

*June 30, 2020
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FIRST AMENDMENT TO LEASE WITH RIGHT OF CONVERSION DATED JUNE 1, 2019

This First Amendment to Lease with Right of Conversion Dated June 1, 2019 ("Lease") is made by and between the New Mexico School for the Arts-Art Institute ("Lessor") and the New Mexico School for the Arts ("Lessee"), (collectively (Parties")) and is effective as of July 1, 2020.

- A. The Parties agree that Lease Exhibit C "Base Rent Payment Schedule" shall be amended to state:

EXHIBIT C

Base Rent Payment Schedule 2020-2021 Fiscal Year

1. "Annual Base Rent" for second Extended Term: \$4.00/sq. ft. x 60,442 net "useable square feet" = \$241,768.00 "annual base rent", (\$20,147.33) estimated monthly rent from July 1, 2020 to June 30, 2021.
2. Base Rent Adjustment: For each successive annual Extended Term beginning July 1, 2020 and ending June 30, 2021, and thereafter: the annual base rent shall be adjusted based on anticipated increases, if any, in unrestricted budgeted funds appropriated due to increases in student enrollment, plus any increases, if any, in state lease payment assistance based on the lease payment assistance distribution program then in effect. The School shall notify Lessor in writing on the later of May 30th of each year or within 3 business days after the date that the Lessee's final approved appropriation for the fiscal year applicable to the Lease is reported to Lessee from the Public Education Department/Public Schools Facilities Authority (collectively, "PED"). The dollar amount of any incremental distributions agreed to between the Lessor and the Lessee and approved by PED shall be added to the annual Base Rent amount for the lease term beginning July 1 of that year.
3. State Funding Adjustments. The total useable square footage of Units 1, 3 and 4 leased by the NMSA for the second extended term equals 60,442 square feet. The base lease payments for the second extended term of the lease shall not exceed the amount of lease reimbursement assistance approved by the state, plus an amount up to four percent (4%) of the School's funding for operational expenses.
4. Definitions.
 - a. **"Annual Base Rent"** for purposes of the second Extended Term means the amount estimated in section 1 subject to sufficiency of appropriations approved by the legislature for the 2020-2021 fiscal year.
 - b. **"Usable square feet"** means the square footage of Units 1,3 and 4 occupied by the Lessee pursuant to the Lease less: 1) the square feet reserved by the Lessor for any extended term of the Lease for Lessor's administrative and other Lessor direct program operations (for the 2020-2021 extended lease term, the Lessors' reserved square footage is 6,982 sq. ft.) and 2) any other spaces transferred to the Lessee for development of a cafeteria and dormitory pursuant to other agreements with the Lessor.

- B. Except as amended in this First Amendment, the terms of the Lease shall remain in full force and effect.
- C. This First Amendment may be simultaneously executed in several counterparts and on different dates but each of which shall be an original and all of which shall constitute but one and the same instrument.

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

LESSOR

NEW MEXICO SCHOOL FOR THE ARTS –ART INSTITUTE
a New Mexico nonprofit corporation

By: Carl Thoma
Name: Carl Thoma
Title: Chair, Board of Directors

LESSEE

NEW MEXICO SCHOOL FOR THE ARTS
a New Mexico public charter school

By: Bill Becham
Name: Bill Becham
Title: President, Governing Council