, prior to the expiration of the thirty-day period, to an extension of no more than sixty (60) days; provided, however, that if the failure stated in the notice cannot be corrected within the original thirty-day period, the party giving such notice shall not withhold their consent to an extension of up to sixty (60) days if corrective action shall be instituted by the School within such time period and diligently pursued until the default is corrected; or (iii) failure by the School to maintain its charter under the Act. The foregoing provisions of this Section are subject to the following limitations: (i) the School shall be obligated to pay the Base Rent and Additional Rent only during the Initial Term (and any Extended Terms) of this Lease, except as otherwise expressly provided in this Lease; and (ii) if, by reason of Force Majeure, the School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the School contained herein and until the termination or end of the Initial Term (and any Extended Terms) of this Lease, the School shall not be deemed in default during the continuance of such inability. The School agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the School from carrying out its agreement; provided that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the School. As used herein, "Force Majeure" includes the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the School or the Foundation.

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

- (a) Terminate the Initial Term (and any Extended Terms) of this Lease and give notice to the School to vacate the Improvements within one-hundred twenty days (120) days from the date of such notice.
- (b) Lease all or any portion of the Improvements.
- (c) Recover from the School: Base Rent and Additional Rent, to the extent amounts for such Additional Rent have been specifically appropriated in accordance with the provisions of hereof, which would otherwise have been payable by the School hereunder during the remainder, after the School vacates the Improvements, 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 Improvements under this Lease.

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

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

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

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

31. No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, and not of any member, director, officer, employee, or other agent of the School or the Foundation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement, or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, or other agent of the School or the Foundation or any natural person executing this Lease or any related document or instrument.

32. Conversion to Lease With Option to Purchase Agreement. At the discretion and option of the School, the parties agree that this Lease may be superseded by a Lease with Option to Purchase Agreement, provided approval of the Lease with Option to Purchase Agreement has been approved by the necessary regulatory authorities in the Public Schools Lease Purchase Act, NMSA 1978 §§22-26A-1 et seq. The Lease with Option to Purchase Agreement between the School and the Foundation shall be substantially in the form and upon the terms attached as Exhibit D hereto.

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

34. Assignment and Subleasing. This Lease may not be assigned by the School for any reason, whether by operation of law or pursuant to any contract. However, the Improvements may be leased, as a whole or in part, by the School, with the consent of the Foundation, which consent will not be unreasonably withheld; subject, however, to the provisions of Section 43 herein and further subject to each of the following conditions: (i) this Lease, and the obligations of the School hereunder, shall, at all times during the Initial Term (and any Extended Terms) of this Lease, remain direct obligations of the School; (ii) no additional lease shall change the use of the Improvements; and (iii) a copy of the lease agreement is provided to the Foundation.

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

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

The Foundation: East Mountain High School
Foundation, Inc.

With a copy to: Modrall, Sperling, Roehl, Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, New Mexico 87103
Or 500 Fourth Street N.W. Suite 1000
Albuquerque, New Mexico 87102
Attn: Margaret Lewis Meister
Facsimile No.: (505) 848-9710

The School: East Mountain
c/o Executive Director

With a copy to: Cuddy & McCarthy, LLP
1701 Old Pecos Trail, Suite A
Santa Fe, New Mexico 87502-4160
Attn: Heather Travis Boone

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

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

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

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

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

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

43. Days Cash On Hand. The School and Foundation shall manage their businesses to maintain not less than sixty (60) Days Cash on Hand in the current Fiscal Year and for each Fiscal Year thereafter. "*Days Cash on Hand*" means (A) the cash requirements of Tenant and the

Foundation during such Fiscal Year related to or payable from revenues attributable to Tenant and the Foundation (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of Tenant and the Foundation (i) all Tenant Operating Expenses and the Foundation Operating Expenses for such Fiscal Year, and (ii) the maximum Base Rent and Additional Rent payable under the Lease, interest expense or any rent or other amounts due under any lease for that year, divided by (B) 365. For the avoidance of doubt, any proceeds of any Outstanding (as defined under the Loan Agreement) Debt, regardless of maturity, whose proceeds were drawn for the payment of Tenant Operating Expenses and the Foundation Operating Expenses or the funding of cash shall not be considered Cash on Hand for the purposes of Days Cash on Hand. Failure to maintain the sixty (60) Days Cash on Hand as required by this Section shall not constitute an Event of Default so long as the School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required sixty (60) Days Cash on Hand. As soon as practicable, but no later than thirty (30) days after receipt of such report, the School shall, to the extent legally permissible, implement the Independent Management Consultant's recommendations. Notwithstanding any other provision of this Section, failure of the School to maintain not less than sixty (60) Days Cash on Hand for two consecutive Fiscal Years shall immediately constitute an Event of Default. If at any time the New Mexico Public Education Department prohibits the School from maintaining sixty (60) Days Cash on Hand in any Fiscal Year, the provisions of this section shall be reduced to forty-five (45) Days Cash on Hand.

(a) “*Independent*” when used with respect to any specified Person, means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Tenant, and (iii) is not connected with the Tenant as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person's opinion or certificate shall be furnished to the Lender, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

(b) “*Management Consultant*” means a firm of Independent professional management consultants, or an Independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

44. Tenant Lease Payment Coverage Ratio. “*Tenant Lease Payment Coverage Ratio*” means, for the Fiscal Year in question, the ratio obtained by dividing (i) Net Tenant Revenues for such Fiscal Year by (ii) the sum of the Annual Debt Service Requirement of the Tenant, Base Rent payable under the Lease, and any actual rent or other amounts due under any facility lease, for such period. “*Net Tenant Revenues*” means for any period of determination thereof, the amount of excess (deficit) of Gross Tenant Revenues less Tenant Operating Expenses for such period, plus any gifts, grants, requests or donations and income thereon restricted as to use by the donor or grantor for the sole purpose of paying Tenant Operating Expenses, but less: (a) unrealized pledges for such period to make a donation, gift, or other charitable contribution, (b) insurance (other than business interruption) and condemnation proceeds, and (c) any other extraordinary gains or losses.

(a) It shall constitute an Event of Default under this Lease if the Tenant Lease Payment Coverage Ratio, as calculated at the end of any Fiscal Year, is less than 1.0, based upon the results of the annual audit.

(b) The Tenant shall manage its business such that the Tenant Lease Payment Coverage Ratio calculated at the end of each Fiscal Year, will not be less than 1.10 for such Fiscal Year. In the event Charter School fails to maintain a Tenant Lease Payments Coverage Ratio less than 1.10 for any Fiscal year, such failure shall not constitute an Event of Default so long as Charter School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required Tenant Lease Payments Coverage Ratio. As soon as practicable, but no later than thirty (30) days after receipt of such report, Charter School shall consider Consultant's recommendations and, to the extent consistent with and allowable under applicable State and/or federal laws and Charter School's existing contractual obligations, adopt/implement them. Notwithstanding any other provision of this Section, if Charter School fails to maintain a Tenant Lease Payment Coverage Ratio for any Fiscal Year of less than 1.0:1.0, then such failure shall immediately constitute an Event of Default under the Lease.

44. Requirements for Tax Exempt Bonds. The construction of the Improvements by the Foundation is being financed through issuance of debt. As a part of the debt transaction, Centrix Title & Escrow is being appointed as trustee (Centrix Title & Escrow along with any successor trustee shall be referred to herein as "Trustee"). Notwithstanding any other provisions of this Lease, the parties hereby agree as follows:

(a) The Foundation will collaterally assign all its rights to use the Improvements, and all payments made by the School pursuant to this Lease, to the Trustee, including all rights arising in any situation where the School defaults under this Lease.

(b) Neither the Foundation nor the School shall allow an assignment or sublease of the Improvements to any person (including the Foundation) without an opinion of nationally recognized bond counsel that such assignment or sublease will not adversely affect any tax-exemption of interest on the debt transaction.

45. Subordination. School hereby agrees that this Agreement now is, and shall at all times continue to be, subject, inferior and subordinate in each and every respect to the lien of the Deed of Trust defined herein, and to any and all renewals, amendments, modifications, extensions, substitutions, replacements, increases and/or consolidations of the Deed of Trust and/or the Note; and the lien of the Deed of Trust, and any and all renewals, amendments, modifications, extensions, substitutions, replacements, increases and/or consolidations of the Deed of Trust and/or the Note, shall be and remain, in each and every respect prior and superior to this Agreement. This Agreement shall be the whole and only agreement with regard to the subordination of the Agreement to the lien of the Deed of Trust and shall supersede and cancel insofar as same may affect the priority between the Deed of Trust and the Agreement, any prior agreements or

provisions relating to the subordination of the Agreement to the lien of the Deed of Trust, including, without limitation, those provisions, if any, contained in the Agreement which provide for the subordination thereof to the lien of any Deed of Trust, mortgage or other security agreement. Foundation will cause any such mortgage, indenture, or deed of trust to contain provisions requiring the holder of the indebtedness secured thereby to mail to Charter School by registered mail, addressed to Charter School at its office as set forth in this Agreement, a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee under such mortgage, indenture, or deed of trust to Foundation. Charter School may, upon receiving notice of breach of covenant, default, or foreclosure under any such mortgage, indenture, or deed of trust as herein provided exercise the option to purchase set forth herein by paying the then-outstanding principal amount of the debt secured by mortgage, indenture, or deed of trust plus any accrued and unpaid interest and any amounts necessary to pay all amounts due to the first call date secured by the mortgage, indenture or deed of trust.

[Signatures on following page.]

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

THE SCHOOL

East Mountain,
a New Mexico public charter school

By: _____
Name: _____
Title: Governing Council President

THE FOUNDATION

East Mountain High School Foundation, Inc.
a New Mexico nonprofit corporation

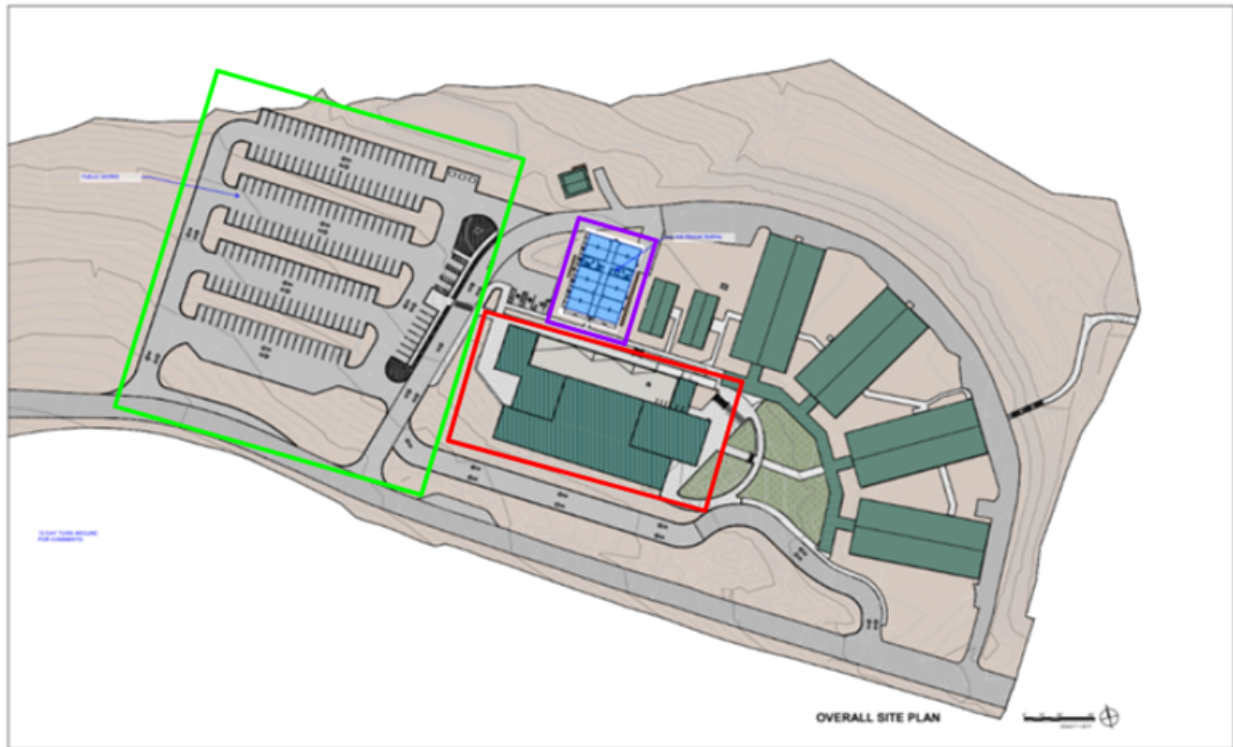
By: _____
Name: _____
Title: President

EXHIBIT A

SITE DRAWING

The Project will construct (i) a ~6,100 sq. ft. prefabricated modular building, and a ~28,700 sq. ft. parking lot (Phase 1 Improvements), and (ii) a new ~27,400 sq. ft. middle school facility (Phase 2 Improvements) at 25 La Madera Road, Sandia Park, New Mexico.

Figure 1: EMHS Future Site Plan



Red Box = Middle School Building, Purple Box = Modular Building, and Green Box = Parking Lot

EXHIBIT B
RENT SCHEDULE
(See Attached)

EXHIBIT C

**ADDITIONAL RENT
TO BE COMPLETED BY FOUNDATION
PURSUANT TO THE TERMS OF THE LEASE AGREEMENT**

For the Initial Term of the Lease Agreement School shall pay \$ 0 in Additional Rents.

EXHIBIT D

**FORM OF
Lease with Option to Purchase Agreement
(SEE ATTACHED)**

LEASE WITH OPTION TO PURCHASE ARRANGEMENT

by and between

EAST MOUNTAIN HIGH SCHOOL FOUNDATION,

a New Mexico nonprofit corporation, and

EAST MOUNTAIN,

a New Mexico public charter school

DATED AS OF _____, 2026

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Exhibit A –	Legal Description and Permitted Encumbrances
Exhibit B –	Lease Payment Schedule
Exhibit C –	Purchase Price
Exhibit D --	Reporting Requirements
Exhibit E –	Copies of the Public Education Department Approval and the Public School Facilities Authority Approval
Exhibit F –	Site Plans and Development Plans / Specifications / Scope of Work / Budget
Exhibit G –	Planned Funding Sources and Budgets to make Lease Payments
Exhibit H –	Form of Memorandum of Lease Purchase Arrangement
Exhibit I -	Acknowledgement

LEASE WITH OPTION TO PURCHASE ARRANGEMENT

This Lease with Option to Purchase Arrangement (“*Agreement*”) is entered into by and between East Mountain High School Foundation, a New Mexico nonprofit corporation (formerly known as East Mountain High School and Cultural Center) (the “*Foundation*”), as lessor, and East Mountain, a New Mexico public charter school (formerly known as East Mountain High School) (the “*School*”), as lessee, as of _____, 2026.

RECITALS

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

A. The Foundation is the owner of approximately 26.0 acres of real property subject to any permitted encumbrances more particularly described on Exhibit A (the “*Land*”) on which are currently constructed approximately _____ (*current buildings*) square feet of charter school improvements including _____ (*description of current facility*) and related public school improvements for use as a high school, located at 25 La Madera Road, Sandia Park, New Mexico (the “*Existing Improvements*” and collectively with the Land, the “*Existing Property*”).

B. The Foundation was organized to support the School, and for the specific purpose of providing the School with a facility pursuant to Section 22-8B-4.2(D)(2)(b)(2) NMSA 1978 and, the property leased to the School pursuant to this Lease will meet standards required by applicable New Mexico construction codes and be in compliance with applicable adequacy standards adopted pursuant to the Public School Capital Outlay Act, Section 22-24-1, *et seq.* NMSA 1978.

C. The School is a New Mexico public charter school authorized by the Board of Education, Albuquerque Public School District No. 12 (“*APS*”), and duly organized and validly existing under the New Mexico Charter Schools Act, Section 22-8B-1 *et seq.*, NMSA 1978, as amended (the “*Act*”), and the School is authorized by Section 22-8B-4(D) and, subject to Section 22-8B-4.2 of the Act, to contract with any third party for the use of a school building and grounds.

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

E. The School is authorized to enter into “lease purchase arrangements” under the New Mexico Public School Lease Purchase Act, Section 22-26A-1, *et seq.* NMSA 1978 (the “*Lease Purchase Act*”), subject to approval by the New Mexico Public Education Department (the “*Department*”) and approval by the Public Schools Facility Lender (the “*PSFA*”) pursuant to Section 22-20-1 NMSA 1978. This Lease is intended to be a “lease purchase arrangement” within the meaning of the Lease Purchase Act.

F. The Foundation has entered into a Loan and Security Agreement, dated as of March _____, 2026 (the “**Loan Agreement**”), with Equitable Facilities Fund, Inc. a nonprofit social impact fund (the “**Lender**”) pursuant to which the Lender has loaned to the Foundation the principal amount of **Twenty-One Million, Four Hundred Thousand Dollars (\$21,400,000)**. The Landlord entered into a “Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement, Fixture Filing and Other Real Property Related Financing Statement Filing” with Centrix Title & Escrow Company, as Trustee and Lender, dated March _____, 2026 and filed of record the same date with the Bernalillo County Clerk’s Office as Document # _____ (“**Deed of Trust**”), to secure Landlord’s indebtedness under the Loan Agreement and related Promissory Note (the “**Note**”), and any and all past, concurrent or future modifications, extensions, renewals, rearrangements, replacements and increases thereof. The School is not a party to or a borrower/trustor under the Loan Agreement, Deed of Trust or the Note. Under the Deed of Trust, the Landlord has (a) mortgaged to Trustee for the benefit of Lender, the Property, and (b) granted an assignment of leases and rents between the Foundation and the School, and any subsequent lease purchase arrangements, this Agreement included, to Lender.

G. The Foundation will use the proceeds of such loan to finance the cost of (i) providing funds to make certain additional improvements to the Existing Property, including the acquisition, construction, development, renovation, furnishing and equipping of an approximately 27,302 square-foot addition that will include classrooms, 2 small classrooms and 14 medium classrooms, administrative offices, performance and assembly space, library and learning commons, and music and practice rooms, and other related and ancillary educational facilities in accordance with the Site Plans and Development Plans attached hereto as Exhibit “F” (collectively, the “**New Improvements**” and, together with the Existing Improvements, the “**Improvements**” and, together with the Existing Property, the “**Property**”).

I. The Base Rent and Additional Rent (both as hereinafter defined) payable by the School hereunder shall constitute currently appropriated expenditures of the School, and School shall for the term of this Agreement authorize and appropriate the payments required hereunder for such years. No obligation for payment hereunder shall constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the School or a mandatory charge or requirement against the School in any Fiscal Year (as hereinafter defined) beyond the Fiscal Year for which such payments have been appropriated. Lessee’s governing body has agreed that it has not formally promised or undertaken to provide as security for the debt or financial obligations of either a private nonprofit entity specifically organized under Section 22-8B-4.2(D)(2)(b)(2), NMSA 1978, or a limited liability company as defined in Section 53-19-2(I), NMSA 1978, any public education funds, or other state or federal funds, received, or to be received, from or through the State of New Mexico, relative to this Agreement.

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

K. The Foundation desires to lease the Property to the School and the School desires to lease the Property from the Foundation, pursuant to the terms and conditions and contingencies and for the purposes set forth in this Lease, subject in all respects to the liens evidenced by the Loan Agreement and all other related loan documents executed by the Landlord.

L. Upon approval and execution of this Agreement, the parties intend that the Lease Agreement between the parties entered into as of February 1, 2012 (“Prior Lease”), be terminated, replaced and superseded by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

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

(a) “**Agreement**,” means this Lease with Option to Purchase Arrangement and for all purposes herein and as to all appertaining exhibits and documents, has the same legal meaning and effect as either the term “lease purchase arrangement” or “financing agreement,” as these latter two terms are defined in Section 22-26A-3(A), NMSA 1978, whether capitalized herein or not.

(b) “**Lender**” has the meaning ascribed to it in the recitals.

(c) “**Additional Rent**” means all amounts due by the School under the terms of this Lease, except Base Rent.

(d) “**Base Rent**” means the amount of “Base Rent” shown on Exhibit B attached hereto for each month of this Lease.

(e) “**Annual Debt Service Requirements**” means the total principal and interest required to be paid on all Debt in a Fiscal Year.

(f) “**Business Day**” means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New Mexico are authorized to be closed.

(g) “**Days Cash on Hand**” means, (A) the cash requirements of School and the Foundation during such Fiscal Year related to or payable from revenues attributable to School and the Foundation (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of School and the Foundation (i) all School Operating Expenses and the Foundation Operating Expenses for such Fiscal Year, and (ii) the maximum Base Rent and Additional Rent payable under the Lease, interest expense or any rent or other amounts due under any lease for that year, divided by (B) 365. For the avoidance of doubt, any proceeds of any Outstanding (as defined under the Loan Agreement) Debt, regardless of maturity, whose proceeds were drawn for the payment of School Operating Expenses and the Foundation Operating Expenses or the funding of cash shall not be considered cash for the purposes of Days Cash on Hand.

(h) “**Continuing Disclosure Agreement**” has the meaning ascribed to it in Section 30.

(i) **“Debt”** means all: (i) indebtedness incurred or assumed by a Person for borrowed money or for the acquisition, construction or improvement of property other than goods that are acquired in the ordinary course of business of such Person; (ii) lease obligations of the Person that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; (iii) all indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money for the acquisition, construction or improvement of property or capitalized lease obligations guaranteed, directly or indirectly, in any manner by the Person, or in effect guaranteed, directly or indirectly, by the Person through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and (iv) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Person whether or not the Person has assumed or become liable for the payment thereof. For the purpose of computing “Debt”, there shall be excluded any particular Debt if upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Debt or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption or satisfaction of such Debt; and thereafter such funds, evidences of Debt and investments so deposited shall not be included in any computation of the assets of the Person, and the income from any such deposits shall not be included in the assets of the Person.

(j) **“Deed of Trust”** has the meaning ascribed to it in the recitals.

(k) **“Department”** has the meaning ascribed to it in the recitals.

(l) **“Effective Date”** means the first day of the first calendar month after the later of the execution of this Lease by the Foundation and the School and the written approvals of this Lease by the Department and the PSFA as provided in the Lease Purchase Act. Copies of such approvals shall be attached as Exhibit E.

(m) **“Event of Default”** has the meaning ascribed to it in Section 27.

(n) **“Event of Nonappropriation”** has the meaning ascribed to it in Section 7.

(o) **“Existing Improvements”** has the meaning ascribed to it in the recitals.

(p) **“Existing Property”** has the meaning ascribed to it in the recitals.

(q) **“Extended Term”** means, in the first instance, the period of time from July 1, 20____ until the following June 30, and thereafter, the twelve month period commencing on July 1 of each year and ending on June 30 of the following calendar year.

(r) **“Fiscal Year”** means the School’s fiscal year, which begins on July 1 of any year and ends on June 30 of the following year.

(s) **“Force Majeure”** means acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the School or the Foundation.

(t) **“Gross School Revenues”** means, for any period of calculation, the total of all operating and nonoperating revenues of the School, including but not limited to revenues received from the State, pursuant to its Charter, federal and local funds for school lunches and other food programs, special education, gifts, bequests or donations and income thereon, and transportation, including accounts receivable and rights to receive the same plus investment and other income or loss of the School for such period; provided, however, that no determination thereof shall take into account (a) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on Debt, (b) any gains or losses resulting from the early extinguishment of Debt, or the reappraisal, reevaluation or write-up of assets, (c) gifts, grants (excluding grants from the State), bequests or donations and income thereon restricted as to use by the donor or grantor for a purpose inconsistent with the payment of debt service on Debt (i.e., unrelated to the purposes for which such obligations were issued), (d) non-cash items and (e) net unrealized gain (losses) on investments.

(t) **“Loan Documents”** has the meaning ascribed to it in the recitals.

(u) **“Independent”** when used with respect to any specified Person, means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the School, and (iii) is not connected with the School as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person’s opinion or certificate shall be furnished to the Lender, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof

(v) **“Management Consultant”** means a firm of Independent professional management consultants, or an Independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

(w) **“Initial Term”** has the meaning ascribed to it in Section 4.

(x) **“Lease”** means this Lease with Option to Purchase Agreement, dated as of _____, 2026, by and between the Foundation and the School, and any amendments or supplements hereto, including all exhibits hereto and thereto, and is used interchangeably herein with “Agreement”.

(y) **“Lease Purchase Act”** has the meaning ascribed to it in the recitals.

(z) **“Loan Agreement”** has the meaning ascribed to it in the recitals

(aa) **“Land”** has the meaning ascribed to it in the recitals.

(aa) **“Landlord’s Work”** means any construction, beneficial additions or changes to the Land and/or Property described in Exhibit “F” to this Agreement, whether permanent or not, made by or for the benefit of School. Landlord’s Work will be completed in two phases, with Tenant taking possession of Phase One and Rent Commencement upon Substantial Completion of Phase One; Tenant will take possession of Phase Two upon Substantial Completion of Phase Two.

(bb) **“Net Proceeds”** means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in the collection of such gross proceeds.

(cc) **“Net School Revenues”** means for any period of determination thereof, the amount of excess (deficit) of Gross School Revenues less School Operating Expenses for such period, plus any gifts, grants, requests or donations and income thereon restricted as to use by the donor or grantor for the sole purpose of paying School Operating Expenses, but less: (a) unrealized pledges for such period to make a donation, gift, or other charitable contribution, (b) insurance (other than business interruption) and condemnation proceeds, and (c) any other extraordinary gains or losses.

(dd) **“New Improvements”** has the meaning ascribed to it in the recitals.

(ee) **“NMPSIA”** has the meaning ascribed to it in Section 25.

(ff) **“Operating Expenses”** means, for any period of time for which calculated, the total of all operating and non-operating expenses or losses incurred during such period by the School as determined in accordance with GAAP, including without limitation (i) salaries and administrative expenses, (ii) the cost of supplies and materials, (iii) insurance premiums, (iv) professional services, (v) interest expense, and (vi) any rental payments made for operating leases, other than any lease for facilities; provided however, there shall be excluded from the School Operating Expenses (a) any non-cash expenses resulting from depreciation, amortization or the write down of existing assets, (b) expenses incurred for capital improvements and capital leases, (c) expenses paid from grants from state, federal, local sources, or from any Person, provided that such grants were not included as part of Gross Tenant Revenues, and (d) any principal and interest paid under or with respect to any Debt.

(gg) **“Person”** means firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

(hh) **“Prior Lease”** means the Lease Purchase Agreement effective as of February 1, 2012 by and between EMHS Foundation, the predecessor to the Foundation and The East Mountain High School, the predecessor to the School, and any amendments or supplements thereto, including all exhibits thereto.

(ii) **“Property”** has the meaning ascribed to it in the recitals.

(jj) **“PSFA”** has the meaning ascribed to it in the recitals.

(kk) **“Punchlist Items”** means (i) elements of the Landlord’s Work, the non-completion of which will not materially interfere with School’s use and occupancy of the Property for the Permitted Use and (ii) items that, in accordance with good construction practice, must be performed after Substantial Completion.

(ll) **“Rent Commencement Date”** means the date of Substantial Completion of Phase One of Landlord’s Work, or the date that occupancy permits allowing School’s occupancy of Phase One have been obtained from the relevant regulatory authorities

(mm) **“Requirements of Law”** means any material federal, state, or local statute, ordinance, rule, or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any applicable common-law doctrine, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including any of relating to environmental, health, or safety matters.

(nn) **“School Lease Payment Coverage Ratio”** means, for the Fiscal Year in question, the ratio obtained by dividing (i) Net School Revenues for such Fiscal Year by (ii) the sum of the Annual Debt Service Requirement of the School, Base Rent payable under the Lease, and any actual rent or other amounts due under any facility lease, for such period.

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

(pp) **“School Site”** means the parcel of land and any building(s) identified in Exhibit A to this Agreement, and Landlord’s Work made thereto/thereon described in Exhibit F.

(qq) **“State”** means the State of New Mexico.

(rr) **“Statewide Adequacy Standards”** mean the standards set forth in Title 6, Chapter 27, Part 30 NMAC (12/17/19), and any subsequent amendments thereto promulgated by the Public School Capital Outlay Council and applicable to the School Site, subject to any variances granted to Tenant by the Public School Capital Outlay Council pursuant to Section 22-8B-4.2(F)(2), NMSA 1978.

(ss) **“Substantial Completion”** means the date upon which Landlord’s Work, (i) temporary or permanent certificates of occupancy (or the equivalent) and other governmental permits or approvals for New Improvements have been obtained, in each case if and to the extent required for Tenant to occupy the completed portion of the Property for the Permitted Use, and (ii) the New Improvements are completed in all material respects in accordance with the respective phase of the Development Plans, excluding Punchlist Items.

(tt) **“Term of this Lease”** or “term of this Lease” means the Initial Term and all Extended Terms, not to exceed thirty (30) years after the date of execution of this Agreement, as specified in Section 22-26A-5(C), NMSA 1978.

(uu) **“Testing Date”** means each June 30 during the Term of this Lease.

(vv) “*Trustee*” has the meaning ascribed to it in the recitals

2. Demise. The Foundation hereby leases the School Site to School, and School hereby leases the School Site from Landlord with an option to purchase, upon the terms and conditions set forth in this Agreement, provided that the terms and conditions herein are not contrary to any applicable New Mexico laws. This Agreement, once fully executed by the parties, shall replace and supersede any prior written agreement between the parties for the lease of the Property.

TOGETHER with all right and interest, if any, of Landlord in and to the land lying in the streets and roads in front of and adjoining the School Site and in and to any easement appurtenant to the School Site;

SUBJECT, however, to the Permitted Encumbrances (as stated in Exhibit A).

3. Possession and Enjoyment. Following delivery of the School Site upon completion of the Landlord’s Work, the Foundation shall provide School with quiet use and enjoyment of the School Site and during such term School shall peaceably and quietly have and hold and enjoy the School Site, without suit, trouble, or hindrance from the Foundation, except as expressly set forth herein. The Foundation will, at the request of the School and at the School’s cost, join in any legal action in which School asserts its right to such possession and enjoyment to the extent the Foundation may lawfully do so. Notwithstanding the foregoing, the Foundation shall have access to the School Site during the construction of Landlord’s Work. The School agrees that following the Rent Commencement Date of this Agreement as to any portion of the School Site that has been delivered to the School for occupancy, the Foundation during the Term hereof shall have the right during the School’s normal working hours on the School’s normal working days, upon compliance with any school security requirements imposed by the School and upon reasonable notice, to enter on and examine and inspect the School Site for the purpose of assuring that it is being properly maintained, preserved, and kept in good repair and condition; however, the Foundation shall endeavor to schedule any access for days and times where students are not present on the School Site. The School further agrees that the Foundation 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 the School to perform its obligations hereunder, provided that at no time shall the Foundation be compelled or required to make any improvements, alterations, or additions to the School Site. The School agrees that the Foundation shall have unimpeded and unrestricted access to any undelivered portion of the School Site while Landlord’s Work remains ongoing despite the School’s occupancy of any other portion of the School Site.

4. Need. The School hereby declares its current need for the Property and further determines and declares its expectation that the Property will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being leased throughout the term of this Lease. The School hereby agrees and determines that the Base Rent and the Additional Rent to be paid during each year of the Term of this Lease represents not more than the fair market value of the use of the Property during each such year. In making such declarations and determinations, the School has given consideration to the uses and purposes for which the Property will be employed by the School, the benefit to the School by reason of use of the Property, and the use and occupancy of the Property pursuant to the terms and provisions of this Lease. It is hereby declared to be the present intention and expectation of the School that this Lease Purchase Arrangement, will be

continued through all Extended Terms, subject to the provisions of Sections 5, 6, and 7 of this Agreement.

5. Initial Term. The Initial Term of this Lease shall be for a period commencing on the Effective Date and ending on the following June 30 (“*Initial Term*”), unless sooner terminated pursuant to any provision of this Lease. This Lease is contingent upon sufficient appropriations being made by the State to the School for the performance of its obligations under this Lease. If sufficient appropriations and authorization are not made by the State, this Lease may terminate prior to the end of the term of this Lease. The parties stipulate and agree that there is no legal obligation for Lessee to continue this Agreement from year to year or to purchase the School Site, in accordance with Section 22-26A-5(I), NMSA 1978.

6. Extended Terms. The Lease shall be extended beyond the Initial Term for Extended Terms to and including **June 30, 20__**, but in any event not to exceed 30 years after the date of execution of this Lease, unless one of the following occurs:

(a) An Event of Nonappropriation has occurred prior to June 30 in the Initial Term or any Extended Term of this Lease;

(b) An Event of Default followed by termination of this Lease in accordance with Section 28; or

(c) The School determines for any reason not to exercise its annual right to renew.

(d) The effective date of the purchase of the Property by the School pursuant to Section 12.

(e) The School’s charter is revoked by its authorizer and said revocation is not reversed on appeal unless the Foundation has consented to assignment in accordance with this Lease.

7. Non-renewal Due to Nonappropriation.

(a) “*Event of Nonappropriation*” means (i) a failure by the State legislature to appropriate sufficient funds to the School to make the Base Rent and Additional Rent payments required by this Lease; (ii) a lack of sufficient money available to the School to meet any current lease payment; or (iii) a failure by the School to appropriate sufficient amounts to proceed under Section 26(c) following the occurrence of an event described in Section 26(a).

(b) In the event that the School determines, for any reason, to exercise its annual right not to renew this Lease because of an Event of Nonappropriation, or otherwise, the School shall give notice within one Business Day of such determination to such effect to the Foundation and the Lender (so long as the Loan is outstanding). The exercise of the School’s annual option to not renew this Lease shall be conclusively determined by (i) the School’s failure, for any reason, to appropriate by June 30 of each Fiscal Year sufficient amounts authorized and directed to be used to pay all Base Rent due in the next ensuing Fiscal Year or (ii) upon the occurrence of any of the other events described in the definition of Event of Nonappropriation herein.

(c) Any decision not to renew this Lease shall be made solely by the governing authority of the School and not by any other department, agency or official of the School except as otherwise provided in the New Mexico Public School Code. The School shall in any event furnish the Foundation and the Lender (so long as the Loan is outstanding) proof of appropriation relating to Base Rent and Additional Rent payable under this Lease promptly upon the adoption thereof by the School as evidenced by a resolution or other appropriate action of the governing authority of the School made and delivered to the Foundation and the Lender (so long as the Loan is outstanding) no later than June 30 of each Fiscal Year. Such resolution or written evidence of other action shall be signed by an authorized representative of the School, provided that this Lease has not been previously terminated and that the School is not in default under the terms of this Lease at the time of each extension.

(d) If, during any Fiscal Year, any Operating Expenses accrue in excess of amounts included in a duly enacted appropriation for the payment of Operating Expenses, then, if moneys are not specifically authorized and directed by the School to be used to pay such Operating Expenses by the earlier of the last Business Day of the Fiscal Year in which such Operating Expenses accrue or 90 days subsequent to the date upon which such Operating Expenses accrue, an Event of Nonappropriation shall be deemed to have occurred upon notice by the School to the Foundation and Lender (so long as the Loan is outstanding) to such effect, such notice to be given within one Business Day of the School's determination with respect thereto.

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

(f) The School shall in all events vacate the Property and surrender the Property to the Lender so long as the Loan is outstanding, or otherwise to the Foundation, or as otherwise directed by the Foundation by June 30th following an Event of Nonappropriation.

7. Use. The Property shall be used and occupied only for educational and related purposes, and for no other purpose. The School will comply with all applicable state and federal laws concerning discrimination on the basis of disability, physical or mental handicap, serious medical condition, race, creed, color, sex, gender identity, sexual orientation, spousal affiliation, national origin, religion, ancestry or need for special education services.

9. Possession; Rent Commencement. The School shall possess the Property on the Effective Date and begin paying Base Rent and Additional Rent in accordance with the provisions of Sections 9 and 10.

10. Base Rent; Additional Rent; Absolute Net Lease.

(a) The School shall pay Base Rent in the respective installments and on the respective dates of each year as indicated in the monthly rent schedule attached as Exhibit B, commencing on the Effective Date. A portion of each Base Rent payment is paid as, and represents

payment of, interest on principal as shown on the rent schedule, which specifies the principal and interest component of each Base Rent payment made under this Agreement. Upon receipt of each Base Rent payment, the Foundation shall apply the amount of such payment to principal and interest as shown on the rent schedule, thereby reducing the Purchase Price due at each Option Date.

(b) In any School Fiscal Year (July 1 to June 30) that this Agreement is in effect, the School shall include in the budget proposal to the Public Education Department for the ensuing Fiscal Year an amount equal to one hundred percent (100%) of the Lease Payments and other obligations payable by the School under this Agreement, including but not limited to Base Rent and Additional Rent, provided that the inclusion of any such amount is not contrary to New Mexico law. The Lease Payments and other obligations payable by the School under this Agreement shall constitute currently appropriated expenditures of the School and shall not constitute a debt or multiple fiscal year direct or indirect obligations whatsoever of the School or a mandatory charge or requirement against Tenant in any Fiscal Year (July 1 to June 30) beyond that for which such Lease Payments have been approved. The School shall, in a timely manner, make application each year for lease payment assistance funds pursuant to NMSA 1978, Section 22-24-4(I).

(c) In addition to the monthly Lease Payments under this Agreement, the School may make additional payments to be applied to principal without penalty from time to time, at such frequency and in such amounts as the School's governing body may determine in its sole discretion, subject to, among other considerations, the School's existing capital and operational needs, and subject to the prepayment limitations contained herein. Any additional payments made by the School pursuant to this Subsection (c) shall result in the Foundation generating and providing to the School a revised Exhibit B, showing the payment(s) applied to principal

(d) In addition to Base Rent, the School shall pay as Additional Rent during the Term of this Lease as herein provided all expenses related to possession, maintenance and operation of the Property, including without limitation: (a) the cost of insurance premiums for insurance required by this Lease or the Loan Documents or otherwise deemed necessary or desirable by the Lender; (b) the cost of taxes, utility charges, maintenance, upkeep, and repair costs; (c) all other costs associated with operation, repair and maintenance of the Property (to the extent not paid through permitted withdrawals from the Repair and Replacement Fund created under the Indenture); (d) all costs of the Foundation for administering this Lease and the Loan and the cost of an annual audit of the Foundation's financial statements to the extent allocable to the Foundation's activities directly relating to the Property and as permitted by law; and (e) administrative and legal expenses, miscellaneous operating expenses, advertising and promotion costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the School, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the School not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles, all in such amounts as reasonably determined by the School. All or any portion of such operating expenses shall be paid by the School directly to the third parties who are owed the amounts included in Operating Expenses (*e.g.* insurance companies, taxing authorities, utility companies). All such foregoing expenses described in this Section 10 are included in "***Operating Expenses***";

provided, however, that for purposes of calculating School Lease Payment Coverage Ratio, Operating Expenses shall exclude Base Rent. Commencing with the Effective Date, this Lease is intended to be and shall be construed consistently with it being an absolute net lease with the School paying all expenses related to the Property.

11. Nature of Payment. The School and the Foundation acknowledge and agree that the Base Rent and Operating Expenses hereunder shall constitute currently appropriated expenditures of the School and may be paid from any legally available funds. The School's obligations under this Lease shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation either of governmental powers or as a donation by or a lending of the credit of the School within the meaning of any constitutional or statutory limitation or requirement.

12. Manner of Payment.

(a) The School shall pay Base Rent, to the extent it is able to do so using commercially reasonable efforts, through a system of automatic debits from the School's bank accounts to a person or entity (i) designated by the Foundation as the Foundation's representative for rent collection purposes) or (ii) assigned the right to collect such Base Rent by paying Base Rent no later than the 20th day of each month from any and all legally available sources of revenue, including per pupil operating revenues payable to the School. Each such payment of Base Rent shall be transmitted via the Federal Automated Clearing House electronic network for financial transactions in the United States.

(b) Operating Expenses owed to third parties by the School shall be paid directly by the School to such third parties as and when due, except to the extent otherwise provided in Section 6(e). Any Operating Expenses payable to the Foundation shall be paid directly to the Foundation or to a person or entity designated by the Foundation as the Foundation's representative for rent collection purposes, on the 20th day of each month from any and all legally available sources of revenue, including per pupil operating revenues payable to the School.

(c) The obligation of the School to pay the Base Rent and Additional Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The School shall, during the Term of this Lease, make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent or Additional Rent nor shall the School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the School of any rights, claims, or defenses which the School may assert. No action or inaction on the part of the Foundation shall affect the School's obligation to pay Base Rent or Additional Rent of this Lease.

(d) The Base Rent and Additional Rent have been set at the fair market rental value of the Property and the amount necessary to pay (i) debt service of the Foundation on the

loan to the Foundation from the Lender of the proceeds of the Loan and other amounts due with respect thereto, and (ii) all other amounts due under this Lease Agreement, and Base Rent and Additional Rent shall be used by the Foundation for such purposes.

13. Option to Purchase. So long as no Event of Default has occurred and is then continuing, the Foundation grants to the School an option to purchase the Property on any date on or after _____, on not less than 60 days' notice to the Foundation by the School of the exercise of such option, at a purchase price shown on Exhibit C corresponding to the purchase date plus any unpaid Base Rent and Additional Rent through that date. Upon such purchase, the Foundation shall convey the Property to the School by warranty deed, subject to all liens and encumbrances then of record, but not subject to the Deed of Trust. The School shall pay all expenses in connection with such purchase including, but not limited to, title insurance, recording fees, documentary stamps, and all other closing costs.

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

(a) The School is a public charter school duly organized and validly existing under the Act and will use its best efforts to comply with said Act. The School is authorized: (i) to lease the Property from the Foundation pursuant to this Lease and (ii) to execute, deliver, and perform its obligations under this Lease.

(b) The execution, delivery, and performance of this Lease has been duly authorized by the School and this Lease is enforceable against the School in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity.

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

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

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

(f) The execution, delivery, and performance of this Lease are in the best interests of the School and serve a public purpose. The Property is necessary and essential to the School's operations, and the school will recognize economic and other benefits by leasing the Property.

(g) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease, or the consummation of the transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions, or

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

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

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

(j) The School will observe and perform all conditions and agreements on its part to be performed as the Lessee.

(k) The School will, on or before June 30 in each year during the Term of this Lease budget for and appropriate sufficient funds to make all scheduled payments under this Lease for the ensuing Fiscal Year and confirm such appropriation by sending notice thereof to the Foundation and the Trustee, unless or until an Event of Nonappropriation occurs.

(l) The School will, in a timely manner, make application each year for lease payment assistance funds pursuant to Section 22-24-4(I) NMSA 1978.

(m) It shall not transfer, lease, assign, mortgage, or encumber all or any portion of its interest under this Agreement, or the Property, except in accordance with the terms and conditions hereunder and as provided by New Mexico law, including NMSA 1978, §22-26A-5(K) with respect to assignment of a lease purchase arrangement to: (i) a school district or charter school; or (ii) the State of New Mexico or one of its institutions, instrumentalities or other political subdivisions

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

(o) The School currently intends to purchase the Property from the Foundation with funds obtained from lease payment grant assistance from the New Mexico Public School Capital Outlay Council or from other available revenue or funding sources, but in no event later than 30 years from the date the Lease is executed. Notwithstanding the foregoing, nothing in this Lease shall be construed as a legal obligation of the School to continue this Lease from year to year or to purchase the Property, any Improvements or other real property or as a waiver of the School's right to terminate this Lease as provided herein. Notwithstanding any other provisions of this Lease, the School has not directly or indirectly undertaken, nor agreed to directly or indirectly undertake, the Foundation's debt under any agreement, nor has the School pledged, transferred, or granted a security interest in, or assigned to any private third party, public funds, monies, grants or other distributions received, or to be received, by the School from or through the State, for the purpose of securing the payment of the Foundation's financial obligations, in violation of

Article IX, Section 14 of the State Constitution, or in violation of Article IX, Section 11 of the State Constitution.

15. Representations and Covenants of the Foundation. The Foundation represents and covenants as follows:

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

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

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

(d) The Existing Improvements have been constructed, and the New Improvements will be constructed, to educational occupancy standards, will meet all applicable state adequacy standards, and at the time of completion of the New Improvements, the Property will meet or exceed the statewide condition index for public schools maintained by the New Mexico Public Schools Facilities Authority or will meet or exceed the condition index prior to or contemporaneously with the School's occupancy of the Property. Neither the execution and delivery of this Lease, or the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which the Foundation is now a party or by which the Foundation is bound or constitutes a default under any of the foregoing.

(e) Except as specifically provided in this Lease and the Loan Agreement, the Foundation will not assign the Lease, its rights to payments from the School or its duties and obligations hereunder to any person, firm, or corporation other than the Trustee.

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

(g) There is no pending or, to the Foundation's knowledge, threatened, litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other person or entity relating to, or alleging, any violation of any Requirements of Law in connection with the Property and there are no grounds on which any such

litigation, investigation or proceedings might be commenced, The Property is not subject to any judgment, injunction, writ, order, or agreement respecting any Requirements of Law..

(h) The Foundation will observe and perform all covenants, conditions and agreements on its part to be performed in the Loan Agreement, as well as in all other documents and agreements related to the Loan (as defined in the Loan Agreement) to which the Foundation is a party.

16. Base Rent Payment Coverage Ratio. (a) It shall constitute an Event of Default under this Lease (a) if the School Lease Payment Coverage Ratio, as calculated at the end of any Fiscal Year, is less than 1.0, based upon the results of the annual audit. (b) the School shall manage its business such that the School Lease Payment Coverage Ratio calculated at the end of each Fiscal Year, will not be less than 1.10 for such Fiscal Year. In the event School fails to maintain a School Lease Payments Coverage Ratio less than 1.10 for any Fiscal year, such failure shall not constitute an Event of Default so long as the School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required School Lease Payments Coverage Ratio. As soon as practicable, but no later than thirty (30) days after receipt of such report, School shall consider Consultant's recommendations and, to the extent consistent with and allowable under applicable State and/or federal laws and School's existing contractual obligations, adopt/implement them. Notwithstanding any other provision of this Section, if School fails to maintain the School Lease Payment Coverage Ratio for any Fiscal Year of less than 1.0:1.0, then such failure shall immediately constitute an Event of Default under the Lease

17. Days Cash On Hand. The School shall manage its business to maintain not less than sixty (60) Days Cash on Hand in the current Fiscal Year and for each Fiscal Year thereafter. Failure to maintain the sixty (60) Days Cash on Hand as required by this Section shall not constitute an Event of Default so long as the School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required sixty (60) Days Cash on Hand. As soon as practicable, but no later than thirty (30) days after receipt of such report, the School shall, to the extent legally permissible, implement the Independent Management Consultant's recommendations. Notwithstanding any other provision of this Section 5.11, failure of the School to maintain not less than sixty (60) Days Cash on Hand for two consecutive Fiscal Years shall immediately constitute an Event of Default. If at any time the New Mexico Public Education Department prohibits the School from maintaining sixty (60) Days Cash on Hand in any Fiscal Year, the provisions of this section shall be reduced to forty-five (45) Days Cash on Hand.

18. Title to the Property. Any improvements permanently affixed to the Property shall become part of the Property.

19. Landlord's Work; Budget; Warranties.

(a) The Foundation shall commence and cause to be completed the Landlord's Work described in the Development Plans. The Foundation shall ensure that the School Site, and

Landlord's Work, when completed, will meet the Educational Occupancy Standards. The construction and completion of the improvement described in the Development Plans (including, but not limited to, installation of Furniture, Fixtures and Equipment ("FF&E"), if part of the Development Plans), is collectively referred to herein as "**Landlord's Work**." Landlord's Work shall be constructed substantially in accordance with the Development Plans, and in accordance with the Educational Occupancy Standards. Landlord shall use commercially reasonable efforts to have the Landlord's Work Substantially Complete not later than **August 31, 2026** for Phase One; and **August 31, 2027** for Phase Two (the "Anticipated Substantial Completion Dates"); provided however that in the event that Landlord is unable to deliver the Landlord's Work in a condition that allows the School to use the applicable phase of the School Site for its intended use, as determined by the School in its reasonable discretion, and with a final or temporary certificate of occupancy for the applicable phase of the Landlord's Work by the governing municipality, the State, and/or other applicable authorities, by such date, the Foundation shall give written notice thereof to the School not later than 30 days prior to the applicable Anticipated Substantial Completion Date.

(c) The Foundation and the School have established an initial Budget for Landlord's Work, which is attached hereto as **Exhibit _____**.

(d) Upon taking occupation of each phase of the School Site once certified for occupancy, the Foundation shall assign to the School, all of its interest, if any in all warranties and guarantees or other contract rights against architects, builders, contractors, subcontractors, suppliers, materialmen or manufacturers for the School Site, express or implied, issued on or applicable to the School Site, and the Foundation hereby authorizes the School to obtain the customary services furnished in connection with such warranties and guarantees at the School's expense.

20. Liens and Encumbrances. The School shall not directly or indirectly create, incur, or assume any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property. The School shall not permit any mechanic's or other lien to remain against the Property; provided that if the School shall first notify the Foundation of the intention of the School so to do, the School may in good faith contest any mechanic's or other lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Foundation shall notify the School that, in its reasonable judgment, the Foundation's interest in the Property or title to the Improvements may be materially endangered, or the Property or any part thereof will be subject to loss or forfeiture, in which event the School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not constitute a waiver by the School of the right to continue to contest such items. The Foundation will reasonably cooperate fully with the School in any such contest, upon the request and at the expense of the School, to the extent that Operating Expenses which have been specifically appropriated by the School are available for the payment of such expenses. If State of New Mexico or the School's charter school funds, above those required for Lease Payments hereunder, are used to construct or acquire improvements, the cost of those improvements shall constitute a lien on the School Site in favor of the School and then, if this Agreement is terminated prior to the final payment and the release of the security interest or the transfer of title, at the option of the School: (1) the School may foreclose on the real estate lien; or (2) the current market value of the School Site at the time

of termination, as determined by an independent appraisal certified by the New Mexico Taxation and Revenue Department, in excess of the outstanding principal due under this Agreement, shall be paid to the School, all in accordance with Section 22-26A-5(H), NMSA 1978. The priority of such statutory lien shall be determined according to New Mexico law, should a legal dispute arise as to the order of satisfaction of valid and enforceable liens against the School Site.

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

22. Maintenance. The School shall maintain, preserve, and keep the Property or cause the Property to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the School will from time to time make or cause to be made all necessary and proper repairs except to the extent as required to be maintained by the Foundation. Except as expressly set forth in this Section 22, the Foundation shall not have any responsibility in any of these matters or for the making of any additions, modifications, or replacements to the Property or the Improvements during any the Term of this Lease.

23. Modifications; Removal of Improvements.

(a) During the Term of this Lease, with the Foundation's prior written consent and subject to continuing compliance with the other provisions of this Lease, the School may remodel or make substitutions, additions, modifications, or improvements to the Property subject to the provisions of this Section 22, at its own cost and expense, and the same (if permanently affixed) shall be part of the Property, subject to, and shall be included under the terms of this Lease; provided, however, that (a) such remodeling, substitutions, additions, modifications, and improvements shall not in any way damage the Property; and (b) the Property, as remodeled, improved, or altered, upon completion of such remodeling, or such making of substitutions,

additions, modifications, and improvements, shall be of a value not less than the value of the Property immediately prior to such remodeling or such making of substitutions, additions, modifications, and improvements. There shall be no change in the amount of the Base Rent or purchase price for capital improvements to the Improvements or other real property without a written amendment approved by the Department. If the School's funds, above those required for Base Rent, are used to construct or acquire additional improvements, the cost of the additional capital improvements shall constitute a lien on the additional improvements in favor of the School and then, if this Lease is terminated prior to the transfer of title at the option of the School: (1) the School may foreclose the lien on the additional improvements; or (2) the current market value of the Property 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 this Agreement shall be paid to the School.

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

24. Equipment. The School may, from time to time in its sole discretion and at its own expense, place movable equipment and personal property on the Property. All such equipment and personal property shall remain the sole property of the School in which the Foundation shall not have any interest; provided, however, that any such equipment and personal property which becomes permanently affixed to the Property shall become part of the Improvements, subject to this Lease and shall be included under the terms of this Lease. Nothing in this Lease shall prevent the School from purchasing items to be installed pursuant to this Section 24 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 Property.

25. Taxes and Assessments. If the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the School shall pay the amount of all such taxes, assessments, and governmental charges then due as Additional Rent, but only to the extent that amounts for Operating Expenses which have been specifically appropriated by the School are available for the payment of such costs. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the School shall be obligated to provide only for such installments as are required to be paid during the Term of this Lease. The School shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Property or Improvements or any portion thereof (including any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Property or any portion thereof, or any interest therein, including the interest of the Foundation) or the rentals and revenues derived therefrom or hereunder. If the

School shall first notify the Foundation of the intention of the School to do so, the School may, at the expense and in the name of the School, in good faith contest any such tax, assessment, and other charges and, in the event of any such contest, may permit the tax, assessment, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Foundation shall notify the School that, in the opinion of independent counsel whose reasonable fees shall be paid by the School, but only to the extent that amounts which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Property or the Improvements or any portion thereof will be subject to loss or forfeiture, or the Foundation will be subject to liability, in which event such tax, assessment, or other charges shall, to the extent that amounts for Operating Expenses which have been specifically appropriated by the School are available for the payment thereof, be paid promptly or secured by posting a bond with the Foundation in form satisfactory to the Foundation (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, or other charges).

26. Utilities. The School shall pay, as the same respectively become due, all gas, water, steam, electricity, heat, power, utility, and other charges incurred in the maintenance and upkeep of the Property.

27. Insurance. The School shall, at its own expense, obtain and maintain the following policies of insurance described in subsections (a) through (d) below, which shall meet the following conditions, to the extent allowed by state law or the School's required insurer, the New Mexico Public Schools Insurance Authority ("**NMPSIA**"): (i) any insurance policy may have a deductible clause in an amount not to exceed the greater of (A) \$20,000 or such higher amount as may be required by NMPSIA; (ii) each insurance policy shall name the School, the Foundation, and the Lender, as their respective interests may appear, as additional insured parties and name the Lender as loss payee (while the Loan is outstanding); (iii) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the School and the Foundation without first giving written notice thereof to the School, and, the Foundation at least 30 days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with the Foundation upon request; (v) full payment of insurance proceeds under any insurance policy up to the dollar limit required by this Section 25 in connection with damage to the Property or the Improvements shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School; and (vi) to the extent the School can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. The School may, in its discretion, provide any of the insurance required by this Section 25 under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks. The School agrees to pay the premiums for any insurance required by the Foundation, as part of the Operating Expenses.

(a) Casualty and property damage insurance with respect to the Property and the Improvements in an amount equal to the greater of (i) full replacement value of the Property and the Improvements or (ii) the aggregate principal amount of the Loan then outstanding, unless the insurable value is less than the aggregate principal amount of the Loan, in which event in an amount equal to the full replacement value of the Property.

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

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

(d) Business or rental interruption insurance in an amount not less than the maximum annual debt service on the Loan in the current Fiscal Year or any future Fiscal Year.

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

28. Damage; Destruction, or Condemnation; Use of Net Proceeds. If, during the Term of this Lease: (i) the Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; (ii) title to, or the temporary or permanent use of, the Property or any portion thereof or the estate of the School or the Foundation in the Property or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; breach of warranty or any material defect with respect to the Property shall become apparent; or (iii) title to or the use of all or any portion of the Property shall be lost by reason of defect in the title thereto, then, the School shall be obligated, subject to the provisions of subsection (c) of this Section 28, to continue to pay the amounts specified in subsection (b) of this Section 28 and, to the extent of amounts specifically appropriated by the School, to pay Base Rent and Additional Rent.

(a) To the extent not contrary to applicable law, subject to the provisions of subsection (c) of this Section 28, the School (and, to the extent such Net Proceeds are within its control, the Foundation) shall cause such Net Proceeds to be deposited in a separate trust fund held by the Lender and applied in accordance with the terms of the Loan Documents (so long as the Loan is outstanding, and otherwise as directed by the Foundation). Except as set forth in subsection (c) of this Section 28, all Net Proceeds of any insurance, performance bonds, or condemnation awards owed to either the School or the Foundation shall be applied, while the Loan is outstanding, in accordance with the terms of the Loan Documents and, thereafter, to the prompt repair, restoration, modification, improvement, or replacement of the Improvements may be, by the School upon receipt of requisitions acceptable to the Foundation and the Lender setting forth: (i) the requisition number; (ii) the name and address of the person or entity to whom payment is due or has been made; (iii) the amount to be paid or reimbursed; and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Foundation shall cooperate with the School and the Lender in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section 26. Any repair,

restoration, modification, improvement, or replacement paid for in whole or in part out of Net Proceeds shall be the property of the Foundation, subject to this Lease, and shall be included as part of the Property or the Improvements under this Lease.

(b) If an event described in subsection (a) of this Section 28, and if any Net Proceeds received as a consequence of such event are insufficient to pay in full the cost of any repair, restoration, modification, improvement, or replacement of the Property required under subsection (b) of this Section 28, the School shall elect one of the following options:

(i) The School may, to the extent permitted by law, in accordance with subsection (b) of this Section 28, repair, restore, modify, or improve the Property or replace the Property (or portion thereof) with property of a value equal to or in excess of the Property, and pay as Operating Expenses any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Operating Expenses which have been specifically appropriated by the School are available for the payment of such costs, and the School agrees that, if by reason of any such insufficiency of the Net Proceeds, the School shall make any Operating Expenses payments pursuant to the provisions of this paragraph, the School shall not be entitled to any reimbursement therefor from the Foundation, nor shall the School be entitled to any diminution of the Base Rent and Additional Rent. Notwithstanding the forgoing, the Foundation may in its discretion reimburse the School for all or part of such Operating Expenses.

(ii) If, by June 30th of the Fiscal Year in which an event described in subsection (a) of this Section 28 occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Property become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this subsection (c), the School shall proceed in accordance with Section 6, and the Foundation may then pursue remedies as provided in Sections 6 and 28, as applicable.

(c) The parties to this Lease shall cooperate fully with each other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in subsection (a) of this Section 28, in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or the Improvements or any portion thereof, and in the prosecution of any action relating to defaults or breaches of warranty under any contract relating to the Property. In no event shall either party voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to defaults or breaches of warranty under any contract relating to the Property or any portion thereof without the written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. Each party shall be responsible for their respective fees and expenses incurred under this Section 26.

29. Events of Default. Any one of the following shall constitute an “*Event of Default*” under this Lease: (a) failure by the School to pay any specifically appropriated Base Rent during this Lease on, before, or within five days of the applicable due date or to pay Additional Rent as and

when due, up to the amount specifically appropriated for the payment of Additional Rent in accordance with the provisions hereof; (b) failure by the School to timely pay any other amounts due by the School under the terms of this Lease or perform any covenant hereunder within ten days' written demand therefor by the Foundation; (c) failure by the School to vacate the Property in accordance with Section 6(f) following an Event of Nonappropriation; (d) the School shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of its creditors, or shall fail to pay its debts as they become due, or shall take any action in furtherance of any of the foregoing; (e) an involuntary case or other proceeding shall be commenced against the School seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary lease or other proceeding shall remain undismissed and unstayed for a period of 60 days; (f) the estate or interest of the School in the Property shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within 90 days after such levy or attachment, unless the School shall be contesting such levy or attachment in accordance with the requirements of this Lease; (g) an "event of default" has occurred under the Loan Agreement or Covenant Agreement; or (h) as provided in Section 15. The foregoing provisions of this Section 27 are subject to the following limitation: if, by reason of Force Majeure, the School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the School contained herein and until the termination or end of the Term of this Lease, the School shall not be deemed in default during the continuance of such inability. The School shall, however, remedy, as promptly as legally and reasonably possible, and subject to the sufficiency of available appropriations, the cause or causes preventing the School from carrying out its agreement; provided that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the School.

30. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Foundation or the Trustee, acting for the Foundation so long as the Loan is outstanding may, and, if the Loan is no longer outstanding, the Foundation may, without any further demand or notice, take one or any combination of the following remedial steps:

(a) terminate this Lease and give notice to the School to vacate the Property within 120 days from the date of such notice; provided that termination of this Agreement under the Event of Default set forth herein shall be subject to the supervisory authority of the Public Education Department over all public schools under Section 222-2(C), NMSA 1978 and to the provision of Section 22-8B-12.1(C), NMSA 1978 on a charter school closure.

(b) without further demand or notice, to reenter and take possession of the Property, repossess the same, expel the School and those claiming through or under the School, and remove the effects of both or either, using such force for such purposes as may be lawful and necessary, without being liable for prosecution, without being deemed guilty of any manner of

trespass, and without prejudice to any remedies for arrears of Base Rent, Operating Expenses or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions;

(c) pursue any and all other rights and remedies available under State law, in law or in equity;

(d) lease all or any portion of the Land included in the Property;

(e) recover from the School: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the Property during any period beyond the 30th day following the occurrence of the Event of Default; and (ii) Base Rent and Operating Expenses, to the extent amounts for such Base Rent and Operating Expenses have been specifically appropriated in accordance with the provisions hereof, which would otherwise have been payable by the School hereunder during the remainder of the Fiscal Year in which such Event of Default occurs; or

(f) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Property under this Lease.

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

32. Reporting Requirements; Access to Records. The School shall comply with the reporting requirements set forth on Exhibit D and provide such reporting to the Foundation and the Lender. The School also shall timely provide the Foundation or Lender with information needed to comply with the Covenant Agreement dated as of _____, 2025 (the “*Covenant Agreement*”) between the School, Foundation and Lender, relating to the Loan. In addition, to the extent permitted by State law, the School shall permit the Foundation (for so long as this Lease is in effect) and the Lender (so long as the Loan is outstanding) to have access to its books and records during normal business hours upon reasonable prior notice (of no more than five Business Days) unless the reviewing party reasonably believes there is an emergent situation, in which case no such notice shall be required. For purposes of this Section 29, “books and records” shall mean the public records maintained by the School other than those records which are excepted from public inspection pursuant to Section 14-2-1(A) NMSA 1978, which exceptions include: (a) records pertaining to physical or mental examinations and medical treatment of persons confined to an institution; (b) letters of reference concerning employment, licensing or permits; (c) letters or memoranda that are matters of opinion in personnel files or students’ cumulative files; (d) law enforcement records that reveal confidential sources, methods, information or individuals accused but not charged with a crime, which law enforcement records include evidence in any form received or compiled in connection with a criminal investigation or prosecution by a law enforcement or prosecuting agency, including inactive matters or closed

investigations to the extent that they contain the information listed in this Section 30; (e) as provided by the Confidential Materials Act, Sections 14-3A-1 and 14-3A-2 NMSA 1978; (f) trade secrets, attorney-client privileged information and long-range or strategic business plans of public hospitals discussed in a properly closed meeting; (g) tactical response plans or procedures prepared for or by the state or a political subdivision of the state, the publication of which could reveal specific vulnerabilities, risk assessments or tactical emergency security procedures that could be used to facilitate the planning or execution of a terrorist attack; and (h) as otherwise provided by law. The School shall participate in conference calls with the holders of the Loan in accordance with the Covenant Agreement.

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

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

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

36. No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, and not of any member, director, officer, employee, or other agent of the School or the Foundation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement, or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, or other agent of the School or the Foundation or any natural person executing this Lease or any related document or instrument.

37. Prior Lease. The Prior Lease is superseded in its entirety by this Lease as of the Effective Date.

38. Waiver. No term of this Lease shall be deemed waived unless such waiver is in writing signed by the party granting the waiver. No delay or omission by either party in exercising or enforcing any right or power hereof shall impair such right or power or be construed to be a waiver thereof. No custom or practice that may evolve between the parties shall be construed to lessen the right of a party to require the performance of the other party in strict accordance with the terms of this Lease. A waiver by one party of a failure of the other party to fully comply with any of the

terms of this Lease shall not be construed to be a waiver of any subsequent failure to comply or any other failure to comply.

39. Assignment and Subletting by School. This Lease may not be assigned by the School, except as provided for herein, and the School may not sublet its interest in the Property, for any reason, whether by operation of law or pursuant to any contract. Notwithstanding the generality of the foregoing, the School may allow the Property or portions thereof to be used for short term uses by 501(c)(3) organizations and governmental entities so long the use is aligned with the School's educational mission and does not involve sectarian instruction or worship, except as permitted by the Tax Certificate with respect to the Loan. Further, nothing in this Section 37 shall be deemed to prohibit, limit or restrict the School's (i) power, subject to the prior written approval of the Foundation, which shall not be unreasonably withheld, and the receipt by the Lender of an opinion of nationally recognized municipal bond counsel to the effect that the same will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding tax-exempt bonds, to enter into joint powers agreements as provided in Sections 11-1-1 *et seq.* NMSA 1978, as amended, for shared use of the Property, or (ii) assignment (including without limitation the option to purchase under Section 12), with the prior approval of the Foundation, which shall not be unreasonably withheld, and without cost to the School, with all of the rights and benefits of its predecessor in interest being transferred to the assignee, to: (a) a school district or charter school; or (b) the state or one of its institutions, instrumentalities or other political subdivisions.

40. Acknowledgement of Loan; Subordination of Lease. The School acknowledges the issuance of the Loan by the Lender and its execution of the Loan Agreement and agrees to provide the Foundation requested information it deems sufficient to comply with its obligations under the Covenant Agreement. The School acknowledges and consents to the assignment by the Foundation to the Lender, pursuant to the Loan Agreement and the Deed of Trust, pursuant to the Loan Documents, of all rights, title and interest of the Foundation in, to and under this Lease. This Lease and all rights of the School to the Property hereunder are expressly subordinated to the liens of the Deed of Trust given by the Foundation to secure the Loan Agreement and the Loan issued under the Loan Agreement. This Lease shall be subordinate to the liens of the Loan Agreement and the Deed of Trust and any liens or security interests created under the Indenture and any other mortgage, Deed of Trust (now or hereafter placed upon the Property) and to any and all advances made under any mortgage or Deed of Trust and to all renewals, modifications, replacements or extensions thereof; provided, however, that in the event of foreclosure on the Deed of Trust caused by the Foundation's default under this Lease, the School shall continue to have the right to possess the Property or otherwise enjoy its rights under the Lease provided that it fully performs its obligations hereunder. The School agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. Notwithstanding the foregoing, upon the written request of the Foundation or the Lender, the School agrees to deliver a subordination, non-disturbance and attornment agreement in customary form to the holder of the Deed of Trust or to any other holder of any debt incurred in connection with a refinancing of the debt evidenced by the Loan Agreement.

41. Title to School Site and Improvements. During the Term hereof, Landlord shall hold title to the School Site and any and all additions which comprise repairs, replacements, substitutions,

or modifications, subject to Tenant's rights, both legal and equitable, under New Mexico statutory and common law.

42. Public Property. Upon approval of this Agreement pursuant to the Lease Purchase Act and its execution by the parties, the School Site shall be considered to be a public property in accordance with Section 22-26A-5.1(B), NMSA 1978.

43. Amendments, Changes, and Modifications. This Lease shall not be altered, changed, or amended other than by a written instrument executed by the parties, and approved in writing by the Department to the extent permitted by law.

44. Notices. All notices and communications required or permitted under this Lease (including change of address and facsimile or telephone number set forth below) shall be in writing, shall be effective upon receipt and shall be deemed given to the receiving party: (a) when hand-delivered to the street address of the receiving party set forth below; (b) by delivery by a national overnight courier addressed to the receiving party at the street address set forth below; or (c) three days after deposit in the U. S. mail, certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

If to the Foundation:

If to the School: East Mountain
 25 La Madera Road
 Sandia Park, NM 87047
 Attn: Executive Director

If to the Lender:

With a copy to:

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

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

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

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

51. Severability. In the event that any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

52. Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Any party may execute this Lease by executing any such counterpart, including by electronic or facsimile signature.

53. Donation of Property. Upon payment in full of the Loan, without incurrence of refunding debt by the Foundation secured with an interest in the Property, the Foundation shall transfer to the School all right, title and interest in and to the Property.

52. Administrative Approval. Pursuant to Section 22-26A-4(B), NMSA 1978 and Section 22-20-1(A)(2), NMSA 1978, respectively, the parties to this Agreement acknowledge that they have obtained the required statutory approval from both the Department and the PSFA.

54. Memorandum of Lease. Upon the request of either party, the parties shall cooperate to record an appropriate memorandum of this Lease in the real property records of the County Clerk of Bernalillo County, New Mexico.

[Signatures on following pages.]

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

THE FOUNDATION:

EAST MOUNTAIN HIGH SCHOOL FOUNDATION
a New Mexico nonprofit corporation

By: _____
Name:
Title: President

THE SCHOOL:

EAST MOUNTAIN
a New Mexico public charter school

By: _____
Name:
Title:

EXHIBIT A

LAND AND PERMITTED ENCUMBRANCES

Tracts A and B, School Site, as the same are shown and designated on the plat entitled, "Plat of Tracts A & B, School Site, Section 18, T. 11 N., R. 6 E., N.M.P.M., Bernalillo County, New Mexico, "filed in the Office of the County Clerk of Bernalillo County, New Mexico, on June 24, 2011, in Plat Book 2011C, Page 63.

PERMITTED ENCUMBRANCES

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, conflicts in boundary lines, shortages in area, or other matter which would be disclosed by an accurate survey and inspection of the premises.
4. Any lien, claim or right to a lien, for services, labor or materiel heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Community property, survivorship, or homestead rights, if any, of any spouse of the insured (or vestee in a leasehold or loan policy).
6. Water rights, claims or title to water.
7. Taxes for the year 2025, and thereafter.
8. Defects, liens, encumbrances, adverse claims or other matters, if any, appearing in the public records .

EXHIBIT B

BASE RENT

Base Rent Payments

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Scheduled Payment</u>
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EXHIBIT C
PURCHASE PRICE

Purchase Price

<u>Payment Date</u> <u>On or Before</u>	<u>Purchase Price</u>
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EXHIBIT D

REPORTING REQUIREMENTS

- Quarterly management prepared financial statements, within 30 days of the end of each fiscal quarter
- Audited financial statements, within 10 days following release by the New Mexico State Auditor
- Annual capital and operating budgets within five days of final approval by the School's Governing Council
- Notice of changes in the School's Governing Council and senior management

EXHIBIT E
DEPARTMENT AND PSFA APPROVALS
(SEE ATTACHED)

EXHIBIT F

Site Plans and Development Plans / Specifications / Scope of Work / Budget

EXHIBIT G

Planned Funding Sources and Budgets to make Lease Payments

EXHIBIT H

Form of Memorandum of Lease Purchase Arrangement

MEMORANDUM OF LEASE AGREEMENT AND PURCHASE OPTION RIGHTS

This Memorandum of Lease Agreement and Purchase Option Rights is made as of _____, 20___, between East Mountain High School Foundation, a New Mexico nonprofit corporation (formerly known as East Mountain High School and Cultural Center) (the “**Foundation**”), as lessor, and East Mountain, a New Mexico public charter school (formerly known as East Mountain High School) (the “**School**”), as lessee, as of _____, 2026.

WITNESSETH:

Lessor, upon the terms and conditions more particularly set forth in that certain Lease Purchase Arrangement Agreement dated as of even date herewith by and between the Foundation and the School (as amended, the “**Lease Purchase Agreement**”), which terms and conditions are incorporated herein by reference, and in consideration of the rent and covenants therein provided, does hereby lease to the School, and the School hereby accepts that certain property more particularly described on Exhibit A attached hereto and incorporated herein by reference (the “**Property**”) for an initial term commencing on or about _____, 2026, and ending on _____, 20___, upon the terms and conditions set forth in the Lease Purchase Agreement.

1. The School further has the option to purchase the Property upon the terms and conditions set forth in the Lease Purchase Agreement.
2. The Foundation covenants that Lessee, on paying the rent and performing the covenants set forth in the Lease Purchase Agreement, shall peaceably and quietly have, hold and enjoy the Property.
3. As provided in the Lease Purchase Agreement, notice is hereby given that the Foundation shall not be liable for any labor or materials or services furnished or to be furnished to the School upon credit, and that no mechanic’s or other lien for any such labor, materials or services furnished or to be furnished to the School shall attach to or affect the fee or reversionary or other estate or interest of the Foundation in the Property or in the Lease Purchase Agreement. Prior to commencing any improvements, the School shall execute, deliver to its contractor and record in the public records of Bernalillo County, New Mexico a written instrument providing notice of the existence of the provisions of the preceding sentence in accordance with Section 48-2-11, NMSA 1978, as amended.
4. It is understood that this is a memorandum of the Lease Purchase Agreement, which Lease Purchase Agreement is incorporated herein by reference and shall be a part of this instrument as fully and completely as if the same were set forth herein. In the event of any

inconsistency between this memorandum and the Lease Purchase Agreement, the Lease Purchase Agreement shall govern and control.

5. At any time during the Purchase Option Period (as defined in the Lease Purchase Agreement), the School has the option to purchase the Property (the “**Purchase Option**”), subject to and in accordance with the terms and conditions of the Lease Purchase Agreement and the terms and conditions thereof, dated as of the same date as the Lease Purchase Agreement, by and between the Foundation and the School. The Purchase Option shall automatically expire and be of no further force or effect upon the earlier to occur of the expiration of the Purchase Option Period and the date of termination of the Lease Purchase Agreement.

[The remainder of this page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, the Foundation and the School have signed, sealed and delivered this Memorandum of Lease Agreement and Purchase Option Rights as of the date and year first above written for the purpose of providing recorded notice of the School's rights under the Lease Purchase Arrangement Agreement.

Signed, sealed and delivered
in the presence of:

THE FOUNDATION:

EAST MOUNTAIN HIGH SCHOOL FOUNDATION
a New Mexico nonprofit corporation

By: _____
Name:
Title:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 20___,
by _____, _____, on behalf thereof.
He/She is personally known to me or who has produced _____ as
identification.

NOTARY PUBLIC
(NOTARY SEAL)

Signed, sealed and delivered
in the presence of:

THE SCHOOL:

EAST MOUNTAIN
a New Mexico public charter school

By: _____
Name:
Title:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by
_____, the _____ of _____, on behalf thereof. He/she is
personally known to me or who has produced _____ as identification.

NOTARY PUBLIC
(NOTARY SEAL)

EXHIBIT I

Acknowledgement

THIS ACKNOWLEDGMENT is entered into effective the ____ day of _____, 20____, by and between East Mountain High School Foundation, a New Mexico nonprofit corporation (formerly known as East Mountain High School and Cultural Center) (the "**Foundation**"), as lessor, and East Mountain, a New Mexico public charter school (formerly known as East Mountain High School) (the "**School**"), as lessee, as of _____, 2025.

WHEREAS, the Foundation and the School entered into a Lease Purchase Arrangement Agreement dated _____, 20____ ("Lease") involving the premises located at 25 La Madera Road, Sandia Park, Bernalillo County, New Mexico; and

WHEREAS, the parties desire to establish the Term Commencement Date, Rent Commencement Date, and/or other terms and provisions of the Lease.

NOW, THEREFORE, in consideration of the above and other good and valuable consideration, the receipt of which is hereby acknowledged,

IT IS AGREED AS FOLLOWS:

1. All capitalized terms shall have the definitions set forth in the Lease, unless otherwise defined herein.

1. The Term Commencement Date is hereby acknowledged to be _____, 20____.

2. The Rent Commencement Date is hereby acknowledged to be _____, 20____.

3. The Initial Term shall terminate on _____.

4. Except as herein modified and amended, the remaining terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands effective the date first hereinabove set forth.

Dated this _____ day of _____, 20____

EXHIBIT H – REPORTING REQUIREMENTS

LEASE AGREEMENT

By and Between

EAST MOUNTAIN HIGH SCHOOL FOUNDATION, INC.,

A New Mexico nonprofit corporation,

and

EAST MOUNTAIN,

A New Mexico public charter school

DATED AS OF March _____, 2026

LEASE AGREEMENT

This Lease Agreement (this "Lease") is entered into by and between the East Mountain High School Foundation, Inc., a New Mexico nonprofit corporation (the "Foundation"), as lessor, and East Mountain, a New Mexico public charter school, (the "School"), as lessee, effective as of March _____, 2026.

RECITALS

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

A. The Foundation is the owner of certain real property commonly described as 725 La Madera Rd, Sandia Park, NM 87047, together with any existing site improvements, building structures, landscaping, irrigation equipment, and fixtures erected thereon or affixed thereto, or which belong to or are used in connection therewith and all minerals, mineral rights, water rights, tenements, hereditaments, rights, privileges, interests, leases, easements and appurtenances belonging or in any way pertaining thereto (the "Property") located in Bernalillo County, New Mexico and more particularly described as:

Tracts A and B, School Site, as the same are shown and designated on the plat entitled, "Plat of Tracts A & B, School Site, Section 18, T. 11 N., R. 6 E., N.M.P.M., Bernalillo County, New Mexico," filed in the Office of the County Clerk of Bernalillo County, New Mexico, on June 24, 2011, in Plat Book 2011C, Page 63.

B. A portion of the Property contains certain improvements currently used to house the School, serving grades 9 through 12 and subject to that Lease Purchase Agreement dated February 1, 2012 and maturing on January 15, 2027 (the "Lease Purchase Agreement").

C. The Foundation intends to construct additional improvements on the Property upon obtaining necessary funds for completion of the Improvements on the Property that will allow the expansion of the School to serve grades 6 through 12, including (i) an approximately 6,100 square foot prefabricated modular building and an approximately 28,700 square foot parking lot (the "Phase 1 Improvements"), and (ii) a new approximately 27,400 square foot middle school facility (the "Phase 2 Improvements", collectively referred to herein as the "Improvements"). The Improvements, leased pursuant to this Lease, are not a part of the Lease Purchase Agreement. The Improvements leased to the School pursuant to this Lease will meet educational occupancy and adequacy requirements according to New Mexico school building requirements

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

E. The Foundation is a nonprofit corporation organized, existing, and in good standing under the laws of the State of New Mexico (the "State"); is duly qualified to do business in the State;

and is authorized under its articles of incorporation, bylaws, action of its board of directors, and applicable law, to own and manage its properties, to conduct its affairs in the State, to lease the Property to the School, and to otherwise act in the manner contemplated herein. The Foundation was created to support the School, and for the purpose of providing the School with a facility pursuant to NMSA 1978 §22-8B-4.2.

F. The Landlord has entered into a Loan Agreement, dated March _____, 2026 (“Loan Agreement”), with the Equitable Facilities Fund, Inc. a nonprofit social impact fund (“EFF”), pursuant to which EFF has loaned to Foundation the principal amount of **\$21,400,000 (Twenty-One Million and Four Hundred Thousand Dollars** and 00/100). The Foundation entered a “Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement, Fixture Filing and Other Real Property Related Financing Statement Filing” with Centrix Title & Escrow Company, as Trustee and EFF, dated March _____, 2026, and filed of record as of the same date with the Bernalillo County Clerk’s Office as Document # _____ (“Deed of Trust”), to secure Landlord’s indebtedness under the Loan Agreement and related Promissory Note “the Note”), and any and all past, concurrent or future modifications, extensions, renewals, rearrangements, replacements and increases thereof. The Tenant is not a party to or a borrower/trustor under the Loan Agreement, Deed of Trust or the Note. Under the Deed of Trust, the Landlord (a) mortgaged to Trustee for the benefit of EFF, the Property, and (b) assigned all leases between Landlord and the Tenant, and any subsequent lease purchase arrangements, this Agreement included, to EFF.

G. The School desires to lease the Improvements from the Foundation, and the Foundation desires to lease the Improvements to the School, pursuant to the terms and conditions and contingencies and for the purposes set forth in this Lease, subject in all respects to the liens evidenced by the Loan Agreement and all other related loan documents executed by the Landlord. The School desires to have and the Foundation agrees to extend to the School a right to enter a Lease Agreement with Option to Purchase pursuant to the Public Schools Lease Purchase Act, NMSA 1978 §§22-26A-1, *et seq.*, and substantially in the form attached hereto as Exhibit D, pursuant to Section 32 herein, upon the execution of which both this Lease and the Lease Purchase Agreement shall immediately terminate.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Demise. The Foundation hereby leases the Improvements to the School, and the School hereby leases the Improvements from the Foundation. The Foundation shall not interfere with the quiet use and enjoyment of the Improvements by the School during the Initial Term (and any Extended Terms) of this Lease so long the School is not in default under the terms of this Lease.

2. Need. The School hereby declares its current need for the Improvements that may hereafter be constructed by the Foundation and further determines and declares its expectation that

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

3. Initial Term. The Initial Term of this Lease shall be for a period commencing on the date of this Lease and ending no later than **June 30, 2027** (“Initial Term”), unless sooner terminated pursuant to any provision of this Lease or in the event the School and Foundation enter into a Lease Agreement with Option to Purchase. This Lease is contingent upon sufficient appropriations being made by the State for performance of this Lease. If sufficient appropriations and authorization are not made by the State, this Lease may terminate prior to the end of the then current term.

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

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

6. Rental Commencement Date; Base Rent. The School shall not be obligated to pay any Base Rent until the Rental Commencement Date. The Rental Commencement Dates shall be (i) the date of Substantial Completion on Phase 1 Improvements (expected to be August 31, 2026) and (ii) the date of Substantial Completion of the Phase 2 Improvements (expected to be August 31, 2027). From and after the Rental Commencement Dates during all Extended Terms of this Lease, the School shall pay Base Rent directly to the Foundation or to a person designated by the Foundation as the Foundation’s representative for rent collection purposes, on the fifteenth day of each month of an Extended Term from any and all legally available sources of revenue, including per pupil

operating revenues payable to the School. The Base Rent of this Lease shall be in the amounts set forth in Exhibit B attached hereto, which from time to time may be amended or supplemented.

7. Additional Rent. The School shall pay Additional Rent during any Extended Terms of this Lease as herein provided. Commencing with the Rental Commencement Date, the Additional Rent shall be estimated annually by the Board of Directors of the Foundation and shall be in an amount sufficient to pay the following costs during the next ensuing Fiscal Year: (i) the reasonable management fees and expenses of the Foundation related to the Improvements; (ii) the cost of insurance premiums; (iii) the cost of taxes, utility charges, maintenance, upkeep, and repair costs including routine repair and replacement of roof, HVAC, and carpet and/or tile incorporated into any Improvements; (iv) all costs of common area maintenance charges, operating charges, association dues and fees; and (v) all other costs included in the definition of, or expressly required to be paid by the School as Additional Rent hereunder. The Additional Rent may be adjusted during any Extended Term of this Lease in the discretion of the Board of Directors of the Foundation and with the consent of the School. In the event the Lease term is extended for the next ensuing Fiscal Year, the School's obligation under this Lease to pay Additional Rent during such Fiscal Year shall be limited to the amount so appropriated for Additional Rent and any amounts subsequently appropriated by supplemental appropriation for payment of Additional Rent during such Fiscal Year. Additional Rental obligations in excess of the amounts so appropriated shall in no event be due or owing from the School. As used herein, "Fiscal Year" means the School's fiscal year, which begins on July 1st of any year and ends on June 30th of the following year. The Additional Rent during the first Fiscal Year after the Rental Commencement Date shall be in the amounts set forth in Exhibit C attached hereto. The Foundation will provide a proposed new Exhibit C no later than April 1 of each year. For each year the School elects to extend the term of this Lease, if any, a new Exhibit C with the new Additional Rent amount shall be attached hereto and become a part hereof in lieu of the then current Exhibit C.

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

9. Manner of Payment. The Base Rent and any Additional Rent shall be paid, commencing on the Rental Commencement Dates and continuing on the fifteenth day of every month of an Extended Term thereafter by lawful money of the United States of America in the

manner reasonably directed by the Foundation. The obligation of the School to pay the Base Rent and Additional Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The School shall, during the Initial Term (and any Extended Terms) of this Lease, make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent or Additional Rent nor shall the School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the School of any rights, claims, or defenses which the School may assert. No action or inaction on the part of the Foundation shall affect the School's obligation to pay Base Rent and Additional Rent of this Lease.

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

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

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

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

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

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

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

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

(g) The Improvements will be operated in accordance with all Requirements of Law. As used herein, "Requirements of Law" means any material federal, state, or local statute, ordinance, rule, or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any applicable common-law doctrine, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including any of relating to environmental, health, or safety matters including without limitation, Environmental Laws. "Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, codes, plans, judgments, orders, decrees, permits, concessions, grants, restrictions, franchises, licenses, policies, binding and enforceable guidelines, agreements or other governmental restrictions (or judicial or administrative interpretations thereof) relating to air, water or land pollution, wetlands or the protection of the environment, public health and safety or to emissions, discharges or releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials or the clean-up or other remediation thereof.

(h) The Improvements are necessary and essential to the School's operations.

(i) The School will observe and perform all covenants, conditions and agreements on its part to be performed under that certain Master Covenant Agreement dated as of March ____, 2026 (the "Covenant Agreement") between the School and the Foundation.

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

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

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

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

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

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

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

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

(h) To the knowledge of the Foundation: (i) all permits required by Requirements of Law in respect of the Improvements will be obtained and in full force and effect prior to the School's occupancy, and the Foundation is in substantial compliance with the material terms and conditions of such permits; (ii) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other person or entity relating to, or alleging, any violation of any Requirements of Law in connection with the Improvements and there are no grounds on which any such litigation, investigation or proceedings might be commenced; (iii) the Improvements are not subject to any judgment, injunction, writ, order, or agreement respecting any Requirements of Law; (iv) there is no hazardous substance (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.*, any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.*, any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or

any constituent of any of the foregoing located on, in, or under the Property or the Improvements in violation of any Requirements of Law; (v) there has been no disposal of any of the items referred to in clause (vi) on, from, into, or out of the Property or the Improvements in violation of any Requirements of Law; and (vii) there has been no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any of the items referred to in clause (v) into the indoor or outdoor environment from, into, or out of the Property or the Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into, or out of the Property or the Improvements or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into, or out of the Property or the Improvements in violation of any Requirements of Law.

(i) The Foundation will observe and perform all covenants, conditions and agreements on its part to be performed in the Loan Agreement dated February ___, 2026 (“Loan Agreement”), as well as in all other documents and agreements related to the Loan (as defined in the Loan Agreement) to which the Foundation is a party.

13. Title to the Improvements. During the pendency of this Lease, title to the Improvements shall not merge with or become a part of the Property. The School shall have no right, title, or ownership interest in the Improvements or any permanent additions and modifications thereto or replacements thereof, whether or not the School obtains title to the Property.

14. Liens and Encumbrances. The School shall not permit any mechanic's or other lien to remain against the Property or Improvements; provided that if the School shall first notify the Foundation and the Trustee of the intention of the School so to do, the School may in good faith contest any mechanic's or other lien filed or established against the Property or Improvements, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Foundation or Trustee shall notify the School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the School, but only to the extent that amounts for Additional Rent which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Foundation's title in the Property or the Improvements will be materially endangered, or the Property or the Improvements or any part thereof will be subject to loss or forfeiture, in which event the School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not constitute a waiver by the School of the right to continue to contest such items. The Foundation and the Trustee will cooperate fully with the School in any such contest, upon the request and at the expense of the School, to the extent that Additional Rents which have been specifically appropriated by the School are available for the payment of such expenses. The School shall not directly or indirectly create, incur, or assume any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property or the Improvements.

15. Compliance with Law. The School shall at all times operate the Improvements, or cause the Improvements to be used and operated, such that (a) the Property and the Improvements at all times shall be operated in substantial compliance with all Requirements of Law; (b) all permits

required by Requirements of Law in respect of the Improvements shall be obtained and maintained in full force and effect and the School shall substantially comply with the material terms and conditions of such permits; (c) there shall be no Hazardous Material located on, in or under the Property or the Improvements in violation of any Requirements of Law including without limitation Environmental Laws; (d) there shall be no disposal of any Hazardous Material on, from, into or out of the Property or on, from, into or out of the Improvements in violation of any Requirements of Law; and (e) there shall be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing, or dispersing of any Hazardous Material into the indoor or outdoor environment from, into, or out of the Property or the Improvements including the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Property or the Improvements or the abandonment or discard of barrels, containers, or other open or closed receptacles containing any such items from, into or out of the Property or the Improvements in violation of any Requirements of Law, including without limitation Environmental Laws.

16. Maintenance. During the Initial Term of this Lease, and for any Extended Term, the Foundation agrees to maintain, preserve, and keep the Improvements or cause the Improvements to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the Foundation will from time to time make or cause to be made all necessary and proper repairs. The Foundation shall be required to provide maintenance as required by applicable law.

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

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

19. Initial Term -Taxes and Assessments. During the Initial Term, if the Improvements or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the Foundation shall pay the amount of all such taxes, assessments, and governmental charges then due. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Foundation shall be obligated to provide only for such installments as are required to be paid during

the Initial Term. The Foundation shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Improvements or any portion thereof.

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

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

22. Insurance. The Foundation shall, at its own expense, obtain and maintain or cause its contractor to obtain and maintain the following policies of insurance. The insurance policies required by this Section shall meet the following conditions: (i) any insurance policy may have a deductible clause in an amount not to exceed \$20,000; (ii) each insurance policy shall be so written or endorsed as to make losses, if any, payable to the Foundation, the Trustee and the School, as their respective interests may appear; (iii) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Foundation, the Trustee or the School without first giving written notice thereof to the Foundation, the Trustee and the School at least thirty (30) days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with the Trustee and a true and complete copy with the School; (v) full payment of

insurance proceeds under any insurance policy up to the dollar limit required by this Section in connection with damage to the Property or the Improvements shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School; and (vi) to the extent the Foundation can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. The Foundation may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks.

(a) At the time of construction of any Improvements on the Property, casualty and property damage insurance with respect to the Improvements in an amount equal to the full replacement value of the Improvements.

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

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

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

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

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

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

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

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

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

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

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

(b) *Repair and Replacement.* To the extent permitted by applicable law, subject to the provisions of Subsection (c) hereof, the School (and, to the extent such Net Proceeds are within their control, the Foundation) shall cause such Net Proceeds to be deposited in a separate trust fund held by the Trustee. Except as set forth in Subsection (c) hereof, all

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

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

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

or

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Improvements become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the School may terminate the Lease for lack of sufficient appropriations by giving the Foundation and Trustee sixty (60) days prior written notice and in such event the School's termination shall not constitute a default permitting the Foundation or Trustee to pursue the remedies provided in Section 26 ("Remedies on Default"); provided that, all Net Proceeds are paid to the Foundation.

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

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

(ii) If, by June 30th of the Fiscal Year in which an event described in Subsection (a) hereof occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Improvements become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this Subsection, the School may terminate the Lease for lack of sufficient appropriations by giving the Foundation and Trustee sixty (60) days prior written notice and in such event the School's termination shall not constitute a default permitting the Foundation or Trustee to pursue the remedies provided in Section 26 ("Remedies on Default"); provided that, all Net Proceeds are paid to the Foundation.

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

25. Events of Default. Any one of the following shall constitute an "Event of Default" under this Lease: (i) failure by the School to pay any specifically appropriated Base Rent during the Initial Term (and any Extended Terms) of this Lease on, before, or within fifteen (15) days of the applicable due date or to pay Additional Rent which become due during the Initial Term (and any

Extended Terms) of this Lease, up to the amount specifically appropriated for the payment of Additional Rent in accordance with the provisions hereof; (ii) failure by the School to observe and perform any covenant, condition, or agreement on its part to be observed or performed, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied shall be given to the School by the Foundation or Trustee, unless the party giving such notice shall agree in writing, prior to the expiration of the thirty-day period, to an extension of no more than sixty (60) days; provided, however, that if the failure stated in the notice cannot be corrected within the original thirty-day period, the party giving such notice shall not withhold their consent to an extension of up to sixty (60) days if corrective action shall be instituted by the School within such time period and diligently pursued until the default is corrected; or (iii) failure by the School to maintain its charter under the Act. The foregoing provisions of this Section are subject to the following limitations: (i) the School shall be obligated to pay the Base Rent and Additional Rent only during the Initial Term (and any Extended Terms) of this Lease, except as otherwise expressly provided in this Lease; and (ii) if, by reason of Force Majeure, the School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the School contained herein and until the termination or end of the Initial Term (and any Extended Terms) of this Lease, the School shall not be deemed in default during the continuance of such inability. The School agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the School from carrying out its agreement; provided that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the School. As used herein, "Force Majeure" includes the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the School or the Foundation.

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

- (a) Terminate the Initial Term (and any Extended Terms) of this Lease and give notice to the School to vacate the Improvements within one-hundred twenty days (120) days from the date of such notice.
- (b) Lease all or any portion of the Improvements.
- (c) Recover from the School: Base Rent and Additional Rent, to the extent amounts for such Additional Rent have been specifically appropriated in accordance with the provisions of hereof, which would otherwise have been payable by the School hereunder during the remainder, after the School vacates the Improvements, 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 Improvements under this Lease.

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

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

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

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

31. No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, and not of any member, director, officer, employee, or other agent of the School or the Foundation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement, or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, or other agent of the School or the Foundation or any natural person executing this Lease or any related document or instrument.

32. Conversion to Lease With Option to Purchase Agreement. At the discretion and option of the School, the parties agree that this Lease may be superseded by a Lease with Option to Purchase Agreement, provided approval of the Lease with Option to Purchase Agreement has been approved by the necessary regulatory authorities in the Public Schools Lease Purchase Act, NMSA 1978 §§22-26A-1 et seq. The Lease with Option to Purchase Agreement between the School and the Foundation shall be substantially in the form and upon the terms attached as Exhibit D hereto.

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

34. Assignment and Subleasing. This Lease may not be assigned by the School for any reason, whether by operation of law or pursuant to any contract. However, the Improvements may be leased, as a whole or in part, by the School, with the consent of the Foundation, which consent will not be unreasonably withheld; subject, however, to the provisions of Section 43 herein and further subject to each of the following conditions: (i) this Lease, and the obligations of the School hereunder, shall, at all times during the Initial Term (and any Extended Terms) of this Lease, remain direct obligations of the School; (ii) no additional lease shall change the use of the Improvements; and (iii) a copy of the lease agreement is provided to the Foundation.

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

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

The Foundation: East Mountain High School
Foundation, Inc.

With a copy to: Modrall, Sperling, Roehl, Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, New Mexico 87103
Or 500 Fourth Street N.W. Suite 1000
Albuquerque, New Mexico 87102
Attn: Margaret Lewis Meister
Facsimile No.: (505) 848-9710

The School: East Mountain
c/o Executive Director

With a copy to: Cuddy & McCarthy, LLP
1701 Old Pecos Trail, Suite A
Santa Fe, New Mexico 87502-4160
Attn: Heather Travis Boone

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

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

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

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

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

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

43. Days Cash On Hand. The School and Foundation shall manage their businesses to maintain not less than sixty (60) Days Cash on Hand in the current Fiscal Year and for each Fiscal Year thereafter. "*Days Cash on Hand*" means (A) the cash requirements of Tenant and the

Foundation during such Fiscal Year related to or payable from revenues attributable to Tenant and the Foundation (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of Tenant and the Foundation (i) all Tenant Operating Expenses and the Foundation Operating Expenses for such Fiscal Year, and (ii) the maximum Base Rent and Additional Rent payable under the Lease, interest expense or any rent or other amounts due under any lease for that year, divided by (B) 365. For the avoidance of doubt, any proceeds of any Outstanding (as defined under the Loan Agreement) Debt, regardless of maturity, whose proceeds were drawn for the payment of Tenant Operating Expenses and the Foundation Operating Expenses or the funding of cash shall not be considered Cash on Hand for the purposes of Days Cash on Hand. Failure to maintain the sixty (60) Days Cash on Hand as required by this Section shall not constitute an Event of Default so long as the School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required sixty (60) Days Cash on Hand. As soon as practicable, but no later than thirty (30) days after receipt of such report, the School shall, to the extent legally permissible, implement the Independent Management Consultant's recommendations. Notwithstanding any other provision of this Section, failure of the School to maintain not less than sixty (60) Days Cash on Hand for two consecutive Fiscal Years shall immediately constitute an Event of Default. If at any time the New Mexico Public Education Department prohibits the School from maintaining sixty (60) Days Cash on Hand in any Fiscal Year, the provisions of this section shall be reduced to forty-five (45) Days Cash on Hand.

(a) “*Independent*” when used with respect to any specified Person, means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Tenant, and (iii) is not connected with the Tenant as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person's opinion or certificate shall be furnished to the Lender, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

(b) “*Management Consultant*” means a firm of Independent professional management consultants, or an Independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

44. Tenant Lease Payment Coverage Ratio. “*Tenant Lease Payment Coverage Ratio*” means, for the Fiscal Year in question, the ratio obtained by dividing (i) Net Tenant Revenues for such Fiscal Year by (ii) the sum of the Annual Debt Service Requirement of the Tenant, Base Rent payable under the Lease, and any actual rent or other amounts due under any facility lease, for such period. “*Net Tenant Revenues*” means for any period of determination thereof, the amount of excess (deficit) of Gross Tenant Revenues less Tenant Operating Expenses for such period, plus any gifts, grants, requests or donations and income thereon restricted as to use by the donor or grantor for the sole purpose of paying Tenant Operating Expenses, but less: (a) unrealized pledges for such period to make a donation, gift, or other charitable contribution, (b) insurance (other than business interruption) and condemnation proceeds, and (c) any other extraordinary gains or losses.

(a) It shall constitute an Event of Default under this Lease if the Tenant Lease Payment Coverage Ratio, as calculated at the end of any Fiscal Year, is less than 1.0, based upon the results of the annual audit.

(b) The Tenant shall manage its business such that the Tenant Lease Payment Coverage Ratio calculated at the end of each Fiscal Year, will not be less than 1.10 for such Fiscal Year. In the event Charter School fails to maintain a Tenant Lease Payments Coverage Ratio less than 1.10 for any Fiscal year, such failure shall not constitute an Event of Default so long as Charter School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required Tenant Lease Payments Coverage Ratio. As soon as practicable, but no later than thirty (30) days after receipt of such report, Charter School shall consider Consultant's recommendations and, to the extent consistent with and allowable under applicable State and/or federal laws and Charter School's existing contractual obligations, adopt/implement them. Notwithstanding any other provision of this Section, if Charter School fails to maintain a Tenant Lease Payment Coverage Ratio for any Fiscal Year of less than 1.0:1.0, then such failure shall immediately constitute an Event of Default under the Lease.

44. Requirements for Tax Exempt Bonds. The construction of the Improvements by the Foundation is being financed through issuance of debt. As a part of the debt transaction, Centrix Title & Escrow is being appointed as trustee (Centrix Title & Escrow along with any successor trustee shall be referred to herein as "Trustee"). Notwithstanding any other provisions of this Lease, the parties hereby agree as follows:

(a) The Foundation will collaterally assign all its rights to use the Improvements, and all payments made by the School pursuant to this Lease, to the Trustee, including all rights arising in any situation where the School defaults under this Lease.

(b) Neither the Foundation nor the School shall allow an assignment or sublease of the Improvements to any person (including the Foundation) without an opinion of nationally recognized bond counsel that such assignment or sublease will not adversely affect any tax-exemption of interest on the debt transaction.

45. Subordination. School hereby agrees that this Agreement now is, and shall at all times continue to be, subject, inferior and subordinate in each and every respect to the lien of the Deed of Trust defined herein, and to any and all renewals, amendments, modifications, extensions, substitutions, replacements, increases and/or consolidations of the Deed of Trust and/or the Note; and the lien of the Deed of Trust, and any and all renewals, amendments, modifications, extensions, substitutions, replacements, increases and/or consolidations of the Deed of Trust and/or the Note, shall be and remain, in each and every respect prior and superior to this Agreement. This Agreement shall be the whole and only agreement with regard to the subordination of the Agreement to the lien of the Deed of Trust and shall supersede and cancel insofar as same may affect the priority between the Deed of Trust and the Agreement, any prior agreements or

provisions relating to the subordination of the Agreement to the lien of the Deed of Trust, including, without limitation, those provisions, if any, contained in the Agreement which provide for the subordination thereof to the lien of any Deed of Trust, mortgage or other security agreement. Foundation will cause any such mortgage, indenture, or deed of trust to contain provisions requiring the holder of the indebtedness secured thereby to mail to Charter School by registered mail, addressed to Charter School at its office as set forth in this Agreement, a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee under such mortgage, indenture, or deed of trust to Foundation. Charter School may, upon receiving notice of breach of covenant, default, or foreclosure under any such mortgage, indenture, or deed of trust as herein provided exercise the option to purchase set forth herein by paying the then-outstanding principal amount of the debt secured by mortgage, indenture, or deed of trust plus any accrued and unpaid interest and any amounts necessary to pay all amounts due to the first call date secured by the mortgage, indenture or deed of trust.

[Signatures on following page.]

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

THE SCHOOL

East Mountain,
a New Mexico public charter school

By: _____
Name: _____
Title: Governing Council President

THE FOUNDATION

East Mountain High School Foundation, Inc.
a New Mexico nonprofit corporation

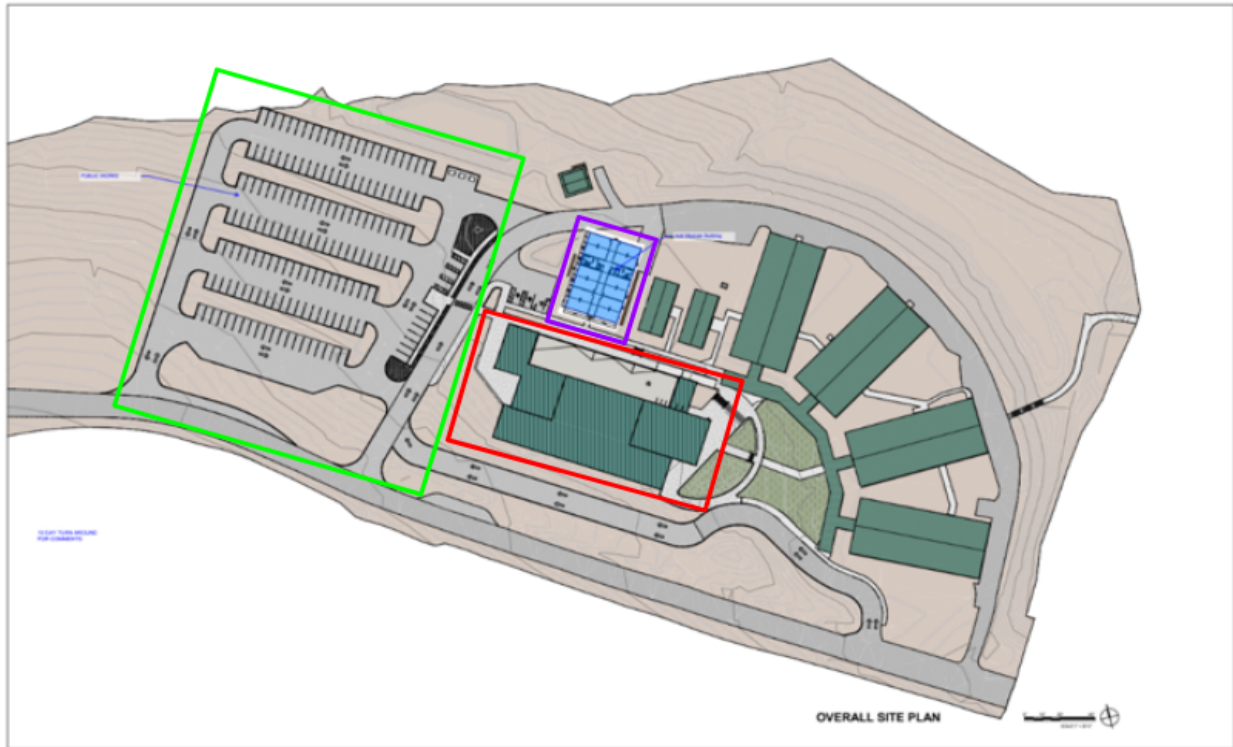
By: _____
Name: _____
Title: President

EXHIBIT A

SITE DRAWING

The Project will construct (i) a ~6,100 sq. ft. prefabricated modular building, and a ~28,700 sq. ft. parking lot (Phase 1 Improvements), and (ii) a new ~27,400 sq. ft. middle school facility (Phase 2 Improvements) at 25 La Madera Road, Sandia Park, New Mexico.

Figure 1: EMHS Future Site Plan



Red Box = Middle School Building, Purple Box = Modular Building, and Green Box = Parking Lot

EXHIBIT B
RENT SCHEDULE
(See Attached)

EXHIBIT C

**ADDITIONAL RENT
TO BE COMPLETED BY FOUNDATION
PURSUANT TO THE TERMS OF THE LEASE AGREEMENT**

For the Initial Term of the Lease Agreement School shall pay \$ 0 in Additional Rents.

EXHIBIT D

**FORM OF
Lease with Option to Purchase Agreement
(SEE ATTACHED)**

LEASE WITH OPTION TO PURCHASE ARRANGEMENT

by and between

EAST MOUNTAIN HIGH SCHOOL FOUNDATION,

a New Mexico nonprofit corporation, and

EAST MOUNTAIN,

a New Mexico public charter school

DATED AS OF _____, 2026

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Exhibit A –	Legal Description and Permitted Encumbrances
Exhibit B –	Lease Payment Schedule
Exhibit C –	Purchase Price
Exhibit D --	Reporting Requirements
Exhibit E –	Copies of the Public Education Department Approval and the Public School Facilities Authority Approval
Exhibit F –	Site Plans and Development Plans / Specifications / Scope of Work / Budget
Exhibit G –	Planned Funding Sources and Budgets to make Lease Payments
Exhibit H –	Form of Memorandum of Lease Purchase Arrangement
Exhibit I -	Acknowledgement

LEASE WITH OPTION TO PURCHASE ARRANGEMENT

This Lease with Option to Purchase Arrangement (“*Agreement*”) is entered into by and between East Mountain High School Foundation, a New Mexico nonprofit corporation (formerly known as East Mountain High School and Cultural Center) (the “*Foundation*”), as lessor, and East Mountain, a New Mexico public charter school (formerly known as East Mountain High School) (the “*School*”), as lessee, as of _____, 2026.

RECITALS

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

A. The Foundation is the owner of approximately 26.0 acres of real property subject to any permitted encumbrances more particularly described on Exhibit A (the “*Land*”) on which are currently constructed approximately _____ (*current buildings*) square feet of charter school improvements including _____ (*description of current facility*) and related public school improvements for use as a high school, located at 25 La Madera Road, Sandia Park, New Mexico (the “*Existing Improvements*” and collectively with the Land, the “*Existing Property*”).

B. The Foundation was organized to support the School, and for the specific purpose of providing the School with a facility pursuant to Section 22-8B-4.2(D)(2)(b)(2) NMSA 1978 and, the property leased to the School pursuant to this Lease will meet standards required by applicable New Mexico construction codes and be in compliance with applicable adequacy standards adopted pursuant to the Public School Capital Outlay Act, Section 22-24-1, *et seq.* NMSA 1978.

C. The School is a New Mexico public charter school authorized by the Board of Education, Albuquerque Public School District No. 12 (“*APS*”), and duly organized and validly existing under the New Mexico Charter Schools Act, Section 22-8B-1 *et seq.*, NMSA 1978, as amended (the “*Act*”), and the School is authorized by Section 22-8B-4(D) and, subject to Section 22-8B-4.2 of the Act, to contract with any third party for the use of a school building and grounds.

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

E. The School is authorized to enter into “lease purchase arrangements” under the New Mexico Public School Lease Purchase Act, Section 22-26A-1, *et seq.* NMSA 1978 (the “*Lease Purchase Act*”), subject to approval by the New Mexico Public Education Department (the “*Department*”) and approval by the Public Schools Facility Lender (the “*PSFA*”) pursuant to Section 22-20-1 NMSA 1978. This Lease is intended to be a “lease purchase arrangement” within the meaning of the Lease Purchase Act.

F. The Foundation has entered into a Loan and Security Agreement, dated as of March _____, 2026 (the “**Loan Agreement**”), with Equitable Facilities Fund, Inc. a nonprofit social impact fund (the “**Lender**”) pursuant to which the Lender has loaned to the Foundation the principal amount of **Twenty-One Million, Four Hundred Thousand Dollars (\$21,400,000)**. The Landlord entered into a “Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement, Fixture Filing and Other Real Property Related Financing Statement Filing” with Centrix Title & Escrow Company, as Trustee and Lender, dated March _____, 2026 and filed of record the same date with the Bernalillo County Clerk’s Office as Document # _____ (“**Deed of Trust**”), to secure Landlord’s indebtedness under the Loan Agreement and related Promissory Note (the “**Note**”), and any and all past, concurrent or future modifications, extensions, renewals, rearrangements, replacements and increases thereof. The School is not a party to or a borrower/trustor under the Loan Agreement, Deed of Trust or the Note. Under the Deed of Trust, the Landlord has (a) mortgaged to Trustee for the benefit of Lender, the Property, and (b) granted an assignment of leases and rents between the Foundation and the School, and any subsequent lease purchase arrangements, this Agreement included, to Lender.

G. The Foundation will use the proceeds of such loan to finance the cost of (i) providing funds to make certain additional improvements to the Existing Property, including the acquisition, construction, development, renovation, furnishing and equipping of an approximately 27,302 square-foot addition that will include classrooms, 2 small classrooms and 14 medium classrooms, administrative offices, performance and assembly space, library and learning commons, and music and practice rooms, and other related and ancillary educational facilities in accordance with the Site Plans and Development Plans attached hereto as Exhibit “F” (collectively, the “**New Improvements**” and, together with the Existing Improvements, the “**Improvements**” and, together with the Existing Property, the “**Property**”).

I. The Base Rent and Additional Rent (both as hereinafter defined) payable by the School hereunder shall constitute currently appropriated expenditures of the School, and School shall for the term of this Agreement authorize and appropriate the payments required hereunder for such years. No obligation for payment hereunder shall constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the School or a mandatory charge or requirement against the School in any Fiscal Year (as hereinafter defined) beyond the Fiscal Year for which such payments have been appropriated. Lessee’s governing body has agreed that it has not formally promised or undertaken to provide as security for the debt or financial obligations of either a private nonprofit entity specifically organized under Section 22-8B-4.2(D)(2)(b)(2), NMSA 1978, or a limited liability company as defined in Section 53-19-2(I), NMSA 1978, any public education funds, or other state or federal funds, received, or to be received, from or through the State of New Mexico, relative to this Agreement.

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

K. The Foundation desires to lease the Property to the School and the School desires to lease the Property from the Foundation, pursuant to the terms and conditions and contingencies and for the purposes set forth in this Lease, subject in all respects to the liens evidenced by the Loan Agreement and all other related loan documents executed by the Landlord.

L. Upon approval and execution of this Agreement, the parties intend that the Lease Agreement between the parties entered into as of February 1, 2012 (“Prior Lease”), be terminated, replaced and superseded by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

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

(a) “**Agreement**,” means this Lease with Option to Purchase Arrangement and for all purposes herein and as to all appertaining exhibits and documents, has the same legal meaning and effect as either the term “lease purchase arrangement” or “financing agreement,” as these latter two terms are defined in Section 22-26A-3(A), NMSA 1978, whether capitalized herein or not.

(b) “**Lender**” has the meaning ascribed to it in the recitals.

(c) “**Additional Rent**” means all amounts due by the School under the terms of this Lease, except Base Rent.

(d) “**Base Rent**” means the amount of “Base Rent” shown on Exhibit B attached hereto for each month of this Lease.

(e) “**Annual Debt Service Requirements**” means the total principal and interest required to be paid on all Debt in a Fiscal Year.

(f) “**Business Day**” means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New Mexico are authorized to be closed.

(g) “**Days Cash on Hand**” means, (A) the cash requirements of School and the Foundation during such Fiscal Year related to or payable from revenues attributable to School and the Foundation (excluding from such calculation all depreciation and other non-cash items), and including within such calculation on behalf of School and the Foundation (i) all School Operating Expenses and the Foundation Operating Expenses for such Fiscal Year, and (ii) the maximum Base Rent and Additional Rent payable under the Lease, interest expense or any rent or other amounts due under any lease for that year, divided by (B) 365. For the avoidance of doubt, any proceeds of any Outstanding (as defined under the Loan Agreement) Debt, regardless of maturity, whose proceeds were drawn for the payment of School Operating Expenses and the Foundation Operating Expenses or the funding of cash shall not be considered cash for the purposes of Days Cash on Hand.

(h) “**Continuing Disclosure Agreement**” has the meaning ascribed to it in Section 30.

(i) **“Debt”** means all: (i) indebtedness incurred or assumed by a Person for borrowed money or for the acquisition, construction or improvement of property other than goods that are acquired in the ordinary course of business of such Person; (ii) lease obligations of the Person that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; (iii) all indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money for the acquisition, construction or improvement of property or capitalized lease obligations guaranteed, directly or indirectly, in any manner by the Person, or in effect guaranteed, directly or indirectly, by the Person through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and (iv) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Person whether or not the Person has assumed or become liable for the payment thereof. For the purpose of computing “Debt”, there shall be excluded any particular Debt if upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Debt or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption or satisfaction of such Debt; and thereafter such funds, evidences of Debt and investments so deposited shall not be included in any computation of the assets of the Person, and the income from any such deposits shall not be included in the assets of the Person.

(j) **“Deed of Trust”** has the meaning ascribed to it in the recitals.

(k) **“Department”** has the meaning ascribed to it in the recitals.

(l) **“Effective Date”** means the first day of the first calendar month after the later of the execution of this Lease by the Foundation and the School and the written approvals of this Lease by the Department and the PSFA as provided in the Lease Purchase Act. Copies of such approvals shall be attached as Exhibit E.

(m) **“Event of Default”** has the meaning ascribed to it in Section 27.

(n) **“Event of Nonappropriation”** has the meaning ascribed to it in Section 7.

(o) **“Existing Improvements”** has the meaning ascribed to it in the recitals.

(p) **“Existing Property”** has the meaning ascribed to it in the recitals.

(q) **“Extended Term”** means, in the first instance, the period of time from July 1, 20____ until the following June 30, and thereafter, the twelve month period commencing on July 1 of each year and ending on June 30 of the following calendar year.

(r) **“Fiscal Year”** means the School’s fiscal year, which begins on July 1 of any year and ends on June 30 of the following year.

(s) “**Force Majeure**” means acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the School or the Foundation.

(t) “**Gross School Revenues**” means, for any period of calculation, the total of all operating and nonoperating revenues of the School, including but not limited to revenues received from the State, pursuant to its Charter, federal and local funds for school lunches and other food programs, special education, gifts, bequests or donations and income thereon, and transportation, including accounts receivable and rights to receive the same plus investment and other income or loss of the School for such period; provided, however, that no determination thereof shall take into account (a) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on Debt, (b) any gains or losses resulting from the early extinguishment of Debt, or the reappraisal, reevaluation or write-up of assets, (c) gifts, grants (excluding grants from the State), bequests or donations and income thereon restricted as to use by the donor or grantor for a purpose inconsistent with the payment of debt service on Debt (i.e., unrelated to the purposes for which such obligations were issued), (d) non-cash items and (e) net unrealized gain (losses) on investments.

(t) “**Loan Documents**” has the meaning ascribed to it in the recitals.

(u) “**Independent**” when used with respect to any specified Person, means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the School, and (iii) is not connected with the School as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person’s opinion or certificate shall be furnished to the Lender, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof

(v) “**Management Consultant**” means a firm of Independent professional management consultants, or an Independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation.

(w) “**Initial Term**” has the meaning ascribed to it in Section 4.

(x) “**Lease**” means this Lease with Option to Purchase Agreement, dated as of _____, 2026, by and between the Foundation and the School, and any amendments or supplements hereto, including all exhibits hereto and thereto, and is used interchangeably herein with “Agreement”.

(y) “**Lease Purchase Act**” has the meaning ascribed to it in the recitals.

(z) “**Loan Agreement**” has the meaning ascribed to it in the recitals

(aa) “**Land**” has the meaning ascribed to it in the recitals.

(aa) **“Landlord’s Work”** means any construction, beneficial additions or changes to the Land and/or Property described in Exhibit “F” to this Agreement, whether permanent or not, made by or for the benefit of School. Landlord’s Work will be completed in two phases, with Tenant taking possession of Phase One and Rent Commencement upon Substantial Completion of Phase One; Tenant will take possession of Phase Two upon Substantial Completion of Phase Two.

(bb) **“Net Proceeds”** means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in the collection of such gross proceeds.

(cc) **“Net School Revenues”** means for any period of determination thereof, the amount of excess (deficit) of Gross School Revenues less School Operating Expenses for such period, plus any gifts, grants, requests or donations and income thereon restricted as to use by the donor or grantor for the sole purpose of paying School Operating Expenses, but less: (a) unrealized pledges for such period to make a donation, gift, or other charitable contribution, (b) insurance (other than business interruption) and condemnation proceeds, and (c) any other extraordinary gains or losses.

(dd) **“New Improvements”** has the meaning ascribed to it in the recitals.

(ee) **“NMPSIA”** has the meaning ascribed to it in Section 25.

(ff) **“Operating Expenses”** means, for any period of time for which calculated, the total of all operating and non-operating expenses or losses incurred during such period by the School as determined in accordance with GAAP, including without limitation (i) salaries and administrative expenses, (ii) the cost of supplies and materials, (iii) insurance premiums, (iv) professional services, (v) interest expense, and (vi) any rental payments made for operating leases, other than any lease for facilities; provided however, there shall be excluded from the School Operating Expenses (a) any non-cash expenses resulting from depreciation, amortization or the write down of existing assets, (b) expenses incurred for capital improvements and capital leases, (c) expenses paid from grants from state, federal, local sources, or from any Person, provided that such grants were not included as part of Gross Tenant Revenues, and (d) any principal and interest paid under or with respect to any Debt.

(gg) **“Person”** means firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

(hh) **“Prior Lease”** means the Lease Purchase Agreement effective as of February 1, 2012 by and between EMHS Foundation, the predecessor to the Foundation and The East Mountain High School, the predecessor to the School, and any amendments or supplements thereto, including all exhibits thereto.

(ii) **“Property”** has the meaning ascribed to it in the recitals.

(jj) **“PSFA”** has the meaning ascribed to it in the recitals.

(kk) **“Punchlist Items”** means (i) elements of the Landlord’s Work, the non-completion of which will not materially interfere with School’s use and occupancy of the Property for the Permitted Use and (ii) items that, in accordance with good construction practice, must be performed after Substantial Completion.

(ll) **“Rent Commencement Date”** means the date of Substantial Completion of Phase One of Landlord’s Work, or the date that occupancy permits allowing School’s occupancy of Phase One have been obtained from the relevant regulatory authorities

(mm) **“Requirements of Law”** means any material federal, state, or local statute, ordinance, rule, or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any applicable common-law doctrine, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including any of relating to environmental, health, or safety matters.

(nn) **“School Lease Payment Coverage Ratio”** means, for the Fiscal Year in question, the ratio obtained by dividing (i) Net School Revenues for such Fiscal Year by (ii) the sum of the Annual Debt Service Requirement of the School, Base Rent payable under the Lease, and any actual rent or other amounts due under any facility lease, for such period.

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

(pp) **“School Site”** means the parcel of land and any building(s) identified in Exhibit A to this Agreement, and Landlord’s Work made thereto/thereon described in Exhibit F.

(qq) **“State”** means the State of New Mexico.

(rr) **“Statewide Adequacy Standards”** mean the standards set forth in Title 6, Chapter 27, Part 30 NMAC (12/17/19), and any subsequent amendments thereto promulgated by the Public School Capital Outlay Council and applicable to the School Site, subject to any variances granted to Tenant by the Public School Capital Outlay Council pursuant to Section 22-8B-4.2(F)(2), NMSA 1978.

(ss) **“Substantial Completion”** means the date upon which Landlord’s Work, (i) temporary or permanent certificates of occupancy (or the equivalent) and other governmental permits or approvals for New Improvements have been obtained, in each case if and to the extent required for Tenant to occupy the completed portion of the Property for the Permitted Use, and (ii) the New Improvements are completed in all material respects in accordance with the respective phase of the Development Plans, excluding Punchlist Items.

(tt) **“Term of this Lease”** or “term of this Lease” means the Initial Term and all Extended Terms, not to exceed thirty (30) years after the date of execution of this Agreement, as specified in Section 22-26A-5(C), NMSA 1978.

(uu) **“Testing Date”** means each June 30 during the Term of this Lease.

(vv) “*Trustee*” has the meaning ascribed to it in the recitals

2. Demise. The Foundation hereby leases the School Site to School, and School hereby leases the School Site from Landlord with an option to purchase, upon the terms and conditions set forth in this Agreement, provided that the terms and conditions herein are not contrary to any applicable New Mexico laws. This Agreement, once fully executed by the parties, shall replace and supersede any prior written agreement between the parties for the lease of the Property.

TOGETHER with all right and interest, if any, of Landlord in and to the land lying in the streets and roads in front of and adjoining the School Site and in and to any easement appurtenant to the School Site;

SUBJECT, however, to the Permitted Encumbrances (as stated in Exhibit A).

3. Possession and Enjoyment. Following delivery of the School Site upon completion of the Landlord’s Work, the Foundation shall provide School with quiet use and enjoyment of the School Site and during such term School shall peaceably and quietly have and hold and enjoy the School Site, without suit, trouble, or hindrance from the Foundation, except as expressly set forth herein. The Foundation will, at the request of the School and at the School’s cost, join in any legal action in which School asserts its right to such possession and enjoyment to the extent the Foundation may lawfully do so. Notwithstanding the foregoing, the Foundation shall have access to the School Site during the construction of Landlord’s Work. The School agrees that following the Rent Commencement Date of this Agreement as to any portion of the School Site that has been delivered to the School for occupancy, the Foundation during the Term hereof shall have the right during the School’s normal working hours on the School’s normal working days, upon compliance with any school security requirements imposed by the School and upon reasonable notice, to enter on and examine and inspect the School Site for the purpose of assuring that it is being properly maintained, preserved, and kept in good repair and condition; however, the Foundation shall endeavor to schedule any access for days and times where students are not present on the School Site. The School further agrees that the Foundation 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 the School to perform its obligations hereunder, provided that at no time shall the Foundation be compelled or required to make any improvements, alterations, or additions to the School Site. The School agrees that the Foundation shall have unimpeded and unrestricted access to any undelivered portion of the School Site while Landlord’s Work remains ongoing despite the School’s occupancy of any other portion of the School Site.

4. Need. The School hereby declares its current need for the Property and further determines and declares its expectation that the Property will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being leased throughout the term of this Lease. The School hereby agrees and determines that the Base Rent and the Additional Rent to be paid during each year of the Term of this Lease represents not more than the fair market value of the use of the Property during each such year. In making such declarations and determinations, the School has given consideration to the uses and purposes for which the Property will be employed by the School, the benefit to the School by reason of use of the Property, and the use and occupancy of the Property pursuant to the terms and provisions of this Lease. It is hereby declared to be the present intention and expectation of the School that this Lease Purchase Arrangement, will be

continued through all Extended Terms, subject to the provisions of Sections 5, 6, and 7 of this Agreement.

5. Initial Term. The Initial Term of this Lease shall be for a period commencing on the Effective Date and ending on the following June 30 (“*Initial Term*”), unless sooner terminated pursuant to any provision of this Lease. This Lease is contingent upon sufficient appropriations being made by the State to the School for the performance of its obligations under this Lease. If sufficient appropriations and authorization are not made by the State, this Lease may terminate prior to the end of the term of this Lease. The parties stipulate and agree that there is no legal obligation for Lessee to continue this Agreement from year to year or to purchase the School Site, in accordance with Section 22-26A-5(I), NMSA 1978.

6. Extended Terms. The Lease shall be extended beyond the Initial Term for Extended Terms to and including **June 30, 20__**, but in any event not to exceed 30 years after the date of execution of this Lease, unless one of the following occurs:

(a) An Event of Nonappropriation has occurred prior to June 30 in the Initial Term or any Extended Term of this Lease;

(b) An Event of Default followed by termination of this Lease in accordance with Section 28; or

(c) The School determines for any reason not to exercise its annual right to renew.

(d) The effective date of the purchase of the Property by the School pursuant to Section 12.

(e) The School’s charter is revoked by its authorizer and said revocation is not reversed on appeal unless the Foundation has consented to assignment in accordance with this Lease.

7. Non-renewal Due to Nonappropriation.

(a) “*Event of Nonappropriation*” means (i) a failure by the State legislature to appropriate sufficient funds to the School to make the Base Rent and Additional Rent payments required by this Lease; (ii) a lack of sufficient money available to the School to meet any current lease payment; or (iii) a failure by the School to appropriate sufficient amounts to proceed under Section 26(c) following the occurrence of an event described in Section 26(a).

(b) In the event that the School determines, for any reason, to exercise its annual right not to renew this Lease because of an Event of Nonappropriation, or otherwise, the School shall give notice within one Business Day of such determination to such effect to the Foundation and the Lender (so long as the Loan is outstanding). The exercise of the School’s annual option to not renew this Lease shall be conclusively determined by (i) the School’s failure, for any reason, to appropriate by June 30 of each Fiscal Year sufficient amounts authorized and directed to be used to pay all Base Rent due in the next ensuing Fiscal Year or (ii) upon the occurrence of any of the other events described in the definition of Event of Nonappropriation herein.

(c) Any decision not to renew this Lease shall be made solely by the governing authority of the School and not by any other department, agency or official of the School except as otherwise provided in the New Mexico Public School Code. The School shall in any event furnish the Foundation and the Lender (so long as the Loan is outstanding) proof of appropriation relating to Base Rent and Additional Rent payable under this Lease promptly upon the adoption thereof by the School as evidenced by a resolution or other appropriate action of the governing authority of the School made and delivered to the Foundation and the Lender (so long as the Loan is outstanding) no later than June 30 of each Fiscal Year. Such resolution or written evidence of other action shall be signed by an authorized representative of the School, provided that this Lease has not been previously terminated and that the School is not in default under the terms of this Lease at the time of each extension.

(d) If, during any Fiscal Year, any Operating Expenses accrue in excess of amounts included in a duly enacted appropriation for the payment of Operating Expenses, then, if moneys are not specifically authorized and directed by the School to be used to pay such Operating Expenses by the earlier of the last Business Day of the Fiscal Year in which such Operating Expenses accrue or 90 days subsequent to the date upon which such Operating Expenses accrue, an Event of Nonappropriation shall be deemed to have occurred upon notice by the School to the Foundation and Lender (so long as the Loan is outstanding) to such effect, such notice to be given within one Business Day of the School's determination with respect thereto.

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

(f) The School shall in all events vacate the Property and surrender the Property to the Lender so long as the Loan is outstanding, or otherwise to the Foundation, or as otherwise directed by the Foundation by June 30th following an Event of Nonappropriation.

7. Use. The Property shall be used and occupied only for educational and related purposes, and for no other purpose. The School will comply with all applicable state and federal laws concerning discrimination on the basis of disability, physical or mental handicap, serious medical condition, race, creed, color, sex, gender identity, sexual orientation, spousal affiliation, national origin, religion, ancestry or need for special education services.

9. Possession; Rent Commencement. The School shall possess the Property on the Effective Date and begin paying Base Rent and Additional Rent in accordance with the provisions of Sections 9 and 10.

10. Base Rent; Additional Rent; Absolute Net Lease.

(a) The School shall pay Base Rent in the respective installments and on the respective dates of each year as indicated in the monthly rent schedule attached as Exhibit B, commencing on the Effective Date. A portion of each Base Rent payment is paid as, and represents

payment of, interest on principal as shown on the rent schedule, which specifies the principal and interest component of each Base Rent payment made under this Agreement. Upon receipt of each Base Rent payment, the Foundation shall apply the amount of such payment to principal and interest as shown on the rent schedule, thereby reducing the Purchase Price due at each Option Date.

(b) In any School Fiscal Year (July 1 to June 30) that this Agreement is in effect, the School shall include in the budget proposal to the Public Education Department for the ensuing Fiscal Year an amount equal to one hundred percent (100%) of the Lease Payments and other obligations payable by the School under this Agreement, including but not limited to Base Rent and Additional Rent, provided that the inclusion of any such amount is not contrary to New Mexico law. The Lease Payments and other obligations payable by the School under this Agreement shall constitute currently appropriated expenditures of the School and shall not constitute a debt or multiple fiscal year direct or indirect obligations whatsoever of the School or a mandatory charge or requirement against Tenant in any Fiscal Year (July 1 to June 30) beyond that for which such Lease Payments have been approved. The School shall, in a timely manner, make application each year for lease payment assistance funds pursuant to NMSA 1978, Section 22-24-4(I).

(c) In addition to the monthly Lease Payments under this Agreement, the School may make additional payments to be applied to principal without penalty from time to time, at such frequency and in such amounts as the School's governing body may determine in its sole discretion, subject to, among other considerations, the School's existing capital and operational needs, and subject to the prepayment limitations contained herein. Any additional payments made by the School pursuant to this Subsection (c) shall result in the Foundation generating and providing to the School a revised Exhibit B, showing the payment(s) applied to principal

(d) In addition to Base Rent, the School shall pay as Additional Rent during the Term of this Lease as herein provided all expenses related to possession, maintenance and operation of the Property, including without limitation: (a) the cost of insurance premiums for insurance required by this Lease or the Loan Documents or otherwise deemed necessary or desirable by the Lender; (b) the cost of taxes, utility charges, maintenance, upkeep, and repair costs; (c) all other costs associated with operation, repair and maintenance of the Property (to the extent not paid through permitted withdrawals from the Repair and Replacement Fund created under the Indenture); (d) all costs of the Foundation for administering this Lease and the Loan and the cost of an annual audit of the Foundation's financial statements to the extent allocable to the Foundation's activities directly relating to the Property and as permitted by law; and (e) administrative and legal expenses, miscellaneous operating expenses, advertising and promotion costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the School, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the School not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with generally accepted accounting principles, all in such amounts as reasonably determined by the School. All or any portion of such operating expenses shall be paid by the School directly to the third parties who are owed the amounts included in Operating Expenses (e.g. insurance companies, taxing authorities, utility companies). All such foregoing expenses described in this Section 10 are included in "*Operating Expenses*";

provided, however, that for purposes of calculating School Lease Payment Coverage Ratio, Operating Expenses shall exclude Base Rent. Commencing with the Effective Date, this Lease is intended to be and shall be construed consistently with it being an absolute net lease with the School paying all expenses related to the Property.

11. Nature of Payment. The School and the Foundation acknowledge and agree that the Base Rent and Operating Expenses hereunder shall constitute currently appropriated expenditures of the School and may be paid from any legally available funds. The School's obligations under this Lease shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation either of governmental powers or as a donation by or a lending of the credit of the School within the meaning of any constitutional or statutory limitation or requirement.

12. Manner of Payment.

(a) The School shall pay Base Rent, to the extent it is able to do so using commercially reasonable efforts, through a system of automatic debits from the School's bank accounts to a person or entity (i) designated by the Foundation as the Foundation's representative for rent collection purposes) or (ii) assigned the right to collect such Base Rent by paying Base Rent no later than the 20th day of each month from any and all legally available sources of revenue, including per pupil operating revenues payable to the School. Each such payment of Base Rent shall be transmitted via the Federal Automated Clearing House electronic network for financial transactions in the United States.

(b) Operating Expenses owed to third parties by the School shall be paid directly by the School to such third parties as and when due, except to the extent otherwise provided in Section 6(e). Any Operating Expenses payable to the Foundation shall be paid directly to the Foundation or to a person or entity designated by the Foundation as the Foundation's representative for rent collection purposes, on the 20th day of each month from any and all legally available sources of revenue, including per pupil operating revenues payable to the School.

(c) The obligation of the School to pay the Base Rent and Additional Rent required under this Lease shall not be abated through accident or unforeseen circumstances. The School shall, during the Term of this Lease, make all payments of Base Rent and Additional Rent when due and shall not withhold any Base Rent or Additional Rent nor shall the School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the School of any rights, claims, or defenses which the School may assert. No action or inaction on the part of the Foundation shall affect the School's obligation to pay Base Rent or Additional Rent of this Lease.

(d) The Base Rent and Additional Rent have been set at the fair market rental value of the Property and the amount necessary to pay (i) debt service of the Foundation on the

loan to the Foundation from the Lender of the proceeds of the Loan and other amounts due with respect thereto, and (ii) all other amounts due under this Lease Agreement, and Base Rent and Additional Rent shall be used by the Foundation for such purposes.

13. Option to Purchase. So long as no Event of Default has occurred and is then continuing, the Foundation grants to the School an option to purchase the Property on any date on or after _____, on not less than 60 days' notice to the Foundation by the School of the exercise of such option, at a purchase price shown on Exhibit C corresponding to the purchase date plus any unpaid Base Rent and Additional Rent through that date. Upon such purchase, the Foundation shall convey the Property to the School by warranty deed, subject to all liens and encumbrances then of record, but not subject to the Deed of Trust. The School shall pay all expenses in connection with such purchase including, but not limited to, title insurance, recording fees, documentary stamps, and all other closing costs.

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

(a) The School is a public charter school duly organized and validly existing under the Act and will use its best efforts to comply with said Act. The School is authorized: (i) to lease the Property from the Foundation pursuant to this Lease and (ii) to execute, deliver, and perform its obligations under this Lease.

(b) The execution, delivery, and performance of this Lease has been duly authorized by the School and this Lease is enforceable against the School in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity.

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

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

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

(f) The execution, delivery, and performance of this Lease are in the best interests of the School and serve a public purpose. The Property is necessary and essential to the School's operations, and the school will recognize economic and other benefits by leasing the Property.

(g) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease, or the consummation of the transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions, or

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

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

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

(j) The School will observe and perform all conditions and agreements on its part to be performed as the Lessee.

(k) The School will, on or before June 30 in each year during the Term of this Lease budget for and appropriate sufficient funds to make all scheduled payments under this Lease for the ensuing Fiscal Year and confirm such appropriation by sending notice thereof to the Foundation and the Trustee, unless or until an Event of Nonappropriation occurs.

(l) The School will, in a timely manner, make application each year for lease payment assistance funds pursuant to Section 22-24-4(I) NMSA 1978.

(m) It shall not transfer, lease, assign, mortgage, or encumber all or any portion of its interest under this Agreement, or the Property, except in accordance with the terms and conditions hereunder and as provided by New Mexico law, including NMSA 1978, §22-26A-5(K) with respect to assignment of a lease purchase arrangement to: (i) a school district or charter school; or (ii) the State of New Mexico or one of its institutions, instrumentalities or other political subdivisions

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

(o) The School currently intends to purchase the Property from the Foundation with funds obtained from lease payment grant assistance from the New Mexico Public School Capital Outlay Council or from other available revenue or funding sources, but in no event later than 30 years from the date the Lease is executed. Notwithstanding the foregoing, nothing in this Lease shall be construed as a legal obligation of the School to continue this Lease from year to year or to purchase the Property, any Improvements or other real property or as a waiver of the School's right to terminate this Lease as provided herein. Notwithstanding any other provisions of this Lease, the School has not directly or indirectly undertaken, nor agreed to directly or indirectly undertake, the Foundation's debt under any agreement, nor has the School pledged, transferred, or granted a security interest in, or assigned to any private third party, public funds, monies, grants or other distributions received, or to be received, by the School from or through the State, for the purpose of securing the payment of the Foundation's financial obligations, in violation of

Article IX, Section 14 of the State Constitution, or in violation of Article IX, Section 11 of the State Constitution.

15. Representations and Covenants of the Foundation. The Foundation represents and covenants as follows:

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

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

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

(d) The Existing Improvements have been constructed, and the New Improvements will be constructed, to educational occupancy standards, will meet all applicable state adequacy standards, and at the time of completion of the New Improvements, the Property will meet or exceed the statewide condition index for public schools maintained by the New Mexico Public Schools Facilities Authority or will meet or exceed the condition index prior to or contemporaneously with the School's occupancy of the Property. Neither the execution and delivery of this Lease, or the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which the Foundation is now a party or by which the Foundation is bound or constitutes a default under any of the foregoing.

(e) Except as specifically provided in this Lease and the Loan Agreement, the Foundation will not assign the Lease, its rights to payments from the School or its duties and obligations hereunder to any person, firm, or corporation other than the Trustee.

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

(g) There is no pending or, to the Foundation's knowledge, threatened, litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other person or entity relating to, or alleging, any violation of any Requirements of Law in connection with the Property and there are no grounds on which any such

litigation, investigation or proceedings might be commenced, The Property is not subject to any judgment, injunction, writ, order, or agreement respecting any Requirements of Law..

(h) The Foundation will observe and perform all covenants, conditions and agreements on its part to be performed in the Loan Agreement, as well as in all other documents and agreements related to the Loan (as defined in the Loan Agreement) to which the Foundation is a party.

16. Base Rent Payment Coverage Ratio. (a) It shall constitute an Event of Default under this Lease (a) if the School Lease Payment Coverage Ratio, as calculated at the end of any Fiscal Year, is less than 1.0, based upon the results of the annual audit. (b) the School shall manage its business such that the School Lease Payment Coverage Ratio calculated at the end of each Fiscal Year, will not be less than 1.10 for such Fiscal Year. In the event School fails to maintain a School Lease Payments Coverage Ratio less than 1.10 for any Fiscal year, such failure shall not constitute an Event of Default so long as the School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required School Lease Payments Coverage Ratio. As soon as practicable, but no later than thirty (30) days after receipt of such report, School shall consider Consultant's recommendations and, to the extent consistent with and allowable under applicable State and/or federal laws and School's existing contractual obligations, adopt/implement them. Notwithstanding any other provision of this Section, if School fails to maintain the School Lease Payment Coverage Ratio for any Fiscal Year of less than 1.0:1.0, then such failure shall immediately constitute an Event of Default under the Lease

17. Days Cash On Hand. The School shall manage its business to maintain not less than sixty (60) Days Cash on Hand in the current Fiscal Year and for each Fiscal Year thereafter. Failure to maintain the sixty (60) Days Cash on Hand as required by this Section shall not constitute an Event of Default so long as the School timely engages an Independent Management Consultant within thirty (30) days. Within sixty (60) days of engaging an Independent Management Consultant, such Independent Management Consultant shall prepare a report with recommendations for meeting the required sixty (60) Days Cash on Hand. As soon as practicable, but no later than thirty (30) days after receipt of such report, the School shall, to the extent legally permissible, implement the Independent Management Consultant's recommendations. Notwithstanding any other provision of this Section 5.11, failure of the School to maintain not less than sixty (60) Days Cash on Hand for two consecutive Fiscal Years shall immediately constitute an Event of Default. If at any time the New Mexico Public Education Department prohibits the School from maintaining sixty (60) Days Cash on Hand in any Fiscal Year, the provisions of this section shall be reduced to forty-five (45) Days Cash on Hand.

18. Title to the Property. Any improvements permanently affixed to the Property shall become part of the Property.

19. Landlord's Work; Budget; Warranties.

(a) The Foundation shall commence and cause to be completed the Landlord's Work described in the Development Plans. The Foundation shall ensure that the School Site, and

Landlord's Work, when completed, will meet the Educational Occupancy Standards. The construction and completion of the improvement described in the Development Plans (including, but not limited to, installation of Furniture, Fixtures and Equipment ("FF&E"), if part of the Development Plans), is collectively referred to herein as "**Landlord's Work**." Landlord's Work shall be constructed substantially in accordance with the Development Plans, and in accordance with the Educational Occupancy Standards. Landlord shall use commercially reasonable efforts to have the Landlord's Work Substantially Complete not later than **August 31, 2026** for Phase One; and **August 31, 2027** for Phase Two (the "Anticipated Substantial Completion Dates"); provided however that in the event that Landlord is unable to deliver the Landlord's Work in a condition that allows the School to use the applicable phase of the School Site for its intended use, as determined by the School in its reasonable discretion, and with a final or temporary certificate of occupancy for the applicable phase of the Landlord's Work by the governing municipality, the State, and/or other applicable authorities, by such date, the Foundation shall give written notice thereof to the School not later than 30 days prior to the applicable Anticipated Substantial Completion Date.

(c) The Foundation and the School have established an initial Budget for Landlord's Work, which is attached hereto as **Exhibit _____**.

(d) Upon taking occupation of each phase of the School Site once certified for occupancy, the Foundation shall assign to the School, all of its interest, if any in all warranties and guarantees or other contract rights against architects, builders, contractors, subcontractors, suppliers, materialmen or manufacturers for the School Site, express or implied, issued on or applicable to the School Site, and the Foundation hereby authorizes the School to obtain the customary services furnished in connection with such warranties and guarantees at the School's expense.

20. Liens and Encumbrances. The School shall not directly or indirectly create, incur, or assume any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property. The School shall not permit any mechanic's or other lien to remain against the Property; provided that if the School shall first notify the Foundation of the intention of the School so to do, the School may in good faith contest any mechanic's or other lien filed or established against the Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Foundation shall notify the School that, in its reasonable judgment, the Foundation's interest in the Property or title to the Improvements may be materially endangered, or the Property or any part thereof will be subject to loss or forfeiture, in which event the School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not constitute a waiver by the School of the right to continue to contest such items. The Foundation will reasonably cooperate fully with the School in any such contest, upon the request and at the expense of the School, to the extent that Operating Expenses which have been specifically appropriated by the School are available for the payment of such expenses. If State of New Mexico or the School's charter school funds, above those required for Lease Payments hereunder, are used to construct or acquire improvements, the cost of those improvements shall constitute a lien on the School Site in favor of the School and then, if this Agreement is terminated prior to the final payment and the release of the security interest or the transfer of title, at the option of the School: (1) the School may foreclose on the real estate lien; or (2) the current market value of the School Site at the time

of termination, as determined by an independent appraisal certified by the New Mexico Taxation and Revenue Department, in excess of the outstanding principal due under this Agreement, shall be paid to the School, all in accordance with Section 22-26A-5(H), NMSA 1978. The priority of such statutory lien shall be determined according to New Mexico law, should a legal dispute arise as to the order of satisfaction of valid and enforceable liens against the School Site.

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

22. Maintenance. The School shall maintain, preserve, and keep the Property or cause the Property to be maintained, preserved, and kept, with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, subject to normal wear and tear, and that the School will from time to time make or cause to be made all necessary and proper repairs except to the extent as required to be maintained by the Foundation. Except as expressly set forth in this Section 22, the Foundation shall not have any responsibility in any of these matters or for the making of any additions, modifications, or replacements to the Property or the Improvements during any the Term of this Lease.

23. Modifications; Removal of Improvements.

(a) During the Term of this Lease, with the Foundation's prior written consent and subject to continuing compliance with the other provisions of this Lease, the School may remodel or make substitutions, additions, modifications, or improvements to the Property subject to the provisions of this Section 22, at its own cost and expense, and the same (if permanently affixed) shall be part of the Property, subject to, and shall be included under the terms of this Lease; provided, however, that (a) such remodeling, substitutions, additions, modifications, and improvements shall not in any way damage the Property; and (b) the Property, as remodeled, improved, or altered, upon completion of such remodeling, or such making of substitutions,

additions, modifications, and improvements, shall be of a value not less than the value of the Property immediately prior to such remodeling or such making of substitutions, additions, modifications, and improvements. There shall be no change in the amount of the Base Rent or purchase price for capital improvements to the Improvements or other real property without a written amendment approved by the Department. If the School's funds, above those required for Base Rent, are used to construct or acquire additional improvements, the cost of the additional capital improvements shall constitute a lien on the additional improvements in favor of the School and then, if this Lease is terminated prior to the transfer of title at the option of the School: (1) the School may foreclose the lien on the additional improvements; or (2) the current market value of the Property 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 this Agreement shall be paid to the School.

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

24. Equipment. The School may, from time to time in its sole discretion and at its own expense, place movable equipment and personal property on the Property. All such equipment and personal property shall remain the sole property of the School in which the Foundation shall not have any interest; provided, however, that any such equipment and personal property which becomes permanently affixed to the Property shall become part of the Improvements, subject to this Lease and shall be included under the terms of this Lease. Nothing in this Lease shall prevent the School from purchasing items to be installed pursuant to this Section 24 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 Property.

25. Taxes and Assessments. If the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments, or charges lawfully made by any governmental body, the School shall pay the amount of all such taxes, assessments, and governmental charges then due as Additional Rent, but only to the extent that amounts for Operating Expenses which have been specifically appropriated by the School are available for the payment of such costs. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the School shall be obligated to provide only for such installments as are required to be paid during the Term of this Lease. The School shall not allow any liens for taxes, assessments, or governmental charges to exist with respect to the Property or Improvements or any portion thereof (including any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Property or any portion thereof, or any interest therein, including the interest of the Foundation) or the rentals and revenues derived therefrom or hereunder. If the

School shall first notify the Foundation of the intention of the School to do so, the School may, at the expense and in the name of the School, in good faith contest any such tax, assessment, and other charges and, in the event of any such contest, may permit the tax, assessment, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Foundation shall notify the School that, in the opinion of independent counsel whose reasonable fees shall be paid by the School, but only to the extent that amounts which have been specifically appropriated by the School are available for the payment of such costs, by nonpayment of any such items the Property or the Improvements or any portion thereof will be subject to loss or forfeiture, or the Foundation will be subject to liability, in which event such tax, assessment, or other charges shall, to the extent that amounts for Operating Expenses which have been specifically appropriated by the School are available for the payment thereof, be paid promptly or secured by posting a bond with the Foundation in form satisfactory to the Foundation (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, or other charges).

26. Utilities. The School shall pay, as the same respectively become due, all gas, water, steam, electricity, heat, power, utility, and other charges incurred in the maintenance and upkeep of the Property.

27. Insurance. The School shall, at its own expense, obtain and maintain the following policies of insurance described in subsections (a) through (d) below, which shall meet the following conditions, to the extent allowed by state law or the School's required insurer, the New Mexico Public Schools Insurance Authority ("**NMPSIA**"): (i) any insurance policy may have a deductible clause in an amount not to exceed the greater of (A) \$20,000 or such higher amount as may be required by NMPSIA; (ii) each insurance policy shall name the School, the Foundation, and the Lender, as their respective interests may appear, as additional insured parties and name the Lender as loss payee (while the Loan is outstanding); (iii) each insurance policy shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the School and the Foundation without first giving written notice thereof to the School, and, the Foundation at least 30 days in advance of such cancellation or modification; (iv) each insurance policy, or each certificate evidencing such policy, shall be deposited with the Foundation upon request; (v) full payment of insurance proceeds under any insurance policy up to the dollar limit required by this Section 25 in connection with damage to the Property or the Improvements shall, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the School; and (vi) to the extent the School can control the terms of each insurance policy, each insurance policy shall explicitly waive any coinsurance penalty. The School may, in its discretion, provide any of the insurance required by this Section 25 under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks. The School agrees to pay the premiums for any insurance required by the Foundation, as part of the Operating Expenses.

(a) Casualty and property damage insurance with respect to the Property and the Improvements in an amount equal to the greater of (i) full replacement value of the Property and the Improvements or (ii) the aggregate principal amount of the Loan then outstanding, unless the insurable value is less than the aggregate principal amount of the Loan, in which event in an amount equal to the full replacement value of the Property.

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

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

(d) Business or rental interruption insurance in an amount not less than the maximum annual debt service on the Loan in the current Fiscal Year or any future Fiscal Year.

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

28. Damage; Destruction, or Condemnation; Use of Net Proceeds. If, during the Term of this Lease: (i) the Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; (ii) title to, or the temporary or permanent use of, the Property or any portion thereof or the estate of the School or the Foundation in the Property or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; breach of warranty or any material defect with respect to the Property shall become apparent; or (iii) title to or the use of all or any portion of the Property shall be lost by reason of defect in the title thereto, then, the School shall be obligated, subject to the provisions of subsection (c) of this Section 28, to continue to pay the amounts specified in subsection (b) of this Section 28 and, to the extent of amounts specifically appropriated by the School, to pay Base Rent and Additional Rent.

(a) To the extent not contrary to applicable law, subject to the provisions of subsection (c) of this Section 28, the School (and, to the extent such Net Proceeds are within its control, the Foundation) shall cause such Net Proceeds to be deposited in a separate trust fund held by the Lender and applied in accordance with the terms of the Loan Documents (so long as the Loan is outstanding, and otherwise as directed by the Foundation). Except as set forth in subsection (c) of this Section 28, all Net Proceeds of any insurance, performance bonds, or condemnation awards owed to either the School or the Foundation shall be applied, while the Loan is outstanding, in accordance with the terms of the Loan Documents and, thereafter, to the prompt repair, restoration, modification, improvement, or replacement of the Improvements may be, by the School upon receipt of requisitions acceptable to the Foundation and the Lender setting forth: (i) the requisition number; (ii) the name and address of the person or entity to whom payment is due or has been made; (iii) the amount to be paid or reimbursed; and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Foundation shall cooperate with the School and the Lender in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section 26. Any repair,

restoration, modification, improvement, or replacement paid for in whole or in part out of Net Proceeds shall be the property of the Foundation, subject to this Lease, and shall be included as part of the Property or the Improvements under this Lease.

(b) If an event described in subsection (a) of this Section 28, and if any Net Proceeds received as a consequence of such event are insufficient to pay in full the cost of any repair, restoration, modification, improvement, or replacement of the Property required under subsection (b) of this Section 28, the School shall elect one of the following options:

(i) The School may, to the extent permitted by law, in accordance with subsection (b) of this Section 28, repair, restore, modify, or improve the Property or replace the Property (or portion thereof) with property of a value equal to or in excess of the Property, and pay as Operating Expenses any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Operating Expenses which have been specifically appropriated by the School are available for the payment of such costs, and the School agrees that, if by reason of any such insufficiency of the Net Proceeds, the School shall make any Operating Expenses payments pursuant to the provisions of this paragraph, the School shall not be entitled to any reimbursement therefor from the Foundation, nor shall the School be entitled to any diminution of the Base Rent and Additional Rent. Notwithstanding the forgoing, the Foundation may in its discretion reimburse the School for all or part of such Operating Expenses.

(ii) If, by June 30th of the Fiscal Year in which an event described in subsection (a) of this Section 28 occurs (or June 30th of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Property become apparent), the School has not appropriated amounts sufficient to proceed under clause (i) of this subsection (c), the School shall proceed in accordance with Section 6, and the Foundation may then pursue remedies as provided in Sections 6 and 28, as applicable.

(c) The parties to this Lease shall cooperate fully with each other in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in subsection (a) of this Section 28, in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or the Improvements or any portion thereof, and in the prosecution of any action relating to defaults or breaches of warranty under any contract relating to the Property. In no event shall either party voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to defaults or breaches of warranty under any contract relating to the Property or any portion thereof without the written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. Each party shall be responsible for their respective fees and expenses incurred under this Section 26.

29. Events of Default. Any one of the following shall constitute an “*Event of Default*” under this Lease: (a) failure by the School to pay any specifically appropriated Base Rent during this Lease on, before, or within five days of the applicable due date or to pay Additional Rent as and

when due, up to the amount specifically appropriated for the payment of Additional Rent in accordance with the provisions hereof; (b) failure by the School to timely pay any other amounts due by the School under the terms of this Lease or perform any covenant hereunder within ten days' written demand therefor by the Foundation; (c) failure by the School to vacate the Property in accordance with Section 6(f) following an Event of Nonappropriation; (d) the School shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of its creditors, or shall fail to pay its debts as they become due, or shall take any action in furtherance of any of the foregoing; (e) an involuntary case or other proceeding shall be commenced against the School seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary lease or other proceeding shall remain undismissed and unstayed for a period of 60 days; (f) the estate or interest of the School in the Property shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within 90 days after such levy or attachment, unless the School shall be contesting such levy or attachment in accordance with the requirements of this Lease; (g) an "event of default" has occurred under the Loan Agreement or Covenant Agreement; or (h) as provided in Section 15. The foregoing provisions of this Section 27 are subject to the following limitation: if, by reason of Force Majeure, the School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the School contained herein and until the termination or end of the Term of this Lease, the School shall not be deemed in default during the continuance of such inability. The School shall, however, remedy, as promptly as legally and reasonably possible, and subject to the sufficiency of available appropriations, the cause or causes preventing the School from carrying out its agreement; provided that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the School.

30. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Foundation or the Trustee, acting for the Foundation so long as the Loan is outstanding may, and, if the Loan is no longer outstanding, the Foundation may, without any further demand or notice, take one or any combination of the following remedial steps:

(a) terminate this Lease and give notice to the School to vacate the Property within 120 days from the date of such notice; provided that termination of this Agreement under the Event of Default set forth herein shall be subject to the supervisory authority of the Public Education Department over all public schools under Section 222-2(C), NMSA 1978 and to the provision of Section 22-8B-12.1(C), NMSA 1978 on a charter school closure.

(b) without further demand or notice, to reenter and take possession of the Property, repossess the same, expel the School and those claiming through or under the School, and remove the effects of both or either, using such force for such purposes as may be lawful and necessary, without being liable for prosecution, without being deemed guilty of any manner of

trespass, and without prejudice to any remedies for arrears of Base Rent, Operating Expenses or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions;

(c) pursue any and all other rights and remedies available under State law, in law or in equity;

(d) lease all or any portion of the Land included in the Property;

(e) recover from the School: (i) to the extent the recovery thereof is permitted by law, the fair rental value of the use of the Property during any period beyond the 30th day following the occurrence of the Event of Default; and (ii) Base Rent and Operating Expenses, to the extent amounts for such Base Rent and Operating Expenses have been specifically appropriated in accordance with the provisions hereof, which would otherwise have been payable by the School hereunder during the remainder of the Fiscal Year in which such Event of Default occurs; or

(f) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Property under this Lease.

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

32. Reporting Requirements; Access to Records. The School shall comply with the reporting requirements set forth on Exhibit D and provide such reporting to the Foundation and the Lender. The School also shall timely provide the Foundation or Lender with information needed to comply with the Covenant Agreement dated as of _____, 2025 (the “*Covenant Agreement*”) between the School, Foundation and Lender, relating to the Loan. In addition, to the extent permitted by State law, the School shall permit the Foundation (for so long as this Lease is in effect) and the Lender (so long as the Loan is outstanding) to have access to its books and records during normal business hours upon reasonable prior notice (of no more than five Business Days) unless the reviewing party reasonably believes there is an emergent situation, in which case no such notice shall be required. For purposes of this Section 29, “books and records” shall mean the public records maintained by the School other than those records which are excepted from public inspection pursuant to Section 14-2-1(A) NMSA 1978, which exceptions include: (a) records pertaining to physical or mental examinations and medical treatment of persons confined to an institution; (b) letters of reference concerning employment, licensing or permits; (c) letters or memoranda that are matters of opinion in personnel files or students’ cumulative files; (d) law enforcement records that reveal confidential sources, methods, information or individuals accused but not charged with a crime, which law enforcement records include evidence in any form received or compiled in connection with a criminal investigation or prosecution by a law enforcement or prosecuting agency, including inactive matters or closed

investigations to the extent that they contain the information listed in this Section 30; (e) as provided by the Confidential Materials Act, Sections 14-3A-1 and 14-3A-2 NMSA 1978; (f) trade secrets, attorney-client privileged information and long-range or strategic business plans of public hospitals discussed in a properly closed meeting; (g) tactical response plans or procedures prepared for or by the state or a political subdivision of the state, the publication of which could reveal specific vulnerabilities, risk assessments or tactical emergency security procedures that could be used to facilitate the planning or execution of a terrorist attack; and (h) as otherwise provided by law. The School shall participate in conference calls with the holders of the Loan in accordance with the Covenant Agreement.

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

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

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

36. No Individual Liability. All covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of the School or the Foundation, as the case may be, and not of any member, director, officer, employee, or other agent of the School or the Foundation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement, or obligation, or for any claim based thereon or hereunder, against any member, director, officer, employee, or other agent of the School or the Foundation or any natural person executing this Lease or any related document or instrument.

37. Prior Lease. The Prior Lease is superseded in its entirety by this Lease as of the Effective Date.

38. Waiver. No term of this Lease shall be deemed waived unless such waiver is in writing signed by the party granting the waiver. No delay or omission by either party in exercising or enforcing any right or power hereof shall impair such right or power or be construed to be a waiver thereof. No custom or practice that may evolve between the parties shall be construed to lessen the right of a party to require the performance of the other party in strict accordance with the terms of this Lease. A waiver by one party of a failure of the other party to fully comply with any of the

terms of this Lease shall not be construed to be a waiver of any subsequent failure to comply or any other failure to comply.

39. Assignment and Subletting by School. This Lease may not be assigned by the School, except as provided for herein, and the School may not sublet its interest in the Property, for any reason, whether by operation of law or pursuant to any contract. Notwithstanding the generality of the foregoing, the School may allow the Property or portions thereof to be used for short term uses by 501(c)(3) organizations and governmental entities so long the use is aligned with the School's educational mission and does not involve sectarian instruction or worship, except as permitted by the Tax Certificate with respect to the Loan. Further, nothing in this Section 37 shall be deemed to prohibit, limit or restrict the School's (i) power, subject to the prior written approval of the Foundation, which shall not be unreasonably withheld, and the receipt by the Lender of an opinion of nationally recognized municipal bond counsel to the effect that the same will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding tax-exempt bonds, to enter into joint powers agreements as provided in Sections 11-1-1 *et seq.* NMSA 1978, as amended, for shared use of the Property, or (ii) assignment (including without limitation the option to purchase under Section 12), with the prior approval of the Foundation, which shall not be unreasonably withheld, and without cost to the School, with all of the rights and benefits of its predecessor in interest being transferred to the assignee, to: (a) a school district or charter school; or (b) the state or one of its institutions, instrumentalities or other political subdivisions.

40. Acknowledgement of Loan; Subordination of Lease. The School acknowledges the issuance of the Loan by the Lender and its execution of the Loan Agreement and agrees to provide the Foundation requested information it deems sufficient to comply with its obligations under the Covenant Agreement. The School acknowledges and consents to the assignment by the Foundation to the Lender, pursuant to the Loan Agreement and the Deed of Trust, pursuant to the Loan Documents, of all rights, title and interest of the Foundation in, to and under this Lease. This Lease and all rights of the School to the Property hereunder are expressly subordinated to the liens of the Deed of Trust given by the Foundation to secure the Loan Agreement and the Loan issued under the Loan Agreement. This Lease shall be subordinate to the liens of the Loan Agreement and the Deed of Trust and any liens or security interests created under the Indenture and any other mortgage, Deed of Trust (now or hereafter placed upon the Property) and to any and all advances made under any mortgage or Deed of Trust and to all renewals, modifications, replacements or extensions thereof; provided, however, that in the event of foreclosure on the Deed of Trust caused by the Foundation's default under this Lease, the School shall continue to have the right to possess the Property or otherwise enjoy its rights under the Lease provided that it fully performs its obligations hereunder. The School agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. Notwithstanding the foregoing, upon the written request of the Foundation or the Lender, the School agrees to deliver a subordination, non-disturbance and attornment agreement in customary form to the holder of the Deed of Trust or to any other holder of any debt incurred in connection with a refinancing of the debt evidenced by the Loan Agreement.

41. Title to School Site and Improvements. During the Term hereof, Landlord shall hold title to the School Site and any and all additions which comprise repairs, replacements, substitutions,

or modifications, subject to Tenant's rights, both legal and equitable, under New Mexico statutory and common law.

42. Public Property. Upon approval of this Agreement pursuant to the Lease Purchase Act and its execution by the parties, the School Site shall be considered to be a public property in accordance with Section 22-26A-5.1(B), NMSA 1978.

43. Amendments, Changes, and Modifications. This Lease shall not be altered, changed, or amended other than by a written instrument executed by the parties, and approved in writing by the Department to the extent permitted by law.

44. Notices. All notices and communications required or permitted under this Lease (including change of address and facsimile or telephone number set forth below) shall be in writing, shall be effective upon receipt and shall be deemed given to the receiving party: (a) when hand-delivered to the street address of the receiving party set forth below; (b) by delivery by a national overnight courier addressed to the receiving party at the street address set forth below; or (c) three days after deposit in the U. S. mail, certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below.

If to the Foundation:

If to the School: East Mountain
 25 La Madera Road
 Sandia Park, NM 87047
 Attn: Executive Director

If to the Lender:

With a copy to:

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

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

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

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

51. Severability. In the event that any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

52. Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Any party may execute this Lease by executing any such counterpart, including by electronic or facsimile signature.

53. Donation of Property. Upon payment in full of the Loan, without incurrence of refunding debt by the Foundation secured with an interest in the Property, the Foundation shall transfer to the School all right, title and interest in and to the Property.

52. Administrative Approval. Pursuant to Section 22-26A-4(B), NMSA 1978 and Section 22-20-1(A)(2), NMSA 1978, respectively, the parties to this Agreement acknowledge that they have obtained the required statutory approval from both the Department and the PSFA.

54. Memorandum of Lease. Upon the request of either party, the parties shall cooperate to record an appropriate memorandum of this Lease in the real property records of the County Clerk of Bernalillo County, New Mexico.

[Signatures on following pages.]

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

THE FOUNDATION:

EAST MOUNTAIN HIGH SCHOOL FOUNDATION
a New Mexico nonprofit corporation

By: _____
Name:
Title: President

THE SCHOOL:

EAST MOUNTAIN
a New Mexico public charter school

By: _____
Name:
Title:

EXHIBIT A

LAND AND PERMITTED ENCUMBRANCES

Tracts A and B, School Site, as the same are shown and designated on the plat entitled, "Plat of Tracts A & B, School Site, Section 18, T. 11 N., R. 6 E., N.M.P.M., Bernalillo County, New Mexico, "filed in the Office of the County Clerk of Bernalillo County, New Mexico, on June 24, 2011, in Plat Book 2011C, Page 63.

PERMITTED ENCUMBRANCES

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, conflicts in boundary lines, shortages in area, or other matter which would be disclosed by an accurate survey and inspection of the premises.
4. Any lien, claim or right to a lien, for services, labor or materiel heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Community property, survivorship, or homestead rights, if any, of any spouse of the insured (or vestee in a leasehold or loan policy).
6. Water rights, claims or title to water.
7. Taxes for the year 2025, and thereafter.
8. Defects, liens, encumbrances, adverse claims or other matters, if any, appearing in the public records .

EXHIBIT B

BASE RENT

Base Rent Payments

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Scheduled Payment</u>
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EXHIBIT C
PURCHASE PRICE

Purchase Price

<u>Payment Date</u> <u>On or Before</u>	<u>Purchase Price</u>
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EXHIBIT D

REPORTING REQUIREMENTS

- Quarterly management prepared financial statements, within 30 days of the end of each fiscal quarter
- Audited financial statements, within 10 days following release by the New Mexico State Auditor
- Annual capital and operating budgets within five days of final approval by the School's Governing Council
- Notice of changes in the School's Governing Council and senior management

EXHIBIT E
DEPARTMENT AND PSFA APPROVALS
(SEE ATTACHED)

EXHIBIT F

Site Plans and Development Plans / Specifications / Scope of Work / Budget

EXHIBIT G

Planned Funding Sources and Budgets to make Lease Payments

EXHIBIT H

Form of Memorandum of Lease Purchase Arrangement

MEMORANDUM OF LEASE AGREEMENT AND PURCHASE OPTION RIGHTS

This Memorandum of Lease Agreement and Purchase Option Rights is made as of _____, 20___, between East Mountain High School Foundation, a New Mexico nonprofit corporation (formerly known as East Mountain High School and Cultural Center) (the “*Foundation*”), as lessor, and East Mountain, a New Mexico public charter school (formerly known as East Mountain High School) (the “*School*”), as lessee, as of _____, 2026.

WITNESSETH:

Lessor, upon the terms and conditions more particularly set forth in that certain Lease Purchase Arrangement Agreement dated as of even date herewith by and between the Foundation and the School (as amended, the “**Lease Purchase Agreement**”), which terms and conditions are incorporated herein by reference, and in consideration of the rent and covenants therein provided, does hereby lease to the School, and the School hereby accepts that certain property more particularly described on Exhibit A attached hereto and incorporated herein by reference (the “**Property**”) for an initial term commencing on or about _____, 2026, and ending on _____, 20___, upon the terms and conditions set forth in the Lease Purchase Agreement.

1. The School further has the option to purchase the Property upon the terms and conditions set forth in the Lease Purchase Agreement.
2. The Foundation covenants that Lessee, on paying the rent and performing the covenants set forth in the Lease Purchase Agreement, shall peaceably and quietly have, hold and enjoy the Property.
3. As provided in the Lease Purchase Agreement, notice is hereby given that the Foundation shall not be liable for any labor or materials or services furnished or to be furnished to the School upon credit, and that no mechanic’s or other lien for any such labor, materials or services furnished or to be furnished to the School shall attach to or affect the fee or reversionary or other estate or interest of the Foundation in the Property or in the Lease Purchase Agreement. Prior to commencing any improvements, the School shall execute, deliver to its contractor and record in the public records of Bernalillo County, New Mexico a written instrument providing notice of the existence of the provisions of the preceding sentence in accordance with Section 48-2-11, NMSA 1978, as amended.
4. It is understood that this is a memorandum of the Lease Purchase Agreement, which Lease Purchase Agreement is incorporated herein by reference and shall be a part of this instrument as fully and completely as if the same were set forth herein. In the event of any

inconsistency between this memorandum and the Lease Purchase Agreement, the Lease Purchase Agreement shall govern and control.

5. At any time during the Purchase Option Period (as defined in the Lease Purchase Agreement), the School has the option to purchase the Property (the “**Purchase Option**”), subject to and in accordance with the terms and conditions of the Lease Purchase Agreement and the terms and conditions thereof, dated as of the same date as the Lease Purchase Agreement, by and between the Foundation and the School. The Purchase Option shall automatically expire and be of no further force or effect upon the earlier to occur of the expiration of the Purchase Option Period and the date of termination of the Lease Purchase Agreement.

[The remainder of this page intentionally left blank. Signature pages to follow.]

IN WITNESS WHEREOF, the Foundation and the School have signed, sealed and delivered this Memorandum of Lease Agreement and Purchase Option Rights as of the date and year first above written for the purpose of providing recorded notice of the School's rights under the Lease Purchase Arrangement Agreement.

Signed, sealed and delivered
in the presence of:

THE FOUNDATION:

EAST MOUNTAIN HIGH SCHOOL FOUNDATION
a New Mexico nonprofit corporation

By: _____
Name:
Title:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 20___,
by _____, _____, on behalf thereof.
He/She is personally known to me or who has produced _____ as
identification.

NOTARY PUBLIC
(NOTARY SEAL)

Signed, sealed and delivered
in the presence of:

THE SCHOOL:

EAST MOUNTAIN
a New Mexico public charter school

By: _____
Name:
Title:

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by
_____, the _____ of _____, on behalf thereof. He/she is
personally known to me or who has produced _____ as identification.

NOTARY PUBLIC
(NOTARY SEAL)

EXHIBIT I

Acknowledgement

THIS ACKNOWLEDGMENT is entered into effective the ____ day of _____, 20____, by and between East Mountain High School Foundation, a New Mexico nonprofit corporation (formerly known as East Mountain High School and Cultural Center) (the “*Foundation*”), as lessor, and East Mountain, a New Mexico public charter school (formerly known as East Mountain High School) (the “*School*”), as lessee, as of _____, 2025.

WHEREAS, the Foundation and the School entered into a Lease Purchase Arrangement Agreement dated _____, 20____ (“Lease”) involving the premises located at 25 La Madera Road, Sandia Park, Bernalillo County, New Mexico; and

WHEREAS, the parties desire to establish the Term Commencement Date, Rent Commencement Date, and/or other terms and provisions of the Lease.

NOW, THEREFORE, in consideration of the above and other good and valuable consideration, the receipt of which is hereby acknowledged,

IT IS AGREED AS FOLLOWS:

1. All capitalized terms shall have the definitions set forth in the Lease, unless otherwise defined herein.

1. The Term Commencement Date is hereby acknowledged to be _____, 20____.

2. The Rent Commencement Date is hereby acknowledged to be _____, 20____.

3. The Initial Term shall terminate on _____.

4. Except as herein modified and amended, the remaining terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands effective the date first hereinabove set forth.

Dated this _____ day of _____, 20____

EXHIBIT H – REPORTING REQUIREMENTS