September 28, 2006

Ronald Haugen, Superintendent
Gadsden Public Schools
P.O. Drawer 70
Anthony, NM 88021

Dear Superintendent Haugen,

We are pleased to inform you that the Public School Capital Outlay Council (PSCOC) has approved an amended total net award of $5,787,573 from the 2006-2007 Standards-based Capital Outlay Awards to Gadsden Public Schools for the following project:

<table>
<thead>
<tr>
<th>School:</th>
<th>Short Description:</th>
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<tbody>
<tr>
<td>Gadsden High</td>
<td>Gadsden HS - Bring Existing Facilities up to Adequacy Standards</td>
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**Detail:**

This amended award is to include the library, administration area up to the Statewide Adequacy Standards to the previously awarded renovation and additions to the existing gymnasium, contingent upon a revised facility master plan that supports an appropriate design capacity. The District can submit an application for funding consideration to bring the remainder of the high school to adequacy standards in a future awards cycle. The future application must include the correct population of students at Gadsden HS following the completion and occupancy of Chaparral HS which was fully funded an additional $12.5M this award cycle.

Please note that the award can be used only for the project(s) and purpose(s) specified.

Funding of all Capital Outlay awards for the 2006-2007 award cycle are financed through severance tax bonds, and availability of these funds are contingent upon several bond sales throughout the fiscal year by the State Board of Finance.

Prior to the expenditure or draw down of any state awarded funds, the district must submit building plans and a Request for Approval of School Construction form (beginning with the program statement) to the Public School Facilities Authority for approval, as well as meet all other contingencies for the project. The Council directs the districts to involve the PSFA staff early on in the planning process in order to resolve issues well in advance of the completion of construction drawings. All projects shall utilize standard contracts, procedures, and reporting requirements as defined by the PSFA. The details of the project must be agreed to mutually in writing between the District and the PSFA through MOUs which shall be drafted...
upon acceptance of the award by the District. The signed MOU shall be returned to your PSFA Regional Manager no later than November 1, 2006.

Please submit your letter of acceptance of this amended award signed by both the Board of Education and the Superintendent to Mr. Robert Gorrell, Director, Public School Facilities Authority, 2019 Galisteo, Suite B-1, Santa Fe, New Mexico 87505. **Deadline for the acceptance of this grant is October 20, 2006.**

In addition to project specific contingencies or other requirements specified in the award language, additional conditions were adopted by the PSCOC (see attached).

All districts are advised to expend these awarded funds, as well as past award balances, in a timely manner. If you have questions concerning the award, please contact Mr. Tim Berry at 505-988-5989 x2109.

Sincerely,

_Catherine Smith_
Catherine Smith, Chair
Public School Capital Outlay Council

cc: Robert Gorrell, Director, PSFA
    Gloria Martinez, PSFA Regional Manager

Attachment: PSCOC Contingent Award Language 2006-2007 Awards

**DECLARATION OF AWARD ACCEPTANCE**
The undersigned below hereby certifies that the 2006-2007 Standards-based Capital Outlay Award to the Gadsden Public Schools for the project at Gadsden High is accepted by the district and the all project specific contingencies and additional conditions that were adopted by the PSCOC at the meeting on August 1, 2006 and September 6, 2006 are understood and accepted. The awarded funds will be expended only for the stated uses and all contingencies will be met.

**ACCEPTED BY:**

__________________________________________   DATE: ________________
School Board President
Gadsden Public Schools

__________________________________________   DATE: ________________
Ronald Haugen
Superintendent, Gadsden Public Schools