

Thornburg Charitable Foundation's  
Pledge to Support the New Mexico School for the Arts'

New Mexico School for the Arts (the "School") will be the first public residential charter high school for the arts in New Mexico. The Thornburg Charitable Foundation (TCF) will support the School for its first five years. The financial support from Thornburg will be used for the following purposes ("Purposes"):

- (A) Organizing the School and enabling it to make a strong start; and
- B) Establishing a foundation in support of the school, the New Mexico Art Institute, and funding mechanism that will coordinate with the School and provide for the arts component that is outside the School budget, including arts instruction that is not within the School and residential and outreach programs that are not within the School.

Thornburg makes the following commitment to the School. For the years 2008 - 2012, subject to the terms of this Pledge, Thornburg will provide funds or pay for services in support of these Purposes in a maximum amount of \$200,000 per year ("annual pledge"). (The total pledge is a maximum of \$1,000,000 from the Thornburg over the five-year period.)

Thornburg understands, and approves of, the following terms and conditions that are being put in place by the School:

- A) The New Mexico Community Foundation ("Community Foundation") will continue to serve as fiscal agent for so long as is necessary and desirable to manage funds received for these Purposes.
- B) After the New Mexico Art Institute is created, the annual pledges may be paid to the New Mexico Art Institute rather than the Community Foundation, may continue to be paid to the Community Foundation or may be paid directly to the School.
- C) The Founding Committee<sup>1</sup> has hired Julia Barnes as a consultant for the first planning year to oversee all aspects of getting the school started including: coordinating administrative projects: overseeing the funding requests submitted to the Community Foundation, coordinating the planning for the School; and providing support for the search for the School's leadership team. As long as Ms. Barnes is providing consulting services to the Founding Committee, she shall

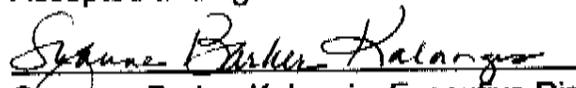
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<sup>1</sup> Thornburg is paying the consultant fees for Julia Barnes directly as part of Thornburg's annual pledge.

prepare and submit an annual budget for approval by the Founding Committee and identify the funding need for the each quarter in February, May, August, November, so that Thornburg, Thaw and other donors can make quarterly installment deposits of the needed funds, not to exceed the annual pledge of each donor. In the event of an unexpected financial need, Ms. Barnes may make a special request for funding, not to exceed the annual pledge of each donor. These requests will be made at least one month in advance of need. Ms. Barnes will provide donors with reports on the expenditures for the School, Foundation and other anticipated upcoming expenses.

- D) The annual pledges will be spent in accordance with the annual budget as reviewed and approved by the Founding Committee. The funds will be expended for costs that are not typically provided with state funds that will be available to the School, including expenditures that are needed to meet the outreach and residential costs of the students of the School if there are insufficient funds provided by other private sector sources for outreach and residential costs to meet these expenses.

Accepted and agreed

  
Suzanne Barker Kalangis, Executive Director  
Thornburg Charitable Foundation

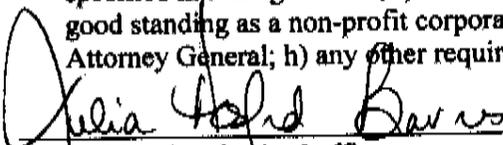
*June 24, 2008*

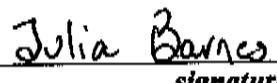
THAW  CHARITABLE TRUST

**GRANT AGREEMENT**

The Thaw Charitable Trust (TCT) pledges a grant to New Mexico Community Foundation as fiscal agent for New Mexico School for the Arts in the amount of \$1,000,000 subject to the following terms and conditions, reporting requirements and submission of materials and documents hereafter specified in the Agreement. At such time New Mexico School for the Arts or its supporting organization obtains non-profit status, the grant balance may be transferred as currently structured to the New Mexico School for the Arts upon delivery of written determination from the Internal Revenue Service.

1. **Purposes:** Towards general support for the New Mexico School for the Arts. New Mexico Community Foundation may not use grant funds for any purpose or activity that has not been included in the grant proposal or that has not been otherwise authorized or approved in writing by TCT and may not use grant funds to carry on propaganda or otherwise to attempt to influence legislation, participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, or engage in any voter registration drive.
2. **Future Grants:** The Grantee understands and agrees that the grant covered by this agreement neither expressly nor implicitly commits the Trust to make any future grants to the grantee.
3. **Payment Schedule:** The grant will be paid in semi-annual installments not exceeding \$200,000 per calendar year over the period of five years [2008-2012]. The first semi-annual installment of \$100,000 is scheduled to be paid in June, 2008 with the second semi-annual installment of \$100,000 scheduled for December, 2008. Semi-annual installments of \$100,000 are scheduled to be paid in June and December of each succeeding year.
4. **Evaluation:** TCT shall have the right to conduct site visits and shall have the right to review all financial documents that relate to the grant and the grantee's use of grant funds.
5. **Reports:** TCT requires from New Mexico School for the Arts a minimum of semi-annual progress reports, which are due no later than the 30<sup>th</sup> day of November and the 30<sup>th</sup> day of May beginning with November, 2008 and continuing through November, 2012. A final report on the project is due no later than the 30<sup>th</sup> day of November, 2013. The reports should consist of the following:
  - A brief description of project activities to date;
  - A budget and expense accounting indicating how TCT funds were used;
  - Clippings and collateral materials associated with the project.
6. **Required Documents:** An authorized representative of New Mexico Schools for the Arts will provide the following documents to TCT on or before June 11, 2008.
  - An executed copy of the Thaw Charitable Trust Grant Agreement
7. **Miscellaneous:** TCT may include information about the grant in its public reports. New Mexico Community Foundation will not put TCT's name on any public plaques or signs without prior permission. New Mexico Community Foundation will immediately inform TCT of any changes to the organization's qualifications as a 501(c)(3) or if either the organization's executive director or the project director change.
8. **Termination:** Thaw Charitable Trust reserves the right to terminate and/or recover funds paid in the event:
  - a) the stated project/purpose is altered;
  - b) or the school fails to obtain its state charter or progress toward opening;
  - c) there is a change in principles or management relating to the grant;
  - d) changes occur in non-profit status;
  - e) non-compliance with any term, condition or reporting and/or document requirement specified in this agreement;
  - f) non-compliance with the requirements of New Mexico law for remaining in good standing as a non-profit corporation entity;
  - g) non-compliance with the reporting requirements of the Attorney General;
  - h) any other requirement the Trust may impose on the grant in the future.

  
name/title of authorized officer  
New Mexico School for the Arts

 6/12/08  
signature/date

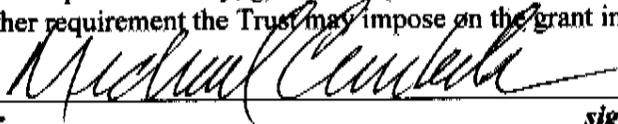
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Michael Chamberlain



6/11/08

name/title of authorized officer

signature/date

New Mexico School for the Arts, a Fiscal Sponsorship of  
New Mexico Community Foundation