

LEASE AGREEMENT

THIS LEASE is made this _____ day of _____ 2006, by and between Ramon Alvarez, a married man dealing in his sole and personal property, joined *pro forma* by his wife, Norma Anne Alvarez (“Lessor”), and the Board of Education of the Gadsden Independent School District (Lessee”).

WHEREAS, Lessor owns a tract of land, legally described herein, which is located within the District’s boundaries within the vicinity of La Union Elementary School, and located within the Count of Dona Ana, State of New Mexico; and

WHEREAS, Lessor desires to lease the property in a manner consistent with its anticipated use for the administration of a special education vocational skills training program (hereafter “Special Education Program”); and

WHEREAS, Lessee, in the operation of its educational programs required additional facilities and because the above-described property is in the immediate vicinity of the La Union Elementary School and ideally-situated to serve the Lessee’s need for additional building space for the administration of it Special Education Program.

NOW, THEREFORE, in consideration of the foregoing, the rent herein reserved, the covenants herein contained, and for the good and valuable consideration, Lessor does hereby lease, demise and let unto Lessee the property herein described for the term and in accordance with the condition herein set forth. The parties agree as follows:

1. Description: The leasehold property is located in the County of Dona Ana, State of New Mexico and hereafter called the “subject Property,” all as shown on the legal description and map of the property appended hereto as Exhibit A.

2. Term: The base term shall be for 1 (one) year beginning the _____ day of _____, 2006 and ending the _____ of _____, 2006.
3. Rent: Lessee agrees to pay Lessor and Lessor agree to accept as rent for the premises the sum of \$1,500.00 (One thousand five hundred dollars and no cents) payable on a monthly basis, the first installment to be paid on or before the _____ day of _____ 2006, and each succeeding installment to be paid on the first day of each month thereafter throughout the term of the lease.
4. Prior Inspection: A joint physical survey and inspection report of the subject property shall be made as of the effective date of this lease reflecting the then present condition and will be signed by the parties hereto. Lessee hereby acknowledges that it knows the condition of said premises, that no representation as to same have been made by Lessor and Lessee hereby accepts the demised premises in their present condition.
5. Ownership and Improvements: All improvements which are placed on the Premises during the term of the lease by the Lessee shall be owned by the Lessee during the term of this Lease; upon expiration of the term, all improvements shall be owned by the Lessee unless such improvement is not removable from the property without committing waste to the property, unless such waste is repaired to pre-lease condition.
6. Utilities: Lessee will pay for the extension of all necessary utilities to the Premises and will pay promptly all utility charges which may be incurred in connection with Lessee's use of the Premises, and will save Lessor harmless therefrom.

7. Maintenance: Lessee shall, at Lessee's sole expense, keep and maintain the Premises and all improvements thereon in a reasonable state of repair and preservation, and shall not suffer or permit any continuing nuisance thereon.
8. Assignment and Subletting: Lessee may not assign, sublet, mortgage, pledge, encumber, subordinate, or alienate the Premises, or any part thereof, without the express written consent of the Lessor.
9. Signs and Personal Property: Lessee may place signs on the Premises only with the advance written approval of Lessor, which approval shall not be unreasonably withheld. All personal property, signs and improvements of Lessee, its employees, agents, and invitees shall be kept on or near the Premises at the sole risk of the Lessee, and Lessor shall not be liable for any damage thereto.
10. Inspection: Lessee will permit Lessor to come upon the Premises at all reasonable times in order to inspect the condition, use, safety or security of the Premises.
11. Laws: Lessee will comply with all applicable federal, state and local laws and with all applicable rules and regulations of Lessor, and will insure that those persons using the premises so comply. Lessee shall indemnify Lessor and hold it harmless from and against any and all claims, damages, loss and liability (including, but not limited to attorney's fees and costs of litigation suffered by Lessor by reason of Lessee's failure to comply with the foregoing terms of paragraph 11.
12. Indemnity: Lessee shall indemnify and hold harmless Lessor from all loss, cost, damage, liability and expense, including but not limited to attorney's fees, and cost of litigation, incurred by Lessor by reason of any claim against Lessor arising out of the operation of the premises except those claims arising out of the active conduct or

negligence of Lessor or Lessor's employees acting in the course of their employment for the benefit of Lessor and Lessee.

13. Notice: All notices relating to the Lease shall be in writing and shall be delivered to the following address and if mailed, sent certified or registered mail:

LESSOR: Ramon Alvarez, 1049 Mercantil, La Union, NM 88021

LESSEE: Gadsden Independent School District, c/o Superintendent Ron Haugen, 100 Laura Ct., Sunland Park, NM 88008 with a copy to the Associate Superintendent for Support Services or to such other addresses as either-party may give to the other party as set forth above.

14. Waiver: No failure on the part of Lessor to exercise and no delay in exercising any right, power or privilege hereunder shall preclude other or further exercise thereof, or the exercise of any other right, power or privilege. The rights or limitations herein provided are cumulative and not exclusive of any rights and remedies otherwise provided by law or equity.

15. Expiration: Upon termination of this Lease by reason of the expiration of the term or any renewal thereof, Lessee will peaceably surrender to Lessor possession of the Premises and all improvements thereon in good condition and repair, reasonable wear and tear excepted.

16. Insurance: Lessee shall carry and maintain in full force and effect during the term of this Lease and any extension thereof at Lessee's sole cost and expense and as additional rent hereunder, public liability insurance covering bodily injury, disease, illness or death and property damage liability, in a form and with an insurance company acceptable to Lessor, with limits of coverage consistent with the New

Mexico Tort Claims Act as protection against all liability claims arising from the Premises, causing Lessor to be named as an additional-named insured on such policy of insurance, and delivering a copy thereof to Lessor upon the commencement of the term of this Lease.

17. Default of Lessee and Remedies of Lessor: If any of the following events (“Events of Default”) shall occur:
- A. Lessee’s abandonment of the Premises for a period of thirty (30) continuous days;
 - B. Lessee’s breach or default under any other term, covenant or condition of this Lease;
 - C. Lessee’s failure to pay when due any insurance premiums required to be paid hereunder;

then Lessor may give Lessee written notice by certified or registered mail specifying such event of default. Unless the event of default is remedied or obviated by Lessee within thirty (30) days after its receipt of such notice, or unless within such thirty (30) day period Lessee shall have commenced and shall continue to take action for the purpose of remedying or obviating such event of default and shall thereafter in good faith prosecute such action to completion, Lessor may declare the forfeiture of the interest of Lessee in this Lease by giving Lessee written notice thereof by certified or registered mail, and this Lease shall terminate forthwith.

Upon receipt of such notice of forfeiture, Lessee shall immediately peacefully surrender the Premises together with all improvements, building and fixtures thereon. If Lessee fails to surrender the Premises, Lessor may forthwith take possession of the Premises, together with all improvements, buildings and fixtures thereon, either by force, summary proceedings or by any other suitable action or proceedings at law or otherwise, without being liable for damages. Lessee agrees that in the even of forfeiture hereunder it shall, upon request of Lessor, assign, convey and transfer to Lessor the title to all improvements, buildings and fixtures on the premises. Under this remedy Lessee shall be liable for the costs, expenses and attorney's fees of Lessor in enforcing its rights under this Lease, including injunctive relief or the obtaining of possessions, and Lessor shall have alien on all property of Lessee on the Premises as security for the payment of such rental, costs, expenses and attorney's fees. Lessee shall not be liable for any future rental from the date of termination if this remedy is pursued, and Lessor shall have no further obligation to Lessee under this Lease.

18. Uses to be Made of Premises: The Premises shall be used for the conduct and operation of a Special Education Program which will provide vocational skills training for students ranging in age from fifteen (15) to twenty-one (21) years of age and for any use consistent with same and for such other lawful purposes as the Lessor shall consent to in writing. Should Lessee use the premises for any other purpose, the lease shall terminate automatically. In no event shall the premises be used for any unlawful purpose or other purpose constituting or creating a public or private nuisance.

19. Termination: This Lease may be terminated by either party on ninety (90) days prior written notice to the other party as provided in paragraph 15, which notice shall state the effective date of such termination. The parties shall perform all obligations incurred or accrued through the date of termination, including the payment of rent. Thereafter, all rights, duties, obligations, and liabilities pursuant to the terms of this Agreement shall cease.
20. Succession: This Agreement shall extend to and be binding upon the heirs, successors and assigns of the parties.
21. Condemnation: In the event that all or any portion of the Premises is condemned by any government body or agency, Lessor shall be entitled to all compensation awarded or paid without participation by Lessee.
22. Renewal: Upon the termination of this lease, Lessee shall have the right to renew the lease, upon the same terms and conditions as are contained herein, for an additional period of one (1) year. Additional renewals shall be at the discretion of the Lessor.

IN WITNESS WHEREOF, the parties hereto have set their hand and seals.

LESSOR:

By: _____
Ramon Alvarez

By: _____
Norma Anne Alvarez

LESSEE:
BOARD OF EDUCATION OF THE GADSDEN
INDEPENDENT SCHOOL DISTRICT

By: _____
Ron Haugen, Superintendent

STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by Ron Haugen, as Superintendent and authorized representative for and on behalf of the Board of Education for the Gadsden Independent School District, the governing body of a New Mexico political subdivision.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by Ramon Alvarez, a married man dealing in his sole and separate property, joined pro forma by his wife, Norma Anne Alvarez.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day
of _____, 2006, by Norma Anne Alvarez, a married woman, signing pro
forma.

Notary Public

My Commission Expires:
