



**REGULAR MEETING
CITY OF ROSWELL COUNCIL - AGENDA
THURSDAY, JUNE 11, 2026
Chaves County Administrative Center
Commission Chambers - #1 St. Mary's Place
Roswell, New Mexico 88203**

Notice of this meeting has been given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution No. 26-12. Except for emergency matters, the City Council shall take action only on the specific items listed on the Agenda.

JUNE 11, 2026

6:00 p.m.

MAYOR - Timothy Z. Jennings

Ward 1
Cristina A. Arnold
Juan Oropesa

Ward II
Juliana Halvorson
Will Cavin

Ward III
Edward L. Heldenbrand
Kurt Edwin Gass

Ward IV
Robert B. Corn
Darrell Johnson

Ward V
Angela G. Moore
Carlos Marujo, Jr.

WELCOME! We are pleased to have you join us for the Roswell City Council meeting. If you wish to speak, please sign up before 6:00 p.m. The Council welcomes relevant public comments; however, a three-minute time limit is enforced under Resolution 26-01 (Governing Body Rules of Order). Large groups are asked to designate a spokesperson. Robert's Rules of Order govern the conduct of this meeting. "THANK YOU" for participating in your City Government.

OPENING CEREMONIES

Call to Order by Presiding Officer
Roll Call & Determination of Quorum
Pledge of Allegiance to the Flag and Invocation

1. Approval of agenda — Approve the agenda for the June 11, 2026, Regular City Council Meeting. (Corn/Martinez)
2. Approval of consent agenda - Approve the consent agenda for the June 11, 2026, Regular City Council Meeting. (Corn/Martinez)

CONSENT ITEMS (*items 3-13 will be approved at the time of the approval of the consent agenda*)

All items listed under this heading are considered routine by the City Council and will be addressed together in one motion. There will be no separate discussion about these items. If you would like to discuss a specific item, please request that it be removed from the Consent Agenda and placed on the Regular Agenda for separate consideration.

3. Proposed Ordinance 26-06 - Approval to advertise for a public hearing for Ordinance 26-06: authorizing the execution and delivery of a loan agreement with New Mexico Finance Authority for improvement projects related to flood damage. (Gass/Rogers)
4. Proposed Ordinance 26-07 - Approval to advertise for a public hearing for Ordinance 26-07: An Ordinance to refund the Series 2017 Joint Water & Sewer Improvement Bonds. (Gass/Rogers)

Resolution(s)

5. Resolution 26-28: adoption of Resolution 26-28: A resolution for closing the Asset Management Plan Grant from the New Mexico Finance Authority. (Johnson/MacCornack)
6. Resolution 26-30: Weeds - The Resolution shall mandate the cleanup of approximately nine

(9) separate properties within the City. (Cavin/Franco)

7. Resolution 26-31: adoption of Resolution 26-31: Approving a budget adjustment for the fiscal year ending June 30, 2026. (Gass/Gomez)
8. Resolution 26-32: adoption of Resolution 26-32: A Resolution Amending the Roswell Airport Advisory Commission. (Corn/Nairn-Mahan)
9. Resolution 26-33: adoption of Resolution 26-33: Authorize and approve submission of a completed application to NMFA for financial assistance. (Gass/Rogers)
10. Resolution 26-34: adoption of Resolution 26-34: authorizing an application for the redemption of Outstanding Joint Water and Sewer Improvement Revenue Bonds (Gass/Rogers)

ROW Leases

11. Recommend approval of Red Mountain Arsenal LLC to enter into a 1-year lease beginning June 1, 2026, and ending May 31, 2027, for building 60 at the Roswell Air Center. (Cavin/Sanchez)

Minutes

12. Approval of the minutes from the Regular City Council meeting on May 14, 2026. (Corn/Martinez)
13. Approval of the minutes from the Special City Council meeting on May 21, 2026. (Corn/Martinez)

NON-ACTION ITEMS (Information Items)

14. Airport Updates (Omar Gonzalez and Fred Telling)
15. Detective Matthew Sheppard - Metal of Valor (Chief Albert Aldana)
16. Sling It Fling It
17. Goddard Baseball
18. Employee Out-of-State Travel (Informational Only)

PUBLIC PARTICIPATION ON AGENDA ITEMS AND NON-AGENDA ITEMS

In order to speak you must sign up prior to the Council Meeting.

NEW BUSINESS / REGULAR ITEMS

19. Approval of Mayor Jennings's appointment recommendation to the Roswell Museum Board of Trustees is as follows:
 - Bruce M. Dyleski - Position 4 (1st Term June 12, 2026–March 31, 2029)
 - Bailey Coll - Position 7 (1st Partial Term June 12, 2026 — March 31, 2027)

20. Consider approval of Mayor Jennings' recommendation of appointments to the Flood Recovery Task Force as follows: (Corn/Martinez)
 - Position 5 - Michael Sanchez (June 12, 2026–March 31, 2028)
21. Consider approval of Mayor Jennings' recommendations of the following appointment to the Planning and Zoning Commission. (Corn/Martinez)
 - Position 4 - Marcus Gonzales (June 12, 2026 - March 31, 2030)

Resolution(s)

22. Resolution 26-29: adoption of Resolution 26-29: Authorizing the submittal of the Fiscal Year 2028-2032 Infrastructure Capital Improvements Plan (ICIP). (Johnson/MacCornack)

Ordinance(s)

23. Proposed Ordinance 26-05 – Authorize to advertise for a public hearing on proposed Ordinance 26-05: An Ordinance authorizing the issuance of Industrial Revenue Bonds (Gallagher Solar LLC Project) and Execution Bond Purchase Agreement, Indenture, Lease, and Sublease. (Cavin/Yntema)

COUNCILOR COMMENTS (Information Only)

CITY MANAGER REPORTS/ANNOUNCEMENTS (Information Only)

Adjournment

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Human Resources at 575-624-6700 at least one week before the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 575-637-6202 if a summary of another type of accessible format is needed. Printed and posted:
Monday, June 8, 2026

To watch the City Council Meeting live from your computer, tablet, or smartphone, go to <https://www.youtube.com/@CityofRoswellNM/featured>. You can also go to www.roswell-nm.gov, then click on the YouTube link on the banner on the right side of the screen.

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

3.

Meeting Date: 06/11/2026

COMMITTEE: Finance

CONTACT: Tammi Smith

CHAIR: Kurt Gass

ACTION REQUESTED:

Proposed Ordinance 26-06 - Approval to advertise for a public hearing for Ordinance 26-06: authorizing the execution and delivery of a loan agreement with New Mexico Finance Authority for improvement projects related to flood damage. (Gass/Rogers)

BACKGROUND:

Initiated by Mac Rogers

Requesting approval to advertise for a public hearing on Ordinance 26-06, which authorizes the execution and delivery of a loan agreement with NMFA for improvement projects related to flood damage. As part of the 2025 legislative session, SB 383 authorized an increase in GRT to fund flood recovery bonds. On March 28, 2025, the Council passed Ordinance 25-02, increasing GRT. This agreement would allow the City to sell bonds in September.

FINANCIAL CONSIDERATION

None at this time

LEGAL REVIEW:

Legal has reviewed this item.

BOARD AND COMMITTEE ACTION:

The Legal Committee considered this item at its May 28, 2026, meeting and voted 5-0 to recommend approval to the Finance Committee. The Finance Committee recommended approval at its meeting on June 4, 2026, to be placed on the consent agenda.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Ordinance 26-06 authorizing of a loan agreement with NMFA for improvement projects related to flood damage

1

2 STATE OF NEW MEXICO)

3 COUNTY OF CHAVES) ss.

4 CITY OF ROSWELL)

5

6 The City Council (the “Council”) of the City of Roswell (the “City”), in the State
7 of New Mexico, met in open regular session in full conformity with law and the ordinances
8 and rules of the City, in the Chaves County Administrative Center, Council Chambers, #1
9 St. Mary’s Place, Roswell, New Mexico, being the regular meeting place of the Council,
10 at 6:00 p.m., on Thursday, July 9, 2026, at which time there were present and answering
11 the roll call the following members:

Mayor:

Councilors:

Absent:

12 There was officially filed with the City Clerk, the Mayor and each Councilor, a
13 copy of an ordinance in final form, which is as follows:

CITY OF ROSWELL, NEW MEXICO

ORDINANCE NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE CITY OF ROSWELL, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$25,100,000, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST TO (I) ACQUIRE, CONSTRUCT, PURCHASE, EQUIP, FURNISH, MAKE ADDITIONS TO, RENOVATE, REHABILITATE, BEAUTIFY, OR OTHERWISE IMPROVE THE CITY’S FLOOD RECOVERY PROJECTS, (II) FUND A LOAN AGREEMENT RESERVE ACCOUNT, AND (III) PAY EXPENSES; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE REVENUES OF THE 0.375% MUNICIPAL FLOOD RECOVERY GROSS RECEIPTS TAX IMPOSED PURSUANT TO GOVERNMENTAL UNIT ORDINANCE NO. _____, ADOPTED _____, 2025, AND SECTION 7-19(D)-19, NMSA 1978, AS AMENDED; APPROVING THE DELEGATION OF AUTHORITY TO MAKE CERTAIN DETERMINATIONS REGARDING THE LOAN AGREEMENT PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; PROVIDING FOR THE DISTRIBUTION OF MUNICIPAL FLOOD RECOVERY GROSS RECEIPTS TAX REVENUES TO BE REDIRECTED BY THE STATE TAXATION AND REVENUE DEPARTMENT TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT PURSUANT TO AN INTERCEPT AGREEMENT; APPROVING THE FORM AND TERMS OF, AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Ordinance unless the context requires otherwise.

1 WHEREAS, the Governmental Unit is a legally and regularly created,
2 established, organized and existing municipality under the general laws of the State; and

3
4 WHEREAS, the Governing Body has determined and hereby determines that the
5 Project may be financed with amounts borrowed under the Loan Agreement and that it is
6 in the best interests of the Governmental Unit and its residents that the Loan Agreement
7 and Intercept Agreement be executed and delivered and that the financing of the Project
8 take place by executing and delivering the Loan Agreement; and

9
10 WHEREAS, the Governing Body has determined pursuant to the Act that it may
11 lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan
12 Agreement; and

13
14 WHEREAS, other than as described in the Term Sheet, the Pledged Revenues
15 have not heretofore been pledged to secure the payment of any obligation which is
16 currently outstanding; and

17
18 WHEREAS, the Loan Agreement shall be a special, limited obligation of the
19 Governmental Unit, payable solely from the Pledged Revenues and shall not constitute a
20 general obligation of the Governmental Unit, or a debt or pledge of the faith and credit of
21 the Governmental Unit or the State; and

22
23 WHEREAS, the Governmental Unit desires to provide that distributions of the
24 Pledged Revenues may be redirected to the Finance Authority or its assigns pursuant to an
25 Intercept Agreement between the Governmental Unit and the Finance Authority (the
26 "Intercept Agreement") for the payment of amounts due under the Loan Agreement; and

27
28 WHEREAS, other than the Pledged Revenues, no revenues collected by the
29 Governmental Unit shall be pledged to the Loan Agreement; and

1 WHEREAS, there have been presented to the Governing Body and there presently
2 are on file with the City Clerk this Ordinance and the forms of the Loan Agreement and
3 Intercept Agreement, which are incorporated by reference and considered to be a part
4 hereof; and

5
6 WHEREAS, the Governing Body hereby determines that the improvements
7 financed with the proceeds of the Loan Agreement are to be used for governmental
8 purposes of the Governmental Unit and will not be used for purposes which would cause
9 the Loan Agreement to be deemed a “private activity bond” as defined by the Internal
10 Revenue Code of 1986, as amended; and

11
12 WHEREAS, the Governing Body intends by this Ordinance to authorize the
13 execution and delivery of the Loan Agreement in the amount and for the purposes set forth
14 herein with the final interest rates and principal amount set forth in the Sale Certificate;
15 and

16
17 WHEREAS, pursuant to Sections 6-14-8 through 6-14-11 NMSA 1978, as
18 amended (the “Supplemental Public Securities Act”), the Council is authorized to adopt an
19 ordinance delegating to one or more of its members, City officers, or City employees the
20 authority to sign a contract for the purchase or sale of public securities or to accept a
21 binding bid for public securities and to determine the sale for public securities to be issued
22 so long as such sale is within the parameters established by an authorizing ordinance
23 adopted in conformity with the Supplemental Public Securities Act; and

24
25 WHEREAS, in order to, among other things, allow the City flexibility in setting
26 the pricing date of the Loan and optimize interest rates for the City, the Council desires to
27 grant to the Mayor and City Manager, or any other employee of the City when designated
28 by a certificate signed by the Mayor (collectively, the “Designated Officers”), the authority
29 (a) to determine the terms of the Loan within the parameters set forth herein; and (b) to
30 make any changes with respect thereto from those terms which were before the Council at
31 the time of adoption of this Ordinance, provided such terms do not exceed the parameters
32 set forth for such terms in this Ordinance; and

1 WHEREAS, all required authorizations, consents and approvals in connection
2 with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns)
3 for the payment of the amounts due under the Loan Agreement, (ii) the use of the proceeds
4 of the Loan Agreement to finance the Project, and (iii) the authorization, execution, and
5 delivery of the Loan Agreement and Intercept Agreement which are required to have been
6 obtained by the date of this Ordinance, have been obtained or are reasonably expected to
7 be obtained.

8
9 NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF
10 THE CITY OF ROSWELL:

11
12 Section 1. Definitions. As used in this Ordinance, the following capitalized
13 terms shall, for all purposes, have the meanings herein specified, unless the context clearly
14 requires otherwise (such meanings to be equally applicable to both the singular and the
15 plural forms of the terms defined):

16
17 “Act” means the general laws of the State, including Sections 3-31-1 through 3-
18 31-12, 6-14-8 through 6-14-12, NMSA 1978, and 7-19(D)-19, NMSA 1978, as amended,
19 and enactments of the Governing Body relating to the Loan Agreement and the Intercept
20 Agreement, including this Ordinance.

21
22 “Aggregate Annual Debt Service Requirement” means the total principal and
23 interest payments due and payable pursuant to the Loan Agreement and on all Parity
24 Obligations secured by a pledge of any of the Pledged Revenues for any one Fiscal Year.

25
26 “Authorized Officers” means, in the case of the Governmental Unit, the Mayor,
27 Manager, Finance Director, and Clerk, and in the case of the Finance Authority the
28 Chairman, Vice-Chairman and Secretary of the Board of Directors and the Chief Executive
29 Officer or any other officer or employee of the Finance Authority designated in writing by
30 an Authorized Officer.

1 “Bonds” means public project revolving fund revenue bonds, if any, issued
2 hereafter by the Finance Authority and specifically related to the Loan Agreement and the
3 Loan Agreement Payments.

4
5 “Closing Date” means the date of execution, delivery and funding of the Loan
6 Agreement.

7
8 “Code” means the Internal Revenue Code of 1986, as amended, and the
9 applicable regulations thereunder.

10
11 “Distributing State Agency” means the department or agency of the State, as
12 described on the Term Sheet, authorized to distribute the Pledged Revenues on behalf of
13 the Governmental Unit.

14
15 “Expense Fund” means the expense fund created pursuant to the Indenture to be
16 held and administered by the Trustee to pay Expenses.

17
18 “Expenses” means the cost of execution of the Loan Agreement and costs of
19 issuance of the Bonds, if any, and the periodic and regular fees and expenses incurred by
20 the Finance Authority in administering the Loan Agreement, including legal fees.

21
22 “Finance Authority” means the New Mexico Finance Authority.

23
24 “Finance Authority Debt Service Account” means the debt service account in the
25 name of the Governmental Unit and held by the Finance Authority to pay principal and
26 interest on the Loan Agreement as the same become due.

27
28 “Fiscal Year” means the period commencing on July 1 in each calendar year and
29 ending on the last day of June of the next succeeding calendar year, or any other twelve-

1 month period which any appropriate authority may hereafter establish for the
2 Governmental Unit as its fiscal year.

3

4 “Governing Body” means the City Council of the Governmental Unit, or any
5 future successor governing body of the Governmental Unit.

6

7 “Governmental Unit” means the City of Roswell, New Mexico.

8

9 “Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to
10 this entire Ordinance and not solely to the particular section or paragraph of this Ordinance
11 in which such word is used.

12

13 “Income Fund” means the “City of Roswell, New Mexico Municipal Flood
14 Recovery Gross Receipts Tax Income Fund” created by the Governmental Unit and to be
15 maintained by the Governmental Unit to which all Pledged Revenues are credited.

16

17 “Indenture” means the General Indenture of Trust and Pledge dated as of June 1,
18 1995, as amended and supplemented, by and between the Finance Authority and the
19 Trustee, or the Subordinated General Indenture of Trust and Pledge dated as of March 1,
20 2005, as supplemented, by and between Finance Authority and the Trustee, as determined
21 by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as
22 defined in the Indenture).

23

24 “Intercept Agreement” means the Intercept Agreement between the Governmental
25 Unit and the Finance Authority providing for the direct payment by the Distributing State
26 Agency to the Finance Authority of Pledged Revenues in amounts sufficient to pay Loan
27 Agreement Payments, and any amendments or supplements to the Intercept Agreement.

28

29 “Interest Component” means the portion of each Loan Agreement Payment paid
30 as interest on the Loan Agreement as shown on Exhibit “B” thereto.

1

2 “Loan” means the funds to be loaned to the Governmental Unit by the Finance
3 Authority pursuant to the Loan Agreement.

4

5 “Loan Agreement” means the Loan Agreement dated the Closing Date between
6 the Finance Authority and the Governmental Unit which provides for the financing of the
7 Project and requires payments by or on behalf of the Governmental Unit to the Finance
8 Authority and/or the Trustee and any amendments or supplements thereto, and including
9 the exhibits attached to the Loan Agreement.

10

11 “Loan Agreement Payment” means, collectively, the Principal Component and
12 the Interest Component to be paid by the Governmental Unit as payment of the Loan
13 Agreement as shown on Exhibit “B” thereto.

14

15 “Loan Agreement Payment Date” means each date a payment is due on the Loan
16 Agreement as shown on Exhibit “B” thereto.

17

18 “Loan Agreement Principal Amount” means the original principal amount of the
19 Loan Agreement as shown on the Term Sheet.

20

21 “Loan Agreement Reserve Account” means the loan agreement reserve account
22 established in the name of the Governmental Unit funded from the proceeds of this Loan
23 Agreement and administered by the Trustee pursuant to the Indenture.

24

25 “NMSA” means the New Mexico Statutes Annotated, 1978 compilation, as
26 amended and supplemented.

27

28 “Ordinance” means this Ordinance adopted by the Governing Body on July 9, 2026
29 approving the Loan Agreement and the Intercept Agreement and pledging the Pledged
30 Revenues, as amended from time to time.

1

2 “Parity Obligations” mean the Loan Agreement and any other obligations now or
3 hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged
4 Revenues and issued with a lien on the Pledged Revenues on parity with the Loan
5 Agreement, including those obligations described on the Term Sheet.

6

7 “Pledged Revenues” means the revenues derived from the Governmental Unit’s
8 0.375% municipal flood recovery gross receipts tax imposed pursuant to Governmental
9 Unit Ordinance No. _____, adopted _____, 2025, and section 7-19(D)-19, NMSA
10 1978, as amended, imposed on all persons engaging in business in the Governmental Unit,
11 which tax equals, subject to the exemptions specified in Section 7-19(D)-9 NMSA 1978,
12 three-eighths of one percent of the gross receipts of all persons engaging in business in the
13 Governmental Unit for the month in which the tax is distributed to the Governmental Unit
14 (provided that the Governmental Unit is not pledging and the term “Pledged Revenues”
15 does not include the state-shared gross receipts tax or any other local option gross receipts
16 tax income received by the City).

17

18 “Principal Component” means the portion of each Loan Agreement Payment paid
19 as principal on the Loan Agreement as shown on Exhibit “B” thereto.

20

21 “Program Account” means the account in the name of the Governmental Unit
22 established under the Indenture and held by the Trustee for deposit of the net proceeds of
23 the Loan Agreement for disbursal to the Governmental Unit for payment of the costs of the
24 Project.

25

26 “Project” means the (i) acquisition, construction, purchase, equipping, furnishing,
27 making additions to, renovating, rehabilitating, beautifying or otherwise improving the
28 Governmental Unit’s flood recovery projects, (ii) funding of a Loan Agreement Reserve
29 Account, and (iii) paying Expenses.

30

31 “Sale Certificate” means one or more certificates executed by the Mayor or City
32 Manager, dated on or before the date of execution of the Loan Agreement, setting forth the
33 final terms of the Loan Agreement.

1

2 “State” means the State of New Mexico.

3

4 “Term Sheet” means Exhibit “A” to the Loan Agreement.

5

6 “Trustee” means BOKF, NA, or any successor trustee company, national or state
7 banking association or financial institution at the time appointed Trustee by the Finance
8 Authority.

9

10 Section 2. Ratification. All action heretofore taken (not inconsistent with the
11 provisions of this Ordinance) by the Governing Body and officers of the Governmental
12 Unit directed toward the completion of the Project and the execution and delivery of the
13 Loan Agreement and the Intercept Agreement, be, and the same hereby are, ratified,
14 approved and confirmed.

15

16 Section 3. Authorization of the Project, the Loan Agreement, and the
17 Intercept Agreement. The Project and the method of financing the Project through the
18 pledge of the Pledged Revenues and the execution and delivery of the Loan Agreement
19 and the Intercept Agreement are hereby authorized and ordered. The Project is for the
20 benefit of the Governmental Unit and its residents.

21

22 Section 4. Findings. The Governmental Unit hereby declares that it has
23 considered all relevant information and data and hereby makes the following findings:

24

25 A. The Project is needed to meet the needs of the Governmental Unit
26 and its residents and the issuance, execution and delivery of the Loan Agreement is
27 necessary or advisable.

28

29 B. Moneys available and on hand for the Project from all sources
30 other than the Loan are not sufficient to defray the cost of the Project.

1

2 C. The Pledged Revenues may lawfully be pledged to secure the
3 payment of amounts due under the Loan Agreement.

4

5 D. It is economically feasible to defray, in whole or in part, the costs
6 of the Project by the execution and delivery of the Loan Agreement.

7

8 E. The Project and the execution and delivery of the Loan Agreement
9 and the Intercept Agreement pursuant to the Act to provide funds for the financing of the
10 Project are necessary and in the interest of the public health, safety and welfare of the
11 residents of the Governmental Unit.

12

13 F. The Governmental Unit will complete the Project, in whole or in
14 part, with the net proceeds of the Loan.

15

16 G. Other than as described in the Term Sheet, the Governmental Unit
17 does not have any outstanding obligations payable from the Pledged Revenues which it has
18 incurred or will incur prior to the initial execution and delivery of the Loan Agreement and
19 the Intercept Agreement.

20

21 H. The net effective interest rate on the Loan will not exceed twelve
22 percent (12.0%) per annum, which is the maximum rate permitted by State law, with the
23 final interest rate approved in the Sale Certificate.

24

25 Section 5. Loan Agreement and Intercept Agreement - Authorization and
26 Detail.

27

28 A. Authorization. This Ordinance has been adopted by the affirmative
29 vote of a three-quarters majority of all of the members of the Governing Body. For the
30 purpose of protecting the public health, conserving the property, protecting the general

1 welfare and prosperity of the residents of the Governmental Unit and completing the
2 Project, it is hereby declared necessary that the Governmental Unit, pursuant to the Act,
3 pledge the Pledged Revenues and execute and deliver the Loan Agreement and the
4 Intercept Agreement evidencing a special, limited obligation of the Governmental Unit to
5 pay the principal amount not to exceed \$25,100,000, and the pledge of the Pledged
6 Revenues and the execution and delivery of the Loan Agreement and the Intercept
7 Agreement are hereby authorized, subject to final approval of the principal amount and
8 interest rates in a subsequent Sale Certificate. The Governmental Unit shall use the
9 proceeds of the Loan to finance the completion of the Project, fund the Loan Agreement
10 Reserve Account, and to pay Expenses.

11

12 B. Detail. The Loan Agreement and Intercept Agreement shall be in
13 substantially the forms of the Loan Agreement and Intercept Agreement presented at the
14 meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be
15 in an original aggregate principal amount not to exceed \$25,100,000, shall be payable in
16 installments of principal due on June 1 of the years designated in Exhibit "B" to the Loan
17 Agreement and bear interest payable on June 1 and December 1 of each year, commencing
18 on December 1, 2026, at the rates designated in Exhibit "B" to the Loan Agreement, and
19 shall mature no later than June 1, 2046, as approved in the Sale Certificate.

20

21 Section 6. Approval of Loan Agreement and Intercept Agreement. The forms
22 of the Loan Agreement and the Intercept Agreement as presented at the meeting of the
23 Governing Body at which this Ordinance was adopted are hereby approved, subject to final
24 terms as set forth in the Sale Certificate. Authorized Officers are hereby individually
25 authorized to execute, acknowledge and deliver the Loan Agreement and the Intercept
26 Agreement with such changes, insertions and omissions as may be approved by such
27 individual Authorized Officers and as provided in the Sale Certificate, and the Clerk is
28 hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and
29 the Intercept Agreement and attest the same. The execution of the Loan Agreement and
30 the Intercept Agreement by an Authorized Officer shall be conclusive evidence of such
31 approval.

32

33 Section 7. Special Limited Obligation. The Loan Agreement shall be secured
34 by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be
35 payable solely from the Pledged Revenues. The Loan Agreement, together with other
36 obligations of the Governmental Unit thereunder, shall be a special, limited obligation of

1 the Governmental Unit, payable solely from the Pledged Revenues as provided in this
2 Ordinance, Sale Certificate, and the Loan Agreement and shall not constitute a general
3 obligation of the Governmental Unit or the State, and the holders of the Loan Agreement
4 may not look to any general or other fund of the Governmental Unit for payment of the
5 obligations thereunder. Nothing contained in this Ordinance, the Sale Certificate, nor in
6 the Loan Agreement, nor any other instruments, shall be construed as obligating the
7 Governmental Unit (except with respect to the application of the Pledged Revenues), as
8 incurring a pecuniary liability or a charge upon the general credit of the Governmental Unit
9 or against its taxing power, nor shall a breach of any agreement contained in this Ordinance,
10 the Sale Certificate, the Loan Agreement, or any other instrument impose any pecuniary
11 liability upon the Governmental Unit or any charge upon its general credit or against its
12 taxing power. The Loan Agreement shall never constitute an indebtedness of the
13 Governmental Unit within the meaning of any State constitutional provision or statutory
14 limitation and shall never constitute or give rise to a pecuniary liability of the
15 Governmental Unit or a charge against its general credit or taxing power. Nothing herein
16 shall prevent the Governmental Unit from applying other funds of the Governmental Unit
17 legally available therefor to payments required by the Loan Agreement, in its sole and
18 absolute discretion.

19

20 Section 8. Disposition of Proceeds: Completion of the Project.

21

22 A. Program Account, Finance Authority Debt Service Account and
23 Loan Agreement Reserve Account. The Governmental Unit hereby consents to creation
24 of the (i) Finance Authority Debt Service Account to be held and maintained by the Finance
25 Authority, (ii) Program Account to be held by the Trustee pursuant to the Indenture, and
26 (iii) Loan Agreement Reserve Account to be held by the Trustee, each in connection with
27 the Loan. The Governmental Unit hereby approves: (i) of the deposit of the portion of the
28 proceeds of the Loan Agreement in the Program Account, the Loan Agreement Reserve
29 Account, and the Finance Authority Debt Service Account, and (ii) for payment of the
30 Expenses.

31

32 The proceeds derived from the execution and delivery of the Loan Agreement
33 shall be deposited promptly upon the receipt thereof in the Program Account, the Loan
34 Agreement Reserve Account, and the Finance Authority Debt Service Account, as
35 provided in the Loan Agreement and the Indenture.

1

2 The money in the Program Account shall be used and paid out solely for the
3 purpose of completing the Project in compliance with applicable law and the provisions of
4 the Loan Agreement and the Indenture.

5

6 The Governmental Unit will complete the Project with all due diligence.

7

8 B. Completion of the Project. Upon completion of the Project, any
9 balance remaining in the Program Account shall be transferred and deposited into the
10 Finance Authority Debt Service Account, as provided in the Loan Agreement and the
11 Indenture.

12

13 C. Finance Authority and Trustee Not Responsible. The Finance
14 Authority and the Trustee shall in no manner be responsible for the application or disposal
15 by the Governmental Unit or by its officers of the funds derived from the Loan Agreement
16 or of any other funds herein designated.

17

18 Section 9. Deposit of Pledged Revenues, Distributions of the Pledged
19 Revenues and Flow of Funds.

20

21 A. Deposit of Pledged Revenues. Pledged Revenues shall be paid to
22 the Finance Authority for deposit in the Finance Authority Debt Service Account and
23 remittance to the Trustee in an amount sufficient to pay principal, interest and other
24 amounts due under the Loan Agreement.

25

26 B. Termination on Deposits to Maturity. No payment shall be made
27 into the Finance Authority Debt Service Account if the amounts in the Finance Authority
28 Debt Service Account and Loan Agreement Reserve Account total a sum at least equal to
29 the entire aggregate amount to become due as to principal and interest on, and any other
30 amounts due under, the Loan Agreement in which case moneys in such accounts in an
31 amount at least equal to such principal and interest requirements shall be used solely to pay

1 such obligations as the same become due, and any moneys in excess thereof in such
2 accounts shall be transferred to the Governmental Unit and used as provided below.

3
4 C. Use of Surplus Revenues. After making all the payments
5 hereinabove required to be made by this Section, any moneys remaining in the Finance
6 Authority Debt Service Account shall be transferred to the Governmental Unit on a timely
7 basis and shall be applied to any other lawful purpose, including, but not limited to, the
8 payment of Parity Obligations and bonds or obligations subordinate and junior to the Loan
9 Agreement, or other purposes authorized by the Governmental Unit, the Constitution and
10 laws of the State, as the Governmental Unit may from time to time determine.

11
12 Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the
13 Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the
14 Governmental Unit grants a security interest therein for, the payment of the principal,
15 interest, and any other amounts due under the Loan Agreement, subject to the uses thereof
16 permitted by and the priorities set forth in this Ordinance. The Loan Agreement constitutes
17 an irrevocable lien and a first lien, but not necessarily an exclusive first lien, on the Pledged
18 Revenues with the lien thereon of the Parity Obligations as set forth herein and therein.
19 The Governmental Unit shall not create a lien on the Pledged Revenues superior to that of
20 the Loan Agreement.

21
22 Section 11. Authorized Officers. Authorized Officers are hereby individually
23 authorized and directed to execute and deliver any and all papers, instruments, opinions,
24 affidavits and other documents and to do and cause to be done any and all acts and things
25 necessary or proper for carrying out this Ordinance, the Loan Agreement, the Intercept
26 Agreement and all other transactions contemplated hereby and thereby. Authorized
27 Officers are hereby individually authorized to do all acts and things required of them by
28 this Ordinance, the Loan Agreement, and the Intercept Agreement for the full, punctual
29 and complete performance of all the terms, covenants and agreements contained in this
30 Ordinance, the Loan Agreement, and the Intercept Agreement, including but not limited
31 to, the execution and delivery of closing documents in connection with the execution and
32 delivery of the Loan Agreement and the publication of the summary of this Ordinance set
33 out in Section 17 of this Ordinance (with such changes, additions and deletions as may be
34 necessary).

1 Pursuant to the Supplemental Public Securities Act, Section 6-14-8 et seq.,
2 NMSA 1978, the Mayor or City Manager is hereby delegated authority to execute the Sale
3 Certificate and to determine any or all of the final terms of the Loan Agreement, subject to
4 the parameters and conditions contained in this Ordinance. The Manager shall present the
5 Sale Certificate to the Governing Body in a timely manner, before or after the execution
6 and delivery of the Loan Agreement, at a regularly scheduled public meeting of the
7 Governing Body.

8
9 Section 12. Amendment of Ordinance. This Ordinance may be amended by
10 ordinance of the Governing Body without receipt by the Governmental Unit of any
11 additional consideration, but only with the prior written consent of the Finance Authority.
12 This Ordinance will be supplemented by the terms set forth in the Sale Certificate.

13
14 Section 13. Ordinance Irrepealable. After the Loan Agreement and Intercept
15 Agreement have been executed and delivered, this Ordinance shall be and remain
16 irrepealable until all obligations due under the Loan Agreement shall be fully paid,
17 canceled and discharged, as herein provided.

18
19 Section 14. Severability Clause. If any section, paragraph, clause or provision
20 of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity
21 or unenforceability of such section, paragraph, clause or provision shall not affect any of
22 the remaining provisions of this Ordinance.

23
24 Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or
25 parts thereof, inconsistent herewith are hereby repealed to the extent only of such
26 inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution
27 or ordinance, or part thereof, heretofore repealed.

28
29 Section 16. Effective Date. Upon due adoption of this Ordinance, it shall be
30 recorded in the book of the Governmental Unit kept for that purpose, authenticated by the
31 signatures of the Mayor and Clerk of the Governmental Unit, and the title and general
32 summary of the subject matter contained in this Ordinance (set out in Section 17 below)
33 shall be published in a newspaper which maintains an office and is of general circulation

1 in the Governmental Unit, or posted in accordance with law, and said Ordinance shall be
2 in full force and effect thereafter, in accordance with law.

3
4 Section 17. General Summary for Publication. Pursuant to the general laws of
5 the State, the title and a general summary of the subject matter contained in this Ordinance
6 shall be published in substantially the following form:

7
8 (Form of Summary of Ordinance for Publication)

9
10 City of Roswell, New Mexico

11 Notice of Adoption of Ordinance

12
13 Notice is hereby given of the title and of a general summary of the subject matter
14 contained in Ordinance No. _____ duly adopted and approved by the Governing Body of
15 the City of Roswell, New Mexico, on July 9, 2026. A complete copy of the Ordinance is
16 available for public inspection during the normal and regular business hours of the City
17 Clerk, 425 N. Richardson, Roswell, New Mexico.

18
19 The title of the Ordinance is:

20
21 CITY OF ROSWELL, NEW MEXICO

22 ORDINANCE NO. _____

23
24 AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT
25 AND INTERCEPT AGREEMENT BY AND BETWEEN THE CITY OF ROSWELL,
26 NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO
27 FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF
28 THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED
29 \$25,100,000, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF

1 DEFRAYING THE COST TO (I) ACQUIRE, CONSTRUCT, PURCHASE, EQUIP,
2 FURNISH, MAKE ADDITIONS TO, RENOVATE, REHABILITATE, BEAUTIFY, OR
3 OTHERWISE IMPROVE THE CITY'S FLOOD RECOVERY PROJECTS, (II) FUND A
4 LOAN AGREEMENT RESERVE ACCOUNT, AND (III) PAY EXPENSES;
5 PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL AND
6 INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE
7 REVENUES OF THE 0.375% MUNICIPAL FLOOD RECOVERY GROSS RECEIPTS
8 TAX IMPOSED PURSUANT TO GOVERNMENTAL UNIT ORDINANCE NO. _____,
9 ADOPTED _____, 2025, AND SECTION 7-19(D)-19, NMSA 1978, AS
10 AMENDED; APPROVING THE DELEGATION OF AUTHORITY TO MAKE
11 CERTAIN DETERMINATIONS REGARDING THE LOAN AGREEMENT
12 PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; PROVIDING
13 FOR THE DISTRIBUTION OF MUNICIPAL FLOOD RECOVERY GROSS RECEIPTS
14 TAX REVENUES TO BE REDIRECTED BY THE STATE TAXATION AND
15 REVENUE DEPARTMENT TO THE NEW MEXICO FINANCE AUTHORITY OR ITS
16 ASSIGNS FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE
17 LOAN AGREEMENT PURSUANT TO AN INTERCEPT AGREEMENT; APPROVING
18 THE FORM AND TERMS OF, AND OTHER DETAILS CONCERNING THE LOAN
19 AGREEMENT AND INTERCEPT AGREEMENT; RATIFYING ACTIONS
20 HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS
21 ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN
22 CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN
23 AGREEMENT AND INTERCEPT AGREEMENT.

24

25 A general summary of the subject matter of the Ordinance is contained in its title.

26 This notice constitutes compliance with Section 6-14-6, NMSA 1978.

27

28 (End of Form of Summary for Publication)

29

1 PASSED, APPROVED AND ADOPTED THIS 9th DAY OF JULY, 2026.

2

3

4

CITY OF ROSWELL, NEW MEXICO

5

6

7

8

By _____

9

Mayor

10 [SEAL]

11

12

13 ATTEST:

14

15

16

17

By _____

18

Clerk

1 Councilor _____ then moved adoption of the foregoing Ordinance, duly
2 seconded by Councilor _____.

3

4 The motion to adopt said Ordinance, upon being put to a vote, was passed and
5 adopted on the following recorded vote:

6

7 Those Voting Aye: _____

8

9 _____

10

11 _____

12

13 _____

14

15 _____

16

17 _____

18

19 _____

20

21 _____

22

23 _____

24

25 _____

1

2

3

Those Voting Nay: _____

4

5

6

Those Absent: _____

7

8

_____ () members of the Governing Body having voted in favor of said
9 motion, the Mayor declared said motion carried and said Ordinance adopted, whereupon
10 the Mayor and the Clerk signed the Ordinance upon the records of the minutes of the
11 Governing Body.

1 After consideration of matters not relating to the Ordinance, the meeting on the
2 motion duly made, seconded and unanimously carried, was adjourned.

3

4

5

CITY OF ROSWELL, NEW MEXICO

6

7

8

9

By _____

10

Mayor

11

12 [SEAL]

13

14

15 ATTEST:

16

17

18

19 By _____

20 Clerk

21

22

23

24

25

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

4.

Meeting Date: 06/11/2026

COMMITTEE: Finance

CONTACT: Tammi Smith

CHAIR: Kurt Gass

ACTION REQUESTED:

Proposed Ordinance 26-07 - Approval to advertise for a public hearing for Ordinance 26-07: An Ordinance to refund the Series 2017 Joint Water & Sewer Improvement Bonds. (Gass/Rogers)

BACKGROUND:

Initiated by: Hessel Yntema IV

This proposed ordinance would authorize the City of Roswell to refinance, pay, and discharge the outstanding Joint Water and Sewer Improvement Bond issued in 2017. It would also provide a mechanism to fund a loan agreement reserve account and provide for the payment of the principal and interest solely from the net revenues of the Joint Water and Sewer Utility System.

FINANCIAL CONSIDERATION

See Fiscal Impact below.

It is anticipated that by refinancing this bond, the City would likely save approximately \$750,000.00.

LEGAL REVIEW:

The proposed ordinance is legally sufficient.

BOARD AND COMMITTEE ACTION:

The Legal Committee considered this item at its May 28, 2026, meeting and voted 5-0 to recommend approval to the Finance Committee. The Finance Committee recommended approval 5-0 at its meeting on June 4, 2026.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Ordinance 26-07 Refunding Series 2017 Joint Water and Sewer Bonds
Ordinance 26-07 NMFA Refunding Application
Ordinance 26-07 Updated Time Schedule

1 STATE OF NEW MEXICO)
2 COUNTY OF CHAVES) ss.
3 CITY OF ROSWELL)
4

5 The City Council (the “Council”) of the City of Roswell (the “City”), in the State of New
6 Mexico, met in open regular session in full conformity with law and the ordinances and rules of the
7 City, in the Chaves County Administrative Center, Council Chambers, #1 St. Mary’s Place, Roswell,
8 New Mexico, being the regular meeting place of the Council, at 6:00 p.m., on Thursday, July 9, 2026,
9 at which time there were present and answering the roll call the following members:

Mayor: _____

Councilors: _____

Absent: _____

10 There was officially filed with the City Clerk, the Mayor and each Councilor, a copy of an
11 ordinance in final form, which is as follows:

CITY OF ROSWELL, NEW MEXICO
ORDINANCE NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE CITY OF ROSWELL, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$11,750,000, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF (1) REFINANCING, PAYING AND DISCHARGING THE GOVERNMENTAL UNIT'S OUTSTANDING JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS, SUBORDINATE SERIES 2017 ISSUED ON FEBRUARY 21, 2017, (2) FUNDING A LOAN AGREEMENT RESERVE ACCOUNT; AND (3) PAYING EXPENSES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES FROM THE GOVERNMENTAL UNIT'S JOINT WATER AND SEWER UTILITY SYSTEM; APPROVING THE DELEGATION OF AUTHORITY TO MAKE CERTAIN DETERMINATIONS REGARDING THE LOAN AGREEMENT PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; RATIFYING ACTIONS HERETOFORE TAKEN; APPROVING THE FORMS OF THE LOAN AGREEMENT AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Ordinance unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing municipality under the general laws of the State; and

WHEREAS, the Governing Body has determined and hereby determines that the Refunding Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and its residents that the Loan Agreement be executed and delivered and that the financing of the Refunding Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governmental Unit may use the Net Revenues to finance the Refunding Project and the Refunding Project will provide for the public health, peace and safety of the Governmental Unit and its residents; and

WHEREAS, The Governmental Unit now owns, operates and maintains water and sewer facilities, which the Governmental Unit hereby declares shall be continued to be operated as a joint public utility; and

1 WHEREAS, the Governmental Unit has heretofore provided for the imposition of rates and
2 charges against users of the System; and
3

4 WHEREAS, the Governing Body has determined that it may lawfully pledge the Net
5 Revenues for the payment of amounts due under the Loan Agreement; and
6

7 WHEREAS, except as described in the Term Sheet, the Net Revenues have not heretofore
8 been pledged to secure the payment of any obligation which is currently outstanding; and
9

10 WHEREAS, the Loan Agreement shall be a special, limited obligation of the Governmental
11 Unit, payable solely from the Net Revenues and shall not constitute a general obligation of the
12 Governmental Unit, or a debt or pledge of the faith and credit of the Governmental Unit or the State;
13 and
14

15 WHEREAS, the Loan Agreement shall be executed and delivered pursuant to the Act, and
16 with an irrevocable first lien, but not necessarily an exclusive first lien, on the Net Revenues; and
17

18 WHEREAS, the Governing Body intends by this Ordinance to authorize the execution and
19 delivery of the Loan Agreement in the amount and for the purposes set forth herein; and
20

21 WHEREAS, there have been presented to the Governing Body and there presently are on
22 file with the City Clerk this Ordinance and the form of the Loan Agreement, which are incorporated
23 by reference and considered to be a part hereof; and

24 WHEREAS, the Governing Body hereby determines that the Refunding Project to be
25 financed with the Loan is to be used for governmental purposes of the Governmental Unit and will
26 not be used for purposes which would cause the Loan Agreement to be deemed a "private activity
27 bond" as defined by the Internal Revenue Code of 1986, as amended; and
28

29 WHEREAS, the Governmental Unit previously issued its Joint Water and Sewer
30 Improvement Revenue Bonds, Subordinate Series 2017 on February 21, 2017 pursuant to Ordinance
31 No. 16-22 adopted on January 12, 2017, as supplemented by Resolution No. 17-04 adopted on January
32 24, 2017, in the original aggregate principal amount of \$18,230,000, of which there is presently
33 outstanding a principal amount of \$11,270,000; and
34

35 WHEREAS, the payments due on the Series 2017 Bonds are subject to redemption at the
36 option of the Governmental Unit at 100% of the principal amount then outstanding, plus accrued
37 interest to the date of redemption; and
38

39 WHEREAS, the Governmental Unit hereby determines that the execution and delivery of
40 the Loan Agreement, under current market conditions, for the purpose of the Refunding Project will
41 result in an over-all reduction of debt service payments to be made by the Governmental Unit from
42 Net Revenues to the benefit of the Governmental Unit, and consequently will provide for the public
43 health, safety and welfare of the Governmental Unit and its residents; and
44

45 WHEREAS, pursuant to Sections 6-14-8 through 6-14-12 NMSA 1978, as amended (the
46 "Supplemental Public Securities Act"), the Governing Body is authorized to adopt a Ordinance

1 delegating to one or more of its members, officers, or employees the authority to sign a Sale
2 Certificate setting forth the terms of the Loan so long as such terms are within the parameters
3 established by an authorizing ordinance or Ordinance adopted in conformity with the Supplemental
4 Public Securities Act; and

5
6 WHEREAS, in order to allow the Governmental Unit flexibility, the Governing Body
7 desires to grant to the Mayor and the City Manager or any other employee of the Governmental Unit
8 when designated by a certificate signed by the Mayor (collectively, the "Designated Officers"), the
9 authority (a) to determine any or all of the following terms of the Loan: (i) the interest and principal
10 payment dates, (ii) the principal amounts, denominations, and maturity dates, (iii) the sale prices, (iv)
11 the interest rates, (v) the interest payment periods, and (vi) the amount of underwriting discount, if
12 any; and (b) to make any changes with respect thereto from those terms which were before the
13 Governing Body at the time of adoption of this Ordinance, provided such terms do not exceed the
14 parameters set forth for such terms in this Ordinance; and

15
16 WHEREAS, the Governmental Unit will approve the specific terms of the Loan and
17 authorize execution of the Loan Agreement in a certification of the Designated Officers pursuant to
18 the terms of this Ordinance as set forth in the Sale Certificate; and

19
20 WHEREAS, all required authorizations, consents and approvals in connection with (i) the
21 use and pledge of the Net Revenues to the Finance Authority (or its assigns) for the payment of
22 amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance
23 the Refunding Project, and (iii) the authorization, execution and delivery of the Loan Agreement
24 which are required to have been obtained by the date of this Ordinance, have been obtained or are
25 reasonably expected to be obtained.

26
27 NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY
28 OF ROSWELL:

29
30 Section 1. Definitions. As used in the Ordinance, the following terms shall, for all
31 purposes, have the meanings herein specified, unless the context clearly requires otherwise (such
32 meanings to be equally applicable to both the singular and the plural forms of the terms defined):

33 "Act" means the general laws of the State, including Sections 3-31-1 through 3-31-12 and 6-
34 14-8 through 6-14-12, NMSA 1978, as amended, and enactments of the Governing Body relating to the
35 Loan Agreement, including this Ordinance.

36 "Aggregate Annual Debt Service Requirement" means the total principal and interest
37 payments due and payable pursuant to the Loan Agreement and on all Parity Obligations secured by
38 a pledge of any of the Net Revenues for any one Fiscal Year.

39 "Authorized Officers" means, in the case of the Governmental Unit, the Mayor, Manager,
40 Finance Director, and Clerk, and in the case of the Finance Authority the Chairman, Vice-Chairman
41 and Secretary of the Board of Directors and the Chief Executive Officer or any other officer or
42 employee of the Finance Authority designated in writing by an Authorized Officer.

1 “Bonds” means public project revolving fund revenue bonds, if any, issued hereafter by the
2 Finance Authority and specifically related to the Loan Agreement and the Loan Agreement
3 Payments.

4 “Closing Date” means the date of execution, delivery and funding of the Loan Agreement.

5 “Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations
6 thereunder.

7 “Completion Date” means the date of final payment of the cost of the Refunding Project.

8
9 “Expenses” means the cost of execution of the Loan Agreement and costs of issuance of the
10 Bonds, if any, and the periodic and regular fees and expenses incurred by the Finance Authority in
11 administering the Loan Agreement, including legal fees.

12
13 “Finance Authority” means the New Mexico Finance Authority.

14 “Finance Authority Debt Service Account” means the debt service account in the name of the
15 Governmental Unit within the Debt Service Fund as defined in the Indenture held and administered
16 by the Finance Authority to pay principal and interest on the Loan Agreement as the same become
17 due.

18 “Fiscal Year” means the period commencing on July 1 in each calendar year and ending on
19 the last day of June of the next succeeding calendar year, or any other twelve-month period which
20 any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

21 “Governing Body” means the City Council of the Governmental Unit, and any future
22 successor governing body of the Governmental Unit.

23 “Governmental Unit” means the City of Roswell, New Mexico.

24 “Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to the entire
25 Ordinance and not solely to the particular section or paragraph of the Ordinance in which such word
26 is used.

27 “Indenture” means the General Indenture of Trust and Pledge dated as of June 1, 1995, as
28 amended and supplemented, by and between the Finance Authority and the Trustee, as successor
29 trustee, or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as
30 supplemented, by and between the Finance Authority and the Trustee, as successor trustee, as
31 determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as
32 defined in the Indenture).

33 “Interest Component” means the portion of each Loan Agreement Payment paid as interest on
34 the Loan Agreement as shown on Exhibit “B” thereto.

35 “Joint Water and Sewer System,” “Joint System,” “System,” or “Utility” means the
36 municipally owned public utility designated as the Governmental Unit's water system and sanitary
37 sewer system (continued as a joint system) consisting of all properties, real, personal, mixed or

otherwise, now owned or hereafter acquired by the Governmental Unit through purchase, construction or otherwise, and used in connection with said water system and sanitary sewer system of the Governmental Unit and in any way appertaining thereto, whether situated within or without the limits of the Governmental Unit.

“Loan” means the funds in the Loan Agreement Principal Amount to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated the Closing Date between the Finance Authority and the Governmental Unit which provides for the financing of the Refunding Project and requires payments by or on behalf of the Governmental Unit to the Finance Authority and/or the Trustee and any amendments or supplements thereto, and including the exhibits attached to the Loan Agreement.

“Loan Agreement Payment” means, collectively, the Principal Component and the Interest Component to be paid by the Governmental Unit as payment of the Loan Agreement as shown on Exhibit “B” thereto.

“Loan Agreement Principal Amount” means the original principal amount of the Loan Agreement as shown on the Term Sheet and approved in the Sale Certificate.

“Loan Agreement Reserve Account” means the loan agreement reserve account in the name of the Governmental Unit established under the Indenture, funded from the proceeds of the Loan Agreement, and administered by the Trustee pursuant to the Indenture.

“Loan Agreement Reserve Requirement” means, with respect to the Loan, the amount shown as the Loan Agreement Reserve Account Deposit on the Term Sheet, which amount shall not to exceed the least of (i) ten percent (10%) of the Loan Agreement Principal Amount, (ii) 125% of the average annual principal and interest requirements under the Loan Agreement, or (iii) the maximum annual principal and interest requirements under the Loan Agreement.

“Net Revenues” means the revenues of the System after deducting Operation and Maintenance Expenses of the System that are pledged to payment of the Loan Agreement Payments pursuant to the Ordinance and described on the Term Sheet.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 compilation, as amended and supplemented.

“Operation and Maintenance Expenses” (or a phrase of similar import) means all reasonable and necessary current expenses of the Governmental Unit, paid or accrued, of operating, maintaining and repairing the System, and shall include, without limiting the generality of the foregoing, legal and overhead expense of the various Governmental Unit departments directly related and reasonably allocable to the administration of the System, insurance premiums, the reasonable charges of depository banks and paying agents, contractual services, professional services required by this ordinance, salaries and administrative expenses, labor, the cost of materials and supplies used for current operation, but shall not include any allowance for depreciation, liabilities incurred by the Governmental Unit as the result of its negligence in the operation of the System, extensions, enlargements or betterments, or any charges for the accumulation of reserves for capital replacements.

1 “Ordinance” means this Ordinance as adopted by the Governing Body on July 9, 2026,
2 approving the Loan Agreement and pledging the Net Revenues to the payment of the Loan
3 Agreement, as amended from time to time.

4 “Parity Obligations” means the Loan Agreement and any other obligations, now outstanding
5 or hereafter issued or incurred, payable from or secured by a lien or pledge of the Net Revenues and
6 issued with a lien on the Net Revenues on parity with the Loan Agreement, including those obligations
7 described on the Term Sheet, if any.

8 “Principal Component” means the portion of each Loan Agreement Payment paid as principal
9 on the Loan Agreement as shown on Exhibit “B” thereto.

10 “Program Account” means the account in the name of the Governmental Unit established
11 pursuant to the Indenture and held by the Trustee for the deposit of the net proceeds of the Loan
12 Agreement for disbursement to the Governmental Unit for payment of the costs of the Refunding
13 Project.

14 “Refunding Project” means refunding, paying and discharging the Governmental Unit’s
15 outstanding Series 2017 Bonds maturing on and after June 1, 2027, on the date of execution and
16 delivery of the Loan Agreement.

17 “Revenues” or “gross revenues” from the System means all income and revenues derived by
18 the Governmental Unit from the operation of the System, or any part thereof, whether resulting from
19 extensions, enlargements or betterments to the System, or otherwise, and includes all revenues
20 received by the Governmental Unit or any municipal corporation succeeding to the rights of the
21 Governmental Unit from the System and from the sale and use of water, water service and facilities,
22 sanitary sewer service and facilities, or any combination thereof to the inhabitants of the
23 Governmental Unit (including all territorial annexations which may be made while the Loan
24 Agreement is outstanding), or from the sale and use of water, water service and facilities, sanitary
25 sewer service and sewer facilities, and facilities or any combination thereof, by means of the System
26 owned and operated by the Governmental Unit as the same may at any time exist to serve customers
27 outside the Governmental Unit limits as well as customers within the Governmental Unit limits, and
28 also means income derived from the investment of any money in any of the funds established herein
29 or contained herein (but excluding such income from investments in the Rebate Fund) even though
30 such investment income is to be credited to the particular fund from which such investment is made.

31 “Sale Certificate” means one or more certificates executed by the Mayor or City Manager,
32 pursuant to and as authorized by Section 6-14-10.2, NMSA 1978, setting forth the final terms of the
33 Loan.

34 “Series 2017 Bonds” means the Governmental Unit’s outstanding Joint Water and Sewer
35 Improvement Revenue Bonds, Subordinate Series 2017, issued on February 21, 2017 pursuant to
36 Ordinance No. 16-22 adopted on January 12, 2017, as supplemented by Resolution No. 17-04 adopted
37 on January 24, 2017, in the original aggregate principal amount of \$18,230,000, of which there is
38 presently outstanding a principal amount of \$11,270,000.

39
40 “State” means the State of New Mexico.
41

1 “Term Sheet” means Exhibit “A” to the Loan Agreement.

2 “Trustee” means BOKF, NA, Albuquerque, New Mexico, or any successor trust company,
3 national or state banking association or financial institution at the time appointed the Trustee by the
4 Finance Authority.

5 Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions
6 of this Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the
7 Refunding Project and the execution and delivery of the Loan Agreement be, and the same hereby
8 are, ratified, approved and confirmed.

9 Section 3. Authorization of the Refunding Project and the Loan Agreement. The
10 Refunding Project and the method of financing the Refunding Project through execution and delivery
11 of the Loan Agreement are hereby authorized and ordered. The Refunding Project is for the benefit
12 of the Governmental Unit.

13 Section 4. Findings. The Governmental Unit hereby declares that it has considered all
14 relevant information and data and hereby makes the following findings:

15 A. The Refunding Project is needed to meet the needs of the
16 Governmental Unit and its residents and the execution and delivery of the Loan Agreement is
17 necessary and advisable.

18 B. Moneys available and on hand for the Refunding Project from all
19 sources other than the Loan are not sufficient to defray the cost of the Refunding Project.

20 C. The Net Revenues may lawfully be pledged to secure the payment
21 of amounts due under the Loan Agreement.

22 D. It is economically feasible to defray, in whole or in part, the costs
23 of the Refunding Project by the execution and delivery of the Loan Agreement.

24 E. The Refunding Project and the execution and delivery of the Loan
25 Agreement pursuant to the Act to provide funds for the financing of the Refunding Project are
26 necessary and in the interest of the public health, safety, and welfare of the residents of the
27 Governmental Unit.

28 F. The Governmental Unit will complete the Refunding Project, in
29 whole or in part, with the net proceeds of the Loan.

30 G. Other than as described in the Term Sheet, the Governmental Unit
31 does not have any outstanding obligations payable from Net Revenues which it has incurred or will
32 incur prior to the initial execution and delivery of the Loan Agreement.

33 H. The net effective interest rate on the Loan shall not exceed twelve
34 percent (12.0%) per annum, which is the maximum rate permitted by State law.

35 I. The Refunding Project will result in debt service savings for the
36 Governmental Unit in the amount of at least 3% present value savings.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the residents of the Governmental Unit and completing the Refunding Project, it is hereby declared necessary that the Governmental Unit, pursuant to the Act, execute and deliver the Loan Agreement evidencing a special, limited obligation of the Governmental Unit to pay a principal amount not to exceed \$11,750,000, plus interest, and the execution and delivery of the Loan Agreement are hereby authorized. The Governmental Unit shall use the proceeds of the Loan to (i) finance the Refunding Project, (ii) fund the Loan Agreement Reserve Account, and (iii) pay Expenses.

B. Detail. The Loan Agreement shall be in substantially the form presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in an aggregate principal amount not to exceed \$11,750,000, shall be payable in installments of principal due on June 1 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on June 1 and December 1 of each year, commencing on December 1, 2026 at the rates designated in Exhibit "B" to the Loan Agreement, all as approved in the Sale Certificate. The Loan shall be placed in a private sale at par and shall have a maximum term of fifteen (15) years. The underwriter's discount for the Loan shall not exceed 2% of the par amount of the Loan.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement with such changes, insertions and omissions as are consistent with this Ordinance and as may be approved by such individual Authorized Officers, and the City Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Net Revenues as set forth in the Loan Agreement and this Ordinance and shall be payable solely from the Net Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Net Revenues as provided in this Ordinance and the Loan Agreement and shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance or in the Loan Agreement, or any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Net Revenues), as incurring a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other

funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds: Completion of the Refunding Project.

A. Program Account, Finance Authority Debt Service Account and Loan Agreement Reserve Account. The Governmental Unit hereby consents to creation of the (i) Finance Authority Debt Service Account to be held and maintained by the Finance Authority, (ii) Program Account to be held by the Trustee pursuant to the Indenture, and (iii) Loan Agreement Reserve Account to be held by the Trustee, each in connection with the Loan. The Governmental Unit hereby approves: (i) of the deposit of the portion of the proceeds of the Loan Agreement in the Program Account, the Loan Agreement Reserve Account, and the Finance Authority Debt Service Account, and (ii) for payment of the Expenses.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Program Account, Finance Authority Debt Service Account and Loan Agreement Reserve Account, all as provided in the Loan Agreement and the Indenture.

The money in the Program Account shall be used and paid out solely for the purpose of completing the Refunding Project in compliance with applicable law and the provisions of the Loan Agreement and the Indenture.

The Governmental Unit will complete the Refunding Project with all due diligence.

B. Completion of the Refunding Project. Upon completion of the Refunding Project, any balance remaining in the Program Account shall be transferred and deposited into the Finance Authority Debt Service Account, as provided in the Loan Agreement and the Indenture.

C. Finance Authority and Trustee Not Responsible. The Finance Authority and the Trustee shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Net Revenues, Distributions of the Net Revenues and Flow of Funds.

A. Deposit of Net Revenues. Net Revenues shall be paid directly by the Governmental Unit to the Finance Authority for deposit in the Finance Authority Debt Service Account and remittance to the Trustee in an amount sufficient to pay principal, interest, premium, if any, and other amounts due under the Loan Agreement, including sufficient Net Revenues in the Loan Agreement Reserve Account to maintain the Loan Agreement Reserve Requirement.

B. Termination on Deposits to Maturity. No payment shall be made into the Finance Authority Debt Service Account if the amounts in the Finance Authority Debt Service Account and Loan Agreement Reserve Account total a sum at least equal to the entire aggregate amount to become due as to principal and interest on, and any other amounts due under, the Loan

1 Agreement in which case moneys in such accounts in an amount at least equal to such principal and
2 interest requirements shall be used solely to pay such obligations as the same become due, and any
3 moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as
4 provided below.

5 C. Use of Surplus Revenues. After making all the payments
6 hereinabove required to be made by this Section, any moneys remaining in the Finance Authority
7 Debt Service Account shall be transferred to the Governmental Unit on a timely basis and shall be
8 applied to any other lawful purpose, including, but not limited to, the payment of any Parity
9 Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or other purposes
10 authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental
11 Unit may from time to time determine.

12 Section 10. Lien on Net Revenues. Pursuant to this Ordinance and the Loan Agreement,
13 the Net Revenues are hereby authorized to be pledged to, and are hereby pledged, and the
14 Governmental Unit grants a security interest therein for, the payment of the principal, interest, and
15 any other amounts due under the Loan Agreement subject to the uses thereof permitted by and the
16 priorities set forth in this Ordinance. The Loan Agreement constitutes an irrevocable and first lien,
17 but not necessarily an exclusive first lien, on the Net Revenues with the lien thereon of the Parity
18 Obligations as set forth herein and in the Loan Agreement. The Governmental Unit shall not create
19 a lien on the Net Revenues superior to that of the Loan Agreement.

20 Section 11. Authorized Officers; Delegation. Authorized Officers are hereby individually
21 authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits
22 and other documents and to do and cause to be done any and all acts and things necessary or proper
23 for carrying out this Ordinance, the Loan Agreement, and all other transactions contemplated hereby
24 and thereby. Authorized Officers are hereby individually authorized to do all acts and things required
25 of them by this Ordinance and the Loan Agreement for the full, punctual and complete performance
26 of all the terms, covenants and agreements contained in this Ordinance and the Loan Agreement,
27 including but not limited to, the execution and delivery of closing documents in connection with the
28 execution and delivery of the Loan Agreement, and the publication of the summary of this Ordinance
29 set out in Section 17 of this Ordinance (with such changes, additions and deletions as may be
30 necessary).

31 Pursuant to the Supplemental Public Securities Act, Section 6-14-8 et seq., NMSA 1978, the
32 Mayor and City Manager are each hereby delegated authority to accept and to determine any or all of
33 the final terms of the Loan Agreement and to execute the Sale Certificate, subject to the parameters
34 and conditions contained in this Ordinance. The Mayor or the City Manager shall present the Sale
35 Certificate and the final terms of the Loan Agreement to the Governing Body in a timely manner,
36 before or after execution and delivery of the Loan Agreement, at a regularly scheduled public meeting
37 of the Governing Body.

38 Section 12. Amendment of Ordinance. This Ordinance may be amended by ordinance of
39 the Governing Body without receipt by the Governmental Unit of any additional consideration, but
40 only with the prior written consent of the Finance Authority. This Ordinance will be supplemented
41 by the terms set forth in the Sale Certificate.

1 Section 13. Ordinance Irrepealable. After the Loan Agreement has been executed and
2 delivered, this Ordinance shall be and remain irrepealable until all obligations due under the Loan
3 Agreement shall be fully paid, canceled and discharged, as provided therein.

4 Section 14. Severability Clause. If any section, paragraph, clause or provision of this
5 Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or
6 unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining
7 provisions of this Ordinance.

8 Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts
9 thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This
10 repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof,
11 heretofore repealed.

12 Section 16. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in
13 the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Mayor
14 and the City Clerk of the Governmental Unit, and the title and general summary of the subject matter
15 contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which is
16 of general circulation in the Governmental Unit, or posted in accordance with law, and such
17 Ordinance shall be in full force and effect thereafter, in accordance with law.

18 Section 17. General Summary for Publication. Pursuant to the general laws of the State,
19 the title and a general summary of the subject matter contained in this Ordinance shall be published
20 in substantially the following form:

21
22 (Form of Summary of Ordinance for Publication)

23
24 City of Roswell, New Mexico
25 Notice of Adoption of Ordinance
26

27 Notice is hereby given of the title and of a general summary of the subject matter contained
28 in Ordinance No. _____ duly adopted and approved by the Governing Body of the City of Roswell,
29 New Mexico, on July 9, 2026. A complete copy of the Ordinance is available for public inspection
30 during the normal and regular business hours of the City Clerk, 425 N. Richardson, Roswell, New
31 Mexico.

32
33 CITY OF ROSWELL, NEW MEXICO
34 ORDINANCE NO. _____
35

36 AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND
37 BETWEEN THE CITY OF ROSWELL, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND
38 THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), EVIDENCING
39 A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A
40 PRINCIPAL AMOUNT NOT TO EXCEED \$11,750,000, TOGETHER WITH INTEREST
41 THEREON, FOR THE PURPOSE OF (1) REFINANCING, PAYING AND DISCHARGING THE
42 GOVERNMENTAL UNIT'S OUTSTANDING JOINT WATER AND SEWER IMPROVEMENT
43 REVENUE BONDS, SUBORDINATE SERIES 2017 ISSUED ON FEBRUARY 21, 2017, (2)
44 FUNDING A LOAN AGREEMENT RESERVE ACCOUNT; AND (3) PAYING EXPENSES;

1 PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE LOAN
2 AGREEMENT SOLELY FROM THE NET REVENUES FROM THE GOVERNMENTAL UNIT'S
3 JOINT WATER AND SEWER UTILITY SYSTEM; APPROVING THE DELEGATION OF
4 AUTHORITY TO MAKE CERTAIN DETERMINATIONS REGARDING THE LOAN
5 AGREEMENT PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT;
6 RATIFYING ACTIONS HERETOFORE TAKEN; APPROVING THE FORMS OF THE LOAN
7 AGREEMENT AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT;
8 REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING
9 THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND
10 DELIVERY OF THE LOAN AGREEMENT

11
12 A general summary of the subject matter of the Ordinance is contained in its title. This notice
13 constitutes compliance with Section 6-14-6, NMSA 1978.

14
15 (End of Form of Summary for Publication)

PASSED, APPROVED AND ADOPTED THIS 9th DAY OF JULY, 2026.

CITY OF ROSWELL, NEW MEXICO

ATTEST:

Mayor

City Clerk

1 Councilor _____ then moved adoption of the foregoing Ordinance, duly seconded by
2 Councilor _____.

3 The motion to adopt said Ordinance, upon being put to a vote, was passed and adopted on
4 the following recorded vote:

5

6 Those Voting Aye: _____

7

8 _____

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28 Those Voting Nay: _____

29

30 Those Absent: _____

31

32

33 _____ () members of the Governing Body having voted in favor of said motion, the
Mayor declared said motion carried and said Ordinance adopted, whereupon the Mayor and the Clerk
signed the Ordinance upon the records of the minutes of the Governing Body.

1 After consideration of matters not relating to the Ordinance, the meeting on the motion duly
2 made, seconded and unanimously carried, was adjourned.

3
4
5 CITY OF ROSWELL, NEW MEXICO
6

7 By _____
8 Mayor
9

10 [SEAL]

11 ATTEST:
12

13 By _____
14 Clerk
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NEW MEXICO
FINANCE AUTHORITY

NMFA Use Only:

App. #:	-PP
FA assigned:	
Legislative Authorization	

**PUBLIC PROJECT REVOLVING FUND
BUILDING APPLICATION**

I. GENERAL INFORMATION

A. APPLICANT /ENTITY

Application Date: 1/9/2026

Applicant/Entity:	City of Roswell, New Mexico				
Address:	425 N Richardson Roswell, NM 88201				
County	Chaves	Census Tract:			
Federal Employer Identification Number (EIN) as issued by the IRS:					
Legislative District:	Senate:		House:		
Phone:	575-624-6700	Fax:		Email Address:	h.yntema@roswell-nm.gov
Individual Completing Application:	Carissa Stone				
Address:	6301 Uptown Blvd. NE Suite 110, Albuquerque NM 87110				
Phone:	505-872-5999	Fax:		Email Address:	carissa.stone@rbccm.com

B. CONSULTING PROFESSIONALS (Bond/Legal Counsel, Architect, Engineer, etc.), if available:

Firm:	Modrall Law Firm				
Contact:	Chris Muirhead				
Address:	500th St. NW Ste 1000, Albuquerque, NM 87102				
Phone:	505-848-1800	Fax:		Email Address:	cmuirhead@modrall.com

C. PRIMARY CONTACT PERSON:

Name:	Hessel Yntema				
Contact:	City Manager, City of Roswell				
Address:	425 N Richardson Roswell, NM 88201				
Phone:	575-624-6700	Fax:		Email Address:	h.yntema@roswell-nm.gov

II. PROJECT SUMMARY

- A. Project Description.** Complete the following information in the provided space below. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

1. Description of the project.

Refunding of the Series 2017 Joint Water & Sewer Improvement Bonds

- 2. Proposed Project Start Date:** September 2026 **Proposed Project Completion Date:** September 2026
When do you need NMFA funds available? September 2026

3. How will the ongoing maintenance, operation, and replacement of this project be funded?

Not applicable as it is a refunding.

4. Provide a detailed drawdown schedule for project payments. The schedule may reflect monthly or quarterly payments.

B. Total Project Cost & Sources of Funds Detail.

Construction Activities	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Planning and Design	\$	\$	\$	\$
Construction	\$	\$	\$	\$
Equipment	\$	\$	\$	\$
Infrastructure Activities				
Facility Acquisition	\$	\$	\$	\$
Land Acquisition	\$	\$	\$	\$
Utilities (Electric, Gas, Water, etc.)	\$ 11,500,000	\$	\$	\$
Engineering and Architectural	\$	\$	\$	\$
Contingencies	\$	\$	\$	\$
Project Administration/Legal Fees	\$	\$	\$	\$
Other Cost of Issuance	\$ 100,000	\$	\$	\$
Total Cost:	\$	\$	\$	\$

*Specify any other public funds, and amounts and terms of these funds, i.e. FmHA, CDBG, EPA, etc.

Source	Amount	Terms / # of Years
	\$	
	\$	
	\$	
Total:	\$	

Attach a letter verifying that each non-NMFA funding source has been approved, or is in the process of being approved for this project. Explain any exceptions.

C. Will this project require right-of-way acquisition? Yes ☐ No ☒

If yes, specify any right-of-way needs, and whether acquisition may or may not delay beginning of project.

D. Who will hold title to the land where the project is to be located?

Not applicable

If this is land owned by the Bureau of Land Management, State Land Office, or Tribal Land, please attach lease agreements. (If there is no clear title, attach an explanation of ownership arrangements)

- E. Does this project require a Joint Powers Agreement (JPA)? Yes ☐ No ☒

If yes, provide a copy of the JPA, which should include a list of the current membership.

III. FINANCING

- A. 1. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).

- ☐ Municipal Local Option GRT – please specify: _____
- ☐ County Option GRT – please specify: _____
- ☐ Other Tax-Based Revenue: _____
- ☐ State-Shared GRT _____
- ☐ Law Enforcement Funds _____
- ☐ Fire Protection Funds _____
- ☒ Net System Revenues: Joint Utility _____
- ☐ Other Revenue: _____

2. Is there an alternative revenue source available to pledge to pay debt service in the event that the primary pledged revenue is unavailable or insufficient? Yes ☐ No ☒ If yes, specify:

3. Preferred financing term: 11 years.

- B. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes ☐ No ☒

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan.

IV. READINESS TO PROCEED ITEMS

- A. The following items must accompany this application in order for this application to be considered complete:

- ☐ Equipment cost breakdown (if applicable)
- ☐ Three most recently completed fiscal year audit reports
- ☐ Current unaudited financials
- ☐ Current fiscal year budget
- ☐ Verification of ownership of land where project will be located
- ☐ Documentation that each non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- ☐ Joint Powers Agreement (if applicable)

B. In addition, complete the following information in the provided space below. These items will be required prior to disbursement of NMFA proceeds:

- ☐ Provide a detailed drawdown schedule for project payments
- ☐ Final technical information for the project, stamped and approved by a registered engineer
- ☐ Cost breakdown of the project, certifiable by either an engineer or architect
- ☐ Area map, site map, and floor map (if applicable)
- ☐ Verification of ownership of land where project will be located
- ☐ Documentation that each Non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- ☐ Documentation showing status of right-of-way acquisition (if applicable)
- ☐ Explanation of land ownership arrangements (if applicable)
- ☐ List all required permits and licenses necessary to complete this project. Detail the status of each item, a plan of action, and time frame for completing incomplete permits and licenses. Also provide a copy of all permits and licenses.
- ☐ Is there litigation pending which would have a bearing on this project or applicant?
Yes ☐ No ☐
If yes, provide a complete summary of all circumstances relating to such litigation.

- ☐ Indicate the regular meeting dates for your authorizing body: _____

V. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.

We will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:

Title:

(highest elected official)

Jurisdiction:

Print Name:

Date:

Signature:

Date:

Finance Officer/Director:

CITY OF ROSWELL, NEW MEXICO
Joint Utility Refunding and Flood Recovery GRT Financing Time Schedule
New Mexico Finance Authority

Date	Action	Responsibility
Friday, May 01	Submit Draft Applications to NMFA for June Board Approval	CITY, FA, NMFA
Thursday, June 04	Finance Committee meeting Finance Plan Update and Review of Bond Ordinances	CITY, FA, BC
Thursday, June 11	City Commission Meeting - First Reading of Bond Ordinances and approval of NMFA Application Resolutions	CITY, FA, BC
Friday, June 12	Submit Final Signed NMFA Applications	MA
Thursday, July 02	Finance Committee meeting Bond Ordinance	CITY, FA, BC
Thursday, July 09	City Commission Meeting - Approval of Bond Ordinance	CITY, FA, BC
Monday, July 13	Notice of Adoption published in paper of local circulation	
Thursday, June 25	NMFA Board meeting to Approve Loan	CITY, FA, BC, NMFA
Thursday, July 23	NMFA Board Authorization of Simultaneous Marketing	CITY, FA, BC, NMFA
Wednesday, August 12	Thirty day limitation of action period expires	
Thursday, August 27	Bond Pricing - NMFA Simultaneous Pricing	CITY, FA, BC, NMFA
Thursday, September 03	Closing Documents Circulated	CITY, FA, BC
Thursday, September 10	City Council Presentation of Bond Sale Results	CITY, FA, BC
Thursday, September 17	Bond Closing	SD, RBC, BC, NMFA
Working Group Key		
Code	Participant	Role
CITY	City of Roswell	Issuer
FA	RBC Capital Markets	Municipal Advisor
BC	Modrall Law Firm	Bond Counsel
NMFA	New Mexico Finance Authority	Purchaser

Note 1: Finance Committee meeting first Thursday of the month

Note 2: City Council meeting second Thursday of the month

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

5.

Meeting Date: 06/11/2026

COMMITTEE: Infrastructure

CONTACT: James MacCornack

CHAIR: Darrell Johnson

ACTION REQUESTED:

Resolution 26-28: adoption of Resolution 26-28: A resolution for closing the Asset Management Plan Grant from the New Mexico Finance Authority. (Johnson/MacCornack)

BACKGROUND:

Initiated by: James MacCornack

In 2023, the City obtained a grant from the New Mexico Finance Authority to create an Asset Management Plan for the City of Roswell. Souder, Miller, and Associates was retained to prepare the plan for the City of Roswell. City Council approved the Asset Management Plan in March 2026. Resolution 26-28 under consideration is to close the grant agreement with the New Mexico Finance Authority and receive final reimbursement.

FINANCIAL CONSIDERATION

Final reimbursement of \$12,007.90 to be received from NMFA.

LEGAL REVIEW:

Resolution has been reviewed by the City legal department

BOARD AND COMMITTEE ACTION:

Infrastructure Committee on 5/18/2026 voted (5-0) to recommend this item to City Council on the consent agenda.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Draft Resolution 26-28
PG-6092 Grant Agreement
Roswell PG-6092 Grantee Certificate

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RESOLUTION 26-28

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LOCAL GOVERNMENT PLANNING GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (THE "NMFA"), AND CITY OF ROSWELL, CHAVES COUNTY, NEW MEXICO (THE "GRANTEE"), IN THE AMOUNT OF \$12,007.90 EVIDENCING AN OBLIGATION OF THE GRANTEE TO UTILIZE THE GRANT AMOUNT AND THE LOCAL MATCH AMOUNT, IF APPLICABLE, SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF ASSET MANAGEMENT PLAN, AND SOLELY IN THE MANNER DESCRIBED IN THE GRANT AGREEMENT; CERTIFYING THAT THE GRANT AMOUNT, TOGETHER WITH THE LOCAL MATCH, IF APPLICABLE, AND OTHER FUNDS AVAILABLE TO THE GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE GRANT AGREEMENT; COMMITTING TO ADOPTING THE ASSET MANAGEMENT PLAN; COMMITTING TO ADOPT A RESERVE POLICY IDENTIFYING AN ALLOCATION OF RESERVES TO FUND THE ASSET MANAGEMENT PLAN; COMMITTING TO ESTABLISHING A RATE SCHEDULE ADEQUATE TO FUND THE RESERVE; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTION IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE GRANT AGREEMENT.

WHEREAS, City of Roswell is a legally and regularly created, established, organized and existing municipality, in good standing under the general laws of the State of New Mexico, as amended; and

WHEREAS, the City of Roswell is qualified to receive the Planning Grant pursuant to the NMFA's Rules Governing the Local Government Planning Fund and NMSA 1978, §6-21-6.4, as amended; and

WHEREAS, the City Council hereby determines that the Project may be financed with amounts granted pursuant to the Grant Agreement, that the Grant Amount, together with the Local Match, if applicable, and other moneys available to the City of Roswell, is sufficient to complete the Project, and that it is in the best interest of the City of Roswell and the public it serves that the Grant Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Grant Agreement; and

WHEREAS, the City Council has determined that it may lawfully enter into the Grant Agreement, accept the Grant Amount and be bound to the obligations and by the restrictions thereunder; and

WHEREAS, the City of Roswell acknowledges and understands that the Planning Grant must be expended and a Planning Document must be completed within eighteen (18) months from the

1 NMFA Board Approval Date, or the City of Roswell will forfeit the ability to draw Grant funds
2 from the Local Government Planning Fund; and
3

4 **WHEREAS**, the Grant Agreement shall not constitute a general obligation of the City of Roswell
5 or a debt of pledge of the faith and credit of the Grantee, the NMFA or the State; and
6

7 **WHEREAS**, the City of Roswell upon completion of the asset management plan shall provide the
8 NMFA with a resolution that (i) adopts the completed asset management plan; (ii) includes a
9 summary sheet showing the prioritized assets and cost associated with improving those assets; (iii)
10 adopts a reserve policy that specifically identifies the allocation of the reserves to fund the asset
11 management plan with an annual target; and (iv) establish a rate schedule sufficient to fund the
12 reserve; and
13

14 **WHEREAS**, there have been presented to the City Council and there presently are on file with the
15 Clerk this Resolution and the form of the Grant Agreement which is incorporated by reference and
16 made a part hereof; and
17

18 **WHEREAS**, all required authorizations, consents and approvals in connection with (i) the use of
19 the Grant Amount for the purposes described and according to the restrictions set forth in the Grant
20 Agreement; and (ii) the authorization, execution and delivery of the Grant Agreement which are
21 required to have been obtained by the date of this Resolution, have been obtained or are reasonably
22 expected to be obtained.
23

24 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS THE
25 GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO, that:
26

27 SECTION 11 Definitions. All terms used herein have the same definition as contained in the draft
28 Grant Agreement, dated May 29, 2026
29

30 SECTION 12 Ratification. All action heretofore taken (not inconsistent with the provisions of this
31 Resolution) by the City of Roswell and officers of the City of Roswell, directed toward the Project
32 and the execution and delivery of the Grant Agreement, shall be and the same hereby is ratified,
33 approved and confirmed.
34

35 SECTION 13 Authorization of the Project and the Grant Agreement. The Project and the method
36 of funding the Project through execution and delivery of the Grant Agreement are hereby
37 authorized and ordered. The Project is for the benefit and use of the City of Roswell and the public
38 it serves.
39

40 SECTION 14 Findings. The City Council on behalf of the City of Roswell, hereby declares that
41 it has considered all relevant information and data and hereby makes the following findings:
42

43 A. The Project is needed to capture asset data for the Water and Wastewater utilities, which
44 will be used to build a Capital Improvement Plan Planning Tool that shows the condition and
45 remaining life of the assets, and provide a 20-year cost projection for rehabilitation or replacement
46 of the assets, as well as GIS mapping.

1
2 B. The costs of the Project are beyond the local control and resources of the Grantee.
3

4 C. The Project and the execution and delivery of the Grant Agreement pursuant to the Act
5 to provide funds for the financing of the Project are in the interest of the public health, safety and
6 welfare of the public served by the Grantee.
7

8 D. The City of Roswell will perform (or cause to be performed) the Project with the
9 proceeds of the Planning Grant and will utilize the Project for the purposes set forth in the Grant
10 Agreement.
11

12 E. The City of Roswell will forfeit the Planning Grant if the Grantee fails to utilize the
13 Grant Amount within eighteen (18) months from the NMFA Board Approval Date.
14

15 F. The Local Match is legally available to be applied to the Project in the amount of
16 \$36,023.69.
17

18 SECTION 15 Grant Agreement—Authorization and Detail.
19

20 A. Authorization. This Resolution has been adopted by the affirmative vote of
21 either a majority of a quorum of the City Council or of all members. For the purpose of
22 protecting the public health, conserving the property, and protecting the general welfare and
23 prosperity of the public served by the City Council and by the other qualifying entities involved
24 in the Project, if any, and performing the Project, it is hereby declared necessary that the City of
25 Roswell execute and deliver the Grant Agreement evidencing the City of Roswell's acceptance
26 of the Grant Amount of \$12,007.90 and the availability of the Local Match, if applicable, or
27 other funds to be utilized solely for the Project and solely in the manner and according to the
28 restrictions set forth in the Grant Agreement, the execution and delivery of which are hereby
29 authorized. The City of Roswell shall use the proceeds of the Grant and the Local Match, if
30 applicable, to finance the performance of the Project. The Project will be owned by the City of
31 Roswell and will be utilized by the Grantee as set forth in the Grant Agreement.
32

33 B. Detail. The Grant Agreement shall be in substantially the form of the Grant Agreement
34 presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant
35 shall be in the amount of \$12,007.90.
36

37 SECTION 16 Approval of Grant Agreement. The form of the Grant Agreement as presented at
38 the meeting of the City Council at which this Resolution was adopted is hereby approved.
39 Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the
40 Grant Agreement with such changes, insertions, and deletions as may be approved by such
41 individual Authorized Officers, and the Clerk is hereby authorized to affix the seal of the City of
42 Roswell on the Grant Agreement and attest the same. The execution of the Grant Agreement shall
43 be conclusive evidence of such approval.
44

45 SECTION 17 Disposition of Proceeds; Completion of Acquisition of the Project.
46

A. Grant Account. The Grantee hereby consents to creation of the Grant Account by the

1 NMFA and approves of the deposit of the Grant Amount into the Grant Account. Until the
2 Completion Date, the money in the Grant Account shall be used and paid out solely for the
3 purpose of the Project in compliance with applicable law and the provisions of the Grant
4 Agreement.

5
6 B. Completion of Acquisition of the Project. The Grantee shall proceed to acquire and
7 complete the Project in accordance with Section 2.1(f) of the Grant Agreement with all due
8 diligence. Upon the Completion Date, the Grantee shall execute a certificate substantially in the
9 form attached as Exhibit "C" to the Grant Agreement stating that acquisition of and payment for
10 the Project have been completed. As soon as practicable and, in any event, not more than sixty
11 (60) days after the Completion Date, any balance remaining in the Grant Account shall be
12 transferred and returned to the Local Government Planning Grant Fund.

13
14 C. NMFA Not Responsible. The NMFA shall in no manner be responsible for the
15 application or disposal by the Grantee or by the officers of the Grantee of the funds derived from
16 the Grant Agreement or of any other funds held by or made available to the Grantee's in connection
17 with use of the Project.

18
19 SECTION 18 Authorized Officers. Authorized Officers are hereby individually authorized and
20 directed to execute and deliver any and all papers, instruments, opinions, affidavits and other
21 documents and to do and cause to be done any and all acts and things necessary or proper for
22 carrying out this Resolution, the Grant Agreement, and all other transactions contemplated hereby
23 and thereby. Authorized Officers are hereby individually authorized to do all acts and things
24 required of them by this Resolution and the Grant Agreement for the full, punctual and complete
25 performance of all the terms, covenants and agreements contained in this Resolution and the Grant
26 Agreement, including, but not limited to, the execution and delivery of closing documents in
27 connection with the execution and delivery of the Grant Agreement.

28
29 SECTION 19 Amendment of Resolution. This Resolution after its adoption may be amended
30 without receipt by the City of Roswell of any additional consideration, but only with the prior
31 written consent of the NMFA.

32
33 SECTION 110 Resolution Irrepealable. After the Grant Agreement has been executed and
34 delivered, this Resolution shall be and remain irrepealable until all obligations of the City of
35 Roswell under the Grant Agreement shall be fully discharged, as herein provided.

36
37 SECTION 111 Severability Clause. If any section, paragraph, clause or provision of this Resolution
38 shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of
39 such section, paragraph, clause or provision shall not affect any of the remaining provisions of this
40 Resolution.

41
42 SECTION 112 Repealer Clause. All bylaws, orders, resolutions, ordinances, or parts thereof,
43 inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer
44 shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof,
45 heretofore repealed.

1 SECTION 113 Effective Date. Upon due adoption of this Resolution, it shall be recorded in the
2 book of the Grantee kept for that purpose, authenticated by the signatures of the Mayor or City
3 Manager and Clerk of the City of Roswell, and this Resolution shall be in full force and effect
4 thereafter, in accordance with law; provided, however, that if recording is not required for the
5 effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution
6 by the City Council.

7
8 SECTION 114 Execution of Agreements. The City of Roswell through its City Council agrees to
9 authorize and execute all such agreements with the NMFA as are necessary to consummate the
10 Grant contemplated herein and consistent with the terms and conditions attached hereto.

11
12
13 PASSED, ADOPTED, SIGNED and APPROVED _____, _____.

14
15 CITY SEAL

16
17
18 _____
Timothy Z. Jennings, Mayor

19 ATTEST

20
21 _____
22 Amalia Martinez, City Clerk
23
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Governing Body Member _____ then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member _____.

The motion to adopt said Resolution, upon being put to a vote was passed and adopted on the following recorded vote:

Those Voting Aye:

—

1

—

—

—

—

—

Those Voting Nay:

T

1

—

_____) members of the Governing Body having voted in favor of said motion, the Mayor or City Manager declared said motion carried and said Resolution adopted, whereupon the Mayor or City Manager and the Clerk signed the Resolution upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Resolution, the meeting on motion duly made, seconded and carried, was adjourned.

[Signature page follows.]

CITY OF ROSWELL
Chaves County, New Mexico

By: _____

Name: _____

Title: _____

By _____
Amalia Martinez, City Clerk

(SEAL)

[Remainder of page intentionally left blank.]

1 STATE OF NEW MEXICO)
2) ss.
3 COUNTY OF CHAVES)
4

5 I, Amalia Martinez, Clerk, the duly qualified and acting record-keeping officer of the
6 City of Roswell, Chaves County, New Mexico (the "Grantee"), do hereby certify:
7

- 8 1. The foregoing pages are a true, perfect, and complete copy of the record of the
9 proceedings of the City Council of Roswell, New Mexico, constituting the Governing
10 Body of the Grantee, had and taken at a duly called regular meeting held at Chaves
11 County Administrative Center, Commission Chambers, 1 St. Mary's Place, Roswell,
12 New Mexico, on June 11, 2026, at the hour of 6:00 p.m., insofar as the same relate to
13 the adoption of Resolution No. and the execution and delivery of the proposed Grant
14 Agreement, a copy of which is set forth in the official records of the proceedings of
15 the Governing Body kept in the offices of the Grantee. None of the action taken in the
16 said proceedings has been rescinded, repealed or modified.
17
- 18 2. Said proceedings were duly had and taken as therein shown, the meeting therein was
19 duly held, and the persons therein named were present at said meeting, as therein
20 shown.
21
- 22 3. Notice of said meeting was given in compliance with the permitted methods of giving
23 notice of regular meetings of the Governing Body as required by the State Open
24 Meetings Act, NMSA 1978, § 10-15-1, as amended, including, Grantee's Open
25 Meetings Resolution No. 25-28, dated July 10, 2025, presently in effect.
26

27 IN WITNESS WHEREOF, I have hereunto set my hand this June 26, 2026.
28

29 CITY OF ROSWELL
30 Chaves County, New Mexico
31

32 By _____
33 Amalia Martinez, Clerk
34
35

36 (SEAL)
37
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1
2
3

EXHIBIT “A”

Notice of Meeting

DRAFT

\$12,007.90

PLANNING GRANT AGREEMENT

dated

June 26, 2026

by and between

NEW MEXICO FINANCE AUTHORITY

and

**CITY OF ROSWELL
Chaves County, New Mexico**

PG-6092

PLANNING GRANT AGREEMENT

THIS PLANNING GRANT AGREEMENT (the “Grant agreement”), dated June 26, 2026, is entered into by and between the NEW MEXICO FINANCE AUTHORITY (the “NMFA”) and City of Roswell, located in Chaves County, New Mexico (the “Grantee”).

WITNESSETH:

WHEREAS, the NMFA is a public body politic and corporate, separate and apart from the State of New Mexico (the “State”), constituting a governmental instrumentality, duly organized and created under and pursuant to the laws of the State, particularly §§6-21-1 through 6-21-31, NMSA 1978, as amended, (the “New Mexico Finance Authority Act”); and

WHEREAS, §6-21-6.4, NMSA 1978, as amended, creates the Local Government Planning Fund to be administered by the NMFA to make Grants to qualified entities to develop an asset management plan and to pay administrative costs of the local government planning fund program; and

WHEREAS, Grantee is a legally and regularly created, established, organized and existing municipality, in good standing under the general laws of the State of New Mexico, NMSA 1978, as amended; and

WHEREAS, the Grantee is qualified to receive the Planning Grant pursuant to the NMFA’s Rules and §6-21-6.4, NMSA 1978, as amended; and

WHEREAS, the Grantee has applied to the NMFA for Planning Grant (as defined below) funding and has determined that it is in the best interest of the Grantee and the public it serves that the Grantee enter into this Grant Agreement with the NMFA and accept a grant in the amount of \$12,007.90 from the NMFA to carry out the Project, as more fully described in Exhibit “A” attached hereto; and

WHEREAS, the Grantee acknowledges and understands that the Planning Grant must be expended and the Planning Documents must be completed within eighteen (18) months from the NMFA Board Approval Date, or the Grantee will forfeit the ability to draw Grant funds from the Local Government Planning Fund and be required to repay the entire Grant Amount to the NMFA; and

WHEREAS, the Grantee upon completion of the asset management plan shall provide the NMFA with a resolution that (i) adopts the completed asset management plan; (ii) includes a summary sheet showing the prioritized assets and cost associated with improving those assets; (iii) adopts a reserve policy that specifically identifies the allocation of the reserves to fund the asset management plan with an annual target; and (iv) establishes a rate schedule sufficient to fund the reserve; and

WHEREAS, the Grantee is prepared to perform all its obligations and to observe and obey all restrictions on the use of the Grant set forth in this Grant Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual promises and covenants contained herein, the parties hereto agree:

ARTICLE I: DEFINITIONS

As used in this Agreement, including the foregoing recitals, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Agreement Term” means the term of this Grant Agreement as provided under Article III of this Grant Agreement.

“Authorized Officers” means in the case of the Grantee the Mayor or City Manager of the Governing Body, and in the case of the NMFA the Chairperson, Vice-Chairperson and Secretary of the Board of Directors and the Chief Executive Officer, or any other officer or employee of the NMFA designated in writing by an Authorized Officer.

“Closing Date” means the date of execution, delivery and funding of this Grant Agreement.

“Event of Default” means one or more events of default as defined in Article IX of this Grant Agreement.

“NMFA” means the New Mexico Finance Authority.

“Force Majeure” means any act of God, fire, floods, storms, explosions, accidents, epidemics, war, civil disorder, strikes, lockouts or other labor difficulties, or any law, rule, regulation, order or other action adopted or taken by any federal, state or local government authority, or any other cause not reasonably within such party’s control.

“Governing Body” means the City Council of the Grantee, or any future governing body of the Grantee.

“Grant Account” means the account in the name of the Grantee established pursuant to this Grant Agreement and held by the NMFA for deposit of the Grant Amount for disbursement to the Grantee for payment of the costs of the Project.

“Grant Agreement” means this grant agreement and any amendments or supplements hereto, including the Exhibits attached hereto.

“Grant Amount” means the sum of Twelve Thousand Seven and 90/100 Dollars (\$12,007.90).

“Grantee” means City of Roswell, Chaves County, New Mexico.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove,” “hereafter” and similar words refer to this entire Grant Agreement and not solely to the particular section or paragraph of this Grant Agreement in which such word is used.

“Local Government Planning Fund” means the fund of the same name created pursuant to the Act and held and administered by the NMFA.

“Local Match” means \$36,023.69.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

“Planning Document” means a written document in the form of an asset management plan created for the purpose of evaluating and estimating the costs of alternatives to meet the Grantee’s need to capture asset data for the Water and Wastewater utilities, which will be used to build a Capital Improvement Plan Planning Tool that shows the condition and remaining life of the assets, and provide a 20-year cost projection for rehabilitation or replacement of the assets, as well as GIS mapping public project needs.

“Planning Grant” or “Grant” means the amount provided to the Grantee pursuant to the Grant Agreement for the purpose of funding the Project and is equal to the Grant Amount.

“Policy” or “Policies” means the New Mexico Finance Authority Local Government Planning Fund Project Management Policies.

“Project” means the preparation of the Planning Document as more particularly described in Exhibit “A” hereto.

“Resolution” means the Grantee’s Resolution No. _____ adopted on June 11, 2026, authorizing the Grantee’s acceptance of the terms and conditions of this Grant Agreement.

“Rules” mean the Rules governing the Local Government Planning Fund as adopted by the Board of Directors of the NMFA, as amended and supplemented from time to time.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1. Representations, Warranties and Covenants of the Grantee. The Grantee represents, warrants and covenants as follows:

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Grantee contained in this Grant Agreement and the Resolution shall be deemed to be the covenants, stipulations, obligations and agreements of the Grantee to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall

be binding upon the Grantee and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreement shall be transferred by or in accordance with law. Except as otherwise provided in this Grant Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Grantee by the provisions of this Grant Agreement and the Resolution shall be exercised or performed by the Grantee or by such residents, officers, or officials of the Grantee as may be required by law to exercise such powers and to perform such duties.

(b) Personal Liability. No covenant, stipulation, obligation or agreement contained in this Grant Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, agent or employee of the Grantee or member of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any officer executing this Grant Agreement shall be liable personally on this Grant Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

(c) Authorization of Grant Agreement. The Grantee is a municipality duly organized and existing under the statutes and laws of the State of New Mexico, as amended. Pursuant to the laws of the State, as amended and supplemented from time to time, the Grantee is authorized to enter into the transactions contemplated by this Grant Agreement and to carry out its obligations hereunder. The Grantee has duly authorized and approved the execution and delivery of this Grant Agreement and the other documents related to the transaction.

(d) Use of Grant Agreement Proceeds. The Grantee shall apply the proceeds of the Grant solely to the acquisition and completion of the Project, shall not use the Grant proceeds for any other purpose, and shall comply with all applicable ordinances and regulations, if any, and any and all applicable laws relating to the Project. The Grantee shall immediately apply all Grant proceeds disbursed to it toward the Project. The Grantee shall use the Grant proceeds and complete the Planning Document within eighteen (18) months from the NMFA Board Approval Date or shall forfeit the full amount of the Grant and return the Grant Amount to the NMFA within thirty (30) days written request by the NMFA.

(e) Selection of Contractors. All contractors providing services or materials in connection with the Project shall be selected in accordance with applicable provisions of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or, if the Grantee is not subject to the New Mexico Procurement Code, shall be selected in accordance with a documented procurement process duly authorized and established pursuant to laws and regulations applicable to the Grantee.

(f) Completion of Project.

(1) The Project will consist of:

a. the preparation of the Planning Document to address and capture asset data for the Water and Wastewater utilities, which will be used to build a Capital Improvement Plan Planning Tool that shows the condition and remaining life of the assets, and

provide a 20-year cost projection for rehabilitation or replacement of the assets, as well as GIS mapping; and

b. a resolution properly adopted by the Governing Body that (i) adopts the completed asset management plan; (ii) includes a summary sheet showing the prioritized assets and cost associated with improving those assets; (iii) adopts a reserve policy that specifically identifies the allocation of the reserves to fund the asset management plan with an annual target; and (iv) establishes a rate schedule sufficient to fund the reserve; and

c. will comply with all applicable ordinances and regulations, if any, and any and all applicable laws, rules, and regulations of the State relating to the acquisition and completion of the Project and to the use of the Grant proceeds.

(2) If requested by the NMFA, the Grantee will allow the Office of the State Engineer, the New Mexico Environment Department, the New Mexico Economic Development Department, or other appropriate agency of the State or the NMFA to assist with completion of the Project and to review the Project as completed to assure compliance with applicable laws, rules and regulations of the State. The completed Planning Document, and any interim submissions required by the NMFA must be in a form acceptable to and approved by the NMFA, in its sole discretion.

(g) Necessity of Project. The completion of the Project under the terms and conditions provided in this Grant Agreement is necessary, convenient and in furtherance of the governmental purposes of the Grantee and is in the best interest of the Grantee and the public it serves.

(h) Legal, Valid and Binding Obligation. The Grantee has taken all required action necessary to authorize the execution and delivery of this Grant Agreement and this Grant Agreement constitutes a legal agreement of the Grantee enforceable in accordance with its terms.

(i) Benefit to Grantee. The Project will at all times be used for the purpose of benefiting the Grantee and the public it serves as a whole.

(j) Grant Amount Does Not Exceed Project Cost. The Grant Amount as provided herein does not exceed the cost of the Project.

(k) No Breach or Default Caused by Grant Agreement. Neither the execution and delivery of this Grant Agreement, nor the fulfillment of or compliance with the terms and conditions in this Grant Agreement, nor the consummation of the transactions contemplated herein conflicts with or results in a breach of any terms, conditions or provisions of, or any restrictions contained in, any agreement or instrument to which the Grantee is a party or by which the Grantee is bound or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Grantee or its properties are subject, or constitutes a default under any of the foregoing.

(l) Irrevocability of Grant Agreement. The terms of this Grant Agreement shall be irrevocable until the Project has been fully acquired and completed, and shall not be subject to amendment or modification in any manner which would result in any use of the proceeds of this Grant Agreement in a manner not permitted or contemplated by the terms hereof.

(m) No Litigation. To the best knowledge of the Grantee, no litigation or proceeding is pending or threatened against the Grantee or any other person affecting the right of the Grantee to execute this Grant Agreement or to comply with its obligations under this Grant Agreement. Neither the execution of this Grant Agreement by the Grantee nor compliance by the Grantee with the obligations hereunder requires the approval of any regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(n) Occurrence of Event of Default. No event has occurred, and no condition exists which, upon the execution and delivery of this Grant Agreement, would constitute an Event of Default on the part of the Grantee hereunder.

(o) Grantee's Existence. The Grantee will maintain its legal identity and existence for the Agreement Term, unless another political subdivision by operation of law succeeds to the liabilities, rights, and duties of the Grantee without adversely affecting to any substantial degree the privileges and rights of the NMFA.

(p) Records. The Grantee shall properly maintain separate project accounts in accordance with generally accepted accounting principles and conduct an annual audit or review of the Grantee's financial records related to the Project.

(q) Local Match. The Local Match is legally available for the Project, has been applied by Grantee solely for the purposes of the Project and sufficient evidence of the Local Match has been provided to the NMFA.

Section 2.2. Representations, Warranties and Covenants of the NMFA. The NMFA represents, warrants and covenants as follows:

(a) The NMFA is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality duly organized, existing and in good standing under the laws of the State, has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Grant Agreement and, by proper action, has duly authorized the execution and delivery of this Grant Agreement.

(b) This Agreement constitutes a legal, valid and binding obligation of the NMFA enforceable in accordance with its terms.

ARTICLE III: AGREEMENT TERM

The Agreement Term shall commence on the Closing Date and shall terminate upon the earliest of the following events: a determination by the NMFA that (a) the Grantee is unable to proceed with the Project for the foreseeable future or has failed to commence the Project in a

reasonably timely manner, (b) the Grant or any portion thereof is not necessary for the Project (in which case the Grant Amount may be modified by the NMFA) or (c) the Grantee has failed to utilize the Planning Grant to complete the Planning Document within eighteen (18) months from the NMFA Board Approval Date.

ARTICLE IV: GRANT; APPLICATION OF MONEYS

On the Closing Date, the NMFA shall transfer the amount shown on Exhibit “A” into the Grant Account to be disbursed by the NMFA pursuant to Section 6.2 of this Grant Agreement at the direction of the Grantee, as needed by the Grantee to acquire and complete the Project.

ARTICLE V: GRANT TO THE GRANTEE

Section 5.1. Grant to the Grantee. The NMFA hereby grants, and the Grantee hereby accepts an amount equal to the Grant Amount. The NMFA shall establish and maintain, on behalf of the Grantee, a Grant Account, which Grant Account shall be kept separate and apart from all other accounts of the NMFA. The Grantee hereby pledges to the NMFA all its rights, title and interest in the funds held in the Grant Account for the purpose of securing the Grantee’s obligations under this Grant Agreement. Funds in the Grant Account shall be disbursed as provided in Sections 6.2 and 6.3 hereof.

Section 5.2. No General Obligation. No provision of this Grant Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Grantee within the meaning of any constitutional or statutory debt limitation.

Section 5.3. Investment of Moneys in Grant Account. Money on deposit in the Grant Account may be invested by the NMFA for the credit of the Local Government Planning Fund.

ARTICLE VI: THE PROJECT

Section 6.1. Agreement to Acquire and Complete the Project. The Grantee hereby agrees that in order to effectuate the purposes of this Grant Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire and complete the Project lawfully, efficiently and within eighteen (18) months from the NMFA Board Approval Date. The Grantee hereby acknowledges and agrees that certain preliminary approvals by the NMFA or its designees, in addition to interim steps by the Governing Body may be required to be exercised prior to the completion and approval of the Planning Document.

Section 6.2. Disbursements from the Grant Account. So long as no Event of Default shall occur, the NMFA shall disburse moneys from the Grant Account, either to the Grantee or to vendors and contractors, as determined by the NMFA in its sole discretion, upon receipt by the NMFA of a requisition substantially in the form of Exhibit “B” attached hereto signed by an Authorized Officer of the Grantee, supported by certification by the Grantee’s project architect, engineer, or other such authorized representative of the Grantee acceptable to the NMFA that the amount of the disbursement request represents the progress of completion, acquisition or other Project related activities accomplished as of the date of the disbursement request. The Grantee

shall provide such records or access to the Project as the NMFA, in its sole discretion, may request in connection with the approval of the Grantee's disbursement requests made hereunder. No disbursement from the Grant Account may be made without receipt of evidence of the Local Match.

Section 6.3. Determination of Eligibility as condition Precedent to Disbursement. Prior to the disbursement of the Grant Amount or any portion thereof, the NMFA shall have determined that the Grantee has met the readiness to proceed requirements established for the Grant by the NMFA and no Event of Default shall have occurred. No disbursement shall be made from the Grant Account except upon a determination by the NMFA that such disbursement is for payment of Project expenses, and that the disbursement does not exceed any limitation upon the amount payable.

Section 6.4. Reimbursement for Prior Expenditures. The NMFA, so long as no Event of Default shall occur and upon presentation of the Grantee's disbursement request with such certification and records as are required in accordance with Section 6.2 hereof, may disburse moneys from the Grant Account for reimbursement of Project expenses incurred within one-hundred fifty (150) days prior to the Closing Date unless approved by the NMFA.

Section 6.5. Completion of Disbursement of Grant Funds. Upon completion of the Project, in accordance with Section 2.1 (e), disbursement of the Grant Amount, an Authorized Officer of the Grantee shall deliver a certificate of completion, substantially in the form attached to this Grant Agreement as Exhibit "C", to the NMFA stating that, to the best of the Authorized Officer's knowledge the Project has been completed in accordance with the terms of this Grant Agreement and the Grant Amount has been disbursed in accordance with the terms of this Grant Agreement. If any portion of the Grant Amount remains upon the delivery of the certificate of completion, the NMFA may, in its sole discretion, modify this Grant Agreement and reduce the amount of the Grant.

ARTICLE VII: COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 7.1. Further Assurances and Corrective Instruments. The NMFA and the Grantee 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 terms and intention hereof.

Section 7.2. NMFA and Grantee Representatives. Whenever under the provisions of this Grant Agreement the approval of the NMFA or the Grantee is required, or the Grantee or the NMFA is required to take some action at the request of the other, such approval or such request shall be given for the NMFA or for the Grantee by an Authorized Officer of the NMFA or the Grantee, as the case may be, and any party hereto shall be authorized to act or rely on any such approval or request.

Section 7.3. Requirements of Law. During the Agreement Term, the Grantee shall observe and comply promptly with all applicable federal, State and local laws and regulations

affecting the Project, and all current and future orders of all courts and agencies of the State having jurisdiction over the Project and matters related to the Project.

ARTICLE VIII: NON-LIABILITY OF NMFA FOR ACTS OR OMISSIONS OF THE GRANTEE; INDEMNIFICATION

Section 8.1. Non-Liability of NMFA. The NMFA shall not be liable in any manner for the Project, Grantee's use of the Grant, the ownership, operation or maintenance of the Project, or any failure to act properly by the owner or operator of the Project.

Section 8.2. Indemnification of NMFA. The NMFA shall not be responsible for any act or omission of the Grantee upon which any claim, by or on behalf of any person, firm, corporation or other legal entity may be made, whether arising from the establishment or modification of the Project or otherwise. To the extent permitted by law, the Grantee shall and hereby agrees to indemnify and save harmless the NMFA and its designee, if any, from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition and completion of the Project. In the event of any action or proceeding brought on any such claim, upon notice from the NMFA or its designee, Grantee shall defend the NMFA and its designee, if any, in any such action or proceeding.

ARTICLE IX: EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. Any one of the following shall be an Event of Default under this Agreement:

- (a) Use of the Grant Amount, or any portion thereof, by the Grantee for purposes other than the Project;
- (b) Failure by the Grantee to utilize the Grant proceeds to complete the Project within eighteen (18) months from the NMFA Board Approval Date;
- (c) Failure by the Grantee to observe and perform any other covenant, condition or agreement on its part to be observed or performed under this Grant Agreement; or
- (d) Any warranty, representation or other statement by or on behalf of the Grantee contained in this Grant Agreement or in any instrument furnished in compliance with or in reference to this Grant Agreement is false or misleading in any material respect.

Section 9.2. Remedies on Default. Whenever any Event of Default has occurred and is continuing, and subject to Section 9.3 hereof, the NMFA may take whatever of the following actions may appear necessary or desirable to enforce performance of any agreement of the Grantee in this Grant Agreement:

- (a) File a mandamus proceeding or other action or proceeding or suit at law or in equity to compel the Grantee to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein;

- (b) Terminate this Grant Agreement;
- (c) Cease disbursing any further amounts from the Grant Account;
- (d) Demand that the Grantee immediately repay the Grant Amount or any portion thereof if such funds were not utilized in accordance with this Grant Agreement;
- (e) File a suit in equity to enjoin any acts or things which are unlawful or violate the rights of the NMFA; or
- (f) Take whatever other action at law or in equity may appear necessary or desirable to enforce any other of its rights hereunder.

The Grantee shall be responsible for reimbursing the NMFA for any and all fees and costs incurred in enforcing the terms of this Grant Agreement.

Section 9.3 Limitations on Remedies. A judgment requiring repayment of money entered against the Grantee may reach any available funds of the Grantee to the extent permitted by law.

Section 9.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the NMFA 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 impair any such right or power or 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 NMFA to exercise any remedy reserved in this Article IX, it shall not be necessary to give any notice, other than such notice as may be required in this Article IX.

Section 9.5. Waivers of Events of Default. The NMFA may in its sole discretion waive any Event of Default hereunder and the consequences of such an Event of Default; provided, however, all expenses of the NMFA in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by written statement of waiver issued by the NMFA. In case of any such waiver or rescission, or in case any proceeding taken by the NMFA on account of any Event of Default shall have been discontinued or abandoned or determined adversely, then the NMFA and the Grantee shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE X: MISCELLANEOUS

Section 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Grantee, then to:

City of Roswell
Attn: Mayor or City Manager
P O Box 1838
Roswell NM 88202

And if to the NMFA, then to:

New Mexico Finance Authority
Attn: Chief Executive Officer
810 W. San Mateo Road
Santa Fe, New Mexico 87505

The Grantee and the NMFA may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.2. Binding Effect. This Grant Agreement shall inure to the benefit of and shall be binding upon the NMFA, the Grantee and their respective successors and assigns, if any.

Section 10.3. Amendments. This Grant Agreement may be amended only with the written consent of the NMFA and the Grantee.

Section 10.4. No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Grant Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the NMFA, or against any officer, employee, director or member of the Grantee, past, present or future, as an individual so long as such individual was acting in good faith and within the scope of his or her duties. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Grantee or of the NMFA is hereby expressly waived and released by the Grantee and by the NMFA as a condition of and in consideration for the execution of this Agreement.

Section 10.5. Grantee Compliance. The NMFA shall not be responsible for assuring the Grantee's use of the Grant Amount or the Project for its intended purpose and shall have no obligation to monitor compliance by the Grantee with the provisions of this Grant Agreement.

Section 10.6. Severability. In the event that any provision of this Grant Agreement 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 10.7. Execution in Counterparts. This Grant Agreement 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.

Section 10.8. Applicable Law. This Grant Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Grant Agreement.

[Remainder of page intentionally left blank.]

[Signature page follows.]

IN WITNESS WHEREOF, the NMFA, on behalf of itself, and as authorized by the NMFA Board of Directors on April 27, 2023, has executed this Grant Agreement in its corporate name with its corporate seal hereunto affixed and attested by its duly Authorized Officers; and the Grantee has caused this Grant Agreement to be executed in its corporate name and the seal of the Grantee affixed and attested by its duly Authorized Officers. All of the above are effective as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

By: _____
Marquita D. Russel
Chief Executive Officer

Approved for Execution by Officers of the
New Mexico Finance Authority:

By: _____
Mark Chaiken, General Counsel

CITY OF ROSWELL,
Chaves County, New Mexico

By: _____
Name: _____
Title: _____

[SEAL]

ATTEST:

By: _____
Amalia Martinez, Clerk

EXHIBIT “A”

TERM SHEET

Grantee:	City of Roswell, Chaves County, New Mexico
Project Description:	Preparation of a Planning Document consisting of the asset management plan to address and capture asset data for the Water and Wastewater utilities, which will be used to build a Capital Improvement Plan Planning Tool that shows the condition and remaining life of the assets, and provide a 20-year cost projection for rehabilitation or replacement of the assets, as well as GIS mapping; and adoption of the resolution as described in Section 2.1(f).
Total Grant Amount:	\$12,007.90
Local Match:	\$36,023.69
Closing Date:	June 26, 2026

**EXHIBIT “B”
FORM OF REQUISITION**

RE: \$12,007.90 Planning Grant Agreement by and between New Mexico Finance Authority (“NMFA”) and City of Roswell, Chaves County, New Mexico, NMFA Grant Number PG-6092 (the “Grant Agreement”).

Closing Date: June 26, 2026

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse funds from the Grant Account, with regard to the above-referenced Grant Agreement, the following:

REQUISITION NUMBER: _____
AMOUNT OF PAYMENT: \$ _____
PAYEE NAME AND ADDRESS: _____

PURPOSE OF PAYMENT: _____

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

Each obligation, item of cost or expense mentioned herein is for the Grant made by the New Mexico Finance Authority pursuant to the Grant Agreement to the City of Roswell (the “Grantee”), within the State of New Mexico, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Grant Account held on behalf of the Grantee. All representations contained in the Grant Agreement and the related closing documents remain true and correct and the Grantee is not in breach of any of the covenants contained therein.

Capitalized terms used herein are used as defined or as used in the Grant Agreement.

DATED: _____ By: _____
Authorized Officer of the Grantee
Title: _____

EXHIBIT "C"
FORM OF CERTIFICATE OF COMPLETION

RE: \$12,007.90 Planning Grant Agreement (the "Grant Agreement") by and between NMFA and City of Roswell, Chaves County, New Mexico, NMFA Grant Number PG-6092 (the "Grant Agreement").

Closing Date: June 26, 2026

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of
[Name] [Title or Position]

the Grantee, hereby certify as follows:

1. The project described in the Grant Agreement (the "Project") was completed and placed in service by the Grantee on _____, 20____.
2. The total cost of the Project was \$_____.
3. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Grant Agreement.

City of Roswell

By: _____

Its: _____

CITY OF ROSWELL
Chaves County, New Mexico
Planning Grant Agreement
New Mexico Finance Authority No. PG-6092
\$12,007.90

STATE OF NEW MEXICO)
) ss. **CERTIFICATE OF GRANTEE**
COUNTY OF CHAVES)

IT IS HEREBY CERTIFIED by the undersigned, the duly chosen, qualified and acting Mayor or City Manager and Clerk of the City of Roswell (the “Grantee”) located in Chaves County, State of New Mexico, that:

Capitalized terms used in this Certificate have the same meanings as defined in Resolution No. _____ adopted by the Governing Body of the Grantee on June 11, 2026 (the “Resolution”) in connection with this Planning Grant, unless otherwise defined in this Certificate or the context requires otherwise.

1. The Grantee is a legally and regularly created, established, organized and existing municipality, in good standing under the laws of the State of New Mexico;
2. The resolutions, rules and regulations governing the Project and customer service by the Grantee have been duly adopted and are now in full force and effect;
3. The Authorized Officers and Governing Body of the Grantee were duly and validly elected or appointed and are empowered to act for the Grantee; and
4. The Grantee has all requisite corporate power:
 - (a) To perform or cause performance of the Project funded by the Planning Grant and the Local Match, if applicable;
 - (b) To execute and deliver Grant documents, including but not limited to those identified above; and
 - (c) To perform all acts required by such Grant documents to be done by the Grantee.
5. All proceedings of the Grantee, its elected and appointed officers, and employees, required or necessary to be taken in connection with the authorization of the actions specified above have been duly taken and all such authorizations are presently in full force and effect.
6. The Resolution and the Grant Agreement have been duly signed and adopted in accordance with all applicable laws and neither has been repealed, rescinded, revoked, modified,

amended or supplemented in any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Grantee to carry out and enforce the provisions of the Grant Agreement.

7. No event will result from the execution and delivery of the Grant Agreement that constitutes a default or an Event of Default under either the Grant Agreement or the Resolution, and no Event of Default and no default under the Grant Agreement or the Resolution has occurred and is continuing on the date of this Certificate.

8. The Grantee has duly authorized and approved the consummation by it of all transactions and has complied with all requirements and satisfied all conditions, which are required by the Grant Agreement to have been authorized, approved, performed or consummated by the Grantee at or prior to the date of this Certificate. The Grantee has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Grant Agreement.

9. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Grant Agreement or any of the actions required to be taken by the Resolution or the Grant Agreement to the date of this Certificate have been obtained and are in full force and effect.

10. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the completion of the Project have been obtained and are in full force and effect.

11. Neither the Grantee's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution or the Grant Agreement conflicts or will conflict with, or constitute a breach by the Grantee of, or default by the Grantee under any law, court decree or order, governmental regulation, rule or order, resolution, agreement, indenture, mortgage or other instrument to which the Grantee is subject or by which it is bound.

12. There is no actual or threatened action, suit, proceeding, inquiry or investigation against the Grantee, at law or in equity, by or before any court, public board or body, nor to the Grantee's knowledge is there any basis therefore, affecting the existence of the Grantee or the titles of its officials to their respective offices, or in any way materially adversely affecting or questioning (a) the territorial jurisdiction of the Grantee, (b) the use of the proceeds of the Grant Agreement for the Project, (c) the validity or enforceability of the Grant Agreement or any proceedings of the Grantee with respect to the Grant Agreement or the Resolution, (d) the execution and delivery of the Grant Agreement or (e) the power of the Grantee to carry out the transactions contemplated by the Grant Agreement or the Resolution.

13. As of the date of this Certificate, the following were and now are the duly chosen, qualified, and acting officers and members of the Governing Body of the Grantee:

Mayor:	Timothy Z. Jennings
Members:	Cristina Arnold

Robert Corn
Kurk Gass
Edward Heldenbrand
Darrell Johnson
Carlos Marrujo
Angela Moore
Juan Oropesa
Juliana Halvorson
Will Cavin

14. To the best of our knowledge and belief after due investigation, none of the Events of Default referred to in Article IX of the Grant Agreement has occurred.

15. The Grantee has complied with all the covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof, and the representations and warranties of the Grantee contained in the Grant Agreement and in the Resolution are true and correct as of the date of this Certificate.

16. To the best of our knowledge and belief after due investigation, neither the Mayor or City Manager, Clerk, any member or director of the Governing Body of the Grantee, nor any other officer, employee or other agent of the Grantee is interested (except in the performance of his or her official rights, privileges, powers and duties), directly or indirectly, in the profits of any contract, or job for work, or services to be performed and appertaining to the Project.

17. Regular meetings of the Grantee's Governing Body and the meeting at which the Resolution was adopted have been held at Chaves County Administrative Center, Commission Chambers, 1 St Mary's Place, Roswell, New Mexico, the principal meeting place of the Grantee.

18. The Grantee's Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Grantee's Governing Body in connection with the Grant Agreement. The Open Meetings Act Resolution No. 25-28 (the "Open Meetings Act Resolution") adopted and approved by the Governing Body on July 10, 2025, establishes notice standards as required by Section 10-15-1, NMSA 1978, as amended and supplemented. The Open Meetings Act Resolution has not been amended or repealed. All action of the Governing Body with respect to the Grant Agreement and Resolution was taken at meetings held in compliance with the Open Meetings Act Resolution then in effect.

19. The Mayor or City Manager and Clerk, on the date of the signing of the Grant Agreement and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Grantee authorized to execute the Grant Agreement.

20. This Certificate is for the benefit of the New Mexico Finance Authority.

21. This Certificate may be executed in counterparts.

[Signatures on following page.]

WITNESS our signatures and the seal of the Grantee this June 26, 2026.

CITY OF ROSWELL
Chaves County, New Mexico

By:_____

Name:_____

Title:_____

By:_____

Amalia Martinez, Clerk

(SEAL)

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

6.

Meeting Date: 06/11/2026

COMMITTEE: N/A

CONTACT: N/A

CHAIR: Will Cavin

ACTION REQUESTED:

Resolution 26-30: Weeds - The Resolution shall mandate the cleanup of approximately nine (9) separate properties within the City. (Cavin/Franco)

BACKGROUND:

Initiated by: Toby Franco

At present, no more efficient means are available to enforce the requirements that property within the City limits be kept clean and orderly. Citation of property owners requires that they be present in Roswell. Even the citations do not provide for the actual cleanup and cannot give the City the right to file a lien for the cleanup expense. This procedure is cumbersome, but should result in resolution of some more severe situations.

FINANCIAL CONSIDERATION

Adoption of the resolution will probably cause a number of people to voluntarily clean up their property. Most of the balance will be cleaned up by the City at a cost ranging from \$30 to \$500 for each property, and liens will be filed and later foreclosed. A few people may appeal the resolution to Council and a hearing will have to be provided to hear their appeals. Overall, the resolution should affect rapid cleanup of this season's weeds and other debris, followed by an extended collection period.

LEGAL REVIEW:

The City Attorney has reviewed the current resolution. Resolutions must be adopted by a majority vote of the entire City Council.

BOARD AND COMMITTEE ACTION:

No action required.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

ATT 1 Weed Resolution

ATT 2 Resolution 26-30 Weeds Exhibit

CITY OF ROSWELL
RESOLUTION 26-30

A RESOLUTION REQUIRING THE REMOVAL OF CERTAIN RUBBISH, WEEDS, WRECKAGE OR DEBRIS; PROVIDING THAT THE CITY SHALL HAVE A LIEN FOR THE COST OF REMOVAL AND DECLARING CERTAIN PROPERTY TO BE SO COVERED WITH RUBBISH, WEEDS, WRECKAGE OR DEBRIS AS TO CONSTITUTE A PUBLIC NUISANCE PREJUDICIAL TO HEALTH, SAFETY AND GENERAL WELFARE.

WHEREAS, the City Council of the City of Roswell, New Mexico, finds that the premises listed in Exhibit A attached hereto and purportedly owned of record, or occupied by the parties named, have accumulated rubbish, weeds, wreckage or debris so as to be a menace to the public health, safety and general welfare of the inhabitants of the community; and further, that it is in the public interest to require the removal thereof, according to law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, THE GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO, that:

1. The premises set forth in Exhibit A are declared to be so covered with rubbish, weeds, wreckage or debris as to constitute a menace to the public comfort, health, safety and general welfare within the purview of Article 3-18-5 NMSA 1978.

2. The owners, occupants or agents in charge of said premises are hereby ordered to remove such accumulated rubbish, weeds, wreckage or debris within ten (10) days of the receipt of notice by certified mail or from the date of publication of this resolution. In the event such removal is not commenced or written objection filed with the City Clerk within ten (10) days after service of a copy of this resolution, then the City Manager is authorized and directed to cause such accumulated rubbish, weeds, wreckage or debris to be removed at the sole cost and expense of the owner, or other parties having an interest in the properties, and further, that the reasonable cost of such removal shall be and become a subsisting and valid lien against such property so removed and the lot or parcel of land from which such removal was made and shall be foreclosed in the manner provided by law for the foreclosure of municipal liens.

3. In the event the owner or other person aggrieved shall file a protest within the time provided, the City Council shall thereafter fix a date for hearing. At the hearing, the protestant shall be entitled to be heard in person, by agent or attorney and the City Council shall consider evidence whether or not its previous action shall be enforced or rescinded; if it shall be determined that the removal order should be enforced.

4. Persons aggrieved by the determination of the City Council have a right to appeal to a court of competent jurisdiction by giving notice of such appeal to the City Council within five (5) days after the day of issuance of such order or decision, together with a petition for court review duly filed with the Clerk of the Court within twenty (20) days of the date of issuance of the order or decision complained of.

ADOPTED, SIGNED AND APPROVED 11th day of June 2026.

CITY SEAL

Timothy Z. Jennings, Mayor

ATTEST:

Amalia Martinez, City Clerk

1011 E 2ND ST S 33 T 10S R 24E PENSCO TRUST COMPANY, CUSTODIAN FBO KENT TAYLOR 26.72%; FBO RECHELLE TAYLOR 36.64%; FBO RODNEY ROGERS 36.64% ATTN: PROCESSING CENTER PO BOX 981012 BOSTON, MA 02298	1615 S MULBERRY AVE MAYES Block 7 Lot 17 LUCERO, ALICE A 1615 S MULBERRY AVE ROSWELL, NM 88203 (VACANT LOT DUE TO HOUSE BEING DEMOLISHED)
1604 S ELM AVE MAYES Block 7 Lot 3 FRESQUEZ, JOE ROWLAND; FRESQUEZ, IRENE R 1712 W 1ST ST TULAROSA, NM 88352	322 E BONNEY ST KEITHS SOUTHSIDE Block 6 Lot 8 PEREZ, MARIA I 320 DEPEW ST LAKEWOOD, CO 80226
311 W COUNTRY CLUB RD MONTROYA REEVE SUMMARY PLAT Tract A S 20 T 10S R 24E MONTROYA-REEVE FAMILY LIMITED PARTNERSHIP PO BOX 21473 ALBUQUERQUE, NM 87154	3211, 3213 N MAIN ST LINDA VISTA ESTATES Block A Lot 1 W 200.01' AND Lot 2 W 200.01' Quarter NW S 21 T 10S R 24E SG NATIONAL LLC 1185 6TH AVE FL 10 NEW YORK, NY 10036
83 FITZGERALD PL PECOS VALLEY VILLAGE Block 4 Lot 5 PALACIOS, MICAELA PASTOR 5001 PHILIPS HWY LOT 102 JACKSONVILLE, FL 32207-7288	208 E FRAZIER ST STARLITE Block 2 Lot 5 THRU Lot 9 TATE, JAMES EDWARD 18015 8TH AVE NW SHORELINE, WA 98177
908 DAVIDSON DR FARM Block 2 Lot 24 ALLIANCE PROPERTY INVESTMENTS LLC 111 E WESTERN AVE AVONDALE, AZ 85323	

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

7.

Meeting Date: 06/11/2026

COMMITTEE: Finance

CONTACT: Tammi Smith

CHAIR: Kurt Gass

ACTION REQUESTED:

Resolution 26-31: adoption of Resolution 26-31: Approving a budget adjustment for the fiscal year ending June 30, 2026. (Gass/Gomez)

BACKGROUND:

Initiated by: Toni Gomez

The New Mexico Department of Finance Administration (DFA) requires governing body approval for any budget adjustment that increases or decreases revenue or expenditures in the approved budget. The finance department is requesting approval of budget adjustments, as summarized in Exhibit "A", to align the City's FY2025-2026 budget with current funding allocations. These adjustments include updates to various grants, transfers, and departmental budgets.

FINANCIAL CONSIDERATION

Financial Impact (Revenue & Expense): Budget adjustments are reflected across multiple funds and departments as detailed in Exhibit "A". The total impact of these adjustments is summarized below:

Revenue: \$62,607.62

Expenses: \$1,177,815.31

LEGAL REVIEW:

Budget adjustments are reflected across multiple funds and departments as detailed in Exhibit "A".

BOARD AND COMMITTEE ACTION:

Finance Committee recommended approval 5-0 at its meeting on June 4, 2026.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Resolution 26-31
Exhibit A

RESOLUTION 26-31

A RESOLUTION OF THE CITY OF ROSWELL, NEW MEXICO, AMENDING THE BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2026, FOR VARIOUS GRANTS AND OTHER DEPARTMENTS.

WHEREAS, the governing body of the City of Roswell, State of New Mexico, has previously approved a budget for the fiscal year 2025-2026, ending June 30, 2026; and

WHEREAS, the City of Roswell desires to amend said budget for \$62,607.62 in revenues and \$1,177,815.31 in expenses, detailed in Exhibit A and summarized below:

- Various Funds: Revenues \$62,607.62 and Expenses \$1,177,815.31

WHEREAS, it is the majority opinion of the Governing Body that the proposed amended budget continues to meet fiscal requirements as currently determined for the fiscal year 2025-2026.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL AS THE GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO, hereby adopts the budget adjustment hereinabove described and respectfully requests approval for the same from the Local Government Division of the Department of Finance and Administration, State of New Mexico.

PASSED, ADOPTED, SIGNED, and APPROVED the 11th day of June 2026.

CITY SEAL

Timothy Z. Jennings, Mayor

ATTEST:

Amalia Martinez, City Clerk

City of Roswell
Budget Adjustment
June 2026

Fund	Department	Category (Revenue/Expense)	Description	Proposed Adjustment (+/-)
Library		2690	Library Donations	23,888.69
Library		2690	Interest Income on Library's Investment	982.87
Police		2690	Police Donations	6,745.00
Animal Control		2690	Animal Control Donations	200.00
Fire		2690	Fire Donations	12,512.65
Zoo		2690	Zoo Donations	17,413.21
Visitor Center		2690	Visitor Center Donations	865.20
				<u>62,607.62</u>
				<u>62,607.62</u>
Waste Water Engineering		53014355	Land Purchase (2306 E College Blvd)	110,000.00
Convention Center		11014135	Design Professional Services for Flood Repair	365,953.00
Golf		26214252	Design Professional Services for Flood Repair	509,546.00
		26134233	Design Professional Services for Flood Repair	20,012.00
Zoo		26124232	Design Professional Services for Flood Repair	75,000.00
Adult Center		26154243	Design Professional Services for Flood Repair	97,304.31
				<u>1,177,815.31</u>
				<u>1,177,815.31</u>

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

8.

Meeting Date: 06/11/2026

COMMITTEE: City Council

CONTACT: C. Josh Nairn-Mahan

CHAIR: Will Cavin

ACTION REQUESTED:

Resolution 26-32: adoption of Resolution 26-32: A Resolution Amending the Roswell Airport Advisory Commission. (Corn/Nairn-Mahan)

BACKGROUND:

Initiated by: Robert Corn

The proposed resolution seeks to update the role of the Airport Advisory Commission (AAC) to better suit the evolving needs of the City of Roswell and the Roswell Air Center (RAC).

FINANCIAL CONSIDERATION

No financial impact at this time.

LEGAL REVIEW:

Originally drafted by Councilor Corn, this version seeks to incorporate various suggested changes. The City Attorney has incorporated the recommended changes and presented it to the May 28, 2026, Legal Committee for review.

BOARD AND COMMITTEE ACTION:

On November 18, 2025, this item was tabled for the next Legal Committee Meeting on February 26, 2026. On February 26, 2026, this item was tabled for the next Legal Committee Meeting on March 26, 2026. At the March 26, 2026 meeting Councilor Cavin requested redlines of the Resolution. On April 23, 2026 the Legal Committee meeting recommended item be tabled to the next Legal Committee Meeting on May 28, 2026 to finalize the resolution with updates included. Legal Committee recommended approval (5-0) at its meeting on May 28, 2026.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Resolution 26-32 Amending Roswell AAC

1
2
3 **RESOLUTION 26-32**

4
5 **A RESOLUTION AMENDING THE ROSWELL AIRPORT ADVISORY COMMISSION**

6 **WHEREAS**, the City Council, as the local governing body of the City of Roswell ("City
7 Council") recognizes that the Roswell Air Center ("RAC") is an important economic asset for the
8 City of Roswell, and;

9 **WHEREAS**, the City Council believes the creation of an Airport Advisory Commission
10 ("AAC") to make recommendations regarding RAC resources that would be beneficial in
11 creating and fostering continued economic activity and development, and;

12
13 **WHEREAS**, Resolution 18-44 and its predecessor Resolution 18-27 no longer meet the
14 evolving needs of the Roswell Air Center; and

15
16 **WHEREAS**, the City Council now desires to amend the duties of the AAC.

17
18 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, AS THE
19 GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO, that:

- 20
21 1. The AAC for the City of Roswell is hereby created pursuant to the provisions of the
22 Resolution.
23
24 2. Purpose:
25
26 a. The AAC is established and authorized to make recommendations to the City
27 Council. These recommendations concern the development of, and improvements
28 to the RAC. As such AAC recommendations may involve reviewing financial
29 reports, noting potential areas of improvement airport operations, including the
30 use of RAC facilities and assets.
31
32 3. Authority:
33
34 a. The AAC shall make recommendations concerning the capital improvement
35 projects applicable to priorities that it believes will best serve economic and
36 development needs.
37
38 b. After each AAC meeting, the AAC shall provide a report to the City Council at
39 the next regularly scheduled City Council meeting.
40
41 c. The AAC may communicate with the community and with interested parties as
42 the need arises.
43
44 d. The AAC shall make recommendations to the Legal Committee regarding all
45 RAC matters, excluding litigation and employment matters. When an item

1 affecting RAC is sent to the Legal Committee, it will be referred to the City
2 Council for discussion at their next scheduled meeting, unless the chair of the
3 Legal Committee determines otherwise. Comments will then be forwarded back
4 to the Legal Committee by staff.

- 5
6 4. The AAC shall not have any supervisory or management authority over any City
7 employee or any party who contracts with the City, nor shall the AAC represent or have
8 authority to act on behalf of the City. The AAC shall abide by Roswell City Code 2-96 to
9 2-105 and the Open Meeting Act Resolution as adopted by the City Council annually.
- 10
11
12 5. AAC meetings shall be held at a date, time, and location designated by the AAC and Air
13 Center staff. The City Manager and City Legal Counsel or designees shall attend and
14 participate in all meetings as ex officio members. Staff shall expeditiously make public
15 municipal records available for AAC members upon request. The AAC shall keep
16 minutes of the meeting and shall present those minutes for review ten (10) days prior to
17 and approved by the AAC during its next regular meeting.
- 18
19 6. The approved minutes of preceding meetings shall be kept on file in the office of the City
20 Clerk. The AAC meetings shall be held within the corporate limits of the City of Roswell,
21 subject to customary State and City requirements for public access and notice. The AAC
22 shall meet at least quarterly and at such other times as the AAC determines useful to the
23 conduct of its business.
- 24
25 7. The AAC shall be made up of 5 members. Vacancies shall be filled by appointment and
26 made by the Mayor and confirmed by the City Council. AAC members shall each serve
27 four-year staggered terms.
- 28
29 8. While membership on the AAC may be appropriately extended to any qualified person
30 with an interest, it is the express policy of the City Council not to appoint persons who
31 have a significant business interest in the anticipated considerations of the AAC.
32 Nominees for the AAC shall be experienced in the fields of aviation, business, economic
33 development, finance, commercial real estate investment or accounting; or possess other
34 qualifications that are necessary or appropriate for conducting the business of the AAC.
- 35
36 9. AAC members serve strictly as volunteers and serve at the will of the Governing Body
37 with no compensation, reimbursement, or authority other than advisement to the Mayor
38 and City Council.

39
40 [Signature to Follow on Next Page]
41
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46

1 PASSED, ADOPTED, SIGNED, and APPROVED _____, _____.
2
3
4
5

6 CITY SEAL
7
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9
10 _____
11 Timothy Z. Jennings, Mayor
12
13

14 ATTEST
15
16

17 _____
Amalia Martinez, City Clerk

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

9.

Meeting Date: 06/11/2026

COMMITTEE: Finance

CONTACT: Tammi Smith

CHAIR: Kurt Gass

ACTION REQUESTED:

Resolution 26-33: adoption of Resolution 26-33: Authorize and approve submission of a completed application to NMFA for financial assistance. (Gass/Rogers)

BACKGROUND:

Initiated by Mac Rogers

Requesting approval of Resolution 26-33 authorizing and approving submission of a completed application to NMFA for financial assistance. Where the City has more than \$37 million in approved or obligated FEMA projects this funding would help address much needed repairs. The flood projects submitted with the application have been considered by Council as part of the FY 27 Budget process.

FINANCIAL CONSIDERATION

None at this time

LEGAL REVIEW:

Legally sufficient

BOARD AND COMMITTEE ACTION:

The Legal Committee considered this item at its May 28, 2026, meeting and voted 5-0 to recommend approval to the Finance Committee. The Finance Committee recommended approval 5-0 at its meeting on June 4, 2026.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Resolution 26-33 Submission of a completed Application to NMFA

NMFA Application

NMFA Timeline

**AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED
APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO
THE NEW MEXICO FINANCE AUTHORITY**

WHEREAS, the New Mexico Finance Authority ("Authority") has instituted a program for financing of projects from the public project revolving fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application ("Application") for financial assistance from the Authority for public projects; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS THE GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO, that:

1. That all action (not consistent with the provision hereof) heretofore taken by the Governing body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.
2. That the completed Application submitted to the Governing Body, be and the same is hereby approved and confirmed.
3. That the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.
4. All acts and resolutions in conflict with this resolution are hereby rescinded, annulled and repealed.
5. This resolution shall take effect immediately upon its adoption.

1 PASSED, ADOPTED, SIGNED, and APPROVED on the 11th day of June, 2026.

2
3
4
5
6 CITY SEAL

7
8
9 Timothy Z. Jennings, Mayor

10
11 ATTEST

12
13
14
15 Amalia Martinez, City Clerk



NEW MEXICO
FINANCE AUTHORITY

NMFA Use Only:

App. #:	-PP
FA assigned:	
Legislative Authorization	

**PUBLIC PROJECT REVOLVING FUND
BUILDING APPLICATION**

I. GENERAL INFORMATION

A. APPLICANT /ENTITY

Application Date: 1/9/2026

Applicant/Entity:	City of Roswell, New Mexico				
Address:	425 N Richardson Roswell, NM 88201				
County	Chaves	Census Tract:			
Federal Employer Identification Number (EIN) as issued by the IRS:					
Legislative District:	Senate:		House:		
Phone:	575-624-6700	Fax:		Email Address:	h.yntema@roswell-nm.gov
Individual Completing Application:	Carissa Stone				
Address:	6301 Uptown Blvd. NE Suite 110, Albuquerque NM 87110				
Phone:	505-872-5999	Fax:		Email Address:	carissa.stone@rbccm.com

B. CONSULTING PROFESSIONALS (Bond/Legal Counsel, Architect, Engineer, etc.), if available:

Firm:	Modrall Law Firm				
Contact:	Chris Muirhead				
Address:	500th St. NW Ste 1000, Albuquerque, NM 87102				
Phone:	505-848-1800	Fax:		Email Address:	cmuirhead@modrall.com

C. PRIMARY CONTACT PERSON:

Name:	Hessel Yntema				
Contact:	City Manager, City of Roswell				
Address:	425 N Richardson Roswell, NM 88201				
Phone:	575-624-6700	Fax:		Email Address:	h.yntema@roswell-nm.gov

II. PROJECT SUMMARY

- A. Project Description.** Complete the following information in the provided space below. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

1. Description of the project.

Various city wide renovation, repair and improvement projects related to municipal floor

- 2. Proposed Project Start Date:** September 2026 **Proposed Project Completion Date:** September 2029
When do you need NMFA funds available? September 2026

- 3. How will the ongoing maintenance, operation, and replacement of this project be funded?**

City general fund

- 4. Provide a detailed drawdown schedule for project payments. The schedule may reflect monthly or quarterly payments.**

B. Total Project Cost & Sources of Funds Detail.

Construction Activities	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Planning and Design	\$	\$	\$	\$
Construction	\$25,000,000	\$	\$	\$
Equipment	\$	\$	\$	\$
Infrastructure Activities				
Facility Acquisition	\$	\$	\$	\$
Land Acquisition	\$	\$	\$	\$
Utilities (Electric, Gas, Water, etc.)	\$	\$	\$	\$
Engineering and Architectural	\$	\$	\$	\$
Contingencies	\$	\$	\$	\$
Project Administration/Legal Fees	\$	\$	\$	\$
Other Issuance Costs	\$75,000	\$	\$	\$
Total Cost:	\$25,075,000	\$	\$	\$

*Specify any other public funds, and amounts and terms of these funds, i.e. FmHA, CDBG, EPA, etc.

Source	Amount	Terms / # of Years
	\$	
	\$	
	\$	
Total:	\$	

Attach a letter verifying that each non-NMFA funding source has been approved, or is in the process of being approved for this project. Explain any exceptions.

C. Will this project require right-of-way acquisition? Yes ☐ No ☒

If yes, specify any right-of-way needs, and whether acquisition may or may not delay beginning of project.

D. Who will hold title to the land where the project is to be located?

City of Roswell

If this is land owned by the Bureau of Land Management, State Land Office, or Tribal Land, please attach lease agreements. (If there is no clear title, attach an explanation of ownership arrangements)

- E. Does this project require a Joint Powers Agreement (JPA)? Yes ☐ No ☒

If yes, provide a copy of the JPA, which should include a list of the current membership.

III. FINANCING

- A. 1. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).

- ☒ Municipal Local Option GRT – please specify: Municipal Flood Recovery Gross Receipts Tax
☐ County Option GRT – please specify: _____
☐ Other Tax-Based Revenue: _____
☐ State-Shared GRT _____
☐ Law Enforcement Funds _____
☐ Fire Protection Funds _____
☐ Net System Revenues: _____
☐ Other Revenue: _____

2. Is there an alternative revenue source available to pledge to pay debt service in the event that the primary pledged revenue is unavailable or insufficient? Yes ☐ No ☒ If yes, specify:

3. Preferred financing term: 30 years.

- B. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes ☐ No ☒

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan.

IV. READINESS TO PROCEED ITEMS

- A. The following items must accompany this application in order for this application to be considered complete:

- ☐ Equipment cost breakdown (if applicable)
☐ Three most recently completed fiscal year audit reports
☐ Current unaudited financials
☐ Current fiscal year budget
☐ Verification of ownership of land where project will be located
☐ Documentation that each non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)

☐ Joint Powers Agreement (if applicable)

B. In addition, complete the following information in the provided space below. **These items will be required prior to disbursement of NMFA proceeds:**

- ☐ Provide a detailed drawdown schedule for project payments
- ☐ Final technical information for the project, stamped and approved by a registered engineer
- ☐ Cost breakdown of the project, certifiable by either an engineer or architect
- ☐ Area map, site map, and floor map (if applicable)
- ☐ Verification of ownership of land where project will be located
- ☐ Documentation that each Non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- ☐ Documentation showing status of right-of-way acquisition (if applicable)
- ☐ Explanation of land ownership arrangements (if applicable)
- ☐ List all required permits and licenses necessary to complete this project. Detail the status of each item, a plan of action, and time frame for completing incomplete permits and licenses. Also provide a copy of all permits and licenses.
- ☐ Is there litigation pending which would have a bearing on this project or applicant?
Yes ☐ No ☐
If yes, provide a complete summary of all circumstances relating to such litigation.

☐ Indicate the regular meeting dates for your authorizing body: _____

V. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.

We will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:

Title:

(highest elected official)

Jurisdiction:

Print Name:

Date:

Signature:

Date:

Finance Officer/Director:



Project #	City of Roswell FEMA Validated Flood Damage	FEMA Status	Version #	FEMA Gross Cost
951184	G Roswell Pks&Rec-DeBremond Stadium Damages v.0	Obligated	0	\$ 2,677,248.00
951173	G Roswell Pub Wks-Pks&Rec-Asstd Walking&Bike Trails	Obligated	0	\$ 2,029,711.00
806261	E City of Roswell, Convention & Civic Center Damages V.1 (Repair to Pre-Disaster Condition)	Obligated	1	\$ 6,554,823.22
951175	G Roswell-Spring River Golf Course Damages	Obligated	0	\$ 550,133.00
950958	G Roswell PubWks-Railing&Fence Damages	Obligated	0	\$ 208,805.62
950953	G Roswell Pks&Rec-RiverFencingDamages	Obligated	0	\$ 896,780.77
950941	C Roswell Zoo Pedestrian Bridges Damaged	Obligated	0	\$ 713,497.00
950936	C Roswell PubWks-Special Electronics Ligts and Signal Repairs	Obligated	0	\$ 79,962.06
806259	E City of Roswell, Boy Scout Building Damages V.1 50% Rule Replacement	Obligated	1	\$ 939,017.53
806257	E City of Roswell, Roswell Museum & Art Center Building Damages V.0 (A&E only)	Obligated	0	\$ 672,030.00
806263	E City of Roswell, Parks & Recreation Tennis Pro Shop "The Rock" Building Damages V.0 (A&E only)	Obligated	0	\$ 67,281.00
806258	E City of Roswell, Adult Center 50% Rule Replacement	Obligated	1	\$ 9,742,173.02
951069	E Roswell Police Station Damages	Obligated	0	\$ 1,582,231.16
806262	E City of Roswell, Parks & Recreation Office / IT Building Damages V.1 (50% Rule Replacement)	Obligated	1	\$ 1,472,673.13
950946	D Roswell PubWks-Spring&HondoRivers-RiverBankSlopeRepairs	EHP Review	0	\$ 11,219,874.00
			Total	39,406,240.51

CITY OF ROSWELL, NEW MEXICO
Joint Utility Refunding and Flood Recovery GRT Financing Time Schedule
New Mexico Finance Authority

Date	Action	Responsibility
Friday, May 01	Submit Draft Applications to NMFA for June Board Approval	CITY, FA, NMFA
Thursday, June 04	Finance Committee meeting Finance Plan Update and Review of Bond Ordinances	CITY, FA, BC
Thursday, June 11	City Commission Meeting - First Reading of Bond Ordinances and approval of NMFA Application Resolutions	CITY, FA, BC
Friday, June 12	Submit Final Signed NMFA Applications	MA
Thursday, July 02	Finance Committee meeting Bond Ordinance	CITY, FA, BC
Thursday, July 09	City Commission Meeting - Approval of Bond Ordinance	CITY, FA, BC
Monday, July 13	Notice of Adoption published in paper of local circulation	
Thursday, June 25	NMFA Board meeting to Approve Loan	CITY, FA, BC, NMFA
Thursday, July 23	NMFA Board Authorization of Simultaneous Marketing	CITY, FA, BC, NMFA
Wednesday, August 12	Thirty day limitation of action period expires	
Thursday, August 27	Bond Pricing - NMFA Simultaneous Pricing	CITY, FA, BC, NMFA
Thursday, September 03	Closing Documents Circulated	CITY, FA, BC
Thursday, September 10	City Council Presentation of Bond Sale Results	CITY, FA, BC
Thursday, September 17	Bond Closing	SD, RBC, BC, NMFA
Working Group Key		
Code	Participant	Role
CITY	City of Roswell	Issuer
FA	RBC Capital Markets	Municipal Advisor
BC	Modrall Law Firm	Bond Counsel
NMFA	New Mexico Finance Authority	Purchaser

Note 1: Finance Committee meeting first Thursday of the month

Note 2: City Council meeting second Thursday of the month

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

10.

Meeting Date: 06/11/2026

COMMITTEE: Finance

CONTACT: Tammi Smith

CHAIR: Kurt Gass

ACTION REQUESTED:

Resolution 26-34: adoption of Resolution 26-34: authorizing an application for the redemption of Outstanding Joint Water and Sewer Improvement Revenue Bonds (Gass/Rogers)

BACKGROUND:

Initiated by: Mac Rogers

Requesting approval of Resolution 26-34, authorizing an application for the redemption of Outstanding Joint Water and Sewer Improvement Revenue Bonds. This action would allow the City to proceed with the redemption of Bonds issued on February 21, 2017 pursuant to Ordinance No. 16-22 adopted on January 12, 2017 in an amount not to exceed \$11,7500,000.

FINANCIAL CONSIDERATION

Allows for the City pay a principal amount not to exceed \$11,750,000

LEGAL REVIEW:

Legally Sufficient.

BOARD AND COMMITTEE ACTION:

The Legal Committee recommended approval 5-0 at its meeting on May 28, 2026. The Finance Committee recommended approval 5-0 at its meeting on June 4, 2026.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Resolution 26-34 Bond Redemption Joint Water and Sewer Improvements
NMFA Refunding Application
NMFA Time Schedule

WHEREAS, the City of Roswell ("Governmental Unit") is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 ("Act"), and the City of Roswell ("Governing Body") is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority ("Authority") has instituted a program for financing of projects from the public project revolving fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application ("Application") for financial assistance from the Authority for public projects; and

WHEREAS, the Governing Body has determined and hereby determines that the Refunding Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and its residents that the Loan Agreement be executed and delivered and that the financing of the Refunding Project take place by executing and delivering the Loan Agreement; and

WHEREAS, The Governmental Unit now owns, operates and maintains water and sewer facilities, which the Governmental Unit hereby declares shall be continued to be operated as a joint public utility; and

WHEREAS, the Governing Body intends to redeem of the City's outstanding Joint Water and Sewer Improvement Revenue Bonds, Subordinate Series 2017, issued on February 21, 2017 pursuant to Ordinance No. 16-22 adopted on January 12, 2017;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL
AS THE GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO, that:**

1. That all action (not consistent with the provision hereof) heretofore taken by the Governing body and the officers and employees thereof directed toward the Application and the Bond redemption, be and the same is hereby ratified, approved and confirmed.
2. That the completed Agreement and Application submitted to the Governing Body, be and the same is hereby approved and confirmed.
3. That the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.

1
2 4. All acts and resolutions in conflict with this resolution are hereby rescinded, annulled and
3 repealed.

4
5 5. This resolution shall take effect immediately upon its adoption.
6

7
8 PASSED, ADOPTED, SIGNED and APPROVED
9

10
11
12
13 CITY SEAL
14

15
16 _____
17 Timothy Z. Jennings, Mayor
18

19 ATTEST
20

21 _____
22 Amalia Martinez, City Clerk



NEW MEXICO
FINANCE AUTHORITY

NMFA Use Only:

App. #:	-PP
FA assigned:	
Legislative Authorization	

**PUBLIC PROJECT REVOLVING FUND
BUILDING APPLICATION**

I. GENERAL INFORMATION

A. APPLICANT /ENTITY

				Application Date:	1/9/2026
Applicant/Entity:	City of Roswell, New Mexico				
Address:	425 N Richardson Roswell, NM 88201				
County	Chaves	Census Tract:			
Federal Employer Identification Number (EIN) as issued by the IRS:					
Legislative District:	Senate:		House:		
Phone:	575-624-6700	Fax:		Email Address:	h.yntema@roswell-nm.gov
Individual Completing Application:	Carissa Stone				
Address:	6301 Uptown Blvd. NE Suite 110, Albuquerque NM 87110				
Phone:	505-872-5999	Fax:		Email Address:	carissa.stone@rbccm.com

B. CONSULTING PROFESSIONALS (Bond/Legal Counsel, Architect, Engineer, etc.), if available:

Firm:	Modrall Law Firm				
Contact:	Chris Muirhead				
Address:	500th St. NW Ste 1000, Albuquerque, NM 87102				
Phone:	505-848-1800	Fax:		Email Address:	cmuirhead@modrall.com

C. PRIMARY CONTACT PERSON:

Name:	Hessel Yntema				
Contact:	City Manager, City of Roswell				
Address:	425 N Richardson Roswell, NM 88201				
Phone:	575-624-6700	Fax:		Email Address:	h.yntema@roswell-nm.gov

II. PROJECT SUMMARY

- A. Project Description.** Complete the following information in the provided space below. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

1. Description of the project.

Refunding of the Series 2017 Joint Water & Sewer Improvement Bonds

- 2. Proposed Project Start Date:** September 2026 **Proposed Project Completion Date:** September 2026
When do you need NMFA funds available? September 2026

3. How will the ongoing maintenance, operation, and replacement of this project be funded?

Not applicable as it is a refunding.

4. Provide a detailed drawdown schedule for project payments. The schedule may reflect monthly or quarterly payments.

B. Total Project Cost & Sources of Funds Detail.

Construction Activities	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Planning and Design	\$	\$	\$	\$
Construction	\$	\$	\$	\$
Equipment	\$	\$	\$	\$
Infrastructure Activities				
Facility Acquisition	\$	\$	\$	\$
Land Acquisition	\$	\$	\$	\$
Utilities (Electric, Gas, Water, etc.)	\$ 11,500,000	\$	\$	\$
Engineering and Architectural	\$	\$	\$	\$
Contingencies	\$	\$	\$	\$
Project Administration/Legal Fees	\$	\$	\$	\$
Other Cost of Issuance	\$ 100,000	\$	\$	\$
Total Cost:	\$	\$	\$	\$

*Specify any other public funds, and amounts and terms of these funds, i.e. FmHA, CDBG, EPA, etc.

Source	Amount	Terms / # of Years
	\$	
	\$	
	\$	
Total:	\$	

Attach a letter verifying that each non-NMFA funding source has been approved, or is in the process of being approved for this project. Explain any exceptions.

C. Will this project require right-of-way acquisition? Yes ☐ No ☒

If yes, specify any right-of-way needs, and whether acquisition may or may not delay beginning of project.

D. Who will hold title to the land where the project is to be located?

Not applicable

If this is land owned by the Bureau of Land Management, State Land Office, or Tribal Land, please attach lease agreements. (If there is no clear title, attach an explanation of ownership arrangements)

- E. Does this project require a Joint Powers Agreement (JPA)? Yes ☐ No ☒

If yes, provide a copy of the JPA, which should include a list of the current membership.

III. FINANCING

- A. 1. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).

- ☐ Municipal Local Option GRT – please specify: _____
- ☐ County Option GRT – please specify: _____
- ☐ Other Tax-Based Revenue: _____
- ☐ State-Shared GRT
- ☐ Law Enforcement Funds
- ☐ Fire Protection Funds
- ☒ Net System Revenues: Joint Utility _____
- ☐ Other Revenue: _____

2. Is there an alternative revenue source available to pledge to pay debt service in the event that the primary pledged revenue is unavailable or insufficient? Yes ☐ No ☒ If yes, specify:

3. Preferred financing term: 11 years.

- B. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes ☐ No ☒

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan.

IV. READINESS TO PROCEED ITEMS

- A. The following items must accompany this application in order for this application to be considered complete:

- ☐ Equipment cost breakdown (if applicable)
- ☐ Three most recently completed fiscal year audit reports
- ☐ Current unaudited financials
- ☐ Current fiscal year budget
- ☐ Verification of ownership of land where project will be located
- ☐ Documentation that each non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- ☐ Joint Powers Agreement (if applicable)

B. In addition, complete the following information in the provided space below. These items will be required prior to disbursement of NMFA proceeds:

- ☐ Provide a detailed drawdown schedule for project payments
- ☐ Final technical information for the project, stamped and approved by a registered engineer
- ☐ Cost breakdown of the project, certifiable by either an engineer or architect
- ☐ Area map, site map, and floor map (if applicable)
- ☐ Verification of ownership of land where project will be located
- ☐ Documentation that each Non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- ☐ Documentation showing status of right-of-way acquisition (if applicable)
- ☐ Explanation of land ownership arrangements (if applicable)
- ☐ List all required permits and licenses necessary to complete this project. Detail the status of each item, a plan of action, and time frame for completing incomplete permits and licenses. Also provide a copy of all permits and licenses.
- ☐ Is there litigation pending which would have a bearing on this project or applicant?
Yes ☐ No ☐
If yes, provide a complete summary of all circumstances relating to such litigation.

- ☐ Indicate the regular meeting dates for your authorizing body: _____

V. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.

We will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:

Title:

(highest elected official)

Jurisdiction:

Print Name:

Date:

Signature:

Date:

Finance Officer/Director:

CITY OF ROSWELL, NEW MEXICO
Joint Utility Refunding and Flood Recovery GRT Financing Time Schedule
New Mexico Finance Authority

Date	Action	Responsibility
Friday, May 01	Submit Draft Applications to NMFA for June Board Approval	CITY, FA, NMFA
Thursday, June 04	Finance Committee meeting Finance Plan Update and Review of Bond Ordinances	CITY, FA, BC
Thursday, June 11	City Commission Meeting - First Reading of Bond Ordinances and approval of NMFA Application Resolutions	CITY, FA, BC
Friday, June 12	Submit Final Signed NMFA Applications	MA
Thursday, July 02	Finance Committee meeting Bond Ordinance	CITY, FA, BC
Thursday, July 09	City Commission Meeting - Approval of Bond Ordinance	CITY, FA, BC
Monday, July 13	Notice of Adoption published in paper of local circulation	
Thursday, June 25	NMFA Board meeting to Approve Loan	CITY, FA, BC, NMFA
Thursday, July 23	NMFA Board Authorization of Simultaneous Marketing	CITY, FA, BC, NMFA
Wednesday, August 12	Thirty day limitation of action period expires	
Thursday, August 27	Bond Pricing - NMFA Simultaneous Pricing	CITY, FA, BC, NMFA
Thursday, September 03	Closing Documents Circulated	CITY, FA, BC
Thursday, September 10	City Council Presentation of Bond Sale Results	CITY, FA, BC
Thursday, September 17	Bond Closing	SD, RBC, BC, NMFA
Working Group Key		
Code	Participant	Role
CITY	City of Roswell	Issuer
FA	RBC Capital Markets	Municipal Advisor
BC	Modrall Law Firm	Bond Counsel
NMFA	New Mexico Finance Authority	Purchaser

Note 1: Finance Committee meeting first Thursday of the month

Note 2: City Council meeting second Thursday of the month

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

11.

Meeting Date: 06/11/2026

COMMITTEE: Legal

CONTACT: C. Josh Nairn-Mahan

CHAIR: Will Cavin

ACTION REQUESTED:

Recommend approval of Red Mountain Arsenal LLC to enter into a 1-year lease beginning June 1, 2026, and ending May 31, 2027, for building 60 at the Roswell Air Center. (Cavin/Sanchez)

BACKGROUND:

Initiated by: Michelle Sanchez

Red Mountain Arsenal LLC requests to enter into a 1-year lease of Building 60, consisting of 8,770 square feet, more or less, located at the Roswell Air Center, commencing on June 1, 2026, and ending May 31, 2027.

FINANCIAL CONSIDERATION

See Fiscal Impact below.

Tenant agrees to pay forty-five thousand eight hundred ninety dollars and eighty-eight cents (\$45,890.88), payable in 12 monthly installments of \$3,824.24.

LEGAL REVIEW:

Contract to be reviewed by the Legal Department upon approval:

BOARD AND COMMITTEE ACTION:

The Legal Committee recommended approval 4-0 to the consent city council agenda at its meeting on May 28, 2026.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Red Mountain Arsenal LLC

MUNICIPAL PROPERTY USE AND LEASE AGREEMENT

THIS PROPERTY USE AND LEASE AGREEMENT (the "Lease"), is made and entered into as of the date of the last signature below, by and between the City of Roswell, a New Mexico municipal corporation existing under the laws of the State of New Mexico (together with its successors and assigns) ("City"), and Red Mountain Arsenal LLC, a corporation organized and existing under and by virtue of the laws of the State of New Mexico ("Lessee"). The City and Lessee are collectively referred to herein as "The Parties."

WHEREAS, City has agreed to lease to Tenant the real property described below, together with the improvements thereon, in Chaves County, New Mexico, and Tenant has agreed to lease said real property and improvements from City;

WHEREAS, the Parties desire to enter into this Lease to set out the terms and conditions for such lease and use of the Leased Premises.

NOW THEREFORE, for and in consideration of the mutual obligations, covenants, and agreements hereinafter set forth, City and Lessee agree as follows, to wit:

ARTICLE 1 – GRANTING CLAUSE AND LEASED PREMISES.

For the term, at the rent and otherwise upon the terms, provisions and conditions contained herein, City hereby leases to Lessee, and Lessee does hereby accept and lease from City in its current condition, as more specifically described on Exhibit "A" attached hereto and made a part hereof ("Leased Premises"), to include the surface only to the following real property, together with and other ancillary improvements located thereon:

Building No.60, consisting of 8770 square feet, more or less, and an area of land consisting of 74,000 square feet, more or less, located at the Roswell International Air Center, identified on a plat attached hereto and made a part hereof, identified and listed as Exhibit "A" (Premises).

The address of the Leased Premises is commonly known as 520 East Challenger, Roswell, NM 88203. The Leased Premises include existing infrastructure and buildings currently used as -office and manufacturing. As further set forth in Article 5, the Leased Premises are being leased "AS IS," including the environmental condition of the land, and City has made no representations or warranties of any kind or nature with regard to the existing or ongoing condition of the Leased Premises or its fitness or suitability for any particular use.

The rights granted herein are subject to all valid and existing rights in the Leased Premises.

ARTICLE 2 – TERM

2.01 Lessee shall commence leasing of the Leased Premises effective on June 1, 2026, for one year and shall terminate on May 31, 2027, collectively known as the "Lease Period," unless terminated or canceled earlier as herein provided. City hereby approves, and shall

not contest, relinquishment of this Lease by Lessee at any time following the Termination Date, provided that Lessee is not in default of the Lease at the time of said relinquishment, and also that Lessee surrenders the Leased Premises in compliance with this Lease.

ARTICLE 3 – RENT

3.01 Lessee agrees to pay to City as rent the sum of forty-five thousand, eight hundred ninety dollars and eighty-eight cents (\$45,890.88), payable in 12 monthly installments of \$3,824.24 the first year of the Lease. Thereafter, the rent will be adjusted annually by 3.0% or the latest 12-month percentage change in CPI-U (Consumer Price Index-U, U.S. City Average), whichever is greater. Rent and other fees are due on the first day of each month. Time is of the essence with regard to the payment of rent.

3.02 If Lessee fails to pay all rent and other fees due for any month by the tenth calendar day of the month that said rent and fees are due, Lessee shall pay to City an additional 10% finance charge, as a penalty, until the full amount of that month's rent is paid. This penalty shall be immediately payable without limiting City in the exercise of any other right or remedy to which it may be entitled by reason of Lessee's failure to pay rent when due. All rent shall be paid to City without abatement, reduction, or setoff of any kind except as herein specifically provided. Failure to pay for sixty (60) days could result in an immediate termination of this lease.

ARTICLE 4 – SECURITY DEPOSIT OR BOND

4.01 SECURITY DEPOSIT. Lessee is required to pay a total amount of \$22,271.71 as a security deposit as security for Lessee's full and faithful performance of all terms of this Lease. This amount shall be used by City at the termination of this Lease toward a. payment for rent or penalties due City, b. reimbursement of the costs of cleaning and repairing damages (beyond normal wear and tear) to the Leased Premises, and c. the cost of removal of any hazardous material not properly disposed of by Lessee. City shall be the sole and reasonable judge of all cleaning and repairs required for the Leased Premises and the amounts needed for these purposes. Upon termination or expiration of this Lease, the security deposit shall first be applied to necessary cleaning and removal, repairs, and the remaining balance, if any, may then be applied to rentals and penalties then owing to City. Any refund of the security deposit due Lessee will be delivered or mailed within 60 days after the termination of this Lease.

ARTICLE 5 – CONDITION OF LEASED PREMISES

Lessee has inspected the Leased Premises and accepts Leased Premises in its present condition "as is". Lessee acknowledges that any requirements for accessibility and/or public accommodation(s) are Lessee's responsibility. Lessee agrees that the Leased

Premises are in good repair and condition except as noted herein. Lessee agrees that, at the expiration of the term hereof, it shall yield up and deliver the Leased Premises to City in as good repair and condition, broom clean, as when received, except for loss resulting from ordinary use and wear.

ARTICLE 6 – PURPOSE AND USE OF THE LEASED PREMISES

6.01 PERMITTED USE. Lessee shall use the Leased Premises for the sole and exclusive purpose of: small arms ammunition and conducting other firearm industry-related business as allowed by Federal Firearms License or licenses approved by the Bureau of Alcohol. No other uses shall be permitted.

6.02 MAINTENANCE.

a. While this Lease is in effect, the Lessee agrees to maintain, at its sole cost and expense, in good condition and repair, all structural and mechanical components of any improvements maintained or constructed on the Leased Premises, including without limitation the foundation, roof, interior and exterior walls, any heating, ventilating and air conditioning systems, heating systems, any plumbing, electrical, and mechanical systems, ceilings, floors, wiring and any non-public utilities. Lessee will maintain the improvements in a condition of safe occupancy during the term of this Lease to a non-lesser standard than the current condition. City will not be under any obligation to operate or maintain the Leased Premises during the Lease Period.

b. Further, the Lessee shall maintain throughout the term of this Lease in good condition and repair, all nonstructural components of any improvements placed on the Leased Premises, including without limitation, the exterior, windows, glass, landscaping, driveways, parking areas, fences, doors, signage, and lighting, ordinary wear and tear excepted, and all personal property of the Lessee situated in or on the Leased Premises. Lessee will keep the Leased Premises and any improvements thereon clean and free from debris.

c. City shall be the sole and reasonable judge of the quality of maintenance and, upon written notice by City to Lessee, Lessee shall be required to perform whatever maintenance City deems reasonably necessary, provided, however, such maintenance shall be consistent in quality with that required of other City Lessees in comparable facilities. If said maintenance is not undertaken by Lessee within ten (10) days after the date City gives Lessee written notice of corrections needed, City shall have the right to enter upon the Leased Premises and perform the necessary maintenance, the cost of which shall be two times the cost for parts and labor and borne by Lessee.

d. Lessee shall not make any alterations to the Lease Premises or improvements placed thereon without prior written approval by City. City's approval to make alterations shall not be unreasonably withheld. City hereby pre-approves any alterations or

improvements necessary to ensure the safe occupancy of any structures placed on the Leased Premises.

6.03 HAZARDOUS MATERIALS. Lessee shall conduct all of its activities: (a) in compliance with all applicable environmental laws, rules, and regulations and any other applicable laws and regulations applicable to the Lessee's use of the Leased Premises.

a. Without limiting the foregoing, if Lessee or its agents, employees, invitees, or contractors should in any manner, leak, discharge, spill or release hazardous materials, including but not limited to fuel, oil, petroleum products, cleaning solvents, degreasers, deicing chemicals, or other fluids upon the Leased Premises, Lessee and its agents, or contractors shall be strictly liable to City, jointly legally and financially responsible and will incur direct liability pursuant to all applicable environmental laws.

b. In addition to all other indemnities provided in this Lease, Lessee agrees to defend, indemnify, and hold the City free and harmless from any and all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, and expenses, including without limitation cleanup or other remedial costs (and including reasonable attorneys' fees, costs and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the generation, manufacture, processing, use, release or other spills or leaks of chemicals and products that are or may become hazardous materials, the existence or discovery of any hazardous materials in excess of the levels allowed by all applicable environmental laws or violations of applicable environmental laws on the Leased Premises, the subsurface or the migration of any hazardous material from the Leased Premises to other properties or into the surrounding environment, in each case caused by the Lessee or its operations whether: (a) made, commenced or incurred during the Lease Period; or (b) made, commenced or incurred after the expiration or termination of this Lease if arising out of events occurring during the Lease Period; provided, however, Lessee's obligation to indemnify the City pursuant to this paragraph shall not apply with respect to either: (a) any hazardous material released by the City; or (b) any hazardous material (for which Lessee is not otherwise responsible) clearly demonstrated to have existed prior to this Lease or be migrating onto the Leased Premises from some other location through no fault of Lessee.

c. If there is a violation of any environmental laws concerning the presence, use, generation, storage, or other management of hazardous materials, Lessee shall at its cost promptly take such action as is necessary to mitigate and correct the violation.

d. The foregoing indemnity shall survive the expiration or earlier termination of this Lease and will not be affected in any way by the amount of or the absence in any case of coverage insurance or the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Leased Premises. In addition, Lessee shall be responsible for any environmental costs associated with negligence or

willful acts or omissions by Lessee, and notifications to appropriate regulatory agencies arising therefrom.

ARTICLE 7 – UTILITY AND OTHER CHARGES

In addition to all rent payable by the Lessee under Article 3, above, during the term hereof, Lessee shall pay all taxes, licenses, charges, fees or assessments levied or to be levied upon personal-property, fixtures or equipment placed by Lessee upon the Leased Premises, and insurance, of whatsoever kind or nature, incident to or arising out of the conduct of Lessee's business. Failure to have an appropriate current license or permit for Lessee's conduct of business shall be a breach of this Lease. Lessee will promptly pay all utilities and other charges used on the Leased Premises, including electric, gas, water, garbage, sewage, telephone, internet, all maintenance and operating costs, and other services which may be incurred in connection with Lessee's use of the Leased Premises, and save harmless City therefrom. The City is not responsible for any payments that may be associated with any demolition or construction of any improvements or infrastructure.

ARTICLE 8 – LIEN

To secure the payment of any rent amount that becomes due, and to satisfy all reasonable costs incurred by City in recovering said rent amount, City shall have a first and prior lien on any and all improvements, fixtures, and equipment placed on the Leased Premises, owned by Lessee.

ARTICLE 9 – PERSONAL PROPERTY

All personal property and fixtures of Lessee in or on the Leased Premises shall be kept at the sole risk of Lessee, and City shall not be liable for any damage thereto or to Leased Premises or to Lessee for interruption of business or otherwise. Lessee hereby waives all causes or rights of recovery against City, its agents, employees, invitees, and tenants for any loss to such personal property and fixtures on the Leased Premises or to consequential loss arising therefrom caused by fire or other casualty, whether negligently caused or not.

ARTICLE 10 – IMPROVEMENTS

10.01 The Leased Premises include improvements, including but not limited to existing infrastructure and building currently used as storage. Lessee may use the existing improvements or remove existing improvements, subject to prior written approval by City. In addition, Lessee may place the following improvements on the Leased Premises:

Specific improvements to the Leased Premises are subject to City's prior written approval.

10.02 No other improvements shall be placed on or alterations made to the Leased Premises without the prior amendment of this Lease pursuant to Article 22 hereof to permit

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such improvement placement. Lessee shall maintain and protect from waste and trespass all improvements placed on the Leased Premises.

10.03 Ownership Of Improvements, Improvement Removal And Reclamation. Before relinquishment or termination of this Lease without re-lease to Lessee, or upon City's cancellation of this Lease as provided herein, City may either declare title to the improvements without payment or compensation to the Lessee or City may order the removal of such improvements. City may declare title to certain improvements and may order the removal other improvements. City will inventory the improvements and provide notice to the Lessee of its intent to declare title to the improvements or its order to remove the improvements one (1) year before relinquishment or termination of the Lease. If City determines certain improvements must be removed, Lessee shall remove those improvements and shall restore the Leased Premises to their condition existing prior to the placement of said improvements; provided, however, if any rent amount is due and unpaid at the time of Lease cancellation or termination, Lessee shall remove improvements and restore the Leased Premises as herein provided only at such time, in such manner and under such conditions as City may in writing demand. So long as improvements are maintained to the standards contained in paragraph 6.02 above, City shall not order the removal of those improvements. Lessee hereby waives, and shall not assert, any right to compensation for improvements on the Leased Premises. This paragraph shall survive termination of this Lease. The foregoing rights of City shall be cumulative to City's right to cancel this Lease as herein provided.

10.04 Equipment. Except as otherwise provided herein, Lessee shall have the right to install such equipment as may be necessary to conduct of its business on the Leased Premises; and at the expiration or termination of the Lease, Lessee shall have the right to remove all of such equipment installed by Lessee that is removable without damage to the Leased Premises.

10.05 Signs and Advertising. Lessee shall not erect, maintain, or display any signs or other advertising at or on the Leased Premises without first obtaining the written approval of City, such approval not to be unreasonably withheld.

ARTICLE 11 – RELINQUISHMENT

Lessee, if not in default under this Lease, may at any time apply to relinquish the Lease to City and be relieved of further obligations under the lease, provided, however, such relinquishment shall not be valid or effective until approved in writing by City. Lessee must file an application to relinquish the Lease at least one hundred eighty (180) days prior to the date on which the Lessee requests the relinquishment to go into effect. City may condition relinquishment on any terms it deems reasonable. Upon relinquishment, Lessee shall not be entitled to the refund of any rent previously paid.

ARTICLE 12 – ASSIGNMENT

Lessee shall not assign this Lease, any part thereof, or assign any improvements located on the Leased Premises without the prior written amendment of this Lease pursuant to Paragraph 22 hereof to permit such assignment. Any lease assignment without lease amendment shall be null and void. City may condition such lease amendment upon an increase in the rent amount and the modification or addition of other Lease provisions.

ARTICLE 13 – SUBLEASE

Lessee shall not sublease the rights granted hereunder, any part thereof, any portion of the Leased Premises, or any improvements located on the Leased Premises without the prior written approval of City to permit such sublease. Any sublease without City's approval shall be null and void. City may condition such approval upon an increase in the rent amount and the modification or addition of other Lease provisions, however any such modification or addition to the Lease shall not be unreasonable. The City's approval of a sublease shall not be unreasonably withheld.

ARTICLE 14 – COLLATERAL ASSIGNMENT

Any attempt to collaterally assign or leasehold mortgage Lessee's interest in this Lease, or in any Improvements, is void and will not vest the purported Lender with any right, title, interest, claim or privilege with respect to this Lease or Improvements, absent prior approval in writing by City.

ARTICLE 15 – WAIVER

No employee or agent of City has the power, right, or authority to orally waive any of the terms, conditions, or covenants hereof, and no waiver by City of any of the terms, conditions, or covenants hereof shall be effective unless in writing and executed by City. City's waiver of Lessee's breach or default of any of the terms, conditions, or covenants hereof shall not constitute or be construed as a waiver of any other or subsequent breach or default by Lessee. The failure of City to enforce at any time any of the terms, conditions or covenants hereof or to exercise any option herein provided, or to require at any time performance by Lessee of any of the terms, conditions, or covenants hereof shall not constitute or be construed to be a waiver of such terms, conditions, or covenants, nor shall it affect the validity of this Lease or any part thereof, or City's right to thereafter enforce each and every such term, condition, and covenant.

ARTICLE 16 – WAIVER, RELEASE AND PROTECTION OF THE LEASED PREMISES

Lessee is leasing the Leased Premises based on Lessee's own inspection and investigation of and judgment regarding the Leased Premises. City makes no warranties or

representations of any kind or nature with regard to the Leased Premises or with regard to this transaction.

If accidental discharge, release, spill, or fire, or any other event having environmental consequence occurs, Lessee agrees to provide notice to City at the same time and in the same manner as Lessee is required to provide to the federal, state, or local agency having responsibility for enforcing compliance with environmental laws, regulations, and policy. Lessee agrees that, upon request by City, City shall have access to all reports, documents, test data, and all other materials provided by City to or received by Lessee from a governmental agency having responsibility for enforcing compliance with environmental or other laws.

In the event City is required to incur any cost or expense to enforce the provisions of this lease, including but not limited to consultants, engineers, soil, air, or water sampling, and attorneys' fees and costs, Lessee shall be liable for and reimburse City for said costs and expenses.

ARTICLE 17 – LIABILITY; INDEMNIFICATION; INSURANCE.

17.01 LIABILITY. City shall not be liable to Lessee or to Lessee's employees, customers, visitors or any other person or entity for any death or injury or damage to person or property arising from any cause whatsoever which shall occur in any manner in or about the Leased Premises in connection with or arising out of Lessee's operations and use of the Leased Premises.

17.02 INDEMNIFICATION. Lessee shall hold harmless, indemnify and defend City, and City's employees, agents, and contractors, in both their official and individual capacities, from any and all liabilities, claims, losses, damages, or expenses, including but not limited to reasonable attorneys' fees, loss of land value, third party claims, penalties or removal, remedial or restoration costs arising out of, alleged to arise out of or indirectly connected with a) the operations hereunder of Lessee or Lessee's employees, agents, contractors, or invitees, b) the activities of third parties on the Leased Premises, whether with or without Lessee's knowledge or consent. In the event that any action, suit, or proceeding is brought against Lessee, Lessee shall, as soon as practicable but no later than three (3) days after it receives notice thereof, notify the legal counsel of City. This Paragraph shall survive the termination, cancellation or relinquishment of this Lease, and any cause of action of City to enforce this provision shall not be deemed to accrue until City's actual discovery of said liability, claim, loss, damage, or expense.

Lessee further agrees that its obligation to indemnify, defend, and hold harmless City shall not be limited to the limits or terms of the liability insurance required pursuant to this Lease.

17.03 INSURANCE.

a. Landlord will provide fire and extended coverage to the Premises during the term of the Lease. Tenant agrees to reimburse Landlord for the amount of insurance premium based upon pro-rated per square foot cost attributable to the Premises as determined and billed by Landlord. Tenant understands that fire and extended coverage does not cover the property of Tenant or any property of Tenant or any property on the premises that does not belong to Landlord.

b. Tenant shall maintain in full force and effect a policy or policies of general public liability insurance (Exhibit B) in which Landlord is named an additional insured to the extent of the liabilities assumed by Tenant hereunder, covering both parties against claims for injury, death or damage to persons or property occurring upon, in or about the premises, in such limits as set forth in the New Mexico Tort Claims Act or as may be amended. Tenant shall provide Landlord written evidence of this insurance within thirty (30) days of the effective date of the Lease.

ARTICLE 18- USE OF THE PREMISES. Security Responsibilities Of Tenant, Tenant Employees, and Other Persons.

1. USE OF THE PREMISES. Security Responsibilities of Tenant, Tenant Employees, and Other Persons.

a. No person may:

- i. Tamper, interfere with, compromise, modify, attempt to circumvent, or cause a person to tamper, interfere with, compromise, modify, or attempt to circumvent any security system, measure, or procedure.
- ii. Enter, or be present within, a Secured Area, AOA, SIDA, or sterile area without complying with the systems, measures, or procedures being applied to control access to, or presence or movement in, such areas.
- iii. Use, allow to be used, or cause to be used, any airport-issued or airport-approved access medium or identification medium that authorizes the access, presence, or movement of persons or Vehicles in Secured Areas, AOAs, or SIDAs in any other manner than that for which it was issued by the Airport Authority.

b. Security Badges

i. Airport ID Badge

1. Persons who work or do business on Airport property on a permanent or long-term (longer than 30 days) basis must have an Airport-issued identification in the form of an Airport ID badge. An individual holding an Airport ID badge may also be referred to as "badged personnel."

ii. Airport ID Badge Holder and Tenant Security Responsibilities / Access Control Procedures

1. All badged personnel have an affirmative duty to maintain a secure Airport. Airport tenants are responsible for ensuring that their employees, suppliers, contractors, subcontractors, and all other businesses and entities providing services on Airport property comply with Airport Security, these Rules and Regulations.
- c. All badged personnel have an affirmative duty to maintain a secure Airport. Airport tenants are responsible for ensuring that their employees, suppliers, contractors, subcontractors, and all other businesses and entities providing services on Airport property comply with Airport Security, these Rules and Regulations.
- d. Tenants and tenant employees are responsible for controlling access to doors, gates, and other passageways between the AOA and the landside of the airport through their lease areas.
- e. A breach in security caused by a tenant or tenant employee that results in a TSA, Airport Security Coordinator, or Airport Director finding of negligence will be cause to review, suspend, or withdraw access privileges, impose additional training requirements, building, and/or impose other penalties as provided by these Rules and Regulations and the Airport Security Program.
- f. Tenant shall use the Leased Premises solely for the purpose of manufacturing small arms ammunition and conducting other firearm industry related business as allowed by Federal Firearms License or Licenses approved by the Bureau of Alcohol, Tobacco, firearms and Explosives, together with such other related uses as shall be reasonable incidental thereto, and for no other purposes, and it shall not use the Leased Premises for any purpose prohibited by the laws of the United States and the State of New Mexico. Tenant shall be bound by the Roswell City Code (Tenant to be provided location where current city code may be accessed by Landlord) or as may be amended from time to time, and all applicable policies and procedures of the Roswell International Air Center (RIAC).
- g. Proper disposal of trash, fluids, parts, hazardous or contaminated waste or materials of whatsoever kind, type or description generated on or as a part of Tenant's occupancy of the Premises is the sole and absolute responsibility of Tenant. Tenant shall comply with all Federal, State, and local regulations, laws, and ordinances of the City of Roswell in disposal of any such materials. Improper disposal of trash, fluids, parts, hazardous or contaminated waste or materials of whatsoever kind, type or description, generated on or as a part of Tenant's occupancy of the Premises shall be grounds for the immediate Lease termination with or without process of law. Tenant represents to Landlord that it will not release any hazardous materials at the

leased premises or contaminated the leased premises. To the extent it is proven that hazardous materials have been released on the leased premises by Tenant, Tenant's employees or representatives during the term of Tenant's occupancy of the leased premises, Tenant hereby unconditionally agrees at its sole cost to defend, indemnify, protect and hold Landlord harmless from and against any bodily injury, death or property damage, including:

- i. Environmental claims.
 - ii. Environmental expenses, including, without limitation, the handling, investigation, treatment, storage, decontamination, remediation, removal, transport, or disposal of such hazardous materials.
 - iii. Liabilities, losses, damages, fines, penalties, charges, orders, judgments, or liens caused by such release.
- h. Tenant shall operate its business in such a manner as to prevent the performance of any act or creation or maintenance of anything which, in the opinion of Landlord, is or may become a nuisance or otherwise noxious or objectionable condition including, but not limited to, any act or thing resulting in noise, vibration, shock, smoke, dust, odor or other forms of air pollution, or other condition, substance or element in such amount as to affect areas surrounding or adjoining the Premises. Landlord shall be the sole and reasonable judge as to whether or not any act done or thing created or maintained by Tenant on the Premises is or may become a nuisance or otherwise noxious or objectionable condition, and Tenant agrees to abide by Landlord's decision and act in accordance with its directions with respect thereto.

Landlord reserves the right to take any action it considers necessary to protect the aerial approaches to the ROW's airport against obstruction, and together with the right to prevent Tenant from erecting or permitting to be erected any building or other structure on the Premises which, in the opinion of Landlord, would limit the usefulness of the airport or constitute a hazard to aircraft or conflict with a current restriction or master plan.

ARTICLE 19 – DEFAULT AND CANCELLATION

Upon Lessee's violation of any of the terms, conditions, or covenants contained herein, including the failure to pay the rent when due, City may cancel this Lease after providing Lessee sixty (60) days' notice of the default by registered mail. The mailing of such notice as herein provided shall constitute notice of City's intention to cancel the Lease and no proof of receipt of such notice shall be necessary in order for City to enforce the lease cancellation sixty (60) days after the mailing of the notice if Lessee has not cured the default to City's satisfaction within said sixty (60) day period. Lessee agrees that if a court

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of competent jurisdiction determines that Lessee has breached any of the terms, conditions or covenants of this Lease, Lessee shall pay the costs incurred by City in litigating the default, including reasonable attorney fees. In the event of a breach of the terms of this Lease by the Lessee, the City also shall have all remedies available at law or equity.

ARTICLE 20 – DAMAGE OR DESTRUCTION OF LEASED PREMISES

In the event the Leased Premises are damaged by fire or other perils, City may, in its sole and absolute discretion, repair or rebuild the same within a reasonable time after the event causing such damage. City shall in its sole discretion have the option to: (1) to repair, reconstruct or restore the Leased Premises within a reasonable time of the event causing the damage, in which case this Lease shall continue in full force and effect, but the rent shall be proportionately reduced as provided above during the period of such repair, reconstruction or restoration, or (2) to give notice to Lessee at any time within sixty (60) days after such damage occurs, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. In the event of giving to Lessee such notice of termination, this Lease shall terminate and all interests of Lessee in the Leased Premises shall cease on the date so specified in such notice and Lessee shall pay the rent, as proportionately reduced, based upon the extent, if any, to which such damage interfered with the business carried on by Lessee in the Leased Premises, up to the date of such termination. If the damage is due to the fault or neglect of Lessee or its employees, as determined by City in its sole discretion, there shall be no reduction of rent.

City shall not be required to repair any damage by fire or other casualty, or to make any repair or replacements of any leasehold improvements, fixtures, or other personal property of Lessee.

ARTICLE 21 – COMPLIANCE WITH APPLICABLE FEDERAL, STATE, OR LOCAL LAW OR REGULATION

Lessee shall fully comply with all federal and state laws, regulations, rules, ordinances and requirements, applicable to the Leased Premises or to Lessee's operations thereon, including but not limited to all applicable federal and state laws governing water, endangered or threatened species, hazardous materials, environmental protection, land use, health and safety, cultural, historic or archeological/paleontological properties, waste, trespass, including all applicable federal, state, or local law or regulations that may be promulgated after the effective date of this Lease. Lessee agrees to protect the Leased Premises from waste or trespass. Lessee's compliance with all laws, regulations, and policy shall be at its own expense.

ARTICLE 22 – SCOPE OF AGREEMENT

This Lease incorporates all the agreements, covenants, and understandings between City and Lessee concerning the subject matter hereof, and all such agreements, covenants, and understandings are merged into this Lease. No prior agreement or understanding between City and Lessee shall be valid or enforceable unless expressly embodied in this lease.

ARTICLE 23 – AMENDMENT

This Lease shall not be altered, changed, or amended except by an instrument executed by both City and Lessee.

ARTICLE 24 – APPLICABLE LAW

This Lease shall be governed by the laws of the State of New Mexico.

ARTICLE 25 – SUCCESSORS IN INTEREST; THIRD PARTIES

All terms, conditions, and covenants of this Lease and all amendments thereto shall extend to and bind the heirs, successors, and assigns of Lessee and City. There are no third-party beneficiaries of this Lease.

ARTICLE 26 – BANKRUPTCY

If Lessee should be adjudged bankrupt, either voluntarily or involuntarily, City shall have the option to pursue with the Court having jurisdiction all remedies to which City may be entitled in law or equity. In no event shall Lessee's interests in this Lease be deemed to be an asset of Lessee.

ARTICLE 27 -- HOLDOVER

If Lessee enters upon the Leased Premises after the termination or cancellation of this lease for any purpose, or leaves any equipment, buildings, materials, property or debris on the Leased Premises after the termination or cancellation of this lease, the rent due City for such entry or presence shall be prorated rent as provided in Article 3 plus 15% administrative for each day or any part of a day. Nothing contained herein shall be construed as the grant to Lessee of the right to enter the Leased Premises for any purpose after the termination or cancellation of this Lease without the prior written consent of City.

ARTICLE 28 – NOTICES

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Red Mountain Arsenal

The addresses for notice are:

For Notice to City:

Air Center Manager
1 Jerry Smith Circle
Roswell, NM 88203

For Notice to Lessee:

Red Mountain Arsenal
520 E. Challenger
Roswell, NM 88203

ARTICLE 29 – RULES OF CONSTRUCTION

(a) The captions and headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

(b) All references in this Lease to particular articles, sections, or exhibits are references to articles or sections of or exhibits to this Lease unless some other reference is established.

ARTICLE 30 – CALCULATION OF TIME

Any time period calculated by reference to "days" means calendar days unless expressly otherwise stated; provided, however, that if the last day for a given act falls on a Saturday, Sunday, or a holiday as observed by the State of New Mexico, the day for such act shall be first day following that is not a Saturday, Sunday, or such observed holiday.

ARTICLE 31 – STATUS OF CITY

Lessee acknowledges that the City is a governmental entity that owns and manages the Leased Premises pursuant to state law.

ARTICLE 32 – ENTIRE AGREEMENT AND AMENDMENT

This Lease is intended by the Parties as a final expression of their agreement and as a complete and exclusive statement of the terms thereof, with all negotiations, considerations, and representations between the Parties having been incorporated herein. No course of prior dealings between the Parties shall be relevant or admissible to supplement, explain, or vary any of the terms of this Lease. No representations, understandings, or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein.

IN WITNESS WHEREOF, this Lease is executed the __ day of June, 2026.

For City

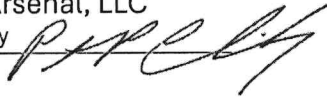
By: Hessel Yntema, City Manager

For Lessee:

Red Mountain Arsenal, LLC

By: Peter Charnisky

Its: President



Attest:

Approved as to Form:

Amalia Martinez, City Clerk

Christopher J. Nairn-Mahan, City Attorney

EXHIBIT "A"

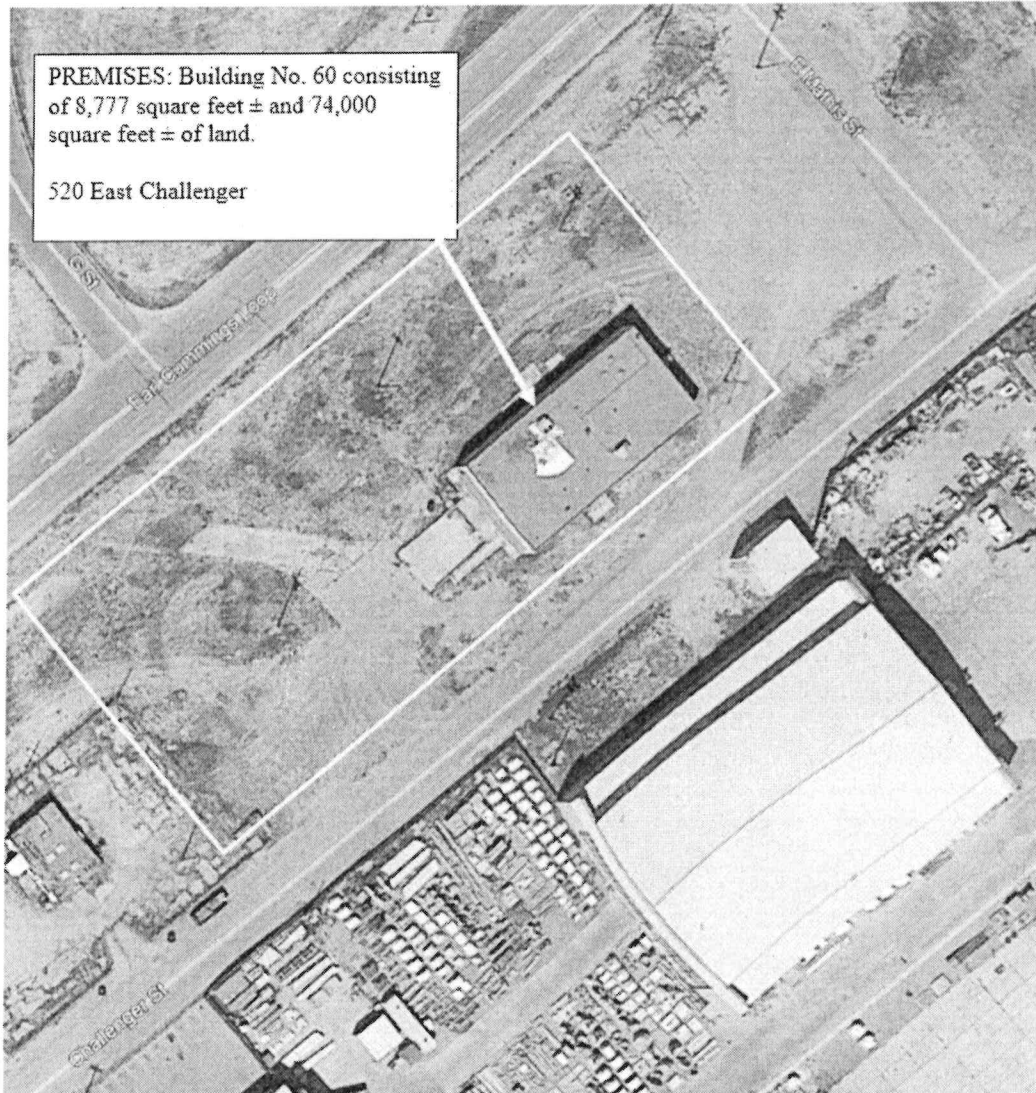


EXHIBIT "A"

Regular City Council Meeting

12.

Meeting Date: 06/11/2026

COMMITTEE: N/A

CONTACT: Amalia Martinez

CHAIR: Mayor Pro Tem

Summary:

Approval of the minutes from the Regular City Council meeting on May 14, 2026. (Corn/Martinez)

Attachments

05_DRAFT - May 14, 2026 City Council Minutes (am)

REGULAR MEETING
CITY OF ROSWELL COUNCIL - AGENDA
Chaves County Administrative Center
Commission Chambers - #1 St. Mary's Place
Roswell, New Mexico 88203
Thursday, May 14, 2026, at 6:00 p.m.

Notice of this meeting has been given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution No. 26-12.

The meeting convened at 6:00 p.m. with Mayor Jennings presiding:

Opening Remarks – Mayor Jennings opened the meeting by asking attendees to keep Robert Boyles, Trey Grey, Officer Daniel Irvin, and four Trans Arrow employees in their thoughts and prayers, noting their passing over the past several years. He also expressed appreciation for Officer Cavin, who was shot two years ago tomorrow, and has since made a full recovery and is doing well.

ROLL CALL VOTE:

Juan Oropesa	Present
Cristina Arnold	Present
Kurt Gass	Present
Carlos Marrujo, Jr.	Present
Darrell Johnson	Present
Angela Moore	Absent
Robert Corn	Present
Juliana Halvorson	Present
Ed Heldenbrand	Present
Will Cavin	Present

Councilor Marrujo led in prayer, and Councilor Arnold led in the Pledge of Allegiance.

APPROVAL OF THE AGENDA

1. Approval of agenda - approve the agenda for the May 14, 2026, Regular City Council Meeting.

MOTION: Mayor Pro Tem Corn moved to approve the agenda for the May 14, 2026, meeting. Councilor Cavin was the second.

1
2 **ROLL CALL VOTE:**
3

4	Juan Oropesa	Yes
5	Cristina Arnold	Yes
6	Kurt Gass	Yes
7	Carlos Marrujo, Jr.	Yes
8	Darrell Johnson	Yes
9	Robert Corn	Yes
10	Juliana Halvorson	Yes
11	Ed Heldenbrand	Yes
12	Will Cavin	Yes

13
14 **MOTION PASSED: 9-0**
15

16 2. Approval of consent agenda - approve the consent agenda for the May 14, 2026, Regular City
17 Council Meeting.
18

19 **MOTION:** Mayor Pro Tem Corn moved to approve the agenda for the May 14, 2026, meeting.
20 Councilor Marrujo was the second.
21

22 **ROLL CALL VOTE:**
23

24	Juan Oropesa	Yes
25	Cristina Arnold	Yes
26	Kurt Gass	Yes
27	Carlos Marrujo, Jr.	Yes
28	Darrell Johnson	Yes
29	Robert Corn	Yes
30	Juliana Halvorson	Yes
31	Ed Heldenbrand	Yes
32	Will Cavin	Yes

33
34 **MOTION PASSED: 9-0**
35

36 **CONSENT ITEMS (items 3-20 will be approved at the time of the approval of the consent**
37 **agenda)**
38

39 3. Approval of a Professional Services Agreement between the City of Roswell Fire Department
40 and Public Consulting Group, LLC to provide consulting services for the Ambulance Supplemental

1 Payment Program (ASPP), including cost reporting, program development, and support to obtain
2 Medicaid supplemental reimbursements.

3
4 4. Approval of the award for ITB-26-011 Transit Facility Restroom Remodel Project to White
5 Rock Construction & Services, Inc., in the amount of \$139,030.83, including applicable New
6 Mexico Gross Receipts Tax (GRT).

7
8 5. Approval of a budget adjustment and approval to issue a purchase order to Vanguard Truck
9 Centers under TIPS contract #240901 for the purchase of a Front Load Truck in the amount of
10 \$388,574.

11
12 6. Approval of a budget adjustment and authorization to purchase of a new 2026 "Bucket Truck"
13 from Global Rental Co., Inc. the amount of \$175,662.00.

14
15 7. Approval to implement a new pay chart for all personnel at the Pecos Valley Regional
16 Communications Center to improve recruitment, retention, and operational stability.

17
18 8. Approval of the burial of power lines at the Air Center to enhance safety.

19
20 9. Approval of a budget adjustment in the amount of \$3,724.00 to relocate all recording
21 equipment.

22
23 10. Approval of the scope of work for RFP-26-XXX Goddard collection flood recovery
24 assessment, stabilization, and conservation services.

25
26 11. Approval of a task order in the amount of \$88,987.77 to Molzen Corbin at ROW for drainage
27 improvements.

28
29 12. Approval of the Roswell Hispano Chamber of Commerce funding request of \$26,860 for Fiscal
30 Year 2027.

31
32 13. Approval of a budget adjustment in the amount of \$83,758.08 to authorize the purchase of a
33 vertical carousel file storage system.

34
35 **Resolution(s)**

36
37 14. Resolution 26-22 Disposal of Certain Surplus Personal Property. Consider adoption of
38 Resolution 26-22 to dispose of certain surplus property listed on the attachment.

15. Resolution 26-23 Weeds - The Resolution shall mandate the cleanup of approximately sixteen (16) separate properties within the City. A scrivener's error was identified on page 143. The reference to Resolution 26-18 should be corrected to Resolution 26-23.

16. Resolution 26-24 Condemnations - adoption of Resolution 26-24, the Resolution shall require the removal or demolition of one (1) dilapidated structure.

17. Resolution 26-26: adoption of Resolution 26-26: accepting funds as part of NMDOT's Capital Outlay Program.

Bids, RFP's, and Agreements

18. Approval to advertise RFP 26-XX for HVAC and Plumbing services and repairs to City-owned facilities.

Minutes

19. Approval of the minutes from the Regular City Council meeting on April 9, 2026. A scrivener's error was noted on page 184, line 5, where the date listed as March 12, 2026, should be corrected to April 9, 2026. Additionally, on page 186, line 40, the minutes indicate that attachments are included; however, the draft minutes provided in the packet did not include those attachments.

20. Approval of the minutes from the Special City Council meeting on April 20, 2026. A scrivener's error was identified on page 198, line 21. The date listed as the 20th day of April 2026 should be corrected to the 14th day of May 2026.

NON-ACTION ITEMS (Information Items)

Airport Updates (Omar Gonzalez and Fred Telling)

Water Line Breaks: Response and Recovery Efforts (Michael Vickers)

Set Apart Gymnastics (Jason and Jennifer Hughes)

PUBLIC PARTICIPATION ON AGENDA ITEMS AND NON-AGENDA ITEMS

One constituent, Angela Villa of Ward 5, addressed the City Council regarding her water bill, water rates, PSI, and her overall experience with the Water Department. She expressed concerns about potential overcharges and difficulty resolving the issue. City Manager Hessel Yntema provided his

1 contact information and requested that she follow up directly so the matter can be reviewed and
2 addressed.

3
4 **PUBLIC HEARING(S)**

5
6 21. Ordinance 26-03: Hold a public hearing. Ordinance 26-03: An Ordinance amending the
7 updated Fire Code references within Chapter 13 of the City Ordinance

8
9 **BACKGROUND:** New 2024 Fire Code adoption. Necessary for the Fire Department ISO rating
10 and State requirements.

11
12 **MOTION:** Councilor Cavin made a motion to adopt Ordinance 26-03: An Ordinance amending
13 the updated Fire Code references within Chapter 13 of the City Ordinance. Councilor Arnold was
14 the second.

15
16 **ROLL CALL VOTE:**

17	Juan Oropesa	Yes
18	Cristina Arnold	Yes
19	Kurt Gass	Yes
20	Carlos Marrujo, Jr.	Yes
21	Darrell Johnson	Yes
22	Robert Corn	Yes
23	Juliana Halvorson	Yes
24	Ed Heldenbrand	Yes
25	Will Cavin	Yes

26
27
28 **MOTION PASSED: 9-0**

29
30 **NEW BUSINESS / REGULAR ITEMS**

31
32 22. Approval of the FY27 Proposed Budget.

33
34 **BACKGROUND:** Per Resolution 25-50, the City Manager has presented the FY27 Proposed
35 Budget to the Infrastructure, Legal, Public Safety, and Finance Committee for review. These
36 committees were responsible for reviewing departmental budgets and referring their
37 recommendation to the Finance Committee. This item was tabled at the April 2, 2026, Finance
38 Committee Meeting. The Finance Committee held a Special Finance Committee Meeting on April
39 27 and continued on April 28 to review the budget. The Finance Committee on May 07, 2026,

1 referred this item to City Council, per Resolution 25-50, with the recommendation to refer back to
2 a Special Finance Committee meeting on May 21, 2026, with a 5-0 vote.

3
4 **MOTION:** Councilor Gass made a motion to refer the FY27 Proposed Budget back to the Finance
5 Committee for further review, with a Special Finance Committee Meeting scheduled for May 21,
6 2026, at 9:00 a.m. Councilor Heldenbrand seconded the motion.

7
8 **VOTE:** A voice vote was unanimous

9
10 **MOTION PASSED: 9-0**

11
12 23. Approval of a budget adjustment and authorization to purchase equipment and services from
13 Xybix, ConvergeOne, and Goodman's in the total amount of \$165,551.67 to support the relocation,
14 upgrade, and outfitting of the Pecos Valley Regional Communications Center, with expenditures
15 to be initially funded by the City and subsequently reimbursed through the NMDFA E-911 Grant
16 Program.

17
18 **BACKGROUND:** The Pecos Valley Regional Communications Center is upgrading and
19 relocating critical equipment to maintain operational continuity, improve functionality, and support
20 uninterrupted emergency communication services. Historically, equipment and project costs
21 associated with the NM911 Grant Program were processed by submitting vendor quotes directly
22 to the NM911 Program, which then paid vendors upfront on behalf of the project. Recently, the
23 NM911 Program restructured the grant process from an upfront payment model to a
24 reimbursement-based model. Under the revised procedures, the City must first procure and pay
25 eligible project costs and then submit documentation for reimbursement. As a result of this
26 procedural change, a budget adjustment is required to appropriate expenditure authority for the
27 project pending reimbursement through the NM911 grant program. To avoid delays in this time-
28 sensitive transition, we are bringing this item directly to the City Council rather than through the
29 standard two-committee review process. The proposed purchases include:

- 30
31
 - Xybix - \$96,380.68 relocation of existing dispatch consoles, addition of two new consoles,
32 and furnishing of a new training room.
 - ConvergeOne - \$59,189.75 relocation of the current Viper system, including installation,
34 technician services, and necessary materials.
 - Goodman's - \$9,981.24 purchase of 12 chairs for dispatchers and staff.

35
36
37 These upgrades are necessary to maintain continuity of 911 operations, improve workspace
38 functionality and ergonomics, and ensure the Communications Center remains fully operational
39 during the transition process.

1 **MOTION:** Councilor Gass made a motion for the approval of a budget adjustment and
2 authorization to purchase equipment and services from Xybix, ConvergeOne, and Goodman's in
3 the total amount of \$165,551.67 to support the relocation, upgrade, and outfitting of the Pecos
4 Valley Regional Communications Center, with expenditures to be initially funded by the City and
5 subsequently reimbursed through the NMDFA E-911 Grant Program. Councilor Arnold was the
6 second.

7
8 **VOTE:** A voice vote was unanimous

9
10 **MOTION PASSED: 9-0**

11
12 24. Approval of a task order to Parkhill Smith & Cooper Inc. for the permit renewal for the
13 Roswell Municipal Landfill for \$243,284.49. This will be utilizing RFP-25-002 Engineering &
14 Architectural Services.

15
16 **BACKGROUND:** The Roswell Municipal Landfill has a 20year permit to operate issued by the
17 State. This permit is to expire in 2027, with the State requiring the permit application to be
18 submitted no later than one year before it expires.

19
20 In FY19, a purchase order was made to Souder Miller and Associates (SMA) to do a Permit
21 Renewal for the Roswell Municipal Landfill. At the time, it was considered early as the permit was
22 set to be renewed in August of 2026.

- 23 • From 2018 to early 2020, invoices were sent to show that progress was being made.
- 24 • Since the second half of 2020, SMA would intermittently send an invoice, usually only
25 once a year, stating they were working on the permit
- 26 • The director went up in early 2024 to see documents, but was told that because they didn't
27 expect him, they didn't have anything for him to see
- 28 • November 2025: Forward monthly emails asking for updates
- 29 • January 25, 2026, Letter from the State reminding the department of the hard deadlines for
30 both a pre-application meeting and for submittal of the permit
- 31 • May 4, 2026, Phone call with the state, raising the red flag of nothing being communicated
32 to them
- 33 • May 2026 Legal sent a letter to SMA informing them they have been removed from the
34 project

35 Parkhill is dedicating a team to be fully focused on this. Once the PO is cut, they will set up a pre-
36 application meeting with the State and submit the application. They have a path moving forward,
37 so we do not incur any fines or be out of compliance due to an expired permit.

38
39 **MOTION:** Mayor Pro Tem Corn made a motion for the approval of a task order to Parkhill Smith
40 & Cooper Inc. for the permit renewal for the Roswell Municipal Landfill for \$243,284.49. This

1 will be utilizing RFP-25-002 Engineering & Architectural Services. Councilor Cavin was the
2 second.

3
4 **VOTE:** A voice vote was unanimous

5
6 **MOTION PASSED: 9-0**

7
8 25. Approval of a budget adjustment for SkyWest Airlines / United Express in the amount of
9 \$748,617.26 pursuant to the Transportation Services Agreement with Roswell Air Center for the
10 continued provision of scheduled nonstop jet service between Roswell Air Center (ROW) and
11 Denver International Airport (DEN), with eligible costs to be submitted for reimbursement through
12 the U.S. Department of Transportation Small Community Air Service Development Program
13 (SCASDP) Grant.

14
15 **BACKGROUND:** SkyWest Airlines, Inc. submitted Invoice No. 526231 for Quarter 1 2026
16 subsidy payments pursuant to the Transportation Services Agreement between Roswell Air Center
17 and SkyWest Airlines for the provision of scheduled nonstop jet service.

18
19 This payment supports the continuation and stabilization of commercial air service for Roswell
20 and the surrounding southeastern New Mexico region in alignment with the objectives of the U.S.
21 Department of Transportation Small Community Air Service Development Program (SCASDP).
22 The SCASDP grant was awarded to support and retain daily air service connectivity between
23 Roswell Air Center and a national hub airport through an approved revenue guarantee and air
24 service support initiative.

25
26 Reliable commercial air service provides significant public benefit by improving regional and
27 national connectivity for residents, businesses, visitors, medical travelers, and governmental
28 operations. Continued nonstop service to Denver International Airport enhances economic
29 development opportunities, supports tourism and business activity, and improves access to the
30 national transportation network throughout southeastern New Mexico.

31
32 **MOTION:** Mayor Pro Tem Corn made a motion for the approval of a budget adjustment for
33 SkyWest Airlines / United Express in the amount of \$748,617.26 pursuant to the Transportation
34 Services Agreement with Roswell Air Center for the continued provision of scheduled nonstop jet
35 service between Roswell Air Center (ROW) and Denver International Airport (DEN), with eligible
36 costs to be submitted for reimbursement through the U.S. Department of Transportation Small
37 Community Air Service Development Program (SCASDP) Grant. Councilor Marrujo was the
38 second.

39
40 **VOTE:** A voice vote was unanimous

1 **MOTION PASSED: 9-0**

2
3 **Resolution(s)**

4
5 26. Resolution 26-25: Adoption of Resolution 26-25: approving a budget adjustment for the fiscal
6 year ending June 30, 2026.

7
8 **BACKGROUND:** The New Mexico Department of Finance Administration (DFA) requires
9 governing body approval for any budget adjustment that increases or decreases revenue or
10 expenditures in the approved budget. The finance department is requesting approval of budget
11 adjustments, as summarized in Exhibit "A", to align the City's FY2025-2026 budget with current
12 funding allocations. These adjustments include updates to various grants, transfers, and
13 departmental budgets.

14
15 **MOTION:** Councilor Gass made a motion to adopt Resolution 26-25, approving a budget
16 adjustment for the fiscal year ending June 30, 2026. The adjustment reflects increased expenditures
17 associated with the approval of Agenda Item 23 in the amount of \$165,551.67 and Agenda Item
18 25 in the amount of \$748,617.26, bringing the total expense to \$1,948,913.84. Councilor Arnold
19 was the second.

20
21 **ROLL CALL VOTE:**

22		
23	Juan Oropesa	Yes
24	Cristina Arnold	Yes
25	Kurt Gass	Yes
26	Carlos Marrujo, Jr.	Yes
27	Darrell Johnson	Yes
28	Robert Corn	Yes
29	Juliana Halvorson	Yes
30	Ed Heldenbrand	Yes
31	Will Cavin	Yes
32		

33 **MOTION PASSED: 9-0, as amended**

34
35 **Closed Session**

36
37 27. Closed Session - Hold a closed session pursuant to NMSA 1978 § 10-15-1H, to discuss
38 Collective Bargaining negotiations.

1 **BACKGROUND:** Hold a closed session pursuant to NMSA 1978, § 10-15-1H, to discuss
2 Collective Bargaining negotiations.

3
4 **MOTION:** Mayor Pro Tem made a motion to hold a closed session pursuant to NMSA 1978, §
5 10-15-1H, to discuss Collective Bargaining negotiations. Councilor Marrujo was the second.

6
7 **ROLL CALL VOTE:**

9	Juan Oropesa	Yes
10	Cristina Arnold	Yes
11	Kurt Gass	Yes
12	Carlos Marrujo, Jr.	Yes
13	Darrell Johnson	Yes
14	Robert Corn	Yes
15	Juliana Halvorson	Yes
16	Ed Heldenbrand	Yes
17	Will Cavin	Yes

18
19 **MOTION PASSED: 9-0**

20
21 **FOR THE RECORD:** The closed session commenced at 7:27 p.m.

22
23 **FOR THE RECORD:** The closed session concluded at 7:51 p.m.

24
25 **MOTION:** Councilor Cavin made a motion that we reconvene after being in Closed Session.
26 Councilor Halvorson was the second. – No action was taken; no votes were cast.

27
28 **VOTE:** A voice vote was unanimous.

29
30 **MOTION PASSED: 9-0**

31
32 **COMMUNICATIONS (Information Only)** Employee Out-of-State Travel (Informational
33 Only) Five Police Department personnel will be traveling and are expected to exceed the \$1,500
34 threshold for travel reimbursements. In accordance with Resolution No. 24-55, these travel
35 expenses must be placed on the next month's City Council agenda for ratification.

36
37 Travel details are as follows:

- 38
39
 - Officer Bryan Barela will attend Instructor Development Training.
 - Sergeant Bailey will attend National Police Week.
 - Sergeant Randy Rodriguez will attend Advanced School Resource Officer Training.40
41

- Officer Nicolas Berumen and Officer Anna Romero will attend the National Association of School Resource Officers Training.

COUNCILOR COMMENTS (Information Only) Councilor Halvorson reported on upcoming America 250 activities. She stated that five events are scheduled for this weekend, with additional events planned for June. A community event is scheduled for July 4, 2026, “Greatest American Block Party,” 6:00 p.m. – 10:00 p.m. at Cielo Grande, where food will be provided. The public is encouraged to attend. Councilor Arnold announced the upcoming Council Connection scheduled for May 26, 2026. She described the event as an interactive discussion focused on the City of Roswell’s vision for the next 5, 10, and 15 years. Councilor Arnold stated that her goal is to encourage engagement and interaction with the community.

Councilor Cavin stated that the Comprehensive Master Plan was discussed in Legal and recommended postponing approval until it has been fully reviewed by all relevant parties. He requested that Councilors take time to thoroughly study the master plan. He also expressed interest in scheduling a workshop within the next several weeks and asked that Councilors reserve a few hours to participate. Councilor Heldenbrand emphasized the importance of obtaining input from all City departments.

CITY MANAGER REPORTS/ANNOUNCEMENTS (Information Only) Hessel Yntema, City Manager, reported that 20 new hires have been made for EMS, bringing staffing levels to approximately 60% of the target, with additional applications still being received. He stated that the long-anticipated purchase and sale agreement for sanitation services has been signed. A slight budget adjustment will be presented to Council to complete the transaction prior to the close of the fiscal year. The rubbish hangar has been sold, and the proceeds have been received. The city has been selected to host a large music festival in 2027, with additional information to be provided at a later date. He noted that it is Infrastructure Capital Improvement Plan (ICIP) season. The state has moved the timeline up by two weeks, leaving approximately one month for completion. Councilors were encouraged to submit project ideas for consideration and inclusion. The current ICIP project list includes approximately 125 items. Water bills have been issued, and the feedback received thus far has been positive. Staff met with Representative Stansbury and representatives from Congresswoman Fernandez’s office, who offered to pursue inclusion of a provision in the annual U.S. Army Corps of Engineers appropriations act requiring installation of a gate at Rocky Dam. The city will work with the Flood Commissioner and engineers to develop and submit the necessary materials.

[Signatures Follow on Next Page]

1 **Adjournment**

2
3 The meeting was adjourned at 8:02 p.m.

4
5 Approved on this 11th day of June 2026.

6
7
8
9
10
11
12 (City Seal)

13
14
15 _____
16 Timothy Z. Jennings, Mayor

17
18
19 _____
20 Amalia Martinez, City Clerk

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41
42 Prepared by: Angela Garcia, Deputy City Clerk
43

Regular City Council Meeting

13.

Meeting Date: 06/11/2026

COMMITTEE: N/A

CONTACT: Amalia Martinez

CHAIR: Mayor Pro Tem

Summary:

Approval of the minutes from the Special City Council meeting on May 21, 2026. (Corn/Martinez)

Attachments

DRAFT - May 21, 2026, Special City Council Meeting Minutes

**Special Meeting, Roswell City Council
Held at City Hall, Mike Mathews Conference Room
425 N. Richardson Ave., Roswell, NM 88201
Thursday, May 21, 2026, at 5:00 P.M.**

Notice of this meeting has been given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution No. 26-12.

The meeting convened at 5:19 P.M. with Mayor Jennings presiding.

ROLL CALL:

Ed Heldenbrand	Present
Robert Corn	Present
Carlos Marrujo, Jr.	Present
Darrell Johnson	Present
Will Cavin	Present
Juan Oropesa	Present
Cristina Arnold	Present
Angela Moore	Present Via GoTo
Kurt Gass	Present
Juliana Halvorson	Present

APPROVAL OF THE AGENDA

1. Approval of agenda - approve the agenda for the May 21, 2026, Special City Council Meeting.

MOTION: Mayor Timothy Jennings asked the Council if there were any objections to the agenda. Hearing none, the agenda was approved by unanimous consent.

MOTION PASSED: 10-0

PUBLIC PARTICIPATION ON AGENDA ITEMS: There were no members of the public present or signed up to speak during the public participation portion of the meeting.

REGULAR ITEMS

2. Resolution 26-27 approving the Preliminary Budget for Fiscal Year 2026-2027 and authorizing submission to the New Mexico Department of Finance and Administration, Local Government Division.

BACKGROUND: Pursuant to New Mexico budget statutes and budget preparation requirements of the New Mexico Department of Finance and Administration Local Government Division (DFA/LGD), municipalities are required to prepare and submit a Preliminary Budget for the upcoming fiscal year on or before June 1, 2026.

The Fiscal Year 2026-2027 Preliminary Budget has been prepared by staff in coordination with City departments and reflects the City's anticipated revenues, expenditures, operational needs, debt obligations, capital projects, and other financial requirements for the upcoming fiscal year.

Approval of the resolution authorizes submission of the Preliminary Budget to DFA/LGD for review and comment. Following DFA/LGD review and any necessary revisions, the Governing Body will consider adoption of the Final Budget before the July 31, 2026, statutory deadline.

MOTION: Councilor Heldenbrand made a motion to approve Resolution 26-27, approving the Preliminary Budget for Fiscal Year 2026–2027 and authorizing submission to the New Mexico Department of Finance and Administration, Local Government Division, with an amendment to increase the Maintenance and Repair Infrastructure line in the Streets Department by \$1.5 million, bringing the total to \$5,974,469.23. Councilor Gass was the second.

Please see the attached updated Budget Summary.

ROLL CALL VOTE:

Ed Heldenbrand	Yes
Robert Corn	Yes
Carlos Marrujo, Jr.	Yes
Darrell Johnson	Yes
Will Cavin	Yes
Juan Oropesa	Yes
Cristina Arnold	Yes
Angela Moore	Yes Via GoTo
Kurt Gass	Yes
Juliana Halvorson	Yes

MOTION PASSED: 10-0

COUNCILOR COMMENTS: Multiple Councilors expressed their appreciation for the efforts of the new management team, department directors, and City staff, commending their professionalism, collaboration, and dedication throughout the budget development process. Councilors noted the significant work involved in coordinating across departments and aligning

fiscal priorities, ultimately resulting in the preparation of a balanced budget for Fiscal Year 2026–2027.

ADJOURNMENT

Meeting adjourned at 5:41 P.M.

Approved on this 11th day of June 2026.

(City Seal)

Timothy Z. Jennings, Mayor

ATTEST

Amalia Martinez, City Clerk

Prepared by: Angela Garcia, Deputy City Clerk

CITY OF ROSWELL, NEW MEXICO
FY27 Preliminary Budget Summary

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	3/12 Reserve	Restricted Cash Balance	Available Cash Balance
1101	Total	General Fund Total	26,474,083.98	70,350,166.86	(10,377,215.62)	41,851,340.27	18,524,803.59	8,038,200.82	68,414,344.68	18,032,690.54	17,103,586.17		929,104.37
	4011	Exec & Legislative				142,725.45	25,872.27	0.00	168,597.72				
2200	4013	Administration				486,902.78	580,740.81	0.00	1,067,643.59				
	4015	City Clerk				282,132.40	130,478.64	0.00	412,611.04				
2202	4021	Judicial				734,753.35	230,384.81	0.00	965,138.16				
	4041	Finance				1,727,506.93	2,705,179.93	0.00	4,432,686.86				
2203	4051	Legal				498,700.11	296,917.27	0.00	795,617.38				
	4061	Human Resources				897,456.77	408,398.57	0.00	1,305,855.34				
2204	4071	Facility Maintenance				744,150.64	234,842.25	0.00	978,992.89				
	4074	Fleet Maintenance				139,326.73	310,146.61	0.00	449,473.34				
2205	4111	Police				12,516,952.05	3,275,112.12	2,753,508.82	18,545,572.99				
	4121	Fire				13,244,563.40	1,445,384.96	2,673,000.00	17,362,948.36				
2206	4131	Planning				481,316.66	331,808.09	0.00	813,124.75				
	4135	Engineering				1,311,717.73	350,839.19	1,747,000.00	3,409,556.92				
2207	4151	Code Enforcement				1,193,048.96	2,468,833.01	0.00	3,661,881.97				
	4161	Animal Control				795,913.92	396,172.23	168,201.00	1,360,287.15				
2208	4181	Civil Emergency Prep				241,015.61	375,611.98	0.00	616,627.59				
	4211	Library				974,782.56	626,581.46	0.00	1,601,364.02				
2209	4231	Parks Department				2,187,802.60	1,581,932.35	180,310.00	3,950,044.95				
	4261	Public Affairs				285,033.06	619,308.02	0.00	904,341.08				
2210	4631	Information Technology				809,562.00	1,472,808.08	0.00	2,282,370.08				
	4656	Consolidated Dispatch				2,155,976.56	657,450.94	516,181.00	3,329,608.50				
2213	4658	Neighborhood Watch				0.00	0.00	0.00	0.00				
	Total	Library Grants	0.00	94,519.00	0.00	0.00	94,519.00	0.00	94,519.00	0.00	0.00	0.00	0.00
2240	4213	STGO Lib Dist		94,519.00	0.00	0.00	84,519.00	0.00	84,519.00				
	4212	St Lib Grant		0.00	0.00	0.00	10,000.00	0.00	10,000.00				
2240	4261	Beautification Grant	1.42	0.00	0.00	0.00	0.00	0.00	0.00	1.42	0.00	1.42	0.00
2255	4113	Law Enforcement Protection Fund	107,302.50	219,500.00	0.00	0.00	326,802.50	0.00	326,802.50	0.00	0.00	0.00	0.00
2256	4113	Law Enforcement Recruit Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2257	4119	Law Enforcement Retention Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2258	4118	HIDTA Grant	46,398.39	161,681.00	0.00	0.00	208,079.39	0.00	208,079.39	0.00	0.00	0.00	0.00
2260	4141	EMS Grant - Ambulance	147,950.42	100,000.00	0.00	0.00	247,950.42	0.00	247,950.42	0.00	0.00	0.00	0.00
2261	4122	EMS Grant - Fire	37,925.73	99,613.00	0.00	0.00	137,538.73	0.00	137,538.73	0.00	0.00	0.00	0.00
2262	4124	Hazmat Grant	6,999.16	7,000.00	0.00	0.00	13,999.16	0.00	13,999.16	0.00	0.00	0.00	0.00
2265	4123	Fire Protection	512,125.50	1,349,488.00	0.00	0.00	1,861,613.50	0.00	1,861,613.50	0.00	0.00	0.00	0.00
2264	4657	JAG Grant	33,156.50	0.00	0.00	0.00	33,156.50	0.00	33,156.50	0.00	0.00	0.00	0.00
2200	3015	American Rescue	7,030,916.33	0.00	0.00	0.00	262,679.52	0.00	262,679.52	6,768,236.81		0.00	6,768,236.81
2202	4411	Cemetery	1,561,395.19	861,197.50	0.00	780,867.05	390,415.55	410,979.97	1,582,262.57	840,330.12		0.00	840,330.12
2203	3005	FEMA	4,732,327.14	6,600,000.00	0.00	0.00	125,377.50	0.00	125,377.50	11,206,949.64			11,206,949.64
2210	4511	Mass Transit	50.00	1,735,192.46	955,606.69	1,694,471.87	443,498.45	552,828.83	2,690,799.15	50.00			50.00
2211	4221	Museum & Art Center	600.00	1,172,016.18	903,095.00	435,532.01	1,639,579.17	0.00	2,075,111.18	600.00			600.00
2212	4232	Spring River Zoo	0.00	0.00	694,786.42	229,606.82	465,179.60	0.00	694,786.42	0.00			0.00
2613	4233	Golf Fund	1,000.00	1,075,559.03	1,562,459.08	1,027,989.54	1,485,028.57	125,000.00	2,638,018.11	1,000.00			1,000.00
2615	Total	Recreation Fund Total	7,065,559.37	2,083,960.24	(500,000.00)	1,455,879.20	1,079,749.27	1,690,538.45	4,226,166.92	4,423,352.69			4,423,352.69

CITY OF ROSWELL, NEW MEXICO
FY27 Preliminary Budget Summary

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	3/12 Reserve	Restricted Cash Balance	Available Cash Balance
2620	4241	Rec - Administration				1,078,685.98	710,767.09	0.00	1,789,453.07				
	4242	Rec - Pool				319,027.12	139,153.00	0.00	458,180.12				
	4243	Rec - RASC				58,166.10	17,059.18	0.00	75,225.28				
	4246	Rec - Sports Fields				0.00	132,250.00	1,690,538.45	1,822,788.45				
	4249	Rec- Boys & Girls Club				0.00	80,520.00	0.00	80,520.00				
	4191	Correction Fees Fund	84,979.48	0.00	400,000.00	0.00	400,000.00	0.00	400,000.00	84,979.48		84,979.48	0.00
	Total	Convention Center	1,392,170.71	656,252.68	0.00	232,246.30	933,793.72	25,000.00	1,191,040.02	857,383.37			857,383.37
	4093	Convention Center				0.00	0.00	0.00	0.00				
	4094	Convention Center Debt Service				0.00	550,404.50	0.00	550,404.50				
	4252	Convention Center				232,246.30	383,389.22	25,000.00	640,635.52				
2622	Total	Lodgers' Tax Fund	1,389,525.92	1,417,628.58	0.00	226,823.46	1,298,993.35	6,100.00	1,531,916.81	1,275,237.69			1,275,237.69
2623	4081	Lodgers Tax				0.00	1,104,850.00	0.00	1,104,850.00				
	4111	Police Overtime				0.00	0.00	0.00	0.00				
	4121	Fire Overtime				0.00	0.00	0.00	0.00				
	4253	Visitor Center				226,823.46	194,143.35	6,100.00	427,066.81				
	4254	Public Affairs -Lodgers				0.00	0.00	0.00	0.00				
	Total	Road Fund	1,255,368.92	5,520,216.96	8,848,802.62	2,052,555.89	8,210,027.61	5,361,805.00	15,624,388.50	0.00			0.00
	4323	Streets				1,750,615.07	7,910,510.78	5,183,076.00	14,844,201.85				
	4325	Special Electronics				301,940.82	235,450.74	178,729.00	716,120.56				
	4326	Hobson Road				0.00	64,066.09	0.00	64,066.09				
	4091	Unemployment Comp Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
2630	4045	Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
2630	Multiple Restricted Donations												
2630	3025	Opioid LG Abatement Fund	2,167,509.90	0.00	0.00	0.00	0.00	0.00	0.00	2,167,509.90		1,393,752.15	773,757.75
2712	4654	Fed Narcotic Seizure Fund	29.43	0.00	0.00	0.00	0.00	0.00	0.00	29.43		29.43	0.00
2800	3020	Cannabis Regulation Act Fund	590,841.01	266,085.57	0.00	0.00	9,200.00	0.00	9,200.00	847,726.58			847,726.58
3217	4248	Recreation Cntr Construction	3,589.81	7.84	0.00	0.00	0.00	0.00	0.00	3,597.65		3,597.65	0.00
4208	4049	15 GRT Bond Debt Service	15.82	0.00	346,377.50	0.00	346,377.50	0.00	346,377.50	15.82			15.82
4216	4247	Rec/Bond Debt Service	738,574.25	3,288.15	1,352,300.00	0.00	1,352,300.00	0.00	1,352,300.00	741,862.40			741,862.40
5100	Total	Airport Fund Total	9,021,651.69	20,532,810.96	(1,014,248.00)	1,418,576.33	4,570,557.83	11,207,122.93	17,196,257.09	11,343,957.56			11,343,957.56
5200	4331	Airport - Administration				724,510.61	63,639.30	0.00	788,149.91				
	4332	Airport - Operations				694,065.72	4,262,653.28	0.00	4,956,719.00				
	4333	Airport - Water				0.00	0.00	0.00	0.00				
	4334	Airport - Cap Outlay				0.00	0.00	11,207,122.93	11,207,122.93				
	4338	Debt Service				0.00	244,265.25	0.00	244,265.25				
	4337	PFC	1,315,811.50	164,344.10		0.00	0.00	0.00	0.00	1,480,155.60			1,480,155.60
	Total	Solid Waste Fund Total	8,648,532.55	8,377,760.59	(547,140.19)	2,566,518.13	1,749,519.60	2,083,858.00	6,399,895.73	10,079,257.22			10,079,257.22
	4341	Solid Waste - Collect				2,566,518.13	1,749,519.60	2,083,858.00	6,399,895.73				
	Total	Landfill Fund Total	1,259,971.87	3,550,907.20	(59,198.50)	925,170.87	2,216,537.83	350,000.00	3,491,708.70	1,259,971.87			1,259,971.87
	4192	Community Enhancement				0.00	0.00	0.00	0.00				
5300	4342	Solid Waste - Landfill				925,170.87	1,647,224.93	350,000.00	2,922,395.80				
	4343	Roswell Recycle Prog				0.00	0.00	0.00	0.00				
	4365	NMFA Landfill Loan				0.00	569,312.90	0.00	569,312.90				
	Total	Water Fund Total	7,986,586.76	15,031,824.05	(3,562,655.00)	5,316,016.29	4,854,131.45	1,326,386.28	11,496,534.02	7,959,221.79			7,959,221.79
	4351	Water - Administration				196,235.38	513,555.00	0.00	709,590.38				
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CITY OF ROSWELL, NEW MEXICO
FY27 Preliminary Budget Summary

Fund	Dept	Description	Cash Balance	Revenues	Transfers	Expense	Outlay	Expense	6/30/2025	Reserve	Cash Balance		
City Council	4352	Water - Customer Serv				985,120.78	398,975.99	0.00	1,384,096.77				
	4353	Water - Source of Supply				675,106.62	1,376,695.92	799,270.53	2,851,073.07				
	4354	Water - Maint & Trans				3,459,553.51	1,855,163.26	527,115.75	5,841,832.52				
	4363	NMFA Loan - Drinking Water #1				0.00	156,541.28	0.00	156,541.28				
	4364	NMFA Loan - Drinking Water #2				0.00	311,243.70	0.00	311,243.70				
	4366	Edgewood Water Line - WPF5434				0.00	15,396.86	0.00	15,396.86				
	4367	Country Club				0.00	226,759.44	0.00	226,759.44				
	Total	Waste Water Fund Total	14,989,560.44	9,310,049.51	(833,420.00)	1,580,584.28	2,746,811.72	1,876,563.41	6,203,959.41	17,262,230.54		17,262,230.54	
	4355	Waste Water Treatment Plant				920,848.39	1,908,651.14	1,876,563.41	4,706,062.94				
	4356	Sewer Maintenance				460,168.22	144,606.39	0.00	604,774.61				
4357	Roswell Treatment Facility				0.00	0.00	0.00	0.00					
4358	Sewer City Lab				199,567.67	197,699.55	0.00	397,267.22					
4370	Clean Water Revolving Loan				0.00	495,854.64	0.00	495,854.64					
5306	5635	2014AWWTP Pump Improv DS	124,763.77	305.23	140,700.00	0.00	140,700.00	0.00	125,069.00	26,061.50	99,007.50		
5311	5636	2014BWWTP Bond Refund	1,252.09	5.79	0.00	0.00	0.00	0.00	1,257.88		1,257.88		
5320	5639	2017 Smart Meter Bonds Const	54,055.36	854.70	0.00	0.00	0.00	0.00	54,910.06	30,937.50	23,972.56		
5321	5638	2017 Smart Meter Bonds DS	1,385,387.59	4,596.12	1,689,750.00	0.00	1,689,750.00	0.00	1,389,983.71	79,046.50	1,310,937.21		
5300	4125	Public Safety	12,578,497.02	9,000,000.00	0.00	5,228,541.28	1,274,257.20	350,000.00	6,852,798.48	5,000,000.00	9,725,698.54		
7000	AGENCY FUNDS/Payroll Liabs/Meters/Renters Deposits:		3,136,163.18	0.00	0.00	0.00	0.00	0.00	3,136,163.18		0.00		
7001	Municipal Court Bail Bonds		19,035.00	0.00	0.00	0.00	0.00	0.00	19,035.00		0.00		
Grand Totals			116,759,092.69	159,746,831.30	(0.00)	67,022,719.59	59,990,355.22	33,404,383.69	160,417,458.50	116,088,465.49	17,103,586.17	9,773,603.81	89,211,275.51

CITY OF ROSWELL, NEW MEXICO
FY27 Preliminary Budget Summary

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	1/12 Reserve	Restricted Cash Balance	Available Cash Balance
1101	Total	General Fund Total	26,474,083.98	70,350,166.86	(10,377,215.62)	41,872,046.12	18,524,803.59	8,038,200.82	68,435,050.53	18,011,984.69	5,702,920.88		12,309,063.81
	4011	Exec & Legislative				142,725.45	25,872.27	0.00	168,597.72				
	4013	Administration				486,902.78	580,740.81	0.00	1,067,643.59				
	4015	City Clerk				282,132.37	130,478.64	0.00	412,611.01				
	4021	Judicial				734,753.35	230,384.81	0.00	965,138.16				
	4041	Finance				1,727,506.95	2,705,179.93	0.00	4,432,686.88				
	4051	Legal				498,700.11	296,917.27	0.00	795,617.38				
	4061	Human Resources				897,456.77	408,398.57	0.00	1,305,855.34				
	4071	Facility Maintenance				744,150.64	234,842.25	0.00	978,992.89				
	4074	Fleet Maintenance				139,326.73	310,146.61	0.00	449,473.34				
	4111	Police				12,516,952.05	3,275,112.12	2,753,508.82	18,545,572.99				
	4121	Fire				13,244,563.40	1,445,384.96	2,673,000.00	17,362,948.36				
	4131	Planning				481,316.66	331,808.09	0.00	813,124.75				
	4135	Engineering				1,311,717.73	350,839.19	1,747,000.00	3,409,556.92				
	4151	Code Enforcement				1,193,048.96	2,468,833.01	0.00	3,661,881.97				
	4161	Animal Control				795,913.92	396,172.23	168,201.00	1,360,287.15				
	4181	Emergency Management				241,015.61	375,611.98	0.00	616,627.59				
	4211	Library				974,782.56	626,581.46	0.00	1,601,364.02				
	4231	Parks Department				2,187,802.60	1,581,932.35	180,310.00	3,950,044.95				
	4261	Public Affairs				285,033.06	619,308.02	0.00	904,341.08				
	4631	Information Technology				809,562.00	1,472,808.08	0.00	2,282,370.08				
	4656	Consolidated Dispatch				2,176,682.42	657,450.94	516,181.00	3,350,314.36				
	4658	Neighborhood Watch				0.00	0.00	0.00	0.00				
2103	Total	Library Grants	0.00	94,519.00	0.00	0.00	94,519.00	0.00	94,519.00	0.00		0.00	0.00
	4213	STGO Lib Dist		94,519.00	0.00	0.00	84,519.00	0.00	84,519.00				
	4212	St Lib Grant		0.00	0.00	0.00	10,000.00	0.00	10,000.00				
2240	4261	Beautification Grant	1.42	0.00	0.00	0.00	0.00	0.00	0.00	1.42		1.42	0.00
2255	4113	Law Enforcement Protection Fund	107,302.50	219,500.00	0.00	0.00	326,802.50	0.00	326,802.50	0.00		0.00	0.00
2256	4113	Law Enforcement Recruit Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
2257	4119	Law Enforcement Retention Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
2258	4118	HIDTA Grant	46,398.39	161,681.00	0.00	0.00	208,079.39	0.00	208,079.39	0.00		0.00	0.00
2260	4141	EMS Grant - Ambulance	147,950.42	100,000.00	0.00	0.00	247,950.42	0.00	247,950.42	0.00		0.00	0.00
2261	4122	EMS Grant - Fire	37,925.73	99,613.00	0.00	0.00	137,538.73	0.00	137,538.73	0.00		0.00	0.00
2262	4124	Hazmat Grant	6,999.16	7,000.00	0.00	0.00	13,999.16	0.00	13,999.16	0.00		0.00	0.00
2265	4123	Fire Protection	512,125.50	1,349,488.00	0.00	0.00	1,861,613.50	0.00	1,861,613.50	0.00		0.00	0.00
2514	4657	JAG Grant	33,156.50	0.00	0.00	0.00	33,156.50	0.00	33,156.50	0.00		0.00	0.00
2600	3015	American Rescue	7,030,916.33	0.00	0.00	0.00	262,679.52	0.00	262,679.52	6,768,236.81		0.00	6,768,236.81
2602	4411	Cemetery	1,561,395.19	861,197.50	0.00	780,867.05	390,415.55	410,979.97	1,582,262.57	840,330.12		11,206,949.64	840,330.12
2603	3005	FEMA	4,732,327.14	6,600,000.00	0.00	0.00	125,377.50	0.00	125,377.50	11,206,949.64			0.00
2610	4511	Mass Transit	50.00	1,735,192.46	955,606.69	1,694,471.87	443,498.45	552,828.83	2,690,799.15	50.00			50.00
2611	4221	Museum & Art Center	600.00	1,172,016.18	903,095.00	435,532.01	1,639,579.17	0.00	2,075,111.18	600.00			600.00
2612	4232	Spring River Zoo	0.00	0.00	694,786.42	229,606.82	465,179.60	0.00	694,786.42	0.00			0.00
2613	4233	Golf Fund	1,000.00	1,075,559.03	1,562,459.08	1,027,989.54	1,485,028.57	125,000.00	2,638,018.11	1,000.00			1,000.00

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	1/12 Reserve	Restricted Cash Balance	Available Cash Balance
2615	Total	Recreation Fund Total	7,065,559.37	2,083,960.24	(500,000.00)	1,455,879.20	1,079,749.27	1,690,538.45	4,226,166.92	4,423,352.69			4,423,352.69
	4241	Rec - Administration				1,078,685.98	710,767.09	0.00	1,789,453.07				
	4242	Rec - Pool				319,027.12	139,153.00	0.00	458,180.12				
	4243	Rec - RASC				58,166.10	17,059.18	0.00	75,225.28				
	4246	Rec - Sports Fields				0.00	132,250.00	1,690,538.45	1,822,788.45				
2620	4249	Rec- Boys & Girls Club				0.00	80,520.00	0.00	80,520.00				
	4191	Correction Fees Fund	84,979.48	0.00	400,000.00	0.00	400,000.00	0.00	400,000.00	84,979.48		84,979.48	0.00
2621	Total	Convention Center	1,392,170.71	656,252.68	0.00	232,246.30	933,793.72	25,000.00	1,191,040.02	857,383.37			857,383.37
	4093	Convention Center				0.00	0.00	0.00	0.00				
	4094	Convention Center Debt Service				0.00	550,404.50	0.00	550,404.50				
2622	4252	Convention Center				232,246.30	383,389.22	25,000.00	640,635.52				
	Total	Lodgers' Tax Fund	1,389,525.92	1,417,628.58	0.00	226,823.46	1,298,993.35	6,100.00	1,531,916.81	1,275,237.69			1,275,237.69
	4081	Lodgers Tax				0.00	1,104,850.00	0.00	1,104,850.00				
	4111	Police Overtime				0.00	0.00	0.00	0.00				
	4121	Fire Overtime				0.00	0.00	0.00	0.00				
2623	4253	Visitor Center				226,823.46	194,143.35	6,100.00	427,066.81				
	4254	Public Affairs -Lodgers				0.00	0.00	0.00	0.00				
	Total	Road Fund	1,255,368.92	5,520,216.96	8,848,802.62	2,052,555.89	8,210,027.61	5,361,805.00	15,624,388.50	0.00			0.00
	4323	Streets				1,750,615.07	7,910,510.78	5,183,076.00	14,844,201.85				
	4325	Special Electronics				301,940.82	235,450.74	178,729.00	716,120.56				
2626	4326	Hobson Road				0.00	64,066.09	0.00	64,066.09				
	4091	Unemployment Comp Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
	4045	Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
	Multiple	Restricted Donations	857,426.99	0.00	0.00	0.00	857,426.99	0.00	857,426.99	0.00		0.00	0.00
	3025	Opioid LG Abatement Fund	2,167,509.90	0.00	0.00	0.00	0.00	0.00	0.00	2,167,509.90		1,393,752.15	773,757.75
2700	4654	Fed Narcotic Seizure Fund	29.43	0.00	0.00	0.00	0.00	0.00	0.00	29.43		29.43	0.00
	3020	Cannabis Regulation Act Fund	590,841.01	266,085.57	0.00	0.00	9,200.00	0.00	9,200.00	847,726.58			847,726.58
	4248	Recreation Cntr Construction	3,589.81	7.84	0.00	0.00	0.00	0.00	0.00	3,597.65		3,597.65	0.00
	4049	15 GRT Bond Debt Service	15.82	0.00	346,377.50	0.00	346,377.50	0.00	346,377.50	15.82			15.82
	4247	Rec/Bond Debt Service	738,574.25	3,288.15	1,352,300.00	0.00	1,352,300.00	0.00	1,352,300.00	741,862.40			741,862.40
5100	Total	Airport Fund Total	9,021,651.69	20,532,810.96	(1,014,248.00)	1,418,576.33	4,570,557.83	11,207,122.93	17,196,257.09	11,343,957.56			11,343,957.56
	4331	Airport- Administration				724,510.61	63,639.30	0.00	788,149.91				
	4332	Airport - Operations				694,065.72	4,262,653.28	0.00	4,956,719.00				
	4333	Airport - Water				0.00	0.00	0.00	0.00				
	4334	Airport- Cap Outlay				0.00	0.00	11,207,122.93	11,207,122.93				
5130	4338	Debt Service				0.00	244,265.25	0.00	244,265.25				
	4337	PFC	1,315,811.50	164,344.10	0.00	0.00	0.00	0.00	0.00	1,480,155.60			1,480,155.60
	Total	Solid Waste Fund Total	8,648,532.55	8,377,760.59	(547,140.19)	2,566,518.13	1,749,519.60	2,083,858.00	6,399,895.73	10,079,257.22			10,079,257.22
	4341	Solid Waste - Collect				2,566,518.13	1,749,519.60	2,083,858.00	6,399,895.73				
	Total	Landfill Fund Total	1,259,971.87	3,550,907.20	(59,198.50)	925,170.87	2,216,537.83	350,000.00	3,491,708.70	1,259,971.87			1,259,971.87
5201	4192	Community Enhancement				0.00	0.00	0.00	0.00				
	4342	Solid Waste - Landfill				925,170.87	1,647,224.93	350,000.00	2,922,395.80				
	4343	Roswell Recycle Prog				0.00	0.00	0.00	0.00				
	4365	NMFA Landfill Loan				0.00	569,312.90	0.00	569,312.90				
	Total	Water Fund Total	7,986,586.76	15,031,824.05	(3,562,655.00)	5,316,016.29	4,854,131.45	1,326,386.28	11,496,534.02	7,959,221.79			7,959,221.79
5300	4351	Water - Administration				196,235.38	513,355.00	0.00	709,590.38				
	4352	Water - Customer Serv				985,120.78	398,975.99	0.00	1,384,096.77				
	4353	Water - Source of Supply				675,106.62	1,376,695.92	799,270.53	2,851,073.07				

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	1/12 Reserve	Restricted Cash Balance	Available Cash Balance
	4354	Water - Maint & Trans				3,459,553.51	1,855,163.26	527,115.75	5,841,832.52				
	4363	NMFA Loan - Drinking Water #1				0.00	156,541.28	0.00	156,541.28				
	4364	NMFA Loan - Drinking Water #2				0.00	311,243.70	0.00	311,243.70				
	4366	Edgewood Water Line - WPF5434				0.00	15,396.86	0.00	15,396.86				
	4367	Country Club				0.00	226,759.44	0.00	226,759.44				
5301	Total	Waste Water Fund Total	14,989,560.44	9,310,049.51	(833,420.00)	1,580,584.28	2,746,811.72	1,876,563.41	6,203,959.41	17,262,230.54			17,262,230.54
	4355	Waste Water Treatment Plant				920,848.39	1,908,651.14	1,876,563.41	4,706,062.94				
	4356	Sewer Maintenance				460,168.22	144,606.39	0.00	604,774.61				
	4357	Roswell Treatment Facility				0.00	0.00	0.00	0.00				
	4358	Sewer City Lab				199,567.67	197,699.55	0.00	397,267.22				
	4370	Clean Water Revolving Loan				0.00	495,854.64	0.00	495,854.64				
5306	5635	2014AWWTP Pump Improv DS	124,763.77	305.23	140,700.00	0.00	140,700.00	0.00	140,700.00	125,069.00		26,061.50	99,007.50
5311	5636	2014BWWTP Bond Refund	1,252.09	5.79	0.00	0.00	0.00	0.00	0.00	1,257.88			1,257.88
5320	5639	2017 Smart Meter Bonds Const	54,055.36	854.70	0.00	0.00	0.00	0.00	0.00	54,910.06		30,937.50	23,972.56
5321	5638	2017 Smart Meter Bonds DS	1,385,387.59	4,596.12	1,689,750.00	0.00	1,689,750.00	0.00	1,689,750.00	1,389,983.71		79,046.50	1,310,937.21
5500	4125	Public Safety	12,578,497.02	9,000,000.00	0.00	5,229,706.25	1,274,257.20	350,000.00	6,853,963.45	14,724,533.57		5,000,000.00	9,724,533.57
7000	AGENCY FUNDS/Payroll Liabs/Meters/Renters Depository		3,136,163.18	0.00	0.00	0.00	0.00	0.00	0.00	3,136,163.18		3,136,163.18	0.00
7820	7001	Municipal Court Bail Bonds	19,035.00	0.00	0.00	0.00	0.00	0.00	0.00	19,035.00		19,035.00	0.00
Grand Totals			116,759,092.69	159,746,831.30	(0.00)	67,044,590.41	59,990,355.22	33,404,383.69	160,439,329.32	116,066,594.67	5,702,920.88	20,980,553.45	89,383,120.34

CITY OF ROSWELL, NEW MEXICO
FY27 Preliminary Budget Summary

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	1/12 Reserve	Restricted Cash Balance	Available Cash Balance
1101	Total	General Fund Total	26,474,083.98	73,951,028.34	(7,434,607.31)	41,872,046.12	16,627,396.59	7,857,890.82	66,357,333.53	26,633,171.48	5,529,777.79		21,103,393.69
	4011	Exec & Legislative				142,725.45	25,872.27	0.00	168,597.72				
	4013	Administration				486,902.78	480,740.81	0.00	967,643.59				
	4015	City Clerk				282,132.37	130,478.64	0.00	412,611.01				
	4021	Judicial				734,753.35	230,384.81	0.00	965,138.16				
	4041	Finance				1,727,506.95	2,705,179.93	0.00	4,432,686.88				
	4051	Legal				498,700.11	296,917.27	0.00	795,617.38				
	4061	Human Resources				897,456.77	408,398.57	0.00	1,305,855.34				
	4071	Facility Maintenance				744,150.64	234,842.25	0.00	978,992.89				
	4074	Fleet Maintenance				139,326.73	310,146.61	0.00	449,473.34				
	4111	Police				12,516,952.05	3,198,112.12	2,753,508.82	18,468,572.99				
	4121	Fire				13,244,563.40	1,445,384.96	2,673,000.00	17,362,948.36				
	4131	Planning				481,316.66	331,808.09	0.00	813,124.75				
	4135	Engineering				1,311,717.73	716,432.19	1,747,000.00	3,775,149.92				
	4151	Code Enforcement				1,193,048.96	468,833.01	0.00	1,661,881.97				
	4161	Animal Control				795,913.92	385,172.23	168,201.00	1,349,287.15				
	4181	Emergency Management				241,015.61	375,611.98	0.00	616,627.59				
	4211	Library				974,782.56	626,581.46	0.00	1,601,364.02				
	4231	Parks Department				2,187,802.60	1,581,932.35	0.00	3,769,734.95				
	4261	Public Affairs				285,033.06	544,308.02	0.00	829,341.08				
	4631	Information Technology				809,562.00	1,472,808.08	0.00	2,282,370.08				
	4656	Consolidated Dispatch				2,176,682.42	657,450.94	516,181.00	3,350,314.36				
	4658	Neighborhood Watch				0.00	0.00	0.00	0.00				
2103	Total	Library Grants	0.00	94,519.00	0.00	0.00	94,519.00	0.00	94,519.00	0.00		0.00	0.00
	4213	STGO Lib Dist		94,519.00	0.00	0.00	84,519.00	0.00	84,519.00				
	4212	St Lib Grant		0.00	0.00	0.00	10,000.00	0.00	10,000.00				
2240	4261	Beautification Grant	1.42	0.00	0.00	0.00	0.00	0.00	0.00	1.42		1.42	0.00
2255	4113	Law Enforcement Protection Fund	107,302.50	219,500.00	0.00	0.00	326,802.50	0.00	326,802.50	0.00		0.00	0.00
2256	4113	Law Enforcement Recruit Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
2257	4119	Law Enforcement Retention Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
2258	4118	HIDTA Grant	46,398.39	161,681.00	0.00	0.00	208,079.39	0.00	208,079.39	0.00		0.00	0.00
2260	4141	EMS Grant - Ambulance	147,950.42	100,000.00	0.00	0.00	247,950.42	0.00	247,950.42	0.00		0.00	0.00
2261	4122	EMS Grant - Fire	37,925.73	99,613.00	0.00	0.00	137,538.73	0.00	137,538.73	0.00		0.00	0.00
2262	4124	Hazmat Grant	6,999.16	7,000.00	0.00	0.00	13,999.16	0.00	13,999.16	0.00		0.00	0.00
2265	4123	Fire Protection	512,125.50	1,349,488.00	0.00	0.00	1,861,613.50	0.00	1,861,613.50	0.00		0.00	0.00
2514	4657	JAG Grant	33,156.50	0.00	0.00	0.00	33,156.50	0.00	33,156.50	0.00		0.00	0.00
2600	3015	American Rescue	7,030,916.33	0.00	0.00	0.00	262,679.52	0.00	262,679.52	6,768,236.81		0.00	6,768,236.81
2602	4411	Cemetery	1,561,395.19	861,197.50	0.00	780,867.05	390,415.55	410,979.97	1,582,262.57	840,330.12		11,206,949.64	840,330.12
2603	3005	FEMA	4,732,327.14	6,600,000.00	0.00	0.00	125,377.50	0.00	125,377.50	11,206,949.64		50.00	0.00
2610	4511	Mass Transit	50.00	1,735,192.46	955,606.69	1,694,471.87	443,498.45	552,828.83	2,690,799.15	50.00			50.00
2611	4221	Museum & Art Center	600.00	1,172,016.18	653,095.00	435,532.01	1,389,579.17	0.00	1,825,111.18	600.00			600.00
2612	4232	Spring River Zoo	0.00	0.00	769,786.42	229,606.82	540,179.60	0.00	769,786.42	0.00			0.00
2613	4233	Golf Fund	1,000.00	1,075,559.03	957,471.08	1,027,989.54	1,005,040.57	0.00	2,033,030.11	1,000.00			1,000.00

CITY OF ROSWELL, NEW MEXICO
FY27 Preliminary Budget Summary

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	1/12 Reserve	Restricted Cash Balance	Available Cash Balance
2615	Total	Recreation Fund Total	7,065,559.37	2,083,960.24	0.00	1,455,879.20	1,177,053.58	1,690,538.45	4,323,471.23	4,826,048.38			4,826,048.38
	4241	Rec - Administration				1,078,685.98	710,767.09	0.00	1,789,453.07				
	4242	Rec - Pool				319,027.12	139,153.00	0.00	458,180.12				
	4243	Rec - RASC				58,166.10	114,363.49	0.00	172,529.59				
	4246	Rec - Sports Fields				0.00	132,250.00	1,690,538.45	1,822,788.45				
	4249	Rec - Boys & Girls Club				0.00	80,520.00	0.00	80,520.00				
2620	4191	Correction Fees Fund	84,979.48	0.00	400,000.00	0.00	400,000.00	0.00	400,000.00	84,979.48		84,979.48	0.00
2621	Total	Convention Center	1,392,170.71	656,252.68	0.00	232,246.30	1,443,339.72	25,000.00	1,700,586.02	347,837.37			347,837.37
	4093	Convention Center				0.00	0.00	0.00	0.00				
	4094	Convention Center Debt Service				0.00	550,404.50	0.00	550,404.50				
	4252	Convention Center				232,246.30	892,935.22	25,000.00	1,150,181.52				
2622	Total	Lodgers' Tax Fund	1,389,525.92	1,417,628.58	0.00	226,823.46	1,298,993.35	6,100.00	1,531,916.81	1,275,237.69			1,275,237.69
	4081	Lodgers Tax				0.00	1,104,850.00	0.00	1,104,850.00				
	4111	Police Overtime				0.00	0.00	0.00	0.00				
	4121	Fire Overtime				0.00	0.00	0.00	0.00				
	4253	Visitor Center				226,823.46	194,143.35	6,100.00	427,066.81				
	4254	Public Affairs -Lodgers				0.00	0.00	0.00	0.00				
2623	Total	Road Fund	1,255,368.92	5,520,216.96	8,670,073.62	2,052,555.89	8,210,027.61	5,183,076.00	15,445,659.50	0.00			0.00
	4323	Streets				1,750,615.07	7,910,510.78	5,183,076.00	14,844,201.85				
	4325	Special Electronics				301,940.82	235,450.74	0.00	537,391.56				
	4326	Hobson Road				0.00	64,066.09	0.00	64,066.09				
2626	4091	Unemployment Comp Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
2630	4045	Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00
2690	Multiple	Restricted Donations	857,426.99	0.00	0.00	0.00	857,426.99	0.00	857,426.99	0.00		0.00	0.00
2700	3025	Opioid LG Abatement Fund	2,167,509.90	0.00	0.00	0.00	0.00	0.00	0.00	2,167,509.90		1,393,752.15	773,757.75
2712	4654	Fed Narcotic Seizure Fund	29.43	0.00	0.00	0.00	0.00	0.00	0.00	29.43		29.43	0.00
2800	3020	Cannabis Regulation Act Fund	590,841.01	266,085.57	0.00	0.00	9,200.00	0.00	9,200.00	847,726.58		3,597.65	847,726.58
3217	4248	Recreation Cntr Construction	3,589.81	7.84	0.00	0.00	0.00	0.00	0.00	3,597.65			0.00
4208	4049	15 GRT Bond Debt Service	15.82	0.00	346,377.50	0.00	346,377.50	0.00	346,377.50	15.82			15.82
4216	4247	Rec/Bond Debt Service	738,574.25	3,288.15	1,352,300.00	0.00	1,352,300.00	0.00	1,352,300.00	741,862.40			741,862.40
5100	Total	Airport Fund Total	9,021,651.69	25,282,810.96	(1,074,127.00)	1,418,576.33	6,820,557.83	13,707,122.93	21,946,257.09	11,284,078.56			11,284,078.56
	4331	Airport - Administrations				724,510.61	63,639.30	0.00	788,149.91				
	4332	Airport - Operations				694,065.72	6,512,653.28	0.00	7,206,719.00				
	4333	Airport - Water				0.00	0.00	0.00	0.00				
	4334	Airport - Cap Outlay				0.00	0.00	13,707,122.93	13,707,122.93				
	4338	Debt Service				0.00	244,265.25	0.00	244,265.25				
5130	4337	PPC	1,315,811.50	164,344.10		0.00	0.00	0.00	0.00	1,480,155.60			1,480,155.60
5200	Total	Solid Waste Fund Total	8,648,532.55	8,377,760.59	(755,046.47)	2,566,518.13	1,749,519.60	1,583,858.00	5,899,895.73	10,371,350.94			10,371,350.94
	4341	Solid Waste - Collect				2,566,518.13	1,749,519.60	1,583,858.00	5,899,895.73				
5201	Total	Landfill Fund Total	1,259,971.87	3,550,907.20	(401,281.53)	925,170.87	2,459,822.83	50,000.00	3,434,993.70	974,603.84			974,603.84
	4192	Community Enhancement				0.00	0.00	0.00	0.00				
	4342	Solid Waste - Landfill				925,170.87	1,890,509.93	50,000.00	2,865,680.80				
	4343	Roswell Recycle Prog				0.00	0.00	0.00	0.00				
	4365	NMFA Landfill Loan				0.00	569,312.90	0.00	569,312.90				

CITY OF ROSWELL, NEW MEXICO
FY27 Preliminary Budget Summary

Fund	Dept	Description	Beginning Cash Balance	Revenues	Transfers	Personnel Expense	Operating Expense	Capital Outlay	Total Expense	Est End Cash 6/30/2025	1/12 Reserve	Restricted Cash Balance	Available Cash Balance
5300	Total	Water Fund Total	7,986,586.76	15,031,824.05	(3,327,454.00)	5,316,016.29	4,854,131.45	1,326,386.28	11,496,534.02	8,194,422.79			8,194,422.79
	4351	Water - Administration				196,235.38	513,355.00	0.00	709,590.38				
	4352	Water - Customer Serv				985,120.78	398,975.99	0.00	1,384,096.77				
	4353	Water - Source of Supply				675,106.62	1,376,695.92	799,270.53	2,851,073.07				
	4354	Water - Maint & Trans				3,459,553.51	1,855,163.26	527,115.75	5,841,832.52				
	4363	NMFA Loan - Drinking Water #1				0.00	156,541.28	0.00	156,541.28				
	4364	NMFA Loan - Drinking Water #2				0.00	311,243.70	0.00	311,243.70				
	4366	Edgewood Water Line - WPF5434				0.00	15,396.86	0.00	15,396.86				
5301	4367	Country Club				0.00	226,759.44	0.00	226,759.44				
	Total	Waste Water Fund Total	14,989,560.44	9,310,049.51	(942,644.00)	1,580,584.28	2,746,811.72	1,876,563.41	6,203,959.41	17,153,006.54			17,153,006.54
	4355	Waste Water Treatment Plant				920,848.39	1,908,651.14	1,876,563.41	4,706,062.94				
	4356	Sewer Maintenance				460,168.22	144,606.39	0.00	604,774.61				
	4357	Roswell Treatment Facility				0.00	0.00	0.00	0.00				
	4358	Sewer City Lab				199,567.67	197,699.55	0.00	397,267.22				
	4370	Clean Water Revolving Loan				0.00	495,854.64	0.00	495,854.64				
	5635	2014AWWTP Pump Improv DS	124,763.77	305.23	140,700.00	0.00	140,700.00	0.00	140,700.00	125,069.00		26,061.50	99,007.50
5311	5636	2014BWWTP Bond Refund	1,252.09	5.79	0.00	0.00	0.00	0.00	0.00	1,257.88			1,257.88
5320	5639	2017 Smart Meter Bonds Const	54,055.36	854.70	0.00	0.00	0.00	0.00	0.00	54,910.06		30,937.50	23,972.56
5321	5638	2017 Smart Meter Bonds DS	1,385,387.59	4,596.12	1,689,750.00	0.00	1,689,750.00	0.00	1,689,750.00	1,389,983.71		79,046.50	1,310,937.21
5500	4125	Public Safety	12,578,497.02	9,000,000.00	(2,000,000.00)	5,229,706.25	1,274,257.20	350,000.00	6,853,963.45	12,724,533.57		3,000,000.00	9,724,533.57
7000	AGENCY FUNDS/Payroll Liabs/Meters/Renters Deposits/		3,136,163.18	0.00	0.00	0.00	0.00	0.00	0.00	3,136,163.18		3,136,163.18	0.00
7820	7001	Municipal Court Bail Bonds	19,035.00	0.00	0.00	0.00	0.00	0.00	0.00	19,035.00		19,035.00	0.00
Grand Totals			116,759,092.69	168,097,692.78	0.00	67,044,590.41	60,538,095.53	34,620,344.69	162,203,030.63	122,653,754.84	5,529,777.79	18,980,553.45	98,143,423.60

Regular City Council Meeting

18.

Meeting Date: 06/11/2026

COMMITTEE: N/A

CONTACT: Amalia Martinez

CHAIR: N/A

Summary:

Employee Out-of-State Travel (Informational Only)

Attachments

RPD Travel Memo

RFD - Travel Memo (Chavez and Washichek)

RFD - Travel Memo (Kayleb Wright)

Museum - Travel Memo (Caroline Brooks)



Roswell Police Department

CHIEF ALBERTO ALDANA



MEMORANDUM

To: City Council Members

From: Chief Alberto Aldana

Date: June 1, 2026

Subject: Notification of Out-of-State Training for Department Personnel

Dear Council Members,

The following personnel are scheduled for out-of-state training.

1. **Alberto Aldana, Ryan Craine, Michael Fry, Raymond Sharpe**
 - **Rank/Position:** Chief, Deputy Chief, Captain, Lieutenant
 - **Training Program:** Planning, Designing, and Constructing Police Facilities
 - **Location:** Dallas, Texas
 - **Dates:** June 8th, 2026 – June 12th, 2026
 - **Purpose/Objective:** Attendance at the Planning, Designing, and Constructing Police Facilities conference will provide valuable information on modern police facility design, safety, and operational efficiency.
2. **Ashley Hunter and Eduardo Padilla**
 - **Rank/Position:** SRO officers
 - **Training Program:** Basic SRO
 - **Location:** Durango, Colorado
 - **Dates:** July 20th, 2026 – July 24th, 2026
 - **Purpose/Objective:** Required for School Resource Officers
3. **Danny Flott and Logan Franklin**
 - **Rank/Position:** SWAT Team Members
 - **Training Program:** Basic Sniper
 - **Location:** Lafayette, Louisiana
 - **Dates:** July 26th, 2026 – July 31st, 2026
 - **Purpose/Objective:** We have been selected as snipers months ago, but are unable to deploy as snipers currently without this course.

This memo is intended for informational purposes. Should you require any additional information, please do not hesitate to contact me.

Sincerely,

Chief Alberto Aldana

MEMORANDUM

City of Roswell

To: CITY COUNCIL MEMBERS
From: Steve Chavez, Fire Chief
Date: May 19, 2026
Subject: Out-of-State Travel for Fire Department

Employees:

Derek Washichek
Steve Chavez

Dates: 06/09/26 – 06/11/2026

Location: Renaissance Dallas Addison Hotel in Dallas, Texas

Purpose: Planning, Designing and Constructing Police Facilities Course

MEMORANDUM

City of Roswell

To: CITY COUNCIL MEMBERS
From: Steve Chavez, Fire Chief
Date: May 29, 2026
Subject: Out-of-State Travel for Fire Department

Employees:

Kayleb Wright

Dates: 06/21/26 – 06/25/2026

Location: Lubbock, TX

Purpose: Paramedic School at Covenant and UMC Hospitals



MEMORANDUM

To: City Council Members
Cc: Hess Yntema, City Manager and Bobbi Thompson, Deputy City Manager
From: Caroline Brooks, Museum Director
Re: Out-of-State Travel for Museum
Date: June 8, 2026

Employee Name: Caroline Brooks

Dates: July 28-August 1

Location: Boston and Worcester, MA

Purpose: Travel is requested to present on the Roswell Museum's stewardship of the Robert H. Goddard Collection as part of a Goddard exhibit in Worcester, Massachusetts; meet with Goddard-affiliated organizations; and conduct museum planning and rebuilding research at the MIT Museum to inform the Roswell Museum's recovery and future facility planning.

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

19.

Meeting Date: 06/11/2026

COMMITTEE: N/A

CONTACT: Amalia Martinez

CHAIR: Mayor Pro Tem

ACTION REQUESTED:

Approval of Mayor Jennings's appointment recommendation to the Roswell Museum Board of Trustees is as follows:

- Bruce M. Dyleski - Position 4 (1st Term June 12, 2026–March 31, 2029)
- Bailey Coll - Position 7 (1st Partial Term June 12, 2026 — March 31, 2027)

BACKGROUND:

Initiated by: Terms Renewals

The Roswell Museum Board of Trustees consists of 11 members. Each member shall serve (2) four-year terms.

FINANCIAL CONSIDERATION

There is no direct financial impact associated with this item.

LEGAL REVIEW:

Vacancies on Boards are filled under Roswell City Code Sec. 2-97(b)(1): "The mayor, with the advice and the consent of the City Council, shall appoint all board members".

BOARD AND COMMITTEE ACTION:

N/A

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

June 11, 2026 Committee Appointments



MEMORANDUM
City of Roswell

City of Roswell
Office of the Mayor

To: CITY COUNCIL MEMBERS

From: Timothy Z. Jennings, Mayor

Date: June 5, 2026

Subject: Recommended Appointments to be made at the June 11, 2026, City Council Meeting

Hello all,

I recommend that the appointments listed below be scheduled for the City Council meeting on June 11, 2026. I will present this recommendation and ask for your approval that evening.

Flood Recovery Task Force

- Position 5 - Michael Sanchez – (June 12, 2026 – March 31, 2028)

Planning & Zoning

- Position 4 – Marcus Gonzales – June 12, 2026 – March 31, 2030)

Roswell Museum Board of Trustees

- Position 4 – Bruce M. Dyleski (June 12, 2026 – March 31, 2029)
- Position 7 – Bailey Coll (June 12, 2026 – March 31, 2027)

Sincerely,

A handwritten signature in black ink that reads 'Timothy Z. Jennings'.

Timothy Z. Jennings
Mayor, City of Roswell, NM

/am

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

20.

Meeting Date: 06/11/2026

COMMITTEE: N/A

CONTACT: Amalia Martinez

CHAIR: Mayor Pro Tem

ACTION REQUESTED:

Consider approval of Mayor Jennings' recommendation of appointments to the Flood Recovery Task Force as follows: (Corn/Martinez)

- Position 5 - Michael Sanchez (June 12, 2026–March 31, 2028)

BACKGROUND:

Initiated by: Term Renewals

The Flood Task Force shall consist of 5 members.

FINANCIAL CONSIDERATION

There is no direct financial impact associated with this item.

LEGAL REVIEW:

Vacancies on Boards are filled under Roswell City Code Sec. 2-97(b)(1): "The mayor, with the advice and the consent of the City Council, shall appoint all board members."

BOARD AND COMMITTEE ACTION:

There are no board recommendations. Recommended by the Mayor.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

June 11, 2026 Committee Appointments



MEMORANDUM
City of Roswell

City of Roswell
Office of the Mayor

To: CITY COUNCIL MEMBERS

From: Timothy Z. Jennings, Mayor

Date: June 5, 2026

Subject: Recommended Appointments to be made at the June 11, 2026, City Council Meeting

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I recommend that the appointments listed below be scheduled for the City Council meeting on June 11, 2026. I will present this recommendation and ask for your approval that evening.

Flood Recovery Task Force

- Position 5 - Michael Sanchez – (June 12, 2026 – March 31, 2028)

Planning & Zoning

- Position 4 – Marcus Gonzales – June 12, 2026 – March 31, 2030)

Roswell Museum Board of Trustees

- Position 4 – Bruce M. Dyleski (June 12, 2026 – March 31, 2029)
- Position 7 – Bailey Coll (June 12, 2026 – March 31, 2027)

Sincerely,

A handwritten signature in black ink that reads 'Timothy Z. Jennings'.

Timothy Z. Jennings
Mayor, City of Roswell, NM

/am

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

21.

Meeting Date: 06/11/2026

COMMITTEE: N/A

CONTACT: Amalia Martinez

CHAIR: Mayor Pro Tem

ACTION REQUESTED:

Consider approval of Mayor Jennings' recommendations of the following appointment to the Planning and Zoning Commission. (Corn/Martinez)

- Position 4 - Marcus Gonzales (June 12, 2026 - March 31, 2030)

BACKGROUND:

Initiated by: Term Renewals

The Planning and Zoning Commission consists of 7 members. Each member shall serve 2-four year terms

FINANCIAL CONSIDERATION

There are no financial costs.

LEGAL REVIEW:

Vacancies on Boards are filled under Roswell City Code Sec. 2-97(b)(1): "The mayor, with the advice and the consent of the city council, shall appoint all board members".

BOARD AND COMMITTEE ACTION:

This item did not go to a committee.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

June 11, 2026 Committee Appointments

MEMORANDUM
City of Roswell

To: CITY COUNCIL MEMBERS

From: Timothy Z. Jennings, Mayor

Date: June 5, 2026

Subject: Recommended Appointments to be made at the June 11, 2026, City Council Meeting

Hello all,

I recommend that the appointments listed below be scheduled for the City Council meeting on June 11, 2026. I will present this recommendation and ask for your approval that evening.

Flood Recovery Task Force

- Position 5 - Michael Sanchez – (June 12, 2026 – March 31, 2028)

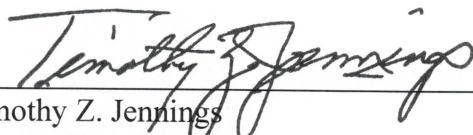
Planning & Zoning

- Position 4 – Marcus Gonzales – June 12, 2026 – March 31, 2030)

Roswell Museum Board of Trustees

- Position 4 – Bruce M. Dyleski (June 12, 2026 – March 31, 2029)
- Position 7 – Bailey Coll (June 12, 2026 – March 31, 2027)

Sincerely,



Timothy Z. Jennings
Mayor, City of Roswell, NM

/am

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

22.

Meeting Date: 06/11/2026

COMMITTEE: Infrastructure

CONTACT: James MacCornack

CHAIR: Darrell Johnson

ACTION REQUESTED:

Resolution 26-29: adoption of Resolution 26-29: Authorizing the submittal of the Fiscal Year 2028-2032 Infrastructure Capital Improvements Plan (ICIP). (Johnson/MacCornack)

BACKGROUND:

Initiated by: James MacCornack

The Infrastructure Committee on 5/18/2026 reviewed the Infrastructure Capital Improvements Plan (ICIP) list of projects and voted on the top five priority projects to be forwarded to City Council for review and submission to the State of New Mexico. The top five priority projects are:

1. Water Transmission Pipes Replacement \$9,500,000
2. Small Pipe Replacement \$2,500,000
3. Large Pipe Replacement \$10,000,000
4. Flood damage repairs- City-wide \$15,000,000
5. City Hall Deferred Maintenance \$250,000.

FINANCIAL CONSIDERATION

The ICIP is not a funding source, but it does include information on each project for local, state and federal funding opportunities.

LEGAL REVIEW:

The resolution has been submitted to the City Attorney for review.

BOARD AND COMMITTEE ACTION:

Infrastructure Committee on 5/18/26 voted (5-0) to recommend the attached ICIP list with the top five priorities identified to City Council for consideration.

STAFF RECOMMENDATION:

Proceed as presented.

Attachments

Resolution 26-29 ICIP FY28-32
ICIP Project List

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RESOLUTION NO. 26-29

-
**A RESOLUTION ADOPTING THE FY 2028-2032 INFRASTRUCTURE CAPITAL
IMPROVEMENT PLAN.**

WHEREAS, the City of Roswell recognizes that the financing of public capital projects has become a major concern in New Mexico and nationally; and

WHEREAS, in times of scarce resources, it is necessary to find new financing mechanisms and maximize the use of existing resources; and

WHEREAS, systematic capital improvements planning is an effective tool for communities to define their development needs, establish priorities, and pursue concrete actions and strategies to achieve necessary project development; and

WHEREAS, this process contributes to local and regional efforts in project identification and selection in short- and long-range capital planning efforts.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS THE
GOVERNING BODY OF THE CITY OF ROSWELL, NEW MEXICO,** that:

1. The City of Roswell has adopted the attached FY 2028 - 2032 Infrastructure Capital Improvement Plan, and
2. The City of Roswell desires to submit the 2028-2032, five-year, Infrastructure Capital Improvement Plan (ICIP), including the top 5 priority projects for fiscal year 2027, to the State of New Mexico, Department of Finance and Administration, L.G.D., the top five priority projects are:
 1. Water Transmission Pipes Replacement \$9,500,000
 2. Small Pipe Replacement \$2,500,000
 3. Large Pipe Replacement \$10,000,000
 4. Flood damage repairs- City-wide \$15,000,000
 5. City Hall Deferred Maintenance \$250,000.
3. It is intended that the Plan be a working document and is the first of many steps toward improving rational, long- range capital planning and budgeting for New Mexico's infrastructure, and
4. This Resolution supersedes Resolution No 25-33.

1 PASSED, ADOPTED, SIGNED and APPROVED _____, _____.
2
3

4 CITY SEAL
5
6

7 _____
8 Timothy Z. Jennings, Mayor
9

10 ATTEST
11

Amalia Martinez, City Clerk

DRAFT

ICIP 2027 | 2028-2032 | City of Roswell | 85 Projects |

Project #	Project Title	Contact	Total Cost
★ TOP 5 — Infrastructure Meeting Selections 5 Projects Total Cost: \$37,250,000			
16	Water transmission pipes replacement	Andrew Valadez	\$9,500,000
18	Small Pipe Replacement	Andrew Valadez	\$2,500,000
19	Large Pipe Replacement	Andrew Valadez	\$10,000,000
68	Flood damage repairs-City wide	Lee M Rogers	\$15,000,000
79	City Hall Deferred Maintenance	Nathaniel Mascarenas	\$250,000
	Total Cost		\$37,250,000.00
☐ NOT SELECTED — No Active Grant Tie, Not Funded 36 Projects Total Cost: \$61,137,000			
1	Cell 5B Construction Only (Solid Waste)	Abraham Chaparro	\$5,500,000
2	Enclosed Convenience Center	Abraham Chaparro	\$7,850,000
3	Compactor Truck	Abraham Chaparro	\$1,500,000
4	Water Line to Sanitation	Abraham Chaparro	\$1,600,000
5	Pollution Control Fencing	Abraham Chaparro	\$5,000,000
6	Tire Shredder	Abraham Chaparro	\$1,500,000
7	Generator for Emergency Power-Solid Waste Facilit	Abraham Chaparro	\$750,000
8	Solar Powered Covered Parking Lot at Solid Waste	Abraham Chaparro	\$1,060,000
9	Public Safety Maintenance Shop	Abraham Chaparro	\$1,500,000
10	New Police Building	Alberto Aldana	\$5,000,000
11	RPD Patrol Vehicles Dash Cams	Alberto Aldana	\$850,000
12	Police Cars	Alberto Aldana	\$750,000
17	Rehabilitation of Water Storage Tank on 3rd St	Andrew Valadez	\$4,000,000
21	Transit Center Renovations	Becky Hicks	\$1,950,000
22	Roswell Transit Bus - CDL x3	Becky Hicks	\$620,000
23	Roswell Transit Van Replacement NON CDL X2	Becky Hicks	\$507,000
27	Airport Passenger parking Lot Lighting	Bobbi Thompson	\$500,000
30	4 Vehicles for Maintenance	Bobbi Thompson	\$2,000,000
41	Recreation Center Parking lot	James Burress	\$200,000
42	Play ground Equipment Replacement	James Burress	\$750,000
44	New Pro Shop at the Nancy Lopez Golf Course	James Burress	\$4,775,000
45	New Cemetery Office	James Burress	\$1,530,000
46	Golf Course Cart Path Rehab	James Burress	\$300,000
50	Parks Walking Trail	James Burress	\$250,000
51	Gymnasium Floor Replacement	James Burress	\$500,000
52	Golf Course Irrigation System	James Burress	\$5,000,000
56	Street Vehicles	James MacCornack	\$150,000
61	S. Washington Reconstruction	James MacCornack	\$300,000
65	Security Cameras at City Hall	Jeff Bechtel	\$30,000
66	Workstations - IT	Jeff Bechtel	\$250,000
67	New Servers	Jeff Bechtel	\$150,000
72	Gold Star Family Memorial	Lee M Rogers	\$60,000
77	Animal Services Improvements	Mike Fry	\$150,000
78	Animal Services Vehicles	Mike Fry	\$80,000
80	Facility Maintenance Service Vehicles	Nathaniel Mascarenas	\$225,000
82	Property acquisition for parking at Fire Station #1	Steve Chavez	\$600,000
84	Updated Radio Communications Equipment	Steve Chavez	\$950,000
81	Aerial Fire Engine	Steve Chavez	\$1,600,000
85	SCBA	Steve Chavez	\$450,000
83	Firefighter Structural PPE	Steve Chavez	\$400,000
	Total Cost		\$61,137,000.00
🔗 TIED TO FUTURE GRANT APPLICATIONS 24 Projects Total Cost: \$52,548,200			
15	WW Replace Flow Gates AT Headworks SB1, SB2, & SB3	Andrew Valadez	\$3,200,000
20	Rehab Trigg Reservoir	Andrew Valadez	\$2,000,000
24	Air Center SE Development	Bobbi Thompson	\$16,800,000
25	Roswell Air Center Fire Truck	Bobbi Thompson	\$2,000,000
26	Roswell Air Center parking lot	Bobbi Thompson	\$2,201,000
32	RAC Fiber Optic Infrastructure & Security Improvem	Bobbi Thompson	\$5,000,000
35	Library Outdoor Program on Richardson	Enid Costley	\$280,000
36	Library Emergency Back-up Lighting	Enid Costley	\$45,000
37	Library Smoke/Carbon Monoxide Detectors	Enid Costley	\$55,000

ICIP 2027 | 2028-2032 | City of Roswell | 85 Projects |

Project #	Project Title	Contact	Total Cost
38	Library Fire Exit	Enid Costley	\$204,700
39	Library Exterior Building Repairs	Enid Costley	\$300,000
40	Library outdoor Play and Learning Area	Enid Costley	\$360,000
43	Soccer Field Lighting	James Burress	\$3,362,500
49	Spring River Zoo's 1927 Herschel Spillman Carousel	James Burress	\$450,000
53	Bike Lane and Trails Infrastructure Improvements	James Burress	\$5,000,000
57	TAP Application w/NMDOT	James MacCornack	\$300,000
58	Bridge 9088 Replacement, N. Atkinson over Spring R	James MacCornack	\$2,440,000
60	Sidewalk Improvements for 6th, 7th & 8th Streets	James MacCornack	\$2,000,000
62	Brasher Storm Drainage Improvements- Phase 2	James MacCornack	\$5,050,000
63	Mescalero Mill/Fill Street Improvement	James MacCornack	\$1,500,000
Total Cost			\$52,548,200.00
☑ FUNDED / ONGOING — Active Appropriations or Funding 20 Projects Total Cost: \$148,134,394			
13	Roswell Police Real Time Crime Center	Alberto Aldana	\$2,600,000
14	RPD WWater Sys Improve	Alberto Aldana	\$300,000
28	RAC Terminal Expansion	Bobbi Thompson	\$80,000,000
29	Airport Terminal Generator	Bobbi Thompson	\$500,000
31	Roswell Air Center Infrastructure Site Improvement	Bobbi Thompson	\$10,000,000
33	RMAC Interior Modifications	Caroline Brooks	\$3,400,894
34	Museum HVAC Replacement and Upgrades	Caroline Brooks	\$119,000
47	Stiles Field Athletic Field Lighting	James Burress	\$3,600,000
48	South Park Cemetery Water Well Install	James Burress	\$1,000,000
54	Roswell UFO Skate Park Complex	James Burress- James MacCornack	\$4,000,000
55	Country Club Expansion	James MacCornack	\$9,225,000
59	Storm Drainage Improvements- Phase 1	James MacCornack	\$4,400,000
64	VoIP Dispatch Console System	Jeff Bechtel	\$350,000
69	Lest We Forget Historical Statuary Garden	Lee M Rogers	\$3,380,000
70	Airport Event Site	Lee M Rogers	\$18,000,000
71	Mainstreet Roswell Corridor Wayfinding Design	Lee M Rogers	\$1,760,000
73	Working Mother's Day Nursery	Lee M Rogers	\$300,000
74	Roswell World Champions Park Facility Upgrades	Lee M Rogers	\$5,000,000
75	Roswell SE Region School Shooting Range Upgrades	Lee M Rogers	\$117,500
76	Animal Services Shelter Improvements	Mike Fry	\$82,000
Total Cost			\$148,134,394.00
Total			\$299,069,594.00

**ROSWELL NEW MEXICO
AGENDA ITEM ABSTRACT**

Regular City Council Meeting

23.

Meeting Date: 06/11/2026

COMMITTEE: Legal

CONTACT: C. Josh Nairn-Mahan

CHAIR: Will Cavin

ACTION REQUESTED:

Proposed Ordinance 26-05 – Authorize to advertise for a public hearing on proposed Ordinance 26-05: An Ordinance authorizing the issuance of Industrial Revenue Bonds (Gallagher Solar LLC Project) and Execution Bond Purchase Agreement, Indenture, Lease, and Sublease.
(Cavin/Yntema)

BACKGROUND:

Initiated by: Hessel Yntema IV

Gallagher Solar LLC seeks to develop a 2.70-megawatt (AC) community solar energy facility on two parcels of land (4-137-062-173-063-000000; 4-137-062-189-117-000000), also known as "Lots One and Two (1 & 2) of Gallagher Summary Replat," located at 1612 E 2nd St, Roswell, NM 88201 (The "Property"). The Project was granted a Conditional Use Permit under Zoning Case CUP-25-0046. The Applicant intends to develop all the property with a community solar energy facility. Community solar is a relatively new feature in New Mexico that allows local residents to receive a direct benefit by subscribing to receive credits, which lowers their electricity bills. The 2.70-megawatt system is sufficient to provide credits to approximately 600 homes in Xcel. This facility will produce an electric energy power generation facility under the "Community Solar Act," for use by the Company, which will constitute an industrial development project. The County has already been contacted and is not opposed to the issuance of this IRB. The Governing Body approved the IRB's inducement resolution in March 2026.

FINANCIAL CONSIDERATION

Fiscal Impact - The City will see increased payments over the 15-year life of the project, as well as the schools.

LEGAL REVIEW:

Legally Sufficient.

BOARD AND COMMITTEE ACTION:

At its meeting on May 28, 2026, the Legal Committee recommended a 4-1 approval to present to the full City Council.

STAFF RECOMMENDATION:

City management believes that this is a project that will increase revenue for the City both in the short and long term.

Attachments

Ordinance 26-05: IRB & Execution Bond Purchase Agreement, of Indenture, Lease, and Sublease
Lease Agreement
Indenture
Bond Purchase Agreement
Sublease Agreement

**CITY OF ROSWELL, NEW MEXICO
ROSWELL CITY COUNCIL
ORDINANCE NO. 2026-05**

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF ROSWELL, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (GALLAGHER SOLAR LLC PROJECT), IN A MAXIMUM PRINCIPAL AMOUNT OF UP TO \$4,800,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY GALLAGHER SOLAR LLC OR ITS SUCCESSORS OR ASSIGNS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A LEASE, A BOND PURCHASE AGREEMENT, THE BONDS AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND THE PROJECT; AUTHORIZING A PAYMENT IN LIEU OF TAXES TO THE CITY AND ROSWELL INDEPENDENT SCHOOL DISTRICT NO. 4 BY THE PROJECT COMPANIES; AND MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

WHEREAS, the City of Roswell (the “City”) is a legally and regularly created, established, organized and existing municipality under the general laws of the State of New Mexico (the “State”); and

WHEREAS, pursuant to New Mexico Statutes Annotated, Sections 3-32-1 through 3-32-16 NMSA 1978, as amended (the “Act”), the City is authorized to acquire industrial revenue projects to be located within the City, to issue industrial revenue bonds and to use the proceeds of such bonds for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in this state, promoting the use of the agricultural products and natural resources of this state and promoting a sound and proper balance in this state between agriculture, commerce and industry; and

WHEREAS, Gallagher Solar LLC (the “Company”), is a limited liability company organized under the laws of the State of Delaware and qualified to do business in the State; and

WHEREAS, the Company has presented to the Roswell City Council, (the “City Council”) a proposal whereby the City would (a) issue its Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project), Series 2026 (the “Bonds”), and (b) acquire solar energy generating equipment and facilities (the “Project Property”), to be located within the corporate boundaries of the City, to be used by the Company for the generation and storage of electrical power; and

WHEREAS, the Company has requested that the City issue industrial revenue bonds for the purpose of providing funds to finance the acquisition, construction, installation, and equipping, of a solar energy power generating facility (the “Project”). The City has been advised by the

1 Company that, neither location approval nor a certificate of convenience and necessity are required
2 prior to commencing construction or operation of the facility pursuant to the laws of the State;
3 and
4

5 **WHEREAS**, under the Company's proposal, the City would enter into an Indenture (the
6 "Indenture") with a wholly owned subsidiary of the Company, specifically created to hold the
7 Bond (the "Purchaser"), the Company and a Depositary acceptable to the City and the Purchaser
8 pursuant to which, together with this ordinance (the "Bond Ordinance"), the City would issue the
9 Bonds; and
10

11 **WHEREAS**, under the Company's proposal, the City and the Company would enter into
12 a Lease (the "Lease"), pursuant to which the Company will lease the Project Property from the
13 City and the Company will make payments sufficient to pay the principal of and interest on the
14 Bonds and to pay all other obligations incurred pursuant to the provisions of the Lease and the
15 Bond Ordinance; and
16

17 **WHEREAS**, the City is authorized to enter into, deliver and perform all of its obligations
18 under the Bond Documents and to issue, execute and deliver the Bonds pursuant to the Act and
19 the Bond Ordinance; and
20

21 **WHEREAS**, the City will not operate the Project as a business or in any manner except as
22 lessor thereof; and
23

24 **WHEREAS**, the Bonds in a principal amount not to exceed \$4,800,000 will be issued,
25 sold and delivered by the City, in a private sale to the Purchaser, pursuant to a bond purchase
26 agreement to be dated as of the initial date of delivery of the Bonds, among the City, the Purchaser
27 and the Company (the "Bond Purchase Agreement"); and
28

29 **WHEREAS**, the proceeds of the Bonds shall be applied to pay the costs of the Project and
30 to pay certain costs associated with the transaction, including all the costs of the City relating to
31 the issuance of the Bonds and the transaction;
32

33 **WHEREAS**, the City Council has determined that it is in the best interest of the City to
34 issue the Bonds and to execute and deliver the Bond Documents, defined below, and other
35 documents related thereto; and
36

37 **WHEREAS**, the City will enter into the following documents in connection with the
38 issuance of the Bond:
39

- 40 1. Lease
- 41 2. Indenture
- 42 3. Bond Purchase Agreement
- 43 4. Bonds
- 44 5. Sublease
- 45

1 The Lease, Indenture, Bond Purchase Agreement, the Sublease and Bonds are collectively
2 referred to in this Bond Ordinance as the “Bond Documents”; and
3

4 **WHEREAS**, the City is authorized to issue the Bonds under the Act and after having
5 considered the Company’s proposal, has concluded that it is desirable at this time to authorize the
6 issuance of the Bonds to finance the Project and that the City’s issuance of the Bonds will
7 constitute and be a valid public purpose; and
8

9 **WHEREAS**, the Bonds shall not be the general obligation of the City within the meaning
10 of any provision of the constitution of New Mexico and shall never constitute an indebtedness of
11 the City within the meaning of any state constitutional provision or statutory limitation, and shall
12 never constitute or give rise to a pecuniary liability of the City or a charge against its general credit
13 or taxing powers; and
14

15 **WHEREAS**, the Company has agreed to make payments in lieu of taxes to both the City
16 and Roswell Independent School District No. 4 with respect to the Project; and
17

18 **WHEREAS**, this City Council has been advised by Sutin, Thayer & Browne A
19 Professional Corporation, as bond counsel (“Bond Counsel”) that the disclosure provisions of Rule
20 15c2-12 of the Securities and Exchange Commission are not applicable to this transaction
21 inasmuch as the Bonds are being sold in a private sale without participation of an underwriter;
22 and
23

24 **WHEREAS**, there has been published in the *Roswell Daily Record*, a newspaper of general
25 circulation in the City, public notice of the City Council’s intention to adopt this Bond Ordinance,
26 which notice contained certain information concerning the ownership, purpose, location and size
27 of the Project and the amount of the Bonds to be issued to finance the Project, which notice was
28 published at least fourteen (14) days prior to final action upon this Bond Ordinance; and
29

30 **BE IT ORDAINED BY THE ROSWELL CITY COUNCIL, THE GOVERNING**
31 **BODY OF THE CITY OF ROSWELL, NEW MEXICO:**
32

33 Section 1. RATIFICATION. All actions not inconsistent with the provisions of this
34 Bond Ordinance previously taken by the City Council and the officials of the City directed toward
35 approval of the issuance and sale of the Bonds be approved and the same hereby are ratified,
36 approved and confirmed.
37

38 Section 2. FINDINGS.
39

40 A. General. The City Council hereby declares that it has considered all
41 relevant information presented to it relating to the Bonds and the Project and hereby finds and
42 determines that the issuance of the Bonds pursuant to the Bond Ordinance to provide funds for the
43 Project is necessary and advisable and in the interest of and will promote industry and trade by
44 inducing manufacturing, industrial and commercial enterprises to locate or expand in this state,
45 promoting the use of the agricultural products and natural resources of this state and promoting a
46 sound and proper balance in this state between agriculture, commerce and industry;

1
2 B. The City Council finds that:

3
4 (1) The Bonds will be issued for the purpose of financing the Project.

5
6 (2) The aggregate face amount of obligations to be issued with respect
7 to financing the Project is not to exceed \$4,800,000.

8
9 (3) The developer of the Project Property is the Company.

10
11 (4) The Project Property is located within the corporate limits of the
12 City.

13
14 (5) The Company has agreed to make certain payments in lieu of taxes
15 owed with respect to the Project and the Project Property to the City and to Roswell Independent
16 School District No. 4

17
18 Section 3. BONDS - APPROVAL, AUTHORIZATION AND DETAIL.

19
20 A. Approval and Sale. The issuance of the Bonds in a principal amount not to
21 exceed \$4,800,000 and the use of the proceeds of the Bonds to finance the cost of the Project
22 including payment of transaction expenses related thereto are hereby approved and confirmed.
23 The sale of the Bonds at par at a purchase price not to exceed \$4,800,000 is approved.

24
25 B. Form and Terms. Subject to the limitations set forth in this Bond
26 Ordinance, the Bonds shall (i) be in the form and denomination and shall be numbered and dated
27 as set forth in the Indenture, (ii) be payable as to principal and interest and subject to optional and
28 mandatory redemption and defeasance in the amounts, upon the conditions and at the times and
29 prices set forth in the Indenture; and (iii) be issued in a principal amount not to exceed \$4,800,000,
30 bearing interest at the rate and maturing on the date set forth in the Indenture.

31
32 C. Execution. The Bonds shall be signed by the Mayor of the City.

33
34 D. Interest Rate. The interest rate on the Bonds shall be four and seven-tenths
35 percent (4.7%).

36
37 Section 4. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS;
38 ACTIONS TO BE TAKEN. The Bond Documents in the proposed form presented to the City
39 Council are hereby approved. The Mayor is authorized to approve the final terms and provisions
40 of the Bond Documents on behalf of the City Council, provided that such final terms and
41 provisions are substantially similar to those in this Bond Ordinance and to execute and deliver in
42 the name and on behalf of the City, and the City Clerk or Deputy City Clerk is hereby authorized
43 to attest, as necessary, the Bond Documents.

44
45 The Mayor, the City Manager and other officers of the City shall take such action as is
46 necessary to effectuate the provisions of the Indenture and shall take such action as is necessary in

conformity with the Act to finance the costs of the Project and for carrying out other transactions as contemplated by this Ordinance, and the Bond Documents, including, without limitation, the execution and delivery of any closing documents to be delivered in connection with the sale and delivery of the Bonds.

The Mayor and the City Clerk or the Deputy City Clerk are further authorized to execute, authenticate and deliver such certifications, instruments, documents, letters and other agreements, including leases, subleases, security agreements and subordination agreements and instruments as requested from time to time by the Company or any lender or lenders providing financing for the Project, and to do such other acts and things, either prior to or after the date of delivery of the Bonds, as are necessary or appropriate to consummate the transactions contemplated by the Bond Documents and as are not inconsistent with the terms of this Ordinance.

Section 5. DELIVERY OF BONDS. Upon the execution of the Bond Documents and the satisfaction of the conditions set forth in the Bond Documents, the Bonds shall be executed, authenticated and delivered to the Purchaser. The Bonds shall not be valid for any purpose until the Bonds have been properly authenticated as set forth in the Indenture.

Section 6. FUNDS AND ACCOUNTS. There is established in the Indenture, and on and after the date on which the Bonds are issued there shall be maintained, the funds and accounts as set forth in the Indenture. Other funds and accounts may be established as are necessary under the Indenture.

Section 7. FINDINGS REGARDING PAYMENT OF PRINCIPAL AND OTHER MATTERS. The following determinations are made:

A. The maximum amount necessary in each year to pay the principal of and interest on the Bonds, assuming issuance of the Bonds as of July 2026, in the maximum aggregate principal amount of \$4,800,000 and bearing an interest rate of 4.7%, is as follows:

<u>Year</u>	<u>Total Debt Service</u>	<u>Principal</u>	<u>Interest</u>
2027	\$225,600	\$-0-	\$225,600
2028	\$225,600	\$-0-	\$225,600
2029	\$225,600	\$-0-	\$225,600
2030	\$225,600	\$-0-	\$225,600
2031	\$225,600	\$-0-	\$225,600
2032	\$225,600	\$-0-	\$225,600
2033	\$225,600	\$-0-	\$225,600
2034	\$225,600	\$-0-	\$225,600
2035	\$225,600	\$-0-	\$225,600
2036	\$225,600	\$-0-	\$225,600
2037	\$225,600	\$-0-	\$225,600
2038	\$225,600	\$-0-	\$225,600
2039	\$225,600	\$-0-	\$225,600
2040	\$225,600	\$-0-	\$225,600

2041 \$5,025,600 \$4,800,000 \$225,600

B. The Bonds will bear interest at the rate of four and seven-tenths percent (4.7%).

C. The Bonds may be redeemed at any time without premium.

D. The Company shall pay, or cause to be paid, all costs incurred by the City in connection with the issuance of the Bonds including, without limitation, bond counsel fees and financial advisor fees.

E. It shall not be necessary to deposit any amount in a debt service reserve fund or a repair and replacement reserve fund for the maintenance of the Project Property.

E. The Lease requires that the Company maintain the Project Property in safe repair and in such operating condition as is needed for its operations and carry proper insurance with respect to the Project Property.

F. The Lease requires the Company to make lease payments in an amount sufficient to pay the principal of and interest on the Bonds as principal and interest become due and to pay all Related Costs (as defined in the Lease).

G. The Lease requires the Company to make payments in lieu of taxes with respect to the Project and Project Property to the City and to Roswell Independent School District No. 4.

Section 8. LIMITED OBLIGATIONS. The Bonds shall be a special limited obligation of the City, payable solely from the Basic Rent (as defined in the Lease) paid by the Company to the City as described in the Indenture and any other property or interest of the City specifically pledged under the Indenture and shall never constitute a debt or indebtedness of the City or the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or statutes, and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. Nothing contained in the Bond Ordinance or in the Bond Documents or any other instrument shall be construed as obligating the City (except with respect to the Project Property and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or a charge upon the general credit of the City or against its taxing powers, nor shall the breach of any agreement contained in the Bond Ordinance, the Bond Documents, the Bonds or any other instrument be construed as obligating the City (except with respect to the Project Property and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or a charge upon the general credit of the City or against its taxing power, the City having no power to pay out of its general funds, or otherwise contribute any part of the costs of constructing or equipping the Project Property, nor power to operate the Project Property as a business or in any manner except as lessor of the Project Property.

1 Section 9. APPROVAL OF INDEMNIFICATION. The City Council specifically
2 requires that the Lease contain provisions relating to indemnification which provide that the
3 Company shall indemnify and hold harmless the City and its City Council, officials, employees
4 and agents against liability to the Company, or to any third parties, that may be asserted against
5 the City or the City Council, officials, members, officers, employees or agents with respect to the
6 City's ownership of the Project Property or the issuance of the Bonds and arising from the
7 condition of the Project Property or the acquisition, construction and operation of the Project
8 Property by the Company, except to the extent New Mexico Statutes Annotated Section 56-7-1,
9 1978 Compilation, would preclude such indemnity.

10
11 Section 10. BOND ORDINANCE IRREPEALABLE. After the Bonds are issued, the
12 Bond Ordinance shall be and remain irrepealable until the Bonds, including interest, are fully paid,
13 canceled and discharged or there has been defeasance of the Bonds in accordance with the
14 Indenture.

15
16 Section 11. REPEALER. All bylaws, orders, resolutions and ordinances, or parts
17 thereof, inconsistent with this Bond Ordinance are repealed by this Bond Ordinance but only to
18 the extent of that inconsistency. This repealer shall not be construed to revive any bylaw, order,
19 resolution or ordinance, or part thereof, previously repealed.

20
21 Section 12. SEVERABILITY. If any section, paragraph, clause or provision of the
22 Bond Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or
23 unenforceability of that section, paragraph, clause or provision shall not affect any of the remaining
24 provisions of the Bond Ordinance.

25
26 Section 13. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE
27 DATE. This Ordinance, immediately upon its final passage and approval, shall be authenticated
28 by the signature of the Mayor, and by the signature of the City Clerk or any Deputy City Clerk,
29 and shall be recorded in the Ordinance book of the City, kept for that purpose, and shall be in full
30 force and effect thereafter in accordance with the laws of the State, and notice of adoption thereof
31 shall be published once in a newspaper which maintains an office in, and is of general circulation
32 in the City.

1 Done this ____th day of _____, 2026.

2
3 ATTEST:

CITY OF ROSWELL, NEW MEXICO

4
5
6
7 By: _____
8 Amalia Martinez, City Clerk

By: _____
Timothy Z. Jennings, Mayor

9
10
11 APPROVED AS TO FORM AND
12 LEGAL SUFFICIENCY:

13
14
15 _____
16 Josh Nairn-Mahan, City Attorney

DRAFT

CITY OF ROSWELL, NEW MEXICO

and

GALLAGHER SOLAR LLC

LEASE AGREEMENT

Dated as of July __, 2026

Up to \$4,800,000
City of Roswell, New Mexico
Taxable Industrial Revenue Bonds
(Gallagher Solar LLC Project)
Series 2026

CITY OF ROSWELL, NEW MEXICO, a political subdivision of the State of New Mexico (together with its successors and assigns, the “Issuer”), as lessor, and GALLAGHER SOLAR LLC, a Delaware limited liability company (together with its successors and assigns, the “Company”), as lessee, agree:

ARTICLE I RECITALS

Section 1.1. Recitals.

A. The Company has requested that the Issuer issue its Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project), Series 2026 in the maximum principal amount of \$4,800,000 (the “Bonds”). The proceeds of the Bonds will be used to finance the Project (defined below).

B. The Issuer is authorized under Section 3-32-1 to 3-32-16, New Mexico Statutes Annotated, 1978 Compilation (the “Act”) to acquire certain projects and issue its industrial revenue bonds in payment therefore and has determined that it is desirable to acquire the Project (defined below) pursuant to Ordinance No. _____ (the “Bond Ordinance”) and has in the Bond Ordinance authorized the issuance of the Bonds.

C. The Bonds are to be issued under an Indenture dated as of July __, 2026 (together with any and all amendments and supplements, the “Indenture”) among the Issuer, Gallagher Solar Holdings, LLC (together with its successors and assignees, and transferees of the Bonds, the “Purchaser”), the Company and BOKF, NA, as Depositary (the “Depositary”). The Bonds will be a special limited obligation of the Issuer payable solely as therein provided and the Bonds will not constitute a debt or indebtedness or pledge of the credit of the Issuer, and the Purchaser or owners of the Bonds will have no right to have taxes levied by the Issuer or to require the Issuer to use any revenues for the payment of the Bonds, except for Basic Rent (as defined in this Agreement).

D. The proceeds of the Bonds will be used to finance the acquisition of the Project Property (defined below) leased to the Company under this Lease Agreement (together with all amendments and supplements, this “Agreement”).

E. The Bonds are to be purchased under a Bond Purchase Agreement dated as of July __, 2026 (together with any and all amendments and supplements, the “Bond Purchase Agreement”) among the Issuer, the Purchaser and the Company.

F. The Bonds will be secured by the Indenture which constitutes, among other things, a security agreement, lien, and collateral pledge of this Agreement.

In consideration of the promises and the mutual representations and agreements hereinafter contained, the Issuer and the Company agree as follows (provided that any obligation of the Issuer created by or arising out of this Agreement will never constitute an indebtedness of the Issuer or give rise to any pecuniary liability of the Issuer, or a charge against its general credit or taxing powers but will be payable solely out of Basic Rent).

ARTICLE II DEFINITIONS AND RULES OF CONSTRUCTION

Section 2.1. Definitions. All words and terms defined in the Indenture have the same meanings when used in this Agreement. In addition:

“Additional Payments” has the meaning assigned in Section 5.3(b).

“Applicable Environmental Law” means any applicable state, federal or local law, statute, ordinance, regulation, order or rule relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or materials or pertaining to health or the environment, including, without limitation, CERCLA and RCRA, as each is amended and in effect from time to time.

“Basic Rent” has the meaning assigned in Section 5.3(a).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

“Closing Date” means the date of execution and delivery of the Bonds.

“Company Financing” means a transaction or series of transactions involving credit agreements, loan documents, letters of credit, or other instruments evidencing financial obligations to which the Company or any subsidiary or affiliate of the Company is a party entered into or occurring at any time prior to the Closing Date (as defined in the Bond Purchase Agreement) or during the Term and after the date of initial delivery of the Bonds, for the use by the Company or any subsidiary or affiliate of the Company, together with any Company Financing Lien.

“Company Financing Lien” means any pledge, encumbrance or other lien on all or any portion of the Leased Property entered into in connection with a Company Financing

“Construction Completion Date” has the meaning assigned in Section 4.4.

“Issuer PILOT” means the payment in lieu of taxes to be made by the Company to the Issuer in the amounts and on the dates set forth in Section 6.4 hereof.

“Eminent Domain” means the taking of title to, or the temporary use of; all or any part of the Project Property pursuant to eminent domain or condemnation proceedings, or by any settlement or compromise of such proceedings, or any voluntary conveyance of all or any part of the Project Property during the pendency of, or as a result of a threat of, such proceedings.

“Event of Default” has the meaning assigned in Section 8.1.

“Facility” means a solar power generation facility to be operated by the Company on the Project Site located in the City of Roswell, New Mexico, and its related supporting equipment and all improvements thereon for the generation of electricity.

“Indemnatee” has the meaning assigned in Article VI.

“Institutional Investor” means, collectively, any natural person(s) or any entity(ies) who acquire a direct or indirect interest in the Company or in the Project as a part of a transaction to ensure that the Project is owned at least in part by a person or entity able to use the federal renewable electricity production tax credits or investment tax credits and tax depreciation benefits associated with holding an ownership interest in the Project (including any subsequent transferees of any such person(s) or entity(ies)).

“Proceeds,” when used with respect to any insurance proceeds or any award resulting from, or other amount received in connection with, Eminent Domain, means the gross proceeds from the insurance or such award or other amount.

“Project” means the acquisition of the Project Property for use at the Facility.

“Project Property” means that equipment and other personal property as described in Exhibit A attached hereto.

“Project Site” means the real property currently owned by the City of Roswell, New Mexico and located within the boundaries of the City of Roswell, New Mexico described in Exhibit A and leased by the company pursuant to the Site Lease described on Exhibit A.

“RCRA” means the Resource Conservation and Recovery Act of 1976.

“Related Costs” means expenditures incurred or to be incurred with respect to the Project, including, without limitation, the acquisition, installation and construction of the Project Property.

“Rent” means Basic Rent and any Additional Payments under this Agreement.

“School District” means Roswell Independent School District No. 4.

“School District PILOT” means the payment in lieu of taxes to be made by the Company to the School District in the amount and on the dates set forth in section 6.5 hereof.

“State” means the state of New Mexico.

“Term” means the duration of the leasehold estate created by this Agreement pursuant to Section 5.1 hereof.

“TRD” means the New Mexico Taxation and Revenue Department.

Section 2.2. Rules of Construction.

(a) The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

(b) All references in this Agreement to particular articles, sections or exhibits are references to articles or sections of or exhibits to this Agreement unless some other reference is established.

(c) Any inconsistency between the provisions of this Agreement and the provisions of the Indenture will be resolved in favor of the provisions of this Agreement.

ARTICLE III REPRESENTATIONS

Section 3.1. Issuer Representations. The Issuer represents that, as of the date of delivery of this Agreement:

(a) The Issuer is a political subdivision, organized and existing under the laws of the State.

(b) The Issuer has duly authorized by an ordinance of the governing body of the Issuer adopted at a meeting duly called and held by the affirmative vote of not less than a majority of its members, the execution, delivery and performance of the Bond Documents, the Bonds and the issuance of the Bonds, all for the purpose of financing the Project including the acquisition, construction and equipping of the Project Property and paying certain costs related to the issuance of the Bonds.

(c) To the knowledge of the Issuer, (i) the execution, delivery and performance by the Issuer of the Bond Documents will not conflict with or create a material breach of or material default under the Act or any other law, rule, regulation or ordinance applicable to the Issuer or any agreement or instrument to which the Issuer is a party or by which it is bound, and (ii) there is no action, suit, proceeding, inquiry or investigation by or before any court, public board or body, pending or threatened against the Issuer, which seeks to or does restrain or enjoin the issuance or delivery of the Bonds or the execution and delivery of any of the Bond Documents or in any manner questions the validity or enforceability of the Bonds or any of the Bond Documents.

Section 3.2. Company Representations. The Company represents that, as of the date of delivery of this Agreement:

(a) The Company is a limited liability company duly organized and validly existing under the laws of Delaware, is in good standing under the laws of Delaware, is a duly registered foreign limited liability company authorized to do business in New Mexico, and has duly authorized the execution, delivery and performance of this Agreement and the Bond Purchase Agreement.

(b) The Company has full legal right, power and authority to carry out and consummate the transactions contemplated by this Agreement and the Bond Purchase Agreement, all of which have been duly authorized by all necessary action on the part of the Company.

(c) The execution, delivery and performance by the Company of this Agreement and the Bond Purchase Agreement and the application by the Company of the proceeds

of the issuance and sale of the Bonds as provided in the Bond Documents do not and will not conflict with, contravene, violate or constitute a breach of or default under the articles of organization or operating agreement of the Company or any material agreement to which the Company is a party or by which the Company or its properties or the Project Property is bound or any law, rule, regulation, ordinance, order, consent, or decree, applicable to the Company, its properties or the Project Property if such conflict, contravention, violation, breach or default could materially affect the ability of the Company to perform its obligations under the Bond Documents.

(d) This Agreement and the Bond Purchase Agreement constitute legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity.

(e) No Default or Event of Default, or event or condition which, with notice or lapse of time or both, would constitute a Default or an Event of Default, with respect to the Company has occurred and is continuing.

(f) There is no action, suit, proceeding, inquiry or investigation by or before any court, public board or body pending or, to the best of the knowledge of the Company, threatened against the Company, which (i) seeks to or does restrain or enjoin the issuance or delivery of the Bonds or the execution and delivery of any of the Bond Documents, (ii) questions the validity or enforceability of the Bonds or any of the Bond Documents, (iii) questions the authority of the Company to own, lease or operate any of the Project Property, or (iv) if adversely determined, would have a material adverse effect on the Project Property or the Company's ability to perform its obligations under the Bond Documents.

(g) All necessary authorizations, approvals, consents and other orders of any governmental authority or agency for the execution and delivery by the Company of this Agreement and the Bond Purchase Agreement have been obtained and are in full force and effect.

(h) The Company acknowledges that the Issuer has made no warranty or representation, express or implied, that the amount in the Acquisition Fund, as defined in Section 701 of the Indenture, will be sufficient to pay the Related Costs or that the Project Property will be suitable for the Company's needs.

(i) The Company will not use or operate the Project, or permit the Project to be used or operated, in any way which would adversely affect the qualification of the Project as a "project" under the Act. None of the proceeds of the Bonds will be used to provide working capital.

(j) The acquisition, construction and installation of the Project Property by the Company and the operation thereof will comply in all material respects with applicable zoning, planning, building, environmental and other regulations of the governmental authorities having jurisdiction over the Facility, and all permits, licenses, consents and permissions necessary for the Facility have been or will be obtained in due course.

(k) The Project Property is located within the corporate boundaries of the City of Roswell, New Mexico and is or will be an electric generation facility which does not require location approval and a certificate of convenience and necessity prior to construction or operation of the facility pursuant to the New Mexico Public Utility Act, Sections 62-3-1, et seq., NMSA 1978.

(l) No representation made by the Company in this Agreement and no statement made by the Company in any written information, material or report furnished to the Issuer or the Purchaser in connection with the transactions contemplated by this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the representation or statement, in light of the circumstances under which it is made, not misleading.

(m) The representations of the Company in this Section 3.2 and in any other instrument delivered by the Company in connection with the transactions contemplated by the Bond Documents will survive the execution and delivery of this Agreement, the issuance, sale and delivery of the Bonds for one year as representations of facts existing as of the date of execution and delivery of the Bond Documents or other instrument containing such representation.

ARTICLE IV THE PROJECT AND THE COMPANY

Section 4.1. Acquisition, Equipping and Completion. The Company will acquire and install the Project Property as agent for the Issuer under the Act and applicable TRD regulations. To the extent necessary, after all proceeds of the issuance of the Bonds have been exhausted, the Company will finance the completion of the Project with other funds. The Project Property will at all times during the Term be located within the City of Roswell, New Mexico. The Issuer makes no warranty that the proceeds of the issuance and sale of the Bonds will be sufficient to pay all the Related Costs. The Company will obtain at the necessary time all licenses and permits required for the occupancy and operation of the Project Property.

Section 4.2. Plans and Specifications; Changes. The Company may make changes, supplements, amendments and additions, omissions or substitutions for components of the Project Property without the approval of the Issuer or the Purchaser. If the Company elects to make any such change, supplement, amendment, addition, omission or substitution which would make the description of the Project Property contained in Exhibit A materially inaccurate, the Company will revise the description of the Project Property set forth in Exhibit A, accordingly and will deliver a copy of such revised Exhibit A, certified by an Authorized Company Representative, to the Issuer and the Purchaser. The Issuer and Company will take such further actions as necessary to effect such change including executing, delivering, and recording a bill of sale, assignment and any amendments to the Bond Documents. Notwithstanding the foregoing, the Company will not make any changes, supplements, amendments, additions, omissions, or substitutions or otherwise change or operate the Project Property or permit the Project Property to be operated so as to cause the Project Property not to be a “project” within the meaning of the Act as in effect on the date of issuance of the Bonds, and the Company will not take or omit to take any action which will result in the Bond proceeds being applied in violation of the Bond Documents.

Section 4.3. No Warranty of Condition or Suitability by Issuer. THE COMPONENTS OF THE PROJECT PROPERTY HAVE BEEN DESIGNATED AND SELECTED BY THE COMPANY. THE ISSUER HAS NOT MADE AN INSPECTION OF ANY PORTION OF THE PROJECT PROPERTY. THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS, IMPLIED OR OTHERWISE, WITH RESPECT TO ANY PORTION OF THE PROJECT PROPERTY OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY OF THE SAME, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN THE SAME. ALL RISKS INCIDENT TO THE PROJECT PROPERTY ARE TO BE BORNE BY THE COMPANY. THE ISSUER WILL HAVE NO LIABILITY WITH REGARD TO OR ARISING OUT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN ANY PORTION OF THE PROJECT PROPERTY, WHETHER PATENT OR LATENT. THE PROVISIONS OF THIS SECTION 4.3 HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PORTION OF THE PROJECT PROPERTY, WHETHER ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREFTER IN EFFECT.

Section 4.4. Construction Completion Date. The Company will complete the Project as promptly as practicable and, in any event, within the five-year anniversary date of this Agreement. On the date the Project is complete and a certificate of occupancy has been obtained for the Facility (if such certificate is required to be obtained) (the “Construction Completion Date”), the Company will deliver to the Issuer and the Depositary a certificate signed by an Authorized Company Representative stating that, except for specified amounts remaining in the Acquisition Fund for any specified Related Costs incurred by the Company but not then due and payable, the Project is complete and all costs of labor, services, materials and supplies in connection with the Project have been paid for or provisions have been made for their payment. After the transfer of remaining moneys in the Acquisition Fund to the Company pursuant to Section 706 of the Indenture, the Company will have sole responsibility for the payment of any Related Costs in excess of the amount specified to be retained in the Acquisition Fund. Upon completion, the Project Property will comply in all material respects with all building codes, and other laws, ordinances, rules and regulations applicable to the Project Property or the Facility.

Section 4.5. Gross Receipts and Compensating Tax. The Company, either on its own behalf or as agent for the Issuer pursuant to Section 4.1 and this Section, will file returns for reporting and paying compensating tax which is due because of the Project and promptly will pay, as a Related Cost, any gross receipts or compensating tax due from the Issuer under any such returns. To the extent consistent with or required by State law, the Issuer will cooperate with the Company in the obtaining of Nontaxable Transaction Certificates from the TRD for delivery to suppliers with respect to the Project Property as may be applicable under the New Mexico Gross Receipts and Compensating Tax Act. The Company shall take delivery of all Project Property as agent of the Issuer and may specify such agency relationship on all purchasing and delivery documentation corresponding to the Project Property. It is the intention of the Issuer and the Company that the Company shall be deemed to be acting as agent for the Issuer with respect to all purchases of Project Property to the extent consistent with the terms set forth herein, even if certain purchasing and delivery documentation may not expressly disclose or identify such agency

relationship. The Company will pay any gross receipts or compensating tax plus applicable penalty and interest which is found by the TRD to be due from the Company or the Issuer because of the purchase or use of the Project Property or any component of the Project Property by the Company or the Issuer. The Company, at its sole expense, may request any rulings from the TRD which the Company determines might be necessary or desirable to clarify the New Mexico gross receipts and compensating tax results of transactions related to the Project and may dispute, at its sole expense, in any manner authorized by the New Mexico Tax Administration Act, any gross receipts or compensating tax liability imposed on the Company or the Issuer because of the Project. The Issuer will, at the sole expense of the Company, join in any reasonable modifications to this Agreement which are necessary or desirable to obtain Nontaxable Transaction Certificates or otherwise reduce the gross receipts and compensating tax imposed on the Company or the Issuer as a result of or in connection with the acquisition, construction and installation of the Project Property and will otherwise cooperate with the Company to address any reasonable request of the Company regarding issues raised by TRD with respect to Non-Taxable Transaction Certificates. The Company will employ Nontaxable Transaction Certificates solely to purchase Project Property and will not employ Nontaxable Transaction Certificates for purchases after the Construction Completion Date or for purchases in amounts greater than the proceeds of the Bonds.

Section 4.6. Compliance With Law. The Company will obtain or cause to be obtained all necessary permits and approvals, for the occupancy, operation and maintenance of the Project Property and will comply in all material respects with all Applicable Environmental Laws and all lawful requirements of any governmental body, agency or department regarding the use, condition or operation of the Project Property. The Company may in good faith contest the validity or the applicability of any such requirement. During the period of such contest and any related appeal, this Section 4.6 will be deemed satisfied with respect to the requirement so contested.

To the extent that the use which the Company makes or intends to make of the Project Property will result in the manufacturing, treatment, refining, transportation, generation, storage, disposal or other release or presence of any hazardous substance or solid waste on or to the Project Property, such use will be in accordance with all applicable law, including any applicable regulations. For purposes of this paragraph, the terms “hazardous substance” and “release” will have the meanings specified in CERCLA, and the term “disposal” (or “disposed”) will have the meaning specified in RCRA; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning will apply subsequent to the effective date of such amendment, and provided, further, to the extent that the laws of the State establish a meaning for “hazardous substance,” “release,” or “disposal” which is broader than that specified in either CERCLA or RCRA, such broader meaning will apply; provided, further, that the term “hazardous substance” will also include those listed in the U.S. Department of Transportation Table (49 C.P.R. 172.101) and amendments thereto from time to time.

The Company agrees to promptly notify the Purchaser and the Issuer of any violation of any Applicable Environmental Laws of which the Company becomes aware.

Company shall, at Company’s sole cost and expense, remove or take remedial action with regard to any hazardous substance for which any removal or remedial action is required pursuant to any Applicable Environmental Laws. Company shall indemnify, defend, protect and hold the Issuer and the Issuer’s councilors, employees and agents free and harmless from any liability

(including, without limitation, costs, reasonable attorneys and consulting fees, investigation, laboratory fees and litigation expenses) arising out of (a) a release of any hazardous substance in, on or under the Project Site or (b) the violation by Company or its employees, agents or contractors of any Applicable Environmental Laws. The indemnity obligations stated in this Section are in addition to the other indemnity obligations of Company hereunder and shall survive the termination of this Agreement.

Section 4.7. Nuisance Not Permitted. The Company will use reasonable care to not commit a nuisance in connection with its use or occupancy of the Project Property.

Section 4.8. Taxes and Utility Charges. The Company will pay or cause to be paid, as and when due, (i) all taxes, assessments, and governmental and other charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project Property, (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project Property and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by any lien on the Project Property. The Company may, in good faith, contest the amount or validity of any such levy, tax, assessment or other charge by appropriate legal proceedings. During the period of such contest and any related appeal, this Section 4.8 will be deemed satisfied with respect to any such levy, tax, assessment or other charge so contested.

Section 4.9. Maintenance. The Issuer will not be under any obligation to, and will not, operate, maintain or repair the Project Property. The Company will, at its own expense, keep the Project Property in safe repair and in such operating condition as is needed for its operations. The Company will use commercially reasonable efforts to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable, inappropriate or unnecessary equipment to the extent necessary to ensure the continued operation of the Project Property as a “Project” as defined under the Act for the Term of this Lease Agreement.

Section 4.10. Replacement and Removal of Project Property. The Company may replace or remove and/or sell, trade in, exchange or otherwise dispose of any machinery, equipment or fixtures constituting a part of the Project Property, without any responsibility or accountability to the Issuer, and thereby acquire title to such machinery, equipment or fixtures, provided that such replacement or removal will not change the nature of the Project as a qualified “project” as defined in and as contemplated by the Act. Upon request and at the expense of the Company, the Issuer will deliver to the Company appropriate instruments evidencing the acquisition by the Company of title to any machinery, equipment or fixtures permitted by this Section 4.10 to be so replaced or removed. The provisions of Article X govern the delivery and form of any such instruments. The removal from the Project of any portion of the equipment, if any, pursuant to the provisions of this Section will not entitle the Company to any abatement or diminution in amount of the Basic Rent, Additional Payments, School District PILOTs or Issuer PILOTs payable under this Agreement. The Company may acquire machinery, equipment or other property (other than fixtures) which does not constitute a part of the Project Property and title to any such property will not thereby be transferred to the Issuer.

Section 4.11. Eminent Domain; Damage; Destruction. The Company will give prompt notice to the Issuer and the Purchaser of any material damage to or destruction of the Project

Property. If either the Issuer or the Company receives notice of the proposed taking of all or any part of the Project Property by Eminent Domain, it will give prompt notice to the other and the Purchaser. Any such notice will describe generally the nature and extent of such damage, destruction, taking or proposed taking. The Proceeds resulting from the exercise of Eminent Domain with respect to or from any damage to or destruction of all or any portion of the Project Property shall at the option of the Purchaser, be applied to the prepayment of the Bond or paid to the Company.

Section 4.12. Access and Inspection. The Company authorizes the Issuer and the Purchaser and their duly authorized agents during regular business hours, upon two (2) days prior written notice, such rights of access to the Project Property as may be reasonably necessary to inspect the progress of the Project. Such rights of access and entry will not be terminated, curtailed or otherwise limited by any sale, assignment, lease or other transfer of the Project Property by the Company to any other Person.

Section 4.13. Assessment in the Company's Name. If this Agreement has not been terminated on or before the fifteenth anniversary of this Agreement, the Company will take all necessary action to have the Project Property assessed for property tax purposes in the name of the Company on or within thirty (30) days before the fifteenth anniversary of this Agreement, and the Company will pay all ad valorem taxes on the Project Property from and after such date. If the Project Property must be conveyed to the Company to accomplish such assessment, the Company will promptly notify the Issuer and the Issuer will convey the Project Property to the Company, and this Agreement will thereafter be construed to be an installment sale agreement and all terms and provisions of this Agreement will remain in full force and effect. The provisions of Article X govern the manner and form of any such conveyance. Notwithstanding the foregoing, if the Company fails to take all necessary action to have the Project Property assessed for property tax purposes in the name of the Company thirty (30) days before or on the fifteenth anniversary of this Agreement, the Issuer may terminate this Agreement and execute, deliver and cause to be recorded, at the expense of the Company, a quitclaim deed, assignment of easements and a bill of sale with respect to the Project Property. In anticipation of the conveyance of the Project Property by the Issuer to the Company, the Issuer will, upon the request of the Company, deliver to an escrow agent agreed to by the Issuer and the Company appropriate documents, including, but not limited to, a quitclaim deed, an assignment of easements and other real property rights and a bill of sale, prepared by the Company at the Company's expense, conveying to the Company the Issuer's interest in the Project Property; such documents to be delivered to the Company at the time of purchase of the Project Property.

Section 4.14. Use of Project Property.

(a) The Company will use the Project Property or cause the Project Property to be used continuously during the Term as defined in Section 5.1(a) below, so as to constitute a "project" within the meaning of the Act as in effect on the date of issuance of the Bonds. As used in the first sentence of this Section 4.14(a), "continuously" means regularly and on a schedule consistent with that of similar facilities in the United States. Temporary cessation of operations shall not constitute a failure by the Company to comply with this Section 4.14(a) if such temporary cessation is (i) as a result of maintenance or retooling or for repair or replacement of facilities, or due to slack demand or other similar circumstances, in each case not exceeding fifteen (15)

consecutive days (unless the Issuer agrees in writing to a longer period) or (ii) as a result of acts of God or the public enemy, labor disputes or strikes or for any other reason beyond the reasonable control of the Company.

(b) If the Company fails to comply with the first sentence of subsection (a) of this Section 4.14, the Company shall pay to the Issuer an amount equal to all ad valorem, gross receipts and compensating taxes abated as a result of the Project being owned by the Issuer less all amounts paid by the Company pursuant to Sections 6.4 and 6.5.

Section 4.15. Existence. Unless its successor or the transferee of its assets, as the case may be, assumes in writing all of the obligations of the Company under the Bond Documents, the Company will maintain its existence as a limited liability company and will not dispose of all or substantially all of its assets, other than through execution of this Agreement. The Company shall have the right to change its organizational structure if such a change is necessary to permit the Company as restructured to remain eligible for any tax credit, benefit or incentive for alternative energy expenditure established by any local, state or federal government, provided such restructured organization assumes in writing all of the obligations of the Company under the Bond Documents. Original executed copies of such assumption will be delivered to each of the other Parties on or before the effective date of such succession or transfer. To the extent necessary under State law, the Company and its successors or transferees will become and remain authorized to transact business in the State and, if applicable, in good standing in the State.

Section 4.16 Insurance. The Company will keep the Project Property continuously insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with the operation of facilities of the type, location and size comparable to the Project, as reasonably determined by the Company. Each policy of such insurance will show the Company as loss payee and the Issuer as an additional insured under such policies as the respective interests of such parties may appear. Such insurance may, to the extent permitted under applicable law, be provided by blanket policies maintained by the Company, by a captive insurance company controlled by the Company or through self-insurance. Such insurance will include extended coverage insurance and general liability insurance against liability for (i) claims for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition of the Project Property, and (ii) liability with respect to the Project Property under the workers' compensation laws of the State (unless the Company has complied with the requirements of the law of the State for self-insurance).

Section 4.17 Subleases; Granting and Release of Easements; Amending or Modifying Subleases and Easements. The Company may at any time or times cause to be granted subleases, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the Project and such grant will be free from the lien or security interests created by the Indenture or this Agreement, or the Company may cause to be amended, modified or released existing subleases, easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the Project Property with or without consideration, and the Issuer agrees that it will, at the expense of the Company, execute and deliver any instrument necessary or appropriate to confirm and grant, amend, modify or release any such sublease, easement, license, right-of-way or other right or privilege upon receipt of: (i) a

copy of the instrument of grant, amendment, modification or release, and (ii) a written application of the Company signed by an authorized representative of the Company requesting such instrument and stating (1) that such grant, amendment, modification or release is not detrimental to the proper conduct of the business of the Company, and (2) that such grant, amendment, modification or release will not impair the effective use or materially interfere with the operation of the Project Property; will not materially diminish or impair the security intended to be given by or under this Agreement or the Indenture and will not materially diminish or impair the obligations of the Company under this Agreement or the Indenture.

ARTICLE V LEASE; TERM; POSSESSION; RENT

Section 5.1. Lease of the Project Property; Term.

(a) The Issuer hereby leases the Project Property to the Company pursuant to the terms of this Agreement. This Agreement shall become effective upon its execution and delivery, and the leasehold estate created hereby and the Term shall then begin, and subject to the provisions of this Agreement, the Term shall expire on the earlier of (i) July __, 2041 or (ii) on such earlier date as the payment or redemption and discharge of the whole amount of the principal and interest on the Bonds at the time outstanding shall have been made as provided in the Indenture, or on such earlier date as arrangements satisfactory to the Issuer and the Purchaser for such payment or redemption and discharge of the Bonds shall have been made. The parties acknowledge that the Company may pay, discharge and redeem the Bonds by offsetting amounts owed under the Bonds to the Purchaser against monies owed to the Company by the Purchaser, including but not limited to monies advanced by the Company to the Purchaser in anticipation of making Bond advances under the Indenture.

(b) Upon the termination of this Agreement, all right, title and interest of the Issuer and the Purchaser under this Agreement shall thereupon cease, terminate and become void, the Bonds shall cease to be entitled to any benefit under this Agreement, and, except as otherwise provided in Section 6.7, all covenants, agreements and obligations of the Company to the Purchaser, the Issuer (except for the provisions pertaining to Issuer indemnification), and with respect to the School District, the School District PILOTs, shall thereupon cease, terminate and become void.

Section 5.2. Quiet Enjoyment. So long as no Event of Default has occurred and is continuing, the Issuer will not take any action, other than pursuant to Section 4.11 or Article VIII, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project Property during the Term (except as necessary with respect to Eminent Domain or condemnation for public projects and purposes) and will, at the request of the Company and at the Company's expense, including all expenses incident to any legal action, to the extent that the Issuer may lawfully do so, join in any legal action in which the Company asserts its right to such possession and enjoyment.

Section 5.3. Basic Rent and Additional Payments.

(a) The Company will pay to the Purchaser for the account of the Issuer such amounts at such times as are required to make all payments of principal of, interest on and redemption price of the Bonds in accordance with the terms of the Bonds and the Indenture as and when due (the “Basic Rent”), and the Company shall take all such actions relating to the withholding and reporting of interest as are required by the Internal Revenue Code of 1986, as amended. A copy of the anticipated payment schedule for the Bonds is attached hereto as Exhibit B. The parties acknowledge that the Company may pay, discharge and redeem the Bonds by offsetting amounts owed under the Bonds to the Purchaser against monies owed to the Company by the Purchaser, including but not limited to monies advanced by or on behalf of the Company to or on behalf of the Purchaser in anticipation of making Bonds advances under the Indenture.

(b) The Company will make payments (the “Additional Payments”) to or on behalf of the Issuer and the School District for all actual costs, expenses and taxes (including, but not limited to costs attributable to work performed by in-house staff and the fees of its outside advisors including counsel and its financial advisor) paid or incurred by the Issuer or the School District in connection with (i) the discussion, review, negotiation, preparation, approval, execution and delivery of the Bonds, the Indenture, this Agreement, and the other documents and instruments related hereto and thereto through the Closing Date, all of which amounts shall be paid in full on or before the Closing Date, (ii) any amendments or modifications to any of the foregoing documents, instruments or agreements and the negotiation, preparation, approval, execution and delivery of any and all documents necessary to effect such amendments or modifications, (iii) the enforcement by the Issuer or the School District, during or after the Term of any of the rights or remedies of the Issuer or the School District under any of the foregoing documents, instruments or agreements including without limitation, costs and expenses of collection, whether or not suit is filed, (iv) the servicing and administration of the Bonds during the Term or thereafter, and (v) any requested subordination of the Issuer’s interest in the Project Property to a Lender.

(c) Additional Payments that are not paid when due will bear interest at a rate equal to the prime rate as most recently published in the “Bonds, Rates and Yields” table of the Wall Street Journal, as in effect from time to time, plus 200 basis points until paid in full.

Section 5.4. Obligations Unconditional; Rights of Setoff.

(a) The obligation of the Company to pay Rent and to perform its other obligations under this Agreement is absolute and unconditional and, except as otherwise provided in 5.4(b) below, will not be subject to diminution by setoff, counterclaim, abatement or otherwise, whether as a result of Eminent Domain with respect to, damage to or destruction of or removal of all or any portion of the Project Property or any other event or condition. In the event the Issuer fails to perform its obligations under this Agreement, the Company may, subject to the limitations imposed by Section 11.3, institute such action against the Issuer as the Company may deem necessary to compel performance of those obligations of the Issuer set forth in Sections 4.5, 5.2, 7.1, 7.2, and Article X. The Company may also, at its own cost and expense and in its own name or, if necessary, in the name of the Issuer prosecute or defend any action or proceeding or take any other action involving third parties which the Company deems reasonably necessary in order to secure or protect its title to or its right of possession, occupancy and use of the Project Property. In such event, if no Event of Default has occurred and is continuing, the Issuer will cooperate with the Company, so long as it is not the adverse party, upon receipt of indemnity satisfactory to the

Issuer against any out-of-pocket cost, expense (including reasonable counsel fees and expenses) or liability the Issuer may incur or suffer as a result of or in connection with such cooperation.

(b) Notwithstanding the above paragraph, it is the intention of this Agreement that the Company shall make Basic Rent payments to the Purchaser for the account of the Issuer, in such amounts and at such times as are required to make payments of principal of, interest on and redemption price of the Bond in accordance with the terms of the Bond Documents as and when due, and the parties acknowledge that all such Basic Rent payments may be offset against any monies due and payable to the Company from the Purchaser in connection with any funds advanced by or on behalf of the Company to or on behalf of the Purchaser in anticipation of any Advances to the Acquisition Account (as defined in the Indenture) as provided for under Section 702 of the Indenture. The Purchaser will look only to the Company for payment of the Bonds and upon the security granted in the Indenture for the Company's obligations under this Agreement. As described in Section 7.1, the Issuer will assign and pledge to the Purchaser certain of its rights, title and interests in and to this Agreement including the right to receive payments of Basic Rent hereunder.

Section 5.5. Net Lease. This Agreement will be deemed and construed to be a "net lease," and the Company will pay Rent, absolutely net, and except as set forth in Section 5.4(b) hereof, free of any deductions and without abatement, diminution or setoff.

ARTICLE VI SPECIAL COVENANTS

Section 6.1. Recording and Filing; Further Assurances. The Company will, at the expense of the Company, take all actions that at the time are and from time to time may be reasonably necessary to perfect, preserve, protect and secure the interests of the Issuer and the Purchaser in and to the Rent and in the Project Property, including, without limitation, the recordation of this Agreement and the Indenture, the filing of financing statements and continuation statements and the execution, acknowledgment, delivery, filing and recordation of such other instruments as may reasonably be required in carrying out the intention of or facilitating the performance of this Agreement.

Section 6.2. Claims; Liens. The Company will pay and discharge and will indemnify and hold harmless the Issuer from (a) any lien or charge upon payments by the Company to, or for the account of, the Issuer under this Agreement (other than the Indenture) and (b) any taxes, assessments, impositions and other charges in respect of the Project Property. If any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, are sought to be imposed, the Issuer will give prompt notice to the Company of any such lien, taxes, assessments, impositions or other charges of which the Issuer has actual notice, and the Company will have the sole right and duty to assume the defense of the same and will have the power to litigate, compromise or settle the same.

Section 6.3. Release and Indemnification.

The Company releases the Issuer, its Councilors, officials, employees and agents (each an "Indemnatee") from, and will indemnify each Indemnatee against all liabilities, claims, costs and

expenses imposed upon, incurred or asserted against any Indemnitee on account of: (a) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the installation, maintenance, operation and use of the Project Property; (b) the inaccuracy of any representation by the Company (regardless of whether the Company was aware of such inaccuracy at the time the representation was made) or any breach or default on the part of the Company in the performance of any representation, covenant or agreement of the Company under this Agreement, or any related document, or arising from any acts or failure to act by the Company, or any of its agents, contractors, servants, employees or licensees; (c) the Company's failure to comply with any requirements of this Agreement; (d) suits, legal or administrative proceedings, demands, losses, liabilities, damages, claims, causes of action, costs and expenses resulting from or in any way connected with the presence, release or disposal in or under the Project Site of, any hazardous substances (as defined in CERCLA), hazardous wastes (as defined in RCRA), oils, radioactive materials, asbestos in any form or condition, any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials or substances within the meaning of any Applicable Environmental Law; (e) any liability, whether under federal or state securities laws or otherwise, that may arise as a result of inaccurate information supplied by the Company in connection with the issuance of the Bonds or any subsequent sale of the Bonds; (f) any other loss, claim, damage, penalty, liability, disbursement, litigation expenses and attorneys' fees or court costs arising out of or in any way relating to the execution or performance of this Agreement, actions taken under the Indenture, the issuance of the Bonds, the ownership or leasing of the Project Property or any other cause whatsoever pertaining to the Project Property; and (g) any claim, action or proceeding brought with respect to the matters set forth in clauses (a) through (f). The Issuer will not be liable to the Company, and the Company releases and discharges the Issuer from any liability for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and causes of action paid, incurred or sustained by the Issuer as a result of or relating to any action, or failure or refusal to act on the part of the Purchaser or the Depositary with respect to the Bonds, the Bond Documents or the transactions contemplated thereby, including without limitation the exercise by the Purchaser of any of its rights thereunder. This Section 6.3 is not intended in any way to detract from provisions of the Bond Documents to the effect that the Issuer is not to incur any pecuniary liability with respect to the transactions contemplated by the Bond Documents.

Notwithstanding the fact that it is the intention of the parties that the Issuer will not incur pecuniary liability by reason of this Agreement or the undertakings of the Issuer under this Agreement, by reason of the issuance of the Bonds, the execution of the Bond Documents, the performance of any act required of it by the Bond Documents, the performance of any act related to the Bond Documents or the Bonds requested of it by the Company or its position as owner or lessor of the Project Property, nevertheless if the Issuer incurs any such pecuniary liability or the same is claimed or sought, then in such event the Company will indemnify and hold harmless the Issuer against all claims by or on behalf of any person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Issuer, the Company will defend the Issuer in any such action or proceeding.

In case any action or proceeding is brought against any Indemnitee in respect of which indemnity may be sought hereunder, such Indemnitee will give notice of the action or proceeding to the Company, and the Company, upon receipt of that notice, will have the obligation and the

right to assume the defense of the action or proceeding; provided that failure of an Indemnatee to provide such notice will not relieve the Company from any of its obligations under this Section unless that failure prejudices the defense of the action or proceeding by the Company, in which case the liability of the Company under this Section shall be reduced only by an amount equal to the amount of the loss sustained by the Company solely as a result of such failure to notify. The Company will have no obligation to indemnify any Indemnatee with respect to any settlement entered into by such Indemnatee without the prior consent of the Company (which consent will not be unreasonably withheld).

The provisions of this Section will be enforceable by the Issuer to the full extent permitted by law, but will not include the gross negligence or willful misconduct of the Indemnitees. The provisions of this Section will survive the payment of the Bonds and the termination of this Agreement.

Nothing in this Section 6.3 shall be deemed a waiver of or revision to the application of the provisions of the New Mexico Tort Claims Act, NMSA 1978 Section 41-4-1 *et seq.*, as amended, as applicable to the Issuer.

Section 6.4. Payments to Issuer. The Issuer and the Company acknowledge that during the Term, the Project Property will be exempt from property taxation pursuant to Section 7-36-3 NMSA 1978. The total annual fixed payment in lieu of taxes to be paid by the Company is as set forth on Exhibit C (the “Total PILOT”), of which a portion shall be paid to and retained by the Issuer as the Issuer PILOT (as defined below) and a portion of which shall be paid to the School District as the School District PILOT (as defined below). For the purpose of Section 3-32-6.A(2) (b) NMSA 1978, the Total PILOT shall be deemed to be the amount “received” by the Issuer.

The Company shall make an annual fixed payment in lieu of taxes to the Issuer (the “Issuer PILOT”) in the amount of set forth on Exhibit C on the first anniversary date of this Agreement and, thereafter, on each succeeding anniversary date of this Agreement (each such payment date, a “PILOT Payment Date”) during the Term, such Issuer’s PILOT amount representing the Issuer’s respective portion of the Total PILOT.

Section 6.5. Payments to School District. The Company shall make an aggregate annual fixed payment in lieu of taxes to the School District in the amount of set forth on Exhibit C (the “School District PILOT”) on each PILOT Payment Date during the Term, such School District PILOT representing the School District’s respective portion of the Total PILOT. The School District PILOT as set forth herein has been calculated in accordance with the requirements of Section 3-32-6.A(2) NMSA 1978. For the purposes of establishing the minimum School District PILOTs as required under Section 3-32-6.A(2) NMSA 1978, the Company hereby represents that none of the Project Property was subject to New Mexico Property Taxes in the tax year immediately preceding the date of issuance of the Bonds (the “Prior Tax Year”) and, accordingly, no New Mexico Property Taxes were due or payable to any of the School Districts with respect to the Project Property in the Prior Tax Year.

ARTICLE VII ASSIGNMENT, LEASING AND SELLING

Section 7.1. Assignment of Rights by the Issuer. Concurrently with issuance of the Bonds, the Issuer will assign to the Purchaser certain of the Issuer's rights, title and interests in and to this Agreement, pursuant to the Indenture, as security for payment of the principal of, interest on and redemption price of the Bonds. Thereafter, the Purchaser will be vested with, and authorized to exercise, such rights of the Issuer and the Purchaser under this Agreement. The Company consents to such assignment.

Section 7.2. No Other Transfer by Issuer. Except for the assignment described in Section 7.1 and Article X hereof or transfer to the Company in accordance with Section 4.13 or 8.3, the Issuer will not sell, assign, transfer or convey its rights, title or interests in this Agreement or the Project Property, or its obligations under this Agreement. Except for liens created or permitted by the Company, the Issuer will not cause or create any liens on the Project Property and will cooperate with the Company to defend the Project Property and the Company from and against any claims of lien.

Section 7.3. Assignment, Lease, Mortgage and Sale by the Company. The rights of the Company under this Agreement may be assigned, and the rights of the Company in the Project Property may be assigned, subleased, mortgaged or sold as a whole or in part by the Company. The Company may, sublease, mortgage or sell the Project Property and assign its rights under this Agreement, in whole or in part and the Company shall provide the Issuer and the Purchaser with notice of such assignment within thirty (30) days after the effective date of such assignment. Notwithstanding the foregoing, any assignment, sublease, mortgage or sale of Project Property that purports to relieve the Company from liability for making payments of Rent and for the performance of all other obligations of the Company under this Agreement and its obligations for the Project Property, will require the assumption in writing by any assignee, sublessee or purchaser of the obligations of the Company under this Agreement, and, the prior written consent of the Issuer. Any mortgagee or assignee that does not directly hold an interest in the Project Property or whose interest is held solely for security purposes shall have no obligation or liability under this Agreement prior to the time the mortgagee or assignee directly holds an interest in this Agreement or the mortgagee or assignee directly succeeds to absolute title to the Company's interest. A mortgagee or the assignee shall be liable to perform obligations under this Agreement only for and during the period it directly holds such interest or absolute title; provided, however, that such liability shall not include any liability for claims of the Issuer against the Company arising from the Company's failure to perform during the period prior to such mortgagee's or assignee's succession to the Company's interest in and under this Agreement.

Section 7.4 Leasehold Security Deeds / Cooperation of Issuer. The Issuer acknowledges the right of the Company to mortgage and/or give security interests in this Agreement under one or more leasehold security deeds (as the same may be amended, modified, consolidated, extended or refinanced, collectively, the "Leasehold Security Deed") and assign this Agreement, or any part or parts thereof, as collateral security for the Leasehold Security Deed. The Issuer hereby agrees to and will, at the Company's option and at the Company's sole expense, join in the Leasehold Security Deed in order to subject its fee interest in the Project to the lien of such Leasehold Security Deed provided that such Leasehold Security Deed will be fully non-recourse

to the Issuer and the Issuer will, subject to obtaining all necessary approvals of the Issuer's City Council to the extent required under applicable state laws, deliver such resolutions, or other documents or instruments as the holder of the Leasehold Security Deed reasonably requires in connection therewith. If the Company gives a Leasehold Security Deed with respect to this Agreement, or any part or parts hereof, the holder of the Leasehold Security Deed (the "Leasehold Mortgagee") will provide the Issuer and the Purchaser (as assignee of the Issuer under the Indenture) with notice of the Leasehold Security Deed and the name and address of the Leasehold Mortgagee.

Section 7.5 Company Financing Liens. The Company may from time to time grant one or more Company Financing Liens. The Issuer shall reasonably cooperate, at the expense of the Company, in connection with any such grant. In addition, the Issuer will grant such Company Financing Liens on its interest in the Project Property as the Company may from time to time reasonably request, all at the Company's expense, and only so long as the such Company Financing Lien does not involve any pecuniary liability or obligation of the Issuer except with respect to the Project Property and the application of the revenues therefrom.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. Each of the following events is an "Event of Default":

(a) Failure by the Company to (i) make any Rent payment (excluding PILOT payments) or Additional Payments when due which continues unremedied for a period of thirty (30) days after the provision by the Issuer, the School District or the Purchaser of written notice of non-payment, or (ii) make any Issuer PILOT payment when due which continues unremedied for a period of fifteen (15) days after the provision by the Issuer, the School District or the Purchaser of written notice of non-payment.

(b) Any representation of the Company in any Bond Document or in any document or agreement delivered to any of the other Parties in connection with the transactions contemplated by any Bond Document proves to have been incorrect in any material respect when made and remains incorrect for a period of thirty (30) days after written notice specifying such error and requesting that it be remedied is given by the PILOT unless such error cannot be remedied within thirty (30) days and the Company has instituted corrective action within thirty (30) days after such notice and diligently pursues such action until such failure is remedied.

(c) The filing by the Company of any petition for a decree or order for relief in bankruptcy in any federal or state court, or a court of competent jurisdiction enters an order or decree in an involuntary case under any federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days, or the commencement by the Company of a voluntary case under such law, or the consent by the Company either to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or

for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the taking of action by the Company to authorize or effect any of the foregoing. Provided, however, neither the bankruptcy nor the insolvency of the Company shall be grounds for default as long as all Basic Rent payments, Issuer PILOT payments and Additional Payments, and all other monetary charges payable by the Company under this Agreement are paid in accordance with this Agreement.

(d) Failure by the Company to perform any of its obligations under this Agreement, other than the payment of Basic Rent, PILOT payments and Additional Payments for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Purchaser, unless such failure is of a type which cannot be reasonably remedied within thirty (30) days and the Company has instituted corrective action within thirty (30) days after such notice and diligently pursues such action until such failure is remedied.

Section 8.2. Remedies on Default. If an Event of Default occurs and is continuing, the Purchaser (or its assignee), as the assignee of the Issuer under the Indenture and on behalf of the Issuer, may, but is not required to, take any one or more of the following remedial steps:

(a) By written notice to the Company declare all amounts of Basic Rent payable for the remainder of the Term as are required to provide for the Payment of the Bond and all Additional Payments then owed to be immediately due and payable, whereupon the same will be immediately due and payable; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due or to enforce the performance and observance of any obligation of the Company under this Agreement or the Indenture; or

(c) Exercise any remedies provided for in the Indenture; or

(d) Terminate this Agreement.

As the assignee of the Issuer, subject to Section 8.3, the Purchaser (or its assignee) has the sole right and responsibility for the exercise of any remedies if an Event of Default occurs and is continuing.

Section 8.3. Issuer Remedies. If:

(a) the Company fails to comply with its obligations set forth in Sections 4.4, 4.5, 4.6, 4.7, 4.8, 4.12, 4.13, 4.14, 4.15, 4.16, or 6.3, and such failure continues for thirty (30) days after the Issuer gives the Company written notice of such failure; or

(b) the Company fails to comply with its obligations under 5.3, 6.4, or 6.5, and such failure continues for ten (10) days after the Issuer or Purchaser or its assignee gives the Company written notice of such failure; or

(c) any representation of the Company in any Bond Document or any document or agreement delivered to any of the other Parties in connection with the transactions

contemplated by the Bond Documents proves to have been incorrect in any material respect when made;

then, subject to Section 8.6 hereof, the Issuer may, in addition to exercising any other remedy, take whatever action at law or in equity is necessary to enforce the performance of the obligations of the Company under Sections 4.5, 4.6, 4.7, 4.8, 4.12, 4.13, 4.14, 4.15, 4.16, 5.3(b), 6.3, 6.4, and 6.5, as applicable. The Issuer's rights to enforce the Company's obligations under Sections 4.5, 4.6, 4.7, 4.8, 4.12, 4.13, 4.14, 4.15, 4.16, 5.3(b), 6.3, 6.4, and 6.5 are not assigned to the Purchaser under the Indenture. In addition, the Issuer may also immediately take all steps necessary to have the Project Property immediately assessed for property tax purposes in the name of the Company and this Agreement will thereafter be deemed to be an installment sale agreement. Provided however if any conditions described in paragraphs 8.3(a) (b) or (c) cannot be cured within the time allotted for cure, if the Company initiates within ten (10) days of the Notice of Default and proceeds with due diligence to effect a cure, a default will not be deemed to have occurred provided that the Company cures the default.

Section 8.4. Notice of Default. The non-defaulting party will promptly give notice to the defaulting party of the occurrence of any Event of Default or an event or condition (of which it has actual knowledge) which, with the passage of time or the giving of notice, or both, and in the absence of any corrective action, would result in an Event of Default.

Section 8.5. Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default, or an event which with the giving of notice or the passage of time, or both, would constitute an Event of Default, occurs, and the Issuer incurs expenses, including attorneys' fees, in connection with the enforcement or administration of this Agreement, the Company will reimburse the Issuer for the reasonable expenses so incurred, upon request. Such amounts are deemed to be Additional Payments under Section 5.3.

Section 8.6. Right to Cure Defaults.

(a) To prevent termination of this Agreement, the Purchaser, any Institutional Investor and any mortgagee or assignee of the Company that holds an interest in the Project Property as security shall have a right, but not the obligation, at any time to perform any act necessary to cure any default and to prevent the termination of this Agreement. The Issuer will not terminate or suspend its performance under this Agreement until it first gives written notice of such default to the Purchaser, and allows the Purchaser, any Institutional Investor and such mortgagee or assignee the opportunity to cure such default within the applicable cure period under this Agreement. In addition, if the Purchaser, any Institutional Investor or such mortgagee or assignee gives the Issuer written notice prior to the expiration of the applicable cure period of the Purchaser's, any Institutional Investor's or such mortgagee's or assignee's intention to cure such default (which notice shall include a reasonable description of the time during which it anticipates to cure such default) and is diligently proceeding to cure such default, notwithstanding the applicable cure period under this Agreement the Purchaser, any Institutional Investor or the mortgagee or assignee shall have a period of sixty (60) days (or if such default is for failure by the Company to pay an amount to the Issuer which is due and payable under this Agreement, thirty (30) days) from the Purchaser's, any Institutional Investor's or the mortgagee's or assignee's receipt of the notice of such default from the Issuer to cure such default.

(b) If any default by the Company under this Agreement cannot be cured without obtaining possession of all or part of the Project Property, then any such default shall be deemed remedied if the Purchaser, any Institutional Investor, a mortgagee or assignee (a) in the time period provided in Section 8.3(a) and 8.3(b) and 8.6(a) (including the aggregate cure period provided under Section 8.6(a)) begins appropriate judicial or non-judicial proceedings to obtain the same; (b) diligently prosecutes any such proceedings to completion; and (c) after gaining possession of all or part of the Project Property, diligently proceeds to cure and perform all other obligations as and when the same are due in accordance with the terms of this Agreement. If the Purchaser, any Institutional Investor, a mortgagee or assignee is prohibited by any Court or by operation of any bankruptcy or insolvency laws from commencing or prosecuting the proceedings described above, the period specified above for commencing proceedings shall be extended for the period of such prohibition.

(c) If the Purchaser, any Institutional Investor, mortgagee or assignee (or a receiver requested by a mortgagee) succeeds to the interest of the Company in the Project Property, such successor party shall pay or cause to be paid the Basic Rent, PILOT payments, Additional Payments and all other monetary charges payable by the Company under this Agreement from the date in which the Purchaser, Institutional Investor, mortgagee or assignee (or a receiver requested by a mortgagee) succeeds to such interest and those which accrue thereafter during the term of this Agreement.

Section 8.7. Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Issuer shall have proceeded to enforce any right under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer, then and in every such case, unless otherwise determined in such proceeding or agreed by the Issuer and the Company, the Issuer and the Company will be restored to their former positions and rights under this Agreement with respect to the Project Property and all rights, remedies, and powers of the Issuer will continue as if no such proceedings had been taken.

Section 8.8. Proofs of Claim. In the case of any insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Company, the Issuer will, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Issuer allowed in such proceedings for the entire amount due and payable by the Company to the Issuer under this Agreement, as the case may be, at the date of the institution of such proceedings and for any additional amounts which may become due and payable after such date.

ARTICLE IX PREPAYMENTS

The Company may at any time (including after the occurrence and during the continuance of an Event of Default) and for any reason cause all or any portion of the Bond to be redeemed in accordance with the provisions of the Indenture by giving notice of such redemption to the Issuer, the Purchaser and, if there are monies on deposit in the Acquisition Account (as defined in the Indenture), to the Depositary not less than forty-five (45) days before the redemption date. Such notice will specify the redemption date and the principal amount of the Bonds to be redeemed. On

the redemption date the Company will prepay the Rent in an amount equal to such principal amount plus accrued interest on such principal amount to the redemption date by payment of such amounts to the Purchaser, will pay all Additional Payments, plus interest, if any, owed to the Issuer, will pay all PILOT payments, if any, owed to the Issuer and the School District, and will pay all payments due under Sections 6.4 and 6.5. The parties acknowledge that the Company may prepay, pay, discharge and redeem the Bonds by offsetting amounts owed under the Bonds to the Purchaser against monies owed to the Company by the Purchaser, including but not limited to monies advanced by the Company to the Purchaser in anticipation of making Bond advances under the Indenture.

ARTICLE X PURCHASE OF PROJECT PROPERTY

The Company will purchase and the Issuer will sell the Project Property for \$1.00 at the expiration or sooner termination of the Term pursuant to the provisions of this Agreement. The Company will give written notice to the Issuer and to the Purchaser, if the Bonds are then unpaid or provision for their payment has not been made, and will specify therein the date of termination and closing such purchase which date shall be the same date and which date will be not less than fifteen (15) nor more than ninety (90) days from the date such notice is mailed. At the closing of such purchase, the Issuer will, upon receipt of the purchase price, deliver to the Company or its nominee appropriate documents, including, but not limited to, a bill of sale, prepared by the Company at the Company's expense, conveying to the Company without representation or warranty the Issuer's interest in the Project Property, as it exists at the time of such purchase, subject only to: (i) those liens and encumbrances, if any, to which the Project Property was subject when conveyed to the Issuer; (ii) those liens and encumbrances created by the Company and/or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform any of its obligations under this Agreement; and (iv) any other lien arising as a matter of law. The Company may exercise its rights under this Article X, only to the extent the Company is not in Default or an Event of Default has occurred and is continuing, so long as all Additional Payments and PILOT payments due to the Issuer and the School District are paid on or before the date of closing of such purchase. If the Company fails to take all necessary action to have the Project Property assessed for tax purposes in the name of the Company at the expiration of the Term, the Issuer may execute, deliver and cause to be recorded, at the expense of the Company a bill of sale with respect to the Project Property and other appropriate documents reflecting the termination of this Agreement.

If at the time of closing the Indenture has not been satisfied in full and released of record, a release by the Purchaser of the Indenture will also be delivered to the Company (or its designee).

The right to prepay granted to the Company in this Agreement is and will remain prior and superior to the Indenture.

ARTICLE XI MISCELLANEOUS

Section 11.1. Remedies. No right or remedy conferred on any Party in this Agreement is intended to be exclusive of any other right or remedy conferred on such Party in this Agreement. Except as provided in Section 11.3, each such right or remedy is in addition to every other right or remedy provided in any of the Bond Documents or by law; provided, that the remedies of Purchaser and/or Issuer in respect of an Event of Default or other breach of any Bond Document by the Company shall be limited in all cases to those expressly provided in Article VIII hereof. No delay or omission of any Party to exercise any such right or remedy will impair any such right or remedy or be construed to be a waiver. Every such right or remedy may be exercised from time to time and as often as the relevant Party may deem expedient. No waiver by any Party of any right or remedy with respect to any Default or Event of Default will extend to or affect any other existing or subsequent Default or Event of Default.

Section 11.2. Beneficiaries. Nothing in this Agreement expressed or implied is intended or is to be construed to confer upon any Person other than the Parties and their successors and assigns (and, in the cases of Section 6.3 of this Agreement, the Indemnitees, and Section 6.4, the School District) any right, remedy or claim, legal or equitable.

Section 11.3. Limitation of Issuer's Liability. No agreements or provisions contained in the Bond Documents nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with any property of the Company financed, directly or indirectly, out of Bond proceeds or the issuance, sale and delivery of the Bonds will give rise to any pecuniary liability of the Issuer, its officials, employees, agents or members of its governing body or constitute a charge against the Issuer's general credit, or obligate the Issuer financially in any way, except with respect to the revenues available under this Agreement or under the Indenture provided by the Company and pledged to the payment of the Bonds, and their application as provided under the Indenture. No failure of the Issuer to comply with any terms, covenants or agreements in this Agreement or in any document executed by the Issuer in connection with the Bonds will subject the Issuer, its officials, employees, agents and members of its governing body to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the revenues available under this Agreement or under the Indenture provided by the Company and pledged to the payment of the Bonds. Nothing in this Agreement will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein or in the Indenture; provided, that no costs, expenses or other monetary relief will be recoverable from the Issuer except as may be payable from the funds available under this Agreement or under the Indenture provided by the Company and pledged to the payment of the Bonds.

Notwithstanding any other provisions of this Agreement, none of the provisions of this Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder unless it shall have first been adequately indemnified to its satisfaction against the cost, expense and liability which may be incurred thereby.

Section 11.4. No Violation of Public Policies Regarding Indemnity. To the extent, if at all, a court of competent jurisdiction determines that Section 56-7-1 NMSA 1978 applies to any indemnification provisions in this Agreement, including certain types of insurance coverage as set forth in Section 56-7-1 NMSA 1978, such provisions shall not apply to or extend to liability, claims, damages, losses or expenses, including attorney fees, arising out of bodily injury to persons or damage to property caused by or resulting from, in whole or in part, the negligence, act or omission of the indemnitee or additional insured, as the case may be, its officers, employees or agents and shall further be limited, if required, by the provisions of Section 56-7-2 NMSA 1978.

Section 11.5. Notices. Any notice, demand, direction, request, consent, approval, report or other instrument authorized or required by this Agreement or the Bond Ordinance to be executed, given or filed will be in writing and will be deemed to have been sufficiently given or filed for all purposes of this Agreement when delivered by hand delivery or by overnight courier or on the third business day following the day on which the same has been mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Issuer: City of Roswell, New Mexico
 425 N. Richardson Ave.
 Roswell, New Mexico 88201

If to the Purchaser: Gallagher Solar Holdings, LLC
 c/o Gallagher Solar LLC
 [Address]

If to the Company: Gallagher Solar LLC
 [Address]

Any Party may, by notice to the other Parties, designate any further or different addresses to which subsequent notices, certificates or other communications are to be sent.

Section 11.6. Severability. In case any one or more of the provisions of this Agreement is for any reason held to be illegal or invalid, such illegality or invalidity will not affect any other provision of this Agreement, but this Agreement will be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Issuer or the Company contained in this Agreement is for any reason held to be in violation of law, then such covenant, stipulation, obligation or agreement will be deemed to be the covenant, stipulation, obligation or agreement of the Issuer or the Company to the full extent permitted by law.

Section 11.7. Successors. Wherever the Issuer is referred to in this Agreement, it will be deemed to include its successors and all covenants and agreements in this Agreement will bind and inure to the benefit of the Issuer's successors. Wherever the Company is referred to in this Agreement, it will be deemed to include its successors in interest to the Project Property and all covenants and agreements in this Agreement will bind and inure to the benefit of such successors.

Section 11.8. Title, Headings. The title and headings of the articles, section and subdivisions of this Agreement have been used for convenience only and do not modify or restrict any of the terms or provisions of this Agreement.

Section 11.9. Execution in Counterparts. This Agreement may be executed in multiple counterparts, all of which taken together will constitute one instrument.

Section 11.10. Applicable Law. The validity, construction and effect of this Agreement will be governed by the law of the State of New Mexico applicable to agreements made and to be performed in the State of New Mexico and the proper venue shall be Chaves County.

Section 11.11. Obligations of Issuer Not Obligations of Officials Individually. No obligation under any of the Bond Documents or the Bonds will be deemed to be an obligation of any present or future officer (including, without limitation, City Councilors) or employee of the Issuer in his or her individual capacity, and no officer of the Issuer who executes the Bonds will be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 11.12. Payments Due on Days That Are Not Business Days. If the date for any payment due hereunder is not a Business Day, as defined in the Indenture, then such payment will be made on the next Business Day and no interest on such payment will accrue for such period.

Section 11.13. Federal Income Tax Treatment of Lease. The Issuer and the Company acknowledge that this Agreement constitutes a financing for federal income tax purposes and not a lease of the Project Property, to the extent permitted by law. The Issuer and the Company further acknowledge that the Company shall, to the extent permitted by law, be entitled to all federal income tax attributes attributable to ownership of the Project Property, including the right to claim depreciation or cost recovery deductions and the right to claim any federal tax credits (or federal grants in lieu thereof) arising from ownership of the Project Property. Each of the Issuer and the Company agree not to file tax returns inconsistent with this Section 11.13.

Section 11.14. Amendments. This Agreement may be amended only by an instrument executed by the Issuer and the Company and consented to by the Purchaser.

Section 11.15. Further Assurances and Corrective Instruments. The Issuer and the Company agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements and amendments to this Agreement and such further instruments as may reasonably be required for carrying out the intention or facilitating the performance of this Agreement.

The Company may cause a memorandum of this Agreement, in form and substance satisfactory to the Company and the Issuer, in the Issuer's reasonable judgment, to be kept, recorded and filed in such manner and in such places as may be required by law to fully evidence, preserve and protect the leasehold estate of the Company.

[SIGNATURE PAGES FOLLOW]

DATED AS OF _____, 2026.

(SEAL)

CITY OF ROSWELL, NEW MEXICO

Attest:

By: _____
Amalia Martinez, City Clerk

By: _____
Timothy Z. Jennings, Mayor

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

This instrument was acknowledged before me on _____, 2026,
by Timothy Z. Jennings, as Mayor of the City of Roswell, New Mexico.

Notary Public

My commission expires:

(Signature Page for Lease Agreement)

GALLAGHER SOLAR LLC
as Company

By: _____
Name: _____
Its: _____

STATE OF _____)
COUNTY OF _____) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2026,
by _____, as _____ of Gallagher Solar LLC.

Notary Public

My _____ commission expires:

(Signature Page for Lease Agreement)

EXHIBIT A

PROJECT PROPERTY AND PROJECT SITE

Project Property:

Power Generation Property. All solar generation equipment including solar tracking hardware and software, photovoltaic panels and inverters, support structures, and associated electrical generation equipment used to generate electricity from solar energy and related equipment including transformers, circuit breakers and switching and metering equipment used to connect the solar electrical generation plant to the electric grid and all other equipment and personal property which is now or hereafter acquired with Bond Proceeds and located at the Project Site.

Project Site Lease:

[NTD: Project Site Description]

The Site Lease covers the real property described below:

LEGAL DESCRIPTION:

EXHIBIT B

PAYMENT SCHEDULE
CITY OF ROSWELL, NEW MEXICO
TAXABLE INDUSTRIAL REVENUE BOND
(GALLAGHER SOLAR LLC PROJECT)
SERIES 2026 – \$4,800,000

<u>Year</u>	<u>Total Debt Service</u>	<u>Principal</u>	<u>Interest</u>
1	\$225,600	\$-0-	\$225,600
2	\$225,600	\$-0-	\$225,600
3	\$225,600	\$-0-	\$225,600
4	\$225,600	\$-0-	\$225,600
5	\$225,600	\$-0-	\$225,600
6	\$225,600	\$-0-	\$225,600
7	\$225,600	\$-0-	\$225,600
8	\$225,600	\$-0-	\$225,600
9	\$225,600	\$-0-	\$225,600
10	\$225,600	\$-0-	\$225,600
11	\$225,600	\$-0-	\$225,600
12	\$225,600	\$-0-	\$225,600
13	\$225,600	\$-0-	\$225,600
14	\$225,600	\$-0-	\$225,600
15	\$5,025,600	\$4,800,000	\$225,600

EXHIBIT C
PILOT PAYMENTS

Year	Total PILOT	City PILOT	Roswell * School District PILOT
1	\$7,839.20	\$-	\$-
2	\$5,599.43	\$-	\$-
3	\$3,359.66	\$-	\$-
4	\$2,239.77	\$-	\$-
5	\$2,239.77	\$-	\$-
6	\$2,239.77	\$-	\$-
7	\$2,239.77	\$-	\$-
8	\$2,239.77	\$-	\$-
9	\$2,239.77	\$-	\$-
10	\$2,239.77	\$-	\$-
11	\$2,239.77	\$-	\$-
12	\$2,239.77	\$-	\$-
13	\$2,239.77	\$-	\$-
14	\$2,239.77	\$-	\$-
15	\$2,239.77	\$-	\$-

CITY OF ROSWELL, NEW MEXICO,

GALLAGHER SOLAR HOLDINGS, LLC,
as Purchaser,

GALLAGHER SOLAR LLC,

and

BOKF, NA,
as Depositary

INDENTURE

Dated as of July __, 2026

Securing

Up to \$4,800,000
City of Roswell, New Mexico
Taxable Industrial Revenue Bonds
(Gallagher Solar LLC Project)
Series 2026

CITY OF ROSWELL, NEW MEXICO, a political subdivision existing under the laws of the State of New Mexico (together with its successors and assigns, the “Issuer”) and GALLAGHER SOLAR HOLDINGS, LLC, a Delaware limited liability company (together with its successors and assigns, and transferees of the Bonds (defined below), the “Purchaser”), GALLAGHER SOLAR LLC, a Delaware limited liability company authorized to do business in New Mexico (the “Company”) and BOKF, NA (together with its successors and assigns, the “Depository”), agree:

ARTICLE I - RECITALS

Section 101. The Act. Pursuant to Sections 3-32-1 through 3-32-16, New Mexico Statutes Annotated, 1978 Compilation, as amended (collectively, the “Act”), the Issuer is authorized to acquire, construct and equip certain industrial or commercial projects and to issue industrial revenue bonds to finance such projects and certain related costs. Such bonds are payable by the Issuer solely out of revenue of the leasing of such projects. Such bonds may be further secured by, among other things, a mortgage and lien upon the properties acquired, constructed and equipped as part of the project. Under the Act, a project may include land, buildings, machinery, equipment and other property deemed necessary in connection with such project.

Section 102. Government Proceeding. The Company has presented to the Roswell City Council a proposal relating to the issuance of taxable industrial revenue bonds and the acquisition, construction, installation, and equipping of a solar power generation facility which will constitute an industrial development project. The Issuer, by City Council Ordinance No. _____ adopted on May 14, 2026 (the “Ordinance”), authorized, among other matters, (i) the issuance of its City of Roswell, New Mexico, Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project), Series 2026 (the “Bonds”), in the principal amount not to exceed \$4,800,000 and substantially in the form of Exhibit A and (ii) the execution and delivery of this Indenture.

Section 103. Indenture; Lien; Collateral Pledge. The Bonds are to be issued under this Indenture (together with any and all amendments and supplements, (this “Indenture”), which constitutes a collateral pledge of the Agreement (defined below).

Section 104. The Agreement. The Issuer has entered into a Lease Agreement (together with any and all amendments and supplements, the “Agreement”), dated as of the date of this Indenture, with the Company under which the Issuer has leased the Project Property to the Company, and the Company has agreed to make rental payments in amounts sufficient to pay the principal of, interest on and redemption price of the Bonds. For the purpose of providing security for the payment of the principal of, interest on and redemption price of the Bonds, the Issuer wishes to assign to the Purchaser certain of its interests in the Agreement but reserving its rights under the Agreement to certain payments, reimbursement for certain costs and expenses, and to give consents and to be indemnified.

ARTICLE II - DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 201. Meanings of Words and Terms. All capitalized words and terms defined in the Agreement have the same meanings when used in this Indenture if not also defined in this Indenture. Defined terms in all Bond Documents have consistent meanings unless otherwise expressed. In addition:

“Acquisition Fund” has the meaning assigned in Section 701.

“Act” has the meaning assigned in Section 101.

“Agreement” has the meaning assigned in Section 104.

“Authorized Company Representative” means any one of the persons at the time designated to act on behalf of the Company in a certificate furnished to the Issuer and the Depositary containing the specimen signatures of such persons and signed on behalf of the Company by an officer of the Company.

“Bonds” have the meaning assigned in Section 102.

“Bond Documents” means this Indenture, the Agreement and the Bond Purchase Agreement.

“Bond Fund” has the meaning assigned in Section 602.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated the date of the execution and delivery of this Indenture among the Purchaser, the Issuer and the Company.

“Business Day” means any day that is not a Saturday or Sunday or a day on which banking institutions in the State or in the City in which payment is to be made are authorized or required to close.

“Company” has the meaning assigned in the first paragraph of this Indenture.

“Certificate of Qualified Investor” means the certificate attached hereto as Exhibit D.

“Completion Certificate” means a certificate by the Company certifying that the Project is complete and all costs have been paid for or provisions have been made for their payment, in the form attached hereto as Exhibit C.

“Depositary” has the meaning assigned in the first paragraph of this Indenture.

“Event of Default” has the meaning assigned in Section 901.

“Final Maturity Date” means _____, 2041.

“Indenture” has the meaning assigned in Section 103.

“Issue Date” means the date of issuance and delivery of the Bond to the Purchaser.

“Issuer” has the meaning assigned in the first paragraph of this Indenture.

“Ordinance” has the meaning assigned in Section 102.

“Parties” means the Company, the Issuer, the Purchaser and the Depositary.

“Party” means any one of the Parties.

“Payment Date” means _____ of each year, commencing on July __, 2027.

“Payment of the Bonds” means payment in full of the principal of, interest on and redemption price of the Bonds in accordance with their terms and the provisions of this Indenture and payment of all fees and expenses of the Issuer, the Purchaser and the Depositary payable by the Company under this Indenture, the Agreement, or the Bond Purchase Agreement.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision.

“Record Date” means each ____ 15 while the Bonds are outstanding.

“Related Costs” means expenditures incurred or to be incurred by the Company with respect to the Project, including, without limitation, the acquisition, installation, construction, equipping and commissioning of the Project Property.

“State” means the State of New Mexico.

Section 202. Rules of Construction.

(a) The captions and headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

(b) All references in this Indenture to particular articles, sections or exhibits are references to articles or sections of or exhibits to this Indenture unless some other reference is established.

(c) Any inconsistency between the provisions of the Agreement and the provisions of this Indenture will be resolved in favor of the provisions of the Agreement.

Section 203. Bond Not General Obligations of Issuer. Neither the full faith and credit nor the taxing power of the State or of any of its political subdivisions, including the Issuer, is pledged to the payment of the principal of, interest on or redemption price of the Bonds. The Bonds will be payable by the Issuer solely out of the Basic Rent, proceeds and receipts and other security pledged hereby. The principal of, interest on and redemption price of the Bonds will never constitute a debt or indebtedness or general obligation of the Issuer within the meaning of any State constitutional provision or statutory limitation. The Bonds will never constitute or give rise to a pecuniary liability of the Issuer or be a charge against its general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE III- GRANT

Section 301. Assignment and Pledge. In consideration of the purchase of the Bonds by the Purchaser, and in order to secure the payment of the principal of (including, without limitation, all sums advanced by the Purchaser, with interest thereon, in accordance with the terms of this Indenture and the other Bond Documents (all references in this Indenture to the payment of principal of the Bonds shall include such sums)), interest on and redemption price of the Bonds, and in order to secure the performance by the Issuer of its obligations under this Indenture and the Bonds, the Issuer assigns and pledges to the Purchaser and grants a security interest to the Purchaser in (i) all the Issuer’s right, title and interest in and to the Agreement and any other easement, lease, sublease, license, concession or other grant of a possessory or use interest in the Project Property to the extent the Issuer has any interest therein but reserving its rights under the Agreement to payments under Sections 4.14, 5.3(b), 6.2, 6.3, 6.4, and 6.5 of the Agreement, to reimbursement for certain costs and expenses, to receive notices, to give consents and to be indemnified; (ii) the moneys and investments in the Acquisition Fund and the Bond Fund and all reserves payable to the Issuer pursuant to the Agreement or this Indenture (including, without limitation, insurance and eminent domain proceeds) with respect to the Project Property; (iii) all lease rentals, revenues, profits, and receipts receivable by or on behalf of the Issuer from the Project Property and (iv) the Project Property.

Section 302. Release. If (i) the principal of and interest on the Bonds are paid by the Issuer in full to the Bond Fund, as provided for herein, (ii) the Purchaser has received all sums due it under the Bond Documents, and (iii) the Issuer keeps, performs and observes all agreements, covenants and provisions under this Indenture, then all obligations of the Issuer as to the Bonds under this Indenture will terminate, and the Purchaser will cancel and discharge the lien of this Indenture and execute and deliver to the Issuer and the Company such instruments in writing as may be required to evidence such discharge. The Clerk and/or the City Manager of the Issuer are authorized to accept a certificate of the Purchaser, that all principal and interest due on the Bonds has been paid as evidence of the satisfaction of this Indenture.

ARTICLE IV- AUTHORIZATION, FORM, EXECUTION AND DELIVERY OF BONDS

Section 401. Authorization; Authorized Amount of the Bonds. The Bonds are hereby authorized to be issued under this Indenture and secured by this Indenture. The Bonds will be issued as a single fully registered bond without coupons, in the maximum principal amount not to exceed \$4,800,000. The Bonds will be numbered consecutively beginning with R-1. The Bonds may not be issued under this Indenture except in accordance with this Article.

Section 402. Form of Bond. The Bonds will be in substantially the form of Exhibit A. The Bonds will be dated the date of the execution and delivery of this Indenture and will bear interest on Advances made pursuant to Section 702 at the rate of four and seven-tenths percent (4.7%). All interest on the Bonds will be calculated from the date of advance for all periods on the basis of a 360-day year of twelve thirty-day months. Accrued interest shall be payable on the Payment Date, with the outstanding principal amount of the Bonds plus all interest thereon due and payable in full on the Final Maturity Date. Principal and interest, as applicable, will be payable by the Issuer from the Basic Rent received from the Company to the owner of the Bonds on the immediately preceding Record Date upon presentation of the Bonds for cancellation at the offices of the Issuer. All payments will be made in lawful money of the United States.

Section 403. Execution and Delivery; Payment. The Bonds will be signed by the Mayor of the Issuer and delivered to the Purchaser on the date of the execution and delivery of this Indenture. Subject to the terms and conditions of the Bond Purchase Agreement, the Purchaser will purchase the Bonds and will pay the purchase price of the Bonds to the Issuer as set forth in Section 701.

Section 404. Registration and Transfer of the Bond. The Company on behalf of the Issuer will cause to be kept at its office a book for the registration and transfer of the Bonds. The registration book will be open to inspection by the Issuer upon advance notice during the Company's normal business hours.

The Bonds, together with the obligation to fund advances thereunder, may be transferred by the Purchaser in whole, but not in part, in person or by duly authorized attorney, in the registration book upon (i) surrender of the Bonds, (ii) delivery of a written transfer instrument, and (iii) compliance with Securities Act of 1933, as amended (the "Federal Securities Act"), and applicable state securities laws as established to the satisfaction of the Issuer, and delivery to the Issuer and the Company of (A) an opinion, in form and substance satisfactory to the Issuer, from legal counsel experienced in securities laws matters, which counsel must be satisfactory to the Issuer, to the effect the transfer complies with the Federal Securities Act and applicable state securities laws and (B) written representations from the transferee, in form and substance satisfactory to the Issuer (including, but not limited to the form of Certificate of Qualified Investor), necessary to establish such compliance all as further set forth in the Bonds form attached as Exhibit A. Such Issuer approval shall be in writing. In the case of a transfer under this Section 404, the Issuer agrees that it will cooperate in delivering a new Bond, registered in the name of the transferee. The

person requesting the transfer will pay any tax or fee or other charge imposed on the transfer and will pay the Issuer's expenses in connection therewith. The Issuer may deem and treat the person in whose name the Bond is registered as the absolute owner thereof for the purpose of receiving payment and for all other purposes, and all such payments made to any such registered owner or upon its written order will be valid and effectual to satisfy and discharge the liability upon the Bond, to the extent of the sum or sums paid; and the Issuer will not be affected by any notice to the contrary.

The Issuer acknowledges that the Purchaser may assign its rights to receive payments of principal, interest and any amounts due under the Bonds to any party without the consent of the Issuer.

Section 405. Lost, Stolen, Destroyed and Mutilated Bond. If the Issuer receives satisfactory evidence that any Bonds have been lost, stolen, destroyed or mutilated and receives satisfactory indemnity, and the mutilated Bonds are surrendered and cancelled, then the Issuer will execute and deliver new Bonds. The applicant for new Bonds will pay any charges and expenses in connection with the issuance of the new Bonds. New Bonds issued under this Section will be an original contractual obligation of the Issuer and will be entitled to all of the benefits of this Indenture. The provisions of this Section with respect to the replacement of the lost, stolen, destroyed or mutilated bonds are exclusive.

Section 406. Cancellation and Destruction of the Bonds by Issuer. If the Bonds are delivered to the Issuer for cancellation, the Bonds will be cancelled immediately and destroyed by the Issuer.

Section 407. Application of Payments for Bonds. All payments received by the Issuer under the Agreement with respect to the Bonds will be applied first to accrued interest on the Bonds on the next date for the payment of such interest and, second, to the unpaid principal of the Bonds. If such payments exceed accrued interest on and the unpaid principal of the Bonds, and any other amounts owed, the excess will be paid to the Company. The parties acknowledge that the Company may pay, discharge and redeem the Bonds by offsetting amounts owed under the Bonds to the Purchaser against monies owed to the Company by the Purchaser, including but not limited to monies advanced by or on behalf of the Company to or on behalf of the Purchaser in anticipation of making Bond advances under this Indenture.

ARTICLE V- REDEMPTION

Section 501. Redemption. If the Company gives notice to the Issuer, the Depositary and the Purchaser pursuant to Article IX of the Agreement that the Company has elected to cause redemption of the Bonds in full or in part and the Company pays the redemption price, all or such portion of the Bonds will be deemed redeemed by the Issuer on the date indicated in such notice at a redemption price equal to the principal amount to be redeemed plus accrued interest on such principal amount to the redemption date. If the Company redeems the Bonds in full before the Completion Date, any monies held in the Acquisition Account shall be returned to the Company.

ARTICLE VI- BOND REVENUES AND FUNDS

Section 601. Source of Payment of the Bonds. The Bonds and all payments by the Issuer under this Indenture are not general obligations of the Issuer, and shall never constitute indebtedness of the Issuer, but are the limited, special obligations of the Issuer payable solely from revenues and receipts derived from the leasing of the Project Property under the Agreement and other security pledged to payment of the Bonds under this Indenture. The Project Property has been leased under the Agreement and the Basic Rent is to be remitted by the Company directly to the Purchaser on or before the Payment Date, subject to the rights of offset set forth in Section 5.4(b) of the Agreement. The portion of the Basic Rent necessary to pay amounts owing on the Bonds is to be deposited in the Bond Fund (except for any payments which are satisfied pursuant to the exercise of the right of offset as set forth in Section 5.4(b) of the Agreement). The Basic

Rent is sufficient in amount to ensure the prompt payment of the principal and accrued interest on the Bonds and the entire amount of the Basic Rent is pledged to the payment of principal and accrued interest on the Bonds.

Section 602. Creation of the Bond Fund, Payments. A fund shall be created for the benefit of Issuer by the Company and designated “Gallagher Solar LLC Project Series 2026 Bond Fund” (the “Bond Fund”). Except to the extent that any payments of principal, interest or redemption price are to be made pursuant to the right of offset set forth in Section 5.4(b) of the Agreement, there will be deposited into the Bond Fund, as and when received (i) the Basic Rent (except to the extent offset pursuant to Section 5.4(b) of the Agreement), and (ii) all other moneys required to be deposited into the Bond Fund pursuant to this Indenture and the Agreement. The interest and other income received on investments of the Bond Fund moneys as provided in Section 708 will be retained in the Bond Fund. The Company covenants that so long as the Bonds are outstanding, it will deposit or cause to be deposited solely from the sources stated in Section 601, into the Bond Fund for Issuer’s account, sufficient sums from revenues and receipts from the Project Property promptly to meet and pay the installments of interest, or of principal and interest, as applicable, on the Bond (except to the extent that any payments of principal, interest or redemption price are to be made pursuant to the right of offset set forth in Section 5.4(b) of the Agreement). The Parties acknowledge that Section 3-32-4 NMSA and Section 3-32-6(C) provides that it is not intended that any municipality itself be authorized to operate any manufacturing, industrial or commercial enterprise under the Act and, accordingly, the Issuer has no intention of taking possession of or operating the Project Property.

Section 603. Use and Custody of the Bond Fund. The moneys in the Bond Fund will be used solely for payment of principal of and interest on the Bonds, except as provided in Sections 604 and 905. The Bond Fund will be in the custody of the Company, and the Company will withdraw sufficient funds from the Bond Fund to pay the installments of principal and interest on the Bonds as due (except to the extent that any payments of principal, interest or redemption price are to be made pursuant to the right of offset set forth in Section 5.4(b) of the Agreement).

Section 604. Repayment to the Company from the Bond Fund. Any amounts remaining in the Bond Fund after actual payment in full of the Bonds, the fees, charges and expenses of the Issuer and the Purchaser, administrative expenses and other amounts required to be paid by the Company under the Agreement will be paid to the Company upon expiration of the Agreement.

Section 605. Investments. Moneys on deposit in the Bond Fund may be invested and reinvested by the Company. Such investments will be deemed at all times to be a part of the Bond Fund. Any interest received on any such investment and any profit realized from such investment will be credited to the Bond Fund. Any loss resulting from any such investment will be charged to the Bond Fund. The Company will use all reasonable efforts to sell at the best price obtainable or present for redemption any such investment when necessary in order to provide cash to meet any payment or transfer from the Bond Fund.

Section 606. Non-presentment of the Bond. If the Bonds are not presented for payment when the final payment of principal and interest is due, and if there are funds sufficient to make such final payment deposited with the Company, all liability of the Issuer for payment of the Bonds will cease. Interest shall not accrue after the Final Maturity Date. The Purchaser will be restricted to such funds for any claim against the Issuer relating to the Bonds.

Section 607. No Liability. Issuer will not be liable or responsible for any misapplication of funds, loss, liability or expense (or failure to realize profits) with respect to the Bond Fund and the Company

shall indemnify and hold Issuer harmless from and against all claims, liabilities of whatsoever nature arising from or relating to the Bond Fund or the Company's management of the Bond Fund.

ARTICLE VII- ACQUISITION FUND

Section 701. Creation of the Acquisition Fund; Deposits. A fund is hereby created with the Depositary and designated "Gallagher Solar LLC Project Series 2026 Acquisition Fund." Subject to the terms of the Bond Purchase Agreement, the Purchaser will purchase the Bonds on the date of execution and delivery of the Indenture and will pay the purchase price of the Bonds through the Advances described in Section 702. The proceeds of the sale of the Bonds, the interest and other income received on investments of the Acquisition Fund moneys as provided in Section 708 will be retained in the Acquisition Fund. The moneys in the Acquisition Fund will be held by the Depositary and will be applied to the payment of Related Costs and, pending such application, will be subject to a lien in favor of the Purchaser or its assignee to secure payment of principal and accrued interest on the Bonds. The Acquisition Fund will be in the custody of the Depositary, and the Depositary is authorized and directed to wire from or issue checks on the Acquisition Fund for the payment of Related Costs pursuant to Section 702.

Section 702. Disbursements. At any time on or after the date hereof, the Company may request Advances at any time from time to time to finance the Project (each, an "Advance") by delivery of a Requisition Notice to the Purchaser and the Depositary in the form attached hereto as Exhibit B (the "Requisition Notice"). On or before the fifth business day following receipt of the Requisition Notice from the Company requesting an Advance, so long as no Event of Default has occurred and is continuing, the Purchaser will pay or cause to be paid the amount of the Advance requested in such Requisition Notice to the Depositary for deposit in the Acquisition Fund, provided, however, that the aggregate amount of such Advances shall not exceed \$4,800,000. The Depositary will make payments of Related Costs from the Acquisition Fund not later than the business day following the date of receipt of payment of the amount of the Advance from Purchaser, provided that immediately available funds are on deposit therein. The records of the Depositary will be conclusive as to the aggregate amount of advances requested and made, absent manifest error. The Purchaser is authorized to endorse on the schedule attached to the Bonds the date and amount of each such advance. Failure to make any such endorsement or any error in such endorsement will not affect the rights or obligations of any of the Parties on or with respect to the Bonds. The Requisition Notice signed by an Authorized Company Representative shall state to whom the payment is to be made, the general purpose for which the obligation to be paid was incurred, and that:

(a) obligations in the stated amounts were incurred for Related Costs and are due and payable (or, if the Company is indicated as the payee, were duly paid by the Company) and that each item is a proper charge against the Acquisition Fund and has not been the subject of a previous withdrawal from the Acquisition Fund; and

(b) to the best knowledge of such Authorized Company Representative there has not been filed with or served upon the Issuer or the Company notice of any lien, right or attachment upon, or claim, other than such lien, right, attachment or claim as are filed or made in the ordinary course of constructing and operating the Project, affecting the right of any such payees to receive payment of, the respective amounts stated in such requisition which has not been released or will not be released simultaneously with the payment of such obligation; and

(c) with respect to any item for payment for labor or to contractors, builders or materialmen, (i) the obligations stated have been properly incurred, (ii) such work was actually performed or such materials or supplies were actually furnished or installed in or about the Project, and (iii) either such materials or supplies are not subject to any lien or security interest or any such lien or security interest will be released or discharged upon payment of the requisition.

Section 703. Records. The Depositary will keep and maintain all Requisition Notices and adequate records pertaining to the Acquisition Fund, and payments made therefrom, which will be open to inspection by the Issuer, the Purchaser, the Company, or their agents, upon advance notice, during normal business hours.

Section 704. Depositary May Rely on Requisitions. All writings, requisitions and certificates received by the Depositary as conditions of payment from the Acquisition Fund, and which are proper and complete on their face, may be conclusively relied upon by the Depositary and will be retained by the Depositary, subject at all reasonable times, upon advance notice, to examination by the other Parties and their respective agents and representatives.

Section 705. Status Reports. At least annually, the Depositary will make a written report covering all receipts and moneys then on deposit in the Acquisition Fund, and will report any investments of such moneys and all transfers and disbursements of such moneys as of and for the preceding year. The reports will be prepared in conformity with the provisions of this Indenture, and copies of each report will be filed with the Purchaser, the Company, and, if requested by the Issuer, with the Issuer, not later than the fifteenth day of the month following the year covered by the report.

Section 706. Completion Date. Upon receipt of a certificate substantially in the form of Exhibit C signed by an Authorized Company Representative establishing the Construction Completion Date, as established in Section 4.4 of the Agreement, the Depositary will set aside in the Acquisition Fund the moneys necessary for the payment of the Related Costs incurred by the Company but not then due or payable as set forth in such certificate, and then will transfer any other moneys remaining in the Acquisition Fund to the Company or its assignee.

Section 707. Payment on Acceleration. If the Purchaser declares the unpaid principal of and accrued interest on the Bond to be immediately due and payable pursuant to Section 902(a), the Depositary will promptly, upon receipt of notice of such declaration from the Purchaser or its assignee, return all moneys then held for the credit of the Acquisition Fund in accordance with Section 905 to the Purchaser or its assignee for application to the unpaid principal of and accrued interest on the Bonds.

Section 708. Investments. Moneys on deposit in the Acquisition Fund may be invested and reinvested by the Depositary, at the written direction of an Authorized Company Representative. Such investments will be deemed at all times to be a part of the Acquisition Fund. Any interest received on any such investment and any profit realized from such investment will be credited to the Acquisition Fund. Any loss resulting from any such investment will be charged to the Acquisition Fund. The Depositary will use all reasonable efforts to sell at the best price obtainable or present for redemption any such investment when necessary in order to provide cash to meet any payment or transfer from the Acquisition Fund. Neither the Depositary nor the Issuer will be responsible for any loss, liability or expense (or failure to realize profits) resulting from any such investment. The Depositary may make any such investment through its own or its affiliated bond or investment department, unless otherwise directed in writing by an Authorized Company Representative.

Section 709. No Liability. Issuer will not be liable or responsible for any misapplication of funds, loss, liability or expense (or failure to realize profits) with respect to the Acquisition Fund and the Company shall indemnify and hold Issuer harmless from and against all claims, liabilities of whatsoever nature arising from or relating to the Acquisition Fund or the Company's management of the Acquisition Fund.

ARTICLE VIII- PARTICULAR COVENANTS AND PROVISIONS

Section 801. Extent of Covenants; Disclaimer of Liability. It is expressly made a condition of this Indenture that any covenants, stipulations, obligations, representations or agreements herein contained or contained in the Bonds or this Indenture do not and will never give rise to a personal or pecuniary liability of any present or future officer, employee or agent of the Issuer, or be a charge against the general credit or taxing powers of the Issuer, and in the event of a breach of such covenant; stipulation, obligation, representation or agreement, no personal or pecuniary liability of any present or future officer, employee or agent of the Issuer, or charge payable by the Issuer directly or indirectly from the revenues of the Issuer, other than the Basic Rent, will arise therefrom. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, INTEREST ON OR REDEMPTION PRICE OF THE BONDS. THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE OF THE BONDS WILL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE. THE BONDS OR THIS INDENTURE WILL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE, ANY OF ITS POLITICAL SUBDIVISIONS OR OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS. NONE OF THE PROVISIONS OF THIS INDENTURE SHALL REQUIRE THE ISSUER TO EXPEND OR RISK ITS OWN FUNDS OR TO OTHERWISE INCUR FINANCIAL LIABILITY IN THE PERFORMANCE OF ANY OF ITS DUTIES OR IN THE EXERCISE OF ANY OF ITS RIGHTS OR POWERS HEREUNDER.

Section 802. Performance; Authority. The Issuer covenants that it will faithfully perform all covenants and provisions contained in this Indenture and in the Bonds. The Issuer represents that it is duly authorized under the Constitution and laws of the State of New Mexico, including the Act, to issue the Bonds, to execute and deliver this Indenture, to grant a security interest in the property described in this Indenture, to pledge the rentals and other revenues described in this Indenture and that it has, to its knowledge, taken all actions required on its part for the issuance of the Bond, and for the execution and delivery of this Indenture and the Agreement.

Section 803. Obligations Under the Agreement. The Issuer: (i) will perform all of its obligations under the Agreement; (ii) will not execute or agree to any change, amendment or modification of or supplement to the Agreement except in accordance with the provisions thereof and Section 1101 of this Indenture; and (iii) will not agree to any abatement, reduction or diminution of the Basic Rent without the written approval of the Purchaser. The parties acknowledge that the Issuer has no obligation to enforce the Agreement but any actions taken by the Issuer to enforce the Agreement shall be at the expense of the Company.

Section 804. Use and Possession by the Company. So long as not otherwise provided in this Indenture or the Agreement, the Company will be permitted to possess, use and enjoy the Project Property so as to carry out its obligations under the Agreement.

Section 805. Instruments of Further Assurance. The Issuer will, at the expense of the Company or the Purchaser, execute, acknowledge, deliver and perform such supplemental indentures or such further acts, instruments, documents and transfers as the Depositary or the Purchaser may reasonably require for better assuring, transferring, mortgaging and pledging unto the Depositary or the Purchaser all the property and revenues and receipts pledged to the payment of the Bond under this Indenture.

Section 806. Recording of Indenture. Supplemental Indentures and Other Documents. The Company will cause this Indenture, the Agreement, and all supplements to this Indenture and the Agreement, as well as all security instruments, financing statements, continuation statements and any other

instruments as may be required, to be recorded or filed in such manner and places as required to fully preserve and protect the security of the Purchaser and the rights of the Depositary, including recording in the real estate records of Chaves County, New Mexico. The Depositary will have no responsibility to make any such filings except for filings as the Company may from time to time request, and the Issuer will have no responsibility to make any such filings.

ARTICLE IX- EVENTS OF DEFAULT AND REMEDIES

Section 901. Events of Default. Each of the following events is an “Event of Default:”

(a) Failure to pay any installment of principal or interest due under the Bonds when due and such failure continues unremedied for a period of 30 days after the provision by the Issuer or the Purchaser of written notice of non-payment;

(b) An Event of Default under the Agreement or any other Bond Document (other than this Indenture) occurs and is continuing;

(c) The Company fails to perform any covenant contained in this Indenture or the Bond Documents, other than as specified in subsections (a) and (b) above, and such failure is not cured within 30 days after receipt by the Company of the written notice of such failure unless the Purchaser shall agree in writing to the extension of such time prior to its expiration.

Section 902. Remedies on Events of Default. Upon the occurrence of an Event of Default, the Purchaser will have the following rights and remedies:

(a) Acceleration. The Purchaser or its assignee may, by written notice given to the other Parties, declare the principal amount of the Bond outstanding to be immediately due and payable and principal and interest thereon will become immediately due and payable; provided, however, that the Purchaser or its assignee, by written notice to the other Parties, may annul such declaration and destroy its effects and waive any such default: (i) if all covenants, conditions and agreements with respect to which such default shall have been made shall be fully performed, (ii) all arrears shall have been paid on any installment of interest and principal which has been theretofore due, plus (to the extent permitted by law) interest thereon from the due dates, and (iii) all reasonable charges and expenses of the Issuer, the Purchaser, the Depositary and their agents and counsel shall have been paid or provided for. Any such declaration that the Bond is due and payable will be deemed to be a redemption of the Bond; and

(b) Suit for Judgment on the Bonds. The Purchaser will be entitled to sue either for the specific enforcement of any covenant or agreement contained herein, or in any of the Bond Documents, or in and of the execution of any power herein granted and/or for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture or for the enforcement of any of its rights, but any such judgment against the Issuer will be enforceable only against the funds and accounts related to and held under this Indenture for the Bonds. There will not be authorized any deficiency judgment against the Issuer. No recovery of any judgment by the Purchaser will in any manner or to any extent affect the lien of this Indenture or any rights, powers or remedies of the Purchaser hereunder, but such lien, rights, powers and remedies of the Purchaser will continue unimpaired; and

(c) Enforcement of Rights Under Agreement. The Purchaser or its assignee may, as assignee of specified interests of the Issuer in the Agreement, enforce any remedy available to the Issuer under the Agreement (except the remedies of the Issuer pursuant to Section 8.3 of the Agreement) and under any other lease, sublease, license or other grant of a possessory or use interest in the Project Property.

No right or remedy confirmed on any Party hereunder is intended to be exclusive of any other right or remedy confirmed on such Party hereunder, but each and every such right or remedy will be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute; provided, that the remedy of Purchaser in respect of an Event of Default or other breach hereunder or any other Bond Document shall be limited in all cases to those expressly provided in Section 902.

Section 903. Rights and Remedies of Purchaser. The Purchaser will not have the right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust related thereto or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred and is continuing of which the Company has been notified, it being understood and intended that the Purchaser will not have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its actions or to enforce any right hereunder except in the manner herein provided. Nothing in this Indenture will, however, affect or impair the right of the Purchaser to enforce the payment of the principal of and interest on the Bond, when due or at and after the maturity thereof, or the obligation of the Issuer to pay the principal and interest on the Bonds at the time and place and from the revenues provided in this Indenture or in the Bonds.

Section 904. Issuer and Depositary Not Responsible. Neither the Issuer nor the Depositary has any responsibility or right to act on behalf of the Purchaser with respect to any Event of Default. All rights and remedies arising from or related to any Event of Default are solely the rights and remedies of the Purchaser; provided that, upon request and at the expense of the Purchaser, the Issuer will cooperate with the Purchaser in the lawful enforcement of such rights and remedies upon receipt of indemnity satisfactory to the Issuer in the Issuer's sole discretion against any out-of-pocket costs and expenses incurred by the Issuer in its sole discretion (including any counsel fees and expenses) or liability the Issuer may incur or suffer as a result of or in connection with such cooperation.

Section 905. Application of Moneys. All moneys received by the Issuer or the Purchaser pursuant to any right given or action taken under the provisions of this Article will, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities, and expenses incurred or made by the Issuer and the Purchaser, will be applied first to pay the fees and expenses of the Issuer and the Depositary; then to the payment of charges due the Purchaser pursuant to the Bond Documents, and then to the payment of interest and principal due and unpaid on the Bonds. Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys will be applied at such times, and from time to time, as the Issuer will determine.

Whenever the Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of and payments due to the Purchaser, the Issuer and the Depositary (and their respective counsel and agents) under this Indenture and the Agreement have been paid, any balance remaining will be paid to the Company or its assignee as provided in Section 604.

Section 906. Purchaser to File Proofs of Claim. In the case of any insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Project Property or the Company, the Purchaser and the Issuer will, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Purchaser or the Issuer, respectively, allowed in such proceedings for the entire amount due and payable by the Issuer, or by the Company, as the case may be, under the Indenture or the Agreement, at the date of the institution of such proceedings and for any additional amounts which may become due and payable after such date.

Section 907. Delay or Omission; No Waiver. No delay or omission of the Purchaser to exercise any right or power accruing upon any Event of Default will exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Indenture to the Purchaser may be exercised from time to time and as often as may be deemed expedient by the Purchaser.

Section 908. No Waiver of One Default to Affect Another. No waiver of any Event of Default by the Purchaser will extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon.

Section 909. Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Purchaser shall have proceeded to enforce any right under this Indenture by foreclosure, entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Purchaser, then and in every such case the Issuer and Purchaser will be restored to their former positions and rights under this Indenture with respect to the Project Property and all rights, remedies, and powers of the Purchaser will continue as if no such proceedings had been taken.

Section 910. Waivers of Events of Default. The Purchaser may, in its discretion, waive any Event of Default and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds. In case of any such waiver or rescission, or in case any proceeding taken by the Purchaser on account of any such Event of Default shall have been discontinued or abandoned or determined adversely to the Purchaser, then in every such case the Issuer and the Purchaser shall be restored to their former respective positions and rights hereunder, and the Event of Default which was waived will be considered to be cured, but no waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

ARTICLE X-THE DEPOSITARY

Section 1001. Acceptance of Duties. The Depositary accepts the duties imposed on it by this Indenture, but only on the following express terms and conditions:

(a) The Depositary undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations will be read into this Indenture against the Depositary.

(b) In the absence of negligence or willful misconduct on its part, the Depositary may conclusively rely on certificates or notices furnished to the Depositary and conforming to the requirements of this Indenture or the Agreement, as the case may be; but if any such certificates or notices are specifically required to be furnished to the Depositary under this Indenture or the Agreement, the Depositary will examine the same to determine whether they conform to the requirements of this Indenture or the Agreement, as the case may be.

(c) The Company hereby indemnifies and holds harmless the Depositary from and against any and all loss, liability, cost, damage and expense, including, without limitation, reasonable counsel fees, which the Depositary may suffer or incur by reason of any action, claim or proceeding brought against the Depositary arising out of or relating in any way to this Indenture or any transaction to which the Indenture relates unless such action, claim or proceeding is the result of the negligence or willful misconduct of the Depositary. The indemnification shall survive the resignation, removal and termination of the Depositary. No provision of this Indenture will be construed to relieve the Depositary from liability for its own negligence or willful misconduct.

(d) The Depositary may consult with counsel and other professionals and the advice of such counsel and other professionals shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Depositary hereunder in good faith and in reliance thereon.

(e) The Depositary shall be under no obligation to take any action or exercise any right or power under the Indenture unless the Company shall first have provided to the Depositary, its directors, officers, agents and employees, security or indemnity satisfactory to the Depositary against the costs (including without limitation reasonable fees of attorneys), expenses and liabilities that might be incurred by the Depositary in connection herewith.

Section 1002. Compensation. The Company will pay directly to the Depositary its reasonable fees and charges and all of its reasonable expenses (including reasonable counsel fees and expenses).

Section 1003. Qualification. The Depositary must be an association or a corporation organized and doing business under the laws of the United States of America or of any state and be subject to supervision or examination by federal or state banking authorities. If at any time the Depositary ceases to be eligible in accordance with the provisions of this Section 1003, it will resign immediately in the manner and with the effect specified in Section 1004.

Section 1004. Resignation and Removal.

(a) No resignation or removal of the Depositary and no appointment of a successor Depositary will become effective until the acceptance of appointment by the successor Depositary under Section 1005.

(b) The Depositary may resign at any time upon 10 business days' written notice to the other Parties. If an instrument of acceptance by a successor Depositary has not been delivered to the retiring Depositary within 30 days after the giving of such notice of resignation, the retiring Depositary may petition any court of competent jurisdiction for the appointment of a successor Depositary.

(c) The Depositary may be removed at any time by the Company upon 10 business days' written notice to the other Parties.

(d) The Depositary will be automatically removed on the occurrence of the Completion Date of the Project and the application of all moneys on deposit in the Acquisition Fund as provided in Section 706. No successor Depositary will thereafter be appointed and each reference to the Depositary in this Indenture and the Agreement will thereafter be ineffective.

(e) If the Depositary resigns or is removed (except as provided in subsection (d) of this Section 1004), the Company will promptly appoint a successor Depositary and give written notice of such appointment to the Issuer, the Purchaser and the retiring or removed Depositary.

Section 1005. Successor Depositary.

(a) Every successor Depositary appointed under this Indenture will execute, acknowledge and deliver to its predecessor and the other Parties an instrument accepting such appointment, and thereupon such successor Depositary, without any further act, will become fully vested with all the rights, and be subject to all the obligations, of its predecessor; but such predecessor will, nevertheless, on the request of its successor, the Issuer, the Company or the Purchaser execute and deliver an instrument transferring to such successor Depositary all the rights of such predecessor under this Indenture. Every predecessor will deliver all property, including all records relating hereto, and moneys held by it under this

Indenture to its successor. The Issuer and the Purchaser will execute, acknowledge and deliver any instrument, satisfactory to each of them, required by any successor Depositary to more fully and certainly vest in such Depositary the rights vested in the predecessor Depositary by this Indenture.

(b) Notwithstanding any of the foregoing provisions of this Article, any Person qualified to act as Depositary under this Indenture with or into which the Person acting as Depositary may be merged or consolidated, or to which the assets and business of such Person may be sold, will automatically become the successor Depositary.

ARTICLE XI-SUPPLEMENTS AND AMENDMENTS TO INDENTURE

Section 1101. Other Supplemental Indentures. This Indenture may be supplemented or amended only by one or more instruments executed by the Issuer, the Purchaser and the Depositary.

Section 1102. Consent of the Company. Any supplemental indenture affecting the rights of the Company will not be effective unless and until the Company shall have consented in writing to the execution and delivery of such supplemental indenture.

ARTICLE XII- MISCELLANEOUS PROVISIONS

Section 1201. Notices. Any notice, demand, direction, request, consent, report or other instrument authorized or required by any of the Bond Documents to be executed, given or filed (excluding Uniform Commercial Code filings, recordings and other governmental filings) will be in writing and will be deemed to have been sufficiently given or filed for all purposes of the Bond Documents when delivered by hand delivery or on the third Business Day following the day on which the same has been mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Issuer:	City of Roswell, New Mexico 425 N. Richardson Ave. Roswell, New Mexico 88201
If to the Purchaser:	Gallagher Solar Holdings, LLC c/o Gallagher Solar LLC [Address]
If to the Company:	Gallagher Solar LLC [Address]
If to the Depositary:	BOKF, NA Attn: Cindy Mitchell 100 Sun Avenue NW, Suite 500 Albuquerque, New Mexico 87109

Any Party may, by notice to each of the other Parties, designate any further or different addresses to which subsequent notices, certificates or other communications are to be sent. Receipt by the Issuer, the Company and the Depositary of a notice from a transferee of the Bond will constitute notice of such a different address for the Purchaser.

Section 1202. Remedies. No right or remedy conferred on any Party in any of the Bond Documents is intended to be exclusive of any other right or remedy conferred on such Party in any of the Bond Documents. Each such right or remedy is in addition to every other right or remedy provided in any

of the Bond Documents, or any other applicable agreement or contract; provided, that the remedy of the Issuer or the Purchaser in respect of an Event of Default or other breach hereunder or any other Bond Document shall be limited in all cases to those expressly provided in Section 902 hereunder or Article VIII of the Agreement, as the case may be. No delay or omission of any Party to exercise any such right or remedy will impair any such right or remedy or be construed to be a waiver. Every such right or remedy may be exercised from time to time and as often as the relevant Party may deem expedient. No waiver by any Party of any right or remedy with respect to any default or Event of Default will extend to or affect any other existing or subsequent default or Event of Default.

Section 1203. Beneficiaries. Nothing in any of the Bond Documents expressed or implied is intended or is to be construed to confer upon any Person other than the Parties any right, remedy or claim, legal or equitable.

Section 1204. Severability. In case any one or more of the provisions of any of the Bond Documents or of the Bonds are for any reason held to be illegal or invalid, such illegality or invalidity will not affect any other provision of any of the Bond Documents or of the Bonds, but the Bond Documents and the Bonds will be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the any Party contained in any of the Bond Documents or the Bonds is for any reason held to be in violation of law, then such covenant, stipulation, obligation or agreement will be deemed to be the covenant, stipulation, obligation or agreement of such Party to the full extent permitted by law.

Section 1205. Obligations of Issuer Not Obligations of Officials Individually. No obligation under any of the Bond Documents or the Bonds will be deemed to be an obligation of any present or future officer (including, without limitation, City Councilors) or employee of the Issuer in his or her individual capacity, and no officer of the Issuer who executes the Bonds will be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 1206. Payments Due on Days That Are Not Business Days. If the date for any payment called for under any of the Bond Documents or the Bonds is not a Business Day, then such payment will be made on the next Business Day and no interest on such payment will accrue for the period after the scheduled date for such payment.

Section 1207. Limitation of Issuer's Liability. No agreements or provisions contained in any Bond Document nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with any property of the Company financed, directly or indirectly, out of Bond proceeds or the issuance, sale and delivery of the Bonds will give rise to any pecuniary liability of the Issuer, its officers, employees, agents or members of its governing body or constitute a charge against the Issuer's general credit, or obligate the Issuer financially in any way, except with respect to the Basic Rent, and its application as provided under this Indenture. No failure of the Issuer to comply with any terms, covenants or agreements in any Bond Document or in any document executed by the Issuer in connection with the Bonds will subject the Issuer, its officers and members of its governing body to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the Basic Rent. Without limiting the requirement to perform its duties or exercise its rights and powers under the Bond Documents upon receipt of appropriate indemnity or payment, none of the provisions of any Bond Document will require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under any Bond Document.

Section 1208. Successors. Wherever a Party is referred to in this Indenture, it shall be deemed to include its successors, and all covenants and agreements in this Indenture will bind and inure to the benefit of the such Party's successors.

Section 1209. Title, Headings. The title and headings of the articles, sections and subdivisions of this Indenture have been used for convenience only and will not modify or restrict any of the terms or provisions of this Indenture.

Section 1210. Consents and Approvals. In any action requiring the consent or approval of a party to this Indenture, such consent or approval will not be unreasonably withheld.

Section 1211. Execution in Counterparts. Each of the Bond Documents may be executed in multiple counterparts, all of which taken together will constitute one instrument. Any Party may execute any of the Bond Documents by executing any such counterpart of such Bond Document.

Section 1212. Applicable Law. The validity, construction and effect of each of the Bond Documents will be governed by and construed in accordance with the laws of the State applicable to agreements made and to be performed in the State of New Mexico.

[Remainder of Page Intentionally Left Blank]

DATED AS OF _____, 2026.

(SEAL)

CITY OF ROSWELL, NEW MEXICO

Attest:

By: _____
Amalia Martinez, City Clerk

By: _____
Timothy Z. Jennings, Mayor

(Signature Page for Indenture)

GALLAGHER SOLAR HOLDINGS, LLC
as Purchaser

By: Gallagher Solar LLC, its sole member

By _____
Name: Anthony Pedroni
Its: Vice President

(Signature Page for Indenture)

GALLAGHER SOLAR LLC

By: _____

Name: _____

Its: _____

(Signature Page for Indenture)

BOKF, NA
as Depositary

By: _____
Name: _____
Its: _____

(Signature Page for Indenture)

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EXHIBIT A
THIS BOND IS TRANSFERABLE ONLY UPON COMPLIANCE
WITH THE RESTRICTIVE TERMS PROVIDED BELOW

No. R-1

Up to \$4,800,000

United States of America
State of New Mexico

City of Roswell, New Mexico
Taxable Industrial Revenue Bonds
(Gallagher Solar LLC Project)
Series 2026

Registered Owner: GALLAGHER SOLAR HOLDINGS, LLC

FINAL MATURITY DATE	INTEREST RATE	ISSUE DATE
_____, 2041	4.7%	July __, 2026

The City of Roswell, a political subdivision of the State of New Mexico existing under the Constitution and laws of the State of New Mexico (the “Issuer”), for value received, promises to pay, solely from the sources described below, to GALLAGHER SOLAR HOLDINGS, LLC (together with its successors and assigns, and transferees as permitted below, the “Purchaser”) - Four Million Eight Hundred Thousand Dollars (\$4,800,000) (subject to prior optional redemption as described below) or so much of such amount as has been advanced by the Purchaser and is outstanding and to pay, solely from such sources, to the Purchaser, interest on principal amounts advanced with respect to this Bond from the dates of such Advances at the Interest Rate specified above (computed on the basis of a 360-day year consisting of twelve 30-day months) until payment of such principal amount. Accrued interest in the amount of four and seven-tenths percent (4.7%) of the outstanding principal amount of the Bonds shall be payable on the Payment Date, with the outstanding principal amount of the Bonds due and payable in full on the Final Maturity Date.

This Bond is issued under and pursuant to the Constitution and laws of the State of New Mexico, particularly Sections 3-32-1 to 3-32-16, NMSA 1978, as amended, and under and pursuant to Ordinance No. _____ duly adopted by the Issuer on May 14, 2026.

The principal of, interest on and redemption price of this Bond are payable solely from Basic Rent derived by the Issuer from the Lease Agreement dated as of July __, 2026 (the “Agreement”) between the Issuer and Gallagher Solar LLC (the “Company”), which has been pledged and assigned by the Issuer to the Purchaser under the Indenture, dated as of July __, 2026 (together with any amendments and supplements, the “Indenture”) among the Issuer, the Purchaser, the Company and BOKF, NA, as Depositary (the “Depositary”).

Reference is made to the Indenture and the Agreement for the provisions, among others, with respect to the custody and application of the proceeds of the sale of this Bond, the collection and disposition of income and other revenues, a description of the account charged with and pledged to the payment of the principal of, interest on and redemption price of this Bond, the nature and extent of the security, the terms and conditions under which this Bond is issued and amounts are to be advanced with respect to this Bond by the Purchaser, and the rights, duties and obligations of the Issuer, the Company, the Purchaser and the Depositary.

NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW MEXICO OR OF ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, INTEREST ON OR REDEMPTION PRICE OF THIS BOND. THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE OF THIS BOND WILL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE OF NEW MEXICO. THIS BOND WILL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE OF NEW MEXICO, ANY OF ITS POLITICAL SUBDIVISIONS OR OF THE ISSUER OR A CHARGE AGAINST THEIR GENERAL CREDIT OR TAXING POWERS.

This Bond may be called for redemption as provided in the Indenture, at the option of the Company as a whole or in part on any date selected by the Company, at a redemption price equal to the principal amount to be redeemed plus interest accrued on such principal amount to the redemption date.

If an Event of Default (as defined in the Indenture) occurs, the Purchaser may cause the then unpaid principal amount of this Bond and all accrued interest to be immediately due and payable as provided in the Indenture. Neither the Issuer nor the Depositary has any right or responsibility to act on behalf of the Purchaser with respect to any Event of Default.

This Bond may be transferred in whole but not in part. SUBJECT TO THE LAST PARAGRAPH OF SECTION 404 OF THE INDENTURE AND NOTWITHSTANDING ANY PROVISION OF THIS BOND TO THE CONTRARY, NEITHER THIS BOND NOR ANY INTEREST IN THIS BOND MAY BE, DIRECTLY OR INDIRECTLY, OFFERED, SOLD, HYPOTHECATED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF (INDIVIDUALLY AND COLLECTIVELY, A "TRANSFER") EXCEPT IN COMPLIANCE WITH SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND APPLICABLE STATE SECURITIES LAWS AS ESTABLISHED TO THE SATISFACTION OF THE ISSUER, AND ANY SUCH PURPORTED TRANSFER OF THIS BOND WILL NOT BE EFFECTIVE UNLESS THE TRANSFEROR PROVIDES TO THE ISSUER, THE DEPOSITARY AND THE COMPANY (A) AN OPINION, IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, FROM LEGAL COUNSEL EXPERIENCED IN SECURITIES LAWS MATTERS, WHICH COUNSEL MUST BE SATISFACTORY TO THE ISSUER, TO THE EFFECT THE TRANSFER COMPLIES WITH THE ACT AND APPLICABLE STATE SECURITIES LAWS AND (B) WRITTEN REPRESENTATIONS FROM THE TRANSFEREE, IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, NECESSARY TO ESTABLISH SUCH COMPLIANCE.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture have happened, exist and have been performed as so required.

The validity, construction and performance of this Bond are governed by the law of New Mexico applicable to agreements made and to be performed in New Mexico.

CITY OF ROSWELL, NEW MEXICO

By: _____
Timothy Z. Jennings, Mayor

Attest:

By: _____
Amalia Martinez, City Clerk

(Seal)

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SCHEDULE OF ADVANCES AND PAYMENTS

<u>Date</u>	<u>Amount Of Advance</u>	<u>Amount of Principal Payment or Redemption</u>	<u>Resulting Principal Amount</u>	<u>Notation Made By</u>
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EXHIBIT B
REQUISITION AND CERTIFICATE NO.

To: GALLAGHER SOLAR HOLDINGS, LLC, as Purchaser
BOKF, NA, as Depositary

The undersigned, pursuant to the Indenture dated as of July __, 2026 (the "Indenture"), among the City of Roswell, New Mexico (the "Issuer"), GALLAGHER SOLAR HOLDINGS, LLC (the "Purchaser"), Gallagher Solar LLC (the "Company") and BOKF, NA (the Depositary), requests on behalf of the Company, the disbursement of \$ _____ from the Acquisition Fund (as defined in the Indenture) to pay the following costs and expenses (or to reimburse the Company for payment of such costs and expenses) related to the Project (as defined in the Indenture) or to the issuance of the Bonds (as defined in the Indenture):

<u>Amount</u>	<u>General Classification Of Expenditure</u>	<u>Payee</u>
\$		
Amount of this requisition:	\$ _____	

The undersigned certifies that:

- (1) obligations in the stated amounts were incurred for Related Costs (as defined in the Indenture) and are due and payable (or, if the Company is indicated as the Payee, were duly paid by the Company) and that each item is a proper charge against the Acquisition Fund and has not been the subject of a previous withdrawal from the Acquisition Fund; and
- (2) to the best knowledge of the undersigned there has not been filed with or served upon the Issuer or the Company notice of any lien, right or attachment upon, or claim affecting the right of any such payee to receive payment of, the respective amounts stated in such requisition which has not been released or will not be released simultaneously with the payment of such obligation; and
- (3) with respect to any item for payment for labor or to contractors, builders or materialmen, (i) the obligations stated have been properly incurred, (ii) such work was actually performed or such materials or supplies were actually furnished or installed in or about the Project, and (iii) either such materials or supplies are not subject to any lien or security interest or any such lien or security interest will be released or discharged upon payment of this requisition.

DATED: July __, 2026

GALLAGHER SOLAR LLC

By: _____
Name: _____
Title: _____
Authorized Company Representative

EXHIBIT C
COMPLETION CERTIFICATE

The undersigned Authorized Company Representative, pursuant to Section 706 of the Indenture, dated as of July __, 2026 (the "Indenture"), among the City of Roswell, New Mexico, Gallagher Solar Holdings, LLC, as Purchaser, Gallagher Solar LLC (the "Company") and BOKF, NA, as Depositary, states that, except for specified amounts remaining in the Acquisition Fund for any specified Related Costs as described in Appendix A hereto incurred by the Company, but not now due and payable, the Project is complete and all costs of labor, services, materials and supplies in connection with the Project Property have been paid for or provisions have been made for their payment. After the transfer of remaining moneys in the Acquisition Fund to the Company pursuant to Section 706 of the Indenture, the Company will have sole responsibility for the payment of any Related Cost in excess of the amount specified to be retained in the Acquisition Fund.

Moneys set aside for payment of pending expenses equal \$ _____
_____ and total disbursements equal \$ _____

DATED: July __, 2026

GALLAGHER SOLAR LLC

By: _____
Name: _____
Title: _____
Authorized Company Representative

EXHIBIT D
CERTIFICATE OF QUALIFIED INVESTOR

City of Roswell, New Mexico

BOKF, NA, as Depositary

Gallagher Solar LLC

Re: City of Roswell, New Mexico
Taxable Industrial Revenue Bonds
(Gallagher Solar LLC Project), Series 2026

Please be advised that the undersigned is purchasing the captioned Bonds (hereinafter referred to as the “Bonds”). Such purchase is for the account of the undersigned, for the purpose of investment and not with a present intent for distribution or resale. In the event that the undersigned transfers such Bonds, the undersigned shall comply with all provisions of the Indenture dated as of July __, 2026 (as amended from time to time, the “Indenture”), among the City of Roswell, New Mexico (the “Issuer”), GALLAGHER SOLAR HOLDINGS, LLC, as Purchaser, Gallagher Solar LLC (the “Company”) and BOKF, NA, as Depositary (the “Depositary”), as described in the Bonds. The undersigned assumes all responsibility for complying with any applicable federal and state securities laws in such regard and must present to the Depositary, the Issuer and the Company a Certificate of Qualified Investor executed by the proposed transferee, among other things as may be required by the agreements authorizing the Bonds, before such transfer will be effective.

The undersigned acknowledges that it is one of the following:

1. a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), or savings and loan association or other institution as defined in Section 3(a)(S)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); insurance company as defined in Section 2(13) of the Securities Act; insurance company as registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; plan established and maintained by a state, its political subdivision, or any agency or instrumentality of a state or its political subdivision, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

2. a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

3. an organization described in Section 501(c)(3) of the Internal Revenue Code with total assets in excess of \$5,000,000;

4. a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of this purchase exceeds \$1,000,000, excluding the value of the primary residence of such person;

5. a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with the person's spouse in excess of \$300,000 in each of those years and who reasonably expects reaching the same income level the current year; or

6. one or more of the following, as indicated, that it is acting for its own account or the accounts of other Qualified Institutional Buyers and that it in the aggregate owns and/or invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the Company:

(a) an insurance company, as defined in Section 2(13) of the Securities Act;

(b) an investment company registered under the Investment Company Act of 1940, as amended, or any business development company as defined in Section 2(a)(48) of that Act;

(c) a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(d) a plan established and maintained by a state, its political subdivision or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(e) an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(f) a trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in Paragraph (d) or (e) above, and not a trust fund that includes as participants individual retirement accounts or H.R. 10 plans;

(g) a business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (the "Investment Advisers Act");

(h) an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation (other than a bank as defined in Section 3(a)(2) of the Securities Act or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act or a foreign bank or savings and loan association or equivalent institution), partnership or similar business trust; or

(i) an investment adviser registered under the Investment Advisers Act;

7. a dealer registered pursuant to Section 15 of the Exchange Act, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer; or

8. a dealer registered pursuant to Section 15 of the Exchange Act acting in a riskless principal transaction on behalf of a qualified institutional buyer; or

9. an investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment

companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. "Family of investment companies" means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that, for purposes of this section:

(a) each series of a series company (as defined in Rule 18f-2 under the Investment Company Act) shall be deemed to be a separate investment company; and

(b) investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor);

10. an entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers; or

11. a bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale in the case of a U.S. bank or savings and loan association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution; or

12. any entity that is acquiring the Bond for the purpose of facilitating investment therein by "qualified institutional buyers" as defined under Rule 144A promulgated under the Securities Act; or

13. Gallagher Solar LLC, the parent or subsidiary thereof, or any affiliated entity.

The undersigned further acknowledges that (i) interest on the Bonds is not exempt from gross income for federal income tax purposes, and (ii) an opportunity was available to obtain and that the undersigned has obtained all materials which were regarded as necessary to evaluate the merits and risks of investment in the Bonds and after such evaluation, the undersigned understands and knows that investment in the Bonds involves certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds and the probable lack of any secondary market for the Bonds.

The undersigned acknowledges, warrants and represents that the undersigned is experienced in transactions such as those relating to the Bonds and that the undersigned is knowledgeable and fully capable of independently evaluating the risks involved in investing in the Bonds. The undersigned further acknowledges that neither the Issuer nor any of its officials, counsel, agents or consultants is responsible for any information contained in or omitted from the materials furnished, whether directly or by any other means, relating to the Bonds and acknowledges that the undersigned will not look and has not looked to any of them to obtain such information on its behalf.

GALLAGHER SOLAR HOLDINGS, LLC,
as Purchaser

By Gallagher Solar LLC, its sole member

By: _____

Name: _____

Its: _____

Address for Notices and
Payment of principal and interest:

c/o Gallagher Solar LLC
[Address]

GALLAGHER SOLAR HOLDINGS, LLC,
CITY OF ROSWELL, NEW MEXICO
and
GALLAGHER SOLAR LLC

BOND PURCHASE AGREEMENT

Dated July __, 2026

Up to \$4,800,000
City of Roswell, New Mexico
Taxable Industrial Revenue Bonds
(Gallagher Solar LLC Project)
Series 2026

BOND PURCHASE AGREEMENT

GALLAGHER SOLAR HOLDINGS, LLC (the “Purchaser”), **CITY OF ROSWELL, NEW MEXICO** (the “Issuer”), and **GALLAGHER SOLAR LLC** (the “Company”), agree:

Section 1. Recitals. The Issuer, the Purchaser, the Company and BOKF, NA, as depository (the “Depository”) have entered into an Indenture dated as of July __, 2026 (the “Indenture”). Pursuant to the Indenture, the Issuer will issue its Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project), Series 2026, in the maximum principal amount of \$4,800,000 (the “Bonds”). Capitalized terms used in this Bond Purchase Agreement (this “Agreement”) but not defined herein shall have the meanings assigned to such terms in the Indenture.

Section 2. Purchase and Delivery. On the basis of the representations and covenants contained in this Agreement and subject to the terms and conditions contained in this Agreement, the Purchaser will purchase the Bonds from the Issuer and the Issuer will sell the Bonds to the Purchaser. As consideration for the sale of the Bonds, the Purchaser will make advances on the Bonds at the times and under the conditions specified in Section 702 of the Indenture. The Issuer will deliver the Bonds to the Purchaser as provided in Section 403 of the Indenture, or at such other time as is mutually agreeable to the Purchaser and the Issuer (the “Closing Date”).

Section 3. Issuer Representations. The Issuer represents that, as of the date of this Agreement:

(a) Each of the representations of the Issuer in the Lease Agreement, dated as of July __, 2026 (the “Lease” and, together with the Indenture and this Agreement, the “Bond Documents”), between the Issuer and the Company, and the Indenture is true and correct as if made on and as of the date of this Agreement.

(b) Pursuant to Ordinance No. _____ duly adopted by the City Council of the City of Roswell on May 14, 2026 (the “Bond Ordinance”), the Issuer duly authorized and approved (i) the execution and delivery by the Issuer of the Bond Documents and the performance by the Issuer of its obligations under the Bond Documents, and (ii) the issuance, execution and delivery of the Bonds. The Bond Ordinance has not been amended, modified or repealed.

Section 4. Company Representations. The Company represents that as of the date hereof:

(a) Each of the representations of the Company in the Lease is true and correct as if made on and as of the date of this Agreement.

(b) This Agreement, the Indenture and the Lease constitute legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and general principles of equity.

(c) The Company is a Delaware limited liability company, duly organized, validly existing and in good standing under the law of the State of Delaware and is a duly registered foreign limited liability company authorized to do business in the State of New Mexico and has full legal capacity, right, power and authority to own the Company’s properties and conduct the Company’s business. The Company has full legal capacity, right, power and authority to execute and deliver this Agreement, the Indenture and the Lease, to provide for the operation and management of the Project Property, and to take any and all

such action as may be required on its part to carry out, give effect to and consummate the transactions contemplated by this Agreement, the Indenture and the Lease.

(d) Neither the execution and delivery of this Agreement, the Indenture and the Lease, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, will conflict with, or constitute on the part of the Company a violation of, or a breach of or default under any material indenture, mortgage, commitment, note or other agreement or instrument to which the Company is a party or by which the Company is bound, or any material order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities (except as required under state securities laws) which are required for the Company's execution and delivery of, consummation of the transactions contemplated by, and compliance with the provisions of this Agreement, the Indenture and the Lease have been obtained.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of the knowledge of the Company, threatened, against or affecting the Company, or the actions taken or contemplated to be taken by the Company, nor, to the best of the knowledge of the Company, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the business or financial condition of the Company, or the transactions contemplated by, or the validity or enforceability of, this Agreement, the Indenture or the Lease.

(f) No event has occurred and no condition exists which, upon issuance of the Bonds, would constitute (or with the giving of notice or lapse of time, or both, would constitute) an Event of Default under the Lease.

(g) The Company is not in violation of any provisions of, or in default under any statute, indenture, mortgage, commitment, note or other agreement or instrument to which it is a party or by which it is bound, or any order, rule, regulation or decision of any court or governmental agency or body having jurisdiction over it or any of its activities or properties, which violation would materially and adversely affect its business or financial condition.

Section 5. Purchaser Representations. The Purchaser represents and acknowledges that, as of the date of this Agreement:

(a) The Purchaser is purchasing the Bonds for its own account for investment and with no present intention of distributing or reselling the Bonds or any interest in the Bonds but without prejudice, however, to its right at all times to sell or otherwise dispose of all but not part of the Bond in compliance with the Securities Act of 1933, as amended, the regulations promulgated thereunder, applicable state securities laws and regulations and the terms of the Bonds, upon receipt of appropriate investor representations, an opinion of counsel experienced in securities law matters and satisfactory to the Issuer and in accordance with the applicable terms of the Indenture.

(b) The Purchaser understands that the Bonds are a special limited, and not general, obligation of the Issuer, are payable solely from the Basic Rent received under the Lease and from the security therefor as described in the Indenture but from no other sources. The Purchaser understands that the Bonds are not secured by any obligation or pledge of any monies received or to be received from taxation or from the State or any political subdivision, taxing district, or municipality thereof (including, without limitation, the Issuer), and that the Bonds will never represent or constitute a general obligation, debt or bonded indebtedness of the Issuer, the State, any political subdivision or municipality thereof, and that no right will exist to have taxes levied by the Issuer, the State, any political subdivision or municipality

thereof, for the payment of principal of, premium, if any, and interest on the Bonds. The Purchaser understands that payment of the Bonds depends upon the general credit of the Company, and upon the security granted in the Indenture for the Company's obligations under the Lease.

(c) The Purchaser is an affiliate of the Company and has been afforded the opportunity to discuss the business, assets and financial position of the Company with the officers, employees and auditors of the Company; and has received such information concerning the Company and its business, assets and financial position, and the Project (as defined in the Lease) as it deems necessary in making its decision to purchase the Bonds.

(d) The Purchaser is duly and legally authorized to purchase the Bonds, has such knowledge and experience in financial and business matters (including the ownership of municipal conduit obligations) as are required for, and is capable of, evaluating the merits and risks of its purchase of the Bonds, is aware of the intended use of proceeds of the Bonds, and understands that interest on the Bonds is not excludable from gross income for federal income tax purposes.

(e) The Purchaser understands that neither the Issuer nor any of its officials, counsel, consultants or agents has undertaken to furnish any information with respect to the Company or to ascertain the accuracy of any information furnished to the Purchaser with respect to the Company, and the Purchaser has not requested or received any representations from the Issuer with respect to any such information, its accuracy or completeness. The Purchaser waives any requirement of due diligence in investigation or inquiry on the part of the Issuer, its officials, counsel, agents and consultants and all claims, actions or causes of action which the Purchaser may have from and after the date hereof against the Issuer, its officials, counsel, agents and consultants growing out of any such action which any of the foregoing took, or could have taken, in connection with the authorization, execution, delivery, and sale of the Bonds to the Purchaser or in connection with any statement or representation by the Company which induced the Purchaser to purchase the Bonds.

(f) The Purchaser has received and reviewed copies of the Bond Documents and the Bond Ordinance.

(g) This Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general principles of equity.

(h) The Purchaser has been informed by the Company and agrees that the Indenture has not been qualified under the Trust Indenture Act of 1939, and that the Bonds (i) are not being registered or otherwise qualified for sale under (a) the Securities Act of 1933, as amended, or (b) the "Blue Sky" laws and regulations of any state, (ii) will not be listed on any stock or other securities exchange, (iii) will not carry a rating from any rating service and (iv) will not be readily marketable. The Purchaser has been informed by the Company and agrees that a legend will be placed on the Bonds certificate or any other documents evidencing ownership of the Bonds to the effect that it has not been registered under the Securities Act of 1933, as amended, or the applicable state "Blue Sky" laws and that it may only be transferred in compliance with the Indenture and applicable securities laws.

(i) The execution, delivery and performance of this Agreement by the Purchaser will not constitute a default under any other agreement by which the Purchaser is bound.

(j) The Purchaser acknowledges that its purchase of the Bonds constitutes a transaction in a bond secured by the Indenture which is, among other things, a personal property security agreement, pursuant to which the Bonds are offered and sold as a unit.

Section 6. Indemnification.

(a) The Company and the Purchaser will, jointly and severally, indemnify, defend and hold harmless the Depositary, as defined in the Indenture, each agent and employee of the Depositary, the Issuer, each City Council member, official, agent or employee of the Issuer and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Issuer (each an “Indemnified Party” and, collectively, the “Indemnified Parties”) from and against any and all losses, claims, damages, liabilities, joint or several, or expenses related thereto arising out of or in connection with or caused by any offering, sale or resale of the Bonds in violation of any federal or state securities laws or by an untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact made to any person or caused by an omission or alleged omission of any material fact in connection with the Bonds or the sale, resale or delivery thereof.

(b) In case a claim is made or any action is brought against one or more of the Indemnified Parties based upon the matters described in the preceding paragraph and in respect of which indemnity is sought against the Company or the Purchaser pursuant to the preceding paragraph, the Indemnified Party or Parties seeking indemnity shall promptly notify the Company and the Purchaser, in writing, and the Company and the Purchaser shall promptly assume or cause the assumption of the defense thereof, including the employment of counsel chosen by the Company and the Purchaser and approved in writing by the Issuer (provided, that such approval by the Issuer shall not be unreasonably withheld), the payment of all expenses (including reasonable counsel fees and expenses) and the right to negotiate and consent to settlement. If the Company and the Purchaser fail to assume or cause the assumption of the defense of such action or to retain counsel reasonably satisfactory to the Issuer within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Party shall be paid by the Company or the Purchaser. If any Indemnified Party is advised in a written opinion of counsel that the defenses of such Indemnified Party should be handled by separate counsel, the Company and the Purchaser shall not have the right to assume or cause the assumption of the defense of such Indemnified Party, but the Company and the Purchaser shall be responsible for the fees and expenses of such separate counsel (the “Separate Counsel”) retained by such Indemnified Party. Notwithstanding, and in addition to, any of the foregoing, any one or more of the Indemnified Parties shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party or Indemnified Parties unless the employment of such counsel has been specifically authorized in writing by the Company and the Purchaser. Neither the Company nor the Purchaser shall be liable for any settlement of any such action effected without the written consent of the Company or the Purchaser, but if settled with the written consent of the Company and the Purchaser or if there is a final judgment for the plaintiff in any such action with or without consent, the Company and the Purchaser will indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in this Section 6 is for any reason held to be unavailable to the Indemnified Parties in accordance with its terms, the Purchaser and the Company shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by this Section 6 incurred by the Indemnified Parties in such proportions as determined by a court having jurisdiction of the matter.

(d) The covenants and agreements of the Purchaser and the Company under this Section 6 are joint and several.

Section 7. Conditions. The obligation of the Purchaser to purchase the Bonds and the obligation of the Issuer to sell the Bonds are subject to satisfaction of the following conditions precedent:

(a) The representations of the Issuer, the Purchaser and the Company in this Agreement will be true and correct on and as of the date the Bonds are issued ("Closing Date") as if made on and as of the Closing Date.

(b) As of the Closing Date, no Default (as defined in the Indenture) or Event of Default (as defined in the Lease) will have occurred and be continuing, and no event will have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute a Default or Event of Default.

(c) On or before the Closing Date, all actions required to be taken as of the Closing Date in connection with the Bonds, the Bond Ordinance and the Bond Documents by the Issuer, the Purchaser and the Company will have been taken, and the Issuer, the Purchaser and the Company will each have performed and complied with all agreements, covenants and conditions required to be performed or complied with by the Bond Ordinance and the Bond Documents.

(d) The Indenture will have been duly executed and delivered by the Issuer, the Company, the Purchaser and the Depository. The Lease will have been duly executed by the Issuer and the Company. Each of the Bond Documents, the Bond Ordinance and all other official action of the Issuer relating to the Bonds, the Project (as defined in the Lease) and the Bond Documents will be in full force and effect on the Closing Date and will not have been amended, modified or supplemented on or before the Closing Date.

(e) The Issuer, the Company and the Purchaser will have received the following, each dated the Closing Date:

(i) the approving opinion of Sutin Thayer & Browne, A Professional Corporation, Bond Counsel, substantially in the form of Exhibit A;

(ii) the opinion of counsel to the Company, substantially in the form of Exhibit B;

(iii) the opinion of the Attorney for the Issuer, substantially in the form set forth in Exhibit C;

(iv) the opinion of counsel to the Purchaser, substantially in the form set forth in Exhibit D;

(v) a certificate of and with reference to the Issuer and signed by a duly authorized officer of the Issuer to the effect set forth in subsections (a) and (c) of this Section 7 with respect to the Issuer;

(vi) a certificate of and with reference to the Company signed by a duly authorized officer of the Company to the effect set forth in subsections (a), (b) and (c) of this Section 7;

(vii) a certificate of and with reference to the Purchaser signed by a duly authorized officer of the Purchaser to the effect set forth in (a) and (c) of this Section 7;

(viii) a certificate of the Depositary signed by a duly authorized officer of the Depositary to the effect that (a) he or she is an authorized officer of the Depositary; (b) the Indenture has been duly executed and delivered by the Depositary; (c) the Depositary has all necessary corporate powers required to execute, deliver and perform its obligations under the Indenture; and (d) to the best of his or her knowledge, the execution and delivery by the Depositary of the Indenture and the performance by the Depositary of its obligations under the Indenture will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Depositary is subject or by which the Depositary is bound;

(ix) such additional legal options, certificates, proceedings, instruments and other documents as any such party or Bond Counsel may reasonably request; and

(x) an investment intent letter from the Purchaser in the form of the Certificate of Qualified Investor attached to the Indenture.

If any conditions to the obligations of the Purchaser or the Issuer under this Agreement are not satisfied and if the satisfaction of such conditions is not waived by the Purchaser and the Issuer, then, at the option of the Purchaser or the Issuer, respectively in accordance with their interests (x) the Closing Date will be postponed for such period, not to exceed five business days, as may be necessary for such conditions to be satisfied or (y) the obligations of the Purchaser and the Issuer under this Agreement will terminate, and neither the Purchaser nor the Issuer will have any further obligations or liabilities under this Agreement.

Section 8. Survival. All agreements, covenants and representations and all other statements of the Issuer and the Company and their respective officers set forth in or made pursuant to this Agreement will survive the Closing Date and the delivery of and payment for the Bonds.

Section 9. Notices. Any notice, demand, direction, request, consent, approval, report or other instrument authorized or required by any of the Bond Documents to be executed, given or filed will be in writing and will be deemed to have been sufficiently given or filed for all purposes of the Bond Documents when delivered by hand delivery or on the third Business Day following the day on which the same has been mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Issuer: City of Roswell, New Mexico
425 N. Richardson Ave.
Roswell, New Mexico 88201

If to the Purchaser: Gallagher Solar Holdings, LLC
c/o Gallagher Solar LLC
[Address]

If to the Company: Gallagher Solar LLC
[Address]

Any Party may, by notice to each of the other Parties, designate any further or different addresses to which subsequent notices, certificates or other communications are to be sent. Receipt by the Issuer and the Company of a Certificate of Qualified Investor in the form attached to the Indenture as Exhibit E, from

a transferee of the Bonds will constitute notice by the transferee of such a different address for the Purchaser.

Section 10. Remedies. No right or remedy conferred on any party in this Agreement is intended to be exclusive of any other right or remedy. No delay or omission of any party to exercise any such right or remedy may be exercised from time to time and as often as the relevant party may deem expedient. No waiver by any party of any right or remedy with respect to any Default or Event of Default will extend to or affect any other existing or subsequent Default or Event of Default.

Section 11. Severability. In case any one or more of the provisions of this Agreement or of the Bonds are for any reason held to be illegal or invalid, such illegality or invalidity will not affect any other provision of any of this Agreement or of the Bonds, but this Agreement and the Bonds will be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Issuer contained in this Agreement or the Bonds are for any reason held to be in violation of law, then such covenant, stipulation, obligation or agreement will be deemed to be the covenant, stipulation, obligation or agreement of the Issuer to the full extent permitted by law.

Section 12. Obligations of Issuer Not Obligations of Officials Individually. No obligation under any of the Bond Documents or the Bonds will be deemed to be an obligation of any present or future officer (including, without limitation, City Councilors) or employee of the Issuer in his or her individual capacity, and no officer of the Issuer who executes the Bond will be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 13. Limitation of Issuer's Liability. No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with any property of the Company financed, directly or indirectly, out of the Bond proceeds or the issuance, sale and delivery of the Bonds will give rise to any pecuniary liability of the Issuer, its officials, employees, agents or members of its governing body or constitute a charge against the Issuer's general credit, or will obligate the Issuer financially in any way, except with respect to the Basic Rent available under the Lease and the Indenture provided by the Company and pledged to the payment of the Bonds, and their application as provided under the Indenture. No failure of the Issuer to comply with any terms, covenants or agreements in this Agreement or in any document executed by the Issuer in connection with the Bonds will subject the Issuer, its officials, employees, agents and members of its governing body to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available under the Lease or the Indenture provided by the Company and pledged to the payment of the Bonds. None of the provisions of the Bond Documents will require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under the Bond Documents. Nothing in this Agreement will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement in any of the Bond Documents; provided, that no costs, expenses or other monetary relief will be recoverable from the Issuer except as may be payable from the funds available under the Lease or the Indenture provided by the Company and pledged to the payment of the Bonds.

Section 14. Title, Headings. The title and headings of the articles and sections of this Purchase Agreement have been used for convenience only and do not modify or restrict any of the terms or provisions hereof.

Section 15. Execution in Counterparts. This Agreement may be executed in counterparts, all of which taken together will constitute one instrument.

Section 16. Applicable Law. The validity, construction and effect of this Agreement will be governed by the law of the State of New Mexico and the proper venue shall be Chaves County.

Section 17. Expenses. All costs and expenses relating to the preparation, issuance, delivery and sale of the Bonds and the preparation, execution and delivery of the Bond Ordinance, the Bond Documents and all other agreements, documents and instruments related to the transactions contemplated by the Bond Documents, including the fees and expenses of Issuer's outside review counsel and the City Attorney, are to be paid by the Company.

Section 18. Performance of the Parties. The respective obligations of the parties hereunder are subject to the performance by each other party hereto of its own obligations hereunder.

[Remainder of this page intentionally left blank]

DATED: _____, 2026

GALLAGHER SOLAR HOLDINGS, LLC
as Purchaser

By Gallagher Solar LLC, its sole member

By: _____

Name: _____

Its: _____

GALLAGHER SOLAR LLC,
as Company

By: _____

Name: _____

Its: _____

(Signature Page for Bond Purchase Agreement)

(SEAL)

CITY OF ROSWELL, NEW MEXICO

Attest:

By: _____
Amalia Martinez, City Clerk

By: _____
Timothy Z. Jennings, Mayor

(Signature Page for Bond Purchase Agreement)

Exhibit A

[Opinion of Bond Counsel]

_____, 2026

City of Roswell, New Mexico
Chaves County, New Mexico

Gallagher Solar Holdings, LLC
[City, State]

Gallagher Solar LLC
[City, State]

BOKF, NA
Albuquerque, New Mexico

\$4,800,000
City of Roswell, New Mexico
Taxable Industrial Revenue Bonds
(Gallagher Solar LLC Project)
Series 2026

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance and sale by the City of Roswell, New Mexico (the “Issuer”) of its Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project) Series 2026 in the maximum principal amount of \$4,800,000 (the “Bonds”).

The Bonds will bear interest on the outstanding principal amount at a per annum rate equal to four and seven-tenths percent (4.7%). Interest on the Bonds is payable each _____ 1 beginning _____ 1, 2027, with the outstanding principal amount of the Bonds plus all interest thereon due and payable in full at their final maturity.

The Bonds are subject to redemption prior to maturity as described in the Indenture dated as of July __, 2026 (the “Indenture”) among the Issuer and Gallagher Solar Holdings, LLC (the “Purchaser”), Gallagher Solar LLC (the “Company”) and BOKF, NA (the “Depositary”).

The principal of, interest on and redemption price of the Bonds are not general obligations of the Issuer but special obligations payable solely from the revenues pledged under the Indenture. Neither the faith and credit nor the taxing power of the State of New Mexico or of any of its political subdivisions or municipalities, including the Issuer, is pledged to the payment of the principal of, interest on or redemption price of the Bonds. The principal of, interest on and redemption price of the Bonds will never constitute a debt or indebtedness of the Issuer within the meaning of any provision or limitation of the constitution or laws of the State of New Mexico. The Bonds will never constitute nor give rise to a pecuniary liability of the State of New Mexico, any of its political subdivisions or of the Issuer or a charge against their general credit or taxing powers.

In connection with the issuance of the Bonds, we have examined (a) a certified copy of an ordinance passed by the Roswell City Council on May 14, 2026, authorizing the issuance of the Bonds, pursuant to and under the provisions of Sections 3-32-1 through 3-32-16, New Mexico Statutes Annotated, 1978 Compilation, as amended (the “Act”); (b) the executed Bonds; (c) executed counterparts of the Indenture, the Lease Agreement dated as of July __, 2026 (the “Agreement”) between the Issuer and the Company

and the Bond Purchase Agreement dated July __, 2026 (the “Bond Purchase Agreement” and, together with the Indenture and the Agreement, the “Bond Documents”) among the Purchaser, the Issuer and the Company; and (d) such other opinions, documents, certificates and letters as we deemed relevant in rendering this opinion.

Based on such examination, in our opinion:

1. The Issuer is a political subdivision of the State of New Mexico and has the power and authority, under the constitution and laws of the State of New Mexico, including the Act, to execute and deliver the Bond Documents, and to authorize, execute, issue and deliver the Bonds.

2. The terms and provisions of the Bonds and the Bond Documents comply in all respects with the requirements of the Act.

3. The Bonds have been validly authorized, executed and issued in accordance with the law of New Mexico and represent the valid and binding special obligation of the Issuer.

4. The Bond Documents have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties to the Bond Documents, constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and general principles of equity.

5. Neither the offer nor sale of the Bonds to the Purchaser pursuant to the Bond Documents is required to be registered under any federal or New Mexico securities law. The Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

6. The issuance and sale of the Bonds to the Purchaser is not subject to Rule 15c2-12 of the Securities and Exchange Commission.

Our opinion in paragraph 4 above, insofar as it relates to the enforceability of the Indenture, is subject to the following qualifications:

- (i) New Mexico law may require that notice of acceleration be given to the Company before foreclosure of the Indenture. Comer v. Hargrave, 93 N.M. 170, 598 P.2d 213 (1979).
- (ii) We express no opinion as to title to or the priority of any lien on or security interest in any real or personal property.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. This letter is issued for the sole benefit of the above addressees and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressees may rely upon this letter without our prior written consent. This letter may not be utilized by you for any other purpose and may not be quoted by you without our express prior written consent, except that this opinion may be included in the transcript of official record of proceedings relating to the issuance and sale of the Bond. Our engagement as Bond Counsel with respect to the issuance and sale of the Bonds terminates upon the date of this letter. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current law, by legislative or regulatory action, by judicial decision or for any other reason.

Very truly yours,

Exhibit B

[Opinion of Counsel to the Company]

_____, 2026

City of Roswell, New Mexico
Chaves County, New Mexico

Gallagher Solar Holdings, LLC
[City, State]

Gallagher Solar LLC
[City, State]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

I am general counsel to Gallagher Solar LLC (the “Company”) and have been requested to render my opinion in connection with the transactions contemplated by (i) the Lease Agreement dated as of July __, 2026 (the “Agreement”) between the City of Roswell, New Mexico (the “Issuer”) and the Company, (ii) the Bond Purchase Agreement (the “Bond Purchase Agreement”) dated July __, 2026 among Gallagher Solar Holdings, LLC (the Purchaser”), the Issuer and the Company, pursuant to which the Purchaser has agreed to purchase the Issuer’s Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project) Series 2026 in the maximum principal amount of \$4,800,000 to be issued under the Indenture dated as of July __, 2026 (the “Indenture”) among the Issuer, the Purchaser, the Company and the Depositary, and (iii) the Indenture. I have reviewed executed copies of the Bond Documents (as defined below), and certificates of officers of the Company and public officials and have made such other investigations of law and fact as I have deemed necessary. The Agreement, the Indenture and the Bond Purchase Agreement are referred to herein as the Bond Documents.

Based upon the foregoing, in my opinion:

1. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware, is duly registered as a foreign limited liability company under the laws of New Mexico and has duly authorized the execution, delivery and performance of the Agreement, the Indenture and the Bond Purchase Agreement.
2. The execution, delivery and performance by the Company of the Agreement, the Indenture and the Bond Purchase Agreement will not conflict with, contravene, violate or constitute a breach of or default under the articles of organization or operating agreement of the Company or any law, rule, regulation, ordinance, or, to my knowledge, based on a certificate of an officer of the Company, any order, consent, decree, agreement or instrument to which the Company is a party or by which it or its properties, including the Project Property as defined in the Lease, is bound.
3. All necessary authorizations, approvals, consents and other orders of any governmental authority or agency for the execution and delivery by the Company of the Agreement, the Indenture and the Bond Purchase Agreement have been obtained and are in full force and effect.
4. There is no action, suit, proceeding, inquiry or investigation by or before any court, public board or body pending or, to my knowledge, threatened against the Company, which (i)

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seeks to or does restrain or enjoin the issuance or delivery of the Bond or the execution and delivery of any of the Bond Documents, (ii) in any manner questions the validity or enforceability of the Bonds or any of the Bond Documents, or (iii) questions the authority of the Company to lease or operate any of the Project Property, as defined in the Lease.

5. The Purchaser has full power, authority and legal right to enter the Bond Documents, and has duly authorized, executed and delivered the Bond Documents.

Very truly yours,

Exhibit C

[Opinion of Counsel to Issuer]

_____, 2026

City of Roswell, New Mexico
Chaves County, New Mexico

Gallagher Solar Investments, LLC
[City, State]

Gallagher Solar LLC
[City, State]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

This opinion is being rendered to you in connection with the issuance by the City of Roswell, New Mexico (the “Issuer”) of its Taxable Industrial Revenue Bond (Gallagher Solar LLC Project) Series 2026 in the maximum principal amount of \$4,800,000 (the “Bonds”).

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in Ordinance No. _____ adopted by the Roswell City Council on May 14, 2026 (the “Bond Ordinance”), authorizing the issuance of the Bonds, and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Capitalized terms not defined herein have the meanings given them in the Bond Ordinance.

In connection with the issuance of this opinion, we have assumed the authenticity and genuineness of all signatures on original documents and the conformity of all copies to the original documents.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a duly organized and validly existing political subdivision of the State of New Mexico under the Constitution and laws of the State of New Mexico.
2. The Bond Ordinance was duly adopted by the Roswell City Council on May 14 , 2026 in accordance with all applicable laws and has not been repealed or rescinded.
3. To our knowledge and without opining as to the legality, validity or enforceability of the Bond, the Indenture, the Lease Agreement and the Bond Purchase Agreement (all as defined in the Bond Ordinance), the adoption of the Bond Ordinance by the City Council of the Issuer will not violate any provision of the laws of the State of New Mexico.
4. To our knowledge, no litigation is now pending or threatened against the Issuer which seeks to or does restrain or enjoin the issuance or delivery of the Bonds, or in any manner questions the authority or proceedings for the issuance of the Bonds.

The foregoing opinions are limited to matters involving the law of the State of New Mexico and the Issuer, and we do not express any opinion as to the laws of any other jurisdiction.

The opinions expressed herein represent our legal judgment and are not a guarantee of result.

This opinion covers only matters expressly addressed herein. No conclusions or statements other than these expressly stated herein are intended and may not be inferred.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

Exhibit D

[Opinion of Counsel to the Purchaser]

_____, 2026

City of Roswell, New Mexico
Chaves County, New Mexico

Gallagher Solar Holdings, LLC
[City, State]

Gallagher Solar LLC
[City, State]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

I am general counsel to Gallagher Solar Holdings, LLC (the “Purchaser”) and have been requested to render my opinion in connection with the transactions contemplated by (i) the Indenture dated as of July __, 2026 (the “Indenture”) among BOKF, NA as depositary (the “Depositary”), the City of Roswell, New Mexico (the “Issuer”), Gallagher Solar LLC (the “Company”) and the Purchaser, and (ii) the Bond Purchase Agreement (the “Bond Purchase Agreement”) dated July __, 2026 among the Purchaser, the Issuer and the Company, pursuant to which the Purchaser has agreed to purchase the Issuer’s Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project) Series 2026 in the maximum principal amount of \$4,800,000 to be issued under the Indenture. In connection with this transaction, I have examined executed copies of the Bond Documents, certificates of officers of the Purchaser and certificates of public officials and have made such other investigations of law and fact as I have deemed necessary. The Indenture and the Bond Purchase Agreement are referred to herein as the Bond Documents.

Based upon the foregoing, in my opinion:

1. The Purchaser is a limited liability company duly organized and validly existing and in good standing under the laws of Delaware.
2. The execution, delivery and performance by the Purchaser of the Indenture and the Bond Purchase Agreement will not conflict with, contravene, violate or constitute a breach of or default under the articles of organization or the operating agreement of the Purchaser or any law, rule, regulation, ordinance, or, to my knowledge, based on a certificate of an officer of the Purchaser, any order, consent, decree, agreement or instrument to which the Purchaser is a party or by which it or its property is bound.
3. All necessary authorizations, approvals, consents and other orders of any governmental authority or agency for the execution and delivery by the Purchaser of the Indenture and the Bond Purchase Agreement have been obtained and are in full force and effect.
4. There is no action, suit, proceeding, inquiry or investigation by or before any court, public board or body pending or, to my knowledge, threatened against the Purchaser, which (i) seeks to or does restrain or enjoin the issuance or delivery of the Bonds or the execution and delivery of any of the Bond Documents, or (ii) in any manner questions the validity or enforceability of the Bonds or any of the Bond Documents.

5. The Purchaser has full power, authority and legal right to enter the Bond Documents, and has duly authorized, executed and delivered the Bond Documents.

This opinion has been delivered at your request for the purposes in connection with the Bond Documents. Without my prior written consent, this opinion is not to be utilized or quoted for any other purpose and no one other than you is entitled to rely thereon.

Very truly yours,

SUBLEASE AGREEMENT

This Sublease Agreement (this “Agreement”) is entered into as of July __, 2026 by and between Gallagher Solar LLC, a Delaware limited liability company (“Company” or “Lessor”), and the City of Roswell, New Mexico, a municipal corporation existing under the law of the State of New Mexico (“Issuer”, “City” or “Lessee”). Capitalized terms used in this Agreement, but not defined herein, shall have the meanings assigned to such terms in the Bond Lease (defined in Section 3 below).

RECITALS

WHEREAS, the Company wishes to construct a certain project located within the corporate boundaries of the City, for the generation of electricity (the “Project”) consisting of leased land, easements and other property rights on real property leased by the Company and located within the City (the “Project Site”), and all necessary facilities and equipment, including supporting structures and related improvements (the “Improvements” and together with the Project Site, the “Project Property”), and the Company has requested the Issuer to issue a series of its industrial revenue bonds in connection with the Project; and

WHEREAS, Company is the lessee under ground leases in connection with the Project which is referred herein to as the “Project Site Lease” and identified in Exhibit A attached hereto; and

WHEREAS, the Issuer adopted Ordinance No. _____ on May 14, 2026, which authorizes the issuance of up to \$4,800,000 City of Roswell, New Mexico Taxable Industrial Revenue Bonds (Gallagher Solar LLC Project), Series 2026 (the “Bonds”); and

WHEREAS, in order to facilitate the transaction for issuance of the Bonds, which contemplates a lease by the Issuer to the Company of the property covered by the Project Site Lease, the Company and Issuer propose to enter into this Agreement; and

WHEREAS, the Issuer is willing to enter into this Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Sublease and Transfer. Company does hereby sublease and convey to Issuer, and Issuer hereby accepts, all of the Company’s rights and none of its obligations under the Project Site Leases, upon the terms and conditions provided herein. No rent payments will be payable by Issuer to Company or to any other party.

2. Term. This Agreement will terminate when the Bond Lease Terminates.

3. Limitation of Issuer Liability. The parties to this Agreement acknowledge that the Company retains all of its obligations under the Project Site Lease, any easement, right-of-way, or other fractional property interests related to the Project Property and subleased hereby or to be

subleased, and the Company agrees to perform and discharge timely and in full all of its duties, obligations and liabilities under the Project Site Lease during the term of this Agreement. The Company and Issuer agree that the provisions of the lease agreement under which the Issuer leases and subleases the Project Property to the Company (the "Bond Lease") with respect to limitations of the Issuer's liability are deemed to apply with respect to this Agreement and the transaction contemplated hereby. The Company hereby agrees to defend, indemnify and hold harmless the Issuer, members of the Roswell City Council (the "Governing Body"), and officials, employees and agents of the Issuer, against any claims, costs, liabilities and expenses, including reasonable attorney's fees and court costs, arising out of or related to this Agreement, the Project Site Leases, the Project Site, including, but not limited to suits, legal or administrative proceedings, liabilities, damages, claims, costs and expenses resulting from or in any way connected with the presence, release or disposal in or under the Project Site of, any hazardous substances (as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended), hazardous wastes (as defined in Resource Conservation and Recovery Act of 1976, as amended) or other materials or substances within the meaning of any applicable law, statute, ordinance, regulation, order or rule relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or materials brought on the Project Site by the Company or any equipment or improvements located on or used in connection with the Project Site by the Company. The insurance maintained by Company pursuant to the Bond Lease shall be available if necessary for purposes of indemnification of the Issuer under this Agreement, but the amount of such insurance does not limit any liability of the Company hereunder.

4. Bond Lease. Immediately upon effectiveness of this Agreement, the Company and Issuer will enter into the Bond Lease, pursuant to which Issuer will sublease the property subject to the Project Site Lease and lease the Project Property to the Company, and the terms and conditions of the Bond Lease will govern such arrangement. The parties intend that this Agreement will remain in effect following execution of the Bond Lease and that neither will be merged into the other. Notwithstanding any claim or provision in the Project Site Lease, the Company's environmental indemnity contained in Section 4.6 of the Bond Lease should extend to the Issuer for its protection in connection with its interest in this Agreement.

5. Relationship. Nothing in this Agreement shall be construed as creating a partnership or joint venture between Issuer and Company. Nothing in this Agreement shall be construed to create privity of estate or privity of contract between the Issuer and any lessor under the Project Site Lease.

6. Representations and Warranties of Company. The Company represents and warrants to the Issuer that Company is the tenant under the Project Site Lease and has the capacity to enter into this Agreement with Issuer. The sublease effected under this Agreement is either permitted under the Project Site Lease without the consent of the landlord or, if landlord consent is required under the Project Site Lease, the Company has obtained all consent(s) of the applicable landlords to such subleasing of the Project Site to the Issuer.

7. Obligations of Issuer. Notwithstanding anything to the contrary in this Agreement, the Company acknowledges and agrees that the Issuer shall have no obligation

whatsoever under the Project Site Lease, including any obligation to comply with or perform, or to cause the compliance with or performance of, any of the terms and conditions required to be performed by the Company or other lessee under the Project Site Lease. The Company hereby acknowledges and agrees that the Company is solely responsible for the performance of the obligations of the lessee under the Project Site Lease.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives and such successors and assigns as permitted under this Agreement.

9. This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission, by electronic mail in “pdf” form or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall have the same effect as physical delivery of the paper document bearing the original signature. “Originally signed” or “original signature” means or refers to a signature that has not been mechanically or electronically reproduced.

10. This Agreement and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of New Mexico, without regard to its principles of conflicts of law.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereby have executed this Agreement effective as of the date first above written.

GALLAGHER SOLAR LLC,

By: _____
Name:
Title:

ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2026,
by _____, as _____ of Gallagher Solar LLC.

Notary Public

My commission expires: _____

(SEAL)

CITY OF ROSWELL, NEW MEXICO

Attest:

By: _____
Amalia Martinez, City Clerk

By: _____
Timothy Z. Jennings, Mayor

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

This instrument was acknowledged before me on _____, 2026,
by Timothy Z. Jennings, as Mayor of the City of Roswell, New Mexico.

Notary Public

My Commission Expires: _____

EXHIBIT A

Project Site Lease

[NTD: Project Site Description]