Regular Governing Body Meeting
City of Rio Rancho
AGENDA
June 13, 2024
6:00 PM
Council Chambers

Governing Body Members

Greggory D. Hull, Mayor	Paul Wymer, Councilor District 4
Deb Dapson, Councilor District 1	Karissa Culbreath, Councilor District 5
Jeremy Lenentine, Councilor District 2	Nicole List, Councilor District 6
Bob Tyler, Councilor District 3	

Meeting Information
This meeting will be conducted in-person and virtually, as well as, streamed live on the City of Rio Rancho website at https://rrnm.gov/2303/Watch-and-Download-City-Meetings

Join by Computer: https://us06web.zoom.us/j/83338157719?pwd=ST55whY8GCTELqBoGjYG1ipM1F5Uer.1
Meeting ID: 833 3815 7719
Passcode: 554297

Join by Phone:
Dial +1 720 707 2699 US (Denver)

Pursuant to the Governing Body Rules of Procedures, any person wishing to address the Governing Body related to an item listed under Second Reading of Ordinances, First Reading of Ordinances, or Discussion and Deliberation, shall register in person with the City Clerk no later than fifteen (15) minutes prior to the scheduled start time of a meeting. No more than two (2) hours in total will be allotted for comments pertaining to a specific agenda item at any meeting. A majority vote of the Governing Body members present may approve to extend the total amount of time allotted for public input related to a specific agenda item at a meeting.

Public input can be submitted in writing to the City Clerk, as clerk of the Governing Body, prior to the date of the meeting in which the item is scheduled to be heard; however, only public input received before 4 p.m. on the day of the meeting will be entered into the record prior to the meeting.

Call to Order and Pledge of Allegiance

Proclamations and Awards of Merit

Public Forum
Pursuant to the Governing Body Rules of Procedure, any person wishing to address the Governing Body related to a non-agenda item shall register in person with the City Clerk no later than fifteen (15) minutes prior to the scheduled start time of a meeting. No more than two (2) hours in total will be allotted for public forum comments at any meeting. A majority vote of the Governing Body members present may approve to extend the total amount of time allotted for public forum at a meeting.

Comments by Councilors

Consent Calendar

There will be no discussion of these items unless a Governing Body Member so requests, in which event the item will be moved to a discussion item on the regular agenda.

1 Minutes of May 23, 2024 Regular Meeting
Minutes of May 23, 2024 Regular Meeting

2 R43, Resolution Authorizing the Disposal of Municipal Court Non-Working Equipment
R43_Resolution
Exhibit A

3 R44, Resolution Authorizing the Disposal of Library and Information Services Department Property
R44_Resolution
Exhibit A

4 D21, Appointment of District 3 City Councilor Bob Tyler to the New Mexico Municipal League's Policy Committee

Boards/Commissions/Committee Reports

Public Hearings

5 O11, Ordinance of the City of Rio Rancho, New Mexico Amending the Zoning Classification and Official Zoning Map for the Property Described as Lot 130, Block 18, Rio Rancho Estates Unit 7 From Unzoned to R-1: Single-Family Residential District; Providing for Severability and an Effective Date
O11_Ordinance
Application Package
Ordinance 22 Enactment 95-020
Location, Zoning Map
Published Notices

6 R45, Resolution Adopting the Arrowhead East Master Plan
R45_Resolution
Arrowhead East Master Plan
Application & Authorization
Zoning, Location
Property Zoning Ordinance: 17-21 O-19
Published Notices
Reviewer Comments
Public Comment Brenda
Public Comment Mraz
Public Comment Pauline Alvarez Stewart
Public Comment Saly Karingada
Public Comment Pauline Stewart

7 R46, Resolution Approving Amended Land Use Assumptions as Required by the State of New Mexico Development Fees Act
R46_Resolution
4.22.24 CIPCAC Draft Meeting Minutes
Legal Ad Proof
Land Use Assumptions

Second Reading of Ordinances

8 O8, Ordinance Authorizing the Issuance and Sale of City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), in a Maximum Principal

Amount of up to $140,000,000 in One or More Series to Provide Funds to Finance the Equipping of an Industrial Revenue Bond Project for use by Quail Ranch Energy 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 Payments In Lieu of Taxes by the Company to the City, Rio Rancho Public Schools, and Albuquerque Public Schools; 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.
O8_Ordinance
Storage BPA
QR Storage Indenture
QR Storage Lease
QR Storage Sublease
QR IRB Application
R27 Signed
Quail Ranch Site Plan
PILOT Payment Distribution Schedule
RRPS and APS Boundary Percentages

9 O9, Ordinance Authorizing the Issuance and Sale of City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), in a Maximum Principal Amount of up to $110,000,000 in One or More Series to Provide Funds to Finance the Equipping of an Industrial Revenue Bond Project for use by Quail Ranch Energy 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 Payments In Lieu of Taxes by the Company to the City, Rio Rancho Public Schools, and Albuquerque Public Schools; 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
O9_Ordinance
QR Solar BPA
QR Solar Indenture
QR Solar Lease
QR IRB Application
R27 Signed
Quail Ranch Site Plan
PILOT Payment Distribution Schedule
RRPS and APS Boundary Percentages
Quail Ranch Solar Sublease

10 O10, Ordinance Amending Chapter 51 Water and Wastewater Rules and Rates
O10_Ordinance

First Reading of Ordinances

11 O12, Ordinance Amending the Rio Rancho Code of Ordinances (R.O. 2003) Title XV “Land Usage”, Chapter 150 General Provisions, Section 150.23 (G) and (K), Section 150.30 (A)(5), the Addition of (B)(4)(e) and (f), and Repealing and Replacing the Appendix
O12 - Redlined
Impact Fee Study
4.22.24 CIPCAC Draft Meeting Minutes
April 16 2024 Work Session Impact Fees Presentation
Legal Notice

Discussion and Deliberation

12 D20, Advice and Consent of the Governing Body to Award an Amendment in the amount of $756,280 (Excluding NMGRT) to Contract 21-UT-108, Huitt Zollars, for Well 9
Executed Contract 21-UT-108
21-UT-108 Amendment One
Additional Fee Abandonment and Re-Drill Well9R - PH 2 Well 9R Equipping

City Manager

Adjournment

CITY OF RIO RANCHO
COVER PAGE

Legislation Item:

AGENDA DATE:
June 13, 2024

DEPARTMENT:
City Clerk

SUBJECT:
Minutes of May 23, 2024 Regular Meeting

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

ATTACHMENT: Minutes of May 23, 2024 Regular Meeting

Governing Body
of the
City of Rio Rancho

MINUTES
MAY 23, 2024
6:00 PM
Council Chambers, City Hall

MEMBERS PRESENT:
Deb Dapson Councilor Dist. 1
Bob Tyler, Councilor Dist. 3 (virtual)
Paul Wymer, Councilor Dist. 4
Karissa Culbreath, Councilor Dist. 5
Nicole List, Councilor Dist. 6

MEMBERS ABSENT:
Greggory D. Hull, Mayor
Jeremy Lenentine, Councilor Dist. 2

STAFF PRESENT:
Matt Geisel, City Manager
Josh Rubin, City Attorney
Noel Davis, City Clerk
Carol Jaramillo, Director of Financial Svcs.
Connie Peterson, Dir. of Parks, Rec & Comm Svcs.
James DeFillippo, Fire Chief
Charli Hannona, Dir. of Info. & Technology
Amy Rincon, Director of Development Services
Jim Chiasson, Director of Utilities
Jason Shoup, Library Director
BJ Gottlieb, Director of Public Works
Yolanda Lucero, Deputy City Clerk

Call to Order and Pledge of Allegiance

Acting Deputy Mayor Tyler called the meeting to order at 6:00 p.m.

Acting Deputy Mayor Tyler stated for the record, Mayor Hull and Councilor Lenentine are excused from the meeting. Pursuant to Municipal Code Section 31.16, as the senior Governing Body member, I will preside as the Acting Deputy Mayor of the meeting.

Proclamations and Awards of Merit

Public Forum

The following individuals spoke under this item:

Bryan Romkey
Mike Jackovich

Comments by Councilors

Councilor List thanked the Fire Department for their efforts in containing the recent fires in the Bosque.

Consent Calendar

DRAFT

1) Minutes of May 9, 2024 Regular Meeting
2) R40, Resolution Authorizing Budget Adjustments to the State Grant Fund to Purchase Honor Guard Equipment

Paul Wymer moved to approve consent calendar. Seconded by Deb Dapson

The motion carried by a vote of 5 FOR and 0 AGAINST.
YES: Deb Dapson, Bob Tyler, Paul Wymer, Karissa Culbreath, and Nicole List
NO: None

Boards/Commissions/Committee Reports

Public Hearings

3) Public Hearing for Fiscal Year 2025 Budget. The budget is available at https://rrnm.gov/4923/Recommended-FY-2025-Budget

The following individual spoke under this item:

Tom Dixon

4) Public Hearing for Fiscal Years 2025-2029 Infrastructure Capital Improvement Plan (ICIP), available at https://rrnm.gov/4923/Recommended-FY-2025-Budget

No individual spoke under this item.

Second Reading of Ordinances

5) O7, Ordinance Authorizing the Issuance and Sale of City of Rio Rancho, New Mexico, Tax-Exempt General Obligation Improvement Bonds, Series 2024, in the Principal Amount of $16,000,000, Payable from Ad Valorem Taxes Levied on all Taxable Property Within the City, Levied Without Limit as to Rate or Amount; Providing for the Form, Certain Terms and Conditions of the Bonds, the Manner of Their Executions, and the Method of and Security for Payment Thereof; Delegating Authority to Each of the Mayor, City Manager and City Financial Services Director to Determine the Method of Sale of the Bonds and to Determine the Maturity Dates and Amounts, Interest Rates, Prices, Redemption Features and Other Final Terms of the Bonds in an Award Certificate; and Providing for Other Details Concerning the Bonds

Carol Jaramillo, Director of Financial Services presented this item. This is the second reading that will authorize the approval of the Bond Parameters Ordinance, to allow the City to issue the voter-approved General Obligation Bonds and establish the parameters for issuance of the bonds. Once issued, the bonds will provide resources for road improvements, public safety improvements, and quality of life facilities improvements. There is no impact to the proceed with the projects to be funded by the bonds.

DRAFT

Paul Wymer moved to approve O7. Seconded by Deb Dapson

The motion carried by a vote of 5 FOR and 0 AGAINST.
YES: Deb Dapson, Bob Tyler, Paul Wymer, Karissa Culbreath, and Nicole List
NO: None

First Reading of Ordinances

6) O10, Ordinance Amending Chapter 51 Water and Wastewater Rules and Rates

Jim Chiasson, Director of Utilities presented this item. This is the first reading to amend Chapter 51. In order to operate and maintain a reliable and safe water/wastewater utility system for customers, regular rate adjustments are necessary to account for such factors as inflation, miscellaneous materials/services cost increases, and new/amended regulations with associated costs. The proposed water rate-only adjustment of 1.75 percent will increase the average monthly customer bill by approximately .94 cents. A 1.75 percent adjustment will result in approximately $443,000 in additional revenue for the Utilities Department. The rate adjustment does not fully offset projected increases in operating costs such as electricity.

Karissa Culbreath moved to approve O10. Seconded by Nicole List

The motion carried by a vote of 5 FOR and 0 AGAINST.
YES: Deb Dapson, Bob Tyler, Paul Wymer, Karissa Culbreath, and Nicole List
NO: None

Discussion and Deliberation

7) R41, Resolution Adopting the Fiscal Year 2025 Balanced Budget. Budget is available at: https://city-rio-rancho-nm-budget-book.cleargov.com/16385/introduction/transmittal-letter

Ms. Jaramillo stated on April 15, 2024, the City Manager submitted his Recommended Budget to the Mayor and City Council, meeting the requirements of the City's Charter. The Mayor responded to the City Manager's recommendations and proposed changes to the Recommended Budget under the City Charter. The Governing Body held one budget review meeting on April 25, 2024, to discuss the City Manager's FY 2025 Recommended Budget; at this time, the City Manager accepted the Mayor's recommended changes. The Governing Body also held two public hearings on the budget, one on May 9 and one on May 23, 2024 to receive input from the public on the proposed budget. The FY 2025 Balanced Budget represents the City's operating and capital plan for the fiscal year for all funds and departments. The General Fund budget includes revenues of $107.7 million, expenditures of $90.4 million, and net transfers to/from other funds of $30.5 million. She went over several of the highlights.

Deb Dapson moved to approve R41. Seconded by Nicole List

The motion carried by a vote of 5 FOR and 0 AGAINST.
YES: Deb Dapson, Bob Tyler, Paul Wymer, Karissa Culbreath, and Nicole List
NO: None

8) R42, Resolution Adopting the Infrastructure and Capital Improvement Plan (ICIP) for Fiscal Year 2025-2029. Budget and Infrastructure and Capital Improvement Plan are available at: https://city-rio-rancho-nm-budget-book.cleargov.com/16385/introduction/transmittal-letter

Ms. Jaramillo stated the ICIP represents a multi-year projection of the City's capital needs and financing requirements for capital renewal, replacement, acquisition, and infrastructure development. While the ICIP does not impart legal authority for capital spending outside of FY 2025, the document is the primary basis for formulating subsequent annual capital budgets.

Karissa Culbreath moved to approve R42. Seconded by Nicole List

The motion carried by a vote of 5 FOR and 0 AGAINST.
YES: Deb Dapson, Bob Tyler, Paul Wymer, Karissa Culbreath, and Nicole List
NO: None

City Manager

Matt Geisel, City Manager stated the Financial Services Department has been recognized for its budget document for the 18th consecutive year by the Government Finance Officers Association of the United States and Canada (GFOA). This award is the highest form of recognition in governmental budgeting. Also, thank you to the Fire Department for their efficient response to the recent fires in the Bosque.

Adjournment

6:35 p.m.

APPROVED THIS JUNE 13, 2024

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel Davis, City Clerk
SEAL

DRAFT

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: R43

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Municipal Court

SUBJECT:
R43, Resolution Authorizing the Disposal of Municipal Court Non-Working Equipment

BACKGROUND AND ANALYSIS:
The Municipal Court has an old audio system that has recently been removed from the courtroom.

The audio system is not operational, has been replaced, is fully depreciated with no current book value, and is no longer useable for its intended purpose.

The Court desires to dispose of the equipment.

The disposal of municipal personal property is governed by Section 3-54-2, NMSA 1978 requiring Governing Body approval for property that does not exceed $2,500.

IMPACT:
Approval of the Resolution will allow for the disposal of the non-working equipment.

ALTERNATIVES:
Approve the Resolution.

Do not approve the Resolution.

DEPARTMENT RECOMMENDATION:
Municipal Court is seeking approval to dispose of a non-working audio system.

ATTACHMENT: R43_Resolution
ATTACHMENT: Exhibit A

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. **ENACTMENT NO.**

RESOLUTION AUTHORIZING THE DISPOSAL OF MUNICIPAL COURT NON-WORKING EQUIPMENT

WHEREAS: the Municipal Court has an old audio system that has recently been removed from the Courtroom; and

WHEREAS: the old audio system is not operational, has been replaced, is fully depreciated with no current book value, and is no longer useable for its intended purpose; and

WHEREAS: the Court desires to dispose of the equipment; and

WHEREAS: the disposal of municipal personal property is governed by Section 3-54-2, NMSA 1978 requiring Governing Body approval for property that does not exceed $2,500

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

That formal and required authorization is hereby given to properly dispose of the old audio system located at 500 Quantum Road, which is listed in Exhibit A attached hereto.

ADOPTED THIS _____DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

Exhibit A





CITY OF RIO RANCHO
COVER PAGE

Legislation Item: R44

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Library and Information Services

SUBJECT:
R44, Resolution Authorizing the Disposal of Library and Information Services Department Property

BACKGROUND AND ANALYSIS:

The Library and Information and Services Department needs to dispose of non-functional, damaged, and/or obsolete items that cannot be put back in library circulation or sensibly stored by selling salvageable items, recycling suitable items, and safely disposing of items deemed unfit or unsafe for sale to the public.

The items (detailed in the Exhibit A attachment) include office supplies/equipment, games, media, and books.

The disposal of personal property is governed by Section 3-54-2, NMSA 1978 requiring Governing Body approval for property that does not exceed $2,500.

IMPACT:
Free up storage space for current library operations.

ALTERNATIVES:
Approve the Resolution.

Do not approve the Resolution.

DEPARTMENT RECOMMENDATION:
Staff recommends approval of Resolution.

ATTACHMENT: R44_Resolution
ATTACHMENT: Exhibit A

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. **ENACTMENT NO.**

RESOLUTION AUTHORIZING THE DISPOSAL OF LIBRARY AND INFORMATION SERVICES DEPARTMENT PROPERTY

WHEREAS: the Library and Information and Services Department needs to dispose of non-functional, damaged, and/or obsolete items that cannot be put back in library circulation or sensibly stored by selling salvageable items, recycling suitable items, and safely disposing of items deemed unfit or unsafe for sale to the public; and

WHEREAS: the disposal of personal property is governed by Section 3-54-2, NMSA 1978 requiring Governing Body approval for property that does not exceed $2,500.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

That authorization is hereby given to properly dispose of the items depicted in Exhibit A, attached hereto.

ADOPTED THIS _____DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Library Shelving 1 Unit Disassembled	Esther Bone	Damaged	$0	
Blue Ladder	Esther Bone	Damaged	$0	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

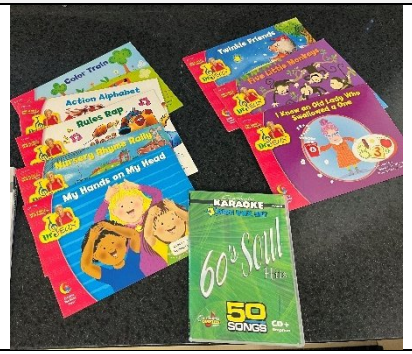
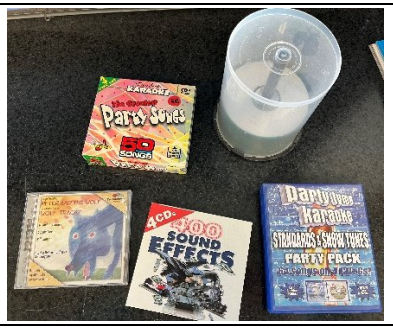
Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Music Books (8)	Esther Bone	Obsolete	$2	
Board Games (3)	Esther Bone	Damaged	$0	
Karaoke and Sound Games (5)	Esther Bone	Obsolete	$2	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Music CDs (21)	Esther Bone	Obsolete	$2	
Casio Electronic Cash Register PCR-T273	Loma Colorado	Obsolete	$20	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Brown Task Chair	Loma Colorado	Damaged	$0	
Wall Clock	Loma Colorado	Damaged	$0	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Black Calculator	Loma Colorado	Damaged	$0	
Green Metal Notecard Box	Loma Colorado	Damaged	$0	
Large Key Rings (4)	Loma Colorado	Obsolete	$1	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

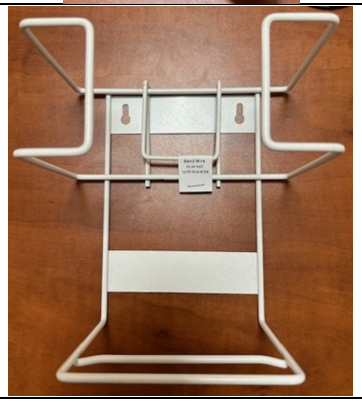
Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Braun Forehead Thermometers (2)	Loma Colorado	Obsolete	$15	
White Holder for Disposable Glove Box	Loma Colorado	Obsolete	$2	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Blue Locking Money Bags with Keys (5)	Loma Colorado	Obsolete	$10	
Various Zipper Money Bags (8)	Loma Colorado	Damaged	$0	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

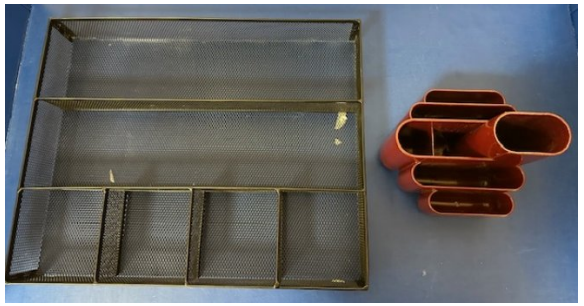
Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Desk Organizers (2)	Loma Colorado	Obsolete	$2	
Various Upright File Organizers (10)	Loma Colorado	Obsolete	$5	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Canon Desktop Printing Calculator	Loma Colorado	Obsolete	$20	
Steelmaster Coin Counter and Roller	Loma Colorado	Obsolete	$50	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

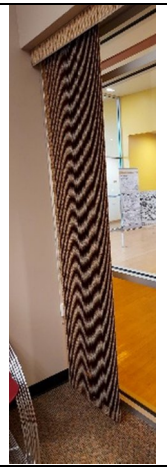
Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Roller shade	Loma Colorado	Obsolete	$5	
Blinds	Loma Colorado	Obsolete	$5	

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Library Materials removed from Library Collection ISBN 9780439802413 (volume 1);"0439802415 (volume 1)";"9780439739337 (volume 1)";"0439739330 (volume 1)";"9780439871655 (volume 1 pbk.)";"0439871654 (volume 1 pbk.)";"9781435258242 (volume 1 Paw Prints)";"143525824X (volume 1 Paw Prints)";"9780545813860 (volume 1 hardcover)";"0545813867 (volume 1 hardcover)";"9780545813877 (volume 1 paperback)";"0545813875 (volume 1 paperback)";"9780606370264 (volume 1 Turtleback Books)";"0606370269 (volume 1 Turtleback Books)";"9780439867245 (volume 2 hbk.)";"043986724X (volume 2 hbk.)";"9780439739368 (volume 2 pbk.)";"0439739365 (volume 2 pbk.)";"9781417779314 (volume 2)";"1417779314 (volume 2)";"9780545813884 (volume 2 hardcover)";"0545813883 (volume 2 hardcover)";"9780545813891 (volume 2 paperback)";"0545813891 (volume 2 paperback)";"9780606370271 (volume 2 Turtleback Books)";"0606370277 (volume 2 Turtleback Books)";"9781480684522 (volume 2)";"9780439885164 (volume 3)";"0439885167 (volume 3)";"9780545886178 (volume 3 hardcover)";"0545886171 (volume 3 hardcover)";"9780545886215 (volume 3 paperback)";"054588621X (volume 3 paperback)";"9780606377867 (volume 3 Turtleback Books)";"0606377867 (volume 3 Turtleback Books)";"9780439885171 (volume 4)";"0439885175 (volume 4)";"9780545886239 (volume 4 hardcover)";"0545886236 (volume 4 hardcover)";"9780545886222 (volume 4 paperback)";"0545886228 (volume 4 paperback)";"9780606380560 (volume 4 Turtleback Books)";	Loma Colorado	Obsolete	$1,000	Not Applicable

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
"0606380566 (volume 4 Turtleback Books)"; "9781338067118 (volume 5 paperback)"; "1338067117 (volume 5 paperback)";"9781338067613 (volume 6)"; "9781338304510 (volume 7)";"9781338304541 (volume 8)"; "9781338304572 (volume 9)";"9781338304602 (volume 10)"; "9781338616057 (volume 11)";"9781338616071 (volume 12)"; "9781338616118 (volume 13)"; "9781338616132 (volume 14)";"9781338835502 (volume 15)" 0803720408 (trade);"0803720416 (lib. bdg.)" 9781644873694 (library binding);"1644873699 (library binding)" 9781538726235 (hardcover);"1538726238" 9781953801135;"1083-5199 1083-5199 1" 9781250326751 (hardcover);"1250326753 (hardcover)" 9781947277304 1419802518;"9781419802515";"9786311599952";"6311599953"; "1149802526";"9781149802526"; "1149802529";"012569593251";"085391196761"; "883929009022";"1000014848 Warner Home Video"; "59325 Warner Home Video";"119676 Warner Home Video" 9780545459372 (pbk.);"0545459370 (pbk.)"; "9780545629812";"0545629810"; "9781480625846 (Paw Prints)"; "1480625841 (Paw Prints)" 9780545206990;"0545206995" 0886774012 (pbk.);"9780886774011 (pbk.)" 0886774268 (pbk.);"9780886774264 (pbk.)" 9780689869778				

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
0345347250 (pbk.);"9780345347251 (pbk.)"; "0833508660 (Econo-clad)";"9780833508669"; "9780345913869";"0345913868";"070999005959" 9781423162797 (v.1 : alk. paper);"142316279X (v. 1 : alk. paper)"; "9781423163251 (v. 1 : alk. paper)"; "1423163257 (v. 1 : alk. paper)";"9781484716212 (v. 2)"; "1484716213 (v. 2)";"9781368081726 (v. 3)" 9780670785933 (hardcover);"0670785938 (hardcover)"; "0143127748 (paperback)";"9780143127741 (paperback)" 9781480598720;"9781480598720";"10c59l Blackstone Audiobooks" 9780446610230;"0446525871";"0446610232" 0062074369;"9780062074362" 9781421589596 Volume 1;"1421589591 Volume 1"; "9781421589602 Volume 2";"1421589605 Volume 2";"9781544403533 Volume 2";"1544403534 Volume 2"; "9781421589619 Volume 3";"1421589613 Volume 3"; "9781544403557";"1544403550";"9781544403540 Volume 4";"1544403542 Volume 4";"9781421589633 (volume 5 paperback)";"142158963X (volume 5 paperback)"; "9781544403526 (Volume 5 FollettBound)"; "1544403526 (Volume 5 FollettBound)" 9780062838209 (hardcover);"0062838202 (hardcover)" 9781840916850 (hardcover);"1840916850 (hardcover)" 9781609911782 (hardback);"1609911784 (hardback)" 15 magazines 7 newspapers 0525469273;"0525446729";"9780439656184";"9780142408773"; "0440404908";"9780439559850"				

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Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
1338353977 (paperback);"9781338353976 (paperback)"; "9781338586039 (hardback)";"1338586033 (hardback)" 9781426328374 (hardcover alkaline paper); "1426328370 (hardcover alkaline paper)"; "9781426328381 (hardcover alkaline paper)"; "1426328389 (hardcover alkaline paper)" 9781561488001 (paperback);"1561488003 (paperback)" 9780545663182 (paper over board);"0545663180 (paper over board)" 9781492653196 (hardcover);"1492653195 (hardcover)" 9781786270535 (hardback);"1786270536 (hardback)"; "9781786270672";"1786270676" 9780062082930 (hbk.);"0062082930 (hbk.)";"9780062084194 (pbk.)" 1250026911;"9781250026910" 9781400073870 (pbk.);"1400073871 (pbk.)";"9780307446664 (electronic)"; "0307446662 (electronic)" 9780545132060 (pbk.);"0545132061 (pbk.)";"9780545132053 (hardcover)"; "0545132053 (hardcover)";"9780545241823";"0545241820" 9798885790772 (large print hardcover alk. paper) 1423114108 (alk. paper);"9781423114109 (alk. paper)" 9781984825537 (hardcover);"1984825534 (hardcover)" 9780385344760 hardcover;"0385344767 hardcover"; "9780385344777 electronic book"				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9781467659000 case;"9781467690584 portfolio"; "9781467671934 hanging bag"; "9781467647786 Playaway";"80479 Findaway World case"; "81738 Findaway World portfolio"; "80977 Findaway World hanging bag"; "18851 Findaway World Playaway" 9780593179871 (trade);"0593179870 (trade)"; "9780593179888 (library binding)"; "0593179889 (library binding)" 9780061230905;"0061230901" 9781534411036 (hardcover);"9781534411029 (pbk.)"; "153441102X";"1534411038";"9781534411043 (eBook)" 0062343203 (hardcover);"9780062343208 (hardcover)" 9780241664285;"1549-7968 1549-7968 1" 0062050028 :;"0062050036 (lib. bdg.)" 9780312699451;"031269945X" 9781465462558 (hardback);"1465462554 (hardback)"; "9781465462473 (paperback)";"1465462473 (paperback)" 9780593203958 (hardcover);"059320395X"; "9780593203972 (trade paperback)";"0593203976" 9781401275112 (paperback);"1401275117" 9781419720673 (v. 1);"1419720678 (v. 1)"; "9781419721298 (v. 2)"; "9781419723117 (v. 3)";"9781419725579 (v. 4)" 9781338540574 (paperback);"1338540572 (paperback)"; "9781338540581 (hardcover)";"1338540580 (hardcover)" 0399151060 (acid-free paper)				

Exhibit A
Property Disposal
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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9781328566348 (hbk.);"132856634X (hbk.)"; "9781328566331 (pbk.)";"1328566331 (pbk.)"; "9781544424088 (FollettBound)";"1544424086 (FollettBound)" 1250120330 (hardcover);"9781250120335 (hardcover)" 9781980095903;"9781980095903";"66790 Findaway World 0545823242 (hardback) :;"9780545823241 (hardback) :" 9780679824251;"0679824251 (pbk.)";"0679924256 (lib. bdg.)"; "0439455952";"0590629859";"9781338224443" 9781728220604 006024299x;"9780812413663" 0439585600;"0756948568" 9781448738465;"0763603082"; "9780763645267";"0763619213" 9781982179212 hc.;"198217921X hc." 9781538742570;"1538742578" 0022446532 (Student text);"9780022446536 (Student text)" 9781646517565 (1 paperback);"1646517563 (1 paperback)";"9781646517572 (2 paperback)";"1646517571 (2 paperback)";"9781646517589 (3 paperback)";"164651758X (3 paperback)";"9781646517596 (4 paperback)";"1646517598 (4 paperback)";"9781646517602 (5 paperback)"; "1646517601 (5 paperback)";"9781646517619 (6 paperback)"; "9781646517626 (7 paperback)" 9781646517565 (1 paperback);"1646517563 (1 paperback)";"9781646517572 (2 paperback)";"1646517571 (2 paperback)";"9781646517589 (3 paperback)";"164651758X (3 paperback)";"9781646517596 (4 paperback)";"1646517598 (4 paperback)";"9781646517602 (5 paperback)"; "1646517601 (5				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
paperback)";"9781646517619 (6 paperback)";"9781646517626 (7 paperback)"				
9781429238267 (pbk.);"1429238267 (pbk.)"				
1579904114				
1428289704;"9781428289703"				
0669316806;"9780669316803"				
1565771346;"9781565771345";"1565771397 (test forms)"; "9781565771390 (test forms)";"1565771389 (homeschool packet)"; "9781565771383 (homeschool packet)"				
0746003145;"9780746003145"				
9780545064071;"0545064074"				
0806983728 :;"9780806983721"				
9780979107245;"0979107245"				
0669471704 (pbk.);"9780669471700 (pbk.)"				
9781419098543 (student textbook);"1419098543 (student textbook)"; "9781419098550 (student workbook)";"1419098551 (student workbook)"				
0131658573;"9780131658578"				
9781931728515;"1931728518"				
0131339478 (pbk.);"9780131339477 (pbk.)"				
0131658565;"9780131658561"				
9 magazines				
055309128X				
024543962601;"2296260 Fox Home Entertainment"; "9626180 Fox Home Entertainment"				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9781442452152 (hardcover);"1442452153 (hardcover)" 9781432839123 (large print : hardcover); "1432839128 (large print : hardcover)" 9781250254283 (hardcover);"1250254280" 9781419743610 (hardcover);"1419743619 (hardcover)" 9780593328514 (hardcover);"0593328515" 0780657497;"9780780657496";"794043109379"; "N10937 New Line Home Entertainment" 9780316500234 (paperback);"0316500232 (paperback)"; "9780316395427 (hardcover)"; "0316395420 (hardcover)" 9781338745658 (paperback);"1338745654 (paperback)"; "9781338745665 (library binding)"; "1338745662 (library binding)";"9781518283659 Follett bdg"; "1518283659 Follett bdg" 9781338871357 (paperback);"1338871358 (paperback)"; "9781518283017 (Follett bdg.)";"1518283012 (Follett bdg.)" 9780063253469 hardcover;"0063253461 hardcover" 9781507221228 pbk.;"1507221223 pbk." 9780593792643 (large print paperback); "0593792645 (large print paperback)" 9781974709410 (Volume 8);"9781421592541 (Volume 1)"; "1421592541 (Volume 1)";"9781421596471 (Volume 2)";"9781421599465 (Volume 3)"; "9781974701445 (Volume 4)";"9781974704583 (Volume 5)";"9781974705207 (Volume 6)";"9781974707775 (Volume 7)"; "9781974712366 (Volume 9)";"9781974715268 (Volume 10)"; "9781974717613 (Volume 11)";"9781974720019 (Volume 12)";"9781974722815 (Volume 13)";"9781974724635 (Volume 14)";				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
"9781974725175 (Volume 15)";"9781974732111 (Volume 16)"; "9781974734511 (Volume 17)";"9781974736522 (Volume 18)";"9781974739103 (Volume 19)";"9781974743605 (Volume 20)" 9781640976825;"2166-6253 1" 0786868716 (alk. paper) 0742566498 (electronic);"9780742562219 (pbk. : alk. paper)"; "0742562212 (pbk. : alk. paper)";"9780742562202 (cloth : alk. paper)";"0742562204 (cloth : alk. paper)";"9780742566491 (electronic)" 9781419711329 (hardback);"1419711326 (hardback)" 9780545312844;"0545312841";"9780545498579" 9781368003087 (paperback);"1368003087 (paperback)"; "9781536424805";"1536424803"; "9781537957807 (hardback FollettBound)"; "1537957805 (hardback FollettBound)"; "9781424271146";"1424271142" 043396398177;"40123 Sony Pictures Home Entertainment"; "39817 Sony Pictures Home Entertainment" 0515084557;"9780515084559" 1880507196 (pbk.);"9781880507193 (pbk.)";"1595191666"; "9781595191663" 0763672378 (pbk.);"9780763669508 (hc.)";"0763669504 (hc.)"; "9780763672379 (pbk.)" 0805072659 (trade bdg.);"1415692084 (BWI bdg.)"; "9780805072655";"9781415692080" 12 newspapers 9780062060006;"9780062059994 (hardcover bdg.)"; "0062059998 (hardcover bdg.)" 9781680784732 (lib. bdg.);"1680784730 (lib. bdg.)"				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9780547807973;"054780797X" 9780547807966 (hardback);"0547807961 (hardback)" 9780593432907 805219070536 0394800303;"9780394800301" 9780545685177;"0545685176";"9780545776103";"0545776104" 9780312577216 (hbk.);"0312577214 (hbk.)";"9781250031808 (ebk.)";"125003180X (ebk.)" 9781631400902 (v. 1);"1631400908 (v. 1)";"9781631402487 (v. 2)"; "9781631403682 (v. 3)";"9781631406539 (v. 4)"; "9781631407628 (v. 5)";"9781631408519 (v. 6)" 60778970 9781338214482 (hardcover);"1338214489 (hardcover)" 9781465470126 (hardback lib. ed.);"1465470123 (hardback lib. ed.)"; "9780241310106";"0241310105" 9780761180111 (hardcover);"0761180117 (hardcover)"; "1523500050";"9781523500055" 9781641551687 (paperback);"1641551682" 9781368003551 (hardcover);"1368003559 (hardcover)" 9781554553136 (hardcover);"155455313X (hardcover)" 9781609050900 (hardback);"1609050908 (hardback)" 9781465455727 (hardcover);"1465455728 (hardcover)" 9781534441323 (paperback);"1534441328" 9781335007872 hc.;"1335007873 hc." 6 newspapers				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9781423121664;"142312166X" 9780316017930 (pbk.);"0316017930 (pbk.)" 9780316010665;"0316172324" 1594747083;"9781594747083" 9781549102172;"9781549102172";"15208359" 9780744082524 (hc.);"0744082528 (hc.)" 9781250178633 (hardcover);"1250178630 (hardcover)" 9783955047573 (hbk.);"3955047571 (hbk.)" 9780374322175 (hardcover : alk. paper); "0374322171 (hardcover : alk. paper)" 9780310318439 (hardcover, jacketed);"0310318432 (hardcover 9780375864919;"0375827358";"0375927352"; "9780545382663";"9780375827358" 9780449810828 (trade hc.);"0449810828 (trade hc.)" 006000004X;"9780060000042";"0060525606 (lib. bdg.)"; "9780060525606 (lib. bdg.)";"0060525614";"9780060525613" 9780525950363;"0525950362" 0061098787;"006019443X (alk. paper)" 9781481404983 (pbk. alk. paper);"1481404989 (pbk. alk. paper)"; "9781481404990 (hbk. alk. paper)";"1481404997 (hbk. alk. paper)";"9780606357746 (Turtleback bdg.)";"0606357742 (Turtleback bdg.)" 0553804316;"9780553588071";"9780553804317" 1415901732 :;"9781415901731";"3463-CD Books on Tape" 9781491536698;"9781491536698" 9781627792134 (hardcover);"1627792139 (hardcover)"; "9781250076977"				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9780066213934;"0066213932" 9780593403518 9781338210385 9780394800134;"0394800133";"9780375841668";"0375841660" 0399235795;"9780399235795" 1465460365;"9781465460363";"1465453024";"9781465453020" 9780794849627; 9781250362056;"9781250362056" 9781250005649 (pbk.);"1250005647 (pbk.)" 9780727883483 (hbk.);"0727883488 (hbk.)" 9781438001661;"1438001665" 9780545581608 (v. 1);"0545581605 (v. 1)";"9781338741032 (v. 1)"; "9780545935203 (v. 2)";"9781338741049 (v. 2)";"9780545935210 (v. 3)";"9781338611991 (v. 3)";"9781338741056 (v. 3)";"9780545935180 (v. 4)";"9780545935173 (v. 5)";"9781338741070 (v. 5)";"9781338236576 (v. 6)"; "9781338290929 (v. 6)";"9781338236590 (v. 7)";"9781338323214 (v. 8)";"9781338535624 (v. 9)";"9781338680454 (v. 10)";"9781338801910 (v. 11)";"9781338896435 (v. 12)" 9780763635459 9781536211351 9780062310668 : HRD;"0062310666 : HRD" 9781603094658 (paperback);"1603094652 (paperback)" 9780385547345 (hardcover);"038554734X (hardcover)"; "9780593314487 (trade paperback)";"0593314484 (trade paperback)" 9780385547345 (hardcover);"038554734X (hardcover)";				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
"9780593314487 (trade paperback)";"0593314484 (trade paperback)" 9780525954989 (hardcover);"0525954988" 9780812551488;"0812551486";"1402893736";"0312890532 (alk. paper)" 9780062280671;"0062280678" 9780593315347 paperback;"0593315340 paperback";"40030769106" 9781538709825 hc.;"1538709821 hc.";"9781538753095" 9780385534246 (hardcover);"0385534248 (hardcover)" 9781250265586 (hardcover);"1250265584" 9780062423771 (trade);"0062423770 (trade)" 9780345804341 paperback;"9780385537070 hardcover";"0385537077 hardcover";"0345804341 paperback" 9781335426253;"1335426256" 9780385545136 (hardcover);"0385545134 (hardcover)";"9780525567271 (paperback)";"0525567275 (paperback)" 9780374181178 (hardcover);"0374181179 (hardcover)" 9780593331750 (hardcover);"0593331753 (hardcover)" 9781324002857 (hardcover);"1324002859 (hardcover)" 9780062834867 (hardcover);"006283486X (hardcover)" 9780593535172 (hardcover);"0593535170" 9781982169145 (hardcover);"1982169141 (hardcover)" 9780593546970 (hardcover);"0593546970 (hardcover)" 9780316500159 (hardcover);"0316500151 (hardcover)";"9780316500692 (paperback)";"0316500690 (paperback)" 9781501160837 :;"1501160834"				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9780063028050 (hardcover);"0063028050 (hardcover)"; "9780063028067 (trade paperback)";"0063028069 (trade paperback)" 9780062851192 hardcover;"0062851195 hardcover"; "9780062851208 paperback";"0062851209 paperback"; "40031215632" 9781613162590 hc.;"1613162596 hc." 9780062498533;"0062498533" 9781538761601;"1538761602" 9780593101537 hardcover;"0593101537 hardcover"; "9780593437032 (international edition)";"0593437039"; "9780593101544" 9781250145260 (hardcover);"1250145260 (hardcover)" 9780593328682 (hardcover);"059332868X (hardcover)" 9781538719770 (hardcover);"1538719770 (hardcover)" 9781538719725 (hardcover);"153871972X (hardcover)" 9781984821713 (hardback acid-free paper); "1984821717 (hardback acid-free paper)" 9780593321201 hardcover;"0593321200 hardcover"; "9780593466490 trade paperback"; "0593466497 trade paperback" 9780062280701;"0062280708" 0062280732;"9780062280732";"9780062458605" 9780141321059 (pbk.);"0141321059 (pbk.)" 9781302900199;"1302900196";"9780785194484";"0785194487" 9781648482373;"1648482376" 9781426329913				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9780399539992 9780763694654 9781441878021;"9781441878021";"BN261 Recorded Books" 9781611737271 (Library binding : alk. paper); "1611737273 (Library binding : alk. paper)" 9780545815369 (hardcover);"0545815363 (hardcover)" 0439204216 (pbk.);"9780439204217 (pbk.)";"9780613357784"; "0613357787";"0606213112"; "9780606213110";"9780758767776";"0758767773"; "9780545796309";"054579630X" 9781684055838 (paperback);"1684055830 (paperback)" 0679417257;"037575914X" 9781421589596 Volume 1;"1421589591 Volume 1"; "9781421589602 Volume 2"; "1421589605 Volume 2";"9781544403533 Volume 2"; "1544403534 Volume 2"; "9781421589619 Volume 3";"1421589613 Volume 3"; "9781544403557";"1544403550"; "9781544403540 Volume 4";"1544403542 Volume 4"; "9781421589633 (volume 5 paperback)"; "142158963X (volume 5 paperback)"; "9781544403526 (Volume 5 FollettBound)"; "1544403526 (Volume 5 FollettBound)" 9780547362991;"0547362994" 9781426328374 (hardcover alkaline paper); "1426328370 (hardcover alkaline paper)"; "9781426328381 (hardcover alkaline paper)"; "1426328389 (hardcover alkaline paper)"				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9780691152691;"0691152691" 9780794850661;"0072-9949" 9780241664827 1400089980;"YA 195 A Listening Library" 9780147520838;"9780147520838"; "YA 2424 Listening Library/Books on Tape" 9781480527720;"9781480527720"; "BN4795 Recorded Books" 9780449808733;"9780449808733"; "YA 1982 Random House/Listening Library" 1423324501;"9781423324508"; "9781455870103";"1455870102" 9781455869749;"1455869740";"9781455869916"; "1455869910";"BN1088 Recorded Books" 9781602528956;"1602528950";"1861 Playaway Digital Audio" 9781611763010;"9781611763010";"DD12873 Recorded Books" 9781101925409;"9781101925409";"YA 2394 Listening Library" 9781455804917;"1455804916" 9781455805037;"9781455805037" 9780804168397;"9780804168397"; "YA 2147 Listening Library/Random House" 9780553395488;"9780553395488"; "YA 2167 Random House/Listening Library" 9781508263081 (audiobook);"1508263086 (audiobook)"; "9781508263081" 9781455844999;"1455844993"; "15196 Playaway Digital Audio" 9780593103630;"0593103637";"9780593103616";"0593103610";				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
"9780593103616 53000";"YA3811 Random House/Listening Library" 0739337270;"9780739337271";"9780739338001";"9780739337271" 9780062677099;"9780062677099";"11762145" 9781536214338 (hc.);"1536214337 (hc.)" 9780062330628 (hardcover);"0062330624 (hardcover)" 9781250787101 hardcover;"1250787106 hardcover" 9780593405680 hardcover;"0593405684 hardcover" 9780061853289 (trade bdg.);"0061853283 (trade bdg.)"; "9780061853296 (lib. bdg.)";"0061853291 (lib. bdg.)" 0062931474;"9780062931474" 9780593121146 (trade);"0593121147 (trade)"; "0593121155";"9780593121153" 9780062242976;"0062242970" 9780062242945 (hardcover trade ed.) :; "0062242946 (hardcover trade ed.)" 9780062242914 (hardback);"0062242911 (hardback)" 9781534445970 (hardcover);"1534445978" 9781534468214 (hardcover);"1534468218 (hardcover)" 9781534477506 (hardcover);"1534477500 (hardcover)"; "9781534477513 (trade paperback)";"1534477519 (trade paperback)" 9781338620825 (hardcover);"1338620827" 9780374306847 (hardcover);"0374306842 (hardcover)" 9780062967169;"0062967169" 0062380257 (hardcover);"9780062380258 (hardcover)" 9781250754851 (hardcover);"1250754852 (hardcover)"				

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Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9781250204301 (trade paperback);"1250204305" 9781250204264 (trade paperback);"1250204267 (trade paperback)" 9781250204288 (trade paperback);"1250204283" 9780593118764 (hardcover);"0593118766" ;"9780593118771 (library binding)";"0593118774" 9781368057769 (hbk.);"1368057764 (hbk.)" 9781368053297 (hardcover);"1368053297 (hardcover)" 9780525647072 (trade : alk. paper); "0525647074 (trade : alk. paper)"; "9780525647089 (lib. bdg. : alk. paper)"; "0525647082 (lib. bdg. : alk. paper)" 0060540958 (pbk.);"9780060540951 (pbk.)" 9780805092677 (hardback);"0805092676 (hardback)"; "9781250050816";"1250050812" 9780312551513;"9780805092523 (hbk.)";"0805092528 (hbk.)" 9781250034168;"9780805092660 (hc)";"0805092668 (hc)" 0062852183;"9780062852182" 0062852175 (paperback);"9780062852175 (paperback)" 9780062852199 (paperback);"0062852191 (paperback)" 9780062852168;"9780061345685 (pbk.)";"0061345687 (pbk.)"; "9780329667283 (Follett bdg.)";"0329667289" 9780062118967 (hardcover bdg.);"006211896X (hardcover bdg.)"; "9780062118974 (lib. bdg.)";"0062118978 (lib. bdg.)" 9780399550362 (hardcover);"0399550364 (hardcover)" 9780545639972 (jacketed hardcover);"0545639972 (jacketed hardcover)" 9780316460279 (hardcover);"0316460273 (hardcover)"				

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June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9780373210572 (pbk.);"0373210574 (pbk.)";"9780606269469 (lib. bdg.)";"0606269460 (lib. bdg.)";"145176930X (pbd.)";"9781451769302 (pbd.)" 9780373210183;"0373210183";"9781448751969";"1448751969" 9780373210367 (trade pbk.);"0373210361 (trade pbk.)" 9780373210138 (pbk.);"0373210132 (pbk.)"; "9781435207219 (Paw prints)";"1435207211 (Paw prints)"; "9781921685583";"1921685581" 9780373211357 (paperback);"037321135X (paperback)"; "9781480687233 (Paw Prints)";"1480687235 (Paw Prints)"; "1484469720";"9781484469729" 9780373210916 (pbk.);"0373210914 (pbk.)"; "1480624144";"9781480624146"; "9780606350372";"0606350373" 9780373210749;"0373210744" 9780373210992;"037321099X" 9780373211180;"037321118X" 9781250196040 (hardcover);"1250196043 (hardcover)" 9781481404570 (hardback);"1481404571"; "9781481404594 (ebook)";"9781534404243 (paperback)"; "1534404244";"9781534438309";"1534438300"; "9781471163883";"1471163881";"9781534431430";"1534431438" 9780062266958 (hbk.);"0062266950 (hbk.)" 9781481403269;"1481403265" 9780152055882 (trade bdg.);"0152055886 (trade bdg.)" 9780593116876 (hardcover);"0593116879" 9781338298390 hardcover;"1338298399 hardcover" 9781416971757 (hardcover);"1416971750 (hardcover)";				

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
"9781416971764" 9781423183099 (hbk.);"1423183096 (hbk.)";"9781423184690" 9780062498564 (hardcover);"0062498568 (hardcover)" 9780525645627 (hardcover);"0525645624 (hardcover)"; "9780525645634 (library binding)";"0525645632 (library binding)" 9781250211798 (hardcover);"1250211794" 9781250297518 (hardcover);"1250297516 (hardcover)" 9781250297570 (hardcover);"1250297575 (hardcover)" 9781250763341 (hardcover);"1250763347 (hardcover)" 9781250129833 (hardcover);"1250129834" 9781335405654 (hardcover);"1335405658 (hardcover)" 0316457620 (paperback);"9780316457620 (paperback)" 9781541578197 (th : alk. paper);"1541578198";"154158225X" 9781250299253 hardcover;"125029925X hardcover"; "9781250299277 electronic book" 1250297540 (hardcover);"9781250297549 (hardcover)" 9780593121535 (hardcover);"0593121538 (hardcover)"; "9780593121566 (paperback)" 9780062418623 (hardcover);"0062418629 (hardcover)"; "9780008179946";"0008179948";"9780062418630";"0062418637" 9781250211774 (hardcover);"1250211778 (hardcover)" 9780316207744;"9780316207706 (hardcover)";"0316207705 (hardcover)";"9780316242660 (international)";"0316242667 (international)" 9780316036245;"0316036242";"9780446562430" 9780316101905;"0316101907";"9780316211987 (Scholastic)" ;"0316211982 (Scholastic)"				

Exhibit A
Property Disposal
Library and Information Services
June 13, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
9780316036252;"0316036250" 9780316101912 (hbk.);"0316101915 (hbk.)" 9781524720247 (hardcover);"1524720240 (hardcover)"; "9781524720254 (library binding)";"1524720259 (library binding)" 9781932926767 (softcover);"1932926763 (softcover)" 9781454940142 hc.;"145494014X hc." 9780061134111 (trade binding);"0061134112 (trade binding)" 9781328547279 (hardcover);"1328547272 (hardcover)" 9781250315328;"1250315328" 9781547605026 (hardback);"1547605022 (hardback)" 9780062418593 (hardcover);"0062418599 (hardcover)" 9780062418654 (hardcover);"0062418653 (hardcover)" 9780373210633;"0373210639";"9780373210985";"0373210981"				
Total Estimated Current Value:	$1,141.00			

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: D21

AGENDA DATE:
June 13, 2024

DEPARTMENT:
City Clerk

SUBJECT:
D21, Appointment of District 3 City Councilor Bob Tyler to the New Mexico Municipal League's Policy Committee

BACKGROUND AND ANALYSIS:
The New Mexico Municipal League (NMML), of which the City of Rio Rancho is a member of, has requested volunteers to review its polices related to public safety, financial affairs, and overall government practices, to include community engagement and economic development, among other initiatives. The Policy Committee, comprised of a wide-range of NMML members, including elected officials and governmental staff, will convene on Thursday , June 27, 2024 to accomplish its review.

Councilor Tyler would like to serve on the Public Safety Policy Committee.

Each Committee is responsible for reviewing, amending, and adopting previously approved and newly proposed policies to be used by the NMML throughout the year.

IMPACT:
The appointment ensures that, as an active NMML member, the City of Rio Rancho provides input to proposed policies to be used through the year.

Appointments to external commissions, committees, authorities, etc., shall be appointed by the Mayor with approval by a majority of Governing Body members, pursuant to Chapter 33 of the Rio Rancho Municipal Code.

ALTERNATIVES:
Approve the appointment.

Do not approve the appointment.

DEPARTMENT RECOMMENDATION:
Mayor Hull recommends approval of the appointment.

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O11

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Development Services

SUBJECT:
O11, Ordinance of the City of Rio Rancho, New Mexico Amending the Zoning Classification and Official Zoning Map for the Property Described as Lot 130, Block 18, Rio Rancho Estates Unit 7 From Unzoned to R-1: Single-Family Residential District; Providing for Severability and an Effective Date

BACKGROUND AND ANALYSIS:
The applicant, Tiffany Sisneros, requests approval of a Zone Map Amendment for the property legally described as Unit 7, Block 18, Lot 130; address as 1107 10th St. NW. The property consists of 0.5 acres and is currently unzoned; the applicant is seeking a zoning change to R-1: Single-Family Residential. The subject property is on the west side of 10th St. NW, north of Northern Blvd. NW.

The subject property was annexed into the City by Ordinance No. 22 Enactment No. 95-020. The same ordinance assigned the zoning designations for the annexed property on the east side of Rainbow Blvd. as R-1: Single-Family Residential and E-1: Estate-Residential. The annexed properties to the west of Rainbow Blvd. were not assigned a zoning designation at that time, and the subject property has remained unzoned since the annexation.

This request was heard by the Planning and Zoning Board at their meeting on May 14, 2024. The Planning and Zoning Board voted to recommend approval of the item by a vote of six (6) for and 0 against.

CONFORMANCE WITH THE CITY ZONING ORDINANCE:
Rio Rancho Municipal Code (R.O. 2003) § 150.07(D)(1) states “A proposed zone change must be found to be consistent with the health, safety, morals, and general welfare of the city.”

The Planning and Zoning Board recommends the Governing Body find that the proposed R-1: Single-Family Residential zoning would be consistent with the health, safety, morals, and general welfare of the city by providing a zoning district designation where zoning regulations can be established and enforced. The requested R-1 zoning is consistent with the health, safety, morals, and welfare of the City by matching existing zoning in the surrounding area and assigning a land use and zoning that allows for similar development as the surrounding neighborhood.

R.O. 2003 § 150.07(D)(2) states “Stability of land use and zoning is desirable; therefore, the applicant must provide a sound justification for the change. The burden is on the applicant to show why the change should be made, not on the city to show why the change should not be made.”

The applicant states in their justification letter: "The stability of land use and zoning is desirable

because we as Rio Rancho residents feel that the lot can give a desirable look to the road and better improve Northern Blvd Residential area."

The Planning and Zoning Board recommends the Governing Body find that the request provides for stability of zoning by assigning a zoning designation to an unzoned parcel. The request for R-1 zoning is aligned with surrounding zoning and provides stability of land use in the surrounding area.

R.O. 2003 § 150.07(D)(3) states “A proposed change shall generally be consistent with adopted elements of the comprehensive plan or other city master plans and amendments thereto including privately developed area plans which have been adopted by the city.”

The Generalized Land Use Map of the 2015 Comprehensive Plan designates the future land use of the subject property as “future planning.” The Comprehensive Plan defines future planning in 5.3.2.2 “Areas that do not currently have Specific Area Plans in place and are generally undeveloped. Development will usually be limited to low-density residential development until a Specific Area Plan can be adopted.”

The requested R-1: Single-Family Residential would allow the low-density development specified in the Comprehensive Plan.

The Planning and Zoning Board recommends the Governing Body find that the proposed zone map amendment would meet the intent of the comprehensive plan.

R.O. 2003 § 150.07(D)(4) states “The applicant must demonstrate that the existing zoning is inappropriate because:
(a) There was an error, mistake or is necessary to correct an injustice that occurred when the existing zone map pattern was created, including the placement of an R-1 or transitional zone on an antiquated plat filed before the city’s incorporation and adoption of its own zoning code or on land annexed by the City; or
(b) Changed neighborhood or community conditions justify the change; or
(c) A different use category is more advantageous to the community, as articulated in the comprehensive plan or other city master plan, even though (D)(1) or (2) does not apply. Applicant’s reliance on this provision requires proof that (i) there is a public need for a change of the kind in question, and (ii) that need will be best served by changing the classification of the particular piece of property in question as compared with other available property.”

Since there is no existing zoning, a justification letter demonstrating that the existing zoning is inappropriate is not required. The requested zoning will bring the subject property in line with zoning in the area and the applicant has demonstrated it is advantageous to the community.

The Planning and Zoning Board recommends the Governing Body find that this criterion has been met.

R.O. 2003 § 154.07(E) states “The cost of land or other economic considerations pertaining to the applicant shall not be the determining factor for a change of zone.”

The Planning and Zoning Board recommends the Governing Body find that the cost of the land or other economic considerations do not appear to be a justification for the proposed zone map amendment.

R.O. 2003 § 150.07(F) states “Location on a collector or major street is not in itself sufficient justification of apartment, office, or commercial zoning.”

The Planning and Zoning Board recommends the Governing Body find that the request does not involve office, multi-family, or commercial zoning.

R.O. 2003 § 150.07(G) states “A zone change request which would give a zone different from surrounding zoning to one small area, especially when only one premises is involved, is generally called a “spot zone.” Such a change of zone may be approved only when:
(1) The change will clearly facilitate realization of the comprehensive plan and any applicable adopted sector development plan or area development plan; or
(2) The area of the proposed zone change is different from surrounding land because it could function as a transition between adjacent zones; because the site is not suitable for the uses allowed in any adjacent zone due to topography, traffic, or special adverse land uses nearby; or because the nature of structures already on the premises makes the site unsuitable for the uses allowed in any adjacent zone.”

The properties immediately to the east and north of the subject property are zoned R-1: Single-Family Residential. This application should not be considered a “spot zone” because the surrounding land uses are also low-density residential.

The Planning and Zoning Board recommends the Governing Body find that the requested zone map amendment does not constitute a spot zone.

SURROUNDING LAND USE/ZONING: The surrounding properties to the north and east are zoned R-1: Single-Family Residential, with the properties to the east featuring single-family residences. The adjacent property to the south is unzoned but is occupied by a single-family residence. The abutting property to the west is also unzoned and is vacant.

NOTIFICATIONS: In accordance with State Statute NMSA 3-21-6, which stipulates notification procedures for this type of zoning action, all property owners within 100 feet of the subject properties received a certified letter containing a notice of action and impending Governing Body hearing, with return service requested. A legal notice was published in the Albuquerque Journal on May 29, 2024.

INTERDEPARTMENTAL/INTERAGENCY REVIEW:
DSD Planning and Zoning - Comments within document
DSD Engineering - No comments provided
Rio Rancho Public Schools - No comments provided
Fire and Rescue - No adverse comments
Police Department - No comments provided
SSCAFCA - SSCAFCA has reviewed and has the following comment: The lot lay within the lateral erosion zone. Any future development needs to meet CORR requirements.
MRCOG - No comments provided
Parks, Recreation, and Community Services - No comments provided

IMPACT:

The Planning and Zoning Board recommends the Governing Body adopt the Zoning Ordinance, subject to the following findings below:

GENERAL FINDINGS OF FACT:
1. The Planning and Zoning Board may make a recommendation to the Governing Body on the applicant’s request for a zone map amendment.
2. The applicant has the authority to apply for a zone map amendment on the subject property.
3. The applicant and adjacent property owners received due process.

SPECIFIC FINDINGS OF FACT FOR APPROVAL:
1. The proposed ordinance change would be consistent with the health, safety, morals, and general welfare of the City.
2. The proposed zoning would promote a stability of land use and zoning by assigning a zoning designation matching the surrounding area.
3. The proposed zone map amendment would be consistent with the intent of the adopted elements of the Comprehensive Plan.
4. The cost of the land or other economic considerations does not appear to be a justification for the proposed zone map amendment.
5. The zone map amendment request does not involve office, multi-family, or commercial zoning.
6. The requested zone map amendment would not create a “spot zone,” as the proposed zone change is in line with surrounding zoning.

If the Governing Body determines the proposed zone map amendment is not justified, the following findings are recommended for denial:

SPECIFIC FINDINGS OF FACT FOR DENIAL:
1. The proposed zone map amendment does not meet the requirements of Rio Rancho Code of Ordinances (R.O. 2003) §150.07(D) Amendments.

ALTERNATIVES:
1. The Governing Body may approve the request.
2. The Governing Body may deny the request.
3. The Governing Body may modify the request and approve such modifications.
4. The Governing Body may postpone final action on the request and continue the public hearing to request additional information or consider testimony provided at the public hearing.

DEPARTMENT RECOMMENDATION:
The Planning and Zoning Board recommends the Governing Body adopt the Ordinance.

ATTACHMENT: O11_Ordinance
ATTACHMENT: Application Package
ATTACHMENT: Ordinance 22 Enactment 95-020
ATTACHMENT: Location, Zoning Map
ATTACHMENT: Published Notices

CITY OF RIO RANCHO
ORDINANCE

ORDINANCE NO. **ENACTMENT NO.**

ORDINANCE OF THE CITY OF RIO RANCHO, NEW MEXICO AMENDING THE ZONING CLASSIFICATION AND OFFICIAL ZONING MAP FOR THE PROPERTY DESCRIBED AS LOT 130, BLOCK 18, RIO RANCHO ESTATES UNIT 7 FROM UNZONED TO R-1: SINGLE-FAMILY RESIDENTIAL DISTRICT; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE

WHEREAS: the Governing Body of the City of Rio Rancho has adopted zoning regulations and an official zone map in accordance with New Mexico Statutes Annotated 1978 (NMSA 1978) Chapter 3, Article 21; and

WHEREAS: in accordance with Rio Rancho Code of Ordinances (R.O. 2003) Section 150.07, an application to amend the zoning ordinance on the subject property has been submitted by The City of Rio Rancho, and assigned City Case No. 24-100-00003; and

WHEREAS: the City of Rio Rancho Planning and Zoning Board held a duly noticed public hearing on May 14, 2024, regarding the proposed changes to the Official Zoning Map and, following study and consideration, has made findings (where applicable) whether or not the criteria in R.O. 2003 Section 150.07 are satisfied, and made these recommendations to the Governing Body regarding adoption of the changes; and

WHEREAS: the Governing Body received a report from the Planning and Zoning Board, and such report indicates the Planning and Zoning Board has studied and considered the proposed changes pursuant to R.O. 2003 Section 150.07, and said report includes specific findings related to the affected property; and

WHEREAS: a public hearing occurred, in accordance with procedures set forth in R.O. 2003 Section 150.07, and NMSA 1978 Section 3-21-6, on the proposed zoning district and Official Zone Map changes hereinafter described were duly advertised and held by the Governing Body of the City of Rio Rancho on June 13, 2024 and the Governing Body heard interested parties and citizens for and against the proposed amendments; and

WHEREAS: the proposed amendments to be adopted by this Ordinance comply with the statutory and regulatory requirements of the aforesaid Code of Ordinances and Statutes, and upon specific findings related to the subject property and determining the proposed amendment is consistent with the policies and criteria set forth in R.O. 2003 Section 150.07 (D) through (G), the Governing Body finds the amendments promote the health, safety, morals, and general welfare of the City.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF

RIO RANCHO:

Section 1. Rezoning of Property The Official Zone Ordinance is hereby amended by assigning a zoning designation on approximately 0.5 acres from Unzoned to R-1: Single-Family Residential on the land legally described as: Rio Rancho Estates Unit 7 Block 18 Lot 130, as shown on "S.W. PORTION OF UNIT SEVEN, RIO RANCHO ESTATES, TOWN OF ALAMEDA GRANT, SANDOVAL COUNTY, NEW MEXICO," filed in the office of the County Clerk of Sandoval County, New Mexico on December 11, 1962, Book 1 Page 38.

Section 2. Land Use, Conditions, Development Standards/Regulations and use of Property: The properties identified in Section 1A, above, is subject to all requirements of the R-1: Single-Family Residential District as set forth in R.O. 2003 Section 154.08 (as of the effective date of this ordinance or as subsequently amended).

Section 3. Severability Clause. If any section, paragraph, clause, or provision of this Ordinance, or any section, paragraph, clause, or provision of any regulation promulgated hereunder shall for any reason be held to be invalid, unlawful, or enforceable, the invalidity, illegality, or unenforceability of such section, paragraph, clause, or provision shall not affect the validity of the remaining portions of this Ordinance or the regulation so challenged.

Section 4. Effective Date. This Ordinance shall become effective ten days after adoption.

ADOPTED THIS _____ DAY _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

Rio Rancho
City of Vision

Development Services Department, Ste. 130
3200 Civic Center Circle NE, Rio Rancho, NM 87144
(505) 891-5005

PLANNING & ZONING LAND USE APPLICATION

Please check appropriate box (Fees are listed on the back)

Administrative Permit	Plan	Subdivision	Zoning
☐ Community Residential Care Facility	☐ Comprehensive Plan Amendment	☐ Final Plat	☐ Annexation
☐ Development Review Committee (DRC)	☐ Corridor Plan Amendment	☐ Preliminary Plat	☐ Appeal
☐ Home Occupation	☐ Master Plan	☐ Summary Plat	☐ Conditional Use Permit
☐ Model Home / Sales Office	☐ Master Plan Amendment	☐ Vacation of Plat	☐ Master Sign Plan
☐ Residential Child Care Facility 6 or <	☐ Specific Area Plan Amendment	☐ Street Name Change	☐ Site Plan
☐ Sign Permit	☐ Text Amendment	☐ Subdivision Interpretation	☐ Special Exception
☐ Other		☐ Subdivision Variance	☐ Variance
			☒ Zone Map Amendment
			☐ Zoning Certification
			☐ Zoning Interpretation

Please Print In Ink Only or Type
Application must be complete. Please attach the appropriate checklist for the action you are requesting, if applicable.

APPLICANT/AGENT INFORMATION

Applicant Name: Tiffany Sisneros		Phone: 505 559-0196
Address: P.O. Box 15632		E-Mail: Paperbook123@hotmail.com
City: Santa Fe	State: NM	Zip: 87592
Proprietary Interest:	List Owners:	
Deed or Ownership Verification Provided: (Initials)	Letter of Authorization Provided: (Initials)	

Agent Name:		Phone:
Address:		E-Mail:
City:	State:	ZIP Code:

DESCRIPTION OF REQUEST: (PLEASE ADD ADDITIONAL SHEET(S) IF NECESSARY)

SITE INFORMATION: (PLEASE PROVIDE ACCURATE LEGAL DESCRIPTION)

Subdivision/Unit: Unit 7 Rio Rancho Estates	Block(s): 18	Lot(s): 130
Existing Zoning:	Proposed Zoning:	
No. of existing lots:	No. of proposed lots:	Total area of site (acres)

ACKNOWLEDGEMENT

I hereby acknowledge that I have read this entire application and affirm that all information provided is correct. I agree to comply with the requirements of the City of Rio Rancho as outlined in all applicable laws, ordinances and regulations.

Print Name: Tiffany Sisneros	Applicant:	Agent:
Signature: Tiffany Sisneros		Date:

FOR OFFICIAL USE ONLY

H.T.E. PROJECT #	FEE	RECEIPT #

APPLICATION ACCEPTED BY: _____ **DATE:** _____

Form revised June 2014

To whom it may concern:

Regarding Zone Map Amendment Process

My rezoning For zone map change is consistent with the health, safety, morals, and general welfare of the city because it is currently a developed neighborhood and is growing the community. The Stability of land use and zoning is desirable because we as Rio Rancho residents feel that the lot can give a desirable look to the road and better improve Northern Blvd. residential area. Our intent is to follow the rules and requirements that are consistent with the adopted elements of the comprehensive plan or other city master plans by the city. The lot currently is undeveloped and is not zoned. The use category R-1 is more advantageous to the community because the road and lot surrounding areas are zoned R-1.

Tiffany Sisneros

CITY OF RIO RANCHO

ORDINANCE NO. 22 **ENACTMENT NO. 95-020**

AN ORDINANCE PROVIDING FOR THE ANNEXATION OF REAL PROPERTY INTO THE CORPORATE BOUNDARIES OF THE CITY OF RIO RANCHO, NEW MEXICO, AND FURTHER PROVIDING FOR AMENDING ORDINANCE 87-1, APPENDIX G (ZONE MAP AMENDMENT) AND THE ZONE MAP, PARTICULARLY AS FOLLOWS:

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO, NEW MEXICO:

ARTICLE 1. INTENT

It is the intent of this Ordinance to show the approval and acceptance by the Governing Body, of the annexation of real property to the corporate boundaries of the City of Rio Rancho, as requested in Annexation Petition AP95-01, AM95-01.

ARTICLE 2. LEGAL REQUIREMENTS MET

The Annexation Petition for annexation area (AP95-01, AM95-01) having been presented to the Governing Body of the City of Rio Rancho, in full compliance with state law as set forth in 3-7-17 NMSA 1978, and the Governing Body having considered the Petition and presentations of petitioner, the Governing Body finds as follows:

A. The Annexation petition seeks to have annexed to the corporate boundaries of the City of Rio Rancho territory which is contiguous to the municipality.
B. The Annexation petition is signed by the owners of a majority of the property in acres in the contiguous territory sought to be annexed.
C. The Annexation Petition has been presented to the Governing Body by petitioners pursuant to the requirements of state and local law.

ARTICLE 3. CONSENT AND APPROVAL

By passage of the Ordinance, the Governing Body hereby expresses its desire to annex the property described in Annexation Petition AP95-01, AM95-01 and hereby does express its consent to an approval of the annexation of such contiguous territory being more particularly described in metes and bounds attached hereto and incorporated herein by reference in its entirety.

ARTICLE 4. ZONE MAP AMENDMENT

Purpose: That the property described as Sections 27, 28, 29, 33, 34, 35, Township 13 North, Range 2 East, Parcel A, Town of Alameda Grant, Sandoval County, comprising portions of Units 7, 12, 13, 21, and 22 Rio Rancho Estates, consisting of 3,410 acres shall be annexed into the City of Rio Rancho and have the zoning designation of SU/Special Use (Exhibit A) for the following land uses and with the following conditions:

1. A development agreement must be reached prior to any development occurring on site.

LAND USE ("Northern Meadows"):

SU/Special Use for Single Family Residential: (526) acres will accommodate single family detached homes with a maximum density of (7) dwelling units per acre (3,682 dwelling units). The development consists of both one and two-story homes. Lot sizes will vary between 40 and 860 foot widths, with a minimum of 4,000 square feet. The architectural style will vary.

A. Permissive Uses:
   1. Single family detached dwellings;
   2. Parks, open space, and public utilities;
   3. Swimming pools, tennis courts;
   4. Schools;
   5. Accessory buildings or structures, but not to include structures for domestic livestock or fowl.

B. Conditional Uses:
   1. As those provided in the R-1/Single Family Residential District.

C. Area:
   1. Every lot must have an area of not less than 4,000 square feet and a width of not less than 40 feet along the front yard setback line, with a minimum depth of not less than 100 feet;

D. Setbacks:
   1. Front - (25) feet
   2. Side - (5) feet each side, (10) feet between building walls
   3. Rear - (20) feet

E. Density: may not exceed (7) dwelling units per acre.

F. Height: one or two stories, not to exceed (32) feet in total height.

G. Off-Street Parking: As provided in section 9-1-18 of Zoning Ordinance.

SU/Special Use for Townhomes and Apartments: (55) acres will accommodate attached residential units developed as townhomes or apartments. Typical densities for the townhomes will average (10) dwelling units per acre (500 dwelling units). The product envisioned will be attached four-unit townhomes. The proposed apartment developments will have a maximum density of (18) dwelling units per acre.

A. Permissive Uses:
   1. Attached townhomes;
   2. Attached apartments
   3. Parks, open space, and public utilities;
   4. Swimming pools, playgrounds, tennis courts;
   5. Accessory buildings or structures, but not to include structures for domestic livestock or fowl.

B. Conditional Uses:
   1. As those provided in the R-3/Multi Family Residential District.

C. Area: minimum lot area:
   1. Apartments: (6,000) square feet.
      Row Townhomes: (2,200) square feet.
      Clustered Townhomes sharing common area: (1,100) square feet.

D. Setbacks:
   1. Front - (25) feet, except driveways shall not be less than (20) feet long for townhomes.
   2. Side - (5) feet, except:

a. There shall be a (10) feet on the street side of corner lots.
b. There shall be no required side-yard setback from internal lot lines for townhomes.

3. Rear - (15) feet

Setbacks for clustered townhome products which share a common courtyard and parking area are as follows:

1. A front yard setback of (25) feet is required adjacent to public right-of-way.
2. There shall be a minimum of a fifteen foot setback for either the side-or rear-yard (depending on building orientation), with no setback along internal lot lines of attached units.

E. Density: may not exceed (18) dwelling units per acre.

F. Height: three stories, not to exceed (32) feet in total height.

G. Off-Street Parking: As provided in section 9-1-18 of Zoning Ordinance.

The applicant has imposed a maximum total of (4,200) residential units allowed to be developed in the area. This is inclusive of single-family detached and attached housing developments, as well as multifamily units.

C-1/Retail Commercial: (17) acres of commercial development are proposed. The development envisioned includes such neighborhood retail services as a pharmacy, dry cleaners and grocery.

A. All Uses, Area, Setback, Density, Height and Parking requirements:

1. Same as those articulated in the C-1/Retail Commercial District

The applicant proposes additional community services such as police, fire stations and library sites be located in the southern portion of the annexation area in the "Contiguous Lands" area.

The remaining (253) acres includes natural physical land features such as an arroyo (Arroyo de los Montoyas), a drainage easement, and open space, as well as a trail, school, park, and roadways.

School: (10) acres will accommodate the proposed school site to be located on 10th Street, north of King Boulevard.

LAND USE ("Contiguous Lands"):

All land uses and requirements as those provided in the R-1/Single Family Residential District and E-1/Estate District, more specifically:

A. R-1/Single Family Residential (Unit 12):

Block 1A	Block AA	Block H	Blocks 4-28
Block 2A	Block EE	Block J	Blocks 31-39
Block 3A	Block FF	Block K	Block 52
Block 6A	Block GG	Block L	Block 59
Block 21A	Block HH	Block M	Blocks 54-57
			Blocks 60-67
			Blocks 69-71
			Blocks 85-89

B. E-1/Estate Residential Residential (Unit 12):

Block 68	Blocks 72-76	Block 90

Signage: All signage shall comply with Article 5 of the Zoning Ordinance.

The applicant is subject to any and all additional Federal, State and Local laws, rules and regulations.

The applicant shall comply with all existing and future plans, policies, etc. directly related to this property.

ARTICLE 5. SAVING CLAUSE

If any of the sections, sentences, clauses, or phrases of this Ordinance or any exhibit or attachment thereto are for any reason held unconstitutional or invalid, the validity of the remaining portions of this Ordinance shall not thereby be affected inasmuch as it is the intent of the Governing Body of the City to pass each phrase, paragraph, and word separately.

ADOPTED THIS 12TH DAY OF JULY, 1995.

Thomas E. Swisstack, Mayor

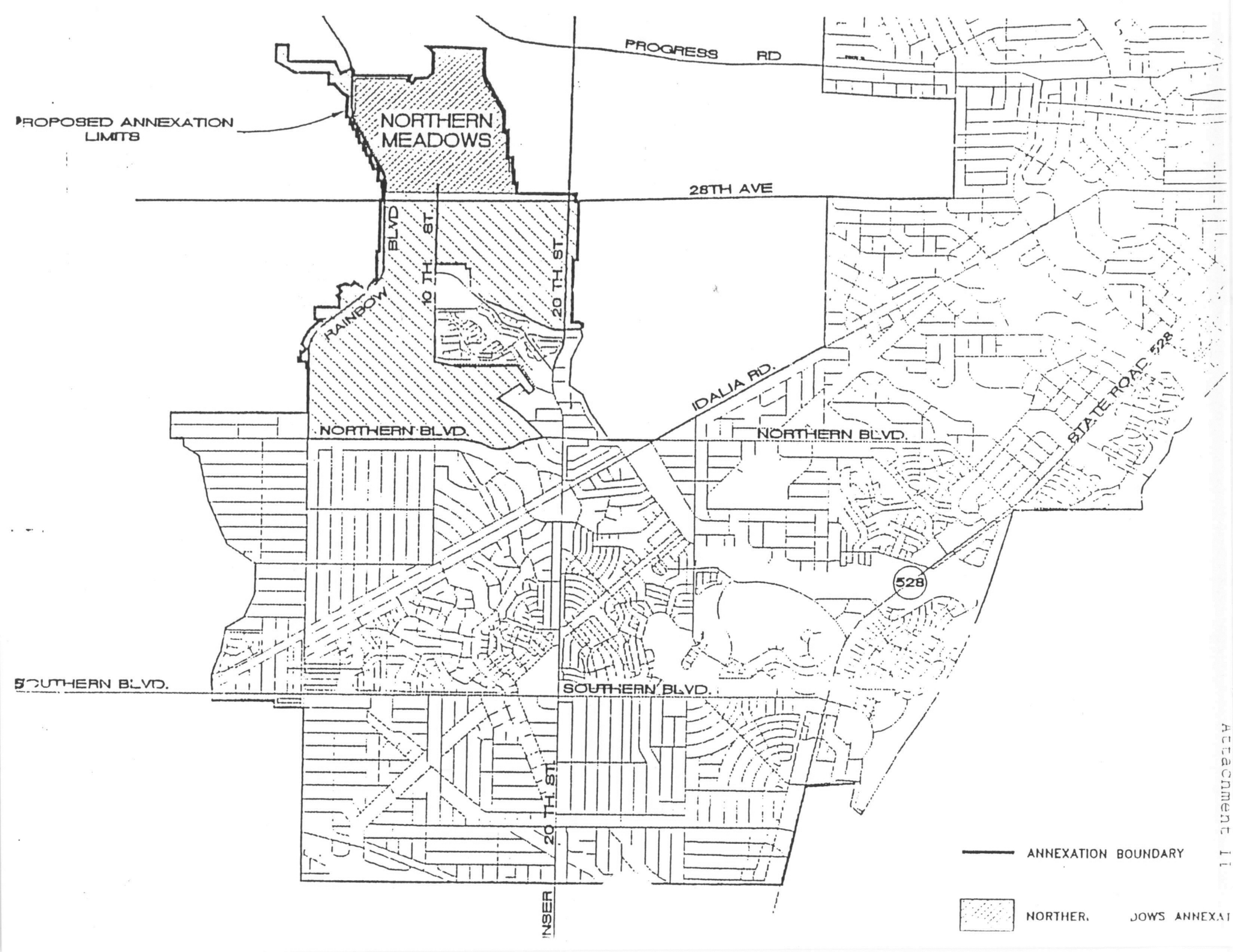
7-14-95.

Date

ATTEST:

Tina Gonzales, City Clerk

(SEAL)



Attachment 11

CITY OF RIO RANCHO2
GOVERNING BODY
AGENDA BRIEFING MEMORANDUM

REFERENCE #: O-22

DEPARTMENT: City Development AGENDA DATE: 7/12/95

O-22

SUBJECT: Second Reading of Proposed Zone Map Ordinance

Purpose: Annexation and establishment of special use zoning, Special Use for Single Family Residential, Townhomes/Apartments, and C-1/Retail Commercial for those land uses in the planned development area. All other land uses shall include either R-1/Single Family or E-1/Estate Residential **(Attachment I).**

Property: Sections 27, 28, 29, 33, 34, and 35, Township 13 North, Range 2 East, and with exterior boundaries of the Town of Alameda Grant, Sandoval County comprising portions of Units 7, 12, 13, 21, and 22, Rio Rancho Estates (3,410 acres) **(Attachment II).**

Location: North of Northern Boulevard, East of Rainbow boulevard.

Applicant: Amrep Southwest Inc.

BACKGROUND AND ANALYSIS:

This is a second reading of the proposed annexation ordinance. At their regularly scheduled meeting of 6/28/95, the Governing Body approved the first reading of the proposed ordinance.

The Sandoval County property is currently zoned agricultural. This request involves annexing the property with the zoning designations for the northern portion of the area as follows: SU/Special Use for Single Family Residential, Townhomes/Multi-Family and C-1/Retail Commercial. The southern portion of the area will include R-1/Single Family and E-1/Estate Residential zoning.

Pursuant to NMSA 3-7-17, the petition method consists of a petition signed by the owners of a majority of the property in the contiguous territory and is accompanied by a map showing the external boundary of the territory proposed to be annexed. The Governing Body shall by ordinance express its consent or rejection pursuant to a recommendation prepared by the Planning and Zoning Commission. If approved, a copy of the ordinance and plat shall be filed with the County Clerk. The Clerk shall send copies of the ordinance to the Secretary of Finance and Administration and to the Secretary of Taxation and Revenue. After filing, the contiguous territory is part of the City. If no appeal is filed in district court within thirty (30) days after the filing of the petition package in the clerk's office, the annexation shall be deemed complete.

RECEIVED
JUL 6 1995
CITY CLERKS OFFICE

ALTERNATIVES:

The Governing Body may select not to approve this request thereby allowing the property to remain under Sandoval County jurisdiction. Assuming this development continues, the City will lose out on desired property and gross receipts tax revenue. Approval of this request will result in the development of various residential and commercial land uses. Not only will the Governing Body have control over specific development issues such as height and setback requirements, but also over zoning and land use in the southern portion of the annexation area.

RECOMMENDATIONS:

At their regularly scheduled meeting of April 25, 1995, the Planning and Zoning Commission recommended **APPROVAL** of the proposed annexation **(Attachment VI).**

REVIEWED BY:

CITY ATTORNEY	____	DPS	____	PARKS & REC	____	SENIOR CTR.	____
CITY CLERK	____	FINANCE	____	PERSONNEL	____	OTHER (SPECIFY)	____
CITY DEV.	____	LIBRARY	____	PUBLIC WORKS	____		

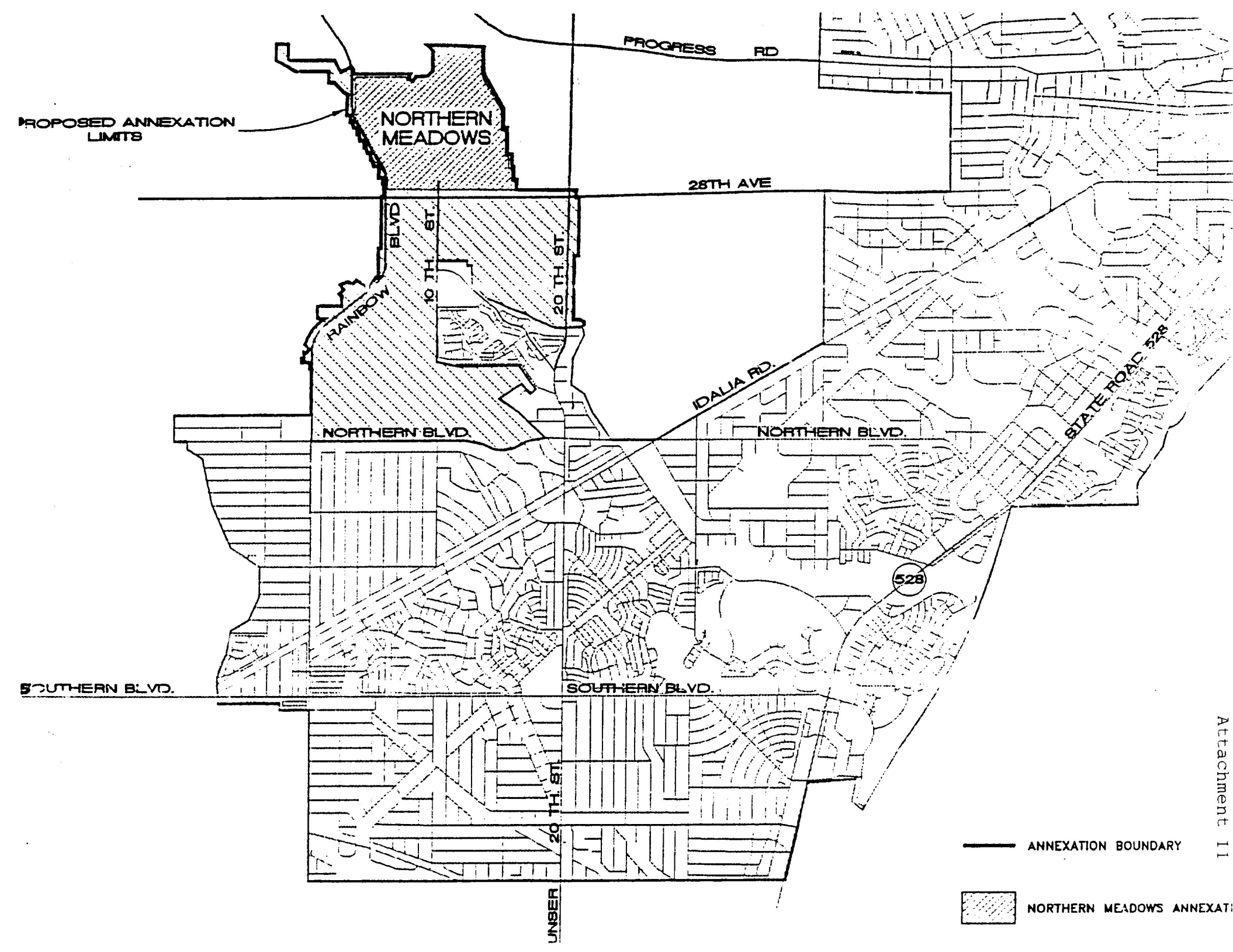
PREPARED BY: _____ **DATE:** 7/5/95

DEPARTMENT DIRECTOR: _____ **DATE:** 7/5/95

CITY ADMINISTRATOR: _____ **DATE:** 7/7/95

Attachment I: Draft Annexation Zone Map Ordinance
Attachment II: Location Map
Attachment III: Staff Report
Attachment IV: Utility Company Letter of Service Capability
Attachment V: Development Order
Attachment VI: Minutes; P & ZC meeting of April 25, 1995
Attachment VII: Minutes; Governing Body meeting of June 28, 1995

annex.abm



Attachment 11

Attachment III

RIO RANCHO CITY DEVELOPMENT DEPARTMENT
PETITION FOR ANNEXATION
ZONE MAP AMENDMENT
STAFF REPORT

Date:	April 25, 1995
Property Owner:	Amrep Southwest Inc.
Applicant/Agent:	Amrep Southwest Inc./Easterling and Associates
Present Zone:	Sandoval County Agricultural
Proposed Zone:	Special Use for Single-Family Residential, Townhouse/Apartments, C-1/Retail Commercial for planned development, R-1/Single Family outside planned area.
Property:	Sections 27, 28, 29, 33, 34, 35, Township 13 North, Range 2 East, exterior boundaries of the Town of Alameda Grant, Sandoval County comprising portions of Units 7, 12, 13, 21, and 22, Rio Rancho Estates (3,410 acres)

I. FINDINGS OF FACT:

A. Application Information:
- Site is located north of Northern Boulevard, east of Rainbow Boulevard.

B. Access: Access to site is via 10th Street, Unser and Rainbow Boulevard.

C. Utilities/Infrastructure: All utilities will be made available.

D. Land Use:
- North: Undeveloped County property
- South: Undeveloped County/City Single-Family Residential
- East: Undeveloped County property
- West: Undeveloped County property

E. Zoning:
- North: Sandoval County Agricultural/Residential
- South: City of Rio Rancho Special Use P.U.D. (North Hills)
- East: Sandoval County Agricultural/Residential
- West: Sandoval County Agricultural/Residential

F. Slope: Relatively level, mildly sloping in the southern and far eastern portions.

G. Acreage: 3,410 acres.

H. Drainage: Addressed during platting/subdivision and plan review processes.

II. CONFORMANCE WITH CITY PLANS, POLICIES AND REGULATIONS

A. Conformance to Comprehensive Plan

1. Objective (4.1A3) states, "Consider the annexation of lands to the municipal corporate limits when: a) there is a major potential for increasing municipal revenue generation."
FINDING: This request allows the City to benefit from the anticipated revenue generated from the proposed development. **CONFORMS.**

2. Objective (4.1A4) "Coordinate and cooperate with all other municipalities who share common boundaries with Rio Rancho for major development plans along such common boundaries."
FINDING: This project allows the potential for major area development projects in the future. **CONFORMS.**

3. Objective (4.1A6) "Continue to develop an economic strategy, implemented to accomplish the goal of a self-sustaining community."
FINDING: This project would benefit the city economically by increasing the tax base and providing additional jobs and commercial services. **CONFORMS.**

4. Objective (4.1B1) states, "Encourage the development of a select number of dispersed "Activity Centers" throughout the Rio Rancho Planning Area, allowing concentrations of nonresidential land uses to develop at medium to high density."
FINDING: Project contains nonresidential land uses developed at medium density. **CONFORMS.**

5. Objective (4.1B8) states, "Provide for widespread distribution of open space for public parks, recreation, or visual relaxation available to all residents of Rio Rancho."
FINDING: Project contains large public park sites available to all residents of the City. **CONFORMS.**

6. Goal B: Encourage the development of a variety of distinctive neighborhoods offering a maximum choice of housing, employment, and open space areas.
FINDING: This project provides single family, multifamily residential and commercial land uses, while also offering schools, parks and trails. **CONFORMS.**

7. Objective (4.1C1) states, "Protect unique or sensitive natural features within the Rio Rancho Planning Area by promoting development patterns which respect the arroyos, steep terrain, geologic formations, and scenic attributes."
   FINDING: This project contains a development pattern which is situated adjacent to the existing Arroyo De Los Montoyas without harboring this natural feature. **CONFORMS.**

B. Conformance to Zoning Ordinance: N/A.
C. Conformance to Other Adopted Plans for the Area: N/A.
D. Conformance to Policies and Regulations: Section 3-7-17 New Mexico Statutes Ann. (1978) requires that a petition be signed by the owners of a majority of the property. The Governing Body shall express its consent and if approved, the petition shall be filed with the County Clerk.

III. STAFF RECOMMENDATION

This is a request for annexation and the establishment of special use zoning. The general annexation area is located north of Northern Boulevard, east of Rainbow Boulevard. The total acreage of the area to be annexed is 3,410. The northern portion of the annexation area will contain a planned unit development and will include the zoning designations of: SU/Special Use for Single Family Residential, Townhouse, Apartments, and Commercial. The southern portion of the annexation area will remain as existing in terms of land use and will include the zoning designation of R-1/Single Family Residential.

The northern portion of the annexation area contains 851 acres and is identified as "Northern Meadows". This area contains the planned development. The southern portion of the annexation area contains 2,559 acres and is identified as "Contiguous Lands". The southern portion, or "Contiguous Lands", is included in order to: (1) form an abutting area between "Northern Meadows" and the existing City of Rio Rancho North Hills Subdivision, and (2) to exercise City land use control over future development in this area, and (3) to provide a reasonably logical geographic boundary.

The annexation area can be characterized as being predominately undeveloped. There are however, incidences of scattered residential development in the form of mobile homes in the area (7). In terms of terrain, the northern portion of the annexation area ("Northern Meadows") is relatively level and contains the Arroyo De Los Montoyas. The eastern and southern portions of the annexation area ("Contiguous Lands") contain mild slopes and more varied topography than the remainder of the site.

Attachment III

LAND USE
("Northern Meadows")

1. SU/Special Use for Single Family Residential:

   (526) acres will accommodate single family detached homes with a maximum density of (7) dwelling units per acre (3,682 dwelling units). The development consists of both one and two-story homes. Lot sizes will vary between 40 and 60 foot widths, with a minimum of 4,000 square feet. The architectural style will vary.

   A. Permissive Uses:
      1. Single family detached dwellings;
      2. Parks, open space, and public utilities;
      3. Swimming pools, tennis courts;
      4. Schools;
      5. Accessory buildings or structures, but not to include structures for domestic livestock or fowl.

   B. Conditional Uses:
      1. As those provided in the R-1/Single Family Residential District.

   C. Area:
      1. Every lot must have an area of not less than 4,000 square feet and a width of not less than 40 feet along the front yard setback line, with a minimum depth of not less than 100 feet;

   D. Setbacks:
      1. Front - (25) feet
      2. Side - (5) feet each side, (10) feet between building walls
      3. Rear - (20) feet

   E. Density: may not exceed (7) dwelling units per acre.
   F. Height: one or two stories, not to exceed (32) feet in total height.
   G. Off-Street Parking: As provided in section 9-1-18 of Zoning Ordinance.

2. SU/Special Use for Townhomes and Apartments:

   (55) acres will accommodate attached residential units developed as townhomes or apartments. Typical densities for the townhomes will average (10) dwelling units per acre (500 dwelling units). The product envisioned will be attached four-unit townhomes. The proposed apartment developments will have a maximum density of (18) dwelling units per acre.

A. Permissive Uses:
   1. Attached townhomes;
   2. Attached apartments
   3. Parks, open space, and public utilities;
   4. Swimming pools, playgrounds, tennis courts;
   5. Accessory buildings or structures, but not to include structures for domestic livestock or fowl.

B. Conditional Uses:
   1. As those provided in the R-3/Multi Family Residential District.

C. Area: minimum lot area:
   1. Apartments: (6,000) square feet.
      Row Townhomes: (2,200) square feet.
      Clustered Townhomes sharing common area: (1,100) square feet.

D. Setbacks:
   1. Front - (25) feet, except driveways shall not be less than (20) feet long for townhomes.
   2. Side - (5) feet, except:
      a. There shall be a (10) feet on the street side of corner lots.
      b. There shall be no required side-yard setback from internal lot lines for townhomes.
   3. Rear - (15) feet

   Setbacks for clustered townhome products which share a common courtyard and parking area are as follows:

   1. A front yard setback of (25) feet is required adjacent to public right-of-way.

   2. There shall be a minimum of a fifteen foot setback for either the side-or rear-yard (depending on building orientation), with no setback along internal lot lines of attached units.

E. Density: may not exceed (18) dwelling units per acre.
F. Height: three stories, not to exceed (45) feet in total height.
G. Off-Street Parking: As provided in section 9-1-18 of Zoning Ordinance.

* The applicant has imposed a maximum total of (4,200) residential units allowed to be developed in the area. This is inclusive of single-family detached and attached housing developments, as well as multifamily units.

3. C-1/Retail Commercial:

Staff is concerned with the ability to provide retail and other commercial related services to the area. The development envisioned includes such neighborhood retail services as a pharmacy, dry cleaners and grocery. While the 17 acres the applicant has proposed appears adequate, the location of the site is of main concern. Staff is satisfied with the proposed location as it is within the proposed community center at the intersection of King Boulevard and 10th Street. This location does help disburse these services, and will provide convenient access to internal residents.

A. All Uses, Area, Setback, Density, Height and Parking requirements:
   1. Same as those articulated in the C-1/Retail Commercial District

The applicant proposes additional community services such as police, fire stations and library sites be located in the southern portion of the annexation area in the "Contiguous Lands" area. The specific locations of these services will be determined when the development agreement is approved.

The remaining (253) acres includes natural physical land features such as an arroyo (Arroyo de las Montoyas), a drainage easement, and open space, as well as a trail, school, park, and roadways.

4. School:

(10) acres will accommodate the proposed school site to be located on 10th Street, north of King Boulevard.

LAND USE
("Contiguous Lands")

The land use designation in this area contains both R-1/Single Family Residential and E-1/Estate Residential land uses. These zoning designations permit low density population in which the principal land use is single family dwelling units. However, E-1/Estate Residential zoning allows the placement of horses on parcels of a size greater than one acre. Horses are allowed on parcels of one (1) acre for the first horse, thereafter, each additional horse shall require one-half acre per horse in addition to the minimum. Therefore, staff is recommending that a portion of the larger parcels within the "Contiguous Lands" area be zoned E-1/Estate Residential. The specific properties targeted for the E-1/Estate Residential zoning designation were determined in part by individual property owners who desired this zoning designation for their property. In order to maintain consistency and avoid "spot zoning", staff then included the entire block surrounding the individual parcels. The specific parcels are legally identified as:

A. R-1/Single Family Residential (Unit 12) in which the following is inclusive of all blocks and lots listed below and further identified legally as:

Block 1A	Block AA	Block H	Blocks 4-28
Block 2A	Block EE	Block J	Blocks 31-39
Block 3A	Block FF	Block K	Block 52
Block 6A	Block GG	Block L	Block 59
Block 21A	Block HH	Block M	Blocks 54-57
			Blocks 60-63
			Blocks 69-71
			Blocks 85-87

B. E-1/Estate Residential (Unit 12) in which the following is inclusive of all blocks and lots listed below and further identified legally as:

Block 68	Blocks 64-67	Blocks 72-76*	Blocks 88-90

* Block 76, exclusive of "Tract F" which will remain R-1/Single Family Residential.

DENSITY:

The existing density classes within the comprehensive planning area have been established with strict concern for city-wide environmental and transportation potential. There are specific transportation issues raised by this proposal. Again this request proposes to add an additional 3,410 acres into the corporate city limit boundary, thereby necessitating the need to update the comprehensive plan's density area figures. The new density evaluation area (# 11), would include the following population and available dwelling unit data:

	POPULATION		DWELLING UNITS	
CENSUS TRACT	MAXIMUM	AVAILABLE	MAXIMUM	AVAILABLE
11	17,543	6,076	6,426	2,226

These figures were composed by compiling the number of parcels in the proposed annexation area, subtracting the number of proposed dwelling units which again is 4,200. The entire 4,200 dwelling units proposed to be constructed are not single family dwelling units. A portion of the dwelling units will be multi family, thus was taken into account when these density figures were established. As a point of information, the number of people per dwelling unit is assumed to be 2.73 persons per dwelling unit for the purposes of this table.

Attachment III

ARCHITECTURAL INTEGRITY

The architectural integrity of this subdivision must be protected at all cost. With densities ranging from 7 to 18 dwelling units per acre, physical amenities must be assured. For all parcels within the P.U.D., staff is recommending the enforcement of minimum landscaping requirements, of which 50% shall be drought tolerant. Exterior walls shall be maintained in compliance with other architectural styles. Maximum height requirement (32 feet) minimize tall or massive structures which might dominate their environment and reduces visual disruption of common view areas.

WATER and SEWER:

The entire annexation area is located within the United Water New Mexico franchise. The applicant indicates the utility company is prepared to provide water and sanitary sewer service to "Northern Meadows" **(Attachment IV)**. In the past however, the Governing Body has indicated that it desires assurance from an independent source as to whether there is enough water available to service large development projects. The Development Department has identified several independent sources in order to provide such a service. Regarding the sewer service, Plant #2 is proposed to treat the wastewater flow from "Northern Meadows". All infrastructure is proposed to be built to City standards. A development agreement must be approved in order to address the specifics of this portion of the project.

ACCESS:

The proposed access point for the initial portion of development in "Northern Meadows" is 10th Street. The planned road will be paved from Cherry Road on the southern edge, north into "Northern Meadows". As "Northern Meadows" develops, access points will be Unser Boulevard on the east and Rainbow Boulevard on the west. Sandoval County has indicated that it will improve Unser Boulevard from the North Hills Subdivision to NMSR 44. The time frame anticipated is two years. King Boulevard will be utilized as the major east-west connection through "Northern Meadows". Additional internal roads will also serve the development and will be identified at the subdivision stage. As a point of information, the existing road pattern platted underlying "Northern Meadows" is proposed to be vacated. The development agreement will outline the details of the project.

PARKS and OPEN SPACE:

In staff's opinion, the applicant provides an adequate amount of passive as well as active open space within this development. (36) acres of developed park space is combined into (2) regional-size community parks. These community parks are (11) and (15) acres respectively. The three remaining smaller parks range

from (1) to (7) acres in size and will be built by the applicant and maintained by a homeowners association. The exact locations of the park spaces will be addressed at the development agreement and subdivision portions of the development process.

Stan Ford, Director of Parks and Recreation, has indicated the two smaller parks are not feasible due to issues such as poor access. He prefers to the two smaller sites be merged into the (7) acre park parcel located south of King Boulevard, west of 10th Street. The revised park alignment is reflected in the information brochure.

A trail will run parallel to King Boulevard within the a dedicated drainage easement and should provide adequate pedestrian and bicycle access through the P.U.D.

The Arroyo De Los Montoyas will provide the majority of open space for future residents. The proposed parks have also been strategically placed to preserve views.

TRANSPORTATION:

This development project has the potential to generate large amounts of vehicular traffic. The City Development Department is concerned with the short term impacts of introducing a relatively higher speed of traffic onto Cherry Road, a residential area. Another concern, and perhaps even more immediate, is the long term impact of introducing the vehicular traffic onto the existing transportation network (Unser and Northern Boulevards and NMSR 528). With the number of dwelling units proposed to be developed (4,200), as well as other nonresidential land uses, it is reasonable to anticipate over 8,000 vehicles will be added to the existing transportation network.

Suggestions regarding the impact of adding to the already overburdened transportation network involve upgrading the capacity these systems can handle and directing the vehicular traffic to alternative routes. The specific improvements may be needed for the segment of Unser Boulevard from Northern to where the pavement ends adjacent to North Hills, 10th Street (North Hills), Rainbow Boulevard south to Northern Boulevard, and Northern Boulevard from Rainbow to Unser.

Transportation travel forecast data, compiled by the Middle Rio Grande Council of Governments of New Mexico, presents traffic model counts for anticipated growth in certain areas of the City. This data, however, does not account for this proposed annexation area development, nor does it recognize the proposed Unser Boulevard extension from North Hills to NMSR 44. Therefore, at this time it is difficult to place definite projected data figures regarding this proposal due to the number of variables that exist. Short term issues such as reducing the speed of vehicular traffic may be rectified in part by the utilization of various traffic control measures. The specific measures utilized should be determined by the Traffic Advisory Council. The long

term issues are partly addressed by the proposed improvement of Unser Boulevard by Sandoval County. The project as proposed, will include the construction and paving of a two lane roadway, to be located from North Hills to NMSR 44. The anticipated completion date is fall of 1996. The exact timetable for the construction of the remaining portion of the roadways will be determined via the development agreement.

PUBLIC FACILITIES

Based on a density figure of 2.73 persons per dwelling unit, the "Northern Meadows" development project is proposing a population of approximately 11,500 persons. Staff is concerned whether assurances and provisions have been made to adequately provide for the education, health, safety, and welfare of the citizens not only of "Northern Meadows", but the entire Rio Rancho community.

1. Educational Facilities:

   Issues such as the exact number and locations of school sites will be determined by the development agreement. Based on discussions with Rio Rancho Public School System representatives, a density figure for schoolaged children is .7 children per household. Therefore, assumptions based on discussions with school officials and the applicant are:

   A. 2,940 school aged children will live in the "Northern Meadows" area.
   B. The project allows for a 10 acre site for a school facility.
   C. At present, five elementary and two middle schools exist.
   D. Proposed is a high school tentatively located at the Loma Colorado site, Unit 13, Tract P.
   E. Approximate distances from project area to nearest educational facility:
      1. Nearest elementary school (Enchanted Hills) - 6 miles
      2. Nearest middle school (Mountain View) - 7 miles
      3. Nearest high school (Cibola) - 15 + miles

2. Public Safety Facilities:

   This request does not include sites for police, fire and emergency personnel services. The project is proposing to utilize existing police, fire, and emergency personnel services at current locations within the City of Rio Rancho. The areas deemed appropriate for these uses are along 28th Boulevard between 10th and 20th Streets, as well as along 10th Street Between Northern and 28th Boulevard. The exact location of the D.P.S. substation will be addressed at the development agreement stage.

annex.rec

United Water

United Water New Mexico
4100 Southern Boulevard, Suite 100
PO Box 44010
Rio Rancho, NM 87174-2072
telephone 505 891 1200
facsimile 505 891 1222

April 7, 1995

Mr. Richard Costales, Engineer
AMREP Southwest Inc.
333 Rio Rancho Dr. NE
Rio Rancho, NM 87124

RE: Water & Sewer Availability: Northern Meadows

Dear Mr. Costales:

This is to advise that water and wastewater service can be made available to Northern Meadows located in Unit 22; subject to the following conditions:

1) Prior to the design and installation of any services or the extension of any mains, we request hydraulic data pertinent to the project be provided to us for our Engineering Department review and approval.

2) If, as a result of such review, it is decided that any extension of any mains or pipes or modification of other facilities is required in order to meet the hydraulic needs of the project, those mains or facilities will be installed or extended by the developer in accordance with the terms and conditions of this Company's agreements for extension.

3) Service will be provided in accordance with the terms and conditions set forth in the Company's filed Tariff, as amended or modified from time to time.

If you have any questions, please call us at 891-1200.

Sincerely,

Alan W. O'Brien, P.E.

AOB/ms

cc: Chris Phillips, Easterling & Assoc.
File: Unit 22

Attachment V

CITY OF RIO RANCHO
CITY DEVELOPMENT DEPARTMENT
Development Order #

DATE: April 11, 1995 **APPLICATION NO.:** ZMA0411955_

APPLICANT: Amrep Southwest Inc.
OWNER: same as above/333 Rio Rancho Drive, Rio Rancho, New Mexico 87174

APPLICATION DESCRIPTION:

Petition For Annexation and Zone Map Amendment Sections 27, 28, 29, 33, 34, 35, Township 13 North, Range 2 East, Town of Alameda Grant, Sandoval County comprising portions of Units 7, 12, 13, 21, and 22, Rio Rancho Estates (3,410 acres) and establishment of special use zoning, SU/Special Use for Single Family Residential, Townhouse/Apartments, and C-1/Retail Commercial land uses. All additional land uses shall have the zoning designation of R-1/Single Family or E-1/Estate Residential.

KEY ISSUE:

1. Annexation and establishment of special use zoning, SU/Special Use for Single Family Residential, Townhouse/Apartments, and C-1/Retail Commercial land uses for the planned unit development identified as "Northern Meadows". All additional land uses shall have the zoning designation of R-1/Single Family or E-1/Estate Residential.

DATE OF P&Z MEETING(S): April 11, 1995, April 25, 1995

PLANNING & ZONING COMMISSION DECISION: RECOMMENDATION OF APPROVAL

DATE OF GOVERNING BODY MEETING(S): June 28, and July 12,1995

GOVERNING BODY DECISION:

APPROVED THIS _____ DAY OF _____,1995.

_____
Harold Donovan, City Administrator

_____
Art Corsie, Department Director

_____
Applicant

annex.dev

CITY OF RIO RANCHO
PLANNING & ZONING COMMISSION
MINUTES

APRIL 25, 1995

ITEM 4: PUBLIC HEARINGS:

TABLED APRIL 11, 1995

A. PETITION FOR ANNEXATION AND REQUEST FOR SPECIAL USE ZONE: Applicant requests approval of annexation and zoning ordinance for the purpose of zoning certain properties R-1/Single and certain properties as SU/Special Use for Single Family Residential, Townhouse\Apartments and C-1\Retail Commercial landuses on the property legally described as Sections 27, 28, 29, 33, 34, and 35, Township 13 North, Range 2 East, and with exterior boundaries of the Town of Alameda Grant, Sandoval County comprising of portions of Units 7, 12, 13, 21, and 22, Rio Rancho Estates (3,410 acres) located north of Northern Boulevard, East of Rainbow Boulevard. Applicant: Amrep Southwest Inc.

Chuck Easterling, Easterling & Associates, stated he is representing Amrep Southwest and is requesting approval of an annexation and special use zoning and that he has provided the Commission with the information requested and that the plans for Unser Boulevard are being worked on.

Commissioner Cunningham asked Mr. Corsie if any updates have been made on the impact of the annexation regarding roads and school construction. Mr. Corsie stated there was no word from the State Engineer as far as the construction of the roads but alternative financing looks promising for the construction of new schools. Mr. Corsie added development will not occur until a development agreement is approved.

Commissioner Ramaeker addressed concerns for police and fire protection in the area. Mr. Corsie stated these concerns will also be addressed in the development agreement.

Commissioner Donnel stated he will abstain from voting due to a potential conflict in interest.

PZC0425954A: COMMISSIONER HAWLEY MOVED THAT THE REQUEST OF ANNEXATION AND ZONING ORDINANCE FOR THE PURPOSE OF ZONING CERTAIN PROPERTIES R-1/SINGLE AND CERTAIN PROPERTIES AS SU/SPECIAL USE FOR SINGLE FAMILY RESIDENTIAL, TOWNHOUSE/APARTMENTS AND C-1/RETAIL

COMMERCIAL LANDUSES ON THE PROPERTY LEGALLY DESCRIBED AS SECTIONS 27, 28, 29, 33, 34 AND 35, TOWNSHIP 13 NORTH, RANGE 2 EAST, AND WITH EXTERIOR BOUNDARIES OF THE TOWN OF ALAMEDA GRANT, SANDOVAL COUNTY COMPRISING OF PORTIONS OF UNITS 7, 12, 13, 21, AND 22, RIO RANCHO ESTATES (3,410 ACRES) LOCATED NORTH OF NORTHERN BOULEVARD, EAST OF RAINBOW BOULEVARD, BE APPROVED. SECONDED BY COMMISSIONER BLOMBERG. MOTION CARRIED BY A VOTE OF 4 FOR, 1 ABSTENTION, 0 AGAINST, AND 2 ABSENT.

YES: BLOMBERG, CUNNINGHAM, HAWLEY, RAMAEKER
ABSTAIN: DONNELL
ABSENT: GAHL, SOTO

CITY OF RIO RANCHO
PLANNING & ZONING COMMISSION
MINUTES

APRIL 25, 1995

ITEM 4: PUBLIC HEARINGS:

TABLED APRIL 11, 1995

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Commissioner Ramaeker addressed concerns for police and fire protection in the area. Mr. Corsie stated these concerns will also be addressed in the development agreement.

Commissioner Donnel stated he will abstain from voting due to a potential conflict in interest.

PZC0425954A: COMMISSIONER HAWLEY MOVED THAT THE REQUEST OF ANNEXATION AND ZONING ORDINANCE FOR THE PURPOSE OF ZONING CERTAIN PROPERTIES R-1/SINGLE AND CERTAIN PROPERTIES AS SU/SPECIAL USE FOR SINGLE FAMILY RESIDENTIAL, TOWNHOUSE/APARTMENTS AND C-1/RETAIL

COMMERCIAL LANDUSES ON THE PROPERTY LEGALLY DESCRIBED AS SECTIONS 27, 28, 29, 33, 34 AND 35, TOWNSHIP 13 NORTH, RANGE 2 EAST, AND WITH EXTERIOR BOUNDARIES OF THE TOWN OF ALAMEDA GRANT, SANDOVAL COUNTY COMPRISING OF PORTIONS OF UNITS 7, 12, 13, 21, AND 22, RIO RANCHO ESTATES (3,410 ACRES) LOCATED NORTH OF NORTHERN BOULEVARD, EAST OF RAINBOW BOULEVARD, BE APPROVED. SECONDED BY COMMISSIONER BLOMBERG. MOTION CARRIED BY A VOTE OF 4 FOR, 1 ABSTENTION, O AGAINST, AND 2 ABSENT.

YES: BLOMBERG, CUNNINGHAM, HAWLEY, RAMAEKER
ABSTAIN: DONNELL
ABSENT: GAHL, SOTO

1107 10TH ST NW
RRE UNIT 7, BLOCK 18, LOT 130
ZONE MAP AMENDMENT



Rio Rancho
City of Vision

0 25 50 100 150 200
Feet

DISCLAIMER: All information in this map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. This map is not a survey and should be used for graphical purposes only.

Map Created by Liz Ruiz Carlos on 4/26/2024

N
W E
S

Subject Property
Roads
Zoning
R-1
Unzoned

NEW MEXICO'S LEADING NEWS SOURCE
ALBUQUERQUE JOURNAL
El Defensor Chieftain RIO RANCHO OBSERVER VALENCIA COUNTY News-Bulletin

PO Box 880697
Phoenix, AZ 85038-9650 Phone: (505)823-3220

Proof of Ad 05/22/2024

Account:	**1010956**
Name:	**CITY OF RIO RANCHO**
Company:	**CITY OF RIO RANCHO**
Address:	**ATTN: ACCOUNTS PAYABLE** **3200 CIVIC CENTER CIR NE** **RIO RANCHO, NM 87144**
Telephone:	**(505)891-5005**

Ad ID:	**43270**
Description:	
Run Dates:	**05/29/2024 - 05/29/2024**
Class:	**3001**
Orig User:	**dmontoya**
Words:	**306**
Lines:	**80**
Agate Lines:	**114**
Depth:	**8.11**
Blind Box:	

Total Ad Cost $99.25
Amount Paid $0.00

Publication	Start	Stop	Inserts	Cost
Albuquerque Journal	05/29/2024	05/29/2024	1	92.22

CITY OF RIO RANCHO
PUBLIC HEARING NOTICE

The GOVERNING BODY of the CITY of RIO RANCHO will consider the following matters at its regularly scheduled meeting at 6:00 p.m. on Thursday, June 13, 2024:

Zone Map Amendment
Case #24-100-00003
The applicant, Tiffany Sisneros, requests approval of a Zone Map Amendment for the property legally described as U07, Blk 18, Lot 130; physically located at 1107 10th St NW. The proposed ZMA is for approximately .5 acres to change from Unzoned to R-1: Single-Family Residential.

Resolution Adopting the Impact Fee's Land Use Assumptions
The City of Rio Rancho is requesting the adoption of a Resolution of the City of Rio Rancho, New Mexico for the Amendment Study titled: "2023-2030 Land Use Assumptions" that will be used to develop a capital improvement plan under which an impact fee may be imposed.

Text Amendment Request
Case #23-105-00001
The City of Rio Rancho is requesting approval of text amendments to the Rio Rancho Code of Ordinances (R.O. 2003) Chapter 150 General Provisions, Section 150.23 (G) and (K), Section 150.30 (A)(5) and (B)(e) and (f), and repealing and replacing the Appendix.

Master Plan
Case #23-400-00001
The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the Arrowhead East Master Plan. The Master Plan boundary comprises the entirety of the property AE, Tract B.

The meeting is scheduled in the Council Chambers at City Hall, 3200 Civic Center Cir NE, Rio Rancho, NM. The public is invited to attend in person or virtually at www.rrnm.gov. Materials related to these items are available for viewing in the Development Services Department at City Hall.

If you would like to comment on any of these applications, you are encouraged to submit a written comment to planning@rrnm.gov. Written comments will be inserted into the public record.

Journal: May 29, 2024

The City of Rio Rancho

Development Services
Planning Division
3200 Civic Center Circle NE
Rio Rancho, NM 87144
Phone (505) 891-5005 ● Fax (505) 896-8994

May 23, 2024

RE: Zone Map Amendment
Case No. 24-100-00003
1107 10th St NW

Dear Property Owner:

You are receiving this certified notice because your property abuts a site where a land development decision is required by the Planning and Zoning Board.

The applicant, Tiffany Sisneros, requests approval of a Zone Map Amendment for the property legally described as U07, Blk 18, Lot 130; physically located at 1107 10th St NW. The proposed ZMA is for approximately .5 acres to change from Unzoned to R-1: Single-Family Residential.

The **Governing Body** will consider the request on **Thursday, June 13, 2024** at 6:00 pm in the **Council Chambers** and **Virtually** as a hybrid meeting, through the **Zoom link and number below.**

On the back of this letter is a location map of the project, with the subject property identified with the black outline.

If you would like to comment on this application, you are encouraged to send in comments in writing, which will be presented to the Planning and Zoning Board. This Planning and Zoning Board meeting will be hybrid with options to participate virtually or in person. The City highly encourages citizens to watch the meeting live on the City's website www.rrnm.gov or on Sparklight cable channel 56.

For the **Planning and Zoning Board meeting**, to participate virtually: Join via computer:
https://us06web.zoom.us/j/85302353741?pwd=bWp1QXliSGJoeHhJaGVOczF4MDN0UT09
Meeting ID: 853 0235 3741 Passcode: **789419** Join via phone: 1-346-248-7799 US

Please do not hesitate to contact me via e-mail me at lruizcarlos@rrnm.gov or call me at 505-896-8785, if you have any questions concerning this matter. The agenda for this hearing and related staff reports will be posted on the City's website, www.rrnm.gov, the Friday before the hearing.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk, 505-891-5004, as soon as possible prior to the meeting. Please contact the City Clerk if a summary or other type of accessible format is needed.

Respectfully,

Liz Ruiz Carlos
Municipal Planner II
Development Services Department
City of Rio Rancho

The City of Rio Rancho

Development Services
Planning Division
3200 Civic Center Circle NE
Rio Rancho, NM 87144
Phone (505) 891-5005 ● Fax (505) 896-8994

1107 10TH ST NW
RRE UNIT 7, BLOCK 18, LOT 130
ZONE MAP AMENDMENT



0 25 50 100 150 200 Feet

DISCLAIMER: All information in this map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. This map is not a survey and should be used for graphical purposes only.

Map Created by Liz Ruiz Carlos on 4/26/2024

Subject Property
Roads
Zoning
R-1
Unzoned



NOTICE MAP:

• - CERTIFIED MAIL TO PROPERTIES WITHIN 100FT

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: R45

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Development Services

SUBJECT:
R45, Resolution Adopting the Arrowhead East Master Plan

BACKGROUND AND ANALYSIS:

The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the Arrowhead East Master Plan. The Arrowhead East Master Plan comprises the entirety of the property Arrowhead East, Tract B and is located on the east side of NM Highway 528, a principal arterial, directly north of the Corrales Heights Subdivision. The northern boundary of the Master Plan is bordered by the Montoyas Arroyo, with M-1: Industrial and Business Park zoning further north.

The Arrowhead East Master Plan came before the Planning and Zoning Board at their regular meeting on May 14, 2024. The Planning and Zoning Board recommended approval of the Master Plan to the Governing Body by a vote of six (6) for and 0 against.

Per Ordinance No. 19, Enactment No. 17-21, adopted by the Governing Body on September 13, 2017, AE, Tract B is zoned SU: Special Use District for Planned Residential Development (PRD). Additionally, per the subject Ordinance, a Final Master Plan must be established prior to the development of AE, Tract B.

REVIEW CRITERIA:

The Rio Rancho Comprehensive Plan defines a Master Plan as a detailed development plan often created by a developer, which may fit within a Specific Area Plan boundary or may provide sufficient planning detail that may be developed in unplanned areas and stand in place of a Specific Area Plan. It states that, "The City will rely on the development of Specific Area Plans and Master Plans for identifying a specific land use at the parcel-level. Specific Area Plans and Master Plans are a part of the Land Use Element and are used as a statement of policy to guide land use decision making by the Governing Body."

The Arrowhead East Master Plan details a conceptual lot/tract layout and roadway sections, identifies community amenities, and provides for design standards and phasing. Currently, the Arrowhead East Master Plan consists of a singular property (Arrowhead East, Tract B). Arrowhead East, Tract B comprises approximately 80.7780 acres zoned SU: Special Use for Planned Residential Development (PRD). The Master Plan additionally includes provisions for drainage and

utility planning.

The Planning and Zoning Board recommends the Governing Body find that the Arrowhead East Master Plan would comply with and further the goals and policies of the Comprehensive Plan. Policy L-1 of the Comprehensive Plan is to "encourage the master planning of developments that establish a community character that considers circulation, landscaping, open space, storm drainage, utilities, and building location and design in the master plan."

The Arrowhead East Master Plan will also further Goal L-1 from the Comprehensive Plan which is to "encourage mixed uses -- retail, office, and residential centered on pedestrian-oriented developments along principal arterial roads." The Master Plan includes two pedestrian multi-use trails, as well as open space buffer areas along the boundaries of Arrowhead East, as identified in Appendix A of the Master Plan.

Per the Zoning Ordinance for the Subject Property, (Ordinance No. 19, Enactment No. 17-21, Section 3. Implementation and Phasing), the Final Master Plan for Arrowhead East, Tract B shall include:

1. Topographic map drawn to scale of 100 feet to one inch by a registered surveyor and/or engineer; Criteria is satisfied.
2. Master land use plan drawn at a scale of 100 feet to one inch, or other appropriate scale as determined by the Development Services Department; Criteria is satisfied.
3. Transportation plan, including layout of roads, bikeways, pedestrian ways with typical cross-sections, and traffic circulation plan; Circulation for the Multi-Family portion of the Master Plan is still to be defined; however, a required fire access lane has been provided to connect both the single-family and multi-family portions of the Master Plan back to the Mixed-Use/Commercial portion of the Master Plan for secondary emergency ingress and egress; Criteria is satisfied.
4. Utility service plan; The Master Plan provides for both wet and dry utilities, outlining existing utilities and providing for flexibility for connecting to the existing sanitary sewer line east of the NM 528/ Sundt Rd NE intersection, or conveyance under the Montoyas Arroyo to Lift Station 14 and Wastewater Treatment Plant 2; Criteria is satisfied.
5. Fire protection plan; A fire protection plan including a secondary fire access lane for emergency ingress and egress has been included; Criteria is satisfied.
6. Landscaping plan; Provided as Appendix F; Criteria is satisfied.
7. Recreation concept plan, parks, and open spaces; The southern open space buffer of the Master Plan bordering the Corrales Heights neighborhood shall remain in an undeveloped and unimproved state; Criteria is satisfied.
8. Substance of covenants, grants, easements, dedications, or major restrictions; The Master Plan outlines design standards for development and will establish an Architectural Review Committee (ARC) for approval of all residential development; Criteria is satisfied.
9. Screening of roof top mechanical equipment on structures located within the commercial land use areas; Provided for in nonresidential design standards; Criteria is satisfied.

SITE ANALYSIS:

The subject property comprises approximately 80.7780 acres zoned SU: Special Use for Planned Residential Development (PRD) via Ordinance No. 19, Enactment No. 17-21, approved September 13, 2017 by the Governing Body. Arrowhead East, Tract B is located along the eastern side of NM Highway 528, a major arterial. The subject tract is bordered by M-1: Industrial and Business Park District to the north, R-1: Single-Family Residential District to the south, SU: Special Use District for Commercial Land Uses, Townhomes, and Apartments to the west across NM Highway 528, and the Village of Corrales to the east.

LAND USE:
Per the Generalized Land Use Map (GLUM) The Arrowhead East Master Plan's current land use is designated as future planning. The proposed land use is comprised of four (4) underlying land uses, as outlined in the subject property's Zoning Ordinance, and as allocated in the Master Plan.

The front 25 acres of the Master Plan adjacent to NM Highway 528 (Proposed Tract B-1) is allocated as Mixed-Use/Commercial. All future uses in this section will be compliant with the permissive and conditional uses under the City's regulations for MU-A: Mixed-Use Activity Center District. Continuing east in the Master Plan, the central 25 acres (Proposed Tract B-2) is allocated for Mixed Residential, which will be a combination of multi-family, townhomes (attached and detached), and/or single-family residential. East of the Mixed Residential section, 15 acres (Proposed Tract B-3) is allocated for Single-Family Residential.

The approximately 15 remaining acres along the boundaries and throughout the Master Plan will be comprised of open space, which will serve as both buffers between the internal and surrounding residential and commercial developments and provide for opportunities for pedestrian multi-use trails. The Master Plan will contain open space buffers along all boundaries of the development.

Along the southern boundary of the Master Plan adjacent to the Corrales Heights neighborhood, the open space buffer is 100' wide and must remain in a natural and undeveloped state. The open space buffer is 58' wide along the eastern property line bordering the Village of Corrales and 35' wide along the northern property line adjacent to the Arroyo de Los Montoyas.

All open space areas will be maintained by the future Property Owners Association. The Master Plan additionally accounts for future commercial and mixed-use development in the future Tract B-1, which will serve both the needs of those within the Master Plan area as well as those in the surrounding area. Additionally, landscaped buffers between each land use will provide for opportunities for pedestrian multi-use trails, which will provide access to the newly-constructed Arroyo de Los Montoyas and trail.

The Mixed-Use/Commercial area will feature both shopping and dining opportunities for residents within and outside of the Master Plan. The primary amenity of this area is envisioned to be a sports recreation facility, which will be geared towards community activities for individuals in wheelchairs.

GRADING & DRAINAGE:
A master drainage management plan has been submitted to the City of Rio Rancho and SSCAFCA for full development and existing hydrology analysis. The natural topography of the Master Plan slopes from south to north towards the Montoyas Arroyo. Prior to development, the Developer will need to enter an agreement with SSCAFCA to construct the storm drain outfalls into the Montoyas Arroyo.

CIRCULATION:
Ingress and egress for the Master Plan will come from NM Highway 528. An approved Traffic Impact Study has been granted by the City of Rio Rancho and the New Mexico Department of Transportation. The Master Plan will have three access points from NM Highway 528; two of these access points will be right-in, right-out, with a fully-signalized intersection at NM Highway 528 and Arrowhead Ridge Dr SE, as recommend by the TIA.

The primary access to the residential areas of the Master Plan will be a proposed road running along the northern edge of the Master Plan. Additionally, a secondary fire access lane along the southern portion of the Master Plan will loop from the southeast portion of the Master Plan, connecting back to the Mixed-Use/Commercial area for access back to NM Highway 528. All internal roads will comply with all City codes

UTILITIES:
The Arrowhead East Master Plan provides for both wet and dry utilities to serve future development. As SSCAFCA has recently installed improvements to the adjacent Montoyas Arroyo to reduce erosion of channel flow, the two existing 15-inch PVC sanitary sewer lines running along the southern portion of the arroyo have been duly abandoned and removed. As such, the nearest point for connection would be the new 36-inch sanitary sewer line that has been installed east of the NM 528/Sundt Rd intersection.

Arrowhead East additionally has the potential option for conveyance under the arroyo to Lift Station 14 and Wastewater Treatment Plant 2. For water connection, a 20-inch PVC water main runs along the east side of NM 528. Overhead electric and fiber optic communications, as well as a gas distribution line on the east side of NM 528, will be available for the site.

DESIGN STANDARDS:
The Arrowhead East Master Plan provides Design Standards for both residential and non-residential development within the subject boundaries. These design standards address landscaping, setbacks, pedestrian amenities, screening, lighting, and other land use standards. For residential standards, an Architectural Review Committee (ARC) shall be established to ensure future development follows the guidelines outlined in the Design Standards. The ARC will be responsible for reviewing all plans and for ensuring that properties are perpetually maintained.

PHASING AND FINANCING:
The Arrowhead East Master Plan is proposed to develop in four (4) separate phases.

Phase 1 will serve as the foundational phase of the Master Plan, installing essential infrastructure (wet and dry utilities), rough grading of the entire Master Plan site, establishing zoning boundaries, construction of drainage and retention ponds, and conduits for dry utility extensions.

Phase 2 will establish the infrastructure and subdivision of the Single-Family portion of the Master Plan (Future Tract B-3), providing for platting actions and dedications of parks and rights-of-way.

Phase 3 will provide for the multi-family/mixed residential portion of the Master Plan (Future Tract B-2). Development and platting actions will depend of the nature of the residential being built, whether multi-family apartments or townhomes. Private onsite utilities and access roads will be extended into site development accordingly.

Phase 4 will establish the Mixed-Use/Commercial portion of the Master Plan (Future Tract B-1), providing for all necessary infrastructure improvements and installation, and providing for subdivision of tracts as needed for commercial and mixed-use development.

NOTIFICATIONS: Notice of pending development application was sent via first class mail to adjacent property owners. A legal ad was placed in the May 29, 2024 edition of the Albuquerque Journal. All legal notification requirements for this project have been met.

INTERDEPARTMENTAL/INTERAGENCY REVIEW:

Reviewing Agency	Received Application for Review	Comments
DSD Planning and Zoning	X	No adverse comments.
DSD Engineering	X	No adverse comments.

Rio Rancho Public Schools	X	No comments provided.
Fire and Rescue	X	Provided as an attachment
Police Department	X	No comments provided.
SSCAFCA	X	Provided as an attachment.
MRCOG	X	Provided as an attachment.
Parks, Recreation and Community Services	X	Provided as an attachment.

IMPACT:

The Planning and Zoning Board recommends the Governing Body approve the Arrowhead East Master Plan, subject to the following findings of fact and conditions of approval:

General Findings of Fact:

1. The Governing Body has jurisdiction over the applicant's request for a Master Plan.
2. The applicant has the authority to apply for a Master Plan on the subject property.
3. The applicant and adjacent property owners received due process.

Specific Findings of Fact and Conditions of Approval:

1. The Arrowhead East Master Plan complies with the requirements of the Comprehensive Plan.
2. The Arrowhead East Master Plan complies with the requirements listed in the subject property's Zoning Ordinance, Ordinance No. 19, Enactment 17-21.
3.The applicant has submitted an application and narrative that meets the basic requirements of establishing a community character that considers circulation, landscaping, open space, storm drainage, utilities, and building location and design.
4. As a condition of approval, the Applicant shall ensure all Master Plan reviewer comments are followed for development, as detailed in the attached document "Reviewer Comments."

ALTERNATIVES:

1. The Governing Body may approve the request.
2. The Governing Body may deny the request.
3. The Governing Body may modify the request and approve such modifications.
4. The Governing Body may continue to public hearing to request additional information or to consider testimony provided at the public hearing.

DEPARTMENT RECOMMENDATION:

The Planning and Zoning Board recommends the Governing Body approve the Master Plan, with findings and conditions.

ATTACHMENT: R45_Resolution
ATTACHMENT: Arrowhead East Master Plan
ATTACHMENT: Application & Authorization
ATTACHMENT: Zoning, Location
ATTACHMENT: Property Zoning Ordinance: 17-21 O-19
ATTACHMENT: Published Notices
ATTACHMENT: Reviewer Comments
ATTACHMENT: Public Comment Brenda
ATTACHMENT: Public Comment Mraz

ATTACHMENT: Public Comment Pauline Alvarez Stewart
ATTACHMENT: Public Comment Saly Karingada
ATTACHMENT: Public Comment Pauline Stewart

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. **ENACTMENT NO.**

RESOLUTION ADOPTING THE ARROWHEAD EAST MASTER PLAN

WHEREAS: the State of New Mexico has granted the City of Rio Rancho the power, authority, jurisdiction, and duty to enforce and carry out the provisions of law relating to planning, platting, zoning, and the power to adopt, amend, extend and carry out a general municipal or master plan which may be referred to as the general or master plan, all pursuant to 3-19-1, NMSA 1978; and

WHEREAS: the Governing Body of the City of Rio Rancho has adopted a Comprehensive Plan that addresses and provides for specific goals, policies, and actions; proposes land use throughout the City; provides for adoption of specific area plans for specific area within the City; and also provides for land use in master planned communities via master plans; and

WHEREAS: the Governing Body of the City of Rio Rancho, State of New Mexico has the authority to adopt, amend, extend, and carry out a general municipal plan, the Rio Rancho Comprehensive Plan; and

WHEREAS: the Planning and Zoning Board of the City of Rio Rancho reviewed the proposed Arrowhead East Master Plan at their meeting held on May 14, 2024, reviewed the proposed Arrowhead East Master Plan and have made recommendation to the Governing Body on the adoption of the proposed Plan; and

WHEREAS: the Governing Body of the City of Rio Rancho, following a duly noticed public hearing on June 13, 2024, reviewed the proposed Arrowhead East Master Plan and determined that the Plan is in conformance with the City of Rio Rancho Comprehensive Plan.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

Section 1. The Governing Body hereby approves and adopts the proposed Arrowhead East Master Plan, attached hereto.

Section 2. Designs, layouts, and engineering requirements or details are subject to compliance with City engineering and/or subdivision requirements prior to development.

Section 3. Effective Date. This Resolution shall take effect immediately upon adoption.

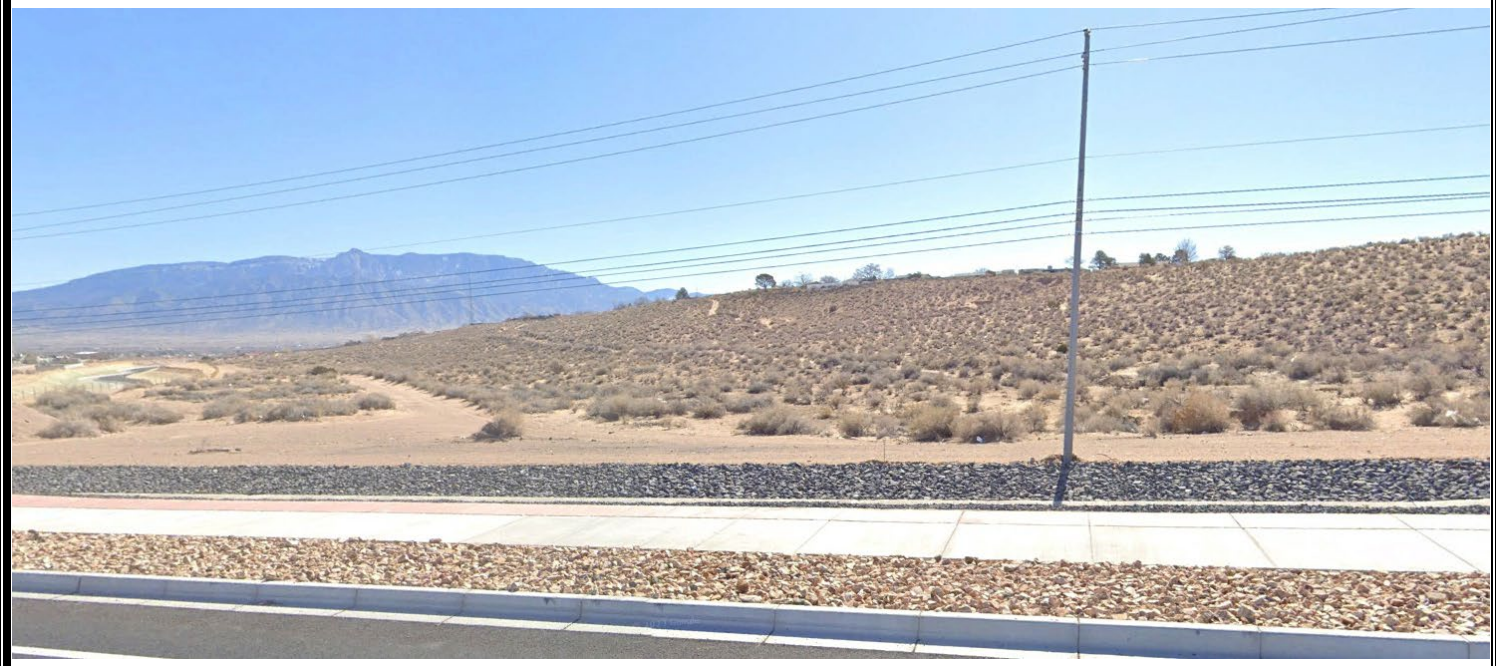
ADOPTED THIS _____ DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

ARROWHEAD EAST MASTER PLAN



February 2024

PREPARED FOR:

Rio Rancho Road Runners, LLC
3944 Augusta Dr SE
Rio Rancho, NM 87124

PREPARED BY:

Tierra West, LLC
5571 Midway Park Place NE
Albuquerque, NM 87109

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Appendix A: Master Plan Site Exhibit
Appendix B: Master Land Use Plan
Appendix C: Transportation Plan
Appendix D: Utility Service Plan
Appendix E: Fire Protection Plan
Appendix F: Landscaping Plan
Appendix G: Recreation Concept Plan

1. Introduction

Arrowhead East is a +/- 80.7 acre master plan development consisting of commercial/mixed-use, mixed residential, and single family residential uses. The development sits directly south of the Arroyo de los Montoyas and east of NM Highway-528. The property limits can be seen on *Figure 1: Site Vicinity Map* and in the Appendix A Master Land Use Plan. The existing legal description of the development is a singular tract identified as Tract B Arrowhead East.

This development will provide a high quality of life offering a variety of residential options with great vista views of the Rio Grande Bosque and Sandia Mountains as well as provide the opportunity for a mixed-use activity center which allows many options for a variety of commercial land uses.

Intent of the Master Plan is to:

- Identify the existing and proposed conditions of the development.
- Designate the preferred zoning and land uses of the development.
- Implement goals and policies of the City of Rio Rancho Comprehensive Plan, Municipal Code, and Special Use Ordinance specific to this property.



Figure 1: Site Vicinity Map

2. Existing Conditions

2.1. Zoning & Land Use

The master plan area consists entirely of Special Use (SU) for Planned Residential District (PRD) as approved in the City of Rio Rancho Ordinance 19, Enactment Number 17-21. This Special Use zoning designation outlines specific Land Uses, Development Standards, and the Implementation Process for the development of the property. This Master Plan is the initial step towards development mentioned in the City Ordinance, which outlines the requirements of the City Ordinance.

The property's current land use classification per the Generalized Land Use Map is future planning. It is surrounded by Warehousing/Industrial to the north, low/medium density residential to the south, and Office/Commercial to the west across NM-528. The Village of Corrales lies directly east with low density residential. The existing zone classification map can be found below on *Figure 2.*

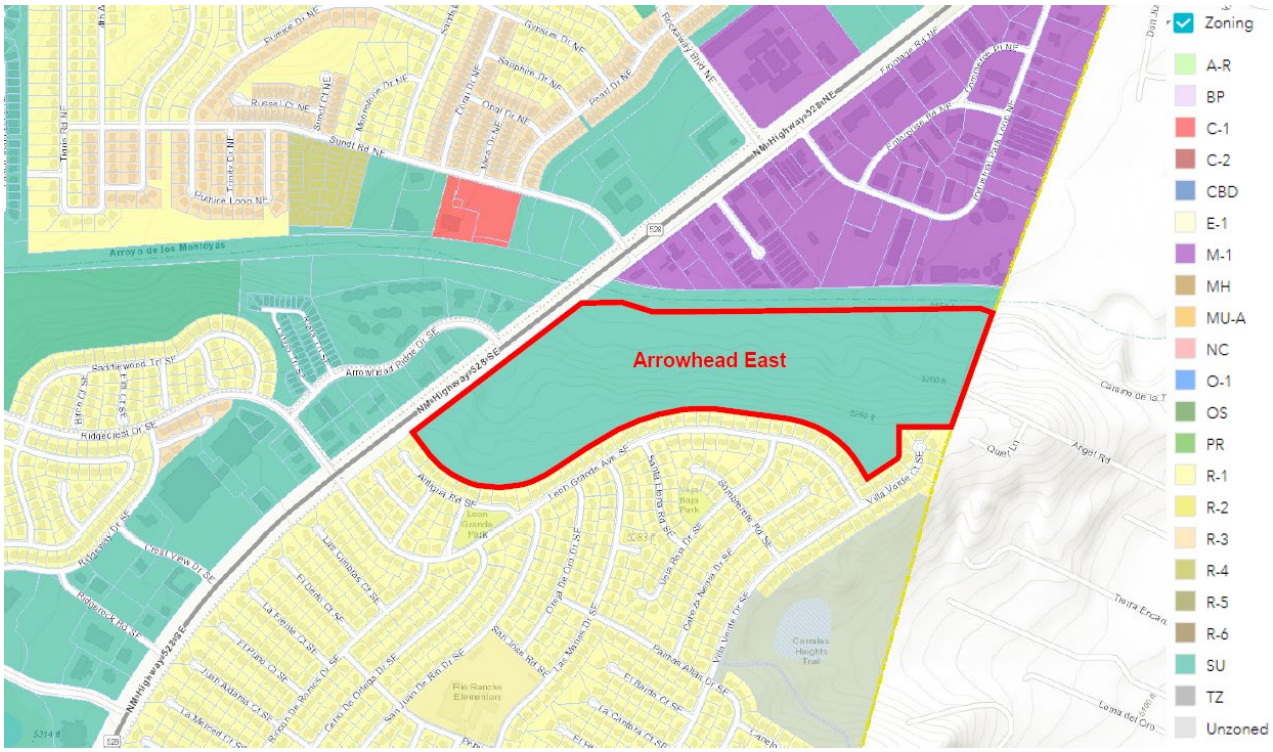


Figure 2: Existing Zone Classification Map

2.2. Soils & Vegetation

According to information referenced from the NRCS Web Soil Survey, an online data source, soils across the site consists predominantly of Sheppard loamy fine sand and also contains Grieta-Sheppard loamy fine sands. The soils have a below-average erosivity k-value and have a hydrologic soil classification of Group A for the Sheppard loamy fine sand and Group B for the Grieta-Sheppard loamy fine sands.

Vegetation across the site remains in a natural undisturbed state and vegetation could be described as Desert Shrub (i.e., scrub pine, creosote, greasewood, native grasses) with less than 30% ground cover. Although there is no environmental study completed for this area, due to previous development of the surrounding area, we don't anticipate any significant environmental or archaeological impacts to the development area.

2.3. Infrastructure & Roadways

The site lies directly east of NM Highway 528 and directly south of the Arroyo de los Montoyas. The New Mexico Department of Transportation recently completed a widening project of NM-528 to a six-lane highway with sidewalk and landscape buffering. This roadway widening project spans from Ridgecrest Drive to just north of Northern Boulevard. Access to and from Arrowhead East will be from NM-528. Initially, the plan was to establish full access to the property by crossing the arroyo and connecting to the NM-528/Sundt Road intersection, however the NMDOT widening project no longer made this a feasible connection point. The full access location is now intended to be at the NM-528/Arrowhead Ridge intersection, an approved Traffic Impact Study for the development should make recommendations on the design and implementation of this full access intersection.

The Arroyo de los Montoyas has also recently undergone improvements by SSCAFCA. The arroyo improvements include installing a low flow concrete channel, riprap, and armor-plated channel embankments for reducing erosion of channel flow. All existing drainage from Arrowhead east makes its way into the arroyo and will continue to do so in the developed condition.

Existing utilities are available to the site. A 20-inch PVC water main runs along the east side of NM-528, new water distribution and service will need to connect to this line. Two existing 15-inch PVC sanitary sewer lines run along the south side of the Arroyo de los Montoyas, however these have been abandoned and removed as necessary from SSCAFCA's arroyo improvements project. The NMDOT NM-528 widening project installed a new 36" sanitary sewer line in the frontage road just east of the NM-528/Sundt Rd intersection. This is the nearest available sanitary sewer line that Arrowhead East will be able to connect to for wastewater collection. Figure 3 shows the existing wet utilities for the site. There is also an existing wastewater treatment plant on the north side of the arroyo that the abandoned 15-inch sanitary sewer lines were conveyed to. Another option for sanitary sewer collection from the property is to convey through a lift station, beneath the arroyo, and to the wastewater treatment plant.

Dry utilities are also available for the site. An Overhead distribution power line runs along the east side of NM-528 as well as a gas distribution line in the same location. Overhead fiber optic and communications line are attached beneath the overhead power distribution lines so dry utilities for power, gas, and communications are available to the site for service connection and distribution.

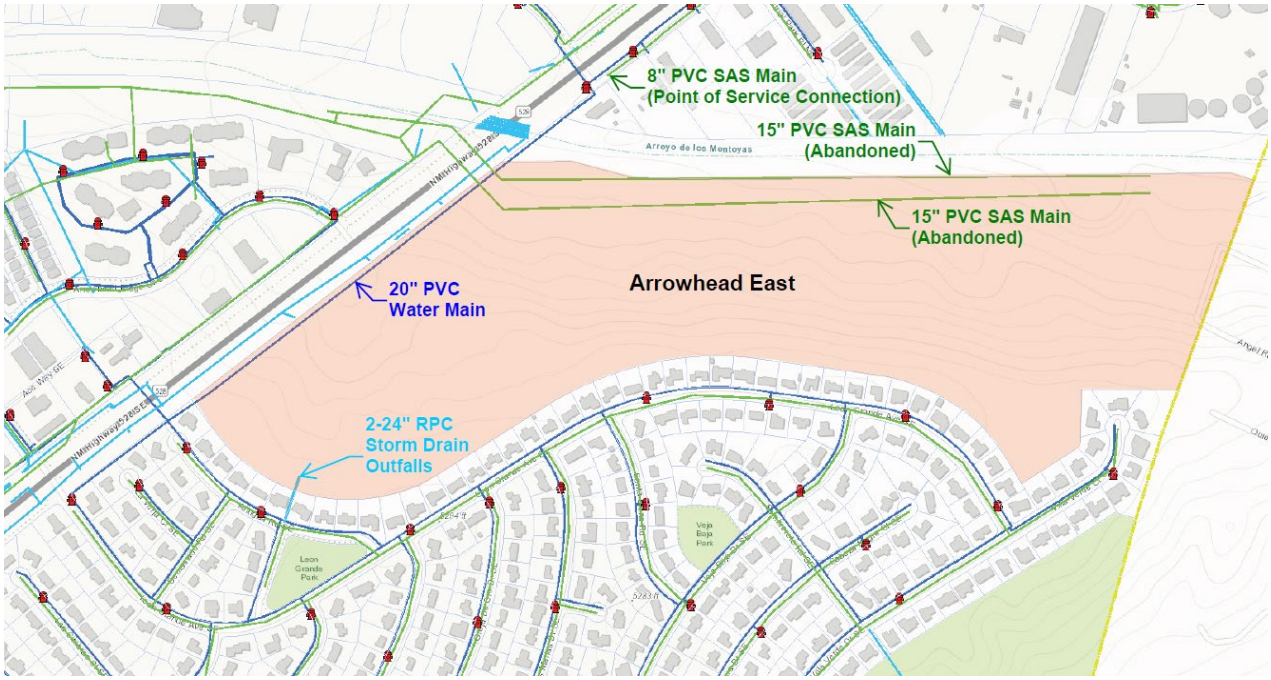


Figure 3: Existing Utilities Map

3. Proposed Land Use

The proposed developed land use will consist of 4 different land uses. The perimeter of the property will consist of approximately 15 acres of open space to act as a buffer between the surrounding properties. The open space buffer shall be 100 feet wide along the southern property line adjacent to Corrales Heights, 58 feet wide along the eastern property line adjacent to the Village of Corrales, and a 35 feet wide buffer along the northern property line adjacent to the Arroyo de los Montoyas. The open space areas shall be landscaped and be maintained by an appropriate Property Owners Association.

The front 25 acres of the property adjacent to NM-258 shall be Mixed-Use/Commercial. Any development within this section shall conform with the Permissive or Conditional Uses under the City's Mixed Use Activity Center District (MU-A) zoning regulations. Commercial uses located in the Master Plan are intended to serve the needs of those within the Master Plan area as well as those in the surrounding area. Intended uses within this front 25 acres are centered around a proposed sports activity center with an emphasis on

providing wheelchair accessible sports. The remaining portion of the 25 acres would be available for development of a combination of restaurants, retail commercial, and/or office-oriented uses. Two and half acres of these of the commercial use must be comprised of residential, civic, or open space per the Zoning Ordinance.

Directly east of the Mixed-Use/Commercial area shall be Mixed Residential Land Use. Any development within this section shall be a combination of multi-family, townhomes (attached and detached), and/or single family residential. The maximum area of Mixed Residential Land Use is 25 acres.

Directly east of the Mixed Residential area shall be a minimum of 15 acres for Single-Family Residential Land Use. Any development within this section shall be single family detached units. Figure 4 shows a proposed land use map for how the 4 various land uses will be configured.

The open space along the south side of Arrowhead East will be graded to have a 3 to 1 slope down from the edge of the Corrales Heights neighborhood to the south. Due to this, any development within Arrowhead East will sit at least 30 feet lower than the existing grade of Corrales Heights, which will preserve views from the adjoining neighbors to the Sandia Mountains and bosque.

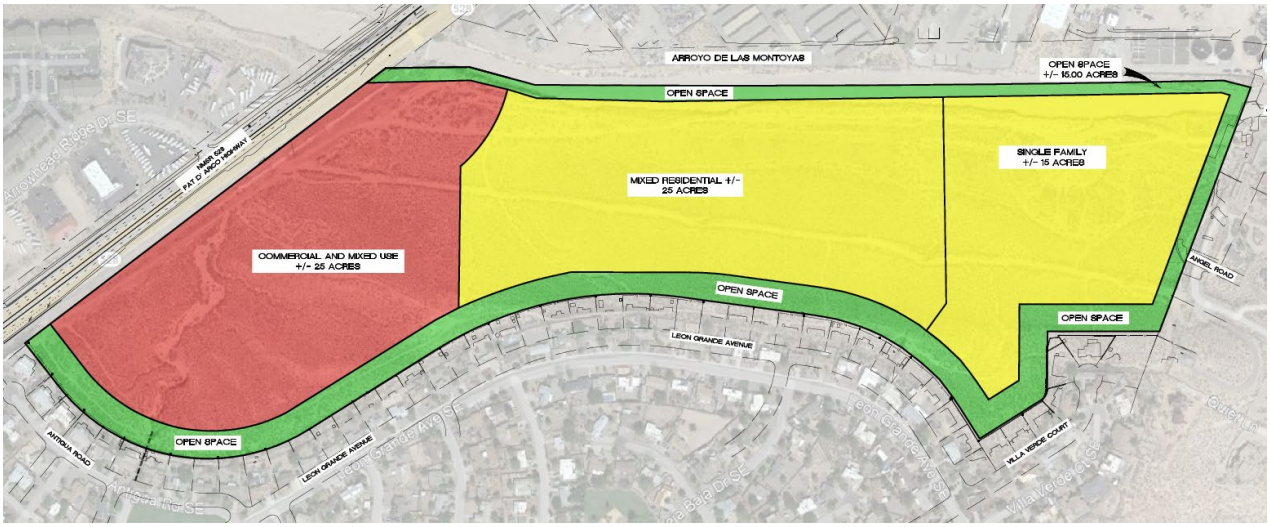


Figure 4: Proposed Land Use Map

4. Design Standards

These Design Standards aim to offer guidelines to help architects, landscape architects, civil engineers, and other designers grasp the intended vision and developmental objectives for the Arrowhead East Master Plan Area. Minor amendments to these standards can be sanctioned by the Director of the Development Services Department Director through administrative approval, while major amendments shall be

approved by the City of Rio Rancho Governing Body. Where these design standards are silent design standards as shown in Table 1 (also shown in Appendix A – Master Land Use Plan) will apply. Each respective land use has a Comparable Zoning listed in the table. Any design standards and guidelines not listed in Table 1 shall follow the City of Rio Rancho Municipal Code for the Comparable Zoning listed.

Additional Design Standards are as follows.

Residential Design Standards

The residential design standards address the issues of landscape, setbacks, pedestrian amenities, screening, lighting, and signage that will create the visual image desired for Arrowhead East. They are intended to be complementary to the surrounding area, and to create a unique neighborhood in Arrowhead East that has its own identity but reinforces the character of the future proposed development. Design standards generally apply to both Single-Family and Multi-Family Residential, unless stated otherwise.

I. ARCHITECTURAL REVIEW COMMITTEE

The Arrowhead East residential subdivision will establish a residential Architectural Review Committee (ARC) to ensure that new development follows the design standards and to encourage and promote development that is harmonious and in keeping with the character of the Arrowhead East neighborhood. The ARC will be responsible for reviewing all plans and for making sure that properties are continually maintained.

II. PEDESTRIAN AMENITIES
   a. All pedestrian paths shall be designed to be handicapped accessible (See Americans with Disabilities Act Criteria for Barrier-Free Design), except where topography makes this unfeasible.
   b. All sidewalks shall be a minimum of five feet in width, with a four-foot landscaped buffer.
   c. Bike paths and multi-use trails shall be provided as shown in figure 5 of the Arrowhead Master Plan. To the maximum extent feasible, private parks, public parks, and open space areas shall be designed to create an integrated system that is connected through trails and sidewalks, which also serve as recreational amenities for the residents.
   d. All trails within Arrowhead East will be designed in compliance with City of Rio Rancho trail standards. Trails will be designed to connect with a sidewalk and/or park. In some locations, a trail may be constructed in lieu of a sidewalk.

III. SETBACKS
   a. Minimum Front Yard Setbacks: 15 Feet, except 20 feet for garage doors and single family attached and zero lot line dwelling units.
   b. Minimum Rear Yard Setbacks: 15 feet
   c. Minimum Side Yard Setbacks: 5 feet on both sides for any principal building, for a total separation of 10 feet between buildings.
   d. For corner lots, the side yard setback on the street side shall be 10 feet.
   e. Zero lot line allowed for multifamily, duplex, townhomes and other clustered housing types that are not detached housing.

IV. LOT WIDTHS

a. Allowable lot widths to include: 40', 45', 50', and 55'.

V. BUILDING HEIGHT AND MATERIALS

a. Single-family detached building heights shall not exceed 32 feet in height and shall be consistent with the City Comprehensive Zoning Code.
b. Multi-family housing shall not exceed 40 feet in height and shall be consistent with the City Comprehensive Zoning Code.
c. Stucco shall be the primary building material. Stucco colors shall be limited to shades of white, off-white, gray, light gray, brown, tan, sage green, and sand. High intensity colors, such as metallic, black, or florescent colors are prohibited.
d. Accent colors in entry portals, front door, window frames and trim, and other incidental elements shall be shades of gray, white, blue, brown, and green.
e. Windows may be wood, metal, or solid vinyl. Reflective film is prohibited.
f. Exterior doors, including garage doors, shall be stained or painted wood or painted metal and shall match the architectural theme of the dwelling.
g. Accent materials may consist of faux stone, rock, wood, tile, or brick. All vinyl or metal window frames must be either recessed or projected a minimum of 2" if they are adjacent to stucco or stone, unless they are wood encased.
h. Roofing type and materials for single-family detached housing to include flat/parapet roof and sloped roof with tile.
i. Roofing type and materials for multi-family, duplex, townhomes and other clustered housing to include sloped with shingles, tile, metal or flat roof/parapet.

VI. LANDSCAPE

The development of an overall landscape concept will establish a framework that unifies the neighborhood. The goal is to provide a low water use landscaped community. These standards are supplemental to the City of Rio Rancho requirements. The following are minimum standards for the development of specific landscape plans:

a. A five-foot landscape parkway strip shall be located between the sidewalk and the curb. The groundcover for the landscape strip shall be required to be Santa Fe Brown rock, or other equivalent decorative rock groundcover. The maintenance of this strip shall be the responsibility of the Homeowner's Association should the strip be within the right of way.
b. Every lot shall have a minimum of two trees, each of a minimum one and one-half inches in caliper.
c. Individual lot owners will be responsible for the installation and maintenance of the landscape on their property. All plant material, including trees, shrubs, groundcover, wildflowers, etc. shall be maintained by the lot owner in a living attractive condition.
d. Landscaping within the open space buffer area, as shown on the lot layout exhibit, shall be maintained by the Homeowners' Association. These areas are for the benefit of the Homeowners and will be defined with future platting.
e. The Homeowners' Association shall maintain landscaping in the right-of-way. All landscaping must be maintained in attractive living condition.
f. Irrigation and landscaping maintenance outside of individual lots shall be the responsibility of the HOA.
g. Front Yard Minimums:

40’ and 45’ lots

1. 2 trees at least 1.5” caliper and 10-12 feet high at the time of planting
2. 3 large shrubs (minimum 5 gallon)
3. 2 small shrubs (minimum 1 gallon)

50’ and 55’ lots

1. 2 trees at least 1.5” caliper and 10-12 feet high at the time of planting
2. 3 large shrubs (minimum 5 gallon)
3. 4 small shrubs (minimum 1 gallon)

h. At a minimum, all front yard landscaping shall be required to contain Pueblo Rose, Santa Fe Brown, River rock, or similar type rock over filter fabric for all yard areas that are not covered with living vegetative groundcover.
i. Accentuating bark mulch or pecan shells are permitted in front yard landscape.
j. Within individual lots, landscaping and irrigation system maintenance is required and will be the responsibility of the homeowner, including that which is between the curb and sidewalk. Landscaping shall be maintained in a healthy and attractive condition. Within individual lots, landscaping and irrigation system maintenance is required and will be the responsibility of the homeowner, including that which is between the curb and sidewalk. Landscaping shall be maintained in a healthy and attractive condition.
k. Xeric principles are to be employed when designing landscaped areas and they shall include the use of water harvesting areas to the extent possible.
l. Suggested Trees:
    1. Acer negundo ‘Sensation’ – Sensation Box Elder
    2. Fraxinus velutina ‘Medesto’ – Modesto Ash
    3. Gleditsia triacanthos – Honey Locust
    4. Pistacia chinensis – Chinese Pistache
    5. Platanus acerifolia ‘Bloodgood’ – Bloodgood London Plane Tree
    6. Ulmus hybrid ‘Frontier’ – Frontier Elm

VII. LIGHTING

In order to enhance the safety, security, and visual aesthetics, careful consideration must be given to both the daytime and the night-time appearance of the lighting design and fixtures. The primary design objective of the site lighting system shall be to provide for public safety without adversely affecting adjacent properties, buildings, or roadways with unnecessary glare or reflection.

a. Placement of fixtures and standards shall conform to state and local safety and illumination standards.
b. All lights shall be fully shielded source with glare cut off angles of a maximum of 75 degrees to prevent spillage onto adjoining properties or light pollution of the existing “dark sky”. Cobra and sodium streetlights are prohibited.
c. Streetlights shall be in accordance with the City of Rio Rancho Outdoor Lighting Ordinance/Chapter 159. Height shall not exceed 16 feet.

VIII. SIGNAGE

The Arrowhead East Master Plan and development within shall provide a signage program that is of high quality, maintains a consistent style and complements the visual character of the property.

IX. WALLS

a. All perimeter block walls facing rights-of-way shall be designed to complement entry monument signs. Type of and color of block shall be tan or colored split face – CMU or CMU treated with stucco.
b. Side yard and return walls to include brown and tan CMU with a smooth or split face finish.
c. Plain grey CMU block shall not be used for wall material unless treated with stucco.
d. Chain-link (with or without slats), wood or plastic/vinyl fencing is prohibited except for security fencing where not visible from the public right-of-way.
e. Barbed wire, concertina wire, and similar materials are prohibited.

X. UTILITIES

To ensure the overall aesthetic quality of the property and the natural environment, the visual impact of utilities and equipment shall be minimized by the following:

a. All new electric distribution lines shall be placed underground.
b. Transformers, utility pads, and telephone boxes shall be appropriately screened with walls and/or vegetation, per the access regulations of the applicable utility company, when viewed from the public right-of-way.
c. When an above ground backflow prevention device is required by the City, the heated enclosure shall be constructed of materials compatible with the architectural materials used as a main element of the building or with the landscaping there. d. If prefabricated fiberglass enclosures are used, they shall be appropriately screened from view by low walls and/or landscaping.

XI. OFF-STREET PARKING

A minimum number of off-street parking spaces shall be provided according to the design standard contained in the DPM and Requirements per Zoning Code. Parking shall be calculated and provided as follows:

a. For each house or townhouse:
    1. Three spaces if the dwelling has up to two bedrooms, two in garage
    2. Four spaces if the dwelling has three or more bedrooms, two in garage.
b. Off-street parking is prohibited in the front setback/landscape area. Off-street parking is permitted on the driveway within the front setback in front of the garage.

XII. RECYCLING

Curbside recycling pickup and garbage carts are provided by the City (currently via a private provider) within the City of Rio Rancho. Homes within Arrowhead East are required to provide storage for the automated carts, including the recycling cart, and homeowners are encouraged to participate in this recycling program.

Non-residential:

The non-residential design standards will follow the Rio Rancho Municipal Code and will address the issues of landscape, setbacks, pedestrian amenities, screening, lighting, and signage that will create the visual image desired for Arrowhead East. They are intended to be complementary to the surrounding area, and to create a unique neighborhood in Arrowhead East that has its own identity but reinforces the character of the future proposed development.

Access:

A Traffic Impact Analysis and Access Justification Report has been prepared and has been accepted by NMDOT. The analysis as approved allows three access points along NM-528. Two of the access points will be right-in and right-out and the middle access, aligning with Arrowhead Ridge Drive will be a signalized full-access intersection. This signalized access will include dual westbound left turn lanes, a 370-ft northbound left turn lane and a 400-ft southbound left turn lane.

Final comments from the City Development Services will be incorporated within the plans. Each right-in right-out access point into the property will also require a 370-ft long deceleration right turn lane, or as long as physically possible if the 370-ft length cannot be met.

Overall Buffers & Landscaping:

Minimum buffers and landscaping per the City of Rio Rancho Zoning Code for each zone district shall be applied with such buffers and landscaping to be maintained by an appropriate Property Owners Association. A minimum of 100 foot perimeter buffer provided along the south border shall be retaining in a natural and undeveloped state except for means of grading (slope tying, retaining walls, etc.), no active recreational uses shall be permitted within the buffer area. The open space buffer abutting single family residential development may be reduced to 75 feet.

Between the multi-family and commercial developments, and the multi-family and single-family detached residential development, a 30 foot buffer shall be provided. A 58 foot buffer is provided along the eastern border of the project, west of the Village of Corrales (which includes an existing road on the property for providing access to the adjacent single family lots); and a 35 foot active buffer is provided along he Montoyas Arroyo, which includes drainage ponding facilities for the development.

Signage:

In addition to the above standards, any signage for the property shall conform to Chapter 156 of the Rio Rancho Municipal Code.

Parking:

Parking shall conform to Article IX of the Rio Rancho Municipal Code as well as Chapter 154.76 of the Municipal code for Off-Street Parking Requirements.

Mechanical Equipment:

Mechanical equipment, with the exception of solar panels not exceeding the maximum permitted principal building height, shall not be located on the roof of any building within the residential land use areas, or on any structure that may be located in the open space land use areas. Mechanical equipment located on the roof of structures located within the commercial land use areas shall be screened from view of neighboring properties by a parapet wall or similar feature that is an integral part of the building's architectural design.

The screening shall be sufficient to screen the mechanical equipment from all sides when viewed from 5 feet above ground level from any of the neighboring properties.

Table 1: Design Standards

	Mixed-Use/Commercial	Mixed Residential	Single-Family Residential	Open Space
Maximum Lot Density		26 DU/Acre	7 DU/Acre	
Comparable Zoning	MU-A	R-3	R-4	OS
Permissive/Conditional Uses	Per Municipal Code for MU-A	Multi-Family Townhomes (attached and detached) Single-Family	Single-Family Detached	
Minimum Lot Area		Detached = 3,000 Sq Ft Attached = 1,200 Sq Ft Multi-Family = 10,000 Sq Ft	4,500 Sq Ft	
Minimum Lot Width		Detached = 35 Ft Attached = 28 Ft Multi-Family = 70 ft	40 Ft	
Right-of-Way Width		50 Ft	50 Ft	
Buffer	30' Buffer shall be provided between Mixed/Use Commercial & Mixed Residential	30' Buffer shall be provided between Mixed/Use Commercial & Mixed Residential, and between Mixed Residential & Single-Family Residential	30' Buffer shall be provided between Mixed Residential & Single-Family Residential	100' along S. Property Line 58' along E. Property Line 35' along N. Property Line

* Any development guidelines not shown in this table shall follow the City of Rio Rancho Municipal Code for the Comparable Zoning listed above

Per the Special Use Ordinance, any major or substantial change in the approved master plan, which affects the intent and character of the development, land use pattern, and location or dimensions of major streets shall be reviewed and approved by the Planning and Zoning Board. Minor changes which do not affect the intent or character of the development may be approved administratively.

The subdivision of land within the master plan area shall be subject to Rio Rancho Subdivision Regulations. An approved Traffic Impact Study and Master Drainage Plan shall be in place prior to the subdivision of any land (other than bulk land subdivision for separating out the zoning/land uses).

5. Community Amenities

The development of Arrowhead East will include open space areas identified as such in the Master Exhibit in Appendix A and in the Proposed Land Use Map. These open space areas will serve as green space areas and landscaped buffers, which help to give a sense of seclusion from the surrounding urban development. Within the landscaped buffer area between the commercial and mixed-residential land uses, and between the mixed-residential and single-family residential land uses, pedestrian multi-use trails can be incorporated to provide connectivity to the newly constructed Arroyo de Los Montoyas and trail. The local proposed roadways will also provide a means of bicycle routes throughout the community. The 100’ open space buffer along the south boundary must remain in a natural and undeveloped state, except for any slope tying or retaining walls to assist with the grading of the site due to the significant change in elevation across the site.

The mixed-use designation for the front 25 acres of master plan will also provide potential for further amenities. The allowable uses for MU-A would include a large variety of permissible and conditional uses.

Shopping and dining options would provide the community residents easy access to daily necessities and a range of dining experiences. Community center development would also be allowed to provide a variety of activities and services, including meeting rooms, event spaces, and a range of recreational facilities, such as basketball courts, indoor soccer fields, and more.

The driving development within the mixed-use commercial development includes a sports recreation facility which would be geared toward providing a community for individuals in wheelchairs to play active sports such as basketball and soccer. The sports facility would be available for anyone willing to join and may include services for health and wellness (such as exercise equipment and training classes).

Overall, this proposed master-planned area incorporates mixed-use and residential community uses that would offer a diverse range of activities, amenities, and services that would cater to the needs and preferences of its residents. This would create a vibrant and thriving community that fosters a sense of belonging and enhances the overall quality of life for its residents.

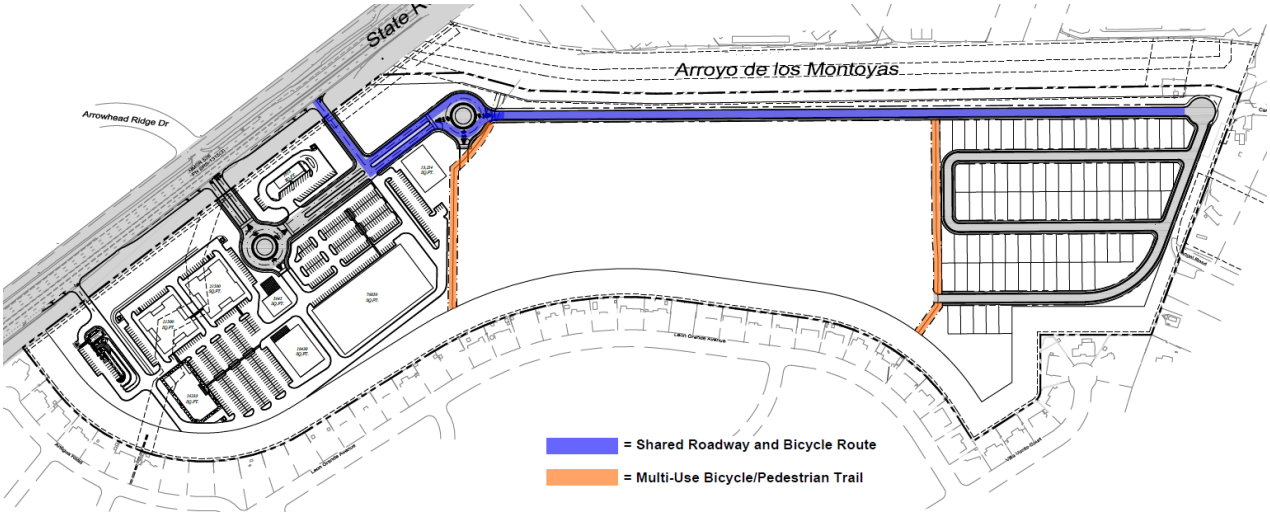


Figure 5: Proposed Bicycle and Pedestrian Paths

6. Property Owners Association

A property owners association (POA) shall be organized to manage and govern common areas, amenities, open space, and aspects of shared property ownership. The POA will play a crucial role in managing and maintaining shared resources and promoting a desirable living environment for its members. By establishing clear governance structures, enforcing rules fairly, and fostering community engagement, a POA can effectively serve the interests of its residents and preserve the value of the properties within the community. Here's an overview of how the the POA can be organized and how it would function:

1. **Formation** – This will typically begin with the developer of the master plan during the initial stages of development. The POA wil be incorporated as a non-profit organization, governed by specific legal documents such as articles of incorporation and bylaws. Thes documents outline the purpose, structure, powers, and procedures of the association.
2. **Membership** – After lots are subdivided and sold off for single-family homes, apartments, and commercial developments, the property owners within the community will automatically become members of the POA upon purchasing property within the jurisdiction of the association. Membership may also be mandatory and binding for property owners, requiring adherence to the POA's rules and regulations.
3. **Board of Directors** – The POA will be overseen by a board of directors, elected by the members of the POA. The board is responsible for making decisions on behalf of the association, enforcing rules, managing finances, and overseeing the maintenance of open space and common areas.
4. **Rules and Regulations** – The POA establishes rules and regulations governing various aspects of community life, such as architectural guidelines, landscaping standards, parking regulations, noise restrictions, and pet plicies. These rules aim to maintain community aesthetics, preserve property values, and ensure harmonious living among residents.
5. **Assessments and Fees** – To fund maintenance, repairs, and other expenses, the POA levies assessments or fees on its members. These fees are typicall collected on a regular basis and used to cover costs associated with common area upkeep, insurance, utilities, and administrative expenses.
6. **Meetings and Governance** – The POA holds regular meetings where members can voice concerns, discuss issues, and vote on important matters such as budget approvals, rule changes, and elections. The POA will enforce compliance with its R&R's through various means such as warnings, fines, and legal action if necessary. The POA may also be a means of providing mechanisms for resolving disputes among members.

7. Transportation Plan

As the project progresses forward, various public rights-of-way will need to be established for the transportation corridors. The minimum width of public right-of-way will be 50 feet to conform with the City of Rio Rancho typical street section for a residential street. This will accommodate a 30-ft wide road, plus a 3-ft landscape buffer and 5-ft sidewalk on both sides of the roadway.

Ingress/Egress for the master plan will come from NM Highway-528. A Traffic Impact Study has been approved by the City of Rio Rancho and the New Mexico Department of Transportation. This TIA includes recommendations fo a signalized full-access point at the NM-528/Arrowhead Ridge intersection, plus two right-in, right-out access points north and south of Arrowhead Ridge.

A proposed roadway along the northern edge of the master plan will act as a main thoroughfare between the residential properties and the access points off NM-528. Due to the natural steep terrain of the property, there will be spans of roadways that will have to be up to 10% in longitudinal slope.

All internal roadways and access points will be designed to accommodate Fire and Emergency Vehicles circulation. Fire and Emergency access may be provided to and from the Village of Corrales to the east, however there will be no general vehicular access to and from Corrales allowed. Three access points from NM-528 into the commercial property will help to accommodate that 2 fire emergency access points are available to the site at any given time. A Fire Protection Plan is provided in Appendix E to show the general fire emergency access circulation for the property. The City Fire Marshal's office will need to approve any Fire 1 Plans prior to any development and preliminary plat subdivision of the property.

8. Conceptual Drainage Plan & Topography

The master plan area's natural topography slopes from south to north towards the Montoyas Arroyo. The property has some fairly steep slopes, with a vertical fall from the south property line to the north property line at a range between 100-115 feet. 3:1 slope ties and retaining walls will be required to be incorporated into the proposed development. There are also two 48-inch RCP storm drain lines from the Corrales Heights neighborhood that daylight in the commercial land use area of the master plan, which then surface drains across the property and towards the Montoyas Arroyo.

Due to the location of the property near the downstream end of the Montoyas Arroyo, the property will be allowed to free discharge into the arroyo. There will be a requirement of stormwater quality "first flush" retention of the developed flows prior to release into the arroyo. A water quality retention pond to accommodate the developed flows of the commercial land use will be located in the NW corner of the property. A second water quality retention stepped pond to accommodate the residential land use shall be located along the north property line in the open space land use area along the arroyo, this pond shall be configure to not conflict with an existing reuse water line that runs along the south side of the arroyo in this area. Both of these ponds will be required to retain the required volume of water quality as set in the

City of Rio Rancho and the Southern Sandoval County Arroyo Flood Control Authority's (SSCAFCA) development standards.

In order to maintain the historic flows for the Corrales Heights neighborhood, a new storm drain conveyance shall be designed and constructed that connects to the two existing 48-inch RCP's onsite and convey the runoff to the existing concrete and riprap channel that runs along the east side of NM-528 and eventually in the Montoyas Arroyo. The daylight point of the new storm drain shall be in the same location in the concrete/riprap channel as the existing drainage from Corrales Heights enters it today.

A master drainage management plan has been submitted to the City of Rio Rancho and SSCAFCA for full development and existy hydrology analysis, as well as provides hydraulic analysis for the justification of allowing free discharge into the arroyo from this site. Any interim grading or earthwork disturbance will also require slope stabilization and fugitive dust control until the disturbed areas can be established with permanent stabilization. A Drainage Concept Map can be seen in Figure 6. The Developer will need to enter an agreement wth SSCAFCA to construct the storm drain outfalls into the Montoyas Arroyo.

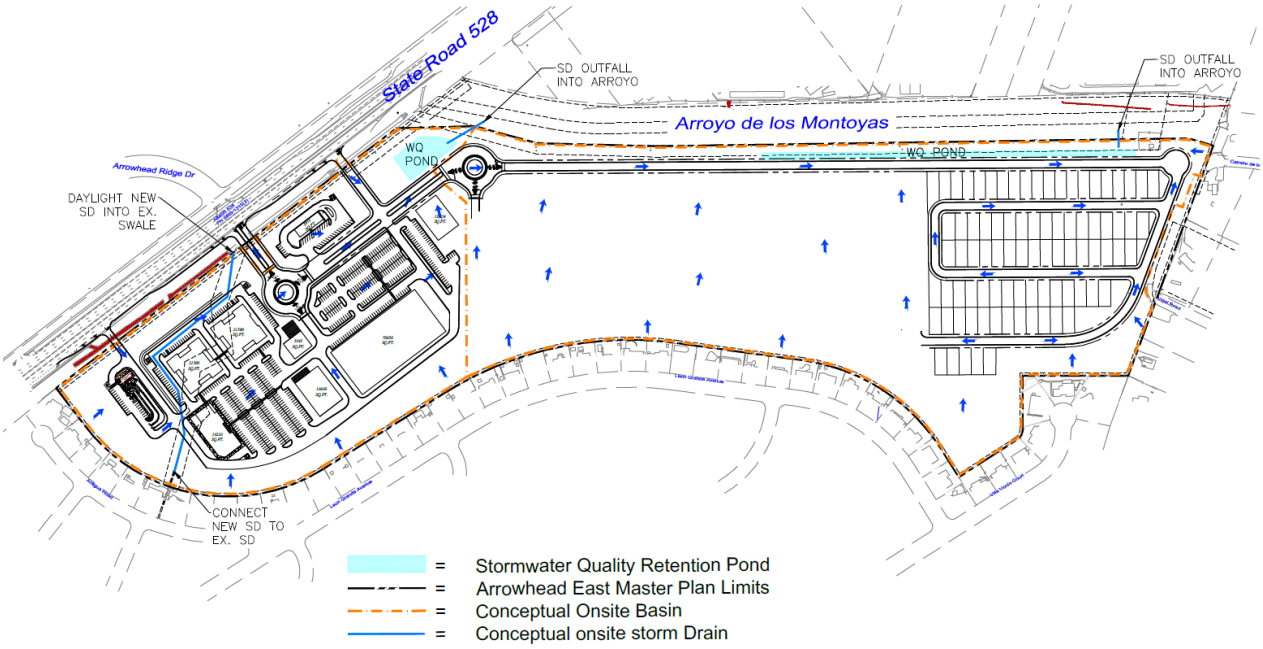


Figure 6: Drainage Concept Map

9. Conceptual Utility Plan

The following discussion describes the proposed improvements associated with water and sanitary sewer utilities that will be provided to serve the proposed development from the existing utility infrastructure as previously mentioned in the existing conditions section.

Water main line extensions will be located within the proposed right-of-way and tie-ins will be made into the existing 20-inch PVC located along the east side of NM-528. The proposed main line installation will facilitate installations of individual water service laterals and meters as well as provide adequate pressures and flow capacities to support fire hydrants during emergency fire flow demand conditions. Water line stubs will also be provided for extending any main lines throughout the commercial land use area and through the mixed residential land use area.

Sanitary sewer collection systems will be gravity driven from south to north. Main lines will be located within the proposed rights-of-way and individual service laterals will be provided to each of the proposed single-family lots and stubbed into the commercial and mixed-residential land use areas. The abandoned 15-inch PVC lines along the south side of the arroyo should be verified to confirm they are in viable shape for collection and conveyance for the proposed development. If they are in viable shape, they can be used for collection and should be conveyed from east to west where a new lift station shall be constructed to force main the sanitary sewer waste underneath the arroyo and towards the wastewater treatment plant just north of the arroyo. If the existing lines are not in viable shape, then they will need to be replaced along with a new lift station to force main across the arroyo either towards the wastewater treatment plant or the existing manhole located near the NM-528/Sundt Rd intersection.

Water & Sewer availability will need to be verified with the City's Utilities Department for capacity for water demand (both fire and domestic) and sanitary sewer collection.

10. Phasing Strategy of Development and Financing

The following outlines the phased approach for the development of the master plan, encompassing previously undeveloped land. This strategic plan aims to guide the transformation of the area into a dynamic and sustainable community for comprising commercial, multi-family, and single-family zones. Each phase is a guidance for the development of the property in order to be a functional community.

1. **Phase 1: Backbone Infrastructure and Zoning Preparation**

   The foundational phase of the development focuses on installing essential infrastructure that will be necessary for all three different land use areas within the master plan and establishing the zoning boundaries. This includes rough grading of the entire master plan site, installation of access roads to NM-528, water and sewer utility connections to the existing main lines and extension of lines within the site, drainage water quality retention ponds, and conduits for dry utility extensions.

A bulk land plat should also be submitted for approval with establishing the limits of commercial, mixed-residential, and single-family residential land uses. Open Space areas within each land use/parcel shall be dedicated as a public easement to be maintained by Property Owner's Association.

2. **Phase 2: Single-Family Infrastructure and Subdivision**

   Subsequent phasing will move forward with establishing the single-family portion infrastructure for housing developments. This includes extension of access roadways and utilities from Phase 1 into the single-family property. Single-family lot subdivision and right-of-way dedication for the neighborhood roadway and parks shall be processed through a preliminary plat and final plat process with the city.

3. **Phase 3: Multi-Family Infrastructure and Site Planning**

   Subsequent phasing will move forward with establishing the multi-family/mixed residential portion infrastructure for housing developments. Assuming this portion of the master plan is a single development for multi-family, private onsite utilities and access roads shall be extended into the property with a site development plan that will need to be approved for building permit. Should multiple multi-family developments occur within this planned area, each development shall be subdivided and follow the preliminary plat and final plat process as well.

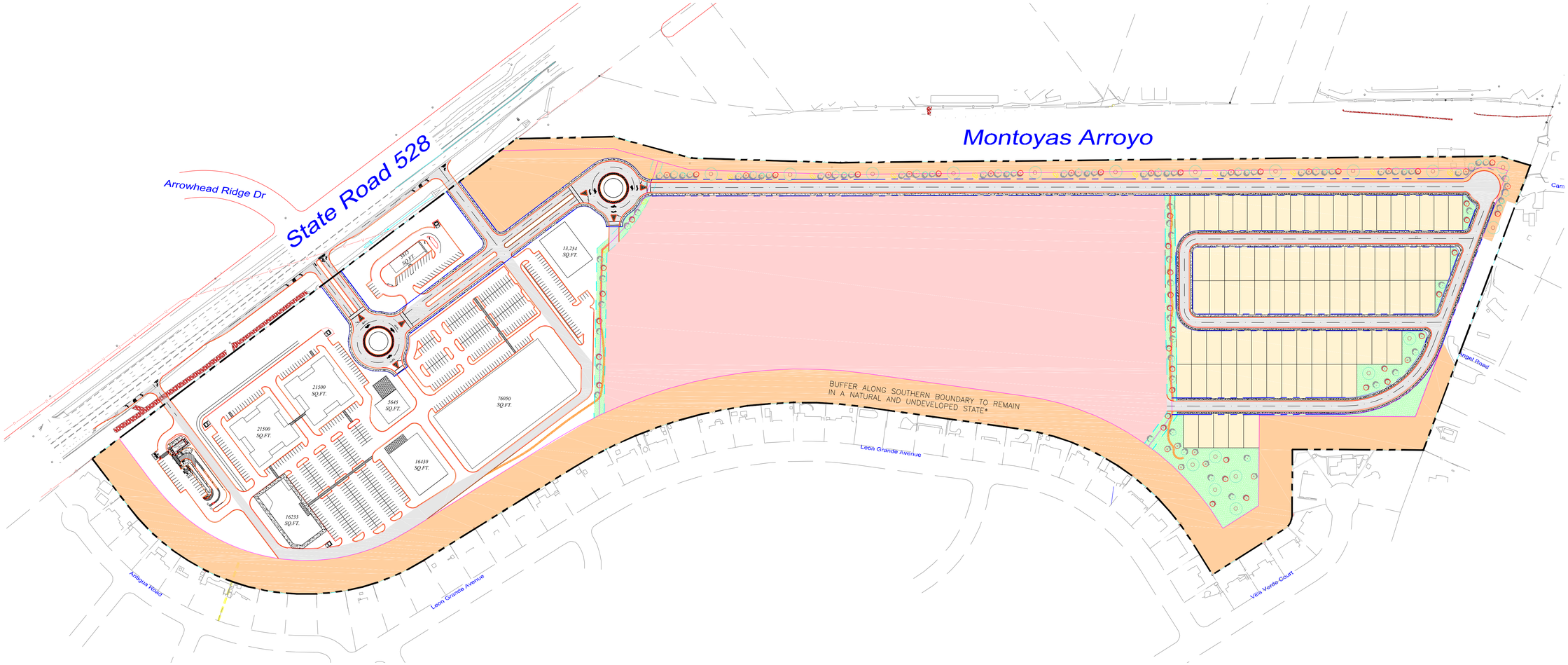
4. **Phase 4: Commercial Infrastructure, Subdivision, and Site Planning**

   Subsequent phasing will move forward with establishing the commercial portion infrastructure for non-residential developments. Depending on the developer's market and approach to this area, the commercial property shall be subdivided into multiple tracts of various shapes and sizes that will accommodate internal vehicular, pedestrian, and emergency access circulation as well any public utility extensions to service each tract. Site Development Plans for each tract shall be submitted for approval of building permit and installations of private and public onsite infrastructure will be required in order to obtain any certification of occupancies on a case-by-case basis.

Financing of all developments for the Master Plan shall be at the developer and/or property owner's expense. Any subdivision for right-of-way dedication, single-family lots, multi-family lots, or commercial lots shall require the developer and/or property owner enter into a Subdivision Improvements Agreement with the City of Rio Rancho prior to any final plat approvals.

APPENDIX A

MASTER PLAN SITE EXHIBIT



COMMERCIAL SITE NOTE:

COMMERCIAL LAYOUT OF BUILDINGS, PARKING LOTS AND DRIVE AISLES ARE STRICTLY CONCEPTUAL. ANY PROPOSED FINAL SITE PLANS SHALL BE APPROVED AND SUBDIVIDED BY THE DEVELOPER ON A CASE-BY-CASE BASIS.

RESIDENTIAL SITE NOTE:

MIXED RESIDENTIAL AND SINGLE FAMILY LAYOUT OF LOTS AND ROADWAYS ARE STRICTLY CONCEPTUAL. ANY PROPOSED SUBDIVISION OF INDIVIDUAL LOTS SHALL BE APPROVED THROUGH A PRELIMINARY PLAT AND FINAL PLAT PROCESS.

* LANDSCAPE BUFFER NOTE:

THE LANDSCAPE BUFFER ALONG THE SOUTHERN BOUNDARY SHALL REMAIN IN A NATURAL AND UNDEVELOPED STATE, WITH THE EXCEPTION FOR ANY SLOPE TYING OR RETAINING WALLS FOR GRADING OF THE SITE.

LEGEND

- BOUNDARY LINE
- EASEMENT
- PROPOSED ROW
- PROPOSED LAND USE/ZONING BOUNDARY
- MULTI-USE TRAIL
- PARKS & TRAIL AREAS
- OPEN SPACE AREAS (INCLUDING PONDING AREAS)
- PROPOSED SINGLE FAMILY LOTS
- PROPOSED MULTI-FAMILY/MIXED RESIDENTIAL

N

GRAPHIC SCALE

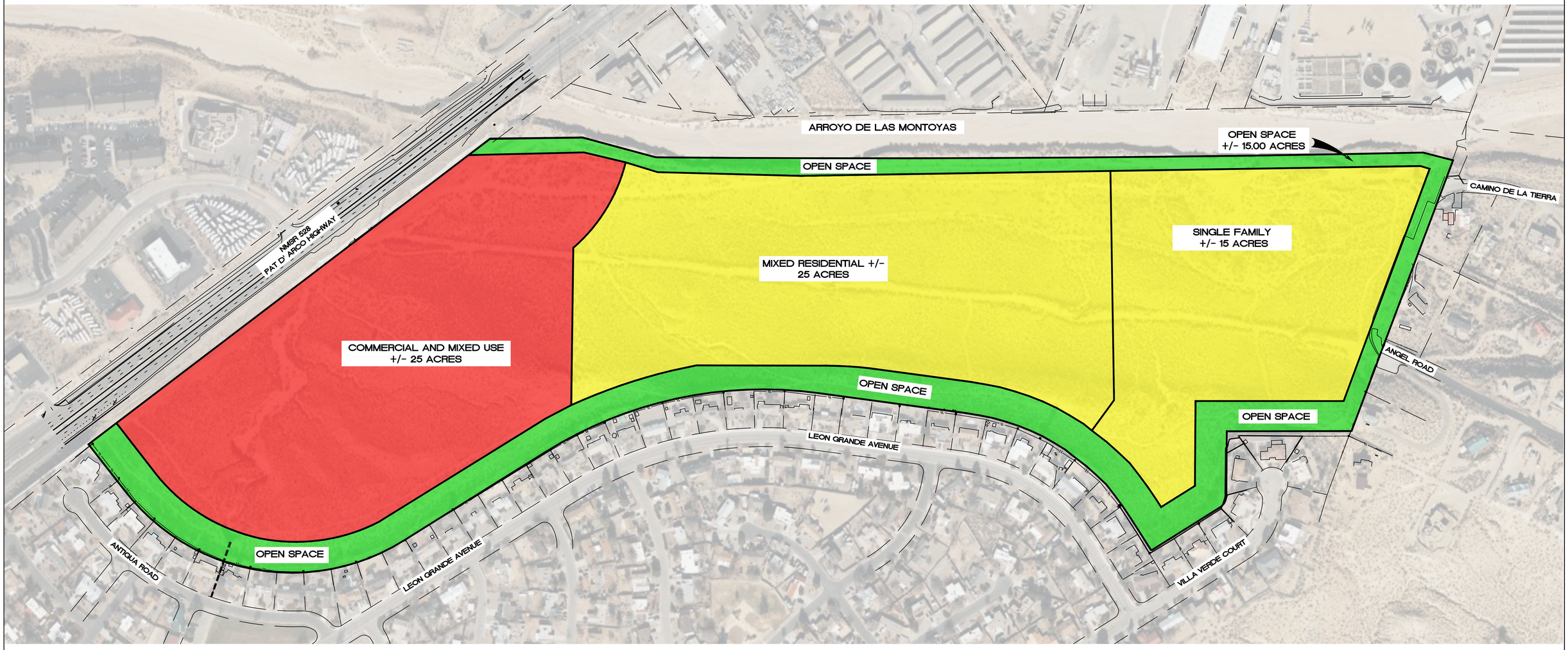
150 0 75 150

(IN FEET)
1 inch = 150 ft.

ENGINEER'S SEAL	ARROWHEAD EAST	DRAWN BY: SB
	MASTER PLAN SITE EXHIBIT	DATE: 02-07-24
		DRAWING
	TIERRA WEST, LLC 5571 MIDWAY PARK PL NE ALBUQUERQUE, NEW MEXICO 87109 (505) 858-3100 www.tierrawestllc.com	SHEET #: MP-1
RONALD R. BOHANNAN P.E. #7868		JOB #: 2021012

APPENDIX B

MASTER LAND USE PLAN



Development Guidelines

	Mixed-Use/Commercial	Mixed Residential	Single-Family Residential	Open Space
Maximum Lot Density		26 DU/Acre	7 DU/Acre	
Comparable Zoning	MU-A	R-3	R-4	OS
Permissive/Conditional Uses	Per Municipal Code for MU-A	Multi-Family Towhnhomes (attached and detached) Single-Family	Single-Family Detached	
Minimum Lot Area		Detached = 3,000 Sq Ft Attached = 1,200 Sq Ft Multi-Family = 10,000 Sq Ft	4,500 Sq Ft	
Minimum Lot Width		Detached = 35 Ft Attached = 28 Ft Multi-Family = 70 ft	40 Ft	
Right-of-Way Width		50 Ft	50 Ft	
Buffer	30' Buffer shall be provided between Mixed/Use Commercial & Mixed Residential	30' Buffer shall be provided between Mixed/Use Commercial & Mixed Residential, and between Mixed Residential & Single-Family Residential	30' Buffer shall be provided between Mixed Residential & Single-Family Residential	100' along S. Property Line 58' along E. Property Line 35' along N. Property Line

* Any development guidelines not shown in this table shall follow the City of Rio Rancho Municipal Code for the Comparable Zoning listed above

PROPOSED ZONING= PLANNED RESIDENTIAL DEVELOPMENT DISTRICT (PRD)

LEGEND

- OPEN SPACE
- MODERATE DENSITY RESIDENTIAL
- COMMERCIAL AND MIXED USE

N

GRAPHIC SCALE

150 0 75 150

(IN FEET)
1 inch = 150 ft.

ENGINEER'S SEAL

RONALD R. BOHANNAN
P.E. #7868

ARROWHEAD EAST

MASTER LAND USE PLAN

TIERRA WEST, LLC
5571 MIDWAY PARK PL NE
ALBUQUERQUE, NEW MEXICO 87109
(505) 858-3100
www.tierrawestllc.com

DRAWN BY: RMG

DATE: 04-16-23

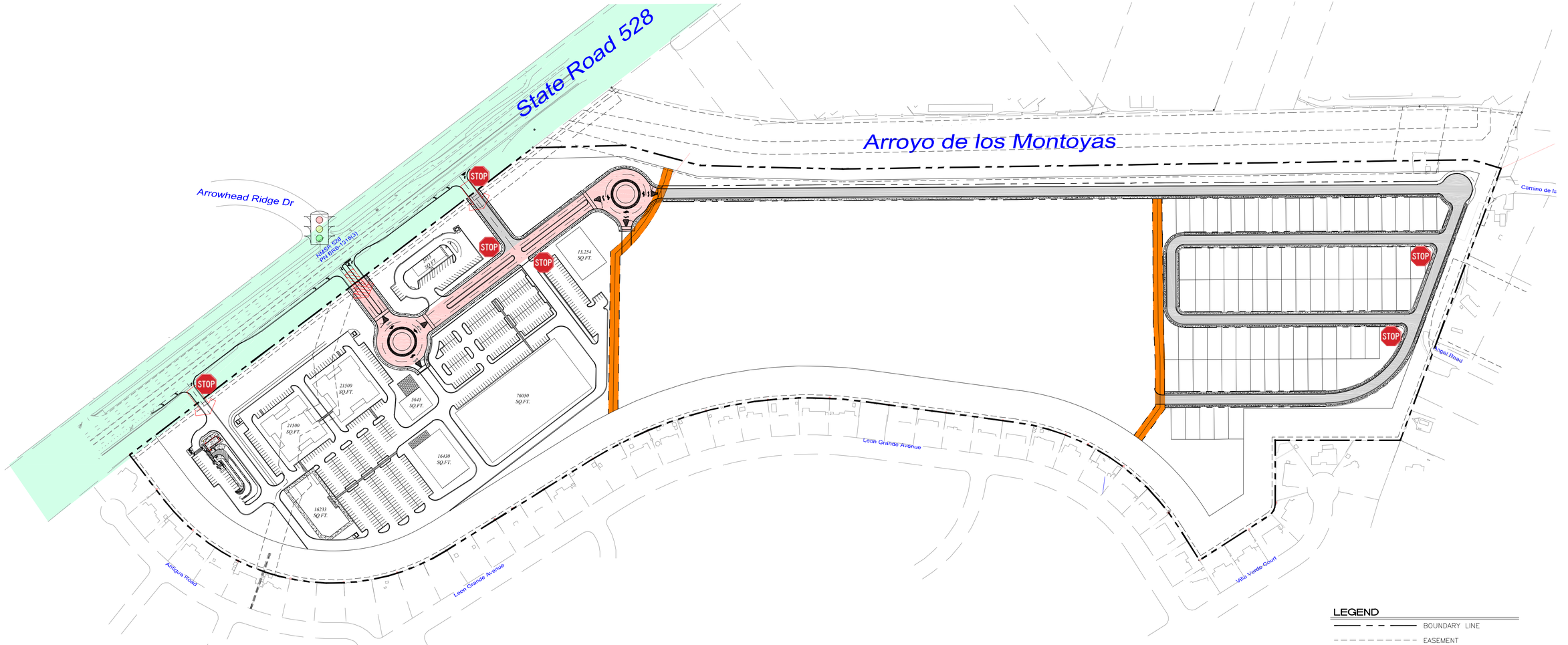
DRAWING

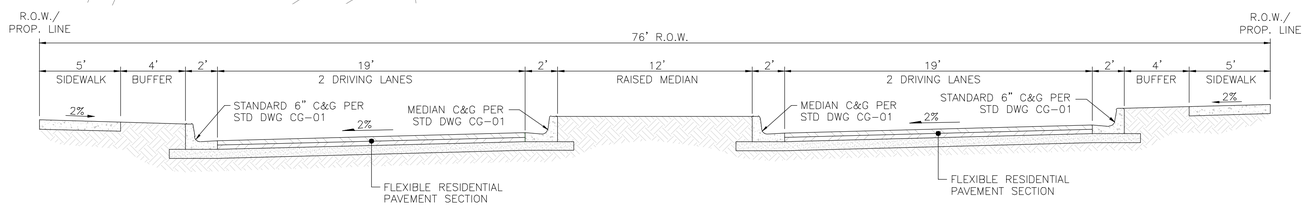
SHEET #: MP-2

JOB #: 2021012

APPENDIX C

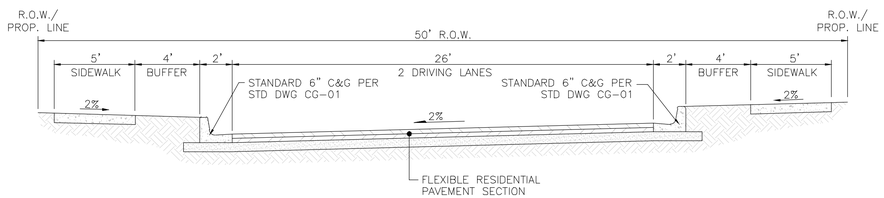
TRANSPORTATION PLAN





TYPICAL 76' ROW STREET SECTION

NTS



TYPICAL 50' ROW STREET SECTION

NTS

LEGEND

- BOUNDARY LINE
- EASEMENT
- MULTI-USE TRAIL
- PROPOSED PUBLIC ROADWAY (50' ROW)
- PROPOSED PUBLIC ROADWAY (76' ROW)
- EXISTING PUBLIC ROW
- PROPOSED VEHICULAR AND PEDESTRIAN ACCESS POINTS (RIGHT-IN, RIGHT-OUT)
- PROPOSED VEHICULAR AND PEDESTRIAN ACCESS POINTS (FULL ACCESS)
- FUTURE SIGNAL
- STOP CONDITION

N

GRAPHIC SCALE

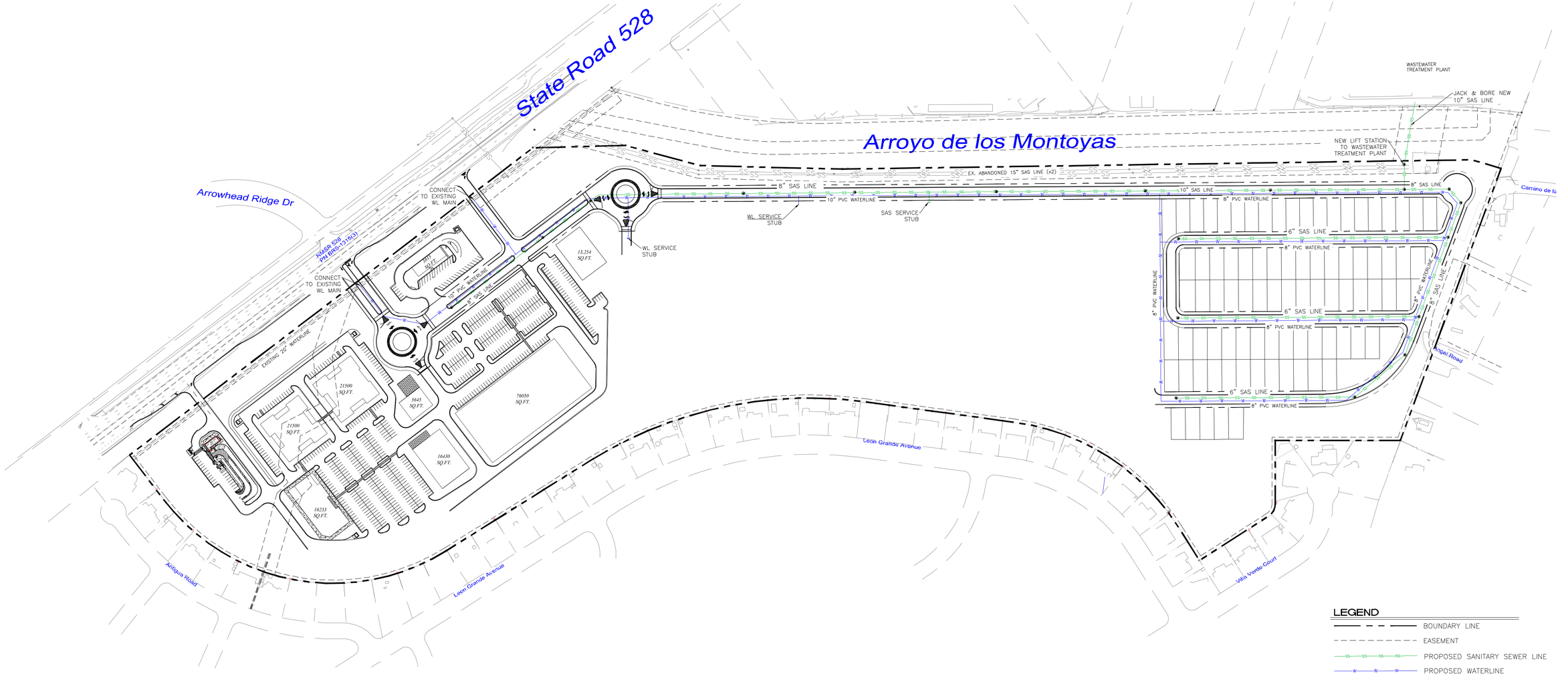
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(IN FEET)
1 inch = 150 ft.

ENGINEER'S SEAL	ARROWHEAD EAST	DRAWN BY vp
	TRANSPORTATION PLAN	DATE 02-07-24
		DRAWING
	TIERRA WEST, LLC 5571 MIDWAY PARK PL NE ALBUQUERQUE, NEW MEXICO 87109 (505) 858-3100 www.tierrawestllc.com	SHEET # MP-3
RONALD R. BOHANNAN P.E. #7868		JOB # 2021012

APPENDIX D

UTILITY SERVICE PLAN



N

GRAPHIC SCALE

150 0 75 150

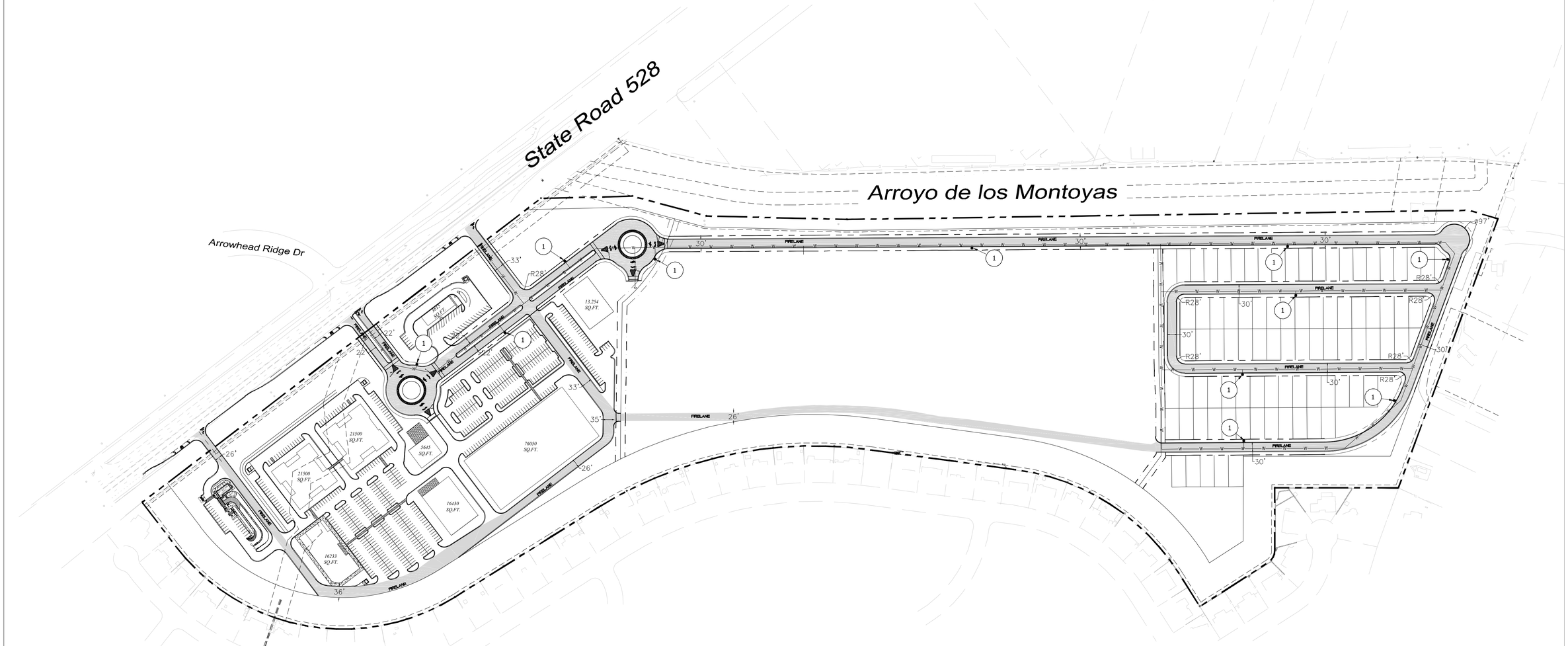
(IN FEET)

1 inch = 150 ft.

ENGINEER'S SEAL	ARROWHEAD EAST	DRAWN BY vp
	UTILITY SERVICE PLAN	DATE 02-06-24
		DRAWING
	TIERRA WEST, LLC 5571 MIDWAY PARK PL NE ALBUQUERQUE, NEW MEXICO 87109 (505) 858-3100 www.tierrawestllc.com	SHEET # MP-4
RONALD R. BOHANNAN P.E. #7868		JOB # 2021012

APPENDIX E

FIRE PROTECTION PLAN



KEYED NOTES

(1) NEW PUBLIC FIRE HYDRANT

CAUTION

ALL EXISTING UTILITIES SHOWN WERE OBTAINED FROM RESEARCH, AS-BUILTS, SURVEYS OR INFORMATION PROVIDED BY OTHERS. IT SHALL BE THE SOLE RESPONSIBILITY OF THE CONTRACTOR TO CONDUCT ALL NECESSARY FIELD INVESTIGATIONS PRIOR TO AND INCLUDING ANY EXCAVATION, TO DETERMINE THE ACTUAL LOCATION OF UTILITIES AND OTHER IMPROVEMENTS, PRIOR TO STARTING THE WORK. ANY CHANGES FROM THIS PLAN SHALL BE COORDINATED WITH AND APPROVED BY THE ENGINEER.

NOTES

1. ON SITE FIRE LANE ROAD SHALL BE MARKED ON BOTH SIDES, AS DIRECTED BY FIRE MARSHALL.
2. FIRE APPARATUS ACCESS ROADS SHALL NOT EXCEED 10 PERCENT IN GRADE AND SHALL HAVE AN ALL WEATHER DRIVING SURFACE CAPABLE OF SUPPORTING THE IMPOSED LOAD OF FIRE APPARATUS WEIGHING AT LEAST 75000 LBS.
3. COMMERCIAL DEVELOPMENTS MAY REQUIRE ADDITIONAL PRIVATE FIRE HYDRANTS TO MEET THE MINIMUM FIRE CODE SPACING REQUIREMENTS.
4. HYDRANT DISTANCES SHALL BE 300' FOR COMMERCIAL DEVELOPMENT AND 500' FOR RESIDENTIAL DEVELOPMENT.
5. HYDRANTS SHALL BE FULLY OPERATIONAL BEFORE CONSTRUCTION BEGINS.
6. TWO SEPARATE AND APPROVED FIRE APPARATUS ACCESS ROADS SHALL BE REQUIRED IN DEVELOPMENTS WITH AT LEAST 30 DWELLING UNITS. ACCESS FROM ONLY ONE DIRECTION MAY BE APPROVED IF DWELLING UNITS ARE APPROVED WITH AN APPROVED AUTOMATIC SPRINKLER SYSTEM IN ACCORDANCE WITH SECTION 903.3.1.1, 93.3.1.2, OR 903.3.1.3.
7. FURTHER REQUIREMENTS MAY BE NECESSARY UPON DEVELOPMENT.

LEGEND

- BOUNDARY LINE
- EASEMENT
- PROPOSED WATERLINE
- EXISTING WATERLINE
- FIRE ACCESS LANE
- PROPOSED HYDRANT
- EXISTING FIRE HYDRANT

N

GRAPHIC SCALE

150 0 75 150

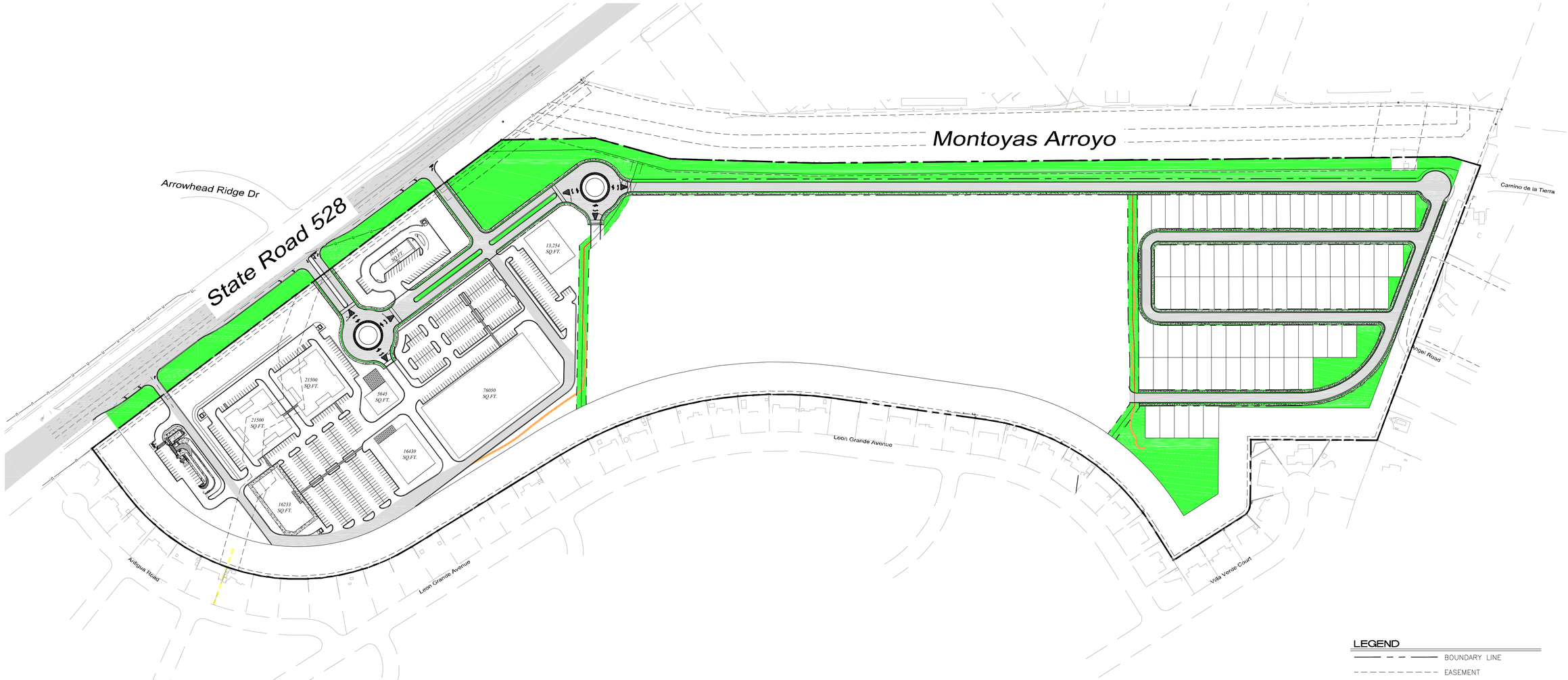
(IN FEET)

1 inch = 150 ft.

ENGINEER'S SEAL	ARROWHEAD EAST FIRE PROTECTION PLAN	DRAWN BY VP DATE 02-07-24 DRAWING
RONALD R. BOHANNAN P.E. #7868	TIERRA WEST, LLC 5571 MIDWAY PARK PL NE ALBUQUERQUE, NEW MEXICO 87109 (505) 858-3100 www.tierrawestllc.com	SHEET # MP-5 JOB # 2021012

APPENDIX F

LANDSCAPING PLAN



LEGEND

- BOUNDARY LINE
- EASEMENT
- PROPOSED PUBLIC LANDSCAPING
- PROPOSED PUBLIC TRAILS

GENERAL NOTES:

1. ALL PROPOSED PUBLIC LANDSCAPING SHALL COMPLY WITH SECTION 3, SUBSECTIONS 7, 8, AND 9 OF THE CITY OF RIO RANCHO DEVELOPMENT PROCESS MANUAL VOL. II.
2. FINAL DESIGN OF LANDSCAPING AND PLANTING IN PUBLIC ROW WILL BE CONTINGENT UPON FINAL SUBDIVISION CONSTRUCTION APPROVAL.

PLANTINGS NOTES:

1. ADJUST EXACT PLANT LOCATION IN THE FIELD.
2. UNLESS STATED OTHERWISE ON THE PLAN, ALL EXISTING TREES AND SHRUBS ARE TO VERIFY IN THE FIELD WHICH PLANTS TO REMOVE WITH THE OWNER IN THE FIELD.

IRRIGATION NOTES:

1. ALL NEW PLANTINGS TO BE WATERED BY AUTO DRIP IRRIGATION SYSTEM – TIE TO THE EXISTING DRIP LINE.THE EXISTING SYSTEM IS ASSUMED IN GOOD WORKING CONDITION AND WITH AN ADEQUATE WATER PRESSURE AT THE SOURCE. IN THE CASE OF ANY EXISTING COMPONENTS OF THE IRRIGATION SYSTEM NOT TO BE IN WORKING ORDER, THOSE COMPONENTS HAVE TO BE REPLACED AT ADDITIONAL COST – IRRIGATION CONTROLLER UPGRADE AND AN EXTRA DRIP VALVE MIGHT BE NEEDED – VERIFY IN THE FIELD.
2. WATER MANAGEMENT FOR LANDSCAPING IN ROW WILL BE SOLE RESPONSIBILITY OF A PROPERTY OWNER'S ASSOCIATION.

N

GRAPHIC SCALE

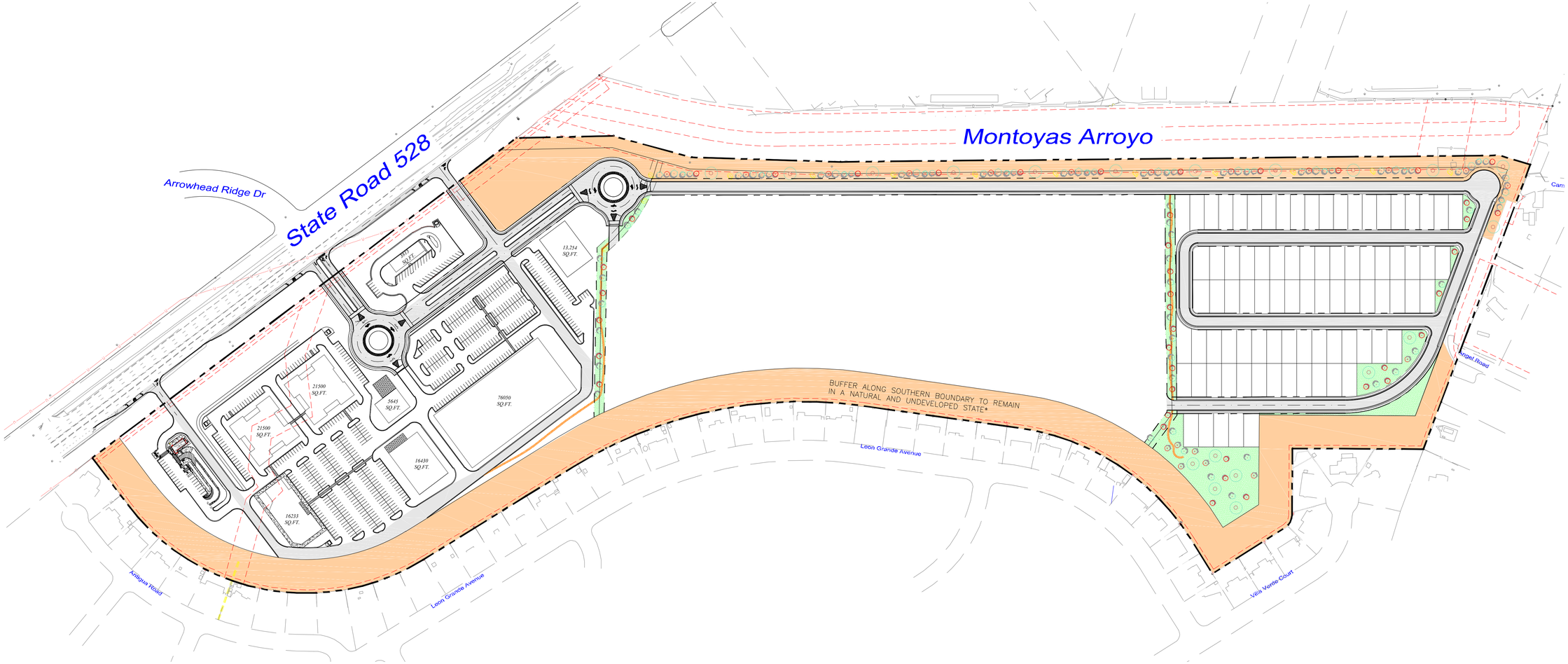
150 0 75 150

(IN FEET)
1 inch = 150 ft.

ENGINEER'S SEAL	ARROWHEAD EAST LANDSCAPE PLAN	DRAWN BY vp DATE 02-07-24 DRAWING
RONALD R. BOHANNAN P.E. #7868	TIERRA WEST, LLC 5571 MIDWAY PARK PL NE ALBUQUERQUE, NEW MEXICO 87109 (505) 858-3100 www.tierrawestllc.com	SHEET # MP-6 JOB # 2021012

APPENDIX G

RECREATION CONCEPT PLAN



LEGEND

- BOUNDARY LINE
- EASEMENT
- MULTI-USE TRAIL
- PARKS & TRAIL AREAS
- OPEN SPACE AREAS (INCLUDING PONDING AREAS)

N

GRAPHIC SCALE

150 0 75 150

(IN FEET)
1 inch = 150 ft.

ENGINEER'S SEAL	ARROWHEAD EAST	DRAWN BY SB
	RECREATION CONCEPT PLAN	DATE 02-07-24
		DRAWING
	TIERRA WEST, LLC 5571 MIDWAY PARK PL NE ALBUQUERQUE, NEW MEXICO 87109 (505) 858-3100 www.tierrawestllc.com	SHEET # MP-7
RONALD R. BOHANNAN P.E. #7868		JOB # 2021012

Development Services Department, Ste. 130
3200 Civic Center Circle NE, Rio Rancho, NM 87144
(505) 891-5005

PLANNING & ZONING LAND USE APPLICATION

Please check appropriate box (Fees are listed on the back)

Administrative Permit	Plan	Subdivision	Zoning
☐ Community Residential Care Facility	☐ Comprehensive Plan Amendment	☐ Final Plat	☐ Annexation
☐ Development Review Committee (DRC)	☐ Corridor Plan Amendment	☐ Preliminary Plat	☐ Appeal
☐ Home Occupation	☒ Master Plan	☐ Summary Plat	☐ Conditional Use Permit
☐ Model Home / Sales Office	☐ Master Plan Amendment	☐ Vacation of Plat	☐ Master Sign Plan
☐ Residential Child Care Facility 6 or <	☐ Specific Area Plan Amendment	☐ Street Name Change	☐ Site Plan
☐ Sign Permit	☐ Text Amendment	☐ Subdivision Interpretation	☐ Special Exception
☐ Other		☐ Subdivision Variance	☐ Variance
			☐ Zone Map Amendment
			☐ Zoning Certification
			☐ Zoning Interpretation

Please Print In Ink Only or Type
Application must be complete. Please attach the appropriate checklist for the action you are requesting, if applicable.

APPLICANT/AGENT INFORMATION

Applicant Name: RIO RANCHO ROAD RUNNERS LLC		Phone:
Address: 3944 AUGUST DR SE		E-Mail:
City: RIO RANCHO	State: NM	Zip: 87124
Proprietary Interest:	List Owners:	
Deed or Ownership Verification Provided: (Initials)		Letter of Authorization Provided: (Initials)
Agent Name: TIERRA WEST LLC		Phone: (505) 858-3100
Address: 5571 MIDWAY PARK PLACE NE		E-Mail: vperea@tierrawestllc.com
City: ALBUQUERQUE	State: NM	ZIP Code: 87109

DESCRIPTION OF REQUEST: (PLEASE ADD ADDITIONAL SHEET(S) IF NECESSARY)

MASTER PLAN SUBMITTAL

SITE INFORMATION: (PLEASE PROVIDE ACCURATE LEGAL DESCRIPTION)

Subdivision/Unit : ARROWHEAD EAST	Block(s):	Lot(s):
Existing Zoning: SU (PR-D)	Proposed Zoning: SU (PR-D)	
No. of existing lots: 1	No. of proposed lots: 1	Total area of site (acres) 79.85

ACKNOWLEDGEMENT

I hereby acknowledge that I have read this entire application and affirm that all information provided is correct. I agree to comply with the requirements of the City of Rio Rancho as outlined in all applicable laws, ordinances and regulations.

Print Name: Ronald R. Bohannan	Applicant:	Agent: X
Signature:		Date: 05.31.2023

FOR OFFICIAL USE ONLY

H.T.E. PROJECT #	FEE	RECEIPT #

APPLICATION ACCEPTED BY: _____ **DATE:** _____

Form revised June 2014

5/25/2023

City of Rio Rancho Planning Department
3200 Civic Center Circle NE
Rio Rancho, NM 87144

RE: **LETTER OF AUTHORIZATION**
TRACT B, SUMMARY PLAT OF ARROWHEAD EAST TRACTS B & C
RIO RANCHO, SANDOVAL COUNTY, NEW MEXICO

To Whom it may concern:

The purpose of this letter is to authorize Tierra West LLC to act as agent on behalf of RIO RANCHO ROAD RUNNERS LLC. pertaining to any and all submittals made to the City of Rio Rancho for the above-referenced site.

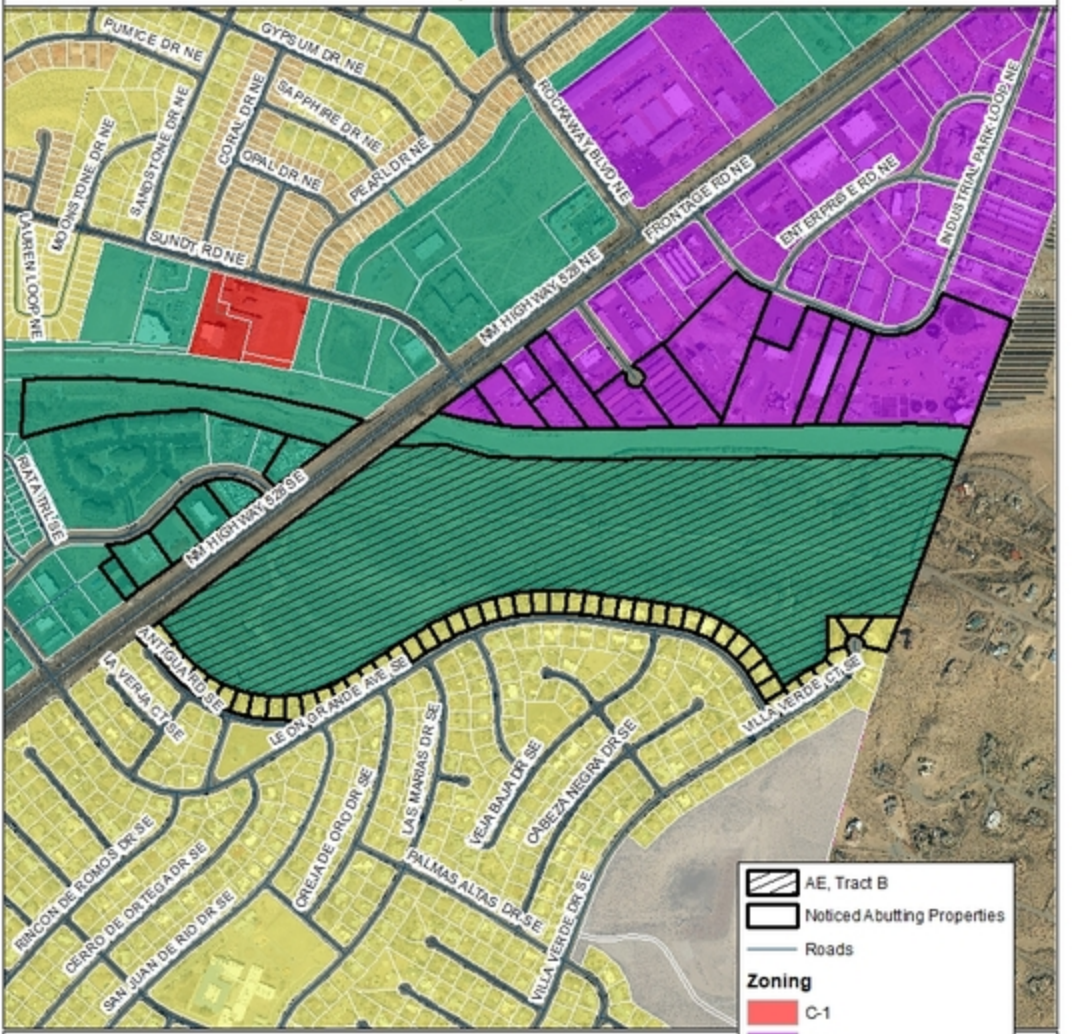
KIM "KIPP" WATSON
Print Name

Kipp Watson
Signature

Co-owner
Title

May 25, 2023
Date

ARROWHEAD EAST
MASTER PLAN & BULK PLAT
AE, TRACT B



Rio Rancho
City of Vision

0 220 440 880 1,320 1,760 Feet

DISCLAIMER: All information in this map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. This map is not a survey and should be used for graphical purposes only.

Map Created by Tim Dvorak on 4/24/2024

CITY OF RIO RANCHO
ORDINANCE

ORDINANCE NO. 19 **ENACTMENT NO. 17-21**

AN ORDINANCE OF THE CITY OF RIO RANCHO, NEW MEXICO AMENDING THE ZONING CLASSIFICATION AND OFFICIAL ZONING MAP FOR PROPERTY DESCRIBED AS ARROWHEAD EAST, TRACT B, COMPRISED OF 80.8 ACRES, FROM R-3: MIXED RESIDENTIAL DISTRICT TO SU: SPECIAL USE DISTRICT FOR PLANNED RESIDENTIAL DEVELOPMENT (PRD); IDENTIFYING CONDITIONS OF DEVELOPMENT; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS: the Governing Body of the City of Rio Rancho has adopted zoning regulations and an official zone map in accordance with New Mexico Statutes Annotated 1978 (NMSA 1978) Chapter 3, Article 21; and,

WHEREAS: in accordance with Rio Rancho Code of Ordinances (R.O. 2003) Section 150.07, an application to amend the zoning designation from R-3: Mixed Residential District to PRD Planned Residential Development for the subject property known legally as Arrowhead East, Tract B, located at 200 New Mexico Highway 528, has been submitted by the City of Rio Rancho, and assigned City Case No. 17-100-00006; and,

WHEREAS: the City of Rio Rancho Planning and Zoning Board held a duly noticed public hearing on August 8, 2017, regarding the proposed changes to the Official Zoning Map and, following study and consideration, has made findings (where applicable) whether or not the criteria in R.O. 2003 Section 150.07 are satisfied, and made these recommendations to the Governing Body regarding adoption of the changes; and,

WHEREAS: the Governing Body received a report from the Planning and Zoning Board, and such report indicates the Planning and Zoning Board has studied and considered the proposed changes pursuant to R.O. 2003 Section 150.07; and,

WHEREAS: a public hearing occurred, in accordance with procedures set for the in R.O. 2003 Section 150.07, and NMSA 1978 Section 3-21-6, on the proposed SU: Special Use for Planned Residential Development zoning district and Official Zone Map changes hereinafter described were duly advertised and held by the Governing Body of the City of Rio Rancho on September 13, 2017, and the Governing Body heard interested parties and citizens for and against the proposed amendments; and,

WHEREAS: the proposed amendments to be adopted by this Ordinance comply with the statutory and regulatory requirements of the aforesaid Code of Ordinances and Statutes, and upon specific findings related to the subject property and determining the proposed amendment is consistent with the policies and criteria set forth in R.O. 2003 Section 150.07 (D), the Governing Body finds the amendments promote the health, safety, morals, and general welfare of the City.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

Section 1. Rezoning of Property and Change in Land Use:
The Official Zone Map is hereby amended by changing the zoning designation on approximately 80.8 acres of property located on New Mexico Highway 528 SE, from R-3: Mixed Residential District to SU: Special Use District for Planned Residential Development (PRD) on land legally described as:

> Arrowhead East, Tract B, as same is shown designated on the plat entitled "SUMMARY PLAT, ARROWHEAD EAST, TRACT B AND C, A REPLAT OF TRACT A, ARROWHEAD EAST, WITHIN PROJECTED SECTIONS 20 AND 21, TOWNSHIP 12 NORTH, RANGE 3 EAST, NEW MEXICO PRINICPAL MERIDIAN, TOWN OF ALAMEDA GRANT, CITY OF RIO RANCHO, SANDOVAL COUNTY, NEW MEXICO" filed in the office of the County Clerk of Sandoval County on July 2, 2015, in Book Number 26, Page Number 16-17.

Section 2. LAND USE, CONDITIONS, DEVELOPMENT STANDARDS/REGULATIONS and USE of PROPERTY:

A. Land Uses: The Property identified on the Preliminary Master Plan/Conceptual Site Plan, Exhibit A, as SU: Special Use for Planned Residential Development District (PRD), includes the following three (3) land uses, acreages and densities:

1) *Commercial:* Maximum 25 acres of permissive and conditional Commercial land uses with any commercial acreage greater than 20 acres being comprised of mixed use development as defined in the City's MU-A: Mixed Use Activity Center District, with a minimum of 50% of the use area of the mixed use development being comprised of residential, civic, drainage or open space as identified on, and approved with, the Final Master Plan. Commercial uses located in the PRD are intended to serve the needs of those within the PRD, as well as those in the surrounding area.
2) *Residential:* Multi-family, Townhomes (attached and detached), and Single Family Residential, subject to the following restrictions and requirement:
    a. A minimum of 15 acres of detached single family dwelling (DFSD) units shall be located along the eastern boundary of the project abutting the Village of Corrales at a maximum density of seven dwelling units per acre (7 du/ac), a minimum lot size of 4,500 square feet, and with the exception of the maximum density of 7 DU per acre and a minimum lot size of 4,500 square feet, all development of the DSFD shall conform to the City's R-4: Single Family District regulations.
    b. Multi-Family Residential and Townhome Residential (attached and detached dwelling units) shall have a maximum density of 26 du/acre, and with the exception of a maximum density of 26 DU per acre, shall conform to the City's R-3: Mixed Residential District regulations.
3) *Open Space:* Minimum 15 acres – including buffer with restrictions and requirements set forth in Section 2B below.

B. Development Standards and Design: Attached as Exhibit B and adopted with additional standards as noted below and to be finalized with approval of the Final Master Plan:

1) ***Access:*** A Traffic Impact Analysis and Access Justification Report shall be required, and if necessary shall be reviewed by the New Mexico Department of Transportation. Internal access shall be approved by the Development Services Department Engineering Division.

2) ***Buffers and Landscaping:*** Minimum buffers and landscaping per the City of Rio Rancho Zoning Code for each zone district shall be applied with such buffers and landscaping to be maintained by an appropriate Property Owners Association. A minimum 100 foot perimeter buffer provided along the south border shall be retained in its natural and undeveloped state; no active recreational uses shall be permitted within the buffer area. The open space buffer abutting single family residential development may be reduced to 75 feet.

    Between the multi-family and commercial developments, and the multi-family and single family detached residential development, a 30 foot buffer shall be provided. A 58 foot buffer is provided along the eastern border of the project, west of the Village of Corrales; and a 35 foot active buffer is provided along the Montoyas Arroyo.

3) ***Grading and Drainage:*** Grading & Drainage Plan, in addition to a floodplain permit issued by the City, shall be required and shall include a grading and drainage plan and erosion control plan including how development will be protected from lateral erosion from the Montoyas Arroyo.

4) ***Open Space/Common Areas/Private Parks:*** Shall be maintained by an appropriate Property Owners Association. Guidelines and locations shall be identified in the Final Master Plan and governed by the Development Services Department of the City of Rio Rancho.

5) ***Parking:*** Compliance with minimum Rio Rancho Code of Ordinances, Planning and Zoning Chapter, Off-Street Parking requirements is required.

6) ***Mechanical Equipment:*** Mechanical equipment – with the exception of solar panels not exceeding the maximum permitted principal building height – shall not be located on the roof of any building within the residential land use areas, or on any structure that may be located in the open space land use areas. Mechanical equipment located on the roof of structures located within the commercial land use areas shall be screened from view of neighboring properties with the specifications and design of such screening to be identified in the Final Master Plan required in Section 3 below.

Section 3. Implementation and Process

A. Prior to any development or within 5 years of zoning approval whichever comes first, a Final Master Plan shall be submitted for Planning and Zoning Board approval, and shall include but not be limited to:

1) Topographic map drawn to a scale of 100 feet to one inch by a registered surveyor and/or engineer;
2) Master land use plan drawn at a scale of 100 feet to one inch, or other appropriate scale as determined by the development service department;
3) Transportation plan, including layout of roads, bikeways, pedestrian ways with typical cross sections, and traffic circulation plan;
4) Utility service plan;
5) Fire protection plan;
6) Landscaping plan;
7) Recreation concept plan, parks, and open spaces;
8) Substance of covenants, grants, easements, dedications, or major restrictions; and,
9) Screening of roof top mechanical equipment on structures located within the commercial land use areas.

Any major or substantial change in the approved master plan, which affects the intent and character of the development, land use pattern, and location or dimensions of major streets shall be reviewed and approved by the Planning and Zoning Board. Minor changes which do not affect the intent or character of the development may be approved administratively.

B. Following approval of the Final Master Plan, the subdivision of land within the project boundary shall be subject to Rio Rancho Subdivision regulations.

C. Supplemental site plans for commercial and multi-family development may be approved administratively through the Building Permit process.

Section 4. Severability Clause:

If any section, paragraph, clause, or provision of this Ordinance, or any section, paragraph, clause, or provision of any regulation promulgated hereunder shall for any reason be held to be invalid, unlawful, or unenforceable, the invalidity, illegality, or unenforceability of such section, paragraph, clause, or provision shall not affect the validity of the remaining portions of this Ordinance or the regulation so challenged.

Section 5. Effective Date:
This Ordinance shall take effect in ten (10) days after adoption.

ADOPTED THIS 13th DAY OF SEPTEMBER, 2017.

Greggory D. Hull, Mayor

ATTEST:

Stephen J. Ruger, City Clerk
(S E A L)

City of Rio Rancho
Development Services Department
3200 Civic Center Circle NE
Rio Rancho, NM 87144
Phone (505) 891-5005 Fax (505) 896-8994

May 24, 2024

RE: Arrowhead East Master Plan (Case No. 23-400-00001)

Dear Property Owner:

You are receiving this notice because your property abuts a site where a land development decision is required by the Governing Body.

The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the Arrowhead East Master Plan. The Master Plan boundary comprises the entirety of the property AE, Tract B. The subject property is zoned SU: Special Use for Planned Residential Development (PRD) and consists of approximately 80.7708 acres.

The Governing Body will consider this request at a public hearing on **Thursday, June 13, 2024** starting at 6:00 pm in the **Council Chambers of City Hall, located at 3200 Civic Center Circle**. If you would like to comment on this application, you are encouraged to send in comments in writing to tdvorak@rrnm.gov, which will be presented to the Governing Body. This Governing Body meeting will be hybrid with options to participate virtually or in person. The City highly encourages citizens to watch the meeting live on the City's website www.rrnm.gov or on Sparklight cable channel 56.

For the **Governing Body meeting,** to participate virtually: Join via computer:
https://us06web.zoom.us/j/85302353741?pwd=bWp1QXliSGJoeHhJaGVOczF4MDN0UT09
Meeting ID: 853 0235 3741 Passcode: 789419 Join via phone: 1-346-248-7799 US

Please do not hesitate to contact me at 505-896-8361 or e-mail me at tdvorak@rrnm.gov if you have any questions about the application or accessing the meeting. The agenda for this hearing and related staff reports will be posted on the City's website, www.rrnm.gov, approximately one week before the hearing.

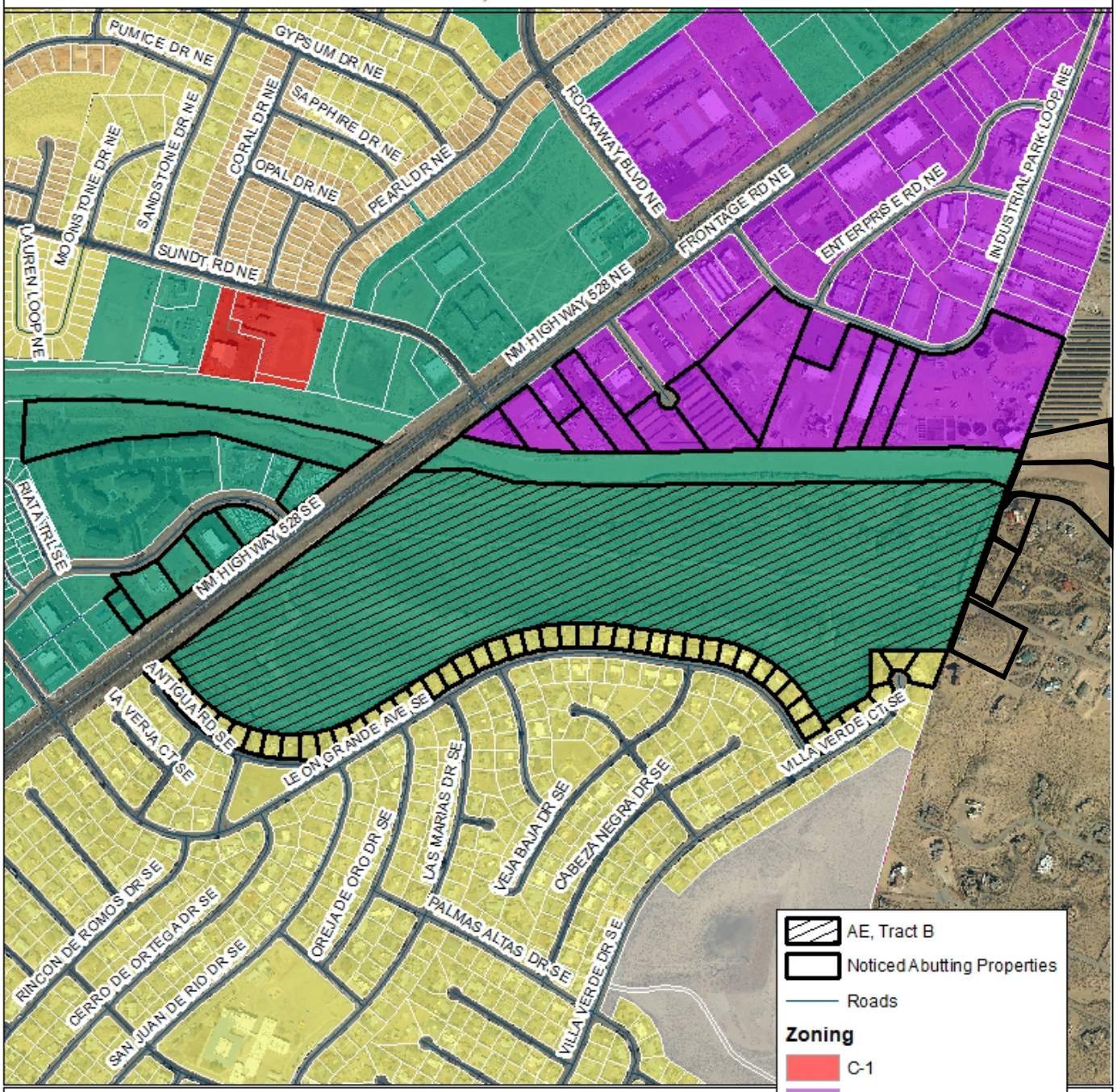
If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk, 505-891-5004, as soon as possible prior to the meeting. Public documents including the agenda and minutes can be provided in various accessible formats. Please contact the City Clerk if a summary or other type of accessible format is needed.

Respectfully,

Tim Dvorak

Tim Dvorak
Municipal Planner II
Development Services Department
Planning Division
City of Rio Rancho

ARROWHEAD EAST
MASTER PLAN & BULK PLAT
AE, TRACT B



Rio Rancho
City of Vision

0 220 440 880 1,320 1,760
Feet

DISCLAIMER: All information in this map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. This map is not a survey and should be used for graphical purposes only.

Map Created by Tim Dvorak on 4/24/2024

NEW MEXICO'S LEADING NEWS SOURCE
ALBUQUERQUE JOURNAL
El Defensor Chieftain RIO RANCHO OBSERVER VALENCIA COUNTY News-Bulletin

PO Box 880697
Phoenix, AZ 85038-9650 Phone: (505)823-3220

Proof of Ad 05/22/2024

Account:	**1010956**
Name:	**CITY OF RIO RANCHO**
Company:	**CITY OF RIO RANCHO**
Address:	**ATTN: ACCOUNTS PAYABLE** **3200 CIVIC CENTER CIR NE** **RIO RANCHO, NM 87144**
Telephone:	**(505)891-5005**

Ad ID:	**43270**
Description:	
Run Dates:	**05/29/2024 - 05/29/2024**
Class:	**3001**
Orig User:	**dmontoya**
Words:	**306**
Lines:	**80**
Agate Lines:	**114**
Depth:	**8.11**
Blind Box:	

Total Ad Cost $99.25
Amount Paid $0.00

Publication	Start	Stop	Inserts	Cost
Albuquerque Journal	05/29/2024	05/29/2024	1	92.22

CITY OF RIO RANCHO
PUBLIC HEARING NOTICE

The GOVERNING BODY of the CITY of RIO RANCHO will consider the following matters at its regularly scheduled meeting at 6:00 p.m. on Thursday, June 13, 2024:

Zone Map Amendment
Case #24-100-00003
The applicant, Tiffany Sisneros, requests approval of a Zone Map Amendment for the property legally described as U07, Blk 18, Lot 130; physically located at 1107 10th St NW. The proposed ZMA is for approximately .5 acres to change from Unzoned to R-1: Single-Family Residential.

Resolution Adopting the Impact Fee's Land Use Assumptions
The City of Rio Rancho is requesting the adoption of a Resolution of the City of Rio Rancho, New Mexico for the Amendment Study titled: "2023-2030 Land Use Assumptions" that will be used to develop a capital improvement plan under which an impact fee may be imposed.

Text Amendment Request
Case #23-105-00001
The City of Rio Rancho is requesting approval of text amendments to the Rio Rancho Code of Ordinances (R.O. 2003) Chapter 150 General Provisions, Section 150.23 (G) and (K), Section 150.30 (A)(5) and (B)(e) and (f), and repealing and replacing the Appendix.

Master Plan
Case #23-400-00001
The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the Arrowhead East Master Plan. The Master Plan boundary comprises the entirety of the property AE, Tract B.

The meeting is scheduled in the Council Chambers at City Hall, 3200 Civic Center Cir NE, Rio Rancho, NM. The public is invited to attend in person or virtually at www.rrnm.gov. Materials related to these items are available for viewing in the Development Services Department at City Hall.

If you would like to comment on any of these applications, you are encouraged to submit a written comment to planning@rrnm.gov. Written comments will be inserted into the public record.

Journal: May 29, 2024

DEVELOPMENT SERVICES DEPARTMENT— TRANSMITTAL AND REVIEW SHEET

DATE: April 17, 2024

TO:
(X) Development Services – Matt Geisel, David Serrano, Amy Rincon, Brian Babyak, Peter Prukop
(X) Fire and Rescue – James Wenzel, Gerard Bauer
(X) Police – Scott Pope
(X) SSCAFCA – Andy Edmondson, Sara Rassa
(X) Parks and Recreation - Dyane Sonier
(X) Rio Rancho Public Schools – Michael Baker
(X) MRCOG – Peach Anderson-Tauzer

FROM: Development Services Department, Planning & Zoning Division

RE: Arrowhead East Master Plan: DSD #23-400-00001

The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the proposed Arrowhead East Master Plan. The property is currently zoned SU: Special Use for Planned Residential Development and is currently addressed as 200 NM Highway 528 SE. The property comprises approximately 79.85 acres and is legally described as AE, Tract B.

Please review and provide recommendations, comments or corrections on this form and return via hand delivery, fax or e-mail by **Monday, April 29, 2024**. If redline comments are made on the plan, please also provide me with a copy. Please contact Tim Dvorak at 505-896-8361 or e-mail tdvorak@rrnm.gov if you have any questions or would like to review a hard copy at my office.

This item has been reviewed and is hereby:
( ) RECOMMENDED FOR APPROVAL
(x) RETURNED FOR REVISIONS RESUBMITTAL REQUIRED
( ) RETURNED WITH COMMENTS RESUBMITTAL NOT REQUIRED

The roundabout presents a single access into the back portion of the property. Fire is requesting a separate entrance outside of the roundabout to the rear of the property. Additionally, the fire access lane will require fire hydrants every 1000', however, if the middle space is to house future multi-family residents, hydrants will need to be spaced every 500'.

Tieing into the proposed fire lane on the rear of the commercial property would fulfill the request. Fire lanes will also be required to have posting throughout indicating the official use.

Fire Marshal James Wenzel — Reviewer
4/19/24 — Date

DEVELOPMENT SERVICES DEPARTMENT— TRANSMITTAL AND REVIEW SHEET

DATE: April 17, 2024

TO:
(X) Development Services – Matt Geisel, David Serrano, Amy Rincon, Brian Babyak, Peter Prukop
(X) Fire and Rescue – James Wenzel, Gerard Bauer
(X) Police – Scott Pope
(X) SSCAFCA – Andy Edmondson, Sara Rassa
(X) Parks and Recreation - Dyane Sonier
(X) Rio Rancho Public Schools – Michael Baker
(X) MRCOG – Peach Anderson-Tauzer

FROM: Development Services Department, Planning & Zoning Division

RE: Arrowhead East Master Plan: DSD #23-400-00001

The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the proposed Arrowhead East Master Plan. The property is currently zoned SU: Special Use for Planned Residential Development and is currently addressed as 200 NM Highway 528 SE. The property comprises approximately 79.85 acres and is legally described as AE, Tract B.

Please review and provide recommendations, comments or corrections on this form and return via hand delivery, fax or e-mail by **Monday, April 29, 2024**. If redline comments are made on the plan, please also provide me with a copy. Please contact Tim Dvorak at 505-896-8361 or e-mail tdvorak@rrnm.gov if you have any questions or would like to review a hard copy at my office.

This item has been reviewed and is hereby:
(_) RECOMMENDED FOR APPROVAL
(_) RETURNED FOR REVISIONS RESUBMITTAL REQUIRED
(_) RETURNED WITH COMMENTS RESUBMITTAL NOT REQUIRED

Please note that free discharge into the arroyo and SSCAFCA facility requires discussion and agreement with SSCAFCA.

4/29/24

Reviewer Date

DEVELOPMENT SERVICES DEPARTMENT— TRANSMITTAL AND REVIEW SHEET

DATE: April 17, 2024

TO:
(X) Development Services – Matt Geisel, David Serrano, Amy Rincon, Brian Babyak, Peter Prukop
(X) Fire and Rescue – James Wenzel, Gerard Bauer
(X) Police – Scott Pope
(X) SSCAFCA – Andy Edmondson, Sara Rassa
(X) Parks and Recreation - Dyane Sonier
(X) Rio Rancho Public Schools – Michael Baker
(X) MRCOG – Peach Anderson-Tauzer

FROM: Development Services Department, Planning & Zoning Division

RE: Arrowhead East Master Plan: DSD #23-400-00001

The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the proposed Arrowhead East Master Plan. The property is currently zoned SU: Special Use for Planned Residential Development and is currently addressed as 200 NM Highway 528 SE. The property comprises approximately 79.85 acres and is legally described as AE, Tract B.

Please review and provide recommendations, comments or corrections on this form and return via hand delivery, fax or e-mail by **Monday, April 29, 2024**. If redline comments are made on the plan, please also provide me with a copy. Please contact Tim Dvorak at 505-896-8361 or e-mail tdvorak@rrnm.gov if you have any questions or would like to review a hard copy at my office.

This item has been reviewed and is hereby:
(_) RECOMMENDED FOR APPROVAL
(_) RETURNED FOR REVISIONS RESUBMITTAL REQUIRED
(_) RETURNED WITH COMMENTS RESUBMITTAL NOT REQUIRED

MRMPO has no adverse comments. For informational purposes:

Appendix G of the MTP supports the following as it relates to the subject property:

- Adopt mixed-use and higher-density zoning along transit corridors to support ridership.
- Adopt parking management strategies to decrease parking requirements in activity centers and redevelopment areas and increase parking costs in high demand locations.
- Adopt/update land use policies and building and site development design standards that promote walkability.

Peach Anderson-Tauzer — Reviewer

4-26-2024 — Date

DEVELOPMENT SERVICES DEPARTMENT— TRANSMITTAL AND REVIEW SHEET

DATE: February 15, 2024

TO:
(X) Development Services – Matt Geisel, David Serrano, Amy Rincon, Brian Babyak, Cedric Smith, Peter Prukop
(X) Fire and Rescue – James Wenzel, Gerard Bauer
(X) Police - Justin Garcia
(X) SSCAFCA – Andy Edmondson, Sara Rassa
(X) Parks and Recreation - Dyane Sonier
(X) Rio Rancho Public Schools – Michael Baker
(X) MRCOG – Peach Anderson-Tauzer

FROM: Development Services Department, Planning & Zoning Division

RE: Revisions for Arrowhead East Master Plan: DSD #23-400-00001

The applicant, Rio Rancho Road Runners, LLC., through their agent, Tierra West, LLC., requests approval of the proposed Arrowhead East Master Plan. The property is currently zoned SU: Special Use for Planned Residential Development and is currently addressed as 200 NM Highway 528 SE. The property comprises approximately 79.85 acres and is legally described as AE, Tract B.

Please review and provide recommendations, comments or corrections on this form and return via hand delivery, fax or e-mail by **Thursday, February 29, 2024**. If redline comments are made on the plan, please also provide me with a copy. Please contact Tim Dvorak at 505-896-8361 or e-mail tdvorak@rrnm.gov if you have any questions or would like to review a hard copy at my office.

This item has been reviewed and is hereby:
(_) RECOMMENDED FOR APPROVAL
(_) RETURNED FOR REVISIONS RESUBMITTAL REQUIRED
(_) RETURNED WITH COMMENTS RESUBMITTAL NOT REQUIRED

No specific comments about the Master Plan. Please be aware the before mentioned “park improvements” and references in the current master plan draft - were assumed to address the 0.72 acre min. park requirements (per subdivision ordinance 2.83 residents per residence x 85 single family residences, at 3 acres/1000 residents) for the single family development portion of the master plan –and that the non-trail/non-roadside landscaping portion will include activity/recreation elements for residents to use. Please contact me if there are any questions about park improvement requirements for private parks.

The comments made for case 23-400-00001 still apply regarding to development of commercial and mixed residential areas of the master planned development (attached again here) please note that the comment about adequate outdoor recreation space does not include landscape buffer or landscaped area. It referenced improvements that will provide recreation and activity space to residents of the Mixed residential phase.

Dyane N. Sonier *02/29/2024*

Reviewer Date

Previous comments:

No recommendation for or against approval of, nor comments on the proposed Master Plan. Park impact fees will be paid per residence as called for in the Impact Fee Code.

If approved, and as the Commercial and Mixed Residential tracts are developed, PRCS will expect to see the following in submitted site plans:

Commercial:

When preparing final site plan and construction plan sets, follow the appropriate zoning ordinance requirements for C-1 landscaping, and any additional requirements (% cover, species selection, placement) required by SU zoning and any related Ordinance 17-21 O-19 and adopted Arrowhead East Master Plan requirements. C-1 Zoning requires: No less than 10% of the lot landscaped; No less than ¼ of the 10% shall be located in the front. Ensure the construction plan sets have a plant legend with plant names, quantities, size; that each individual planter area is indicated on the plan and included on a table that summarizes total amount of landscape required, total amount provided (sum of the parts). Indicate where the irrigation meter, its size; the backflow preventer, its type; and the controller/master valve locations are. Irrigation backflow preventer will need to be registered and tested per ordinance 54.0.

Mixed Residential:

It is assumed the developer will provide adequate outdoor recreation space for their tenants on site. If approved, a site plan (and future construction plans) will need to provide information conforming with the Municipal Code Chapter 154.60 Section E Landscaping (2) For residential development: When preparing final site plan and construction plan sets, follow the appropriate zoning ordinance requirements for zone landscaping, and include all required information (% cover – table of required and provided landscape areas, species selection/name, quantities, size at installation, placement). Also comply with any additional requirements (% cover, species selection, placement) required by SU zoning and any related Ordinance 17-21 O-19 and adopted Arrowhead East Master Plan requirements. Ensure the construction plan sets have a plant legend with plant names, quantities, size; that each individual planter area is indicated on the plan and included on a table that summarizes total amount of landscape required, total amount provided (sum of the parts). Indicate where the irrigation meter, its size; the backflow preventer, its type; and the controller/master valve locations are. Irrigation backflow preventer will need to be registered and tested per ordinance 54.0.

For Commercial and Mixed Residential tracts, ensure adequate handicap parking spaces are provided (where applicable for Mixed Residential) and identified (with necessary construction details where appropriate) on your Site Plan and Construction Plans. Verify that handicap parking spaces are designed and constructed as ADA compliant – with no slope (run, cross slope, etc.) within the handicap parking space and aisle – greater than 2.083% in any given direction. For the accessible aisle between the handicap parking spaces, follow the NM Statute which requires that the striped area meet the requirements set out in NMSA 66-1- 4.1.B] and that 1’ high letters that are at least 2” thick stating NO PARKING are stenciled in the aisle. Please reference the Parking Lot Checklist provided by the NM Governor’s Commission on Disability for parking space and sign requirements found at: http://gcd.state.nm.us/wp-content/uploads/2018/11/2015-NM-Accessible-Parking-FINAL2.pdf. Page 7 of this checklist clearly shows the type and color/s of handicap parking signs to be installed, as well as the language required per State Statute.

Comments for site development

"The HOME Matchmaker" <brendasnmhomes@gmail.com>

Thu 5/9/2024 3:34 PM

To:Timothy Dvorak <tdvorak@rrnm.gov>

Caution! This message was sent from outside your organization.

You don't often get email from brendasnmhomes@gmail.com. Learn why this is important

As we had already discussed this about 7 years ago, I suppose it has to be addressed again. It seems that our land behind our homes seems to be highly sought after by developers intent on continuing to ruin our land.
We already have enough development and crime in our city. Far more than is necessary for a town of this size and no we don't need any more greedy developers ramrodding through our land and resources. Using up what little water this state has. We do not need anymore DR Hortons or apartment complexes or car washes. We have a car wash on every corner now.
And as I had argued this 7 years ago when women were publicly declaring they needed more stores to shop at, we don't need those either. We have enough restaurants, shops, car washes, ect for everyone to enjoy and patron. We do not need more.
And we don't need anymore housing developments. There's enough homes to go around. Make legislation to make laws to make homes affordable and your problem is solved.
As it stands now, we have ATVs in our backyard terrorizing the wildlife. And then racing up and down our streets so that we can't enjoy being outside because of the fumes and noise (your city's own speed van has taken pictures of the brats doing stunts in front of them(Leon Grande)). So they get to terrorize us and wildlife. And development keeps stripping what last enjoyment we have here.
If I had known 10 years ago what a ghetto trashy city I'd move to, I'd have moved to my second choice city which was Edgewood. I made a mistake moving here. But I need more time to get out of here, planning and getting funds together to move out of a state that has allowed overpopulation and misuse of resources. Greedy investors coming here and taking all of our real estate.
So I'll get out of here in a few years. But as for now, no, I will down vote any development. It's all a misuse of land. It's all so useless. New Mexico was supposed to be a beautiful natural land. I enjoyed it years ago. But now, in recent years, it's become a dumping ground for investor greed. Your beautiful state has become almost unlivable.

Mailtrack Sender notified by Mailtrack

Timothy Dvorak

From: Joseph Mraz <joermraz@gmail.com>
Sent: Saturday, May 11, 2024 11:42 PM
To: Timothy Dvorak
Subject: Arrowhead East Master Plan

Caution! This message was sent from outside your organization.

You don't often get email from joermraz@gmail.com. Learn why this is important

Thank you for the letter about the meeting.

Can't seem to find the agenda for the May 14th 6 PM meeting on your web page. Nor can I find any documents relating to Case No. 23-400-00001 or 24-210-00001.

I'm interested in Tierra West's plan on retaining walls as they cut and fill to create pads on which to build houses. From my backyard fence to the drainage channel is 800 feet horizontally with a drop of 115 feet over that distance. What will be the offset distance from my fence to their first highwall? How tall will that highwall be? How will that highwall be reinforced to handle possible runoff water from Leon Grande or a burst water pipe from one of the homes that abut Tract B?

I have the arial view that you sent me but I would really like to see a crossection. I'm assuming the City Engineer has reviewed this master plan.

I give you a call Monday, thanks, Joe.

--
Joseph R. Mraz
4723 Leon Grande Ave.
Rio Rancho, NM
87174
cell 505 690-5409

From: Pauline Stewart <paulin2598@aol.com>
Sent: Wednesday, June 12, 2024 10:36 AM
To: Timothy Dvorak <tdvorak@rrnm.gov>
Subject: Fwd: Corrales Heights and the Arrowhead East Project

Caution! This message was sent from outside your organization.

You don't often get email from paulin2598@aol.com. Learn why this is important

Hi Tim,

Thank you for taking time to talk with me today. I apologize if for my breathing issues. It's makes it awkward when I can't speak. 😂. I'm forwarding you the email I sent to Paul just in case some of my questions apply to planning and zoning but added my concerns about the light and safety.

Having a light over a hill where approaching traffic can not see it insane. Car will be slowing down to turn into that area. Cars and pedestrians will be using this intersection and I shudder to think of kids crossing the street there on foot as a car is coming over the hill. It won't be an if it will absolutely be a when someone is killed at that intersection. NM 528 is already the most dangerous road in the state and I'm sure all the lights were approved. We have to something to protect our community. We need to make it safe from day 1 not after deaths and injuries have been reported.

I greatly appreciate your help.

Pauline Alvarez Stewart
4401 Antigua RD SE
Rio Rancho, NM 87124
505-289-9149

Begin forwarded message:

From: Pauline Stewart <Paulin2598@aol.com>
Date: June 12, 2024 at 10:12:41 AM MDT
To: pwymer@rrnm.gov
Subject: RE: Corrales Heights and the Arrowhead East Project

1-Letters were only sent to the home owners that are neighbors to this land. This affects our whole neighborhood.

a- We have questions have questions on how Rio Rancho elementary and the other schools in this area will handle all the children that will be going to them.

b-How will this affect our property values and future property taxes.

2- It's is my understanding that they will be moving dirt for 10 months! We are up on the hill

and concerned about the constant vibrations affecting our old homes.

a- Did the city or the developers complete a study on the stability of the ground how it will affect the homes build in the early 70's?

b-If / when they sustain damage because of this who will be responsible? The city for approving or the developers?

3-The developers stated that there will be a buffer zone-area behind our homes and the new development.

a-will access be blocked to keep the constant motor bikes and 4 wheelers from zooming at our back fence? I don't care much about people doing that in the open Mesa but right up against my fence is different.

4-Business zone- are there limits on what business they can have there?

a- We don't want to be up all night with music. It's literally in our back yard. That will definitely affect our property values in a negative way.

b-what kind of street or business lighting will they have? I'm I going to have bright lights shining in my face all night? I have a picture in my mind of Kramer from Seinfeld when they build Kenny Rodger's Chicken across the street from him. 😢

5-the developer was asked at the last meeting on Tuesday, May 14, 2024 to reach out to residence and explain the project to them and answer questions directly to us. We have not heard from him have tried calling but there's never any answer. Another neighbor said they called someone answered and took a message, but they've never called back. How can we trust them if they are not following through?

Would very much like for you to stop by in person so that you can see what I'm talking about. Mornings are normally best because it's cooler but I'm home 24 seven and available anytime I appreciate your time and your help.

Thank you,

Pauline Alvarez-Stewart
4401 Antigua Rd., Southeast
Rio, Rancho, NM 87124
505–289–9149

Pauline

Good afternoon,

I am in receipt of and reviewed all the materials about the Arrowhead East Project for the meeting to be held tonight at the town hall. I reside on Leon Grande Ave SE and my backyard abuts to the property this development is proposed for. I do have the following questions and concerns:

1. Arrowhead East Master Plan, February 2024; taken from page 12 of 33

Overall Buffers & Landscaping:

Minimum buffers and landscaping per the City of Rio Rancho Zoning Code for each zone district shall be applied with such buffers and landscaping to be maintained by an appropriate Property Owners Association. A minimum of 100 foot perimeter buffer provided along the south border shall be retaining in a natural and undeveloped state except for means of grading (slope tying, retaining walls, etc.), no active recreational uses shall be permitted within the buffer area. The open space buffer abutting single family residential development may be reduced to 75 feet.

Throughout the master plan it states there will be 100 feet perimeter buffer between the new development and the existing homes on the south perimeter, which are the homes situated on Leon Grande Ave SE. However, there is this one statement (highlighted above) that indicates it could be less than 100 feet buffer. I request that this one line be removed from the master plan so that the messaging is consistent to all those involved - developers, planners, current residents, etc. Having this one line in the master plan that contradicts the 100 feet buffer to the south residences may cause disputes for residents and developers in the future.

2. Arrowhead East Master Plan, February 2024; taken from page 5 of 33

2.2. Soils & Vegetation

According to information referenced from the NRCS Web Soil Survey, an online data source, soils across the site consists predominantly of Sheppard loamy fine sand and also contains Grieta-Sheppard loamy fine sands. The soils have a below-average erosivity k-value and have a hydrologic soil classification of Group A for the Sheppard loamy fine sand and Group B for the Grieta-Sheppard loamy fine sands.

Behind my home is a landing and then a cliff that drops down. This is comprised of sand as indicated in the master plan page 5. I am concerned that construction in this area will cause erosion to my property and home. What is the plan to ensure the current homes in Corrales Heights on the south perimeter of this development, will not be negatively impacted by erosion? And if there is a negative impact, what recourse do we have to ensure damages to our property and structures are repaired and maintained?

3. Arrowhead East Master Plan, February 2024; taken from page 5 of 33

Vegetation across the site remains in a natural undisturbed state and vegetation could be described as Desert Shrub (i.e., scrub pine, creosote, greasewood, native grasses) with less than 30% ground cover. Although there is no environmental study completed for this area, due to previous development of the surrounding area, we don't anticipate any significant environmental or archaeological impacts to the development area.

The master plan indicates it referenced a NRCS Web Soil Survey and other sources; what information from that study has been applied to this current master plan. The 80 acres is essential untouched desert land, there is an array of wildlife who reside and are dependent on this land for their survival. These include but are not limited to a coyote den and active coyote pack, bobcats, birds of prey and other birds, small animals such as various types of rabbits, hares, armadillo, variety of snakes, etc. What if any resources have been dedicated to ensuring the current wildlife in the 80 acres are addressed as they will ultimately be displaced when the development transpires?

Sincerely,

Sally Karingada
4803 Leon Grande Ave SE
Rio Rancho, NM 87124

From: Pauline Stewart <paulin2598@aol.com>
Sent: Thursday, June 13, 2024 1:01 PM
To: Timothy Dvorak <tdvorak@rrnm.gov>; Paul Wymer <pwymer@rrnm.gov>
Cc: Jimbo Stewart <jimbo611@aol.com>
Subject: Re: Corrales Heights and the Arrowhead East Project

Caution! This message was sent from outside your organization.

You don't often get email from paulin2598@aol.com. Learn why this is important

Good Afternoon Tim and Paul,

I spoke to the engineer on the project yesterday. We discussed questions in my email. We disagree on my second question on the stability of the ground behind our home. It has been crumbling for years and we had a few conversations about it in person and in email. I added a copy of last email below. I'm sorry, I don't remember the engineers name but he said there was a survey and solid testing show this soil is very stable but he can't seem to find it at the present time. Does the city have a copy of this survey? Can I get a copy of it?
I'm asking that the work not begin until we know it's safe for our homes and we see a copy of said survey. Our homes have been here since at least 1972. Buildings codes and certainly changed in 50 years.

The other item we do not agree on is that the new light over a hill on 528 is not safe. He feels that as an engineer he knows better than I do. When I asked if he ever drove down that stretch of 528 he paused and said no. Even though I have lived in Rio Rancho for nearly 40 years and my backyard can clearly see 528 since we only have chain link fence in the back. I have seen many accidents from my backyard and even some deaths. I'm not asking for it not to be added I am asking that we explore safer alternatives or that we add something to make it safer. We have to advocate for the safety! I could not look my self in the mirror if someone or a family lost their life at that light because we didn't even try.

I'm planning on attending the meeting via zoom link. I will do my best to speak of you need me too. I appreciate your time and consideration.

Thank You,
Pauline Alvarez-Stewart
4401 Antigua RD SE
Rio Rancho, NM 87124

505-289-9149

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: R46

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Development Services

SUBJECT:
R46, Resolution Approving Amended Land Use Assumptions as Required by the State of New Mexico Development Fees Act

BACKGROUND AND ANALYSIS:
"Land Use Assumptions" include a description of the service area and projections of changes in land uses, densities, intensities and population in the service area over at least a five-year period.

The update to the Land Use Assumptions is required by New Mexico Statutes (NMSA) 5-8-30(A), which states “A municipality or county imposing an impact fee shall update the land use assumptions and capital improvements plan at least every five years. The initial five-year period begins on the day the capital improvements plan is adopted.” Per (NMSA) 5-8-19: To impose an impact fee, a municipality or county shall schedule and publish notice of a public hearing to consider land use assumptions within the designated service area that will be used to develop the capital improvements plan.

City staff has prepared a Land Use Assumption study with assistance from Wildan Financial Services and the Mid-Region Council of Governments. This document has been provided as an attachment. The Land Use Assumptions study describes the service area and projected land use changes for a seven-year period from the beginning of FY 2024 (July 1, 2023) to the end of FY 2030 (June 31, 2030). These projections are created by analyzing existing land use, densities and intensities over the specific time frame described, and analyzing the growth trends which can then be used to project future trends. This will serve as the basis for projecting the demand for capital improvements or facility expansions that will be needed to serve the anticipated growth of the City during this period.

Land use assumptions are based on several data sources as follows:

- The 2017 and 2021 Census of population, housing and occupancy rates
- 2021 population estimates from the American Community Survey (ACS)
- Demographic projections prepared by the Mid-Region Council of Governments (MRCOG)
- Construction data provided by the City of Rio Rancho
- Residential and non-residential growth averages and projections from the Financial Services Department
- Approved master plans for major new developments provided by the Financial Services Department and Development Services Department
- FY24 ICIP

Some of the findings from the report are that the population of Rio Rancho was 104,046 in 2020 adding about 16,500 people since 2010. Per the U.S. Census American Community Survey 1-year Estimates, the city has added an additional 1,793 new residents in 2023 for a total population of 105,839. The 2030 projection is from the MRCOG report titled “Rio Rancho 2030 Population and Employment Projections”. MRCOG took the middle of two growth scenarios and averaged the results to project a population of 120,935 in 2030. This represents a compound annual growth rate of 1.6 % and a total increase of 16.2% from the 2020 Census population count of 104,046.

The LUA report also identifies that employment rates are expected to rise to 4,282 jobs in 2028, an increase of 351 jobs from 2023 according to the Rio Rancho Department Financial Services based on historical trends and known market conditions. Using this same method, the commercial square footage is also expected to rise to 11,090,430 square feet in 2028, an increase of 724,301 square feet in 2023.

The MRCOG also provided the projections for residential permit starts and single family detached homes per year. In the year 2023, the number of single family residential homes starts was 950 and that number is expected to be 700 starts in the year 2030, which we believe to be a conservative number.

NMSA 5-8-34 requires that “the advisory committee …. shall file its written comments with the applicable municipality or county on the proposed amendments to the land use assumptions, capital improvements plan or impact fees before the fifth business day before the date of the public hearing on the amendments.” This advisory committee is the Capital Improvement Plan Citizen’s Advisory Committee (CIPCAC).

The CIPCAC reviewed the Impact Fee's Land Use Assumptions at their meeting held on April 22, 2024. The motion to recommend approval to the Governing Body received 4 votes for and 0 votes against and the motion passed. The meeting minutes are provided as an attachment.

The Planning and Zoning Board also reviewed the Impact Fee's Land Use Assumptions at their meeting held on May 14, 2024 in conjunction with the update to the Impact Fee schedule and Text Amendments. The motion to recommend approval of the Impact Fee's Land Use Assumptions to the Governing Body received 5 votes for and 0 votes against and the motion passed.

IMPACT:

The Capital Improvement Plan Citizen’s Advisory Committee and the Planning and Zoning Board recommend approval of the adoption of a Resolution of the City of Rio Rancho, New Mexico for the Impact Fee's Land Use Assumptions, subject to the following findings set forth below:

GENERAL FINDINGS OF FACT:
1. The Planning and Zoning Board may make a recommendation to the Governing Body on the applicant's request adoption of a Resolution of the City of Rio Rancho, New Mexico for the Impact Fee's Land Use Assumptions.
2. The applicant has the authority to make an application to request adoption of a Resolution of the City of Rio Rancho, New Mexico for the Impact Fee's Land Use Assumptions.
3. The applicant and the public received due process.

SPECIFIC FINDINGS OF FACT FOR APPROVAL:
1. The proposed Resolution would be consistent with the health, safety, morals, and general welfare of the City.

2. Sound justification has been presented for the Resolution, which will serve as the basis for projecting the demand for capital improvements or facility expansions that will be needed to serve the anticipated growth of the City during the years 2023-2030.

ALTERNATIVES:

The Governing Body may:

1. The Governing Body may approve the request.
2. The Governing Body may deny the request.
3. The Governing Body may modify the request and approve such modifications.
4. The Governing Body may continue the public hearing to request additional information or to consider testimony provided at the public hearing.

DEPARTMENT RECOMMENDATION:

The Capital Improvement Plan Citizen's Advisory Committee and the Planning and Zoning Board recommend approval of the adoption of a Resolution of the City of Rio Rancho, New Mexico for the Impact Fee's Land Use Assumptions.

ATTACHMENT: R46_Resolution
ATTACHMENT: 4.22.24 CIPCAC Draft Meeting Minutes
ATTACHMENT: Legal Ad Proof
ATTACHMENT: Land Use Assumptions

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. **ENACTMENT NO.**

RESOLUTION APPROVING AMENDED LAND USE ASSUMPTIONS AS REQUIRED BY THE STATE OF NEW MEXICO DEVELOPMENT FEES ACT

WHEREAS: the State of New Mexico Statutes Annotated (NMSA) Chapter 5 "Municipalities and Counties", Article 8 "Land Development Fees and Rights", cited as the Development Fees Act, authorizes, governs and regulates impact fee legislation adopted by a municipality; and

WHEREAS: City of Rio Rancho Impact Fee Land Use Assumptions for the years 2023 through 2030 were developed in compliance with the requirements set forth by the New Mexico Development Fees Act; and

WHEREAS: the Land Use Assumptions will serve as the basis for projecting the demand for capital improvements or facility expansions that will be needed to serve the anticipated growth of the City during this period; and

WHEREAS: the Capital Improvement Plan Citizen's Advisory Committee (CIPCAC) has reviewed the Land Use Assumptions at the CIPCAC meeting on April 22, 2024, and recommended approval of the Land Use Assumptions to the Governing Body; and

WHEREAS: the Governing Body of the City of Rio Rancho held a public hearing on the Impact Fee Land Use Assumptions on June 13, 2024, in compliance with the requirements, including notice of public hearing, of the New Mexico Development Fee Act.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

Section 1. that the Governing Body hereby approves the Impact Fee Land Use Assumptions titled "2023-2030 Land Use Assumptions, City of Rio Rancho Impact Fee Update and Amendment Study" as attached hereto as Exhibit A, and made a part hereof.

Section 2. This Resolution shall take effect immediately upon adoption.

ADOPTED THIS _____DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

Noel C. Davis, City Clerk
(SEAL)

THE CITY OF RIO RANCHO
CAPITAL IMPROVEMENTS PLAN
CITIZEN'S ADVISORY COMMITTEE (CIPCAC)
REGULAR MEETING MINUTES
April 22, 2024
6:00 PM
Hybrid (In-Person/Public ZOOM)
3200 CIVIC CENTER CIRCLE, NE; RIO RANCHO, NM 87144

CIPCAC Committee Members:	City Staff Present:
Cynthia Spring, Chair (virtual)	Amy Rincon, DSD Director
Rada Moss (virtual)	Michelle Costilla, Planner II
Tommy Knight (absent)	
Dan Darnell	
Kyle Olsen	

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting called to order upon reaching a quorum at 6:12pm by Chair Spring.

CONSENT CALENDAR: October 23, 2023

Dan Darnell motions to approve the minutes at 6:13pm, second by Committee Member Moss. Motion passes by a vote of four (4) for and 0 against.

STAFF PRESENTATIONS, REPORTS, AND COMMENTS:

PUBLIC HEARINGS

At 6:14pm, Development Services Director Amy Rincon presents the items discussing the adoption of a resolution of the City of Rio Rancho, New Mexico for the Impact Fee's Land Use Assumptions and text amendments to the Rio Rancho Code of Ordinances (R.O. 2003) Chapter 150.30, and the Appendix.

The Land Use Assumptions serve as the basis for projecting the demand for capital improvements or facility expansions that will be needed to serve the anticipated growth of the City during the period 2023-2030.

The City is updating the impact fee schedule and is authorized to impose impact fees under New Mexico Statutes (NMSA 1978) § 5-8-1 through 5-8-42, the Development Fees Act. In conjunction with the Wildan consultant group research, stakeholder sessions, and City Council, staff proposed five options for the new schedule.

Option A would be a 20.31% initial increase rate with an increase 5% each following year until July 1, 2029.

Option B would be a 18.8% initial increase rate, followed by a 5% increase per year.

Option C would be a 18.8% initial increase rate, followed by a 3.5% increase per year.

Option D would be a 18.8% initial increase rate, followed by a step-down increase per year (4% for FY26-27, 3% for FY28-30).

Option E would be a 18.8% true-up followed by annual adjustment based on Producer's Price Index-Government Construction.

Rada Moss motions to recommend approval of the adoption of the Land Use Assumptions resolution and to recommend approval of Option C for the Impact Fee Update, second by Chair Spring. Motion passes by a vote of four (4) for and 0 against.

DISCUSSION AND DELIBERATION:

Discussion and deliberation for the election of the new Chair and Vice Chair begins at 6:55 pm. Dan Darnell motions to elect Kyle Olsen as the new Chair and Rada Moss as Vice Chair, second by Chair Spring. Motion passes by a vote of four (4) for and 0 against.

COMMENTS BY MEMBERS

PUBLIC FORUM

ADJOURNMENT:

Hearing no other business before the Committee, the Chair motioned to adjourn the meeting at 6:57 pm, second by Committee Member Darnell. Motion passes by a vote of four (4) for and 0 against.

_____ _____

Kyle Olsen, Chair, CIPCAC Date

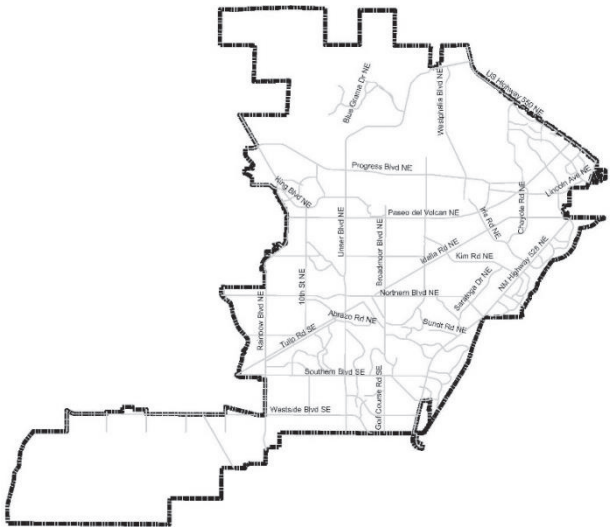
NOTICE OF PUBLIC HEARING ON AMENDMENTS TO LAND USE ASSUMPTIONS AND IMPACT FEES

At their regularly scheduled Governing Body meeting starting at 6pm on June 13, 2024, in the Council Chambers at City Hall, 3200 Civic Center Cir. NE, Rio Rancho, NM, the Governing Body will hold a public hearing to consider the adoption of a resolution for Amendments to the Land Use Assumptions and the first reading of an Ordinance for Amendments to the Impact Fees. The Governing Body will consider the following actions:

- Ordinance of the City of Rio Rancho, New Mexico Amending the Rio Rancho Code of Ordinances Title XV Land Usage, Chapter 150 General Provisions, Article III Impact Fees, Section 150,23 (G) and (K); Section 150.30 (A)(5); adding Section 150.30 (B)(e) and (f), repealing and replacing the Appendix; providing for interpretation, severability, and conflicts; and providing for an effective date of July 8, 2024.

- Resolution to adopt an Amendment Study titled: 2023-2030 Land Use Assumptions that will be used to develop capital improvements plan under which an impact fee may be imposed.

The Impact Fee Area subject to the above Ordinance is the boundary of the City of Rio Rancho as generally depicted in the map below:



Any member of the public has the right to appear at the hearing and present evidence for or against the land use assumptions. Materials related to this item are available for viewing in the Development Services Department at City Hall and at the following link: https://rrnm.gov/4929/Impact-Fee-Schedule-Update

If you would like to comment on this application, you are encouraged to submit a written comment to planning@rrnm.gov. Written comments will be inserted into the public record.

(Date of Publication: Friday, May 17, 2024**)**
PO# 240051 Client # 1010956

EXHIBIT A

2023-2030 Land Use Assumptions

City of Rio Rancho Impact Fee Study and Amendment Study



Prepared by

City of Rio Rancho Development Services Department

With assistance by

City of Rio Rancho Finance Services Department,
Wildan Financial Services,
and
Mid-Region Council of Governments

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City of Rio Rancho Impact Fee Study
2023-2030 Land Use Assumptions

Adopted July xx, 2024 by Resolution No. xx, Enactment xx

Governing Body:

Mayor - Greggory D. Hull
City Council District 1 – Deborah Dapson
City Council District 2 - Jeremy Lenentine
City Council District 3 - Bob Tyler
City Council District 4 - Paul Wymer
City Council District 5 - Karissa Culbreath
City Council District 6 – Nicole List

Capital Improvement Plan Citizen's Advisory Committee (C.I.P.C.A.C):

District 1 – Rada Moss
District 2 – Tommy Knight
District 3 – Dan Darnell
District 4 – Vacant
District 5 – Cynthia Spring (Chair)
District 5 – Kyle Olsen
District 6 – Vacant
At Large – Vacant

Planning and Zoning Board:

District 1 – Scottie Richardson (Vice Chair)
District 2 – Kevin Kofchur
District 3 – Fred Radosevich (Chair)
District 4 – Robert Gabaldon
District 5 – Vacant
District 6 – Lisa Hardisty
At Large – Salvatore Tortorici

Administration:

City Manager – Matt Geisel
City Attorney – Josh Rubin

Development Services Director – Amy Rincon, AICP
Planning and Zoning Manager – Brian Babyak, AICP
Planner II – Michelle Costilla
Budget Analyst – Kay Bennett

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B. "Rio Rancho 2030 Population and Employment Projections", Mid-Region Council of Governments, April 8, 2016 ..... B-1

City of Rio Rancho Impact Fee Study
2023-2030 Land Use Assumptions

Introduction

Land use assumptions are the projections for future changes to land use, densities, intensities and the population. These projections are created by analyzing existing land use, densities and intensities over a specific time frame and analyzing the growth trends which can then be used to project future trends. The purpose of the land use assumptions in the process of evaluating development fees is to project the demand for capital improvements or facility expansions that will be needed to serve anticipated growth. An understanding of probable population and job growth and projected land uses will help the City of Rio Rancho develop the capital improvements plan under which an impact fee may be imposed. Impact fees, and land use assumptions necessary to develop those fees, are governed by the New Mexico Development Fees Act (Section 5-8-1 through 5-8-42 NMSA 1978).

The land use assumptions describe the service area and projected land use changes for a seven- year period from the beginning of FY 2024 (July 1, 2023) to the end of FY 2030 (June 31, 2030). For convenience, the planning horizon will be referred to as 2023 to 2030 or simply the planning horizon.

Land use assumptions are based on a several data sources as follows:

- The 2017 and 2021 Census of population, housing and occupancy rates
- 2021 population estimates from the American Community Survey (ACS)
- Demographic projections prepared by the Mid-Region Council of Governments (MRCOG)
- Construction data provided by the City of Rio Rancho
- Residential and non-residential growth averages and projections from the Finance Department
- Approved master plans for major new developments provided by the Finance Department and Development Services

References and associated documents are listed in Appendix A.

The current Rio Rancho municipal limits which are Impact Fee Service area are displayed in Figure 1.

The land use assumptions will enable the City to structure its development program to accommodate future growth in the incorporated urban area in southeast Sandoval County, and the Quail Ranch/Paradise West annexation area in Bernalillo County. The unincorporated Rio Rancho Estates area in southwest Sandoval County is assumed to remain undeveloped for the time period of this study. The City is a single service area for the purpose of assessing impact fees on new development.

The following report describes development trends in Rio Rancho, the methodology used to prepare the land use assumptions, and to project future land uses. Population, housing, jobs and land use by type are based on the MRCOG report “Rio Rancho 2030 Population and Employment Projections”, 2021 Census data, 2021 ACS population estimates, and permit data provided by the City Development Services Department. Historical data for 2018 to 2023, combined with the proposed land uses in master planned areas inside the City, was used to project the City's future land use requirements for the 2023-2030 planning horizon.

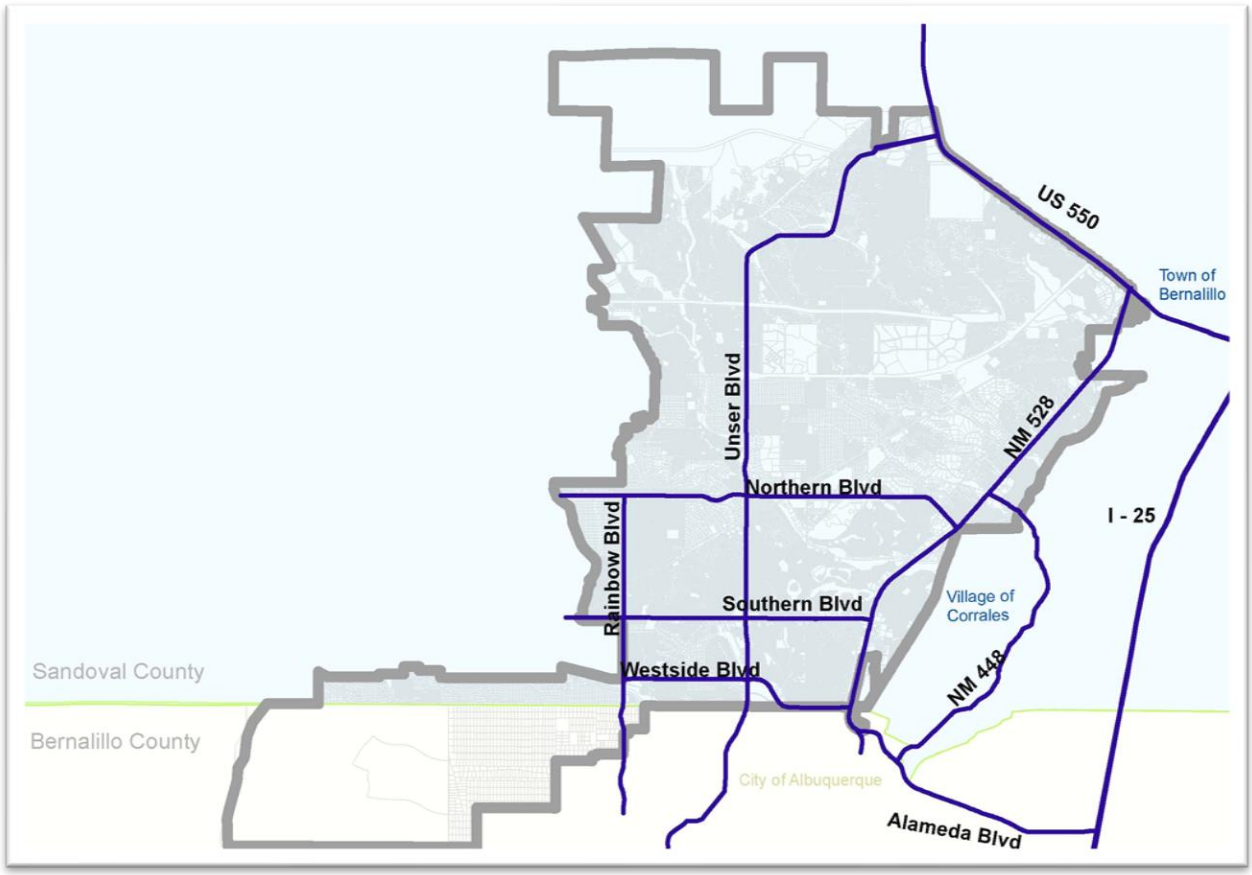


Figure 1. Rio Rancho Municipal Limits and Impact Fee Service Area - July 2024

Background

The City of Rio Rancho was one of the fastest growing communities in the United States from the early 1980's through 2007. From a population of just over 10,000 in 1980, the population is estimated to have increased to over 70,000 in 2005, and the U.S. Census recorded 87,500 persons in 2010. Following the "Great Recession", from December 2007 to June 2009, growth slowed from an approximate average annual population of seven percent (7%) in the first decade of this century to a rate of approximately two percent (2%) during the first half of 2010-2015. The ACS estimates that in July of 2015 the population was approximately 94,171 and rose to 104,046 in 2020, continuing at a two percent (2%) growth rate.

Development History

Rio Rancho Estates encompassed approximately 155.7 square miles when it was originally platted in the early 1960s. Approximately one-half of the original Estates area is now within the incorporated City boundaries. During these early years, Rio Rancho developed as an unincorporated community in Sandoval County. The nucleus of a suburban community was constructed at the intersection of New Mexico (NM) 528 and Southern Boulevard during the 1970s. Rio Rancho grew rapidly from a population of 1,164 in 1970 to 10,131 people in 1980. Most growth occurred north of Southern Boulevard on both sides of NM 528. A small number of custom homes were built in Unit 16 East (South of Southern Boulevard and West of NM 528), which was served with power and municipal water.

As the community's population increased to over 10,000 people, its needs for urban services such as roads, parks and public safety facilities grew beyond the level typically provided by Sandoval County. The City of Rio Rancho was incorporated in 1981 out of a portion of the Rio Rancho Estates subdivision. Through a series of annexations over the past twenty years, the total municipal area, including the Quail Ranch/Paradise West annexation area, has increased to over 105 square miles in two counties. The main portion of the City covers 87.2 square miles in southern Sandoval County, while the Quail Ranch/Paradise West annexation area covers 15.5 square miles in northern Bernalillo County. Less than one-fourth of the total land area of the City is currently developed.

Much of the land in Rio Rancho Estates was sold to individual owners throughout the United States during the early years of the subdivision. The resulting pattern of pre-mature platting and fractionalized ownership has dictated the locations of most new development, and the most rapid growth in the City has occurred on large parcels under single ownership. The Cabezon project in Unit 16 represents the first major redevelopment project in the City, in which the City was able to exercise its condemnation powers to help assemble and replat large tracts of land. This condemnation power no longer exists as a result of 2007 New Mexico State law changes.

The redevelopment expertise gained by the City in Unit 16 will help future redevelopment of infill areas in the city limits.

The continued pace of growth will be influenced by the supply of land that can be platted, developed and sold to builders. Areas with pre-mature platting may have to be replatted or redeveloped before significant growth can take place. A review of building permits issued in Rio Rancho from 1999 through 2002 shows that 43 percent of new residential construction in Rio Rancho occurred in major subdivisions which are typically platted on large tracts developed by a single entity. Approximately one third of new housing was built in smaller subdivisions, and 23 percent of new homes were built on individual lots in the original platting of the obsolete subdivisions that are located throughout the City.

This development pattern is important because of the differences in lot sizes and the level of infrastructure and amenities associated with the type of subdivision being developed. Most of the City's residential development is zoned R-1, which has a minimum lot size of 7,000 square feet.

However, there are approximately 6,760 lots that are under 7,000 square feet in size, which cover over 951 acres inside the City. In 2003, almost one third of the new homes were built on lots that were less than 7,000 square feet in size. These lots were in subdivisions where project level improvements, such as local streets with sidewalk, curb and gutter, and lights, are required under the subdivision ordinance. System-level infrastructure for major roads, bikeways, parks, and public safety facilities is provided under the impact fee ordinance or through developer dedications in large-scale projects.

In Unit 17, lots are typically 1/2 acre or larger, and lots are usually developed individually for custom-built homes without the project level-improvements required by the subdivision ordinance. This is because the pre-mature platting in Unit 17 predates the subdivision ordinance.

However, the area is still eligible for system level improvements under the impact fee ordinance. As infrastructure is extended to serve major subdivisions, proximity to roads and utilities makes development of nearby individual lots feasible. Therefore, average lot sizes, land absorption and the distribution of new homes will reflect a mix of new subdivisions and individual lots.

Trends

Population estimates, and projected permit applications point to a growing population and an increase in residential and non-residential development in the City of Rio Rancho. The following sections will breakdown the population estimates and projections, land uses, and the associated densities and intensities.

Methodology

The rationale behind the methodology used in developing the land use assumptions is that land use change is a function of population and employment growth. Therefore, the land use assumptions reflect changes to current developed conditions that would result from projected population and employment growth. Demand for new housing is also a function of population and employment growth, so that assumptions about future housing are integrated into the overall approach to the land use assumptions.

Data Sources

Information used in developing land use assumptions was taken from the existing sources described in each section. References are listed in Appendix A.

Population

Population and population projections have been formulated from analyzing various sources, these sources start with the US Census and include estimates from the American Community Survey and projections from MRCOG and CoRR Development Services. The US Decennial Census every 10 years and was completed in 2020, this survey aims to count every individual. American Community Survey (ACS) is a smaller spot survey that estimates the population in 5 time frames. MRCOG uses Census information and modeling scenarios to produce population projections. MRCOG projections are from “Rio Rancho 2030 Population and Employment Projections”. This report took two methods for projecting population, one method includes the projected number of new residential starts and housing occupancy rates and uses three scenarios to project three possible populations, one scenario would be a decline, a middle of the road, and an increase in residential starts. The second method used by MRCOG is a method that projects population on projected births, deaths and migration, this method

again has three scenarios. MRCOG took the middle of both scenarios and averaged the results to project a population of 120,935 in 2030. This represents a compound annual growth rate of 1.6 % and a total increase of 16.2% from the 2020 Census population count of 104,046.

The population of Rio Rancho was 104,046 in 2020 adding about 16,500 people since 2010. Per the most recent U.S. Census American Community Survey 1-year Estimates (2021), the city has added an additional 1,793 new residents for a total population of 105,839.

Table 1: City Population and Projections of Population: 2000 - 2030

Year	2000[1]	2010[1]	2020[1]	2025[2]	2030[3]
Population	51,765	87,521	104,046	112,144	120,935

(1) US Census 2000, 2010, 2020
(2) ACS July 1, 2021 Estimates
(3) 2030 Projected by MRCOG scenario 1.C.

Table 2: 2021 American Community Survey Housing Occupancy figures

Housing Units (2021)	Households	Average household size	Average family size	Occupancy
40,978	40,013	2.64	3.06	96%

In 2021 the American Community Survey 1-year Estimate, it projected the average number of housing units in the City of Rio Rancho to be 40,978. These housing units housed 40,013 different households with an average household size of 2.64 people per house. Rio Rancho also has a high occupancy rate at 96% which means that there is not a large market of homes available. A high occupancy rate is generally a good sign for developers that there is a need to build more housing units.

Table 3: Percent of Dwelling Units by Type

	2010	2021
Single Family Detached	87.70%	85%
Attached	2.50%	2%
Multi-Family	7.5%	12%
Average Household Size	2.76	2.64

As described in the 2023 Affordable Housing Plan, the vast majority of housing units in the city are 1-unit detached homes. The majority of the population are living in detached single family dwelling units but there has been an increase in the share of people living in multi-family homes. The housing occupancy rates can help describe the distribution or share of single-family dwelling units versus the share of multi-family dwelling units. The average household size has slightly decreased from 2.76 to 2.64 over the years decreasing the number of persons per dwelling unit.

Table 4: Total Housing Units and Projections

	2015	2020	2022	2028[(1)]	2030[(2)]
Total Dwelling Units	35,462	38,100	40,649	44,643	46,941

(1) Projections from Finance
(2) Projections Willdan Financial Services

Total dwelling units are calculated from the number of building starts which is a way to count the number of dwelling units based on when the construction was started. The 2028 projections are from the Finance department and average the number of construction starts continues to increase by 3%. Projections for 2030 are from Wildan Financial Services and are assumed to increase at the same annual growth rate as population, 1.52%.

Land Uses, Densities and Intensities

The City of Rio Rancho has an adequate supply of vacant land to accommodate the projected growth of both residential and non-residential uses. Land Uses are generally tied to the existing uses and zoning on a parcel. In the planning horizon the following residential planned developments may build-out close to capacity and that single-family homes on individual lots will continue to increase. Below is a list of planned developments that have been approved and are likely to continue building single family detached homes.

Baltic Park	Idalia Crossing	Montreal	Tierra Del Norte
Broadmoor Heights	Lomas Encantadas	Mountain Hawk	Tierra Del Oro
Carriage Estates	Los Diamantes	Rainbow	Vista Grande
Cielo Azul	Mariposa	Stone Mountain	Vista Montebella
High Range	Melon Ridge	Stonegate	Zuma Ranch

These developments include the majority of the 5,540 residential lots inventory that are listed in the DSD system. Approvals range from utilities in place to areas that will need more work to get ready to build.

Table 5: Residential Permit starts and projections for single family detached homes per year

Year	2011	2013	2015	2019	2021	2022	2023	2030
Permits **	301	479	500	448	1,054	636	950	700

**Permits are counted in the year construction began, Projections by MRCOG

The 2030 projections by MRCOG assumes that Rio Rancho will enter a recession but will be softened by the recent uptick in new starts in Rio Rancho. Construction will slowly return to the trend of the past 5 years, returning to about 700 starts per year by 2030.

Along with building permits the City tracts large subdivisions and associated master plans. These give a baseline for vacant residential property that is ready for development. Currently there is an estimated 5,540 vacant lots ready for development. Taking into account the projected building permits, the existing vacant lots ready for development can be absorb over 4 years of development. This does not include vacant lots that individual property owners develop independently of a subdivision, which is the development pattern for portions of Unit 10 and the majority of Unit 17. As the economy rebounds, new applications for master planned communities and large subdivisions are expected to continue, and it is likely more vacant lots ready for development will be in reserve before the existing 5,540 lots are exhausted.

Land Use Estimates

The land use assumptions begin with existing, or base year, conditions. For this project, the base year is 2023. US Census data, MRCOG population data, housing counts and building permit records were used by the City of Rio Rancho to update housing and population estimates. Population forecasts are based upon the average growth of the City. Acres of land use were tabulated from the City's geographic information system (GIS), records of subdivision plat, and certificates of occupancy. The potential use of vacant land was determined from the City's GIS data and approved master plans for major subdivisions. Developed land use categories include two residential land use types and three nonresidential land use types. These are:

- Single-family Residential. This category includes custom built single-family residential development, primarily on large lots of one-half acre or more in areas such as Unit 10 and 17.

- Multi-family Residential. This category includes apartments, condominiums and other higher density residential development. The lot sizes for this category vary according to the type of unit and density of development.

- Retail/Commercial. This category includes all retail and service land use categories.

- Warehousing/Industrial. Manufacturing, warehousing and other industrial uses are included in this category. Land that is located in industrial parks and land zoned for mixed commercial/industrial use are assumed to become industrial in the future.

- Office/institutional. Offices, some services, medical facilities and private institutions such as churches and private schools are included in this category.

- Vacant. Developable land includes land that is vacant and zoned for residential or commercial use.

- Public. Public land includes rights-of-way, utility sites, schools and government facilities. City land use data include public rights-of-way and easements. The percentage of total developed area devoted to these uses is assumed to remain constant into the future as new roads, drainage easements, and utility easements are incorporated into new development.

The City of Rio Rancho has a more than adequate supply of vacant land to accommodate projected growth through 2030. Vacant land within the developed area of Rio Rancho has been quantified by the City from the City's geographic information system (GIS). New, large-scale master planned communities and smaller, replatted subdivisions in infill areas will provide for an increasing share of future residential and nonresidential development. Below is a map of approved subdivisions followed by a table that breaks down the number of approved lots and the number of houses that have been built in the subdivision. There is also a projected population increase based on the number of houses and a housing an average family household size of 2.64.

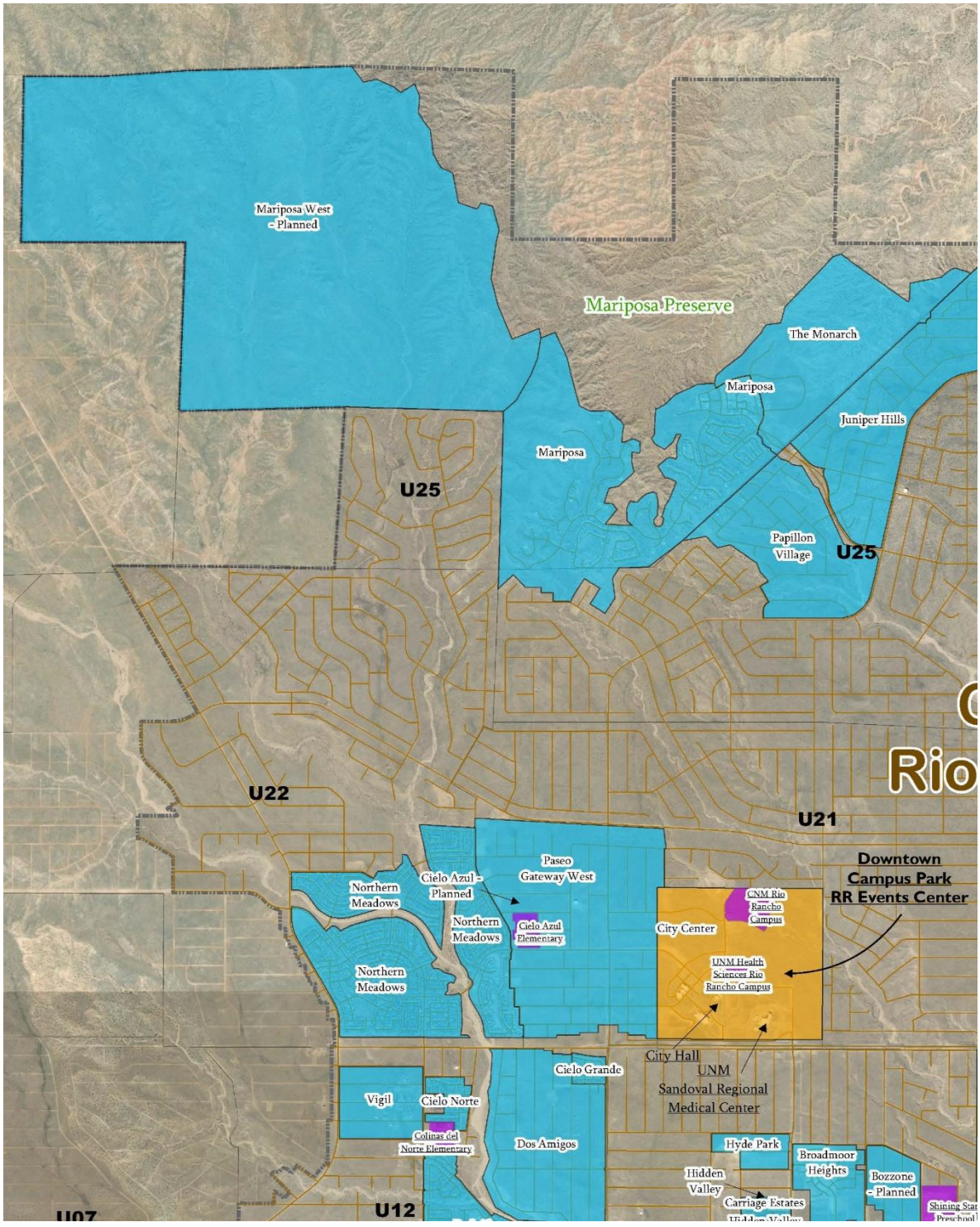


Figure 2. Approved and "actively developing" subdivisions with vacant lots available for development – July 2023

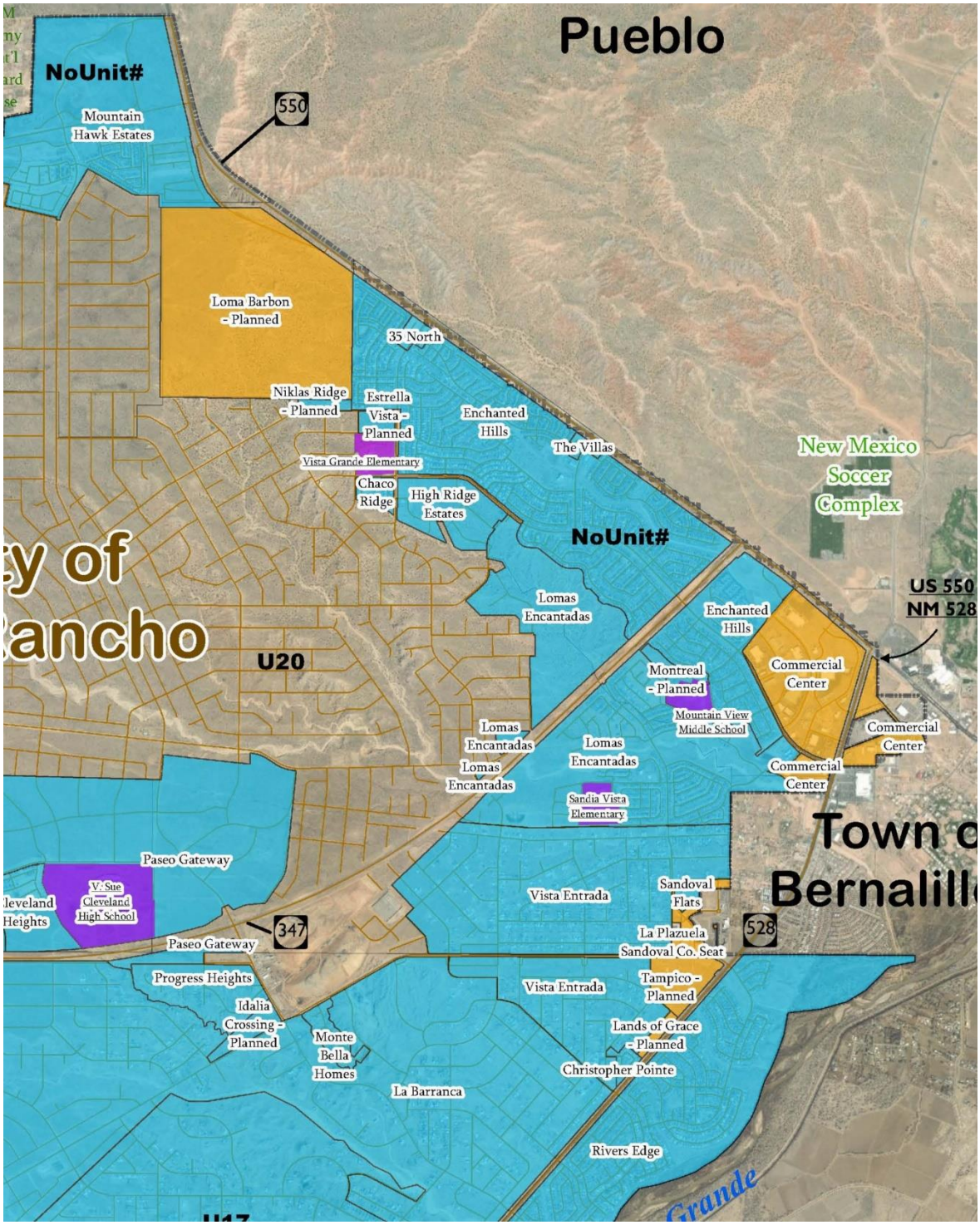


Figure 2. Approved and "actively developing" subdivisions with vacant lots available for development – July 2023 Cont.

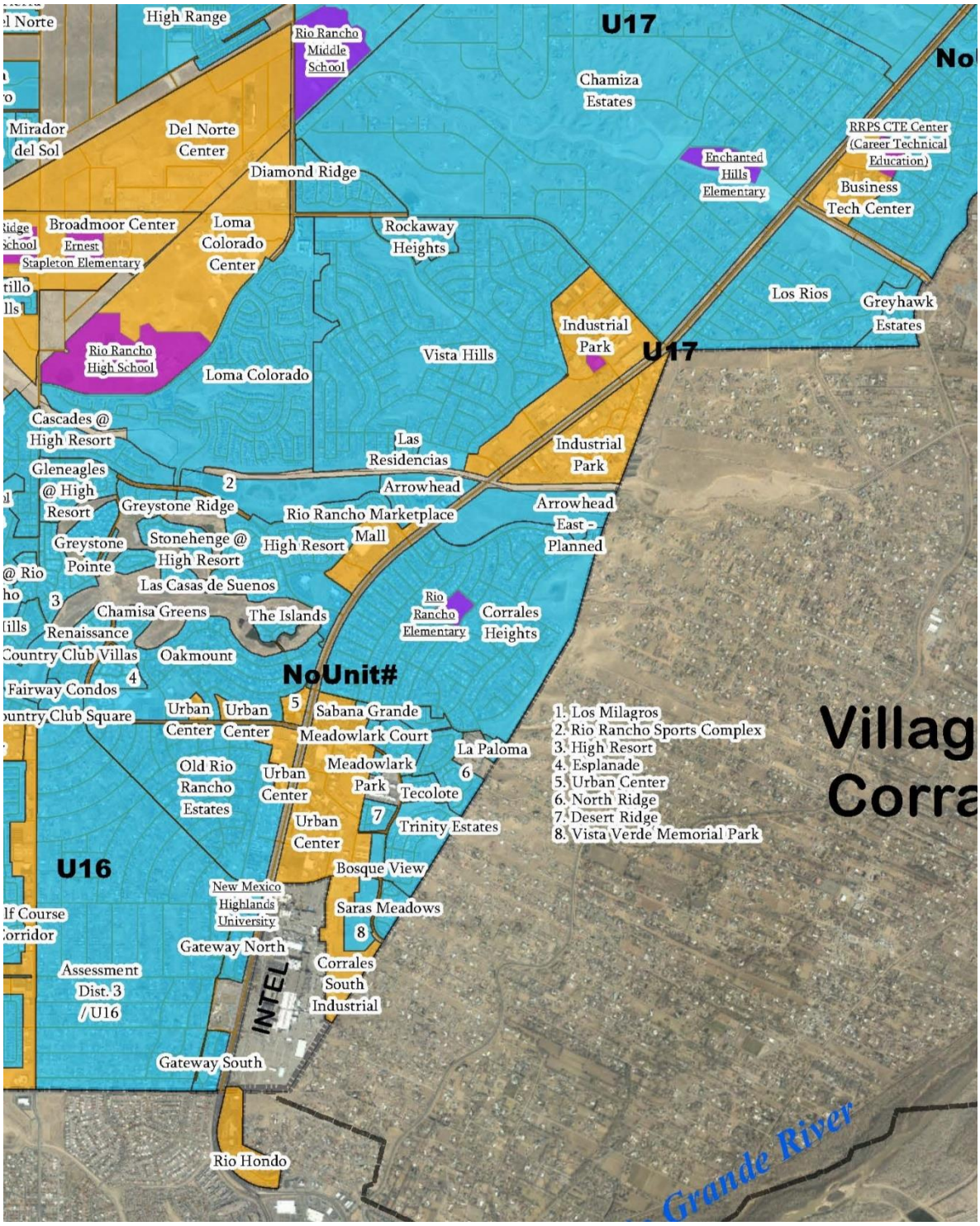


Figure 2. Approved and "actively developing" subdivisions with vacant lots available for development – July 2023 Cont.

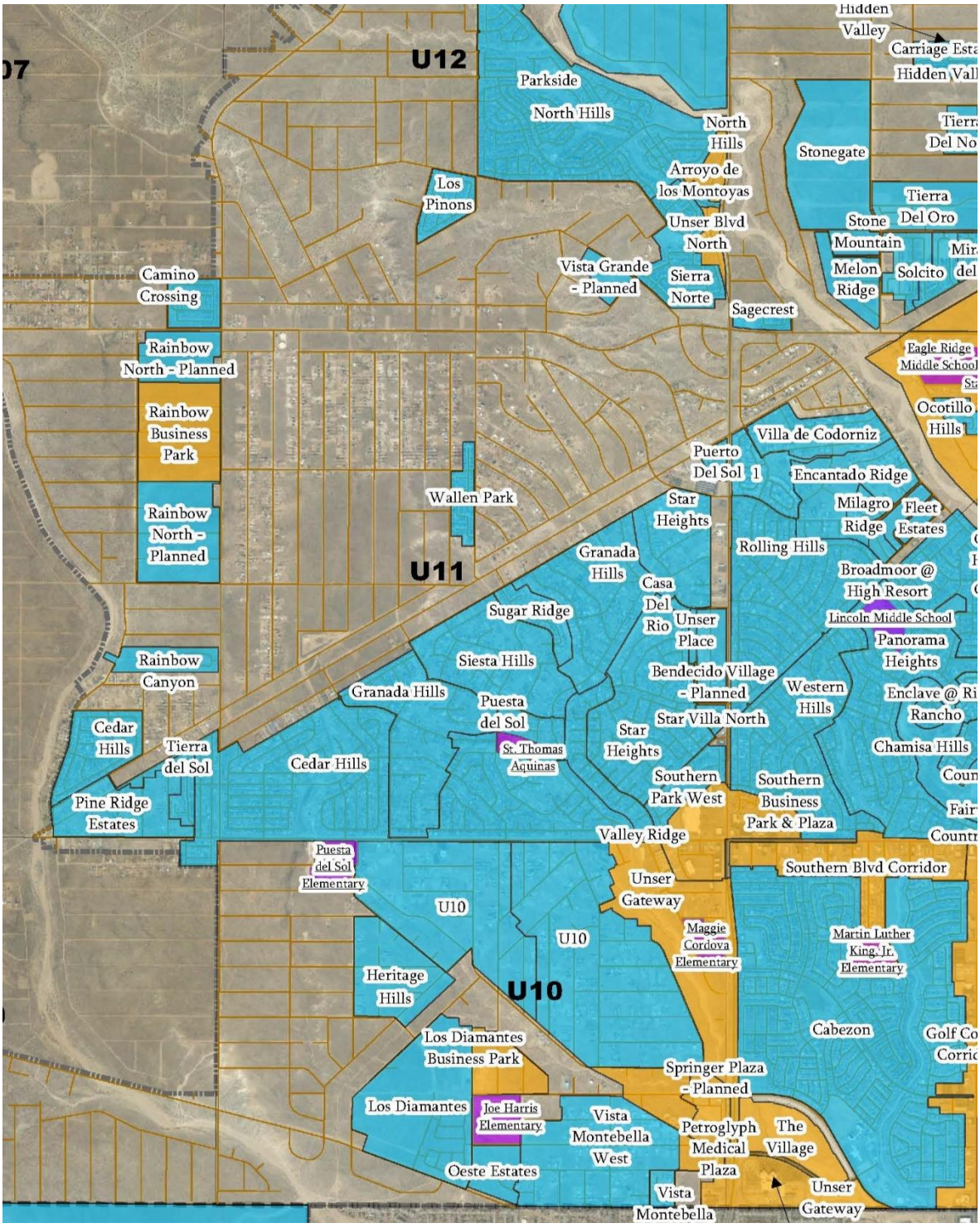


Figure 2. Approved and "actively developing" subdivisions with vacant lots available for development – July 2023 Cont.

Table 6: Master Planned Communities

Subdivision/ Master plan	Single Family Acreage	Dwelling Units	Single Family Built	Projected Population
Mariposa	3,734 acres	6,825	305	1,367
Lomas Encantadas	71 acres	1,746	778	4,609
Mountain Hawk Estates	315 acres	1,600	563	4,224
Mountain Hawk West	86 acres	270	0	712
Los Diamantes	125 acres	487	283	1,285
High Range 5	72 acres	329	0	868
Solcito	38 acres	190	139	501
Papillon Village	319 acres	1,125	0	2,970
Paseo Gateway	566 acres	400	139	1,056
Tierra Del Norte	24 acres	115	0	303
Montreal	20 acres	78	0	205
Hyde Park	49 acres	250	0	660
Scottish Isle	22 acres	118	0	311
Zuma Ranch	59 acres	476	0	1,256

Multi-Family residential Growth

Master Plans that include multi-family zoning are Mountain Hawk Estates, Los Diamantes, Mariposa and Paseo Gateway. There is currently approximately 145.8 acres of R-6 zoned area and 982.4 acres of R-3 zoned area in the City. The R-3 designation allows attached single-family units along with townhome, patio home, or similar development. In this zone, multifamily development is only allowed as a conditional use and limits the dwelling units per acre to 26. R-6 is the only zoning designation that allows multi-family development as a straight permissive use.

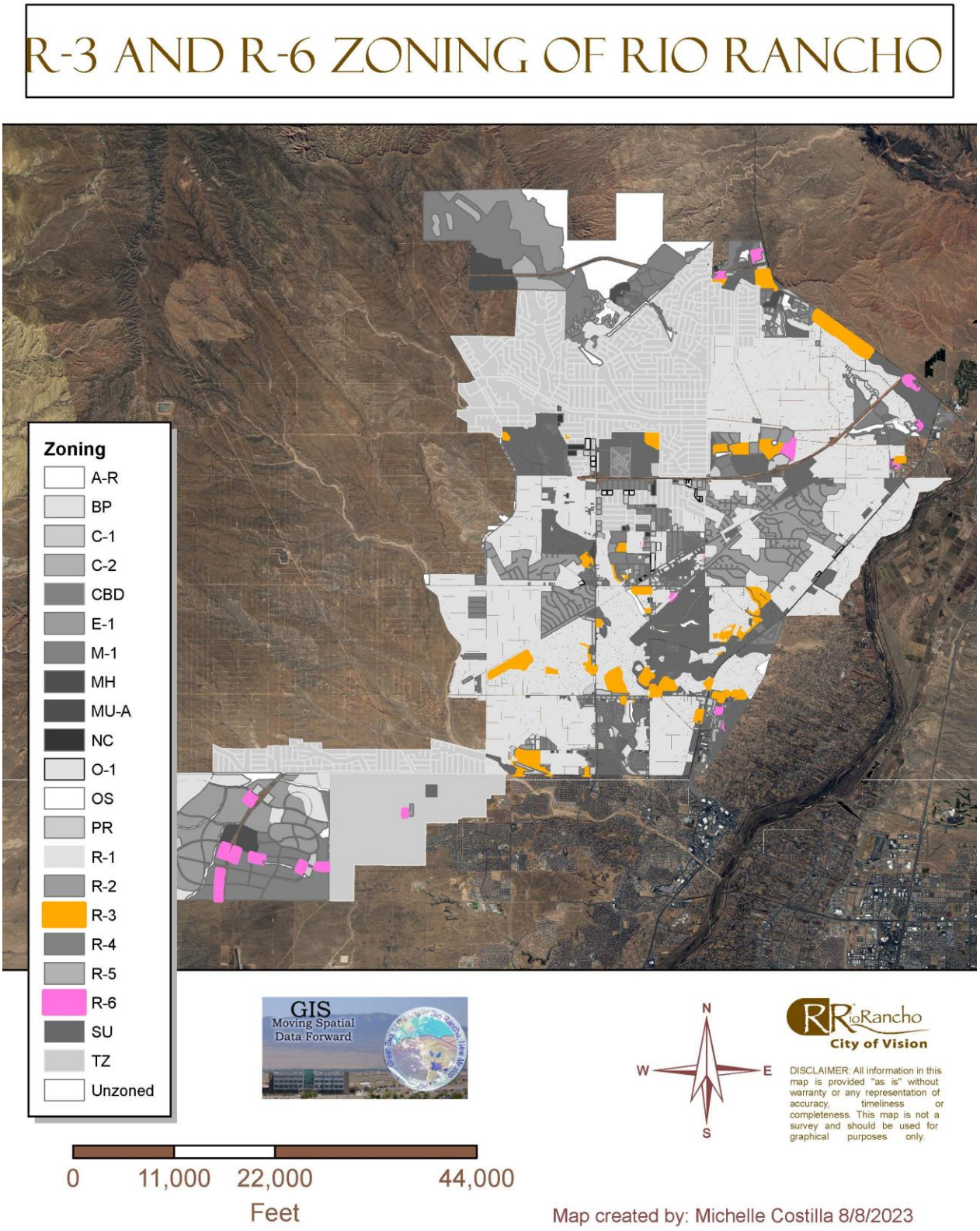


Figure 3. R-3 and R-6 Zoning in Rio Rancho

Non-residential Growth Projections

Baseline data for existing nonresidential space is estimated from the approved building permits for nonresidential structures. Nonresidential growth has maintained a steady growth that can be described as a 0.81% yearly increase in commercial space, 1.03% yearly increase in office and intuitional space, and a 3.70% yearly growth in Industrial space.

Non-residential land uses can be estimated by the amount of approved square footage per year. Below is a table displaying the approved non-residential building square footage.

Table 7: Non-residential approved square footage and projected square footage

	FY2015	FY2020	FY2023	FY2024	FY2026	FY2028
Commercial	128,716	65,16	59,867	34,705	35,269	35,842
Office/Institutional	103,528	118,989	21,915	46,318	47,274	48,249
Industrial	0	22,800	133,716	57,870	62,228	66,914
TOTAL	232,244	207,405	215,498	138,893	144,771	151,006

Projections by Finance and DSD

There have been fluctuations in the amount of non-residential growth, but in general is a 2% increase in commercial square footage after large projects have been removed from the numbers. Office and Institutional, which includes schools and government, has a 0.67% rate of growth and Industrial has a 9.34% rate of growth. Table 7 has the existing approved square footage and projected square footage for each individual and is not a cumulative of the non-residential square footage in the City.

Employment Growth Projections

Employment is projected to grow at a steady 2-3% rate during the planning horizon. Mid Region Metropolitan Planning forecasts that Sandoval County, led by the City of Rio Rancho, will hold onto its position as the fastest growing county in the region and state. Again, MRCOG's report on population on employment is referenced for the projected numbers. For employment MRCOG used three scenarios. The third scenario takes the Intel expansion and other recent developments in the Albuquerque metro area into consideration. Staff feels confident that the third scenario should be the projected numbers for future employment.

Table 8: Employment Growth Projections

	2020	**2030**
MRCOG projections	30,142	36,962
Percent of Growth	1.40%	2.26%

Data from the "Rio Rancho 2030 Population and Employment Projections" a copy can be found in the appendix.

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Appendix A

References

2023 Affordable Housing Plan

American Community Survey of Population and Housing, 2021

Finance Department, Fiscal year 2023 through 2028 Impact Fee Projections

Mid-Region Council of Governments, “Rio Rancho 2030 Population and Employment Projections”

U.S. Census of Population and Housing, 2020

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Appendix B

Rio Rancho 2030 Population and Employment Projections

James Kolberg, Socioeconomic and Land Use Coordinator
Mid-Region Council of Governments
October 2022

Introduction

*The Mid-Region Council of Governments (MRCOG) was requested by the City of Rio Rancho to provide 2030 population and employment projections for the municipality. Data sources that were drawn upon to inform the population projection include the US Census Bureau (historical population estimates), City of Rio Rancho (single-family and multi-family building permits for new residences) and the New Mexico Department of Health (birth and death statistics). The population projections for the City of Rio Rancho for 2030 are **120,935**. The projections were determined using two demographic techniques: a housing unit method, and a components of change method. The employment projection for the City of Rio Rancho for 2030 is **36,962**. The employment projection was determined using MRCOG's regional macroeconomic model created by Regional Economic Models, Inc. (REMI) and an employment forecast from University of New Mexico Bureau of Business and Economic Research (BBER).*

Population History

The population of Rio Rancho was 104,046 in 2020 adding about 17,000 people since 2010. The last decade was the slowest growing decade in Rio Rancho's history with a 2% average annual growth rate.

Figure 1: Rio Rancho Population History

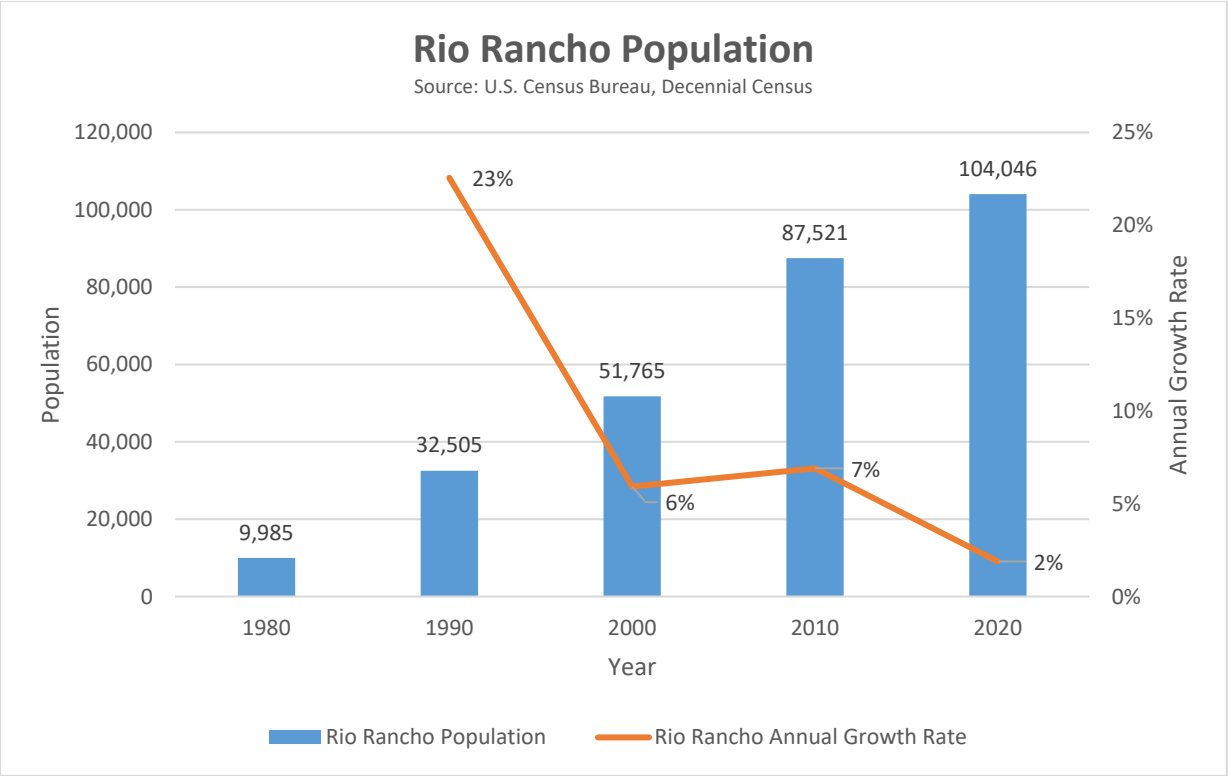
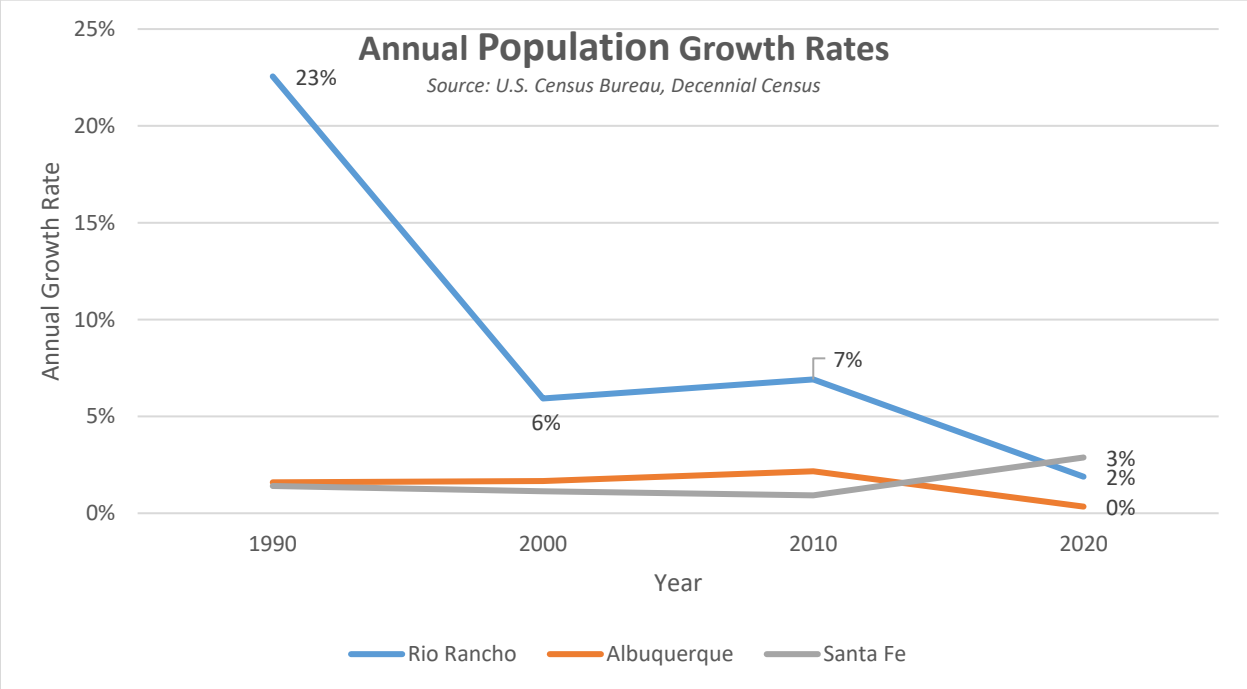


Figure 2: Annual Population Growth Rates



Historically Rio Rancho has grown at a much faster pace than Albuquerque or Santa Fe but was surpassed by Santa Fe in the last decade.

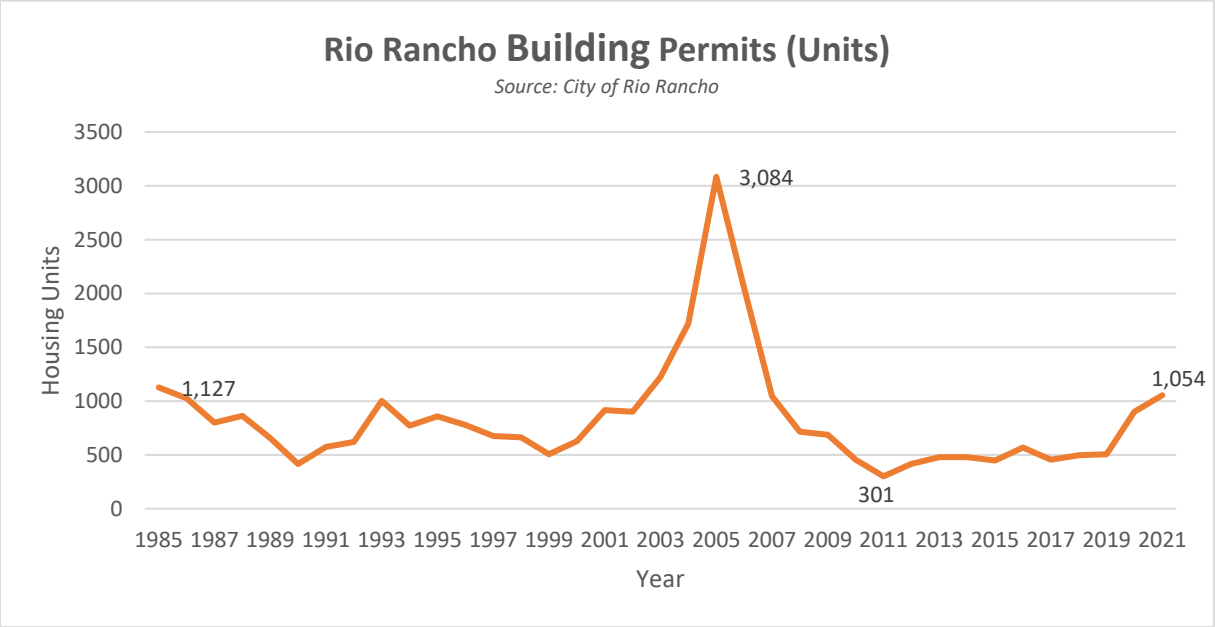
Housing Unit Method

The housing unit method is a common method used for estimating population. For the purpose of this analysis, residential new starts will also be referred to as permits. The method applies the following formula:

2030 Population = 2021 Population + ((projected residential new starts * 2021 occupancy rate) * 2021 persons per household)

Rio Rancho experienced a major housing boom in the early-to-mid 2000s that resulted in a peak number of new permits of 3,084 in 2005, a major increase from 628 in 2000. The rapidly growing city followed the path of many other cities in the US as it entered the Great Recession, the housing bubble burst and new permits collapsed, which resulted in a multi-decade low of 301 in 2011. The housing market has slowly recovered from that low point and permits have risen to 1,054 in 2021.

Figure 3: Building Permits



While housing growth is often indicative of population growth, the two may diverge. For example, the existing housing stock in Rio Rancho has been filled with new residents at a faster rate than new units were built, which has resulted in a slightly higher occupancy rate. The occupancy rate was 94 percent in 2010, according to the American Community Survey (ACS) 5-year data, and increased to 95 percent in 2020 as excess housing stock was filled. In addition, an increase in household size occurred. According to U.S. Census, the average household size was 2.74 in 2010 and increased to 2.76 persons in 2020. Therefore, population has grown at a slightly faster rate than housing. Examples of this trend include aging seniors that are moving back in with children, or young adults that are unemployed or employed part-time and have delayed moving away from home or have moved back in with their parents. While housing permits are a key indicator of growth, they should be viewed in light of these conditions.

Three scenarios were created based on separate assumptions about the housing market to create population projections. All three scenarios assume that the most recent occupancy rate and household size for the City of Rio Rancho will continue into the projection years. In 2020, the occupancy rate was 95 percent and the average household size was 2.76 persons.

Scenario 1.A assumes that Rio Rancho will enter a recession and residential new housing starts will

decline to the levels observed after the 2007 crash then slowly rise to average levels of starts seen in the 2010s. The chance of a recession in the United States in the next 12 months is as high as 50 percent, according to Bank of America Merrill Lynch.

Scenario 1.B assumes thar Rio Rancho will enter a recession but it be softened by the recent uptick in new starts in Rio Rancho. Construction will slowly return to the trend of the past 5 years, returning to about 700 starts per year by 2030.

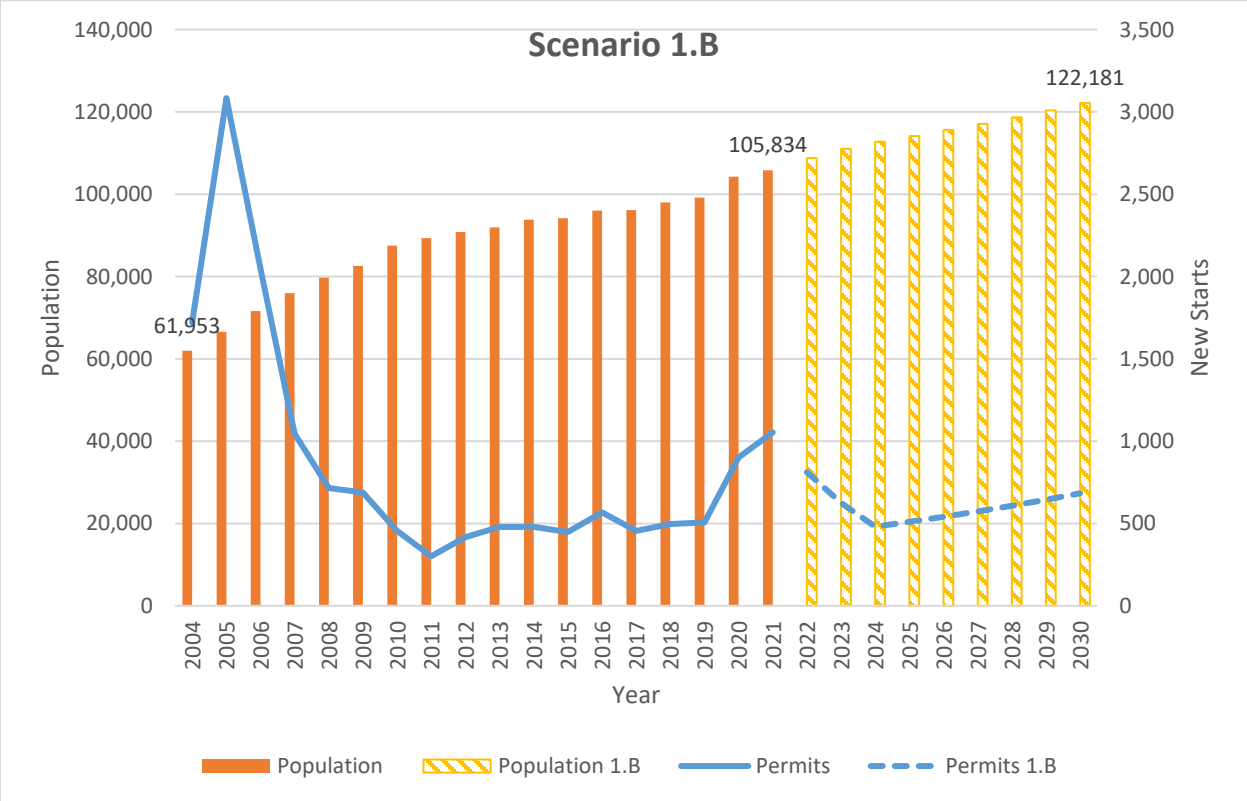
Scenario 1.C Assumes that no recession occurs and that the upward trend in new starts will continue into the future and level out at about 1,600 starts per year by 2030.

Table 1

Permit Method	Population 2030
Scenario 1.A: Recession and housing market crash	118,075
Scenario 1.B: Recession and return to 2010s levels of growth	122,181
Scenario 1.C: Post-pandemic growth continues	143,086

Scenario 1.B is the preferred scenario. The high chance of a recession makes scenario 1.C unlikely. Scenario 1.A is also unlikely because another housing market crash similar to the 2007 crash is unlikely. The relaxed lending rules that led to the 2007 crash have been tightened and the growth in housing demand has come from much less risky borrowers than in the 2007 bubble.

Figure 4: Scenario 1.B Projection



Components of Change Method

A second method to project population growth considers demographic factors, including births, deaths,

and migration. The method applies the following formula:

2030 Population = 2021 Population + ((projected births – projected deaths) + (projected in-migration – projected out-migration))

Rio Rancho has relied on migration, both from inside and outside of the state, as a key component of growth. For the period from 2010 to 2020, migration accounted for approximately 79 percent of the population change in Rio Rancho. By comparison, the natural increase (births minus deaths) accounted for approximately 21 percent of the population change. Migration will likely be the variable that has the most significant impact on future population growth in Rio Rancho. Birth and death statistics from the New Mexico Department of Health Selected Health Statistics Annual Report were used to inform the projections.

The components of change method was used to produce three different population projection scenarios for the City of Rio Rancho. All scenarios incorporate the same natural increase (births minus deaths) assumptions. Births are expected to rise gradually as family formation increases among those in the millennial generation. It is assumed that births will rise from 981 in 2019 to 1,069 in 2029. Deaths are expected to rise from 854 in 2019 to 1,053 in 2029, as death rates rise among those in the baby boomer generation. Data for 2020 and 2021 was not yet released so the increased deaths in those years due to Covid-19 were estimated by applying the rate of increase in deaths for Sandoval County in 2020 to the Rio Rancho population.

Scenario 2.A assumes zero net migration and that natural increase will be the only source of growth (or decline).

Scenario 2.B assumes that the recent uptick in migration is temporary and that following a recession, Rio Rancho will return to a similar migration rate of the 2010s.

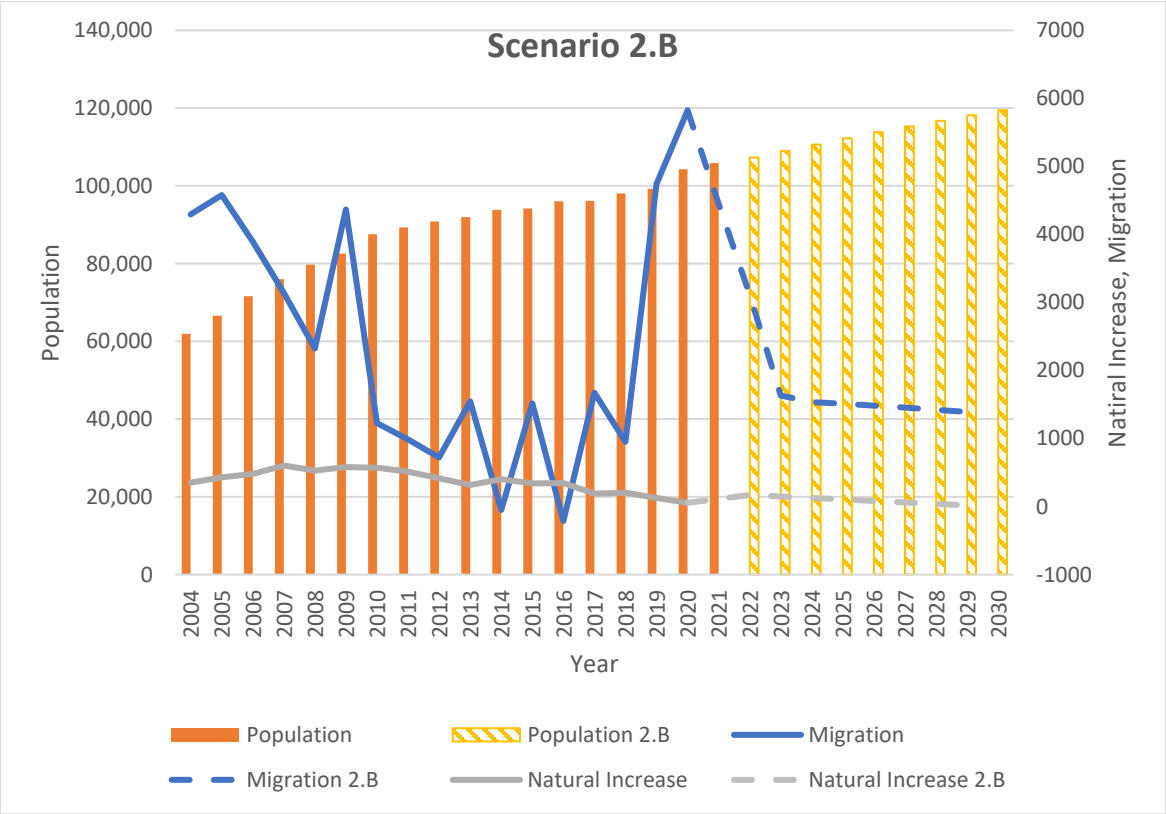
Scenario 2.C assumes no recession occurs and that the post-pandemic upward growth trend continues.

Table 2

Cohort Component Scenarios	Population 2030	Avg. Annual Growth Rate
Scenario 2.A: Net 0 migration	106,694	0.1%
Scenario 2.B: Return to the migration rate of the 2010s	119,689	1.5%
Scenario 2.C: Post-pandemic growth trend continues	124,679	2.0%

Scenario 2.B is the preferred scenario. Scenario 2.A is unlikely because net zero migration is unprecedented in Sandoval County or Rio Rancho over the past two decades. Rio Rancho is a growing city and has attracted in-state migration from neighboring Bernalillo and Santa Fe Counties. While this may be slowing, it is unlikely to stop completely. However, given the likelihood of a recession, it is not likely that migration will rebound to levels observed in the mid-2000s.

Figure 5: Scenario 2.B Projection



Combined Population Projections

The population projections for the two preferred scenarios and the average annual growth rates are shown below in Table 3. The combined population projection incorporates the projected residential new starts, the expected natural increase, and the projected migration activity for the City of Rio Rancho. The preferred scenarios using the housing unit method (1.B) and the components of change method (2.B) produce 2030 population projections that differ by about two percent. When averaged, they produce a combined 2030 population projection of 120,935 for the City of Rio Rancho. This represents a compound annual growth rate of 1.6 percent and a total increase of 16.2 percent from the 2020 Census population count of 104,046.

Table 3: Preferred Population Projection Scenarios

Preferred Scenarios	Population 2030	Avg. Annual Growth Rate
Scenario 1.B	122,181	1.7%
Scenario 2.B	119,689	1.5%
Population Projection (Average)	120,935	1.6%

Employment History

Rio Rancho has grown from about 20,000 jobs in 2001 to about 31,600[1] jobs in 2019, growing just over 3% per year. Historically the government and retail industries made up the largest share of employment but healthcare and administrative, support, waste management and remediation services have grown the fastest since 2010. Manufacturing continues to make up a large share of employment, providing input goods for nearby Intel in Sandoval County.

REMI Model

Three employment scenarios were explored using MRCOG's REMI Model. MRCOG has operated REMI since 1999 for the purpose of long-range employment forecasting and for analyzing economic activity in central New Mexico. REMI models are well respected and used by organizations throughout the world for economic impact analyses. REMI accepts inputs regarding projects of economic interest. These inputs are used to calculate, or to simulate, resulting economic impacts. At its core, REMI is an input-output computational general equilibrium model. The model uses information specific to the region collected from various agencies including the Bureau of Labor Statistics and the U.S. Department of Commerce. Hundreds of variables interact to produce a regional control for the model.

Employment Scenarios

Scenario 1

The first scenario is the REMI Baseline scenario for Rio Rancho which was last updated in March of 2021. It accounts for the employment losses and subsequent recovery from the COVID-19 pandemic but does not include more recent developments such as the recently announced Intel expansion. Scenario 1 estimates Rio Rancho will have **34,184** jobs by 2030.

Scenario 2

Scenario 2 adds the recently announced Intel expansion to the baseline REMI scenario. Although the jobs at Intel are just outside of Rio Rancho, there are many companies and contractors in Rio Rancho who would benefit from the expansion and many of the new employees hired by Intel would live in Rio Rancho, spending their income at Rio Rancho establishments. The REMI model estimates the spinoff effects of Intel adding 700[2] new permanent employees and $3.5 billion in new construction to be an overall increase in 1,155 jobs in Rio Rancho by 2030, or a total of **35,340**.

Scenario 3

Scenario 3 uses the most recent employment projection from the University of New Mexico Bureau of Business and Economic Research (BBER). The projection for the Albuquerque MSA is input into the REMI model in order to generate a subset projection for Rio Rancho. The BBER projection takes the Intel expansion and other recent developments in the Albuquerque metro area into consideration. This scenario has the benefit of being a locally produced projection based on recent local data. Scenario 3 estimates Rio Rancho will have **36,962** jobs by 2030. Scenario 3 is the preferred scenario because it includes the most recent and local data.

[1] The REMI model uses employment estimates from the Bureau of Economic Analysis which includes jobs not included in employment estimates from New Mexico Dept. of Workforce Solutions such as the self-employed, military, railroad and farm workers.

[2] Source: Bizjournals.com, "Intel exec offers update of its Rio Rancho expansion", July 2022.

Figure 6: Employment Projections

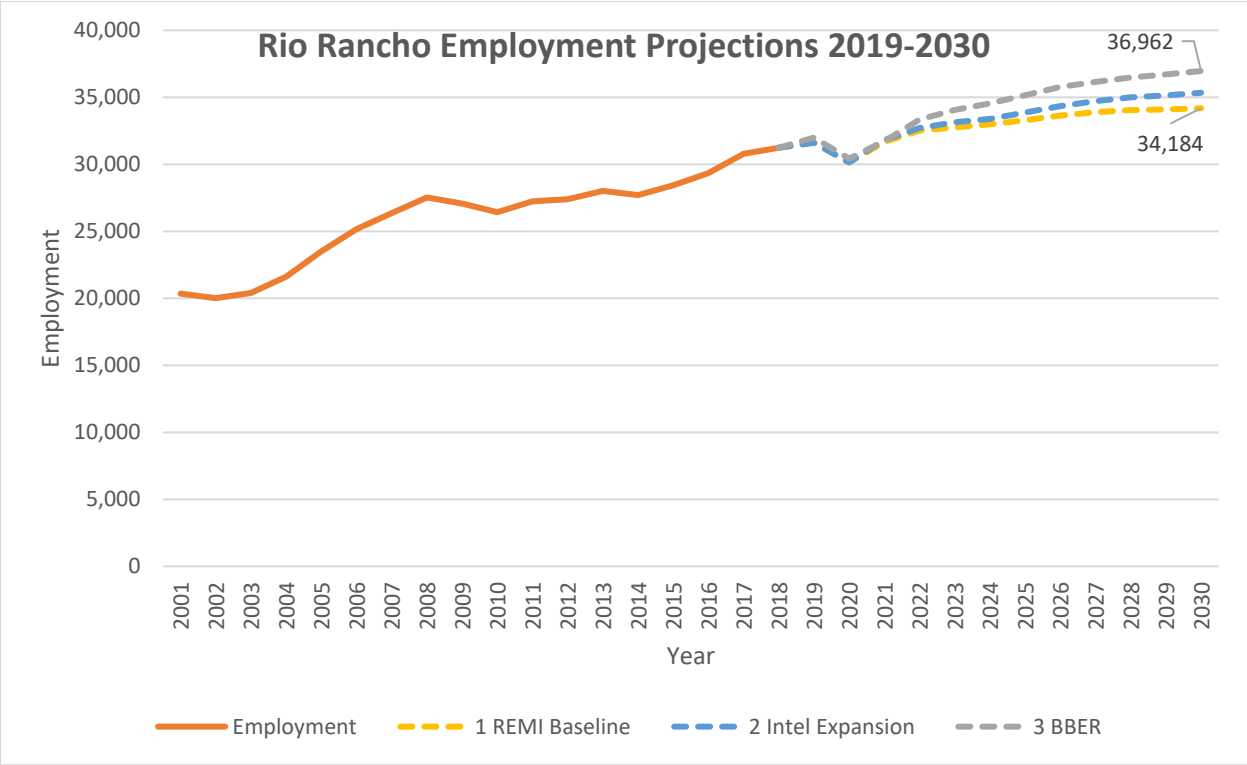


Table 4: Employment Scenario Projections

Scenarios	Employment 2030	Avg. Annual Growth Rate
Scenario 1: Baseline	34,184	0.8%
Scenario 2: Intel Expansion	35,340	1.1%
Scenario 3: BBER Projection (Preferred)	36,962	1.5%

Final Population and Employment Projections

Table 5 below shows population and employment history and final projections for Rio Rancho. The 2030 population projection is an average of the preferred components of change projection and the preferred housing unit method projection. The 2030 employment projection was created with REMI and the UNM-BBER projection.

Table 5: Rio Rancho Population and Employment Projections

Year	Population	Employment
2010	87,521	26,432
2020	104,046	30,142
2030	120,935	36,962

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O8

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Administration

SUBJECT:
O8, Ordinance Authorizing the Issuance and Sale of City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), in a Maximum Principal Amount of up to $140,000,000 in One or More Series to Provide Funds to Finance the Equipping of an Industrial Revenue Bond Project for use by Quail Ranch Energy 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 Payments In Lieu of Taxes by the Company to the City, Rio Rancho Public Schools, and Albuquerque Public Schools; 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.

BACKGROUND AND ANALYSIS:
Secord reading of the Bond Ordinance. First reading of a Bond Ordinance unanimously adopted by the Governing Body on May 9, 2024. The Governing Body approved the inducement resolution on March 28, 2024.

The IRB Act, Sections 3-32-1 through 3-32-16 NMSA 1978, as amended authorizes the City of Rio Rancho (City) to issue IRBs and to acquire “Projects” as defined in the IRB Act.

The 100-megawatt Quail Ranch Project is an addition to 300-megawatts Atrisco solar and storage project IRBs at Quail Ranch that were approved by the Governing Body in December 2022 and amended in October 2023. The total project site encompasses 3,376 acres.

Quail Ranch Solar/Clenara filed an Industrial Revenue Bond (IRB) application for the City to issue two series of bonds in the aggregate principal amount of up to $250,000,000 to (i) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt solar power generation facility for its affiliate Quail Ranch Solar LLC, a Delaware limited liability company (the “Solar Company”) which will constitute an industrial development project (the “Solar Project”); and (ii) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt storage project for use by the its affiliate Company Quail Ranch Energy Storage LLC, a Delaware limited liability company (the “Storage Company”) which will constitute an industrial development project (the “Storage Project” and together with the Solar Project, the “Projects”)) at Quail Ranch and to pay for certain costs of issuance of such bonds.

This proposed Ordinance, the second step of the IRB approval process, authorizes the issuance and sale of City IRB's for an amount up to $140,000,000 for the Quail Ranch Energy Storage LLC, for the storage portion of the Project (specified in Section ii above), and the execution and delivery of the Bond Documents, as defined within the Ordinance. A separate Ordinance has been proposed

for the IRB issuance for the Quail Ranch Solar LLC Project.

The City will enter into an Indenture with a wholly owned subsidiary of the Company, whereby the City assigns its rights, title and interest in the Lease and Installment Sale Agreement, without recourse, to a depositary institute, for the purposes of paying and securing the principal and interest on the bonds.

The Company will transfer its property rights in the Project Site and any Project Property to the City, immediately after which a lease or one or more subleases will be executed, in which the Company will lease or sublease the Project Property and Project Site from the City.

The Ordinance approves forms of Indenture, Lease Agreement and Bond Purchase Agreement, which are included with the Ordinance. Those documents are in near-final form but, as is typical in IRB transactions, have various blanks for the closing date for the IRB transaction, the official name of the bond purchaser and addresses for notices, which will be filled in prior to the IRB closing (i.e. the date on which the IRB is issued and delivered to the bond purchaser and the lease agreement is recorded).

The IRB is a limited obligation of the City, in that, the City of Rio Rancho's name will be on the bonds but IRB payments are payable solely from the lease payments, which have been pledged and assigned under the Indenture to the depositary institute for the benefit of the Bond Purchaser. The Bonds will not constitute a debt, indebtedness or any monetary obligation to the bond purchaser of the City Rio Rancho.

The IRB benefit to the applicant includes a property tax abatement on business personal property, with a payment in lieu of taxes ("PILOT") to the City, Albuquerque Public Schools and Rio Rancho Public Schools, respectively, and an exemption on the compensating tax for the purchase of equipment. The Quail Ranch area is in the Albuquerque Public Schools (APS) service area. As such, the PILOT shall be divided between the school districts, pursuant to 3-32-6(A)(2)(c). Pursuant to the IRB requirements of the Comprehensive Economic Development Policy established in Resolution No. 66, Enactment No. 04—65, Clawback provisions in the lease agreement requires the applicant to repay 100% of the abated ad valorem property taxes if the Project ceases to operate as a project eligible for IRB financing within five years after the date of issuance of the bonds.

On April 11, 2024, the Governing Body approved the proposed site plan for the development.

IMPACT:

Approval of this Ordinance will the enable the financing and authorization needed for the Quail Ranch Energy Storage LLC Project. This Project is in line with New Mexico's transition to renewable energy and creates new one-time and recurring revenues in an outlying, undeveloped area of the City, known as Quail Ranch.

ALTERNATIVES:

Approve the Amendatory Ordinance.

Do not approve the Amendatory Ordinance.

DEPARTMENT RECOMMENDATION:

City Administration recommends approval of the Amendatory Ordinance.

ATTACHMENT: O8_Ordinance
ATTACHMENT: Storage BPA
ATTACHMENT: QR Storage Indenture
ATTACHMENT: QR Storage Lease
ATTACHMENT: QR Storage Sublease
ATTACHMENT: QR IRB Application
ATTACHMENT: R27 Signed
ATTACHMENT: Quail Ranch Site Plan
ATTACHMENT: PILOT Payment Distribution Schedule
ATTACHMENT: RRPS and APS Boundary Percentages

CITY OF RIO RANCHO
ORDINANCE

ORDINANCE NO. **ENACTMENT NO.**

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH ENERGY STORAGE LLC PROJECT), IN A MAXIMUM PRINCIPAL AMOUNT OF UP TO $140,000,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY QUAIL RANCH ENERGY STORAGE 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 THE SCHOOL DISTRICTS WITHIN THE CITY BY THE COMPANY; 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 Rio Rancho (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: Quail Ranch Energy Storage 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 Rio Rancho City Council, (the "City Council") a proposal whereby the City would (a) issue its Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024 (the "Bonds"), and (b) acquire solar energy storage equipment and facilities (the "Project Property"), to be located within the corporate boundaries of the City, to be used by the Company for the storage of electrical energy; 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 storage facility (the "Project"). The City has been advised by

the Company that, neither location approval nor a certificate of convenience and necessity are required prior to commencing construction or operation of the facility pursuant to the laws of the State; and

WHEREAS: , under the Company's proposal, the City would enter into an Indenture (the "Indenture") with a wholly owned subsidiary of the Company, specifically created to hold the Bond (the "Purchaser"), the Company and a Depositary acceptable to the City and the Purchaser pursuant to which, together with this ordinance (the "Bond Ordinance"), the City would issue the Bonds; and

WHEREAS: under the Company's proposal, the City would enter into one or more subleases with the Company in connection with the Bonds (collectively, the "Sublease"), whereby the Company would sublease to the City the site for the Project (the "Project Site"), and the Company would enter into a lease with the City for in connection with the Bonds (the "Lease") pursuant to which the Company would lease or sublease from the City the Project Property including the Project Site; and

WHEREAS: the City is authorized to enter into, deliver and perform all of its obligations under the Bond Documents and to issue, execute and deliver the Bonds pursuant to the Act and the Bond Ordinance; and

WHEREAS: the City will not operate the Project as a business or in any manner except as lessor thereof; and

WHEREAS: the Bonds in a principal amount not to exceed $140,000,000 will be issued, sold and delivered by the City, in a private sale to the Purchaser, pursuant to a bond purchase agreement to be dated as of the initial date of delivery of the Bonds, among the City, the Purchaser and the Company (the "Bond Purchase Agreement"); and

WHEREAS: the proceeds of the Bonds shall be applied to pay the costs of the Project and to pay certain costs associated with the transaction, including all the costs of the City relating to the issuance of the Bonds and the transaction;

WHEREAS: the City Council has determined that it is in the best interest of the City to issue the Bonds and to execute and deliver the Bond Documents, defined below, and other documents related thereto; and

WHEREAS: the City will enter into the following documents in connection with the issuance of the Bond:

1. Lease
2. Indenture
3. Bond Purchase Agreement
4. Sublease
5. Bonds

The Lease, Indenture, Bond Purchase Agreement, the Sublease and Bonds are collectively referred to in this Bond Ordinance as the "Bond Documents"; and

WHEREAS: the City is authorized to issue the Bonds under the Act and after having

considered the Company's proposal, has concluded that it is desirable at this time to authorize the issuance of the Bonds to finance the Project and that the City's issuance of the Bonds will constitute and be a valid public purpose; and

WHEREAS: the Bonds shall not be the general obligation of the City within the meaning of any provision of the constitution of New Mexico and shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; and

WHEREAS: the Company will make annual in-lieu tax payments ("PILT Payments") under the Lease to the City, the Rio Rancho Public School District and the Albuquerque Public School District (collectively, the "Districts") pursuant to and in accordance with NMSA 1978, § 3-32-6(A)(2) (2023) for the period that the City owns and leases the Project Property to the Company; and

WHEREAS: this City Council has been advised by Sutin, Thayer & Browne A Professional Corporation, as bond counsel to the Company ("Bond Counsel") that the disclosure provisions of Rule 15c2-12 of the Securities and Exchange Commission are not applicable to this transaction inasmuch as the Bonds are being sold in a private sale without participation of an underwriter; and

WHEREAS: there has been published in *the Albuquerque Journal*, a newspaper of general circulation in the City, public notice of the City Council's intention to adopt this Bond Ordinance, which notice contained certain information concerning the ownership, purpose, location and size of the Project and the amount of the Bonds to be issued to finance the Project, which notice was published at least fourteen (14) days prior to final action upon this Bond Ordinance; and

BE IT ORDAINED BY THE RIO RANCHO CITY COUNCIL, THE GOVERNING BODY OF THE CITY OF RIO RANCHO, NEW MEXICO:

Section 1. RATIFICATION. All actions not inconsistent with the provisions of this Bond Ordinance previously taken by the City Council and the officials of the City directed toward approval of the issuance and sale of the Bonds be approved and the same hereby are ratified, approved and confirmed.

Section 2. FINDINGS.

A. General. The City Council hereby declares that it has considered all relevant information presented to it relating to the Bonds and the Project and hereby finds and determines that the issuance of the Bonds pursuant to the Bond Ordinance to provide funds for the Project is necessary and advisable and in the interest of the City and its residents and will promote 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;

B. The City Council finds that:

(1) The Bonds will be issued for the purpose of financing the Project.

(2) The aggregate face amount of obligations to be issued with respect to financing the Project is not to exceed $140,000,000.

(3) The developer of the Project Property is the Company.

(4) The Project Property is located within the corporate limits of the City.

Section 3. BONDS - APPROVAL, AUTHORIZATION AND DETAIL.

A. Approval and Sale. The issuance of the Bonds in a principal amount not to exceed $140,000,000 and the use of the proceeds of the Bonds to finance the cost of the Project including payment of transaction expenses related thereto are hereby approved and confirmed. The sale of the Bonds at par at a purchase price not to exceed $140,000,000 is approved.

B. Form and Terms. Subject to the limitations set forth in this Bond Ordinance, the Bonds shall (i) be in the form and denomination and shall be numbered and dated as set forth in the Indenture, (ii) be payable as to principal and interest and subject to optional and mandatory redemption and defeasance in the amounts, upon the conditions and at the times and prices set forth in the Indenture; and (iii) be issued in a principal amount not to exceed $140,000,000, bearing interest at the rate and maturing on the date set forth in the Indenture.

C. Execution. The Bonds shall be signed by the Mayor of the City.

D. Interest Rate. The interest rate on the Bonds shall be four percent (4%).

Section 4. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS; ACTIONS TO BE TAKEN. The Bond Documents in the proposed form presented to the City Council are hereby approved. The Mayor is authorized to approve the final terms and provisions of the Bond Documents on behalf of the City Council, provided that such final terms and provisions are substantially consistent with those in this Bond Ordinance and to execute and deliver in the name and on behalf of the City, and the City Clerk or Deputy City Clerk is hereby authorized to attest, as necessary, the Bond Documents.

The Mayor, the City Manager and other officers of the City shall take such action as is 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 Bonds will be outstanding for a maximum of thirty (30) years from the date of issuance of such bonds. No principal will be due for the 1st year to and including the 29th year that the Bonds are outstanding. Assuming issuance of the Bonds on June 30, 2024 in the maximum principal amount of $140,000,000 bearing an annual interest rate of four percent (4%), interest payments will be due in the amount of $5,600,000 in each of the years 2025 through 2053 and the full principal plus interest thereon shall be due at maturity on June 30, 2054 in the amount of $ 145,600,000.

B. The Bonds will bear interest at the rate of four percent (4%).

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, fees of bond counsel to the City and fees of the City's financial advisor.

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 shall require 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 shall require 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).

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 to impose any tax nor to pay any amount (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 to impose any tax nor to pay any amount (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.

Section 9. APPROVAL OF INDEMNIFICATION. The City Council specifically requires that the Lease contain provisions relating to indemnification which provide that the Company shall indemnify and hold harmless the City and its City Council, officials, employees and agents against liability to the Company, or to any third parties, that may be asserted against the City or the City Council, officials, members, officers, employees or agents with respect to the City's ownership of the Project Property or the authorization or issuance of the Bonds or arising from the condition of the Project Property or the acquisition, construction and operation of the Project Property by the Company, except to the extent New Mexico Statutes Annotated Section 56-7-1, 1978 Compilation, would preclude such indemnity.

Section 10. BOND ORDINANCE IRREPEALABLE. After the Bonds are issued, the Bond Ordinance shall be and remain irrepealable until the Bonds, including interest, are fully paid, canceled and discharged or there has been defeasance of the Bonds in accordance with the Indenture.

Section 11. REPEALER. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent with this Bond Ordinance are repealed by this Bond Ordinance but only to the extent of that inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, previously repealed.

Section 12. SEVERABILITY. If any section, paragraph, clause or provision of the Bond Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of the Bond Ordinance.

Section 13. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE DATE. This Ordinance, immediately upon its final passage and approval, shall be authenticated by the signature of the Mayor, and by the signature of the City Clerk or any Deputy City Clerk, and shall be recorded in the Ordinance book of the City, kept for

that purpose, and shall be in full force and effect thereafter in accordance with the laws of the State, and notice of adoption thereof shall be published once in a newspaper which maintains an office in, and is of general circulation in the City.

ADOPTED THIS _____DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC,

CITY OF RIO RANCHO, NEW MEXICO,

and

QUAIL RANCH ENERGY STORAGE LLC

BOND PURCHASE AGREEMENT

Dated June _____, 2024

$140,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Energy Storage LLC Project)
Series 2024

BOND PURCHASE AGREEMENT

QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC (the "Purchaser"), **CITY OF RIO RANCHO, NEW MEXICO** (the "Issuer"), and **QUAIL RANCH ENERGY STORAGE LLC** (the "Company"), agree:

Section 1. **Recitals**. The Issuer, the Purchaser, the Company and BOKF, NA, as depositary (the "Depositary") have entered into an Indenture dated as of June _____, 2024 (the "Indenture"). Pursuant to the Indenture, the Issuer will issue its Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024, in the maximum principal amount of $140,000,000 (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 602 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 June _____, 2024 (the "Lease" and, together with the Indenture, the Sublease 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 Rio Rancho on ____ __, 2024(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, the Sublease 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, the Sublease and the Lease.

(d) Neither the execution and delivery of this Agreement, the Indenture, the Sublease 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, the Sublease 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 not 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 Depositary. The Lease and the Sublease will each 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 Rio Rancho, New Mexico
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144
Attn: City Manager
Tel: 505.891.5000 (for use in connection with courier deliveries)

If to the Purchaser: Quail Ranch Energy Storage Bond Holder LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

If to the Company: Quail Ranch Energy Storage LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

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.

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'sCounsel, 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: JUNE _____, 2024

PURCHASER:

QUAIL RANCH ENERGY STORAGE LLC,
a Delaware limited liability company
By: Quail Ranch Energy Storage LLC, its Sole Member
By: CRE-Quail Ranch ESS New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

COMPANY:

QUAIL RANCH ENERGY STORAGE LLC,
a Delaware limited liability company
By: CRE-Quail Ranch ESS New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

(Signature Page for Bond Purchase Agreement)

Attest: CITY OF RIO RANCHO, NEW MEXICO

(SEAL)

_____ By _____

Rebecca A. Martinez, City Clerk Greggory D. Hull, Mayor

(Signature Page for Bond Purchase Agreement)

Exhibit A

[Opinion of Bond Counsel]

June _____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Energy Storage Bond Holder LLC
[Address]

Quail Ranch Energy Storage LLC
[Address]

BOKF, NA
Albuquerque, New Mexico

$140,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Energy Storage LLC Project)
Series 2024

Ladies and Gentlemen:

We have acted as Bond Counsel to Quail Ranch Energy Storage LLC in connection with the issuance and sale by the City of Rio Rancho, New Mexico (the "Issuer") of its Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project) Series 2024 in the maximum principal amount of $140,000,000 (the "Bonds").

The Bonds will bear interest on the outstanding principal amount at a per annum rate equal to four percent (4%). Interest on the Bonds is payable each _____ 1 beginning _____ 1, 2025, 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 June _____, 2024 (the "Indenture") among the Issuer and Quail Ranch Energy Storage Bond Holder LLC (the "Purchaser"), Quail Ranch Energy Storage 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 Rio Rancho City Council on ___ __, 2024, 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 Sublease dated as of ____ __ , 2024 (the "Sublease") between the Issuer and the Company , the Lease Agreement dated as of ____ __ , 2024__ (the "Agreement") between the Issuer and the Company and the Bond Purchase Agreement dated June _____, 2024 (the "Bond Purchase Agreement" and, together with the Indenture. The Sublease 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 or 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]

June _____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Energy Storage Bond Holder LLC
[address]

Quail Ranch Energy Storage LLC
[address]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

I am general counsel to Quail Ranch Energy Storage 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 June _____, 2024 (the "Agreement") between the City of Rio Rancho, New Mexico (the "Issuer") and the Company, (ii) the sublease Agreement dated as of June _____, 2024 (the "Sublease") between the Issuer and the Company and (iii) the Bond Purchase Agreement (the "Bond Purchase Agreement") dated June _____, 2024 among Quail Ranch Energy Storage Bond Holder LLC (the Purchaser"), the Issuer and the Company, pursuant to which the Purchaser has agreed to purchase the Issuer's Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project) Series 2024 in the maximum principal amount of $140,000,000 to be issued under the Indenture dated as of June _____, 2024 (the "Indenture") among the Issuer, the Purchaser, the Company and the Depositary, and (iv 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 Sublease, the Indenture and the Bond Purchase Agreement.

2. The execution, delivery and performance by the Company of the Agreement, the Sublease, 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 Sublease, 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) 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]

June _____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Energy Storage Bond Holder LLC
[address]

Quail Ranch Energy Storage LLC
[address]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

This opinion is being rendered to you in connection with the issuance by the City of Rio Rancho, New Mexico (the "Issuer") of its Taxable Industrial Revenue Bond (Quail Ranch Energy Storage LLC Project) Series 2024 in the maximum principal amount of $140,000,000 (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 Rio Rancho City Council on ___ __, 2024 (the "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 Ordinance was duly adopted by the Rio Rancho City Council on _____, 2024 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, the Sublease 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]

June _____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Energy Storage Bond Holder LLC
[address]

Quail Ranch Energy Storage LLC
[address]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

I am general counsel to Quail Ranch Energy Storage Bond Holder LLC (the "Purchaser") and have been requested to render my opinion in connection with the transactions contemplated by (i) the Indenture dated as of June _____, 2024 (the "Indenture") among BOKF, NA as depositary (the "Depositary"), the City of Rio Rancho, New Mexico (the "Issuer"), Quail Ranch Energy Storage LLC (the "Company") and the Purchaser, and (ii) the Bond Purchase Agreement (the "Bond Purchase Agreement") dated June _____, 2024 among the Purchaser, the Issuer and the Company, pursuant to which the Purchaser has agreed to purchase the Issuer's Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project) Series 2024 in the maximum principal amount of $140,000,000 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,

CITY OF RIO RANCHO, NEW MEXICO
As Issuer

QUAIL RANCH ENERGY STORAGE LLC
As Company

QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC
As Purchaser

And

BOKF, NA
As Depositary

INDENTURE

Dated as of June _____, 2024

Securing

$140,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Energy Storage LLC Project)
Series 2024

This instrument constitutes a security agreement with respect to monies on deposit in the funds and accounts created hereunder and certain personal property, including certain after-acquired property as set forth herein, under the laws of the State of New Mexico.

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Exhibit A Form of Series 2024 Bond
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CITY OF RIO RANCHO, NEW MEXICO, a municipal corporation existing under the law of the State of New Mexico (together with its successors and assigns, the "Issuer"); QUAIL RANCH ENERGY STORAGE LLC, a Delaware limited liability company (together with its successors and assigns, the "Company"); and QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC, a Delaware limited liability company (together with its successors and assigns, and transferees of the Bonds (defined below), the "Purchaser"), and BOKF, N.A., in its capacity as depositary hereunder (together with its successors and assigns, the "Depositary"), agree:

ARTICLE I- RECITALS

Section 101. The Act. Pursuant to the Industrial Revenue Bond Act, NMSA 1978, Sections 3-32-1 to 3-32-16 as amended (the "Act"), the Issuer is authorized to acquire, own, lease or sell "projects" (as defined in the Act) for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the State of New Mexico (the "State"), 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 derived from the projects for which the bonds are issued. Such bonds may be secured by, among other things, the revenues of the project, a pledge of the Issuer's lease of such project and a mortgage covering all or any part of the project for which the revenues pledged may be derived. 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 Issuer's City Council (the "Governing Body"), a proposal relating to the issuance of taxable industrial revenue bonds and the acquisition, construction, equipping and installation of a solar power storage facility, including without limitation certain real property rights, title, easements and leasehold interests, storage equipment and supporting structures and related improvements, electrical lines and related assets used in the storage of electricity. The Issuer, by Ordinance No. __ adopted on____ , authorized, among other matters, (i) the issuance of its City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024 (the "Bonds"), in the principal amount not to exceed $140,000,000, substantially in the form of Exhibit A attached hereto, and (ii) the execution and delivery of this Indenture.

Section 103. The Sublease Agreement. The Company entered into lease and easement agreements with various lessors under which the Company leased the Project Site (collectively, the "Project Site Leases"). On a sublease, dated as of the date hereof, the Company entered into a sublease agreement with the Issuer (the "Sublease Agreement") under which the Company subleased and conveyed to the Issuer all of the Company's rights and none of its obligations under the Project Site Leases, upon terms and conditions as provided under the Sublease Agreement.

Section 104. The Indenture; Lien; Collateral Pledge. The Bonds are to be issued under and pursuant to this Indenture (together with any and all amendments and supplements, this "Indenture"). This Indenture constitutes a collateral pledge and assignment of the Lease Agreement (defined below) and the other collateral described in Section 301 in favor of the Purchaser of the Bonds.

Section 105. The Lease Agreement. The Issuer has entered into a Lease Agreement with the Company dated as of the date hereof (together with any and all amendments and supplements, the "Lease Agreement"), under which the Issuer has leased the Project Property (as defined in the Lease Agreement) 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 when due. 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 all of its interests in the Lease Agreement (other than the Unassigned Rights) and grant to the Purchaser a security interest in the Project Property which security interest shall at all times be junior and subordinate to the prior security interest in the Project Property granted by the Company to the Lender or Lenders regardless of when the First Lender Mortgage (as defined in the Lease Agreement) is imposed upon the Purchaser's interests in the Lease Agreement and the Project Property.

Section 106. Conditions Precedent Performed. Without representing as to the validity or enforceability of the Bonds, and without having conducted any independent investigation thereof, the Issuer is not aware of any act or condition required on the part of the Issuer by the Constitution and laws of the State to happen, exist or be performed precedent to and in the execution and delivery of this Indenture, the Lease Agreement or the issuance of the Bonds, except such as do exist, have happened or have been performed.

ARTICLE II- DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 201. Meanings of Words and Terms. All words and terms defined in the Lease 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 Account" has the meaning assigned in Section 601.

"Act" has the meaning assigned in Section 101.

"Advances" has the meaning assigned in Section 602.

"Affiliate" means any direct or indirect parent or subsidiary of a corporation or limited liability company.

"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 authorized signatory of the Company.

"Authorized Purchaser Representative" means any one of the persons at the time designated to act on behalf of the Purchaser in a certificate furnished to the Issuer and the Depositary containing the specimen signatures of such persons and signed on behalf of the Purchaser by an authorized signatory.

"Basic Rent" has the meaning assigned thereto in the Lease Agreement.

"Bonds" have the meaning assigned in Section 102.

"Bond Counsel" means Sutin Thayer &Browne, APC, Albuquerque, New Mexico.

"Bond Documents" means, collectively: (i) the Lease Agreement, (ii) the Sublease Agreement, (iii) this Indenture, and (iv) the Bond Purchase Agreement.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated the date of the execution and delivery of the Bonds, 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, the City of Las Cruces, New Mexico, or the City of New York, New York are authorized or required to close.

"Certificate of Qualified Investor" means the certificate attached hereto as Exhibit D.

"Company" has the meaning assigned in the first paragraph of this Indenture.

"Completion Certificate" means a certificate signed by the Authorized Company Representative certifying that the Project is complete in all material respects and all costs have been paid or provision has been made for their payment, in the form attached hereto as Exhibit C.

"Completion Date" has the meaning assigned thereto in the Lease Agreement.

"City" means Issuer.

"Default" has the meaning assigned in Section 801.

"Depositary" has the meaning assigned in the first paragraph of this Indenture.

"Event of Default" has the meaning assigned in Section 8.01 of the Lease Agreement.
"First Lender Mortgage" has the meaning assigned thereto in the Lease Agreement.

"Indenture" has the meaning assigned in Section 104.

"Issuer" has the meaning assigned in the first paragraph of this Indenture.

"Issuance Costs" means items of expense related to the authorization, sale and issuance of the Bonds and authorization and execution of Bond Documents, which items of expense will include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel fees, Issuer's financial advisor, bond counsel and other contract counsel fees, initial fees of Depositary and other costs, charges and fees of the Issuer and the Company in connection with the foregoing.

"Lease Agreement" has the meaning assigned in Section 105.

"Lender" or "Lenders" means those parties identified in the Loan Agreement and any and all other persons or entities, their permitted assigns and successors in interest thereof who in connection with a Company Financing (as defined in the Lease Agreement) or other financing transaction: (a) extend credit (including without limitation any financing lease, letter of credit financing, construction financing, monetization of tax benefits, back leverage financing or credit derivative arrangement) to Company or to an Affiliate of Company: (i) for the construction, permanent or interim financing or refinancing of the Project; (ii) for working capital or other ordinary business requirements of the Project (including without limitation the maintenance, repair, replacement or improvement of the Project); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Project; (iv) for any capital improvement or replacement related to the Project; or (v) for the purchase of the Project and related rights from the Company, and/or (b) participate (directly or indirectly) as an equity investor in the Project primarily in connection with the utilization of applicable federal tax credits (or grant in lieu thereof) or tax depreciation benefits associated with holding an ownership interest in the Project, or (c) participate as a lessor (including without limitation as equity participant owning the beneficial interest of lessor) under a lease finance arrangement relating to the Project (which Person or Persons shall not include the Company or any of its Affiliates).]

"Loan Agreement" has the meaning assigned thereto in the Lease Agreement.

"Maturity Date" means June __ 2054.

"Parties" mean the Issuer, the Purchaser, the Company and the Depositary.

"Party" means any one of the Parties.

"Person" means an individual, corporation, partnership, limited liability partnership, limited liability company, unincorporated organization, association, joint stock company, joint venture, trust, estate, real estate investment trust, government, government agency or political subdivision or other entity, whether acting in an individual, fiduciary or other capacity.

"Project" has the meaning assigned in the preamble to the Lease Agreement.

"Project Property" has the meaning assigned thereto in the Lease Agreement.

"Project Site" has the meaning assigned thereto in the Lease Agreement and is further described in Exhibit A thereto.

"Project Site Leases" means jointly those certain lease and easement agreements as set forth in Exhibit A to the Lease Agreement.

"Purchaser" has the meaning assigned in the preamble to the Lease Agreement.

"Record Date" means October 1, while the Bonds are outstanding.

"Redemption Price" has the meaning assigned thereto in Section 501.

"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 and the Issuance Costs.

"State" has the meaning assigned thereto in Section 101.

"Sublease Agreement" has the meaning assigned thereto in Section 103.

"Unassigned Rights" has the meaning assigned in Section 2.01 of the Lease Agreement.

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 Lease Agreement and the provisions of this Indenture will be resolved in favor of the provisions of this Indenture.

Section 203. Bonds Not General Obligations of Issuer. Neither the 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. Pledge and Grant of Security Interest. 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 in accordance with the terms of this Indenture and the other Bond Documents), 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 pledges and assigns to the Purchaser and grants a security interest to the Purchaser in, subject to any First Lender Mortgage (as defined in the Lease Agreement), (i) all the Issuer's right, title and interest in and to the Lease Agreement (except for the Unassigned Rights), including, without limitation, its rights to the Basic Rent; (ii) the Sublease Agreement, (iii) the Project Property; and (iv) the monies and investments in the Acquisition Account.

Section 302. Release and Discharge of Indenture. If the principal of, interest on and redemption price, if any, of the Bonds are paid in full to the Purchaser, then all obligations of the Issuer as to the Bonds under this Indenture will terminate, and the Purchaser will cancel and discharge the lien granted under this Indenture and execute and deliver to the Issuer, the Depositary (subject to Section 904(d)) and the Company such instruments in writing as may be required to evidence such discharge. The Clerk of the Issuer is authorized to accept a certificate of the Purchaser stating that all principal and interest due on the Bonds have been paid as evidence of the satisfaction of this Indenture.

Section 303. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Indenture and any legislation which relate to the maturity of the Bonds, interest payments and the dates thereof, exchange, transfer and registration of the Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, non-presentment of the Bonds, the holding of monies in trust, and repayments to the Company from various funds established pursuant to this Indenture and the duties in connection with all of the foregoing, will remain in effect and be binding upon the Company and the Purchaser, notwithstanding the release and discharge of this Indenture. The provisions of this Section 303 will survive the release, discharge and subordination of this Indenture.

Section 304. Priority of First Lender Mortgage. The Issuer, the Purchaser and the Depositary acknowledge that the Issuer's interest in the Project Property, the liens and security interests granted and created in this Indenture in favor of the Purchaser under Section 301 hereof, including, but not limited to, the Acquisition Account created with the Depositary under Section 601 hereof, will at all times be subordinate to the First Lender Mortgage (as defined in the Lease Agreement) regardless of when the First Lender Mortgage is recorded.

Section 305. Further Assurances.

(a) The Issuer, the Purchaser and the Company will, at the direction of the Purchaser, or of the senior secured lenders, including the Lender or Lenders, or the Company, or an agent therefor (which shall be deemed to be beneficiaries of this provision), and 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 Depositary, the Issuer, the Company, the Purchaser and the Lender or Lenders and any other senior secured lender in and to the rights accorded under: this Indenture; the Lease Agreement, including, without limitation, the Basic Rent; the Sublease Agreement; the Project Property; and in the monies and investments in the Acquisition Account, including, without limitation, the filing of financing statements and continuation statements and the execution, acknowledgement, delivery, filing and recordation of any other necessary agreements and instruments.

(b) Purchaser agrees to subordinate its right as pledgee, assignee and secured party as provided in Section 301 hereof to the Lender or Lenders and any other financial institution, lender or other financing party providing all or part of the Company Financing (as defined in the Lease Agreement), from time to time and regardless of when any mortgage or lien is imposed by the Lender or Lenders and to enter into such agreements as the Lender or Lenders, such other financial institution, lender or other financing party providing all or part of the Company Financing from

time to time or the Company, its manager, or any subsidiary or affiliate of the Company may reasonably request to evidence such subordination.

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 one hundred and forty million dollars ($140,000,000) (referred to hereafter in Sections 401 and 402, as the "Bond"). The Bond will be identified as Series 2024 and numbered R-1. No bond may be issued under this Indenture except in accordance with this Article IV. The total principal amount of the Bonds issued under this Indenture is expressly limited to $140,000,000 and no additional bonds may be issued under this Indenture. The Bond may be transferred in accordance with the terms of this Indenture and the Bond.

Section 402. Form of Bond; Principal and Interest Payments. The Bond will be in substantially the form of Exhibit A attached hereto. The Bond will be dated the date of execution and delivery of this Indenture and will bear interest at four percent (4%) per annum from the date of payment of each Advance made pursuant to Section 404 through the Maturity Date or prior redemption of the Bond. Interest on the Bond will be calculated on the basis of a 360-day calendar year consisting of twelve thirty-day months. The principal amount of the Bond shall be equal to the aggregate amount of all outstanding Advances made pursuant to Section 404. Accrued interest shall be payable annually on each November 6, beginning November 6, 2024, with the outstanding principal of the Bond plus all unpaid interest thereon payable in full on the Maturity Date, or upon the prior redemption of the Bond in full or in part. Principal and interest on the Bond, as applicable, will be payable from Basic Rent received from the Company to the owner of the Bond on the immediately preceding Record Date and upon payment of the Bond in full, upon the presentation of the Bond 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 attested by the Clerk or a Deputy Clerk 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 401.

Section 404. Advances. Subject to the terms and conditions of the Bond Purchase Agreement, the Purchaser will purchase the Bonds upon the execution and delivery of the Indenture and will pay the purchase price of the Bonds as set forth in Section 2 of the Bond Purchase Agreement through advances described in this Section 404. The Company will request advances by notice to the Purchaser and the Depositary in accordance with Section 602 of this Indenture. Promptly upon receipt of notice from the Company requesting an advance, the Purchaser will, so long as no Default has occurred and is continuing, remit the amount of the advance requested in such notice to the Depositary for deposit in the Acquisition Account, provided that the aggregate amount of the advances will not exceed $140,000,000. The records of the Depositary will be conclusive as to the 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 and each principal payment on and redemption in part of the Bonds and the resulting principal amount. 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.

Section 405. Registration and Transfer of the Bonds. 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. Upon the Company's receipt of notice of the transfer of the Bonds in accordance with their terms and this Indenture, the Company will cause the registration book to reflect the name and address of the transferee, unless a trustee for bondholders is appointed as provided in this Indenture, in which event such trustee will maintain such registration book. Ownership of the Bonds will be proved by the registration book and any request, demand, authorization, direction, notice, consent waiver or other act of the holder of any Bonds will bind every future holder of such Bonds and the holder of every Bond issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted, or suffered to be done by the Company in reliance thereon, whether or not notation of such action is made upon such Bond. The registration book will be open to inspection by the Issuer upon advance notice during the Company's normal business hours.

Purchaser shall be permitted to assign the Bonds to its or the Company's Lender or Lenders as collateral for any financing or refinancing of the Project provided that such transfer is, to the extent applicable, consummated in accordance with applicable federal and state securities laws; provided, however, Purchaser shall be responsible at Issuer's request for Issuer's reasonable costs associated with the review, negotiation, execution and delivery of documents in connection with such assignment, including reasonable attorneys' fees. Issuer shall, upon request by Purchaser or any Lender or Lenders and, at Purchaser's sole expense, cooperate reasonably to execute, or arrange for the delivery within thirty (30) days of such request, those normal, reasonable and customary consents, certificates, opinions and other documents and provide such other normal and customary representations or warranties as may be necessary to assist Purchaser or the Company in consummating any financing or refinancing of the Project or any part thereof; provided that any such documents will be fully nonrecourse to the Issuer and may be subject to the Issuer obtaining all necessary approvals of the Issuer's Governing Body to the extent required under applicable law.

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 of the Issuer upon: (i) surrender of the Bonds; (ii) delivery of a written transfer instrument; (iii) compliance with the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws as established to the satisfaction of the Issuer; and (iv) 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, to the effect the transfer complies with the Securities 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 as further set forth in the Bond form attached as Exhibit A, provided that the conditions described in (iv) (A) and (B) of this Section 405 shall not apply to the transfer of the Bonds pursuant to any pledge by the Purchaser of the Bonds as collateral to one or more financial

institutions, including without limitation the Lender or the Lenders. The Issuer agrees that it will cooperate in delivering new Bonds, registered in the name of the transferee. The transferee will pay any tax or fee or other charge imposed on the transfer. The Person in whose name the Bonds are registered shall be deemed and treated 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 Bonds, to the extent of the sum or sums paid; and will not be affected by any notice to the contrary.

Section 406. Lost, Stolen, Destroyed and Mutilated Bonds. If the Issuer receives satisfactory evidence that the Bonds have been lost, stolen, destroyed or mutilated and receives satisfactory indemnity, then the Issuer will execute and deliver a new Bond. The applicant for a new Bond will pay any charges and expenses in connection with the issuance of the new Bond. A new Bond issued under this Section 406 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 406 with respect to the replacement of the lost, stolen, destroyed or mutilated Bond are exclusive.

Section 407. Cancellation and Destruction of the Bonds by Issuer. If the Bonds are delivered to the Company or the Issuer for cancellation, the Bonds will be cancelled immediately and burned or otherwise destroyed by the Issuer.

Section 408. Application of Payments for Bonds. Payments received by the Purchaser with respect to the redemption of all or any portion of the Bonds will be applied first, to the principal amount to be redeemed and then, to accrued interest on such principal amount. All other payments received by the Purchaser with respect to the Bonds will be applied first, to accrued interest on the Bonds and then, to the unpaid principal of the Bonds. If such payments exceed accrued interest on the unpaid principal of the Bonds, Purchaser will pay the excess 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 Advances under this Indenture.

ARTICLE V- REDEMPTION

Section 501. Redemption. If the Company gives notice to the Issuer, the Depositary (during the period of its appointment under Section 904(d) hereof) and the Purchaser pursuant to Article IX of the Lease Agreement that the Company has elected to cause the redemption of the Bonds in full or in part and the Company pays the redemption price (or otherwise offsets such amount as contemplated under Section 5.05 of the Lease Agreement), all or such portion of the Bonds will be deemed redeemed by the Issuer on the date indicated in such notice at a price equal to the principal amount to be redeemed plus accrued interest on such principal amount to the redemption date, without premium (the "Redemption Price"). If the Company redeems the Bonds in full before the Completion Date, any monies in the Acquisition Account will be returned to the Company.

Section 502. Payment of Redeemed Bonds. Upon the giving of notice of redemption as provided in Section 501, the Bonds or portions thereof called for redemption shall be due and

payable on the date fixed for redemption at the Redemption Price. Payment of the Redemption Price shall be made by the Company upon surrender of such Bonds. The expense of giving notice and any other expenses of redemption shall be paid by the Company. If there shall be called for redemption less than the principal amount of the Bonds, the Issuer shall execute and deliver upon surrender of such Bonds, and without charge to the registered owner thereof, at the option of the registered owner, registered Bonds of like Maturity Date for the unredeemed portion of the principal amount of the Bonds so surrendered.

From and after the date fixed for redemption designated in such notice, notwithstanding that the Bonds so called for redemption in whole or in part shall not have been surrendered for cancellation, no further interest shall accrue upon the principal of the Bonds or portions thereof so called for redemption, the Bonds thereof to be redeemed shall cease to be entitled to any lien, benefit or security under this Indenture, and the registered owner(s) thereof shall have no rights to such Bonds or portions thereof, except to receive payment of the Redemption Price thereof.

ARTICLE VI– THE ACQUISITION ACCOUNT

Section 601. Creation; Deposits. A special account is hereby created with the Depositary and designated "City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024 Acquisition Account" (the "Acquisition Account"), with respect to which the Company is the "customer" within the meaning of Section [4-104] of the Uniform Commercial Code. Any monies received by the Issuer or the Depositary on account of any advances under Section 404 will be deposited in the Acquisition Account. The monies in the Acquisition Account will be held by the Depositary and will, subject to the provisions of Sections 606 and 607, be applied to the payment of Related Costs and, pending such application, will be subject to the lien in favor of the Purchaser. As provided in Section 304, the interests of the Issuer, the Purchaser, the Company and the Depositary in and to the monies in the Acquisition Account shall at all times be subordinate to the First Lender Mortgage regardless of when the First Lender Mortgage is granted or recorded.

Section 602. Disbursements. The Depositary will make payments of Related Costs from monies on deposit in the Acquisition Account (the "Advances") upon receipt of a requisition and certificate in the form of Exhibit B attached hereto ("Requisition"), signed by an Authorized Company Representative, stating to whom the payment is to be made, the general purpose for which the obligation to be paid was incurred and that:

(1) 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 Account and has not been the subject of a previous withdrawal from the Acquisition Account

(2) 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

(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 the requisition.

Section 603. Records. The Depositary will keep and maintain adequate records pertaining to the Acquisition Account and payments made therefrom, which will be open to inspection by the Issuer, the Purchaser, the Company, the Lenders or their agents, if any, upon advance notice, during normal business hours.

Section 604. Depositary May Rely on Requisitions. All requisitions and certificates received by the Depositary as conditions of payment from the Acquisition Account, may be conclusively relied upon by the Depositary and will be retained by the Depositary, subject at all reasonable times, to examination by the Issuer and other Parties and their respective agents and representatives. The Depositary shall have no duty or obligation to verify the content of any requisition certificate.

Section 605. Account Statements. On a monthly basis, the Depositary will make available account statements covering all receipts and moneys then on deposit in the Acquisition Account, and any investments of such moneys. The Depositary will make reports monthly, at no cost, if the Company requests. The Depositary will provide copies of such monthly account statements at no cost to the Issuer, upon the Issuer's written request. The requirements of this Section 605 may be performed by the Depositary by granting to the Company and the Issuer on-line view only access to the Acquisition Account. The Company (and, if the Issuer wishes to have such on-line access, the Issuer) shall provide any reasonable information to the Depositary which is needed to establish such Person with access to such on-line portal at no cost to the Issuer.

Section 606. Completion Date. Upon receipt of a certificate substantially in the form of Exhibit C attached hereto (the "Completion Certificate") signed by an Authorized Company Representative establishing the Completion Date, as provided in Section 4.04 of the Lease Agreement, the Depositary will, to the extent monies are available therefor, set aside 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 moneys remaining in the Acquisition Account to the Company (but the Depositary and the Issuer will have no duty to inquire into or otherwise monitor and will not have any liability associated with the Company's use of such monies).

Section 607. Payment on Acceleration. If the Purchaser declares the unpaid principal of and accrued interest on the Bonds to be immediately due and payable pursuant to Section 802, the Depositary, to the extent permitted by law, will promptly, upon receipt of written notice of such declaration from an Authorized Purchaser Representative, return all moneys then held for the credit of the Acquisition Account in accordance with Section 601 to the Purchaser for application to the unpaid principal of and accrued interest on the Bonds.

Section 608. Investments. Moneys on deposit in the Acquisition Account may be invested and reinvested by the Depositary, at the written direction of an Authorized Company Representative, in short-term interest-bearing securities or funds. Such investments will be deemed at all times to be a part of the Acquisition Account. Any interest accruing on any such investment and any profit realized from such investment will be credited to the Acquisition Account. Any loss resulting from any such investment will be charged to the Acquisition Account. Neither the Depositary nor the Issuer will be responsible for any loss resulting from any such investment or liquidation of any 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. The Depositary shall have no obligation to invest or reinvest the funds held in the Acquisition Account if deposited with the Depositary after [11:00 a.m. (Eastern Time.)] on such day of deposit. Instructions received after [11:00 a.m. (Eastern Time.)] will be treated as if received on the following business day.

Section 609. 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 Account and the Company shall indemnify and hold the Issuer harmless from and against all claims, liabilities of whatsoever nature arising from or relating to the Acquisition Account or the management of the Acquisition Account.

The Issuer will not be liable or responsible for any application of funds, loss (or failure to realize profits), liability or expense with respect to the application of Basic Rent to pay amounts due on the Bonds, and the Company shall indemnify and hold the Issuer harmless from and against all claims, liabilities of whatsoever nature arising from or relating to the application of Basic Rent for the payment of the Bonds.

Section 610. Source of Payment of the Bonds. The Bonds and all payments thereon 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 and other security pledged to the payment of the Bonds under this Indenture. The Project Property has been leased under the Lease Agreement and the Basic Rent is to be remitted by the Company directly to the Purchaser on or before each principal payment date and interest payment date, as applicable, subject to the rights of offset set forth in Section 5.05(b) of the Lease 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.

ARTICLE VII- PARTICULAR COVENANTS AND PROVISIONS

Section 701. 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 out of the Basic Rent (but excluding Additional Payments), proceeds and receipts and other security pledged

hereunder, will arise therefrom. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY OF ITS POLITICAL SUBDIVISIONS, OR 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 AND THIS INDENTURE 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 LAWS 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 UNLESS IT SHALL HAVE FIRST BEEN ADEQUATELY INDEMNIFIED TO ITS SATISFACTION AGAINST THE COST, EXPENSE AND LIABILITY WHICH MAY BE INCURRED THEREBY.

Section 702. 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 without limitation the Act, to issue the Bonds, to execute and deliver this Indenture, to pledge and grant a security interest in the property described in Section 301 of this Indenture and that it has taken all actions required on its part for the issuance of the Bonds, and for the execution and delivery of this Indenture, the Bond Purchase Agreement, the Sublease Agreement and the Lease Agreement.

Section 703. Office or Agency. The Issuer will maintain an office or agency in the City of Las Cruces, New Mexico, while the Bonds are outstanding and where demands with respect to this Indenture or the Bonds may be made. The office of the City Manager of the Issuer will be such agency until further notice.

Section 704. Obligations Under the Lease Agreement. The Issuer: (i) will perform all of its obligations under the Lease Agreement; (ii) will not execute or agree to any change, amendment or modification of or supplement to the Lease Agreement except by a supplement or an amendment duly executed by the Issuer and the Company with the written approval of the Purchaser and for as long as any obligations are outstanding under the Loan Agreement (as defined in the Lease Agreement) or any other loan obligation in connection with the Company Financing, the Lender or the Lenders (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 Lease Agreement, no authority to enforce any of the rights or remedies of the Purchaser under the Lease Agreement and any actions taken by the Issuer shall be at the expense of the Company.

Notwithstanding the foregoing paragraph, it is the intention of the Lease Agreement that the Company will make payments to the Purchaser for the account of the Issuer, in such amounts and at such times as are necessary to make all payments of principal of, interest on and redemption

price of the Bonds in accordance with the terms of the Bond Documents as and when due, and all such payments will be netted against any monies paid and investments made by the Purchaser to the Acquisition Account (including without limitation interest income). 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 the Lease Agreement. As described in Section 7.01 of the Lease Agreement, the Issuer will assign and pledge to the Purchaser all right, title and interest of the Issuer in and to the Lease Agreement (except for Unassigned Rights), including without limitation the right to receive payments of Basic Rent thereunder.

Section 705. Use and Possession by the Company. The Company will be permitted to possess, use and enjoy the Project Property as provided in the Lease Agreement.

Section 706. 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 Purchaser all the property and revenues and receipts pledged to the payment of the Bonds under this Indenture.

ARTICLE VIII- DEFAULT AND REMEDIES

Section 801. Events of Default. Each of the following events is a "Default:"

(a) Failure to pay any installment of principal of, interest on or the redemption price of the Bonds when due and such failure continues unremedied for a period of 30 days after the provision by the Issuer or Purchaser of written notice of non-payment;

(b) An Event of Default under the Lease Agreement occurs and is continuing;

or

(c) The Company fails to perform any other of its obligations under the Bonds, the Bond Documents or this Indenture, other than as described in subsections (b) and (b) above, and such failure continues unremedied for a period of 30 days after the provision by the Issuer or Purchaser of written notice of non-performance, unless the Purchaser shall agree in writing to the extension of such time period prior to its expiration.

Section 802. Acceleration. If a Default has occurred and is continuing, the Purchaser may by notice to the other Parties declare the then unpaid principal of and all accrued interest on the Bonds to be immediately due and payable. Upon such declaration the same will be immediately due and payable by the Company; provided, however, that the Purchaser, by written notice to the other Parties, may annul such declaration and destroy its effects and waive any such default if (i) all covenants, conditions and agreements with respect to which such default shall have been made, shall be fully performed, (iii) 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.

Section 803. Issuer and Depositary Not Responsible. Neither the Issuer nor the Depositary has any responsibility to act on behalf of the Purchaser with respect to any Default. All rights and remedies arising from or related to any Default are the rights and remedies of the Purchaser; provided that, upon request of the Purchaser, the Issuer, if legally permitted, 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 cost, expense (including any reasonable counsel fees and expenses) or liability the Issuer may incur or suffer as a result of or in connection with such cooperation, subject to the provisions concerning the appointment of a trustee set forth in Article X.

Section 804. Rights and Remedies of Purchaser. The Purchaser will not have the right to initiate 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 a 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 any mortgage or lien imposed by a Lender or Lenders or 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 premium, if any, and interest on the Bonds, 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 provided in this Indenture or in the Bonds.

Section 805. Lender Right to Cure Defaults.

(a) If a Default has occurred and is continuing under this Indenture of which the Company has been notified, the Lender or Lenders or any other mortgagee or assignee of the Company that holds an interest in the Project Property as security, and any other lender in connection with a Company Financing (the "Curing Party"), shall, provided that it delivers notice to the Issuer of its intent to cure such Default before the expiration of the applicable cure period set forth in Section 801 (the "Cure Notice"), at any time have the right, but not the obligation, to perform any act necessary to cure any such Default and to prevent the release and discharge of this Indenture. Such right to cure must be performed no later than sixty (60) days following the applicable cure period provided in Section 801.

(b) After Issuer's receipt of a Cure Notice Issuer, the Curing Party shall pay or cause to be paid all monetary charges payable by the Company under this Indenture which have accrued and are unpaid as of the date of the Cure Notice and those which accrue thereafter, and any charges, expenses, fees, and/or penalties that the Issuer may incur as the result of the Default after its receipt of the Cure Notice.

Section 806. Reserved.

ARTICLE IX– THE DEPOSITARY

Section 901. Acceptance of Duties. The Depositary accepts the duties imposed on it by this Indenture, but only on the following express terms and conditions:The Depositary undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and with

respect to delivery of a certificate of the Depositary under Section 7(e)(viii) of the Bond Purchase Agreement, and no implied covenants or obligations will be read into this Indenture against the Depositary.

(b) In the absence of gross negligence or willful misconduct on its part, the Depositary may conclusively rely on certificates or notices furnished to the Depositary and conforming on their faces to the requirements of this Indenture or the Lease 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 Lease Agreement, the Depositary will examine the same to determine whether they conform on their faces to the requirements of this Indenture or the Lease Agreement, as the case may be. Without limiting the foregoing, the Depositary may rely on information furnished by the Company including as to ownership of the Bonds.

(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 gross negligence or willful misconduct of the Depositary as determined pursuant to a final, non-appealable judgment of a court of competent jurisdiction. No provision of this Indenture will be construed to relieve the Depositary from liability for its own gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction.

(d) The Depositary may consult with counsel and other professionals and the advice of such counsel and other professionals will 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 therewith.

(f) The Depositary shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Depositary (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(g) The Depositary shall not be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder unless an adequate indemnity against such risk or liability is provided.

(h) The Depositary is authorized to obey and comply with all writs, orders, judgments or decrees issued by a court or an administrative agency having jurisdiction over the

matter affecting any money, documents or things held by the Depositary. The Depositary shall not be liable to any of the Parties hereto or any other person by reason of the Depositary's compliance with such writs, orders, judgments or decrees undertaken in good faith.

Section 902. Compensation. The Company will pay to the Depositary its reasonable fees and charges and all of its reasonable expenses (including reasonable counsel fees and expenses).Qualification. The Depositary must be an association or a corporation organized and doing business under the laws of the United States of America, be granted trust powers under such laws and be subject to supervision or examination by federal banking authorities. If at any time the Depositary ceases to be eligible in accordance with the provisions of this Section 903, it will resign immediately in the manner and with the effect specified in Section 904.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 905.

(b) The Depositary may resign at any time by providing written notice to the other Parties 10 business days prior to the resignation. 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' notice to the other Parties.

(d) The Depositary will be automatically removed on the occurrence of the later of (i) the Completion Date and the application of all monies on deposit in the Acquisition Account as provided in Section 606 or (ii) the date on which the Depositary no longer holds funds for payment of Related Costs. No successor Depositary will thereafter be appointed and each reference to the Depositary in this Indenture and the Lease Agreement will thereafter be ineffective.

(e) If the Depositary resigns or is removed (except as provided in subsection (d) of this Section 904), 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.

(f) The entity that served as Depositary and resigned or was removed shall continue to benefit from the indemnification, cost-reimbursement and liability protection provisions of this Agreement with respect to all times during which such entity served as Depositary, except to the extent that its actions constituted gross negligence or willful misconduct.

Section 905. 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 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 and monies held by it under this Indenture to its successor. The Issuer and the Purchaser will execute, acknowledge and deliver any instrument reasonably 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 that is merged or consolidated with or into the Person acting as Depositary, or to which all or substantially all of the corporate trust assets and business of the Depositary may be sold, will automatically become the successor Depositary.

ARTICLE X- SUPPLEMENTS AND AMENDMENTS TO INDENTURE

This Indenture may be supplemented or amended only by one or more instruments executed by the Issuer, the Purchaser, the Company and the Depositary, for so long as any obligations are outstanding under the Loan Agreement, the applicable Lender or Lenders. The Depositary will execute any such proposed supplement or amendment on the request of the Purchaser unless the Depositary determines in good faith that its rights or obligations under this Indenture would be adversely affected by such supplement or amendment. If the rights or obligations of the Depositary would be adversely affected by such supplement or amendment, as determined in good faith by the Depositary, the Depositary will have no liability for its refusal to enter into such supplement or amendment. Notwithstanding the generality of the foregoing, if the Purchaser gives notice to the Issuer, the Depositary and the Company of the Purchaser's desire to have a trustee appointed for the benefit of the Purchaser, to the extent permitted by law the Parties will cooperate in amending this Indenture to facilitate such appointment at the sole cost of the Purchaser. Nothing herein is intended to require the Issuer to act in a fiduciary capacity and if the Purchaser transfers the Bonds in compliance with the conditions set forth on the Bonds and if circumstances arise which would so require, the Issuer has the right to request that a trustee be appointed by and at the expense of the Company and the Parties will cooperate in amending this Indenture to facilitate the making of such appointment.

ARTICLE XI- MISCELLANEOUS PROVISIONS

Section 1101. 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 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 by nationally recognized commercial carrier service 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 Rio Rancho, New Mexico
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144
Attn: City Manager

Tel: 505.891.5000 (for use in connection with courier deliveries

If to the Purchaser: Quail Ranch Energy Storage Bond Holder LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

If to the Company: Quail Ranch Energy Storage LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

If to the Depositary: BOKF, N.A.
100 Sun Ave NE
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.

Section 1102. 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. Each such right or remedy is in addition to every other right or remedy provided in any of the Bond Documents or by law. 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 1103. 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 (and, in the case of Section 6.02 of the Lease Agreement only, the Indemnified Persons (as defined therein) and in the case of Section 6 of the Bond Purchase Agreement, the Indemnified Parties (as defined therein) any right, remedy or claim, legal or equitable.

Section 1104. Severability. In case any one or more of the provisions of any of the Bond Documents or of the Bonds is 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 Issuer 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 the Issuer to the full extent permitted by law.

Section 1105. Obligations of Issuer Not Obligations of Officials Individually. Except as described in Section 1116 of this Indenture, all obligations of the Issuer under the Bond Documents

and the Bonds will be deemed to be obligations of the Issuer to the full extent permitted by the Constitution and laws of the State. 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, members of the Governing Body) 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 1106. 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 such date.

Section 1107. Execution in Counterparts. Each of the Bond Documents may be executed in multiple counterparts, all of which taken together will constitute one and the same instrument. Delivery of a copy of any of the Bond Documents 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. Any Party may execute any of the Bond Documents by executing any such counterpart of such Bond Document.

Section 1108. Applicable Law. The validity, construction and effect of each of the Bond Documents will be governed by the law of the State applicable to agreements made and to be performed in the State without regard or effect given to conflict of laws rules that would require the application of the laws of any other jurisdiction.

Section 1109. Survival. The provisions of Sections 901 and 902 of this Indenture will survive payment of the Bonds and expiration or earlier termination of this Indenture.

Section 1110. No Violation of Public Policies Regarding Indemnity. To the extent, if at all, that any provision contained herein or in any related documents requiring one Party to indemnify, hold harmless, insure, or defend another Party (including such other Party's employees or agents) is found to be within the scope of NMS, Section 56-7-1 (2005), as amended from time to time ("Section 56-7-1"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-1 for its enforceability, then such provision, regardless of whether it makes reference to this or any other limitation provision, shall: (a) not 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 be further modified, if required, by the provisions of Section 56-7-1(B); (b) be enforced only to the extent that the liability, damages, losses or costs are caused by, or arise out of, the acts or omissions of the indemnitor or its officers, employees or agents; and (c) be further modified, if required, by the provisions of Section 56-7-1(B). Further, despite any other term or condition of this Indenture, to the extent, if at all, that any agreement, covenant, or promise to indemnify another Party (including such Party's employees or agents) contained herein or in any related documents, is found to be within the scope of NMSA 1978, Section 56-7-2 (2003), as amended from time to

time ("Section 56-7-2"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-2, for its enforceability, then, regardless of whether it makes reference to this or any other limitation provision, such agreement is not intended to, and it does not, indemnify such indemnitee against loss or liability for damages arising from: (i) the sole or concurrent negligence of such indemnitee or the agents or employees of such indemnitee; (ii) the sole or concurrent negligence of an independent contractor who is directly responsible to such indemnitee; or (iii) an accident that occurs in operations carried on at the direction or under the supervision of such indemnitee, an employee or representative of such indemnitee or in accordance with methods and means specified by such indemnitee or the employees or representatives of such indemnitee.

Section 1111. Successors. Whenever a Party is referred to in this Indenture, it shall be deemed to include its successors and permitted assigns, and all covenants and agreements in this Indenture will bind and inure to the benefit of such Party's successors and permitted assigns.

Section 1112. Title, Headings. The title and headings of the articles, sections and subsections 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 1113. Non-Merger. The provisions of this Indenture will survive the conveyance of the Project Property to the Issuer, the re-conveyance of the Project Property to the Company, and all other performances hereunder, and will not be deemed merged in any deed or other instrument or document delivered hereunder.

Section 1114. No Waiver. No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement, and in case of a breach by any Party of any covenant, agreement or undertaking, the non-defaulting Parties may nevertheless accept from the Party in breach any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 1115. Patriot Act. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable Law"), the Depositary is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Depositary. Accordingly, each of the Parties agree to provide to the Depositary, upon its reasonable request from time to time such identifying information and documentation as is readily available for such Party in order to enable the Depositary to comply with Applicable Law.

Section 1116. 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 Bond 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 Bond 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.

DATED AS OF JUNE _____, 2024.

Issuer:

ATTEST: CITY OF RIO RANCHO, NEW MEXICO

_____ By:_____
Rebecca A. Martinez, City Clerk Greggory D. Hull, Mayor

(SEAL)

STATE OF NEW MEXICO)
)
SANDOVAL COUNTY)

This instrument was acknowledged before me on June _____, 2024 by Greggory D. Hull as Mayor of the City of Rio Rancho, New Mexico.

_____
Notary Public

My commission expires:_____

Company:

QUAIL RANCH ENERGY STORAGE LLC,
a Delaware limited liability company
By: CRE-Quail Ranch ESS New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch ESS New Mexico LLC, the Sole Member of Quail Ranch Energy Storage LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

Depositary:

BOKF, N.A.

By _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on June _____, 2024 by _____ as _____ of BOKF, N.A.

_____
Notary Public

My commission expires:_____

Purchaser:

QUAIL RANCH ENERGY STORAGE BOND PURCHASER LLC,
a Delaware limited liability company
By: Quail Ranch Energy Storage LLC, its Sole Member
By: CRE-Quail Ranch ESS New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch ESS New Mexico LLC, the Sole Member of Quail Ranch Energy Storage LLC, the Sole Member of Quail Ranch Energy Storage Bond Purchaser LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

My commission expires:_____

EXHIBIT A

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND IS TRANSFERABLE ONLY UPON COMPLIANCE WITH THE RESTRICTIVE TERMS PROVIDED BELOW AND IN THE INDENTURE REFERRED TO BELOW

No. R-1 Up to $140,000,000

United States of America
State of New Mexico

City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bond
(QUAIL RANCH ENERGY STORAGE LLC Project)
Series 2024

Registered Owner: QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC

MATURITY DATE	INTEREST RATE	ISSUE DATE
June __, 2054	4% per annum	As of June _____, 2024

CITY OF RIO RANCHO, NEW MEXICO, a municipal corporation existing under the law 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 source described below, to QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC, a Delaware limited liability company (together with its successors and assigns, and transferees as permitted below, the "Purchaser"), on the Maturity Date, One and forty million dollars ($140,000,000) (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 source, to the Purchaser, interest at the Interest Rate (specified above) on such principal amounts advanced with respect to this Bond from the dates of such advances (computed on the basis of a 360-day year consisting of twelve 30-day months) payable annually on each June __ , beginning June __. 2025 until payment of such principal amount. The outstanding principal amount of the Bond plus all interest thereon is due and payable in full on the Maturity Date.

This Bond is issued under and pursuant to the Constitution and laws of the State of New Mexico, particularly NMSA 1978, Sections 3-32-1 to 3-32-16 as amended and pursuant to Ordinance No. __ adopted on May 23, 2024 duly adopted by the Issuer.

The principal of, interest on and redemption price of this Bond are payable solely from the Basic Rent derived by the Issuer from the Lease Agreement dated as of June _____, 2024 (the

"Lease Agreement") between the Issuer and QUAIL RANCH ENERGY STORAGE LLC (the "Company'), which Lease Agreement relates to a certain electric storage facility located within the City of Rio Rancho, New Mexico, , and which revenues have been pledged and assigned by the Issuer to the Purchaser under the Indenture dated as of June _____, 2024 (together with any amendments and supplements, the "Indenture") among the Issuer, the Purchaser, the Company and BOKF, N.A., as Depositary (the "Depositary").

Reference is made to the Indenture, the Lease Agreement, and the Bond Purchase 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, the transfer of the Bond, 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. By accepting this Bond, the holder accepts and undertakes to perform all of the obligations of the Purchaser.

NEITHER THE 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 LAWS OF THE STATE OF NEW MEXICO. THIS BOND 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.

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 a 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 responsibility to act on behalf of the Purchaser with respect to any Default.

The Purchaser is authorized to endorse on Schedule I attached to this Bond the date and amount of each advance by the Purchaser pursuant to Section 404 of the Indenture and each principal payment on and redemption in part of this Bond and the resulting principal amount. Failure to make any such endorsement or any error in such endorsement will not affect the rights or obligations of the Issuer or the Purchaser.

This Bond may be transferred in whole but not in part. 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 THE 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 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 RIO RANCHO, NEW MEXICO

By _____
Mayor

[SEAL]

Attest:

_____
City Clerk

(SEAL)

SCHEDULE I

PRINCIPAL DRAWS

Date	Amount of Advance	Amount of Principal Payment or Redemption	Resulting Principal Amount	Notation Made By

EXHIBIT B

REQUISITION AND CERTIFICATE NO. [___] (this "Requisition")

To: _____

BOKF, N.A., as Depositary
100 Sun Ave NE
Albuquerque, New Mexico 87109

The undersigned, pursuant to the Indenture dated as of June _____, 2024 (the "Indenture"), among City of Rio Rancho, New Mexico (the "Issuer"), QUAIL RANCH ENERGY STORAGE LLC (the "Company"), QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC ("Purchaser") and BOKF, N.A., as Depositary, requests on behalf of the Company the disbursement of $_____ from the Acquisition Account (as defined by reference in the Indenture) to pay the following Related Costs with respect to the Project (as defined in the Indenture) or to the issuance of the Bonds (as defined in the Indenture), as set forth on Schedule I attached hereto and incorporated herein by this reference:

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: _____

Authorized Company Representative:

QUAIL RANCH ENERGY STORAGE LLC,
a Delaware limited liability Company

By:_____
Name:_____
Title:_____

Schedule I
to Requisition and Certificate No. [____]
Payments from City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds
(QUAIL RANCH ENERGY STORAGE LLC Project)
Series 2024 Acquisition Account

Payment Date	Amount	Name of Payee	Account to which Payment is to be Made	Purpose/Description
	$			
	$_____ Total Amount of this Requisition			

EXHIBIT C

COMPLETION CERTIFICATE

The undersigned Authorized Company Representative, pursuant to Section 606 of the Indenture dated as of June _____, 2024 (the "Indenture"), among City of Rio Rancho, New Mexico (the "Issuer"), QUAIL RANCH ENERGY STORAGE LLC (the "Company"), QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC (the "Purchaser") and BOKF, N.A., as Depositary, states that, except for specified amounts remaining in the Acquisition Account for any Related Costs shown below and not now due and payable, the Project is complete in all material respects 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 monies in the Acquisition Account to the Company pursuant to Section 606 of the Indenture, the Company will have sole responsibility for the payment of any Related Cost in excess of the amount specified on Schedule I attached hereto and incorporated herein by this reference, to be retained in the Acquisition Account.

Schedule I
to Completion Certificate
QUAIL RANCH ENERGY STORAGE LLC

Related Costs not yet Due and Payable

Vendor Name	Amount	Description/For
	$_____ Total Related Costs Not Yet due and Payable	

DATED: _____

Authorized Company Representative:

QUAIL RANCH ENERGY STORAGE LLC,
a Delaware limited liability Company

By:_____

Name:_____

Title:_____

EXHIBIT D

CERTIFICATE OF QUALIFIED INVESTOR

City of Rio Rancho, New Mexico

BOKF, NA, as Depositary

Quail Ranch Energy Storage LLC

Re: City of Rio Rancho, New Mexico Taxable Industrial Revenue Bond (Quail Ranch Energy Storage LLC Project), Series 2024

Please be advised that the undersigned is purchasing the captioned Bond (hereinafter referred to as the "Bond"). 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 Bond, the undersigned shall comply with all provisions of the Indenture dated as of June _____, 2024 (as amended from time to time, the "Indenture"), among City of Rio Rancho, New Mexico (the "Issuer"), QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC (the "Purchaser"), QUAIL RANCH ENERGY STORAGE LLC (the "Company") and BOKF, NA (the "Depositary"), as described in the Bond. The undersigned has the knowledge and experience in financial and business matters and is capable of evaluating the risks of investing in the Bond. 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 before such transfer will be effective.

The undersigned acknowledges that it is one of the following (check all that apply):

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)(5)(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 his purchase exceeds $1,000,000;

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; and

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;

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. [ ], the parent thereof, or any affiliated entity.

The undersigned further acknowledges that (i) interest on the Bond 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 Bond and after such evaluation, the undersigned understands and knows that investment in the Bond involves certain risks, including, but not limited to, those related to limited security and source for payment of the Bond and the probable lack of any secondary market for the Bond.

The undersigned acknowledges, warrants and represents that the undersigned is experienced in transactions such as those relating to the Bond and that the undersigned is knowledgeable and fully capable of independently evaluating the risks involved in investing in the Bond. 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 Bond and acknowledges that the undersigned will not look and has not looked to any of them to obtain such information on its behalf.

QUAIL RANCH ENERGY STORAGE BOND HOLDER LLC,

a Delaware limited liability company

By QUAIL RANCH ENERGY STORAGE LLC, its sole member

By:_____

Name:

Title:

Address for Notices and
Payment of principal and interest:

CITY OF RIO RANCHO, NEW MEXICO

and

QUAIL RANCH ENERGY STORAGE LLC

LEASE AGREEMENT

Dated as of June _____, 2024

$ 140,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Energy Storage LLC Project)
Series 2024

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Exhibit A – Project Site and Project Site Leases
Exhibit B – Description of the Improvements and Equipment
Exhibit C – Anticipated Payment Schedule for the Bonds

CITY OF RIO RANCHO, NEW MEXICO, a municipal corporation existing under the law of the State of New Mexico (the "Issuer" or "City"), as lessor, and QUAIL RANCH ENERGY STORAGE LLC, a Delaware limited liability company authorized to do business in the State of New Mexico (the "State"), together with its successors and assigns (the "Company"), as lessee and as sublessee with respect to the Project Site Leases (as defined below), agree:

ARTICLE I
RECITALS

Section 1.01 Recitals.

A. The Company has requested that the Issuer issue its Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024 in a maximum principal amount not to exceed $ 140,000,000 (the "Bonds"). The proceeds of the Bonds will be used to finance the Project (defined below).

B. The Issuer is authorized under the Industrial Revenue Bond Act, NMSA 1978, Sections 3-32-1 to 3-32-16 as amended (the "Act") to acquire certain projects and issue its industrial revenue bonds in payment therefor and has determined that it is desirable to acquire the Project Property (defined below) pursuant to Ordinance No. __ adopted by the City Council of the Issuer on May 23, 2024 , (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 the date hereof (together with any and all amendments and supplements, the "Indenture") among the Issuer, the Company, Quail Ranch Energy Storage Bond Holder LLC, a Delaware limited liability company (together with its successors and assignees, and transferees of the Bonds, the "Purchaser") and BOKF, NA (the "Depositary").

D. The Bonds will be a special limited obligation of the Issuer payable 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 below).

E. The proceeds of the Bonds will be used to finance the Project (as defined below), and Project Property (as defined below) which is to be leased to the Company under this Lease Agreement (together with all amendments and supplements, this "Agreement").

F. The Company has subleased its rights under the Project Site Leases (as defined below) to the Issuer pursuant to the Sublease Agreement (as defined below). The Project Property, which includes the leasehold interest in the property subject to the Project Site Leases, is to be leased to the Company pursuant to this Agreement.

G. The Bonds will be secured by the Indenture which constitutes, among other things, a collateral pledge of this Agreement.

H. The Issuer deems it desirable, in the best interests of its residents and in accordance with the purposes of the Act, to issue its Bonds and make the proceeds thereof available to the Company pursuant to this Agreement for the purposes described above and in the Indenture.

I. The Bonds are to be purchased under a Bond Purchase Agreement dated as of the date hereof (together with any and all amendments and supplements, the "Bond Purchase Agreement"), among the Issuer, the Purchaser and the Company.

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 the Basic Rent (as defined below)).

ARTICLE II
DEFINITIONS AND RULES OF CONSTRUCTION

Section 2.01 Definitions. All words and terms defined in the Indenture have the same meanings when used in this Agreement. In addition:

"Acquisition Account" has the meaning assigned thereto in Section 601 of the Indenture.

"Additional Payments" has the meaning assigned in Section 5.04(b) of this Agreement.

"Affiliate" means any direct or indirect parent or subsidiary of a corporation or limited liability company.

"Agreement" or "Lease Agreement" means this Lease Agreement dated as of June _____, 2024 and any amendments or supplements thereto between the Issuer and the Company.

"Applicable Environmental Law" means 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 or pertaining to health or the environment, including, without limitation, CERCLA and RCRA, as each is amended and in effect from time to time.

"Authorized Company Representative" has the meaning assigned thereto in the Indenture.

"Basic Rent" has the meaning assigned in Section 5.04(a) of this Agreement.

"Bonds" means the City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024, in the principal amount of up to $ 140,000,000.

"Bond Counsel" means Sutin Thayer & Browne, A Professional Corporation, Albuquerque, New Mexico.

"Bond Documents" means collectively (i) this Agreement, (ii) the Sublease Agreement, (iii) the Indenture, and (iv) the Bond Purchase Agreement.

"Bond Ordinance" has the meaning assigned in Recital B above.

"Bond Purchase Agreement" has the meaning assigned in Recital I above.

"Business Day" has the meaning assigned in the Indenture.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Closing Date" has the meaning assigned thereto in the Bond Purchase Agreement.

"Company" has the meaning assigned in the preamble to this Agreement.

"Company Financing" means a transaction or series of transactions with the Lender or Lenders involving credit agreements, loan documents (including without limitation any Loan Agreement), letters of credit, and other instruments evidencing financial obligations to be secured by one or more mortgages, pledges, encumbrances, or other liens on the Project Property to which the Company, its members, or any subsidiary or Affiliate of the Company is a party, entered into or occurring at any time prior to the Closing Date or during the Term and after the date of initial delivery of the Bonds, for the purpose of obtaining financing or refinancing of any existing financing for the use by the Company, its parent, or any subsidiary or affiliate of the Company.

"Completion Date" has the meaning assigned in Section 4.04 of this Agreement.

"Default" has the meaning assigned in Section 801 of the Indenture.

"Depositary" has the meaning assigned in Recital C to this Agreement.

"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.

"Equipment" means that equipment and other personal property as described in Exhibit B attached hereto.

"Event of Default" has the meaning assigned in Section 8.01 of this Agreement.

"First Lender Mortgage" means, in connection with a Company Financing, any mortgage and all amendments, supplements, modifications and replacements thereof, which may be made by the Company for the benefit of the Lender or Lenders creating a lien on the Project Site and the Project Property, to which the Issuer's interest is subject.

"Improvements" means all improvements as to the Project Site, including but not limited to any buildings or other structures, the Equipment and all other equipment and personal property of any kind acquired with the proceeds of the Bonds prior to the Completion Date and is installed or located at the Project Site and used as part of the Project described in Exhibit B attached hereto.

"Indenture" has the meaning assigned in Recital C above.

"Issue Date" has the meaning assigned in the form of Bond attached as Exhibit A to the Indenture.

"Issuer" has the meaning assigned in the preamble to this Agreement.

"Issuance Costs" means items of expense related to the authorization, sale and issuance of the Bonds and authorization and execution of the Bond Documents, which items of expense will include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel fees, Issuer's financial advisor, Issuer's bond counsel and other contract counsel fees, initial fees of Depositary and other costs, charges and fees of the Issuer and the Company in connection with the foregoing.

"Leasehold Mortgage" means, in connection with a Company Financing, any leasehold mortgage and all amendments, supplements, modifications and replacements thereof, which may be made by the Company for the benefit of the Lender or Lenders and creating among other things, a lien on the Company's leasehold estate under this Agreement.

"Lender" or "Lenders" means those parties identified as a lender or lender(s) under any Loan Agreement entered into in connection with a Company Financing.

"Loan Agreement" means any loan or financing agreement entered into in connection with a Company Financing and evidencing the terms of the financing.

"Payment of the Bonds" means payment in full of the principal, interest on and redemption price of the Bonds in accordance with their terms and the provisions of the Indenture and payment of all fees and expenses of the Issuer, the Purchaser and the Depositary payable by the Company under the Indenture, the Agreement or the Bond Purchase Agreement.

"Person" means an individual, corporation, partnership, limited liability partnership, limited liability company, unincorporated organization, association, joint stock company, joint venture, trust, estate, real estate investment trust, government, agency or political subdivision or other entity, whether acting in an individual, fiduciary or other capacity.

"PILOT Payments" has the meaning assigned in Sections 4.13 and 4.14 of this Agreement.

"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, development, construction and equipping of the Project Property located within the boundaries of the Issuer and to be operated by the Company on the Project Site as an electrical battery storage facility, including without limitation all associated Improvements and Equipment.

"Project Property" means (i) any rights of the Company in, or related to, the Project Site owned or hereafter acquired under easements, agreements or leases and assigned or subleased by the Company to the Issuer (including, but not limited to, those rights subleased to the Issuer pursuant to the Sublease Agreement) and (ii) the Improvements.

"Project Site" means the real property located within the corporate boundaries of the Issuer upon which the Project is to be located and described in Exhibit A attached hereto as may be amended or supplemented from time to time pursuant to Section 4.02 of this Agreement.

"Project Site Leases" means jointly those certain lease and easement agreements that convey the Project Site to the Company as set forth in Exhibit A attached hereto.

"RCRA" means the Resource Conservation and Recovery Act of 1976, as amended.

"Related Costs" means expenditures incurred or to be incurred with respect to the Project, including, without limitation, the acquisition, installation, construction, equipping and commissioning of the Project Property and the Issuance Costs.

"Rent" means Basic Rent and any Additional Payments under this Agreement.

"School Districts" means collectively (and each individually a "School District") the Rio Rancho Public School District and the Albuquerque Public School District, being all of the school districts located within the City of Rio Rancho, New Mexico.

"State" means the State of New Mexico.

"Sublease Agreement" means that agreement pursuant to which the Company subleases its rights under the Project Site Leases to the Issuer.

"Term" means the period from (a) the date of the execution and delivery of this Agreement by the Issuer and the Company to (b) the earlier of (i) the date of Payment of the Bonds, (ii) the date of termination of this Agreement pursuant to Section 8.02(d), or (iii) June __, 2054June __. 2054.

"TRD" means the New Mexico Taxation and Revenue Department.

"Unassigned Rights" means the right of the Issuer to make all determinations and approvals and receive all notices accorded to it under this Agreement and to enforce in its name and for its own benefit the provisions of Sections 4.04 (notice rights only), 4.05 (gross receipts and compensating tax), 4.06 (compliance with the law), 4.12 (access and inspection), 4.13 (payments in lieu of tax to Issuer) 4.14 (payments in lieu of tax to school districts), 4.16 (termination of lease or cessation of operations), 4.17, 4.19, 4.22, 5.04(b), 6.02, 6.03, 6.04, 7.03 and 8.03 of this Agreement, with respect to Issuer fees and expenses; gross receipts and compensating tax; the right to access the Project; the PILOT Payments; reports to the Depositary and Issuer; environmental matters; transfer, assignment and subleasing and indemnity payments as the interests of the Issuer and related Persons may appear.

Section 2.02 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, recitals or exhibits are references to articles, recitals, 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 the Indenture.

ARTICLE III
REPRESENTATIONS

Section 3.01 Issuer Representations. The Issuer represents that, as of the date of delivery of this Agreement:

(a) The Issuer is a municipal corporation, organized and existing with home rule powers under the laws of the State and is authorized and has the power to enter into the transactions contemplated by, and to carry out its obligations under, the Bond Documents.

(b) The Issuer has duly authorized by the Bond Ordinance adopted at a meeting duly called and held, by the affirmative vote of not less than a majority of all of the members of its City Council (the "Governing Body"), 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 without limitation the acquisition of the Project Property and paying certain costs related to the issuance of the Bonds.

(c) To the knowledge of the Issuer, without independent investigation and without representation as to the validity or enforceability of the Bonds or the Bond Documents, (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.

(d) The Issuer finds and determines that the financing of the Project will be of economic and other benefit to the Issuer, and based upon the representations of the Company as to the location of the Project, the Project is entirely located within the City of Rio Rancho, New Mexico.

(e) No litigation, proceedings or investigations are pending or, to the knowledge of the Issuer, threatened against the Issuer at law or in equity before any court, tribunal, governmental authority or arbitration board, seeking to restrain, enjoin or limit the approval or issuance and delivery of the Bonds, the Indenture, the Bond Purchase Agreement, the Sublease Agreement, this Agreement or any other documents pertaining to the Bonds or the Bond Documents to which the Issuer is a party.

(f) To the knowledge of the Issuer, no member, officer or other official of the Issuer has any pecuniary interest whatsoever in the Company or the transactions contemplated by this Agreement.

Section 3.02 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 and under the laws of the State, and has duly authorized the execution, delivery and performance of the Sublease Agreement, this Agreement, the Indenture and the Bond Purchase Agreement.

(b) The Company has full legal right, power and authority to carry out and consummate the transactions contemplated by the Sublease Agreement, this Agreement, the Indenture and the Bond Purchase Agreement and to incur and perform the obligations provided for therein, all of which have been duly authorized by all proper and necessary action on the part of the Company. No consent or approval of any public authority or third party is required as a condition of validity of the Bond Documents except for such approvals and consents that have already been obtained. The Company has not received any written notice that the Project is not in material compliance with all laws and regulations to which it is subject.

(c) The execution, delivery and performance by the Company of the Sublease Agreement, this Agreement, the Indenture 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 where such conflict, contravention, violation, breach or default could reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under the Bond Documents.

(d) The Sublease Agreement, this Agreement, the Indenture 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) There is no action, suit, proceeding, inquiry or investigation by or before any court, public board or body pending or, to the actual 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, or (iii) questions the authority of the Company to own, lease or operate any of the Project Property.

(f) The Company has not received any written notice of any currently existing violation of any zoning, land use, environmental or other similar law or regulation applicable to the Project Site.

(g) This Agreement will serve as a financing agreement for the purpose of providing payment for the account of the Issuer of such revenues as will be sufficient to pay the principal and interest on, the Bonds, and providing that the Company will be obligated to pay for the maintenance of and insurance (including self-insurance requirements) on the Project as required by the Act. None of the proceeds of the Bonds will be used to provide working capital.

(h) Immediately prior to the effectiveness of the Sublease Agreement, the Project Site Leases are each valid and legally binding against the Company and, from and after the effectiveness of the Sublease Agreement, allow the Company to use the Project Site as tenant and allow the Company to sublease the Project Site to the Issuer for the purpose of developing and operating the Project subject to the terms and conditions set forth in the Project Site Leases. The Sublease Agreement constitutes a valid, legally binding lease by the Company to the Issuer of the Project Site described therein, to the extent of the rights of the Company under the Project Site Leases.

(i) All taxes and assessments due and payable by the Company have been paid or are being contested in good faith by appropriate proceedings, and the Company has filed all tax returns that it is required to file.

(j) The Company intends to complete the Project prior to the Completion Date and will cause to be paid all costs of the Project in excess of money available therefor in the Acquisition Account.

(k) 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.

(l) All necessary authorizations, approvals, consents and other orders of any governmental authority or agency for the execution and delivery by the Company of the Sublease Agreement, this Agreement, the Indenture and the Bond Purchase Agreement have been obtained and are in full force and effect.

(m) As agent for the Issuer, the Company proposes to acquire, construct, install and equip, or cause to be acquired, constructed installed and equipped, the Project. The Company will have sole responsibility for the installation, acquisition and equipping of the Project, and may perform the same, by itself or through affiliates, agents, contractors, subcontractors or others selected by it, in whatever lawful manner it deems necessary or advisable. With respect to such acquisition, construction installation and equipping, the Company will procure from the appropriate State, county, municipal and other authorities and corporations, connection and discharge arrangements for the supply of utility services for the operation of the Project.

(n) 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.

(o) The Project Property is located entirely within the corporate boundaries of the Issuer and the Project is an electric battery storage facility which does not require both location approval and a certificate of convenience and necessity prior to commencing construction or operation of the facility pursuant to the New Mexico Public Utility Act, NMSA 1978, Sections 62-3-1 to -5.

(p) 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.

(q) The Company acknowledges that the Issuer has made no warranty or representation, express or implied, that the amount in the Acquisition Account will be sufficient to pay the Related Costs or that the Project Property will be suitable for the Company's needs.

(r) No litigation at law or in equity nor any proceeding before any governmental agency or other tribunal involving the Company is pending or, to the knowledge of the Company, threatened, in which any liability of the Company is not adequately covered by insurance or otherwise, or in which any judgment or order would materially and adversely affect the Project, the validity of this Agreement, the Indenture, the Bond Purchase Agreement or the Sublease Agreement, or the performance of the Company's obligations thereunder or the transactions contemplated thereby.

(s) 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 Project Property, and all permits, licenses, consents and permissions necessary for the Project Property have been or will be obtained in due course.

The representations of the Company in this Section 3.02 and in any certificate or other instrument delivered by the Company pursuant to any of the Bond Documents or in connection with the transactions contemplated by the Bond Documents will survive the execution and delivery of this Agreement and the issuance, sale and delivery of the Bonds.

ARTICLE IV
THE PROJECT AND THE COMPANY

Section 4.01 Construction, Acquisition, Equipping and Completion. The Company will, on behalf of and as agent for the Issuer, construct, acquire, install and equip the Project and will undertake to complete the Project as promptly as practicable. On or prior to the date of issuance and delivery of the Bonds and execution of this Agreement, the Company has conveyed or caused to be conveyed to the Issuer, by sublease, bill of sale and/or such other appropriate transfer or conveyance documents as will vest title in the Issuer (the "Conveyancing Documents"), to all of the Company's interest in the Project Site under the Sublease Agreement and to any and all Improvements as may exist at that time and thereafter the Company shall transfer legal title to each additional relevant portion of the Improvements acquired by the Company as agent for the Issuer, so that title will vest in the Issuer pursuant to the Conveyancing Documents. All Improvements shall be paid out of proceeds of the Bonds to appropriate vendors or on a reimbursement basis to the Company pursuant to Section 602 of the Indenture. To the extent

reasonably possible, the Company will cause the Project to be completed with proceeds of issuance of the Bonds, and the Company will use its best reasonable efforts to cause the Purchaser to carry out its obligations to make advances under the Bonds. After installation, and other than removals in connection with repairs or replacements, the Improvements will at all times during the Term be located in or upon the Project Site. To the extent necessary, after proceeds of the Bonds have been exhausted, the Company will cause the Project to be completed with its own funds or other resources and it will not be entitled to reimbursement or reduction of the Basic Rent. The Company will obtain at the necessary time all licenses and permits required for the occupancy and operation of the Project Property.

Section 4.02 Plans and Specifications; Changes. The Company will maintain a set of plans and specifications for the Project during the period of installation and equipping which will be available to the Issuer and the Purchaser for inspection during the Company's regular business hours. In addition to its rights under Section 4.09 hereof, the Company may make changes, conveyances of rights and interests and take other action as provided under the terms of supplements, amendments and additions, omissions or substitutions for components of the Project Property (including, without limitation, the Project Site Leases) without the prior approval of the Issuer, provided however, that the Company shall not, without amending the Agreement as required by Section 11.14 hereof, make any such change, supplement, amendment, addition, omission or substitution which would make the description of the Project Property contained in Exhibit A and Exhibit B hereof materially inaccurate. At the sole cost of the Company, the Issuer, the Company, and the Purchaser will take such further actions as necessary to affect such change including without limitation executing, delivering, and recording a bill of sale and assignment and any amendments to the Project Site Leases, the Sublease Agreement and/or the other 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 results in the Bond proceeds being applied in a manner other than as provided in the Bond Documents.

Section 4.03 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 4.03 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 HEREAFTER IN EFFECT.

Section 4.04 Completion Date. The Company will complete the Project as promptly as practicable, but no later than three years after the Closing. On the date the Project is complete, in the sole opinion of the Company (the "Completion Date"), the Company will deliver to the Issuer and Depositary a certificate signed by an Authorized Company Representative stating that, except for specified amounts remaining in the Acquisition Account for any specified Related Costs incurred by the Company but not then due and payable, the Project is complete in all material respects and all material 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 Account to the Company pursuant to Section 606 of the Indenture, the Company will have the sole responsibility for the payment of any Related Costs in excess of the amount specified to be retained in the Acquisition Account.

Section 4.05 Gross Receipts and Compensating Tax. The Company will act as agent for the Issuer with respect to the Project and in acquisition of the Project Property. The Company, either on its own behalf or as agent for the Issuer pursuant to Section 4.01 hereto and this Section 4.05, will file returns for reporting and paying compensating tax which may be due because of the Project and will pay prior to delinquency, as a Related Cost, any gross receipts or compensating tax due from the Issuer under any such returns. To the extent consistent with State law, the Issuer will cooperate with the Company in the obtaining of Nontaxable Transaction Certificates ("NTTCs") to be issued to vendors and contractors by the Company, as agent for the Issuer, in order to permit the vendors and contractors to claim deductions available under the New Mexico Gross Receipts and Compensating Tax Act for their receipts from selling tangible personal property for the Project, to the Company, as agent for the Issuer. 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; provided, except as otherwise provided in Section 6.02 hereof, that the Company shall have no liability for any penalties or other charges related to any delay or default by the Issuer in the performance of its obligations under this Agreement. 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, provided the Company will not pursue a dispute without notice to the Issuer and will not pursue any dispute that, in the reasonable opinion of the Issuer, may materially and adversely affect the interests or rights of the Issuer. During the period of such contest and any related appeal, this Section 4.05 will be deemed satisfied with respect to the matters so contested. 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 NTTCs 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 Project or the Company's operations at the Project. The Company will employ NTTCs solely to purchase Project Property with proceeds of the Bonds, and will not employ NTTCs for purchases after the Completion Date. 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 with proceeds of the Bonds on the terms set forth herein, even if certain purchasing and delivery

documentation (including but not limited to receipts, invoices, and forms and corresponding documentation for the purchase of goods) may not expressly disclose or identify such agency relationship.

The Issuer and the Company understand that the receipts of vendors from the sale of tangible personal property to the Issuer, which tangible personal property is included in the Project Property (but excluding certain "construction material", as defined in NMSA 1978, Section 7-9-3.4(B) (2003) and modified at NMSA 1978, Section 7-9-54(A)(3) (2018)), will be deductible from gross receipts or governmental gross receipts, and exempt from compensating tax, to the extent permitted by NMSA 1978, Sections 7-9-14 (2001) and 7-9-54 (2018) and 3.2.212.22 NMAC and sections of the New Mexico Statutes Annotated (NMSA) and the New Mexico Administrative Code (NMAC) under which such provisions or similar provisions may be codified or renumbered in the future. The deduction from gross receipts or governmental gross receipts, and the exemption from the compensating tax, will not apply to purchases of Project Property except as provided in the preceding sentence, and except as contemplated in the preceding sentence, the Company will not be authorized by this Agreement to provide NTTCs to vendors.

Section 4.06 Compliance With Law. The Company will obtain or cause to be obtained all necessary permits and approvals for the construction, occupancy, operation and maintenance of the Project Property and will comply in all material respects with all Applicable Environmental Laws and any applicable laws and requirements of any governmental body, agency or department. The Company may in good faith contest the validity or the applicability of any such law or requirement. During the period of such contest and any related appeal, this Section 4.06 will be deemed satisfied with respect to the law or requirement so contested.

To the extent that the use which the Company makes of the Project Property results 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 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.F.R. 172.101) and amendments thereto from time to time.

The Company agrees to promptly notify the Purchaser and the Issuer of any violation or alleged violation of any Applicable Environmental Laws of which the Company receives written notice.

The Company shall, at the Company's sole cost and expense, remove or take remedial action as and to the extent required by Applicable Environmental Laws with regard to any hazardous substance brought onto the Project Site by the Company or its employees, agents or contractors. If the Company fails to timely take any action required under this Section 4.06 after written notice from the applicable governmental entity having jurisdiction under Applicable

Environmental Laws, the Issuer may, but shall have no obligation to, perform or arrange for the performance of such action and the Company shall, promptly upon demand therefor, reimburse the Issuer for all reasonable and customary costs actually incurred by the Issuer in connection with the completion of such performance. The Company shall indemnify, defend, protect and hold the Issuer and the members of the Issuer's Governing Body, its employees and agents free and harmless from any liability (including, without limitation, costs, reasonable attorneys and consulting fees, investigation and laboratory fees and litigation expenses) arising out of (a) a release of any hazardous substance in, on or under the Project Site caused by the Company or its employees, agents, or contractors or (b) the violation by the Company or its employees, agents or contractors of any Applicable Environmental Laws at the Project Site. The indemnity obligations stated in this Section 4.06: (i) are in addition to the other indemnity obligations of Company hereunder, and shall survive the termination of this Agreement, but (ii) shall specifically exclude any liabilities or amounts arising out of or related to the gross negligence or willful misconduct of the Issuer or any of the members of the Issuer's governing body or its employees or agents.

Section 4.07 Taxes and Utility Charges. The Company will pay or cause to be paid, as and when due, (a) 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, (b) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project Property and (c) 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 4.07 will be deemed satisfied with respect to any such levy, tax, assessment or other charge so contested.

Section 4.08 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 good repair and in such operating condition as is needed, in the Company's sole discretion, for its operations and make all necessary repairs and replacements to the Project Property (whether ordinary, extraordinary, structural, nonstructural, foreseen and unforeseen).

Section 4.09 Replacement and Removal of Project Property. In addition to its rights under Section 4.02 hereof, the Company, from time to time, may replace any machinery, equipment or fixtures constituting a part of the Project Property and 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 the reasonable 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 4.09 to be so replaced or removed. The provisions of Section 10.1 hereof govern the form of any such instruments. The Company may acquire machinery, equipment or other property (other than fixtures) which does not constitute a part of the Project Property; title to such property will not thereby be transferred to the Issuer. . The removal from the Project of any of the Improvements, 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, or 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 4.10 Eminent Domain; Damage; Destruction. The Company will give prompt notice to the Issuer and the Purchaser of any damage to or destruction of the Project Property that results in the Project no longer being a qualified "project" as defined in and as contemplated by the Act. 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 or with respect to or from any damage to or destruction of all or any portion of the Project Property shall be applied to the prepayment of the Bond or paid to the Company.

Section 4.11 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 comprehensive general liability insurance against liability for (a) 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 (b) if the Company has employees, claims 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 4.12 Access and Inspection. Subject to the terms of the easements applicable to the Project Site and the Project Site Leases, the Company will give the Issuer, the Purchaser and their duly authorized agents during regular business hours, upon two (2) Business Days' prior notice, such rights of access and entry onto the Project Site for any reasonable purpose of the Issuer or the Purchaser, as applicable, contemplated by this Agreement. At the sole option of the Company, any such access or entry shall include being escorted by a representative of the Company. During any such access or entry, the Issuer and Purchaser shall comply with all safety related rules and policies of the Company or its contractors. 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 Payments in Lieu of Tax 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 and received by the Issuer shall be for each year shall be as set forth on Exhibit D (such total amount, the "Total PILOT"), of which a portion shall be paid to and retained by the Issuer as the Issuer PILOT (as set forth on Exhibit D) and a portion of which shall be paid to the School Districts as the School District PILOTs (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. Such PILOT payments will be made in full annually on or before the anniversary date of this Agreement of each year during the Bond Term, with the initial PILOT installment due on the

next occurring November 1 following the Closing, in the amount of the Issuer PILOT pro rated to reflect the period from the Closing to the next occurring November 1.

The Company shall make an annual fixed payment in lieu of taxes to the Issuer (the "Issuer PILOT") in the amount set forth on Exhibit D, initially pro rated as set forth in the immediately preceding paragraph and, thereafter, on each succeeding November 1 during the Term (each such payment date, a "PILOT Payment Date"), such Issuer's PILOT amount representing the Issuer's respective portion of the Total PILOT as set forth on Exhibit D.

Section 4.14 Payments in Lieu of Tax to School Districts.

(a) The Company shall make an aggregate annual fixed payment in lieu of taxes to each of the School Districts in the amounts set forth on Exhibit D on each PILOT Payment Date through the Final PILOT Payment Date(the "School District PILOTs" and when considered together with the Issuer PILOT, the "PILOT Payments"), provided, that the initial payment of the School District PILOT shall be pro rated in the manner described in the immediately preceding paragraph in connection with the Issuer PILOT, and shall be paid on the PILOT Payment Date as provided in Section 4.13 hereof.

(b) The School District PILOTs set forth in Section 4.14(a) hereof have 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.

(c) All payments of the School District PILOTs shall be paid by check or by wire transfer directly by the Company to each of the School Districts and the Company shall coordinate all such payments of School District PILOTS directly with each of the School Districts.

Section 4.15 [Reserved]

Section 4.16 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 4.17 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).

Termination of Lease or Cessation of Operations; Assessment in the Company's Name. Subject to the Facilities Closure Claw back provision of this Agreement, in the event the Company terminates this Agreement or if there is a cessation of operations of the Project (other than the Temporary Cessation or Interruption of Operations as defined in Section hereof), the Company will take all necessary action to have the Project Property assessed for property tax purposes in the name of the Company promptly following termination of the Agreement or cessation of operations. Subject to the Facilities Closure Claw back provision of this Agreement, effective as of the date of termination, the Company's obligation to pay any future PILOT Payments shall cease and the Company shall not be liable for any such PILOT Payments due and payable after the termination date or cessation date, provided that the Company or the successor in interest in the Project Property shall be liable for property taxes thereafter levied on the Project Property.

If this Agreement has not been terminated on or before June __, 2054 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 30 days before June __, 2054, and the Company will pay all ad valorem taxes on the Project Property from and after June __, 2054. If the Project Property must be conveyed to the Company to accomplish such assessment, 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 June __, 2054, the Issuer may execute, deliver and cause to be recorded, at the expense of the Company a bill of sale and such other conveyance documents 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 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 4.19 Use of Project Property; Nuisance. Following the Completion Date, the Company will use or cause the Project Property to be used, and Issuer grants the Company the full right to use, or cause the Project Property to be used continuously during the Term 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 4.18, "continuously" means regularly and on

a schedule consistent with that of similar facilities in the State. Temporary cessation or interruption of operations, cessation of operations during holiday periods or any outbreak, epidemic, pandemic, or an escalation of hostilities or other national or international calamity or crisis, for maintenance or retooling, for reasonable periods for the repair or replacement of facilities damaged or destroyed, resulting from labor disputes, strikes or because of short-term slack demand, riots or acts of God or the public enemy, terror attacks, shortages of materials or supplies, inclement or destructive weather conditions, or any other reason beyond the reasonable control of the Company, or other similar circumstances (collectively, the "Temporary Cessation or Interruption of Operations") will not constitute a failure by the Company to comply with this Section 4.18.

The Company will use reasonable care to not commit a nuisance in connection with its use or occupancy of the Project Property.

Section 4.20 Reserved.

Section 4.21 Obligations Under Project Site Leases. Company will make all payments and perform all obligations of the grantee/tenant under the Project Site Leases. The Company may, in good faith, contest its obligation to pay or perform under the Project Site Leases in appropriate legal or other proceedings. During the period for such contest and any related appeal, this Section 4.20 will be deemed satisfied with respect to such payment or obligation so contested.

Section 4.22 Contracts Relating to the Project Property. Company may enter into or amend, modify or supplement contracts relating to the Project Property, including without limitation the Project Site Leases, without the consent of Issuer, provided that such contract, amendment, modification or supplement will not change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act or impose any liability on Issuer and that such contract, amendment, modification or supplement will not change the description of the Project Property set forth herein.

Section 4.23 Restrictive Covenants. The Company will comply with all applicable restrictive covenants, if any, which run with and bind the Project Site.

Section 4.24 [Reserved]

Section 4.25 Facilities Closure Clawback. If the Company ceases operations of the Project in the Issuer or fails to operate the Project Property on or before the five year anniversary date of this Agreement, the Company will repay to the Issuer 100% of the *ad valorem* taxes on the Project Property that the Company would have been required to pay if the Bond had not been issued by the Issuer and the Project Property had been subject to *ad valorem* taxation. The abated tax shall be calculated using mill levies and actual property tax valuations and rates for each tax year. Any PILOT payments previously made by the Company to the Issuer will be credited towards the payment of such amount; provided that in no event shall the Company be required to pay more than 100% of the abated tax.

ARTICLE V
LEASE; TERM; POSSESSION; RENT

Section 5.01 Lease of the Project Property; Term. In consideration of the payment of Rent and for other good and valuable consideration, the Issuer leases the Project Property to the Company for the Term, subject to the terms and conditions of this Agreement.

Section 5.02 Quiet Enjoyment. The Issuer will not take any action, other than as provided in this Agreement, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project Property during the Term (except to the extent the Issuer is acting solely in its capacity as a governmental entity with power of Eminent Domain, in which event the provisions of Section 4.10 hereof, shall control and the Company shall have all rights against the Issuer that any other party subject to Eminent Domain may have to recover for any interest taken) and will, at the reasonable 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 against any third party.

Section 5.03 Project Site Leases. Issuer will not terminate, accept termination, amend, modify or waive provisions of the Project Site Leases without Company's prior written approval, which may be given or withheld in Company's sole and absolute discretion.

Section 5.04 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 necessary 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 (collectively, the "Basic Rent"). A copy of the anticipated payment schedule for the Bonds is attached hereto as Exhibit C. The parties acknowledge that the Company may pay, discharge and redeem the Bonds for the account of the Issuer by offsetting amounts owed under the Bonds to the Purchaser against monies due and payable 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 advances on the Bonds under the Indenture.

(b) The Company will also make the following payments (the "Additional Payments") to or on behalf of the Issuer, all actual and customary out-of-pocket costs and expenses (including, but not limited to, financial advisor fees, counsel fees, whether contract municipal attorney fees, bond counsel or any other counsel representing the Issuer in connection with matters arising under this Lease Agreement) actually paid or incurred by the Issuer in connection with: (i) the negotiation, preparation, approval, execution and delivery of the Bonds, the Indenture, this Agreement, the Sublease Agreement and the other documents and instruments related hereto and thereto; (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, during or after the Term of any of the rights or remedies of the Issuer 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 or Lenders.

Section 5.05 Obligations Unconditional; Rights of Offset

(a) Except as otherwise provided in Section 5.05(b) below, the obligation of the Company to pay Rent and to perform its other obligations under this Agreement is absolute and unconditional and will not be subject to diminution by setoff, counterclaim, abatement or otherwise, whether as a result of 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 any of its obligations under this Agreement, the Company may, subject to the limitations imposed by Section 11.03 hereof, initiate such action against the Issuer as the Company may deem necessary to compel such performance of the obligations of the Issuer set forth under Section 4.05 (Gross Receipts and Compensating Tax), Section 5.02 (Quiet Enjoyment), Section 7 (Assignment of Rights), Section 7.02 (No Other Transfers by Issuer), and Article X (Purchase of Project Property). 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, at the Company's expense; 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 foregoing provisions of this Section 5.05, 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 necessary to make all payments of principal of, interest on, and redemption price of the Bonds 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 by the Company 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 602 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 7.01 hereof, the Issuer will assign and pledge to the Purchaser certain of its rights, title and interests in and to this Agreement including without limitation the right to receive payments of Basic Rent hereunder.

Section 5.06 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 5.05(b) hereof, free of any deductions and without abatement, diminution or setoff.

ARTICLE VI
SPECIAL COVENANTS

Section 6.01 Recording and Filing; Further Assurances. The Issuer and the Company will, at the direction of the Purchaser or of the senior secured lenders of the Purchaser or the

Company, including the Lender or Lenders, or an agent therefor (which shall be deemed beneficiaries of this provision) and 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 or the Company in the Project Property, including, without limitation, the filing of financing statements and continuation statements and the execution, acknowledgment, delivery, filing and recordation of any other necessary agreements and instruments as may reasonably be required in carrying out the intention of or facilitating the performance of this Agreement. The Issuer will cooperate with the Company in all such matters.

Section 6.02 Release and Indemnification.

(a) The Company releases the Issuer and members of its Governing Body, officers, employees, designated representatives, agents or other elected or appointed officials of the Issuer, past, present or future (collectively, hereinafter the "Indemnified Persons") from, and the Company will indemnify and hold the Indemnified Persons harmless from and against, any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature (the "Losses") asserted by or on behalf of any Person against the Indemnified Persons, including litigation expenses, attorney's fees or court costs in connection with (i) the execution and delivery of this Agreement and the Bond Documents and the obligations imposed on the Issuer under this Agreement and the Indenture, any actions taken by the Issuer in connection with the performance of this Agreement and the Issuer's legal ownership or leasing of the Project Property; (ii) the offering, sale, delivery, or remarketing of the Bonds including but not limited to any liability that may arise under federal or New Mexico securities laws 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; (iii) the construction, equipping, operation, use, occupancy and maintenance of the Project by the Company and/or its affiliates and any written statements or representations made or given by the Company and/or an affiliate or any of their respective officers or employees to the Indemnified Persons, with respect to such construction, equipping, operation, use, occupancy or maintenance of the Project, including, but not limited to, statements or representations of facts and other information regarding the operational affairs and financial position of the Company; (iv) any loss or damage to property or any injury to or death of any natural person that may be occasioned by any cause whatsoever relating to the operation, installation, maintenance and use of the Project Property; (v) 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; and (vi) any loss or damage incurred by the Issuer as a result of violation by the Company of the provisions of Section 3.02 hereof or with any other requirements of this Agreement (vii) 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 of performance of this Agreement, actions taken under the Indenture, the ownership or leasing of the Project Property or any other cause whatsoever pertaining to the Project Property; and (viii) any claim, action or proceeding brought with respect to the matters set forth in clauses (i) through (vii). The Company also covenants and agrees, at its expense, to indemnify the Indemnified Persons from and against, all costs, reasonable attorney's fees, expenses and liabilities incurred

involving any claim, action or proceeding brought by reason of any such claim. If any such suit, action or proceeding is brought against the Issuer or any Indemnified Person, that suit, action or proceeding will be defended by counsel to the Company, reasonably acceptable to the Issuer and the Company will immediately assume the defense at its own cost.

In case any action or proceeding is brought against any Indemnified Persons 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 Indemnitee 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 Indemnified Persons with respect to any settlement entered into by such Indemnified Persons without the prior consent of the Company (which consent will not be unreasonably withheld)

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 Bond, 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 Bond 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.

(b) The Company will also indemnify the Issuer or any Indemnified Person for all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Company under this Agreement or any related agreement, (ii) taking any action requested by the Company, (iii) taking any action required by this Agreement or any related agreement or (iv) taking any action considered necessary by the Issuer and which is authorized by this Agreement or any related agreement.

(c) The provisions of this Section will be enforceable by the Issuer to the full extent permitted by law, but the Company will not be obligated to indemnify the Issuer or any other Indemnified Person(s) under subsections (a) and (b) of this Section 6.02, to the extent any Losses are caused or occasioned by the gross negligence or willful misconduct of the Issuer or any other Indemnified Person(s) or if a court of competent jurisdiction finds that the Losses in question were caused by the willful misconduct or negligence of the Issuer or the involved Indemnified Person(s). The provisions of this Section will survive the payment of the Bond and the termination of this Agreement.

Section 6.03 GASB77 and GASB 91 Reporting Information. The Company shall provide, promptly upon the Issuer's request, annually or more frequently if the Issuer so requests, such information concerning (a) expenditures of proceeds of the Bonds; (b) the estimated value of

the Project Property; (c) estimates of the amounts and types of tax avoided by virtue of the issuance of all industrial revenue bonds by the Issuer for the benefit of the Company; (d) the balance of outstanding indebtedness in connection with all industrial revenue bonds issued by the Issuer for the benefit of the Company Bonds; and (e) all other information reasonably requested by the Issuer for the purpose of the Issuer's annual disclosure of tax expenditures under Statement No. 77 and Statement No. 91 of the Governmental Accounting Standards Board ("GASB77" and "GASB 91", respectively).

Section 6.04 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 claim is asserted or 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, and the Company will have the sole right and duty to assume the defenses of the same and will have the power to litigate, compromise or settle the same.

ARTICLE VII
ASSIGNMENT, LEASING AND SELLING

Section 7.01 Assignment of Rights by the Issuer. As security for the payment of the Bonds, the Issuer will assign and pledge to the Purchaser all right, title and interest of the Issuer in this Agreement (other than the Unassigned Rights), including, without limitation, the Basic Rent, and hereby directs the Company to make such Basic Rent payments directly to the Purchaser, and will grant to the Purchaser a security interest in the Project Property. The Company consents to such assignment and pledge and grant and agrees that it will make payments directly to the Purchaser without defense or setoff by reason of any dispute between the Company and the Issuer or the Purchaser, and hereby further agrees that its obligations to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. The Purchaser is an intended third party beneficiary of the Company's obligations in this Agreement.

Section 7.02 No Other Transfer by Issuer. Except for the assignment described in Section 7.01 and Article X hereof or transfer to the Company in accordance with Section 4.16 or , 8.03, 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. The parties agree that the Company will be entitled to injunctive relief and specific performance (in addition to any other remedies available to it at law or in equity) to enforce the provisions of this Section 7.02.

Section 7.03 Assignment, Lease, Mortgage and Sale by the Company. If the Company is not in default under this Agreement, the rights of the Company under this Agreement may be assigned, and the rights of the Company in the Project Property may be assigned, leased, subleased, mortgaged, encumbered or sold as a whole or in part by the Company. No such assignment, lease, sublease, mortgage or sale will relieve the Company from liability for making payments of Rent or the Additional Payments and for the performance of its other obligations under this Agreement to the same extent as though no assignment, lease, sublease, mortgage or sale had been made, unless (i) such assignment, lease, sublease, mortgage or sale is to an Affiliate

of the Company, or (ii) with the written consent of the Issuer and the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed. If an assignment is made to a person or entity that qualifies under Section 7.3(a)(i), then, in such event, the Company, as transferor, shall be relieved from all further liability under this Agreement from and after the effective date of such assignment the transferee shall thereafter be the "Company" for all purposes hereunder. If a transfer is consented to by the Issuer and the Purchaser under this Section 7.3(a)(ii), then, in such event, the transferee shall thereafter be the "Company" for all purposes, but the transferor shall be relieved of all further liability under this Agreement from and after the effective date of such transfer only to such extent as may be set forth in such consent. To the extent required by the Purchaser or the Issuer, any assignee, lessee, sublessee or purchaser of all of the Company's interest in this Agreement or of the Project Property will assume in writing the obligations of the Company under this Agreement.

The Company will, not more than sixty (60) nor less than thirty (30) days before the effective date of any assignment, lease, sublease, mortgage, or sale described in Section 7.3(a), furnish or cause to be furnished to the Issuer and the Purchaser a true and substantially complete copy of such proposed assignment, lease, sublease, mortgage or purchase contract, and to the extent applicable, such assumption. On the effective date of any such assignment, lease, sublease, mortgage or sale, the Company will, at the request of the Issuer or the Purchaser and at the expense of the Company, deliver to the requesting Party an opinion of counsel to the Company to the effect that such assignment, lease, sublease, mortgage or sale has been duly authorized by the Company, does not violate with applicable federal or State law, and does not affect the status of the Project as a "project" under the Act.

Section 7.04 Lender Mortgages.

The Company and the Issuer agree that so long as any First Lender Mortgage and/or Leasehold Mortgage is in effect and has not been discharged or reconveyed, or until written notice of discharge and reconveyance is given by the Company to the Issuer, the following provisions will apply:

(a) No termination, cancellation, surrender, amendment, modification or supplement to this Agreement or the Sublease Agreement by the Company, nor the waiver by the Company of any of the provisions of this Agreement or the Sublease Agreement nor the giving by the Company of any consent, will be effective as to the Lender or Lenders unless consented to in writing by the Lender or Lenders.

(b) The Issuer, upon providing the Company any notice of (i) default under this Agreement or the Sublease Agreement or (ii) a matter on which the Issuer may predicate or claim a default, will at the same time provide a copy of such notice to the Lender or Lenders. The Issuer will have no liability for the failure to give any such notice, except that no such notice by the Issuer to Company will be deemed to have been duly given to the Lender or Lenders unless and until a copy thereof has been so provided to the Lender or Lenders. The Company will provide the Lender or Lenders with copies of all notices delivered to the Issuer under this Agreement, the Sublease Agreement and the Indenture.

(c) So long as any Leasehold Mortgage is in existence, unless the Lender or Lenders otherwise expressly consent in writing, title to the Project held by the Issuer and the

leasehold estate of the Company created by this Agreement will not merge but will remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by the Issuer or by the Company or by a third party, by purchase or otherwise.

(d) Notices from the Issuer to the Lender or Lenders will be mailed to the respective address of the Lender or Lenders set forth in Section 11.05 and those notices from the Lender or Lenders to the Issuer will be mailed to the address designated pursuant to the provisions of this Agreement. Such notices, demands and requests will be given in the manner described in this Agreement.

(e) The Issuer acknowledges that, in the event of damage to the Improvements on the Project due to casualty or condemnation, the casualty insurance proceeds or condemnation proceeds, as the case may be, will be applied in accordance with the terms of any First Lender Mortgage to the extent contemplated therein. In the event of any conflict between the provisions of this Agreement and the provisions of any First Lender Mortgage with respect to application of casualty and condemnation proceeds, the provisions of any First Lender Mortgage will control.

(f) Notwithstanding any provisions of this Agreement to the contrary, no default or event of default under a Loan Agreement or any other document or instrument evidencing or securing the indebtedness secured by any First Lender Mortgage and/or Leasehold Mortgage will, in and of itself, constitute a default or event of default under this Agreement.

(g) Issuer will not encumber Issuer's interest in the Project Property or assign Issuer's interest in this Agreement, except as Issuer has previously done pursuant to the Indenture or as permitted by this Agreement.

(h) Upon compliance with the provisions of Section 7.03 hereof, the Company, from time to time will have (i) the right to assign its right, title, and interest in this Agreement and in the Project, (ii) the right to sublease all or any part of the Project, (iii) the right to mortgage or otherwise encumber its right, title and interest in this Agreement and in the Project, and (iv) the right to use the Project for any lawful purpose; provided that any such use does not cause the Project to cease being qualified as a "project" as defined in and as contemplated by the Act.

(i) As long as any Lender or Lenders (including without limitation any of their successors and assigns) holds any mortgages, security deeds or deeds of trust, including without limitation any First Lender Mortgage and/or Leasehold Mortgage, in the leasehold estate of the Company hereunder, the Company will have the right, but not the obligation to cure any defaults under this Agreement as provided in Section 8.06 hereof, and the rights of the Issuer upon default shall remain.

(j) In the event of the foreclosure upon the rights of the Company in this Agreement (or acceptance of a deed in lieu of foreclosure), if the interests of the Issuer hereunder are not foreclosed, this Agreement shall remain in full force and effect, and the purchaser at foreclosure shall succeed to all of the rights and obligations of the Company hereunder with the consent of the Issuer and without the consent of any other Person. In that event, the Issuer will execute and deliver any reasonable requested documents to confirm such succession and the rights and obligations of the succeeding party, at the sole expense of the succeeding party.

(k) The Company's obligation to make Basic Rent payments under this Agreement is subordinate to the Company's obligations under a Loan Agreement.

(l) Upon the Company's or Lender's request, Issuer agrees to waive for the benefit of the Lender or Lenders any landlord's lien that arises by virtue of the agreements of the Company under this Agreement or pursuant to NMSA 1978, Section 48-3-5 (1997) or similar or successor statutes, and enter into a commercially standard access agreement as to collateral on which the Lender or Lenders have a lien to the extent the collateral secures the obligations of the Company under any Loan Agreement.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default Defined. Each of the following events is an "Event of Default:"

(a) Failure by the Company to make any Rent payment when due which continues unremedied for a period of thirty (30) days after notice of non-payment by the Issuer or the Purchaser.

(b) Any representation or warranty 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 Issuer or the Purchaser, unless such error cannot be remedied within thirty (30) days and the Company has initiated corrective action within thirty (30) days after such notice and diligently pursues such action until such failure is remedied.

(c) A decree or order for relief by a court of competent jurisdiction is entered against the Company 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 the affairs of the Company, and the continuance of any such decree or order remains 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 insolvency of the Company shall be grounds for default as long as Basic Rent, Additional Payments, including the PILOT Payments, and 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 material obligations under this Agreement, other than the payment of Rent, 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 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.

(e) Failure by the Company to make the PILOT Payments required by Sections 4.13 and 4.14 of this Agreement when due.

Section 8.02 Remedies on Default. If an Event of Default occurs and is continuing, the Purchaser and only the Purchaser, 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 Rent payable for the remainder of the Term as are required to provide for Payment of the Bonds and all Additional Payments, PILOT 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 and the Sublease Agreement; provided, however, that upon any such termination, the Issuer shall immediately re-convey the Project Property to the Company in accordance with Article X hereof.

In the enforcement of the remedies provided in this Section 8.02, the Purchaser, as the assignee of the Issuer and on behalf of the Issuer, will treat all expenses of enforcement, including, without limitation, legal, accounting and advertising fees, as Additional Payments then due and owing. As the assignee of the Issuer, the Purchaser has sole responsibility for the exercise of any remedies if an Event of Default occurs and is continuing except to the extent provided in Section 8.03 hereof.

Section 8.03 Issuer Remedies.

(a) If an Event of Default by the Company has occurred with respect to its obligations set forth in Sections 4.04, 4.05, 4.06, 4.07, 4.08, 4.12, 4.13, 4.14, 4.16, 4.17, 4.18, 5.04(b), 6.02, 6.03, 6.04, 7.03 and 8.01(d)] and such failure continues for sixty (60) days after the Issuer, or with respect to the obligations set forth in Sections 4.14 hereof, either or both Schools District give the Company notice of such failure; or

(b) the Company fails to comply with its obligations under 5.04(a), and such failure continues for thirty (30) days after the Issuer or Purchaser or its assigns gives the Company written notice of such failure, and the Purchaser or its assignee exercises any of the remedies provided in Section 8.02 hereof with respect to 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 and remains incorrect for a period of thirty (30) days after written notice,

then, the Issuer shall have the right to immediately terminate this Agreement, terminate the Sublease Agreement and take all steps necessary to have the Project Property immediately assessed for property tax purposes in the name of the Company, including without limitation, re-conveying the Project Property to the Company in accordance with Article X hereof and retaining a lien against and security interest in the Project Property securing payments of all amounts owed to Issuer or to either or both School Districts under this Agreement; provided, however if any Event of Default described in this Section 8.03 is not related to the payment of money and cannot be cured within the time allotted for cure, so long as the Company initiates and proceeds with due diligence to effect a cure, and the Company cures the default, Issuer shall not be entitled to have the Project Property assessed in the name of the Company and re-conveyed to the Company in accordance with Article X hereof .

Section 8.04 Notice of Default. The Company will promptly give notice to the Purchaser and the Issuer of the occurrence of any Event of Default following written notice thereof from the Purchaser or Issuer.

Section 8.05 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 of this Agreement, the Company will reimburse the Issuer for such reasonable expenses so incurred, upon demand as evidenced by written notice from the Issuer.

Section 8.06 Right to Cure Defaults.

(a) To prevent termination of this Agreement or the Sublease Agreement, any mortgagee or assignee of the Company (including the Lender or Lenders) 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 or the Sublease Agreement. The Issuer will not terminate or suspend its performance under this Agreement or the Sublease Agreement until it first gives written notice of such default to the Purchaser and to any mortgagee or assignee and allows the Purchaser and any such mortgagee or assignee the right to cure such default within the applicable cure period under this Agreement or Sublease Agreement. In addition, if the Purchaser or any such mortgagee or assignee gives the Issuer written notice prior to the expiration of the applicable cure period of the Purchaser'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 or the Sublease Agreement, the Purchaser 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 or the Sublease Agreement, thirty (30) days from the Purchaser'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 or the Sublease 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, a mortgagee or assignee (including the Lender or Lenders) (i) in the applicable time period provided in Sections 8.01, 8.03 or 8.06(a) hereof, begins appropriate judicial or non-judicial proceedings to obtain the same; (ii) diligently

prosecutes any such proceedings to completion; and (iii) 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 or the Sublease Agreement. If the Purchaser, 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 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 and the Sublease Agreement (i) which are outstanding as of the date on which the mortgagee or assignee (or a receiver requested by a mortgagee) succeeds to such interest and (ii) those which accrue thereafter during the term of this Agreement.

(d) 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

Section 9.01 Prepayments. The Company may at any time without penalty (including without limitation after the occurrence and during the continuance of an Event of Default) and for any reason cause all or any portion of the Bonds to be redeemed in accordance with the provisions of the Indenture by giving notice of such redemption to the Issuer, the Depositary (during the period of its appointment under Section 904(d) of the Indenture) and the Purchaser not less than fifteen (15) days before the redemption date. Such notice will specify the redemption date and the principal amount of the Bond 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, and will pay all Additional Payments, plus interest, if any, including the PILOT Payments, currently owed to the Issuer and the School Districts.

ARTICLE X
RECONVEYANCE OF PROJECT PROPERTY UPON TERMINATION OR EXPIRATION

Section 10.01 Reconveyance 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. The Company will give notice to the Issuer specifying the date of closing such purchase, which will be not less than fifteen (15) nor more than ninety (90) days from the date of such notice. 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, quitclaim deed,

assignment and a bill of sale, prepared by the Company at the Company's expense, conveying to the Company without representation or warranty, title to the Project Property, subject only to: (a) those liens and encumbrances if any, to which the Project Property was subject when conveyed to the Issuer; (b) those liens and encumbrances created by the Company and or to the creation or suffering of which the Company consented; (c) those liens and encumbrances resulting from the failure of the Company to perform any of its obligations under this Agreement; and (d) any other lien arising as a matter of law. The provisions of this Article X shall also apply in the event of a prepayment in full of all Rent pursuant to Article IX hereof, so long as all Additional Payments and/or PILOT Payments under Sections 4.13 and 4.14. hereof due to the Issuer or the School District are paid on or before the prepayment date. 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 at the expiration of the Term, the Issuer may execute, deliver and cause to be recorded, at the expense of the Company, a quitclaim deed and a bill of sale with respect to the Project Property. The Company may purchase the Project Property whether or not a Default (as defined in the Indenture) or Event of Default has occurred and is continuing, except a default in payments due under Sections 4.13 and 4.14 hereof.

ARTICLE XI
MISCELLANEOUS

Section 11.01 Reserved.

Section 11.02 Beneficiaries. Nothing in this Agreement expressed or implied is intended or is to be construed to confer upon any Person other than the parties hereto (and, (a) in the case of Section 6.02 of this Agreement, the Indemnified Persons, (b) in the case of Sections [4.14(e), 5.04(b), 8.03 and Articles IX and X] hereof, the School Districts and (c) in the case of Section 8.06 hereof, the Lender or Lenders) any right, remedy or claim, legal or equitable.

Section 11.03 Limitation of Issuer's Liability. To the fullest extent permitted by law, 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 proceeds of the Bonds 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 in this Agreement 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 11.04 No Violation of Public Policies Regarding Indemnity. To the extent, if at all, that any provision contained herein or in any related documents requiring one party to indemnify, hold harmless, insure, or defend another party (including such other party's employees or agents) is found to be within the scope of NMSA 1978, Section 56-7-1 (2005), as amended from time to time ("Section 56-7-1"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-1, for its enforceability, then such provision, regardless of whether it makes reference to this or any other limitation provision, shall: (a) not 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 be further modified, if required, by the provisions of Section 56-7-1 (B); (b) be enforced only to the extent that the liability, damages, losses or costs are caused by, or arise out of, the acts or omissions of the indemnitor or its officers, employees or agents; and (c) be further modified, if required, by the provisions of Section 56-7-1 (B). Further, despite any other term or condition of this Agreement, to the extent, if at all, that any agreement, covenant, or promise to indemnify another party (including such party's employees or agents) contained herein or in any related documents, is found to be within the scope of NMSA 1978, Section 56-7-2 (2003), as amended from time to time ("Section 56-7-2"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-2, for its enforceability, then, regardless of whether it makes reference to this or any other limitation provision, such agreement is not intended to, and it does not, indemnify such indemnitee against loss or liability for damages arising from: (i) the sole or concurrent negligence of such indemnitee or the agents or employees of such indemnitee; (ii) the sole or concurrent negligence of an independent contractor who is directly responsible to such indemnitee; or (iii) an accident that occurs in operations carried on at the direction or under the supervision of such indemnitee, an employee or representative of such indemnitee or in accordance with methods and means specified by such indemnitee or the employees or representatives of such indemnitee.

Section 11.05 Notices. Any notice, demand, direction, request, consent, approval, report or other instrument authorized or required by this Agreement 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 nationally recognized commercial courier service, 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 Rio Rancho, New Mexico
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144
Attn: City Manager
Tel: 505.891.5000 (for use in connection with courier deliveries)

f to the Company: Quail Ranch Energy Storage LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

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 11.06 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 either party 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 such party only to the extent permitted by law.

Section 11.07 Successors. Wherever the Issuer is referred to in this Agreement, it will be deemed to include without limitation its successors and all covenants and agreements in this Agreement will bind and inure to the benefit of the Issuer's permitted successors. Wherever the Company is referred to in this Agreement, it will be deemed to include without limitation its permitted successors and assigns and all covenants and agreements in this Agreement will bind and inure to the benefit of the Company's permitted successors and assigns.

Section 11.08 Title, Headings. The title and headings of the articles, sections and subsections 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 11.09 Execution in Counterparts. This Agreement may be executed in multiple counterparts, all of which taken together will 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. Any Party may execute any of the Bond Documents by executing any such counterpart of such Bond Document.

Section 11.10 Applicable Law. The validity, construction and effect of this Agreement will be governed by the laws of the State of New Mexico applicable to agreements made and to be performed in the State of New Mexico without regard or effect given to conflict of laws rules that would require the application of the laws of any other jurisdiction.

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, any member of the Governing Body), member or employee of a Party 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 Non-Merger. The provisions of this Agreement will survive the conveyance of the Project Property to the Issuer, the reconveyance of the Project Property to the Company, and all other performances hereunder, and will not be deemed merged in any deed or other instrument or document delivered hereunder.

Section 11.13 Payments Due on Days That Are Not Business Days. If the date for any payment due hereunder 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 such period.

Section 11.14 Amendments. Except for Section 4.14 hereof which may be amended only by an instrument executed by the Issuer, the School Districts and the Company, 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 Survival. Except for the obligations of the Company set forth in Section 4.14 hereof (other than payments due and owing at the time of termination or expiration of the Agreement), all agreements, covenants, representations and indemnities 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 termination or expiration of this Agreement.

Section 11.16 Relationship. The relationship of Issuer and Company under this Agreement is that of sub-landlord and sub-tenant. Nothing in this Agreement shall be construed as creating a partnership or joint venture between Issuer and Company.

[Signature pages follow]

DATED AS OF JUNE _____, 2024.

ATTEST:

_____
Rebecca A. Martinez, City Clerk

CITY OF RIO RANCHO, NEW MEXICO

By:_____
Greggory D. Hull, Mayor

(SEAL)

STATE OF NEW MEXICO)
) ss.
SANDOVAL COUNTY)

This instrument was acknowledged before me on _____, 2024, by Greggory D. Hull as Mayor of the City of Rio Rancho

_____
Notary Public

My commission expires: _____

QUAIL RANCH ENERGY STORAGE LLC,
a Delaware limited liability company
By: CRE-Quail Ranch ESS New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch ESS New Mexico LLC, the Sole Member of Quail Ranch Energy Storage LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

EXHIBIT A—PART I

PROJECT SITE

EXHIBIT A – PART II

PROJECT SITE LEASES

[To be provided]

EXHIBIT B

Description of the Improvements and Equipment as part of Project Property

To the extent acquired with the proceeds of the Bonds:

All energy storage equipment including battery energy storage system units including, auxiliary equipment, HVAC, security, lighting, support structures, system protection, control and communications equipment and software, meteorological data acquisition equipment, power source, storage facility, and above-ground and underground data lines, electrical lines, meters, monitoring and control equipment, switches, transformers, batteries and other devices for storage of electrical energy, equipment enclosures, fencing, security devices, electrical and communications equipment necessary to condition and increase the voltage of electricity, telecommunication lines, space boxes, spare parts, consumables, and all other equipment and personal property which is now or hereafter acquired with Bond Proceeds and located at the Project Site.

EXHIBIT C

Anticipated Payment Schedule for the Storage Bonds

Year	Total Debt Service	Principal	Interest
1	$5,600,000	$-0-	$5,600,000
2	$5,600,000	$-0-	$5,600,000
3	$5,600,000	$-0-	$5,600,000
4	$5,600,000	$-0-	$5,600,000
5	$5,600,000	$-0-	$5,600,000
6	$5,600,000	$-0-	$5,600,000
7	$5,600,000	$-0-	$5,600,000
8	$5,600,000	$-0-	$5,600,000
9	$5,600,000	$-0-	$5,600,000
10	$5,600,000	$-0-	$5,600,000
11	$5,600,000	$-0-	$5,600,000
12	$5,600,000	$-0-	$5,600,000
13	$5,600,000	$-0-	$5,600,000
14	$5,600,000	$-0-	$5,600,000
15	$5,600,000	$-0-	$5,600,000
16	$5,600,000	$-0-	$5,600,000
17	$5,600,000	$-0-	$5,600,000
18	$5,600,000	$-0-	$5,600,000
19	$5,600,000	$-0-	$5,600,000
20	$5,600,000	$-0-	$5,600,000
21	$5,600,000	$-0-	$5,600,000
22	$5,600,000	$-0-	$5,600,000
23	$5,600,000	$-0-	$5,600,000
24	$5,600,000	$-0-	$5,600,000
25	$5,600,000	$-0-	$5,600,000
26	$5,600,000	$-0-	$5,600,000
27	$5,600,000	$-0-	$5,600,000
28	$5,600,000	$-0-	$5,600,000
29	$5,600,000	$-0-	$5,600,000
30	$145,600,000	$140,000,000	$5,600,000

EXHIBIT D

PILOT PAYMENTS

STORAGE PILOT PAYMENTS

[pending confirmation/update with updated PED numbers]

Year	Total PILOT	City Portion	Percent Payable to School Districts	APS	RRPS
1	$50,033.10	$36,576.95	$15,456.15	$9,929.30	$5,526.84
2	$156,099.30	$109,730.85	$46,368.45	$29,787.91	$16,580.53
3	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
4	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
5	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
6	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
7	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
8	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
9	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
10	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
11	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
12	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
13	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
14	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
15	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
16	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
17	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
18	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
19	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
20	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38

21	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
22	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
23	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
24	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
25	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
26	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
27	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
28	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
29	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38
30	$208,132.40	146,307.80	$61,824.60	$39,717.22	$22,107.38

SUBLEASE AGREEMENT

This Sublease Agreement (this "Agreement") is entered into as of June _____, 2024 by and between Quail Ranch Energy Storage LLC, a Delaware limited liability company ("Company" or "Lessor"), and the City of Rio Rancho, 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 n Section 3 below).

RECITALS

WHEREAS, the Company wishes to construct a certain project located within the corporate boundaries of the City, for the storage 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 Leases" and identified in Exhibit A attached hereto; and

WHEREAS, the Issuer adopted Ordinance __ on ____ __, 2024, which authorizes the issuance of up to $140,000,000 City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024 (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 SiteLeases, 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 SiteLeases, upon the terms and conditions provided herein. No rent payments will be payable by Issuer to Company or to any other party. For the avoidance of doubt Company and the Issuer acknowledge that the leasehold interest conveyed hereunder is subject in its entirety to and will at all times will be subordinate to the Leasehold Mortgage and the First Lender Mortgage.

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 Leases, 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 Leases 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 City Counsel of the City (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 Leases 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 Leases, the Company's environmental indemnity contained in Section 4.06 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 SiteLeases.

6. Representations and Warranties of Company. The Company represents and warrants to the Issuer that Company is the tenant under the Project Site Leases and has the capacity to enter into this Agreement with Issuer. The sublease effected under this Agreement is either permitted under the Project Site Leases without the consent of the landlord or, if landlord consent is required under the Project SiteLeases, 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 SiteLeases, 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 SiteLeases. The Company hereby acknowledges and agrees that the Company is solely responsible for the performance of the obligations of the lessee under the Project SiteLeases.

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.

QUAIL RANCH ENERGY STORAGE LLC,
a Delaware limited liability company
By: CRE-Quail Ranch ESS New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch ESS New Mexico LLC, the Sole Member of Quail Ranch Energy Storage LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

(SEAL) CITY OF RIO RANCHO, NEW MEXICO

Attest:

_____ By _____
Rebecca A. Martinez, City Clerk Greggory D. Hull, Mayor

STATE OF NEW MEXICO)
) ss.
SANDOVAL COUNTY)

This instrument was acknowledged before me on June _____, 2024 by Greggory D. Hull as mayor of the City of Rio Rancho, New Mexico.

_____
Notary Public

My Commission Expires: _____

EXHIBIT A

Project Site Leases

[To be provided]

Industrial Revenue Bond (IRB) Application

Name of Project: Quail Ranch Solar and Energy Storage Project

Applicant: Quail Ranch Solar LLC and Quail Ranch Energy Storage LLC

Address: c/o Clenera LLC
P.O. Box 2576
Boise, ID 83701

Telephone: (208) 639-3232

Email: eric.desmarais@clenera.com

Industry NAICS Code(s): 221114

Location of Project (Address): Parcel contains real property in the City of Rio Rancho, Bernalillo County, New Mexico, containing approximately 3,300 acres of land and more particularly described as Tracts 2-A of the Lands of Quail Ranch, as said tract is shown and described on the Bulk Plat thereof recorded in the office of the County Clerk of Bernalillo County, New Mexico, on March 1, 2019, in Book 2019C, Page 18, as Document No. 2019016035

Total Bond Amount Requested: $250,000,000 comprised of $110,000,000 for solar Project and 140,000,000 for Storage Project

What is the amount requested for each?

Real Property: $0 Personal Property: $ 250,000,000

The maximum Bond term is 30 years for real property, and personal property term maximum is determined by the depreciable life of the equipment purchased. What term(s) are you requesting (Bond term and lease term will coincide) for:

Real Property: $0 Years Personal Property: 30 Years

Fees:

1. Upon application, a fee of one-tenth of one percent (0.10%) ofthe total face amount ofthe requested bonds is due. The fee shall not be less than $3,000.00 and no more than $100,000. Should Bond issuance not be transacted, up to two-thirds (2/3) of this fee may be refunded, less any expenses incurred by the City.

2. Third party review fees (for economic impact and other analyses); and

3. City Bond Counsel Fees

Application Fee Submitted:
City Fee: $100,000
Bond Counsel Fee: $88,790.63
Total = $188,790.63 (Pending Payment)

Applicant's Bond Counsel: Sutin, Thayer & Browne

Address: 6100 Uptown Parkway NE
Suite 400
Albuquerque, NM 87110

Telephone: (505) 883-2500

Email: ead@sutinfirm.com

Bond Counsel for the City of Rio Rancho will be designated by the City Attorney's office at time of application.

Supporting documentation (attach to application):

1. Sources and uses table or summary showing all forms of public and private investment in the project, including state and local incentives.

Sources:

Solar Project	
Equity*	$13mm
Lender Financing	$197mm
Total	$110mm

Storage Project	
Equity*	$19mm
Lender Financing	$121mm
Total	$140Mmm

*Company currently contemplates self-financing the project through current and future equity. The Company will also seek lender financing for the project,.

2. Project cost and public benefits schedule.

See attached. Breakdown of employment creation by job classification and compensation profile.

During operation there will likely be 2 full time positions, all of which will be hired by the Company's subcontractors. Two will be High Voltage licensed electricians who will make approximately $45/hour. The other four will be licensed electricians that will make approximately $35/hour.

3. Short Description: Please attach to this application a maximum two-page description/summary of the proposed project. Include all relevant information related to the company requesting the bonds and to the project including but not limited to:

a. History of company.

Clēnera was founded in 2013 with the vision of making solar and energy storage a valuable and sustainable future. Underpinning years of profitable growth, Clēnera was acquired by Enlight Renewable Energy LTD (TASE:ENLT) in 2021. Clēnera has developed and manages 23 large-scale solar projects on behalf of third-party owners in nine states, totaling 1.6 GWdc of clean energy in operation.

b. Location of company headquarters.

Clenera is located at 800 W Main St, Suite 900 Boise, ID 83702.

c. Sales (past and projected).

100 MW Solar plus 100 MW Energy Storage with four hour duration (Total 300 MWh) producing approximately 300,000 MWh of renewable energy annually. The renewable energy and capacity will be sold via a Power Purchase Agreement to the Public Service Company of New Mexico.

d. Description of primary business activity.

Clenera is a highly-skilled solar and storage developer based in Boise, Idaho, the Clenera team has an extensive track record, having successfully developed and sold 25 solar projects totaling c.1.6 GW.

With a robust pipeline approaching 12 GW (out of Enlight's total 17 GW), including 1.7 GW of contracted projects, Clenera's portfolio is expected to become an increasingly important part of Enlight's overall business in the years to come

e. Expected use of bond proceeds.

100% of Bond proceeds will go towards the acquisition of project assets.

f. Zoning of project property.

The entire site is within the proposed Renewable Energy Zone District.

g. Square footage of facility.

The project is sited on an approximately 3100-acre parcel. Roughly 1700 acres of this parcel is occupied by the existing Atrisco Solar and Storage project. The Quail Ranch project will cover a portion of the unoccupied site but will not cover the entire site. The exact acreage is not yet known as final designs have not been completed.

h. Neighborhood and environmental impacts.

The project will have limited neighborhood and environmental impacts. The majority of the site is already occupied by the 300 MW Atrisco Solar and Storage project. To the south there are industrial users, to the west there is a berm that blocks the view of the facility, mostly vacant lots to the north, and there is a proposed highway on the eastern side of the project. There will be limited environmental impacts as the site is already grazed and due to the flat nature of the site there will be limited need to grade.

i. Infrastructure needs.

The project has limited infrastructure needs and will not require a water line or sewage. The access road has already been constructed for

j. Expected timeframe to project completion.

The project is expected to begin construction in Q3 of 2024 and begin commercial operations before November, 2025.

k. Net new job creation (both construction and permanent).

i. If an expansion, note current headcount and additional jobs to be created above that threshold.

ii. Note the breakdown of full-time and part-time positions to be created through this project.

iii. Note average salary and benefit package of new jobs.

iv. Note how many jobs are economic-base (directly related to the manufacturing or production of the company's products or services, of which a minimum of 50% of sales are outside the state of New Mexico), administrative and retail.

During construction we may see a peak of approximately 200 workers on site. These workers will be paid competitive construction wages. They will be contracted by our EPC contractor and as a result we do not have good insight into what their wages will be. These construction jobs will be temporary.

During operation there will likely be two full time positions, all of which wil be hired by the Company's subcontractors. Two will be High Voltage licensed electricians who will make approximately $45/hour. The other four will be licensed electricians that will make approximately $35/hour. These employees will be part of a subcontracted operations and maintenance team.

l. Whether requested bonds will be underwritten (specify which entity) and/or purchased (specify by whom).

The Bond will be purchased by an affiliated entity of the company in a self-purchase transaction. The Bonds will not be underwritten

m. Company's/Applicant's equity in this project.

Company currently contemplates self-financing a portion of the the project through current and future equity. The Bond will be purchased by an affiliated entity of the company. The Company also anticipates securing lender financing for the project, although no loans are currently being pursued.

n. "But for" test- If an IRB is not provided, how will it affect this project?

The state tax abatements provided under industrial revenue bonds are crucial to the development of the project. Like most renewable energy projects in New Mexico, the development of the project will only be economically viable if the company receives the state tax abatements afforded under industrial revenue bonds. If the tax incentives provided under industrial revenue bonds are not available for the project, the company will not be able to develop the project.

The City reserves the right to request additional information, verification, and documentation from the applicant as the City deems necessary.

Application and all supporting documents should be submitted to:

Savannah Jermance, Economic Development & Business Relations Manager
3200 Civic Center Cir NE
Rio Rancho, NM 87144
(505) 896-82191
sjermance@rrnm.gov

Process:

1. Pre-application meeting: City Manager's Office will meet with the applicant to review and discuss the requirements to become eligible for an IRB issued by the City of Rio Rancho.

2. Upon receipt of a complete application (including submittal of fee), the City Manager's Office will meet with the applicant by phone or in person to review the application. Once satisfied that the Project is ready to move forward, the City Manager's Office may initiate a third-party economic impact analysis.

3. Within fifteen (15) days following receipt of the economic impact analysis, the application and analysis may be evaluated by a committee including but not limited to the City Manager, City Attorney, Financial Services Director, Development Services Director, and Economic Development Manager.

4. Once the committee has reviewed the application, the City Manager may commence presentation of a recommended action before the Governing Body, in accordance with the applicable state statute.

5. The applicant will be notified as to when the Governing Body meeting(s) will consider and discuss the recommendation. Applicant is encouraged to attend these meetings, and may speak on behalf of the Project.

6. If the Governing Body approves and passes an inducement resolution, the applicant may apply for a non-taxable transaction certificate (NTTC) through the State Tax and Revenue Department for gross receipts and compensating tax exemptions on personal property. The applicant and their bond counsel are responsible for securing an underwriter (if applicable) and bond purchaser. Payment in Lieu of Taxes will be due to the public schools for their portion of property taxes foregone through the IRB. Clawback provisions shall apply for failure to perform regarding job-creation, capital investment obligations, or both.

For Staff Use Only:

Date Application was Received: _____

Fee Received: _____

Economic Development Manager Initial Review: _____

IRB Committee Evaluation: _____

Governing Body Meeting: _____

Action: _____

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. 27 **ENACTMENT NO. 24-027**

RESOLUTION RELATING TO THE PROPOSED INDUSTRIAL REVENUE BONDS ENTITLED CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH SOLAR LLC PROJECT), SERIES 2024 AND CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH ENERGY STORAGE LLC PROJECT), SERIES 2024, DECLARING THE INTENT OF CITY OF RIO RANCHO TO ISSUE SUCH INDUSTRIAL REVENUE BONDS IN AN AGGREGATE COMBINED PRINCIPAL AMOUNT UP TO $250,000,000 IN CONNECTION WITH THE PROPOSED PROJECTS LOCATED WITHIN THE BOUNDARIES OF CITY OF RIO RANCHO FOR THE PURPOSE OF INDUCING QUAIL RANCH SOLAR LLC AND QUAIL RANCH ENERGY STORAGE LLC AND/OR THEIR SUCCESSORS OR ASSIGNS TO CONSTRUCT AND INSTALL THE PROJECTS

WHEREAS: the New Mexico Legislature has passed the "Industrial Revenue Bond Act" (the "Act"), Sections 3-32-1 to 3-32-16 inclusive, NMSA 1978, as amended, which authorizes the City of Rio Rancho, New Mexico (the "City") to issue industrial revenue bonds and to acquire projects as defined in the Act; and

WHEREAS: the City desires to promote industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the City, to promote the use of the natural resources of the City, and to promote a sound and proper balance in the State of New Mexico between agriculture, commerce and industry, and to promote the public health, safety, security, and the general welfare of the citizens of the City; and

WHEREAS: Clenera, LLC, a Delaware limited liability company has made a proposal to the City whereby the City will (i) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt solar power generation facility for its affiliate Quail Ranch Solar LLC, a Delaware limited liability company (the "Solar Company") which will constitute an industrial development project (the "Solar Project"); and (ii) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt storage project for use by the its affiliate Company Quail Ranch Energy Storage LLC, a Delaware limited liability company (the "Storage Company") which will constitute an industrial development project (the "Storage Project" and together with the Solar Project, the "Projects")); and

WHEREAS: the proposed project site for each of the Projects is within the corporate boundaries of the City of Rio Rancho; and

WHEREAS: the City's issuance of industrial revenue bonds in one or more series for the Solar Project (the "Solar Bonds") and for the Storage Project (the "Storage Project Bonds" and collectively, the "Bonds") to finance each Project will constitute one of the inducements whereby the Company will determine to

proceed with the Projects; and

WHEREAS: the City Council (the "Council") constitutes the Governing Body of the City within the meaning of the Act; and

WHEREAS: the Projects have been considered by the Council and the Council has concluded that the Projects will promote the health, safety, security, and general welfare of the citizens of the City, and the Council desires to indicate its intent to consider proceeding with the issuance of the Bonds for the financing the Projects; and

WHEREAS: concurrently with the issuance of the Bonds, each Project Company will enter into an installment sale, lease or other financing agreement with the City under which the City will acquire each Project, and which will provide for the payment of installments, lease rentals or other payments by each Project Company from the revenues generated by each Project or other funds of the respective Project Company sufficient to pay the debt service on the Bonds, subject to the prior adoption by the Council of an ordinance approving of each such agreement and authorizing issuance of the Bonds (each such ordinance a "Bond Ordinance" and collectively, the "Bond Ordinances"); and

WHEREAS: the City and each Project Company understand that the adoption of this Resolution shall not obligate the City to issue the Bonds except in full compliance with the terms of the respective Bond Ordinance to be considered for adoption by the Council prior to the issuance of the Bonds and with the terms of the related bond documents.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

Section 1. All actions (not inconsistent with the provisions hereof) heretofore taken by the Council and the officers and employees of the City, related to the proposal, the acquisition of the Projects, and the sale and issuance of the Bonds therefore, be and the same hereby are, ratified, approved and confirmed.

Section 2. The Council has been informed as follows:

A. The Solar Project will consist of a solar energy project with up to 100 megawatts of generating capacity. The developer and operator of the Solar Project will be the Solar Company or its permitted successors or assigns. The proposed project site of the Solar Project is located in the corporate boundaries of the City. The Solar Company will make all necessary arrangements with the proposed bond purchaser for the purchase of the Solar Bonds issued to finance the Solar Project and the City shall have no responsibility to make such arrangements. The Solar Company has agreed to pay or reimburse the City for all costs of legal counsel, including independent bond counsel of the City directly related to adoption of this Resolution, consideration and adoption of the Bond Ordinance and

issuance of the Bonds. The Solar Company has agreed to such payment or reimbursement irrespective of whether the Bonds are issued or not. The Solar Company shall make payments in lieu of taxes to the City as agreed upon by the Solar Company and the City, which arrangement shall be as set forth in the transaction documents approved by the Bond Ordinance approving the Solar Project.

B. The Storage Project will consist of a 100 megawatt of storage facility. The developer and operator of the Storage Project will be the Storage Company or its permitted successors or assigns. The proposed project site of the Storage Project is located in the corporate boundaries of the City. The Storage Company will make all necessary arrangements with the proposed bond purchaser for the purchase of the Storage Bonds issued to finance the Storage Project and the City shall have no responsibility to make such arrangements. The Storage Company has agreed to pay or reimburse the City for all costs of legal counsel, including independent bond counsel of the City directly related to adoption of this Resolution, consideration and adoption of the Bond Ordinance and issuance of the Bonds. The Storage Company has agreed to such payment or reimbursement irrespective of whether the Bonds are issued or not. The Storage Company shall make payments in lieu of taxes to the City as agreed upon by the Storage Company and the City, which arrangement shall be as set forth in the transaction documents approved by the Bond Ordinance approving the Storage Project.

Section 3. In order to promote the health, safety, security and general welfare of the citizens of the City, it is the Council's intent to take all necessary and advisable steps to consider and, if appropriate, to effect the issuance of (i) the Solar Bonds in an aggregate principal amount up to $110,000,000 in one or more series in order to defray part or all of the costs of the Solar Project and (ii) Storage Bonds in an aggregate principal amount up to $140,000,000 in one or more series in order to defray part or all of the costs of the Storage Project. The Solar Bonds are to be entitled substantially as follows: "City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024," provided, however, that the Bond Ordinance may authorize or provide a method for authorization of a different title and series designation for the Bonds. The Storage Bonds are to be entitled substantially as follows: "City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024," provided, however, that the Bond Ordinance may authorize or provide a method for authorization of a different title and series designation for the Bonds.

Section 4. The Bonds shall be payable from the revenues of each Project or other moneys payable by each Project Company with respect thereto, and shall not constitute a debt or indebtedness of the City within the meaning of any provision or limitation of the Constitution or statutes of the State of New Mexico. In addition, if each series of Bonds are issued, each Project Company shall indemnify and hold harmless the City, the Council and their respective officers, employees, designated representatives and agents (collectively, the "Indemnified Persons") from and against any liability to any Project Company or to any third parties that may be asserted against the City with respect to the

City's ownership of or leasehold interest in the Projects or the issuance of the Bonds. Nothing contained in this Resolution or in any other instrument shall be considered as obligating the City to any pecuniary liability or a charge upon the general credit of the City or against its taxing power, it being understood that no costs are to be borne by the City and that all costs incurred by the City in connection with the Bonds are to be promptly reimbursed by the Company. The City's adoption of this Resolution shall not be deemed a conclusion or expression of approval by the City or any Indemnified Person of the Company or the Project.

Section 5. Each Company, as agent for the City, will acquire each Project. For this purpose, by adoption of this Resolution, the City authorizes each Project Company to act as agent for the City for the purchase of tangible personal property including, to the extent required for each Project, "solar generation equipment" and "related equipment", as such terms are defined in Section 7-9-54.3 NMSA 1978. For tangible personal property relating to each Project, the City will cooperate with the respective Project Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates ("Certificates") that have been properly executed for acquisition of tangible personal property relating to the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. Neither Project Company shall use the Certificates other than for such purchases as may be permitted by law, if any, nor shall either Project Company use such Certificates after the completion of its respective Project. No costs, expenses or other monetary relief will be recoverable from the City by any vendors of equipment for use in the Projects to the Project Companies.

Section 6. The City Councilors and other appropriate City officials and employees are hereby authorized and empowered to take such steps and to do such things as may be necessary to achieve the purposes of this Resolution; provided, however, the issuance of the Bonds and the execution and delivery of any documents to which the City is a party in connection therewith shall be subject to the approval and authorization of the Council pursuant to the Bond Ordinances, adopted following public notice of the Council's intent to adopt such Bond Ordinances at least fourteen days prior to the consideration of each Bond Ordinance by the Council at a public meeting, such public notices to specify the time, date and place of the Council's public hearing on each Bond Ordinance and the meeting at which each Bond Ordinance will be considered. In particular, no provision of this Resolution shall in any way obligate the City or any other person to issue the Bonds or any other bonds, or to in any way finance either Project; and the City retains full and complete discretion with respect thereto.

Section 7. If Bonds are issued by the City, the documentation evidencing the obligations of each Project Company shall provide that the applicable Project Company shall make annual payments in lieu of taxes to the City and the relevant school districts for the term set forth in such documentation in accordance with the terms of the Act.

Section 8. This Resolution shall not give rise to a pecuniary liability of the City and shall not give rise to a charge against its general credit or taxing powers.

Section 9. The City Clerk is hereby authorized and directed to deliver the 30 day notice

to the Sandoval Board of County Commissioners and Assessor as required under Section 3-32-6.1 NMSA with respect to each series of Bonds. The City Clerk is hereby further directed to publish in a newspaper of general circulation within the City a title and general summary of the ordinance relating to and authorizing issuance of the Solar Bonds, substantially the form attached hereto as Exhibit A-1 and of the Storage Bonds, substantially the form attached hereto as Exhibit A-2, at least two weeks prior to the meeting at which the City Council will consider such ordinance. The City Clerk may undertake such publication upon her own initiative, following consultation with the City Manager and receipt by the City of a draft Bond Ordinance and any necessary documents related thereto.

Section 10. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; provided, however, this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.

Section 12. This Resolution shall take effect immediately upon its adoption and approval by the Council.

ADOPTED THIS 28th DAY OF MARCH, 2024.

Greggory D. Hull, Mayor

ATTEST:

Rebecca A. Martinez, City Clerk
(SEAL)

Exhibit A-1

FORM OF NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE FOR PUBLICATION

CITY OF RIO RANCHO, NEW MEXICO NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE

Notice is hereby given that at its regular meeting on _____ __, 2024, commencing at the hour of _____ pm., the City Council of the City of Rio Rancho, New Mexico will conduct a public hearing to consider a proposed Ordinance, the title of which appears below. The meeting will take place at the regular meeting place of the Council, being Council Chambers 3200 Civic Center Circle, Rio Rancho, New Mexico. Information regarding the location of the meeting will be posted on the website of the City. A complete copy of the Ordinance is available for public inspection during normal and regular business hours at the Office of the City Clerk at 3200 Civic Center Circle, Rio Rancho, New Mexico

The title of the proposed Ordinance is:

CITY OF RIO RANCHO, NEW MEXICO
BOARD OF CITY COUNCILORS
ORDINANCE NO. _____]

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH SOLAR LLC PROJECT), IN A MAXIMUM PRINCIPAL AMOUNT OF UP TO $110,000,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY QUAIL RANCH 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 BY THE COMPANY; 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.

As proposed in the Ordinance: (1) the Bonds will be issued under the authority of the New Mexico City Industrial Revenue Bond Act, Chapter 3, Article 32, NMSA 1978, as amended; (2) the proceeds of the Bonds will finance the acquisition of equipment for a solar power generation in the City of Rio Rancho, New Mexico (the "Project") for the use by Quail Ranch Solar LLC, (the "Company"); and (3) the Project will be leased to the Company.

Under the terms of a proposed Lease Agreement (the "Lease") between the City and the Company, the Company will be obligated to pay rent for the Project sufficient to pay, when due, the principal of, interest on and redemption price, if any, of the Bonds and to make certain other payments as provided in the Lease. The Bonds will be issued

pursuant to an Indenture (the "Indenture") among the Company, the City, the bond purchaser and a depositary. The Bonds will be sold to a bond purchaser pursuant to the terms of a proposed Bond Purchase Agreement.

THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE OF THE BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE OF NEW MEXICO. THE BONDS WILL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

The Bonds will mature, bear interest, be subject to prior redemption and contain other terms and provisions all in accordance with the respective Indenture and the Ordinance.

This notice is given pursuant to Section 3-17-3 NMSA 1978.

(To be published once in a newspaper of general circulation in the City of Rio Rancho at least two weeks before consideration of Bond Ordinance)

Exhibit A-2

FORM OF NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE FOR PUBLICATION

CITY OF RIO RANCHO, NEW MEXICO NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE

Notice is hereby given that at its regular meeting on _____ __, 2024, commencing at the hour of _____ pm., the City Council of the City of Rio Rancho, New Mexico will conduct a public hearing to consider a proposed Ordinance, the title of which appears below. The meeting will take place at the regular meeting place of the Council, being Council Chambers 3200 Civic Center Circle, Rio Rancho, New Mexico. Information regarding the location of the meeting will be posted on the website of the City. A complete copy of the Ordinance is available for public inspection during normal and regular business hours at the Office of the City Clerk at 3200 Civic Center Circle, Rio Rancho, New Mexico

The title of the proposed Ordinance is:

CITY OF RIO RANCHO, NEW MEXICO
BOARD OF CITY COUNCILORS
ORDINANCE NO. _____]

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH ENERGY STORAGE LLC PROJECT), IN A MAXIMUM PRINCIPAL AMOUNT OF UP TO $140,000,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY QUAIL RANCH ENERGY STORAGE 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 BY THE COMPANY; 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.

As proposed in the Ordinance: (1) the Bonds will be issued under the authority of the New Mexico City Industrial Revenue Bond Act, Chapter 3, Article 32, NMSA 1978, as amended; (2) the proceeds of the Bonds will finance the acquisition of equipment for a solar storage facility in the City of Rio Rancho, New Mexico (the "Project") for the use by Quail Ranch Energy Storage LLC, (the "Company"); and (3) the Project will be leased to the Company.

Under the terms of a proposed Lease Agreement (the "Lease") between the City and the Company, the Company will be obligated to pay rent for the Project sufficient to pay, when due, the principal of, interest on and redemption price, if any, of the Bonds and to make certain other payments as provided in the Lease. The Bonds will be issued

pursuant to an Indenture (the "Indenture") among the Company, the City, the bond purchaser and a depositary. The Bonds will be sold to a bond purchaser pursuant to the terms of a proposed Bond Purchase Agreement.

THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE OF THE BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE OF NEW MEXICO. THE BONDS WILL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

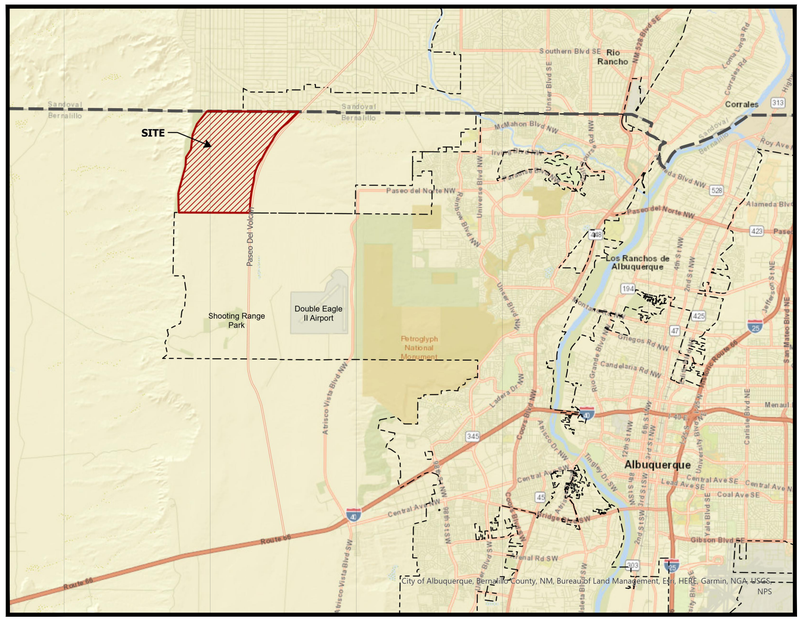
The Bonds will mature, bear interest, be subject to prior redemption and contain other terms and provisions all in accordance with the respective Indenture and the Ordinance.

This notice is given pursuant to Section 3-17-3 NMSA 1978.

(To be published once in a newspaper of general circulation in the City of Rio Rancho at least two weeks before consideration of Bond Ordinance)

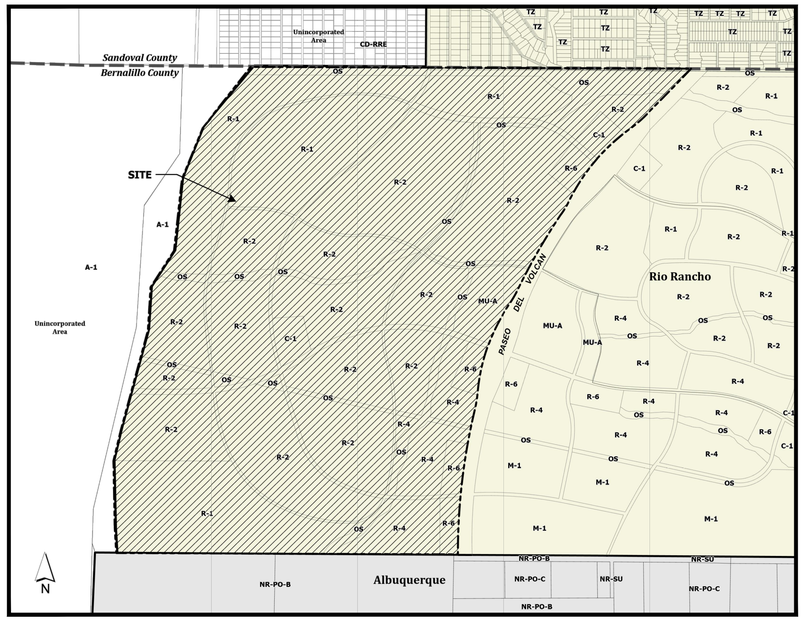
QUAIL RANCH SOLAR
SITE DEVELOPMENT PLAN

9999 PASEO DEL VOLCAN BC NW
RIO RANCHO, NM 87121



VICINITY MAP

Scale: 1" =12,000'



ZONING MAP

Scale: 1" =2,500'

PROJECT PARCEL TABLE	
UPC	100306526526420101
LEGAL DESCRIPTION	TR 2-A BULK LAND SUBDIVISION TRACTS 2-A, 2-B, 2-C, 2-D AND 1-A LANDS OF QUAIL RANCH (BEING A REPLAT OF TRACTS 1 AND 2, LANDS OF QUAIL RANCH)
OWNER OF RECORD	RANCH JOINT VENTURE ATTN: W L ROGERS
PROJECT AREA	3376.35AC

NOTE: A PORTION OF UPC 100306526526420101 WILL BE PURCHASED AND SUBDIVIDED TO HOUSE THE INTERCONNECTION EQUIPMENT OF THE INTERCONNECTION UTILITY. THE LOCATION AND EXACT DIMENSIONS MAY BE DETERMINED BY THE INTERCONNECTING UTILITY'S FINAL DESIGN. THE NEWLY CREATED PARCEL WOULD BE TRANSFERRED TO INTERCONNECTION UTILITY AND THE INTERCONNECTION UTILITY WILL ACCESS WITH AN EASEMENT THROUGH 100306526526420101.

SITE DATA TABLE	
APPROXIMATE POWER CAPACITY	400 MW
ZONING JURISDICTION	CITY OF RIO RANCHO, NM
ZONING	QR-TRE-OD (QUAIL RANCH RENEWABLE ENERGY OVERLAY DISTRICT)
CURRENT LAND USE	VACANT
PROPOSED LAND USE	RENEWABLE ENERGY OVERLAY DISTRICT
SETBACKS	FRONT/SIDE/REAR: 25' PER THE SITE PLAN ROW & EASEMENTS: 25' PER THE SITE PLAN
NO. OF ADJACENT PARCELS	48

SHEET INDEX

SHEET NO.	TITLE
1	COVER SHEET
2	SITE PLAN
3	SITE DETAILS

Prepared for:

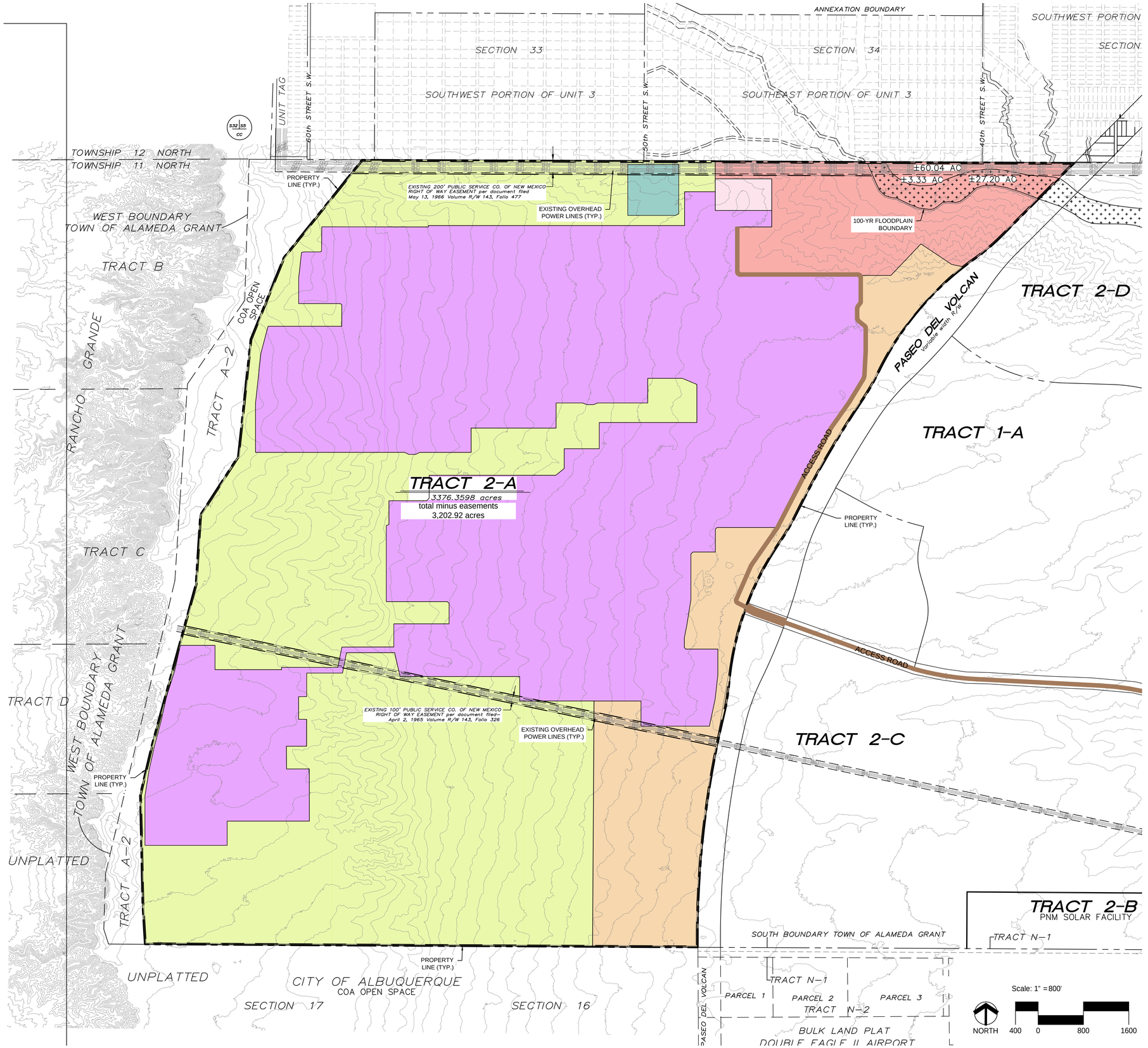
Clēnera
AN ENLIGHT COMPANY

999 W. Main St., Suite 800
Boise, ID 83702

Prepared by:

CONSENSUS PLANNING

Consensus Planning, Inc.
302 Eighth Street NW
Albuquerque, NM 87102



GENERAL SITE NOTES

1. The purpose of this plan is for a Site Plan application for review and approval by City of Rio Rancho to construct a solar electric power plant. The location of proposed improvements, including but not limited to: fencing, solar array racking, inverters, panels, battery energy storage facilities, overhead poles and lines, etc, shown is approximate and may be subject to modification due to site conditions, additional permitting requirements (DOT, NMED, USACE, etc.), equipment specifications, and/or other constraints. Any revisions will be submitted for staff approval prior to construction to verify compliance with zoning requests and conditions as approved. FAA review as required.
2. The source of the topographic data shown on this plan is LiDAR-derived, DEM - USGS/USACE/ MRCOG 2010 Regional LiDAR Project delineated on 10-04-2011 by Bohannan-Huston, Inc. The topographic lines represent 10' intervals.
3. The flood zones shown on this plan were delineated on 02-01-2013 by Federal Emergency Management Agency, FEMA.
4. The project property contains special flood hazard areas subject to inundation by the 1% annual chance flood (100 year event) per FEMA FIRM Map Panel No(s). 35001C0080H, effective on 08/16/2012; 35001C0085H, effective on 08/16/2012; and 35001C0090H, effective on 08/16/2012.
5. All right-of-ways are public unless otherwise noted.
6. The project will comply with all applicable federal, state and local requirements for erosion and sediment control.
7. Driveways will be designed and permitted, as needed, according to all applicable NMDOT requirements.
8. The project area will be cleared and grubbed, and minor grading will occur around equipment as needed to divert surface water, but site will retain pre-development drainage patterns where feasible (i.e., no mass grading).
9. Internal roads and temporary laydown areas are not shown and will be determined in the final design. During construction, gravel may be placed in high traffic or poorly draining areas to improve access. Soil conditions and final equipment location will determine if any permanent gravel access aisles will be required.
10. All proposed improvements will be fenced with a minimum 6' tall chain link fence with 1' of barbed wire will be designed and installed by fence contractor. The access gates will be locked. Emergency gate access will be provided according to an approved emergency response plan approved by the Fire Marshal. Final fence location to be determined. Fences placed in drainage features will be designed to not interfere with historic and developed stormwater flows.
11. The project shall have no permanent lighting except for the minimum lighting required by the interconnection utility at the point of interconnection.
12. The project requires no onsite water or sewage disposal. During construction, portable toilets will be rented and the rental company will service them regularly and dispose of waste offsite.
13. Free standing solar panels or solar arrays will not exceed 30' in height.
14. Solar panels are approximately 3.5' x 8'.
15. To the maximum extent practical, the existing native vegetation will remain. No landscaping is proposed for the site at this time. Within six months of development of any residential properties in Rio Rancho abutting subject site, a 10-foot landscaping buffer and a 6-foot high solid wall or fence shall be constructed / established along the boundary adjacent to the residential development meeting the standards and definitions of the City of Rio Rancho zoning ordinance.
16. Acreage will be reserved around the intersection of Paseo Del Volcan and Paseo del Norte for future commercial and industrial development. Final location and size of reserved space to be determined. These areas shall be evaluated during future development review of the out parcels to determine whether buffering may be needed.
17. In accordance with AMAFCA's Drainage Policy, a drainage easement may be required as determined during the grading and drainage permitting process.
18. Any drainage improvements will comply with applicable drainage master plans.
19. Stormwater drainage and water quality discharge will adhere to the City of Rio Rancho's current Design Process Manual (DPM) and will be addressed during the grading and drainage permitting process.

LEGEND

- PROPERTY LINE
- 25' PERIMETER, R.O.W., AND EASEMENT SETBACK
- EXISTING EASEMENT
- EXISTING OVERHEAD POWER LINE
- FEMA 100-YR FLOODPLAIN
- ATRISCO BATTERY STORAGE
- QUAIL RANCH BATTERY STORAGE
- LANDOWNER ECONOMIC EXCLUSION AREA
- ATRISCO SOLAR
- QUAIL RANCH SOLAR
- PNM SWITCHYARD

QUAIL RANCH

SOLAR

9999 PASEO DEL VOLCAN BC NW
RIO RANCHO, NM 87121

SITE PLAN

Prepared for:

Clēnera
AN ENLIGHT COMPANY
999 W. Main St., Suite 800
Boise, ID 83702

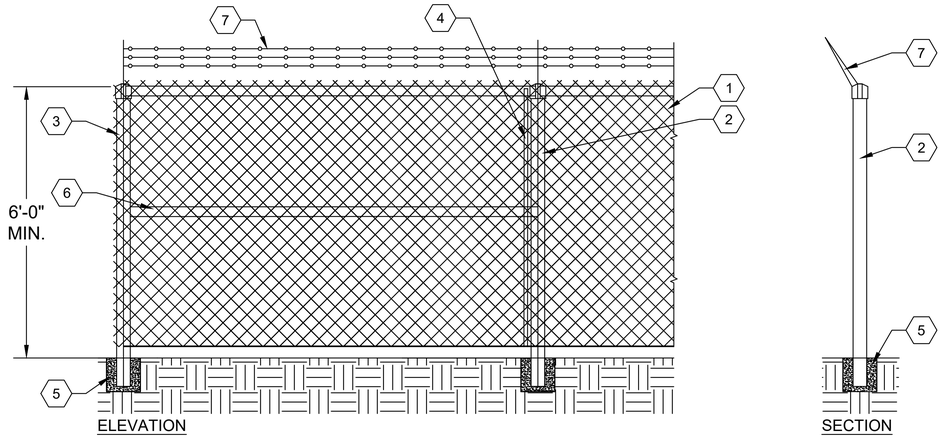
Prepared by:

CONSENSUS PLANNING
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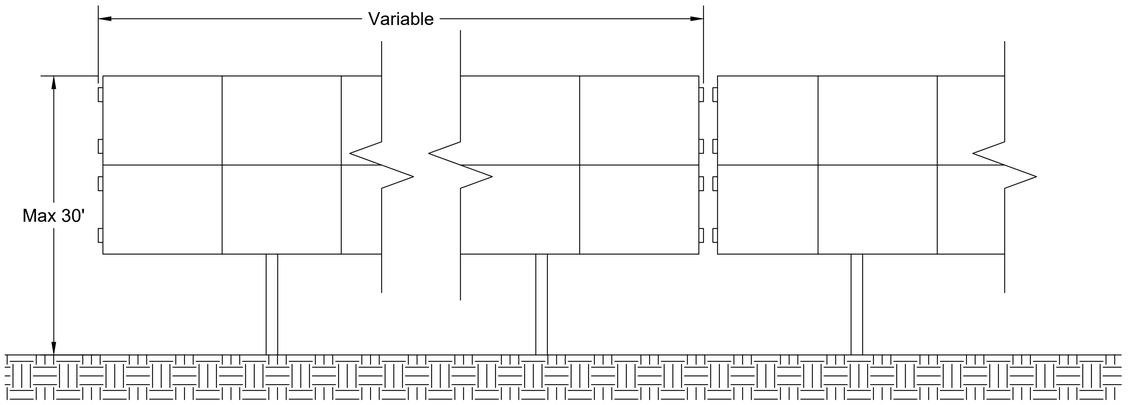
Sheet 1 of 1
February 26, 2024

KEY NOTES:

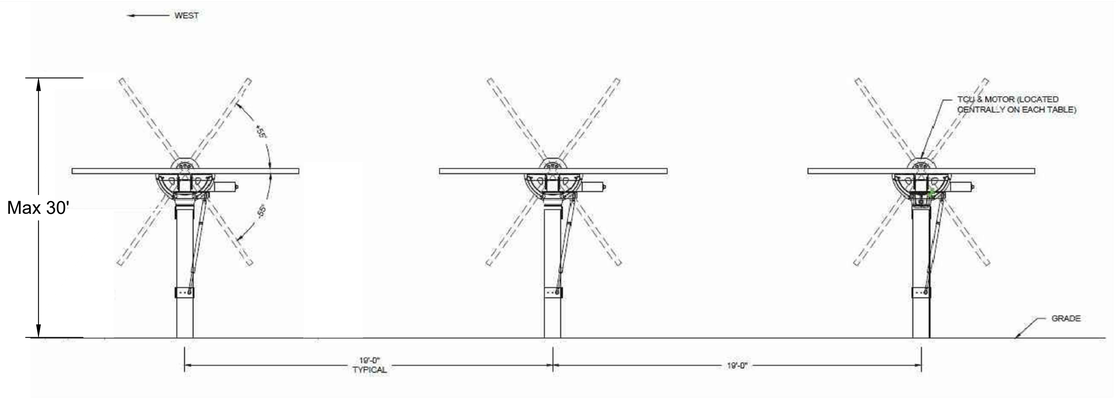
1. CHAIN LINK FABRIC.
2. LINE POSTS
3. CORNER AND GATE POSTS
4. PULL BAR
5. FOUNDATION
6. BRACE BAR
7. BARBED WIRE



TYPICAL CHAINLINK FENCE DETAIL
N.T.S.



TYPICAL RACK FRONT ELEVATION
N.T.S.



NOTES:

1. DIMENSIONS WILL VARY ACCORDING TO FINAL SITE DESIGN.

TYPICAL TRACKER SECTION DETAIL
N.T.S.

QUAIL RANCH SOLAR

9999 PASEO DEL VOLCAN BC NW
RIO RANCHO, NM 87121

SITE DETAILS

Prepared for:

Clēnera
AN ENLIGHT COMPANY
999 W. Main St., Suite 800
Boise, ID 83702

Prepared by:

CONSENSUS PLANNING
Consensus Planning, Inc.
302 Eighth Street NW
Albuquerque, NM 87102

February 26, 2024

Quail Ranch Solar/Storage Proposed PILOT Schedule - Combined

Assessed Value: $ 250,000,000.00
MW: 100 Pilot-$ per mW $ 3,716.65

		PILOT-% Payable to Schools	PILOT-% Split between School Districts	
Average/MW	$ 3,592.76	29.7045%	64.24%	35.76%

Year	PILOT	$ Payable to Schools	APS	RRPS	Net to City of Rio Rancho
1	$ 92,916.25	$ 27,600.27	$ 17,730.90	$ 9,869.36	$ 65,315.98
2	$ 278,748.75	$ 82,800.80	$ 53,192.70	$ 29,608.09	$ 195,947.95
3	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
4	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
5	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
6	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
7	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
8	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
9	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
10	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
11	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
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27	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
28	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
29	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
30	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
Sum	$ 10,778,285.00	$ 3,201,630.84	$ 2,056,784.53	$ 1,144,846.31	$ 7,576,654.16
Validate	$ 10,778,285.00	$ 3,201,630.84	$ 2,056,784.53	$ 1,144,846.31	$ 7,576,654.16

Quail Ranch Storage Proposed PILOT Schedule

Assessed Value: $ 140,000,000.00 — 56.00% — **Storage** — PILOT-% Split between School Districts: 64.24% / 35.76%

Yr.	PILOT	$ Payable to Schools	APS	RRPS	Net to City of Rio Rancho
1	$ 52,033.10	$ 15,456.15	$ 9,929.30	$ 5,526.84	$ 36,576.95
2	$ 156,099.30	$ 46,368.45	$ 29,787.91	$ 16,580.53	$ 109,730.85
3	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
4	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
5	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
6	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
7	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
8	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
9	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
10	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
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28	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
29	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
30	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
	$ 6,035,839.60	$ 1,792,913.27	$ 1,151,799.34	$ 641,113.93	$ 4,242,926.33
	$ 6,035,839.60	$ 1,792,913.27	$ 1,151,799.34	$ 641,113.93	$ 4,242,926.33

Quail Ranch Solar Proposed PILOT Schedule

Assessed Value: $ 110,000,000.00 — 44.00% — **Solar** — PILOT-% Split between School Districts: 64.24% / 35.76%

Yr.	PILOT	$ Payable to Schools	APS	RRPS	Net to City of Rio Rancho
1	$ 40,883.15	$ 12,144.12	$ 7,801.60	$ 4,342.52	$ 28,739.03
2	$ 122,649.45	$ 36,432.35	$ 23,404.79	$ 13,027.56	$ 86,217.10
3	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
4	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
5	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
6	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
7	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
8	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
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11	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
12	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
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25	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
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27	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
28	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
29	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
30	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
	$ 4,742,445.40	$ 1,408,717.57	$ 704,358.79	$ 704,358.79	$ 3,333,727.83
	$ 4,742,445.40	$ 1,408,717.57	$ 904,985.19	$ 503,732.38	$ 3,333,727.83

PILOT Allocation as defined in Section 3-32-6 NMSA 1978

Criteria

(c) 1) "1) *fifty percent allocated equally among all school districts in which the project is located;* "
See Exhibit II - RRPS APS and Solar Location
That overlays the City's boundaries to the respective school districts service area

APS	50%
RRPS	0%

(c) 2) *"2) forty percent allocated to the school districts within the municipality in proportion to the area of each school district within the municipality ;"*
See Attachment- RRPS and APS Boundary Percentages
Shows the service areas with respect to the City's limits.

	Acres	*% of Area*		
RRPS	56,362.10	84.95%	34.0%	of the PILOT for Schools Districts
APS	9,984.76	15.05%	6.0%	of the PILOT for Schools Districts
CoRR	66,346.87			

(c) 3) *"and 3) ten percent allocated to the school districts in proportion to the average of each school district's student membership pursuant to the Public School Code [Chapter 22 NMSA 1978, except Article 5A] reported on the second and third reporting dates for the most recent school year for which data is available as of the date of issuance of*

10%

District	Date	Total	Average	RRPS Proportion	APS Proportion
RRPS	Dec-2022	17,276			
RRPS	Mar-2023	17,314	17,295	17.78%	
APS	Dec-2022	80,157			
APS	Mar-2023	79,802	79,980		82.22%
			97,275	1.78%	8.22%

* See Exhbits IV and V (Enrollmend data provided by NM Public Education Department on Aug 4, 2023).

Total Allocation:

APS	64.24%
RRPS	35.76%

PILOT % Attributable to School Districts

TY2023	Sandoval County	Sandoval County	Bernalillo County
MUNICIPALITY:	**Rio Rancho**	**Rio Rancho**	**Rio Rancho**
TAXABLE VALUE:	2,684,054,256	478,400,569	9,051,534
CATEGORY:	94 IN R	94 IN NR	R1-A NR
State Debt Service	1.360	1.360	1.360
Total State	1.360	1.360	1.360
County Operational	6.089	10.350	10.750
County Debt Service	0.606	0.606	1.264
			0.200
Bern. County Judgement (A) (4)			0.006
Bern. County Debt Service (4)			
Total County	6.695	10.956	12.220
Municipal Operational	7.004	7.650	7.650
Municipal Debt Service	2.772	2.772	2.772
Total Municipal	9.776	10.422	10.422
School District Operational	0.254	0.477	0.500
School District Debt Service	8.543	8.543	4.480
School Dist. Cap. Improvement	1.908	1.908	2.000
HB 33 School Building	0.000	0.000	4.344
School Dist. Educ. Tech. Debt Service	0.000	0.000	0.000
Total School District	10.705	10.928	11.324
Total State, County, Municipal, & School District	28.536	33.666	35.326
Other:			
Contracting Hospitals	1.816	1.900	6.400
Central NM Comm College (1)	2.790	3.000	3.000
Central NM Comm. College Debt	1.000	1.000	1.000
Total Other	5.606	5.900	10.400
SUB-TOTAL	**34.142**	**39.566**	**45.726**
SSCAFCA/AMAFCA	2.025	2.074	1.152
AMAFCA			
Grand Total - with Flood Control	**36.167**	**41.640**	**46.878**

The relevant portion of the IRB statute setting out the requirements for School District PILOT, Section 3-32-6(A)(2) is as follows:

A municipality shall not acquire any electricity generation or transmission facility project unless the school districts within the municipality in which the project is located receive annual in-lieu tax payments; provided that the annual in-lieu tax payments required by this paragraph shall be:

(a) payable to the school districts for the period the municipality owns and leases the project;

(b) in an aggregate amount equal to the amount received by the municipality multiplied by the percentage [School District PILOT Percentage] determined by dividing the average of the operating, capital improvement and bond mills imposed by the school districts in the municipality [Average School District Mill Levy] and state debt service mills [State Debt Service Mill Levy] as of the date of issuance of the bonds [together, the Numerator] by the average of the mills imposed by all entities levying taxes on property in the municipality [Average Total Mill Levy as the Denominator] as of such date;

(c) shared among the school districts located within the municipality equally; and

(d) not be less than the amount due to the school districts in the tax year immediately preceding the issuance of the bonds from the property included in a project, had such project not been created;

Average School District Mill Levies	State Debt Sevice Mill Levy	Numerator
10.986	1.36	12.346

Average Total Mill Levy in Municipality as the Denominator
39.811

School District PILOT Percentage (Total Numerator/Total Denominator)
31.0104%

Average Total Mill Levy in Municipality as the Denominator
41.562

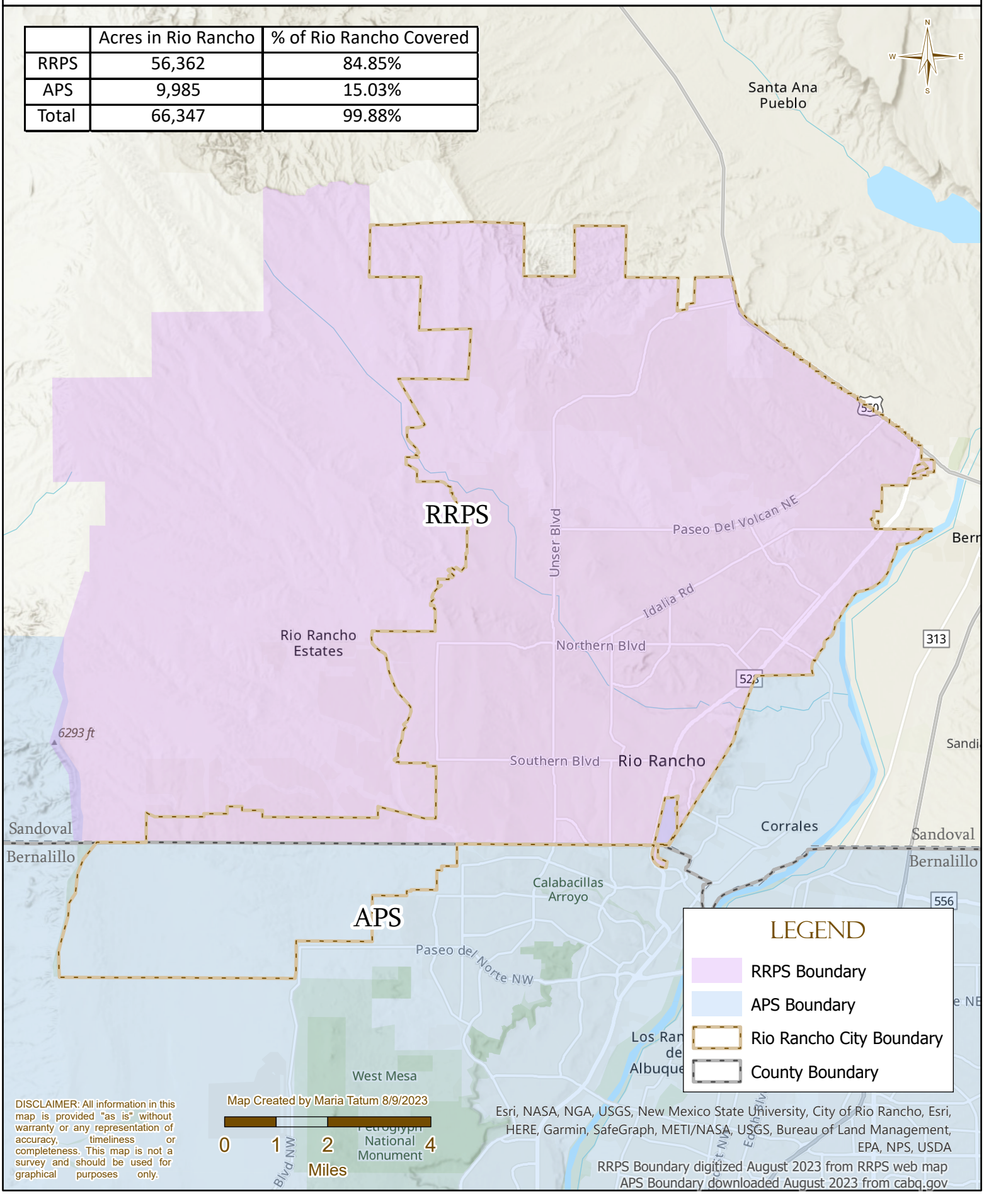
School District PILOT Percentage (Total Numerator/Total Denominator)
29.7045%

Average School District Mill Levies	10.986	
(+) State Debt Service Levy (1.360)	12.346	(a) = numerator
Average Total Mill Levies	41.562	(b) = denominator
School District PILOT Percentage (a / b)	29.7045%	
Number of School Districts In City	2	

0.779
0.779

RRPS AND APS BOUNDARIES

	Acres in Rio Rancho	% of Rio Rancho Covered
RRPS	56,362	84.85%
APS	9,985	15.03%
Total	66,347	99.88%



DISCLAIMER: All information in this map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. This map is not a survey and should be used for graphical purposes only.

Esri, NASA, NGA, USGS, New Mexico State University, City of Rio Rancho, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

RRPS Boundary digitized August 2023 from RRPS web map
APS Boundary downloaded August 2023 from cabq.gov

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O9

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Administration

SUBJECT:
O9, Ordinance Authorizing the Issuance and Sale of City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), in a Maximum Principal Amount of up to $110,000,000 in One or More Series to Provide Funds to Finance the Equipping of an Industrial Revenue Bond Project for use by Quail Ranch Energy 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 Payments In Lieu of Taxes by the Company to the City, Rio Rancho Public Schools, and Albuquerque Public Schools; 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

BACKGROUND AND ANALYSIS:
Secord reading of the Bond Ordinance. First reading of a Bond Ordinance unanimously adopted by the Governing Body on May 9, 2024. The Governing Body approved the inducement resolution on March 28, 2024.

The IRB Act, Sections 3-32-1 through 3-32-16 NMSA 1978, as amended authorizes the City of Rio Rancho (City) to issue IRBs and to acquire “Projects” as defined in the IRB Act.

The 100-megawatt Quail Ranch Project is an addition to 300-megawatts Atrisco solar and storage project IRBs at Quail Ranch that were approved by the Governing Body in December 2022 and amended in October 2023. The total project site encompasses 3,376 acres.

Quail Ranch Solar/Clenara filed an Industrial Revenue Bond (IRB) application for the City to issue two series of bonds in the aggregate principal amount of up to $250,000,000 to (i) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt solar power generation facility for its affiliate Quail Ranch Solar LLC, a Delaware limited liability company (the “Solar Company”) which will constitute an industrial development project (the “Solar Project”); and (ii) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt storage project for use by the its affiliate Company Quail Ranch Energy Storage LLC, a Delaware limited liability company (the “Storage Company”) which will constitute an industrial development project (the “Storage Project” and together with the Solar Project, the “Projects”)) at Quail Ranch and to pay for certain costs of issuance of such bonds.

This proposed Ordinance, the second step of the IRB approval process, authorizes the issuance and sale of City IRB's for an amount up to $110,000,000 for the Quail Ranch Solar LLC Project, for the solar portion of the Project (specified in Section i above), and the execution and delivery of the Bond Documents, as defined within the Ordinance. A separate Ordinance has been proposed for

the IRB issuance for the Quail Ranch Energy Storage LLC Project.

The City will enter into an Indenture with a wholly owned subsidiary of the Company, whereby the City assigns its rights, title and interest in the Lease and Installment Sale Agreement, without recourse, to a depositary institute, for the purposes of paying and securing the principal and interest on the bonds.

The Company will transfer its property rights in the Project Site and any Project Property to the City, immediately after which a lease or one or more subleases will be executed, in which the Company will lease or sublease the Project Property and Project Site from the City.

The Ordinance approves forms of Indenture, Lease Agreement and Bond Purchase Agreement, which are included with the Ordinance. Those documents are in near-final form but, as is typical in IRB transactions, have various blanks for the closing date for the IRB transaction, the official name of the bond purchaser and addresses for notices, which will be filled in prior to the IRB closing (i.e. the date on which the IRB is issued and delivered to the bond purchaser and the lease agreement is recorded).

The IRB is a limited obligation of the City, in that, the City of Rio Rancho's name will be on the bonds but IRB payments are payable solely from the lease payments, which have been pledged and assigned under the Indenture to the depositary institute for the benefit of the Bond Purchaser. The Bonds will not constitute a debt, indebtedness or any monetary obligation to the bond purchaser of the City Rio Rancho.

The IRB benefit to the applicant includes a property tax abatement on business personal property, with a payment in lieu of taxes ("PILOT") to the City, Albuquerque Public Schools and Rio Rancho Public Schools, respectively, and an exemption on the compensating tax for the purchase of equipment. The Quail Ranch area is in the Albuquerque Public Schools (APS) service area. As such, the PILOT shall be divided between the school districts, pursuant to 3-32-6(A)(2)(c). Pursuant to the IRB requirements of the Comprehensive Economic Development Policy established in Resolution No. 66, Enactment No. 04—65, Clawback provisions in the lease agreement requires the applicant to repay 100% of the abated ad valorem property taxes if the Project ceases to operate as a project eligible for IRB financing within five years after the date of issuance of the bonds.

On April 11, 2024, the Governing Body approved the proposed site plan for the development.

IMPACT:

Approval of this Ordinance will the enable the financing and authorization needed for the Quail Ranch Solar LLC Project. This Project is in line with New Mexico's transition to renewable energy and creates new one-time and recurring revenues in an outlying, undeveloped area of the City, known as Quail Ranch.

ALTERNATIVES:

Approve the Amendatory Ordinance.

Do not approve the Amendatory Ordinance.

DEPARTMENT RECOMMENDATION:

City Administration recommends approval of the Amendatory Ordinance.

ATTACHMENT: O9_Ordinance
ATTACHMENT: QR Solar BPA
ATTACHMENT: QR Solar Indenture
ATTACHMENT: QR Solar Lease
ATTACHMENT: QR IRB Application
ATTACHMENT: R27 Signed
ATTACHMENT: Quail Ranch Site Plan
ATTACHMENT: PILOT Payment Distribution Schedule
ATTACHMENT: RRPS and APS Boundary Percentages
ATTACHMENT: Quail Ranch Solar Sublease

CITY OF RIO RANCHO
ORDINANCE

ORDINANCE NO. **ENACTMENT NO.**

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH ENERGY LLC PROJECT), IN A MAXIMUM PRINCIPAL AMOUNT OF UP TO $110,000,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY QUAIL RANCH ENERGY 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 THE SCHOOL DISTRICTS WITHIN THE CITY BY THE COMPANY; 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 Rio Rancho (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: Quail Ranch Energy 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 Rio Rancho City Council, (the "City Council") a proposal whereby the City would (a) issue its Taxable Industrial Revenue Bonds (Quail Ranch Energy LLC Project), Series 2024 (the "Bonds"), and (b) acquire solar energy power generation 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 of electrical energy; 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 generation facility (the "Project"). The City has been

advised by the Company that, neither location approval nor a certificate of convenience and necessity are required prior to commencing construction or operation of the facility pursuant to the laws of the State; and

WHEREAS: under the Company's proposal, the City would enter into an Indenture (the "Indenture") with a wholly owned subsidiary of the Company specifically created to hold the Bond (the "Purchaser"), the Company and a Depositary acceptable to the City and the Purchaser pursuant to which, together with this ordinance (the "Bond Ordinance"), the City would issue the Bonds; and

WHEREAS: under the Company's proposal, the City would enter into one or more subleases with the Company in connection with the Bonds (collectively, the "Sublease"), whereby the Company would sublease to the City the site for the Project (the "Project Site"), and the Company would enter into a lease with the City for in connection with the Bonds (the "Lease") pursuant to which the Company would lease or sublease from the City the Project Property including the Project Site; and

WHEREAS: the City is authorized to enter into, deliver and perform all of its obligations under the Bond Documents and to issue, execute and deliver the Bonds pursuant to the Act and the Bond Ordinance; and

WHEREAS: the City will not operate the Project as a business or in any manner except as lessor thereof; and

WHEREAS: the Bonds in a principal amount not to exceed $110,000,000 will be issued, sold and delivered by the City, in a private sale to the Purchaser, pursuant to a bond purchase agreement to be dated as of the initial date of delivery of the Bonds, among the City, the Purchaser and the Company (the "Bond Purchase Agreement"); and

WHEREAS: the proceeds of the Bonds shall be applied to pay the costs of the Project and to pay certain costs associated with the transaction, including all the costs of the City relating to the issuance of the Bonds and the transaction;

WHEREAS: the City Council has determined that it is in the best interest of the City to issue the Bonds and to execute and deliver the Bond Documents, defined below, and other documents related thereto; and

WHEREAS: the City will enter into the following documents in connection with the issuance of the Bond:

1. Lease
2. Indenture
3. Bond Purchase Agreement
4. Sublease
5. Bonds

The Lease, Indenture, Bond Purchase Agreement, the Sublease and Bonds are collectively referred to in this Bond Ordinance as the "Bond Documents"; and

WHEREAS: the City is authorized to issue the Bonds under the Act and after having

considered the Company's proposal, has concluded that it is desirable at this time to authorize the issuance of the Bonds to finance the Project and that the City's issuance of the Bonds will constitute and be a valid public purpose; and

WHEREAS: the Bonds shall not be the general obligation of the City within the meaning of any provision of the constitution of New Mexico and shall never constitute an indebtedness of the City within the meaning of any state constitutional provision or statutory limitation, and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; and

WHEREAS: the Company will make annual in-lieu tax payments ("PILT Payments") under the Lease to the City, the Rio Rancho Public School District and the Albuquerque Public School District (collectively, the "Districts") pursuant to and in accordance with NMSA 1978, § 3-32-6(A)(2) (2023) for the period that the City owns and leases the Project Property to the Company; and

WHEREAS: this City Council has been advised by Sutin, Thayer & Browne A Professional Corporation, as bond counsel to the Company ("Bond Counsel") that the disclosure provisions of Rule 15c2-12 of the Securities and Exchange Commission are not applicable to this transaction inasmuch as the Bonds are being sold in a private sale without participation of an underwriter; and

WHEREAS: there has been published in the *Albuquerque Journal*, a newspaper of general circulation in the City, public notice of the City Council's intention to adopt this Bond Ordinance, which notice contained certain information concerning the ownership, purpose, location and size of the Project and the amount of the Bonds to be issued to finance the Project, which notice was published at least fourteen (14) days prior to final action upon this Bond Ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

Section 1. RATIFICATION. All actions not inconsistent with the provisions of this Bond Ordinance previously taken by the City Council and the officials of the City directed toward approval of the issuance and sale of the Bonds be approved and the same hereby are ratified, approved and confirmed.

Section 2. FINDINGS.

A. General. The City Council hereby declares that it has considered all relevant information presented to it relating to the Bonds and the Project and hereby finds and determines that the issuance of the Bonds pursuant to the Bond Ordinance to provide funds for the Project is necessary and advisable and in the interest of the City and its residents, and will promote 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.

B. The City Council finds that:

(1) The Bonds will be issued for the purpose of financing the Project.

(2) The aggregate face amount of obligations to be issued with respect to financing the Project is not to exceed $110,000,000.

(3) The developer of the Project Property is the Company.

(4) The Project Property is located within the corporate limits of the City.

Section 3. BONDS - APPROVAL, AUTHORIZATION AND DETAIL.

A. Approval and Sale. The issuance of the Bonds in a principal amount not to exceed $110,000,000 and the use of the proceeds of the Bonds to finance the cost of the Project, including payment of transaction expenses related thereto, are hereby approved and confirmed. The sale of the Bonds at par at a purchase price not to exceed $110,000,000 is approved.

B. Form and Terms. Subject to the limitations set forth in this Bond Ordinance, the Bonds shall (i) be in the form and denomination and shall be numbered and dated as set forth in the Indenture, (ii) be payable as to principal and interest and subject to optional and mandatory redemption and defeasance in the amounts, upon the conditions and at the times and prices set forth in the Indenture; and (iii) be issued in a principal amount not to exceed $110,000,000, bearing interest at the rate and maturing on the date set forth in the Indenture.

C. Execution. The Bonds shall be signed by the Mayor of the City.

D. Interest Rate. The interest rate on the Bonds shall be four percent (4%).

Section 4. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS; ACTIONS TO BE TAKEN. The Bond Documents in the proposed form presented to the City Council are hereby approved. The Mayor is authorized to approve the final terms and provisions of the Bond Documents on behalf of the City Council, provided that such final terms and provisions are substantially consistent with those in this Bond Ordinance, and to execute and deliver in the name and on behalf of the City, and the City Clerk or Deputy City Clerk is hereby authorized to attest, as necessary, the Bond Documents.

The Mayor, the City Manager and other officers of the City shall take such action as is 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 Bonds will be outstanding for a maximum of thirty (30) years from the date of issuance of such bonds. No principal will be due for the 1st year to and including the 29th year that the Bonds are outstanding. Assuming issuance of the Bonds on June 30, 2024 in the maximum principal amount of $110,000,000 bearing an annual interest rate of four percent (4%), interest payments will be due in the amount of $4,400,000 in each of the years 2025 through 2053 and the full principal plus interest thereon shall be due at maturity on June 30, 2054 in the amount of $114,400,000.

B. The Bonds will bear interest at the rate of four percent (4%).

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, fees of bond counsel to the City and fees of the City's financial advisor.

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 shall require 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 shall require 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).

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 to impose any tax nor to pay any amount (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 to impose any tax nor to pay any amount (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.

Section 9. APPROVAL OF INDEMNIFICATION. The City Council specifically requires that the Lease contain provisions relating to indemnification which provide that the Company shall indemnify and hold harmless the City and its City Council, officials, employees and agents against liability to the Company, or to any third parties, that may be asserted against the City or the City Council, officials, members, officers, employees or agents with respect to the City's ownership of the Project Property or the authorization or issuance of the Bonds, or arising from the condition of the Project Property or the acquisition, construction and operation of the Project Property by the Company, except to the extent New Mexico Statutes Annotated Section 56-7-1, 1978 Compilation, would preclude such indemnity.

Section 10. BOND ORDINANCE IRREPEALABLE. After the Bonds are issued, the Bond Ordinance shall be and remain irrepealable until the Bonds, including interest, are fully paid, canceled and discharged or there has been defeasance of the Bonds in accordance with the Indenture.

Section 11. REPEALER. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent with this Bond Ordinance are repealed by this Bond Ordinance but only to the extent of that inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, previously repealed.

Section 12. SEVERABILITY. If any section, paragraph, clause or provision of the Bond Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of the Bond Ordinance.

Section 13. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE DATE. This Ordinance, immediately upon its final passage and approval, shall be authenticated by the signature of the Mayor, and by the signature of the City Clerk or any Deputy City Clerk, and shall be recorded in the Ordinance book of the City, kept for

that purpose, and shall be in full force and effect thereafter in accordance with the laws of the State, and notice of adoption thereof shall be published once in a newspaper which maintains an office in, and is of general circulation in the City.

ADOPTED THIS _____DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

QUAIL RANCH SOLAR BOND HOLDER LLC,

CITY OF RIO RANCHO, NEW MEXICO

and

QUAIL RANCH SOLAR LLC

BOND PURCHASE AGREEMENT

Dated June __, 2024

$110,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Solar LLC Project)
Series 2024

BOND PURCHASE AGREEMENT

QUAIL RANCH SOLAR BOND HOLDER LLC (the "Purchaser"), **CITY OF RIO RANCHO, NEW MEXICO** (the "Issuer"), and **QUAIL RANCH SOLAR LLC** (the "Company"), agree:

Section 1. **Recitals**. The Issuer, the Purchaser, the Company and BOKF, NA, as depositary (the "Depositary") have entered into an Indenture dated as of June __, 2024 (the "Indenture"). Pursuant to the Indenture, the Issuer will issue its Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024, in the maximum principal amount of $110,000,000 (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 602 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 June __, 2024 (the "Lease" and, together with the Indenture, the Sublease 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 Rio Rancho on ____ __,, 2024 (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, the Sublease 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 , the Sublease and the Lease.

(d) Neither the execution and delivery of this Agreement, the Indenture, the Sublease 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, the Sublease 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, the Sublease 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 not 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 Depositary. The Lease and the Sublease will each 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 Rio Rancho, New Mexico
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144
Attn: City Manager
Tel: 505.891.5000 (for use in connection with courier deliveries

If to the Purchaser: Quail Ranch Solar Bond Holder LLC

c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

If to the Company: Quail Ranch Solar LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

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.

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 Counsel, 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: _____, 2024

PURCHASER:

QUAIL RANCH SOLAR BOND HOLDER LLC,
a Delaware limited liability company
Quail Ranch Solar LLC. its Sole Member
By: CRE-Quail Ranch New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

COMPANY:

QUAIL RANCH SOLAR LLC,
a Delaware limited liability company
By: CRE-Quail Ranch New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

(Signature Page for Bond Purchase Agreement)

Attest:

CITY OF RIO RANCHO, NEW MEXICO

(SEAL)

_____
Rebecca A. Martinez, City Clerk

By _____
Greggory D. Hull, Mayor

(Signature Page for Bond Purchase Agreement)

Exhibit A

[Opinion of Bond Counsel]

_____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Solar Bond Holder LLC
[Address]

Quail Ranch Solar LLC
[Address]

BOKF, NA
Albuquerque, New Mexico

$110,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Solar LLC Project)
Series 2024

Ladies and Gentlemen:

We have acted as Bond Counsel to Quail Ranch Energy LLC in connection with the issuance and sale by the City of Rio Rancho, New Mexico (the "Issuer") of its Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project) Series 2024 in the maximum principal amount of $110,000,000 (the "Bonds").

The Bonds will bear interest on the outstanding principal amount at a per annum rate equal to four percent (4%). Interest on the Bonds is payable each _____ 1 beginning _____ 1, 20__, 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 _____, 202_ (the "Indenture") among the Issuer and Quail Ranch Solar Bond Holder LLC (the "Purchaser"), Quail Ranch 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 Rio Rancho City Council on May 23, 2024, 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 Sublease dated as of ____ __ , 20__ (the "Sublease") between the Issuer and the Company , the Lease Agreement dated as of ____ __ , 20__

(the "Agreement") between the Issuer and the Company and the Bond Purchase Agreement dated _____, 2024 (the "Bond Purchase Agreement" and, together with the Indenture. The Sublease 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 or 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]

_____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Solar Bond Holder LLC
[address]

Quail Ranch Solar LLC
[address]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

I am general counsel to Quail Ranch 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 _____, 2024 (the "Agreement") between the City of Rio Rancho, New Mexico (the "Issuer") and the Company, (ii) the sublease Agreement dated as of _____, 2024 (the "Sublease") between the Issuer and the Company and (iii) the Bond Purchase Agreement (the "Bond Purchase Agreement") dated _____, 202_ among Quail Ranch Solar Bond Purchaser LLC (the Purchaser"), the Issuer and the Company, pursuant to which the Purchaser has agreed to purchase the Issuer's Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project) Series 2024 in the maximum principal amount of $110,000,000 to be issued under the Indenture dated as of _____, 2024 (the "Indenture") among the Issuer, the Purchaser, the Company and the Depositary, and (iv 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 Sublease, the Indenture and the Bond Purchase Agreement.

2. The execution, delivery and performance by the Company of the Agreement, the Sublease, 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 Sublease, 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) 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]

_____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Solar Bond Holder LLC
[address]

Quail Ranch Solar LLC
[address]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

This opinion is being rendered to you in connection with the issuance by the City of Rio Rancho, New Mexico (the "Issuer") of its Taxable Industrial Revenue Bond (Quail Ranch Solar LLC Project) Series 2024 in the maximum principal amount of $110,000,000 (the "Bonds").

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in Ordinance No. __ (the "Ordinance") adopted by the Rio Rancho City Council on _____ __, 2024, (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 Ordinance was duly adopted by the Rio Rancho City Council on _____, 2024, 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, the Sublease 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]

_____, 2024

City of Rio Rancho, New Mexico
Rio Rancho, New Mexico

Quail Ranch Solar Bond Holder LLC
[address]

Quail Ranch Solar LLC
[address]

BOKF, NA
Albuquerque, New Mexico

Ladies and Gentlemen:

I am general counsel to [PURCHASER] (the "Purchaser") and have been requested to render my opinion in connection with the transactions contemplated by (i) the Indenture dated as of _____, 2024 (the "Indenture") among BOKF, NA as depositary (the "Depositary"), the City of Rio Rancho, New Mexico (the "Issuer"), Quail Ranch Solar LLC (the "Company") and the Purchaser, and (ii) the Bond Purchase Agreement (the "Bond Purchase Agreement") dated _____, 2024 among the Purchaser, the Issuer and the Company, pursuant to which the Purchaser has agreed to purchase the Issuer's Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project) Series 2024 in the maximum principal amount of $110,000,000 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,

CITY OF RIO RANCHO, NEW MEXICO
as Issuer

QUAIL RANCH SOLAR LLC
as Company

QUAIL RANCH SOLAR BOND HOLDER LLC
as Purchaser

and

BOKF, NA
as Depositary

INDENTURE

Dated as of June __, 2024

Securing

$110,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Solar LLC Project)
Series 2024Series 2024

This instrument constitutes a security agreement with respect to monies on deposit in the funds and accounts created hereunder and certain personal property, including certain after-acquired property as set forth herein, under the laws of the State of New Mexico.

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CITY OF RIO RANCHO, NEW MEXICO, a municipal corporation existing under the law of the State of New Mexico (together with its successors and assigns, the "Issuer"); QUAIL RANCH SOLAR LLC, a Delaware limited liability company (together with its successors and assigns, the "Company"); and QUAIL RANCH SOLAR BOND HOLDER LLC a Delaware limited liability company (together with its successors and assigns, and transferees of the Bonds (defined below), the "Purchaser"), and BOKF, NA, in its capacity as depositary hereunder (together with its successors and assigns, the "Depositary"), agree:

ARTICLE I- RECITALS

Section 101. The Act. Pursuant to the Industrial Revenue Bond Act, NMSA 1978, Sections 3-32-1 to 3-32-16 as amended (the "Act"), the Issuer is authorized to acquire, own, lease or sell "projects" (as defined in the Act) for the purpose of promoting industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the State of New Mexico (the "State"), 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 derived from the projects for which the bonds are issued. Such bonds may be secured by, among other things, the revenues of the project, a pledge of the Issuer's lease of such project and a mortgage covering all or any part of the project for which the revenues pledged may be derived. 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 Issuer's City Council (the "Governing Body"), a proposal relating to the issuance of taxable industrial revenue bonds and the acquisition, construction, equipping and installation of a solar power generation facility, including without limitation certain real property rights, title, easements and leasehold interests, solar generation equipment and supporting structures and related improvements, electrical lines and related assets used in the generation of electricity. The Issuer, by Ordinance No. ____ adopted on __ __, 2024, authorized, among other matters, (i) the issuance of its City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024 (the "Bonds"), in the principal amount not to exceed $110,000,000, substantially in the form of Exhibit A attached hereto, and (ii) the execution and delivery of this Indenture.

Section 103. The Sublease Agreement. The Company entered into lease and easement agreements with various lessors under which the Company leased the Project Site (collectively, the "Project Site Leases"). On a sublease, dated as of the date hereof, the Company entered into a sublease agreement with the Issuer (the "Sublease Agreement") under which the Company subleased and conveyed to the Issuer all of the Company's rights and none of its obligations under the Project Site Leases, upon terms and conditions as provided under the Sublease Agreement.

Section 104. The Indenture; Lien; Collateral Pledge. The Bonds are to be issued under and pursuant to this Indenture (together with any and all amendments and supplements, this "Indenture"). This Indenture constitutes a collateral pledge and assignment of the Lease Agreement (defined below) and the other collateral described in Section 301 in favor of the Purchaser of the Bonds.

Section 105. The Lease Agreement. The Issuer has entered into a Lease Agreement with the Company dated as of the date hereof (together with any and all amendments and supplements, the "Lease Agreement"), under which the Issuer has leased the Project Property (as defined in the Lease Agreement) 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 when due. 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 all of its interests in the Lease Agreement (other than the Unassigned Rights) and grant to the Purchaser a security interest in the Project Property which security interest shall at all times be junior and subordinate to the prior security interest in the Project Property granted by the Company to the Lender or Lenders regardless of when the First Lender Mortgage (as defined in the Lease Agreement) is imposed upon the Purchaser's interests in the Lease Agreement and the Project Property.

Section 106. Conditions Precedent Performed. Without representing as to the validity or enforceability of the Bonds, and without having conducted any independent investigation thereof, the Issuer is not aware of any act or condition required on the part of the Issuer by the Constitution and laws of the State to happen, exist or be performed precedent to and in the execution and delivery of this Indenture, the Lease Agreement or the issuance of the Bonds, except such as do exist, have happened or have been performed.

ARTICLE II- DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 201. Meanings of Words and Terms. All words and terms defined in the Lease 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 Account" has the meaning assigned in Section 601.

"Act" has the meaning assigned in Section 101.

"Advances" has the meaning assigned in Section 602.

"Affiliate" means any direct or indirect parent or subsidiary of a corporation or limited liability company.

"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 authorized signatory of the Company.

"Authorized Purchaser Representative" means any one of the persons at the time designated to act on behalf of the Purchaser in a certificate furnished to the Issuer and the Depositary containing the specimen signatures of such persons and signed on behalf of the Purchaser by an authorized signatory.

"Basic Rent" has the meaning assigned thereto in the Lease Agreement.

"Bonds" have the meaning assigned in Section 102.

"Bond Counsel" means Sutin Thayer &Browne, APC, Albuquerque, New Mexico.

"Bond Documents" means, collectively: (i) the Lease Agreement, (ii) the Sublease Agreement, (iii) this Indenture, and (iv) the Bond Purchase Agreement.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated the date of the execution and delivery of the Bonds, 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, the City of Las Cruces, New Mexico, or the City of New York, New York are authorized or required to close.

"Certificate of Qualified Investor" means the certificate attached hereto as Exhibit D.

"Company" has the meaning assigned in the first paragraph of this Indenture.

"Completion Certificate" means a certificate signed by the Authorized Company Representative certifying that the Project is complete in all material respects and all costs have been paid or provision has been made for their payment, in the form attached hereto as Exhibit C.

"Completion Date" has the meaning assigned thereto in the Lease Agreement.

"City" means Issuer.

"Default" has the meaning assigned in Section 801.

"Depositary" has the meaning assigned in the first paragraph of this Indenture.

"Event of Default" has the meaning assigned in Section 8.01 of the Lease Agreement.

"First Lender Mortgage" has the meaning assigned thereto in the Lease Agreement.

"Indenture" has the meaning assigned in Section 104.

"Issuer" has the meaning assigned in the first paragraph of this Indenture.

"Issuance Costs" means items of expense related to the authorization, sale and issuance of the Bonds and authorization and execution of Bond Documents, which items of expense will include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel fees, Issuer's financial advisor, bond counsel and other contract counsel fees, initial fees of Depositary and other costs, charges and fees of the Issuer and the Company in connection with the foregoing.

"Lease Agreement" has the meaning assigned in Section 105.

"Lender" or "Lenders" means those parties identified in the Loan Agreement and any and all other persons or entities, their permitted assigns and successors in interest thereof who in connection with a Company Financing (as defined in the Lease Agreement) or other financing transaction: (a) extend credit (including without limitation any financing lease, letter of credit financing, construction financing, monetization of tax benefits, back leverage financing or credit derivative arrangement) to Company or to an Affiliate of Company: (i) for the construction, permanent or interim financing or refinancing of the Project; (ii) for working capital or other ordinary business requirements of the Project (including without limitation the maintenance, repair, replacement or improvement of the Project); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Project; (iv) for any capital improvement or replacement related to the Project; or (v) for the purchase of the Project and related rights from the Company, and/or (b) participate (directly or indirectly) as an equity investor in the Project primarily in connection with the utilization of applicable federal tax credits (or grant in lieu thereof) or tax depreciation benefits associated with holding an ownership interest in the Project, or (c) participate as a lessor (including without limitation as equity participant owning the beneficial interest of lessor) under a lease finance arrangement relating to the Project (which Person or Persons shall not include the Company or any of its Affiliates).]

"Loan Agreement" has the meaning assigned thereto in the Lease Agreement.

"Maturity Date" means June __, 2054.

"Parties" mean the Issuer, the Purchaser, the Company and the Depositary.

"Party" means any one of the Parties.

"Person" means an individual, corporation, partnership, limited liability partnership, limited liability company, unincorporated organization, association, joint stock company, joint venture, trust, estate, real estate investment trust, government, government agency or political subdivision or other entity, whether acting in an individual, fiduciary or other capacity.

"Project" has the meaning assigned in the preamble to the Lease Agreement.

"Project Property" has the meaning assigned thereto in the Lease Agreement.

"Project Site" has the meaning assigned thereto in the Lease Agreement and is further described in Exhibit A thereto.

"Project Site Leases" means jointly those certain lease and easement agreements as set forth in Exhibit A to the Lease Agreement.

"Purchaser" has the meaning assigned in the preamble to the Lease Agreement.

"Record Date" means May 1, while the Bonds are outstanding.

"Redemption Price" has the meaning assigned thereto in Section 501.

"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 and the Issuance Costs.

"State" has the meaning assigned thereto in Section 101.

"Sublease Agreement" has the meaning assigned thereto in Section 103.

"Unassigned Rights" has the meaning assigned in Section 2.01 of the Lease Agreement.

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 Lease Agreement and the provisions of this Indenture will be resolved in favor of the provisions of this Indenture.

Section 203. Bonds Not General Obligations of Issuer. Neither the 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. Pledge and Grant of Security Interest. 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 in accordance with the terms of this Indenture and the other Bond Documents), 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 pledges and assigns to the Purchaser and grants a security interest to the Purchaser in, subject to any First Lender Mortgage (as defined in the Lease Agreement), (i) all the Issuer's right, title and interest in and to the Lease Agreement (except for the Unassigned Rights), including,

without limitation, its rights to the Basic Rent; (ii) the Sublease Agreement, (iii) the Project Property; and (iv) the monies and investments in the Acquisition Account.

Section 302. Release and Discharge of Indenture. If the principal of, interest on and redemption price, if any, of the Bonds are paid in full to the Purchaser, then all obligations of the Issuer as to the Bonds under this Indenture will terminate, and the Purchaser will cancel and discharge the lien granted under this Indenture and execute and deliver to the Issuer, the Depositary (subject to Section 904(d)) and the Company such instruments in writing as may be required to evidence such discharge. The Clerk of the Issuer is authorized to accept a certificate of the Purchaser stating that all principal and interest due on the Bonds have been paid as evidence of the satisfaction of this Indenture.

Section 303. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Indenture and any legislation which relate to the maturity of the Bonds, interest payments and the dates thereof, exchange, transfer and registration of the Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, non-presentment of the Bonds, the holding of monies in trust, and repayments to the Company from various funds established pursuant to this Indenture and the duties in connection with all of the foregoing, will remain in effect and be binding upon the Company and the Purchaser, notwithstanding the release and discharge of this Indenture. The provisions of this Section 303 will survive the release, discharge and subordination of this Indenture.

Section 304. Priority of First Lender Mortgage. The Issuer, the Purchaser and the Depositary acknowledge that the Issuer's interest in the Project Property, the liens and security interests granted and created in this Indenture in favor of the Purchaser under Section 301 hereof, including, but not limited to, the Acquisition Account created with the Depositary under Section 601 hereof, will at all times be subordinate to the First Lender Mortgage (as defined in the Lease Agreement) regardless of when the First Lender Mortgage is recorded.

Section 305. Further Assurances.

(a) The Issuer, the Purchaser and the Company will, at the direction of the Purchaser, or of the senior secured lenders, including the Lender or Lenders, or the Company, or an agent therefor (which shall be deemed to be beneficiaries of this provision), and 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 Depositary, the Issuer, the Company, the Purchaser and the Lender or Lenders and any other senior secured lender in and to the rights accorded under: this Indenture; the Lease Agreement, including, without limitation, the Basic Rent; the Sublease Agreement; the Project Property; and in the monies and investments in the Acquisition Account, including, without limitation, the filing of financing statements and continuation statements and the execution, acknowledgement, delivery, filing and recordation of any other necessary agreements and instruments.

(b) Purchaser agrees to subordinate its right as pledgee, assignee and secured party as provided in Section 301 hereof to the Lender or Lenders and any other financial institution, lender or other financing party providing all or part of the Company Financing (as defined in the Lease Agreement), from time to time and regardless of when any mortgage or lien is imposed by

the Lender or Lenders and to enter into such agreements as the Lender or Lenders, such other financial institution, lender or other financing party providing all or part of the Company Financing from time to time or the Company, its manager, or any subsidiary or affiliate of the Company may reasonably request to evidence such subordination.

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 one hundred and ten million dollars ($110,000,000) (referred to hereafter in Sections 401 and 402, as the "Bond"). The Bond will be identified as Series 2024 and numbered R-1. No bond may be issued under this Indenture except in accordance with this Article IV. The total principal amount of the Bonds issued under this Indenture is expressly limited to $110,000,000 and no additional bonds may be issued under this Indenture. The Bond may be transferred in accordance with the terms of this Indenture and the Bond.

Section 402. Form of Bond; Principal and Interest Payments. The Bond will be in substantially the form of Exhibit A attached hereto. The Bond will be dated the date of execution and delivery of this Indenture and will bear interest at four percent (4%) per annum from the date of payment of each Advance made pursuant to Section 404 through the Maturity Date or prior redemption of the Bond. Interest on the Bond will be calculated on the basis of a 360-day calendar year consisting of twelve thirty-day months. The principal amount of the Bond shall be equal to the aggregate amount of all outstanding Advances made pursuant to Section 404. Accrued interest shall be payable annually on each November 13 beginning November 13, 2024, with the outstanding principal of the Bond plus all unpaid interest thereon payable in full on the Maturity Date, or upon the prior redemption of the Bond in full or in part. Principal and interest on the Bond, as applicable, will be payable from Basic Rent received from the Company to the owner of the Bond on the immediately preceding Record Date and upon payment of the Bond in full, upon the presentation of the Bond 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 attested by the Clerk or a Deputy Clerk 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 401.

Section 404. Advances. Subject to the terms and conditions of the Bond Purchase Agreement, the Purchaser will purchase the Bonds upon the execution and delivery of the Indenture and will pay the purchase price of the Bonds as set forth in Section 2 of the Bond Purchase Agreement through advances described in this Section 404. The Company will request advances by notice to the Purchaser and the Depositary in accordance with Section 602 of this Indenture. Promptly upon receipt of notice from the Company requesting an advance, the Purchaser will, so long as no Default has occurred and is continuing, remit the amount of the advance requested in such notice to the Depositary for deposit in the Acquisition Account,

provided that the aggregate amount of the advances will not exceed $110,000,000. The records of the Depositary will be conclusive as to the 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 and each principal payment on and redemption in part of the Bonds and the resulting principal amount. 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.

Section 405. Registration and Transfer of the Bonds. 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. Upon the Company's receipt of notice of the transfer of the Bonds in accordance with their terms and this Indenture, the Company will cause the registration book to reflect the name and address of the transferee, unless a trustee for bondholders is appointed as provided in this Indenture, in which event such trustee will maintain such registration book. Ownership of the Bonds will be proved by the registration book and any request, demand, authorization, direction, notice, consent waiver or other act of the holder of any Bonds will bind every future holder of such Bonds and the holder of every Bond issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted, or suffered to be done by the Company in reliance thereon, whether or not notation of such action is made upon such Bond. The registration book will be open to inspection by the Issuer upon advance notice during the Company's normal business hours.

Purchaser shall be permitted to assign the Bonds to its or the Company's Lender or Lenders as collateral for any financing or refinancing of the Project provided that such transfer is, to the extent applicable, consummated in accordance with applicable federal and state securities laws; provided, however, Purchaser shall be responsible at Issuer's request for Issuer's reasonable costs associated with the review, negotiation, execution and delivery of documents in connection with such assignment, including reasonable attorneys' fees. Issuer shall, upon request by Purchaser or any Lender or Lenders and, at Purchaser's sole expense, cooperate reasonably to execute, or arrange for the delivery within thirty (30) days of such request, those normal, reasonable and customary consents, certificates, opinions and other documents and provide such other normal and customary representations or warranties as may be necessary to assist Purchaser or the Company in consummating any financing or refinancing of the Project or any part thereof; provided that any such documents will be fully nonrecourse to the Issuer and may be subject to the Issuer obtaining all necessary approvals of the Issuer's Governing Body to the extent required under applicable law.

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 of the Issuer upon: (i) surrender of the Bonds; (ii) delivery of a written transfer instrument; (iii) compliance with the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws as established to the satisfaction of the Issuer; and (iv) 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, to the effect the transfer complies with the Securities 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 as further set forth in the Bond form attached as Exhibit A, provided that the conditions

described in (iv) (A) and (B) of this Section 405 shall not apply to the transfer of the Bonds pursuant to any pledge by the Purchaser of the Bonds as collateral to one or more financial institutions, including without limitation the Lender or the Lenders. The Issuer agrees that it will cooperate in delivering new Bonds, registered in the name of the transferee. The transferee will pay any tax or fee or other charge imposed on the transfer. The Person in whose name the Bonds are registered shall be deemed and treated 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 Bonds, to the extent of the sum or sums paid; and will not be affected by any notice to the contrary.

Section 406. Lost, Stolen, Destroyed and Mutilated Bonds. If the Issuer receives satisfactory evidence that the Bonds have been lost, stolen, destroyed or mutilated and receives satisfactory indemnity, then the Issuer will execute and deliver a new Bond. The applicant for a new Bond will pay any charges and expenses in connection with the issuance of the new Bond. A new Bond issued under this Section 406 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 406 with respect to the replacement of the lost, stolen, destroyed or mutilated Bond are exclusive.

Section 407. Cancellation and Destruction of the Bonds by Issuer. If the Bonds are delivered to the Company or the Issuer for cancellation, the Bonds will be cancelled immediately and burned or otherwise destroyed by the Issuer.

Section 408. Application of Payments for Bonds. Payments received by the Purchaser with respect to the redemption of all or any portion of the Bonds will be applied first, to the principal amount to be redeemed and then, to accrued interest on such principal amount. All other payments received by the Purchaser with respect to the Bonds will be applied first, to accrued interest on the Bonds and then, to the unpaid principal of the Bonds. If such payments exceed accrued interest on the unpaid principal of the Bonds, Purchaser will pay the excess 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 Advances under this Indenture.

ARTICLE V- REDEMPTION

Section 501. Redemption. If the Company gives notice to the Issuer, the Depositary (during the period of its appointment under Section 904(d) hereof) and the Purchaser pursuant to Article IX of the Lease Agreement that the Company has elected to cause the redemption of the Bonds in full or in part and the Company pays the redemption price (or otherwise offsets such amount as contemplated under Section 5.05 of the Lease Agreement), all or such portion of the Bonds will be deemed redeemed by the Issuer on the date indicated in such notice at a price equal to the principal amount to be redeemed plus accrued interest on such principal amount to the redemption date, without premium (the "Redemption Price"). If the Company redeems the Bonds in full before the Completion Date, any monies in the Acquisition Account will be returned to the Company.

Section 502. Payment of Redeemed Bonds. Upon the giving of notice of redemption as provided in Section 501, the Bonds or portions thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price. Payment of the Redemption Price shall be made by the Company upon surrender of such Bonds. The expense of giving notice and any other expenses of redemption shall be paid by the Company. If there shall be called for redemption less than the principal amount of the Bonds, the Issuer shall execute and deliver upon surrender of such Bonds, and without charge to the registered owner thereof, at the option of the registered owner, registered Bonds of like Maturity Date for the unredeemed portion of the principal amount of the Bonds so surrendered.

From and after the date fixed for redemption designated in such notice, notwithstanding that the Bonds so called for redemption in whole or in part shall not have been surrendered for cancellation, no further interest shall accrue upon the principal of the Bonds or portions thereof so called for redemption, the Bonds thereof to be redeemed shall cease to be entitled to any lien, benefit or security under this Indenture, and the registered owner(s) thereof shall have no rights to such Bonds or portions thereof, except to receive payment of the Redemption Price thereof.

ARTICLE VI– THE ACQUISITION ACCOUNT

Section 601. Creation; Deposits. A special account is hereby created with the Depositary and designated "City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024 Acquisition Account" (the "Acquisition Account"), with respect to which the Company is the "customer" within the meaning of Section [4-104] of the Uniform Commercial Code. Any monies received by the Issuer or the Depositary on account of any advances under Section 404 will be deposited in the Acquisition Account. The monies in the Acquisition Account will be held by the Depositary and will, subject to the provisions of Sections 606 and 607, be applied to the payment of Related Costs and, pending such application, will be subject to the lien in favor of the Purchaser. As provided in Section 304, the interests of the Issuer, the Purchaser, the Company and the Depositary in and to the monies in the Acquisition Account shall at all times be subordinate to the First Lender Mortgage regardless of when the First Lender Mortgage is granted or recorded.

Section 602. Disbursements. The Depositary will make payments of Related Costs from monies on deposit in the Acquisition Account (the "Advances") upon receipt of a requisition and certificate in the form of Exhibit B attached hereto ("Requisition"), signed by an Authorized Company Representative, stating to whom the payment is to be made, the general purpose for which the obligation to be paid was incurred and that:

(1) 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 Account and has not been the subject of a previous withdrawal from the Acquisition Account

(2) 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

(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 the requisition.

Section 603. Records. The Depositary will keep and maintain adequate records pertaining to the Acquisition Account and payments made therefrom, which will be open to inspection by the Issuer, the Purchaser, the Company, the Lenders or their agents, if any, upon advance notice, during normal business hours.

Section 604. Depositary May Rely on Requisitions. All requisitions and certificates received by the Depositary as conditions of payment from the Acquisition Account, may be conclusively relied upon by the Depositary and will be retained by the Depositary, subject at all reasonable times, to examination by the Issuer and other Parties and their respective agents and representatives. The Depositary shall have no duty or obligation to verify the content of any requisition certificate.

Section 605. Account Statements. On a monthly basis, the Depositary will make available account statements covering all receipts and moneys then on deposit in the Acquisition Account, and any investments of such moneys. The Depositary will make reports monthly, at no cost, if the Company requests. The Depositary will provide copies of such monthly account statements at no cost to the Issuer, upon the Issuer's written request. The requirements of this Section 605 may be performed by the Depositary by granting to the Company and the Issuer on-line view only access to the Acquisition Account. The Company (and, if the Issuer wishes to have such on-line access, the Issuer) shall provide any reasonable information to the Depositary which is needed to establish such Person with access to such on-line portal at no cost to the Issuer.

Section 606. Completion Date. Upon receipt of a certificate substantially in the form of Exhibit C attached hereto (the "Completion Certificate") signed by an Authorized Company Representative establishing the Completion Date, as provided in Section 4.04 of the Lease Agreement, the Depositary will, to the extent monies are available therefor, set aside 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 moneys remaining in the Acquisition Account to the Company (but the Depositary and the Issuer will have no duty to inquire into or otherwise monitor and will not have any liability associated with the Company's use of such monies).

Section 607. Payment on Acceleration. If the Purchaser declares the unpaid principal of and accrued interest on the Bonds to be immediately due and payable pursuant to Section 802, the Depositary, to the extent permitted by law, will promptly, upon receipt of written notice of such declaration from an Authorized Purchaser Representative, return all moneys then held for the credit of the Acquisition Account in accordance with Section 601 to the Purchaser for application to the unpaid principal of and accrued interest on the Bonds.

Section 608. Investments. Moneys on deposit in the Acquisition Account may be invested and reinvested by the Depositary, at the written direction of an Authorized Company Representative, in short-term interest-bearing securities or funds. Such investments will be deemed at all times to be a part of the Acquisition Account. Any interest accruing on any such investment and any profit realized from such investment will be credited to the Acquisition Account. Any loss resulting from any such investment will be charged to the Acquisition Account. Neither the Depositary nor the Issuer will be responsible for any loss resulting from any such investment or liquidation of any 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. The Depositary shall have no obligation to invest or reinvest the funds held in the Acquisition Account if deposited with the Depositary after [11:00 a.m. (Eastern Time.)] on such day of deposit. Instructions received after [11:00 a.m. (Eastern Time.)] will be treated as if received on the following business day.

Section 609. 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 Account and the Company shall indemnify and hold the Issuer harmless from and against all claims, liabilities of whatsoever nature arising from or relating to the Acquisition Account or the management of the Acquisition Account.

The Issuer will not be liable or responsible for any application of funds, loss (or failure to realize profits), liability or expense with respect to the application of Basic Rent to pay amounts due on the Bonds, and the Company shall indemnify and hold the Issuer harmless from and against all claims, liabilities of whatsoever nature arising from or relating to the application of Basic Rent for the payment of the Bonds.

Section 610. Source of Payment of the Bonds. The Bonds and all payments thereon 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 and other security pledged to the payment of the Bonds under this Indenture. The Project Property has been leased under the Lease Agreement and the Basic Rent is to be remitted by the Company directly to the Purchaser on or before each principal payment date and interest payment date, as applicable, subject to the rights of offset set forth in Section 5.05(b) of the Lease 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.

ARTICLE VII- PARTICULAR COVENANTS AND PROVISIONS

Section 701. 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 out of the Basic Rent (but excluding Additional Payments), proceeds and receipts and other security pledged

hereunder, will arise therefrom. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY OF ITS POLITICAL SUBDIVISIONS, OR 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 AND THIS INDENTURE 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 LAWS 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 UNLESS IT SHALL HAVE FIRST BEEN ADEQUATELY INDEMNIFIED TO ITS SATISFACTION AGAINST THE COST, EXPENSE AND LIABILITY WHICH MAY BE INCURRED THEREBY.

Section 702. 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 without limitation the Act, to issue the Bonds, to execute and deliver this Indenture, to pledge and grant a security interest in the property described in Section 301 of this Indenture and that it has taken all actions required on its part for the issuance of the Bonds, and for the execution and delivery of this Indenture, the Bond Purchase Agreement, the Sublease Agreement and the Lease Agreement.

Section 703. Office or Agency. The Issuer will maintain an office or agency in the City of Las Cruces, New Mexico, while the Bonds are outstanding and where demands with respect to this Indenture or the Bonds may be made. The office of the City Manager of the Issuer will be such agency until further notice.

Section 704. Obligations Under the Lease Agreement. The Issuer: (i) will perform all of its obligations under the Lease Agreement; (ii) will not execute or agree to any change, amendment or modification of or supplement to the Lease Agreement except by a supplement or an amendment duly executed by the Issuer and the Company with the written approval of the Purchaser and for as long as any obligations are outstanding under the Loan Agreement (as defined in the Lease Agreement) or any other loan obligation in connection with the Company Financing, the Lender or the Lenders (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 Lease Agreement, no authority to enforce any of the rights or remedies of the Purchaser under the Lease Agreement and any actions taken by the Issuer shall be at the expense of the Company.

Notwithstanding the foregoing paragraph, it is the intention of the Lease Agreement that the Company will make payments to the Purchaser for the account of the Issuer, in such amounts and at such times as are necessary to make all payments of principal of, interest on and redemption

price of the Bonds in accordance with the terms of the Bond Documents as and when due, and all such payments will be netted against any monies paid and investments made by the Purchaser to the Acquisition Account (including without limitation interest income). 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 the Lease Agreement. As described in Section 7.01 of the Lease Agreement, the Issuer will assign and pledge to the Purchaser all right, title and interest of the Issuer in and to the Lease Agreement (except for Unassigned Rights), including without limitation the right to receive payments of Basic Rent thereunder.

Section 705. Use and Possession by the Company. The Company will be permitted to possess, use and enjoy the Project Property as provided in the Lease Agreement.

Section 706. 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 Purchaser all the property and revenues and receipts pledged to the payment of the Bonds under this Indenture.

ARTICLE VIII- DEFAULT AND REMEDIES

Section 801. Events of Default. Each of the following events is a "Default:"

(a) Failure to pay any installment of principal of, interest on or the redemption price of the Bonds when due and such failure continues unremedied for a period of 30 days after the provision by the Issuer or Purchaser of written notice of non-payment;

(b) An Event of Default under the Lease Agreement occurs and is continuing;

or

(c) The Company fails to perform any other of its obligations under the Bonds, the Bond Documents or this Indenture, other than as described in subsections (b) and (b) above, and such failure continues unremedied for a period of 30 days after the provision by the Issuer or Purchaser of written notice of non-performance, unless the Purchaser shall agree in writing to the extension of such time period prior to its expiration.

Section 802. Acceleration. If a Default has occurred and is continuing, the Purchaser may by notice to the other Parties declare the then unpaid principal of and all accrued interest on the Bonds to be immediately due and payable. Upon such declaration the same will be immediately due and payable by the Company; provided, however, that the Purchaser, by written notice to the other Parties, may annul such declaration and destroy its effects and waive any such default if (i) all covenants, conditions and agreements with respect to which such default shall have been made, shall be fully performed, (iii) 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.

Section 803. Issuer and Depositary Not Responsible. Neither the Issuer nor the Depositary has any responsibility to act on behalf of the Purchaser with respect to any Default. All rights and remedies arising from or related to any Default are the rights and remedies of the Purchaser; provided that, upon request of the Purchaser, the Issuer, if legally permitted, 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 cost, expense (including any reasonable counsel fees and expenses) or liability the Issuer may incur or suffer as a result of or in connection with such cooperation, subject to the provisions concerning the appointment of a trustee set forth in Article X.

Section 804. Rights and Remedies of Purchaser. The Purchaser will not have the right to initiate 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 a 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 any mortgage or lien imposed by a Lender or Lenders or 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 premium, if any, and interest on the Bonds, 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 provided in this Indenture or in the Bonds.

Section 805. Lender Right to Cure Defaults.

(a) If a Default has occurred and is continuing under this Indenture of which the Company has been notified, the Lender or Lenders or any other mortgagee or assignee of the Company that holds an interest in the Project Property as security, and any other lender in connection with a Company Financing (the "Curing Party"), shall, provided that it delivers notice to the Issuer of its intent to cure such Default before the expiration of the applicable cure period set forth in Section 801 (the "Cure Notice"), at any time have the right, but not the obligation, to perform any act necessary to cure any such Default and to prevent the release and discharge of this Indenture. Such right to cure must be performed no later than sixty (60) days following the applicable cure period provided in Section 801.

(b) Following Issuer's receipt of a Cure Notice, the Curing Party shall pay or cause to be paid all monetary charges payable by the Company under this Indenture which have accrued and are unpaid as of the date of the Cure Notice and those which accrue thereafter, and any charges, expenses, fees, and/or penalties that the Issuer may incur as the result of the Default after its receipt of the Cure Notice.

Section 806. Reserved.

ARTICLE IX– THE DEPOSITARY

Section 901. Acceptance of Duties. The Depositary accepts the duties imposed on it by this Indenture, but only on the following express terms and conditions: the Depositary undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and with

respect to delivery of a certificate of the Depositary under Section 7(e)(viii) of the Bond Purchase Agreement, and no implied covenants or obligations will be read into this Indenture against the Depositary.

(b) In the absence of gross negligence or willful misconduct on its part, the Depositary may conclusively rely on certificates or notices furnished to the Depositary and conforming on their faces to the requirements of this Indenture or the Lease 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 Lease Agreement, the Depositary will examine the same to determine whether they conform on their faces to the requirements of this Indenture or the Lease Agreement, as the case may be. Without limiting the foregoing, the Depositary may rely on information furnished by the Company including as to ownership of the Bonds.

(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 gross negligence or willful misconduct of the Depositary as determined pursuant to a final, non-appealable judgment of a court of competent jurisdiction. No provision of this Indenture will be construed to relieve the Depositary from liability for its own gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction.

(d) The Depositary may consult with counsel and other professionals and the advice of such counsel and other professionals will 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 therewith.

(f) The Depositary shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Depositary (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

(g) The Depositary shall not be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder unless an adequate indemnity against such risk or liability is provided.

(h) The Depositary is authorized to obey and comply with all writs, orders, judgments or decrees issued by a court or an administrative agency having jurisdiction over the

matter affecting any money, documents or things held by the Depositary. The Depositary shall not be liable to any of the Parties hereto or any other person by reason of the Depositary's compliance with such writs, orders, judgments or decrees undertaken in good faith.

Section 902. Compensation. The Company will pay to the Depositary its reasonable fees and charges and all of its reasonable expenses (including reasonable counsel fees and expenses).Qualification. The Depositary must be an association or a corporation organized and doing business under the laws of the United States of America, be granted trust powers under such laws and be subject to supervision or examination by federal banking authorities. If at any time the Depositary ceases to be eligible in accordance with the provisions of this Section 903, it will resign immediately in the manner and with the effect specified in Section 904.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 905.

(b) The Depositary may resign at any time by providing written notice to the other Parties 10 business days prior to the resignation. 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' notice to the other Parties.

(d) The Depositary will be automatically removed on the occurrence of the later of (i) the Completion Date and the application of all monies on deposit in the Acquisition Account as provided in Section 606 or (ii) the date on which the Depositary no longer holds funds for payment of Related Costs. No successor Depositary will thereafter be appointed and each reference to the Depositary in this Indenture and the Lease Agreement will thereafter be ineffective.

(e) If the Depositary resigns or is removed (except as provided in subsection (d) of this Section 904), 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.

(f) The entity that served as Depositary and resigned or was removed shall continue to benefit from the indemnification, cost-reimbursement and liability protection provisions of this Agreement with respect to all times during which such entity served as Depositary, except to the extent that its actions constituted gross negligence or willful misconduct.

Section 905. 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 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 and monies held by it under this Indenture to its successor. The Issuer and the Purchaser will execute, acknowledge and deliver any instrument reasonably 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 that is merged or consolidated with or into the Person acting as Depositary, or to which all or substantially all of the corporate trust assets and business of the Depositary may be sold, will automatically become the successor Depositary.

ARTICLE X- SUPPLEMENTS AND AMENDMENTS TO INDENTURE

This Indenture may be supplemented or amended only by one or more instruments executed by the Issuer, the Purchaser, the Company and the Depositary, for so long as any obligations are outstanding under the Loan Agreement, the applicable Lender or Lenders. The Depositary will execute any such proposed supplement or amendment on the request of the Purchaser unless the Depositary determines in good faith that its rights or obligations under this Indenture would be adversely affected by such supplement or amendment. If the rights or obligations of the Depositary would be adversely affected by such supplement or amendment, as determined in good faith by the Depositary, the Depositary will have no liability for its refusal to enter into such supplement or amendment. Notwithstanding the generality of the foregoing, if the Purchaser gives notice to the Issuer, the Depositary and the Company of the Purchaser's desire to have a trustee appointed for the benefit of the Purchaser, to the extent permitted by law the Parties will cooperate in amending this Indenture to facilitate such appointment at the sole cost of the Purchaser. Nothing herein is intended to require the Issuer to act in a fiduciary capacity and if the Purchaser transfers the Bonds in compliance with the conditions set forth on the Bonds and if circumstances arise which would so require, the Issuer has the right to request that a trustee be appointed by and at the expense of the Company and the Parties will cooperate in amending this Indenture to facilitate the making of such appointment.

ARTICLE XI- MISCELLANEOUS PROVISIONS

Section 1101. 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 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 by nationally recognized commercial carrier service 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 Rio Rancho, New Mexico
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144
Attn: City Manager

Tel: 505.891.5000 (for use in connection with courier deliveries

If to the Purchaser: Quail Ranch Solar Bond Holder LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

If to the Company: Quail Ranch Solar LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

If to the Depositary: BOKF, NA
100 Sun Ave NE
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.

Section 1102. 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. Each such right or remedy is in addition to every other right or remedy provided in any of the Bond Documents or by law. 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 1103. 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 (and, in the case of Section 6.02 of the Lease Agreement only, the Indemnified Persons (as defined therein) and in the case of Section 6 of the Bond Purchase Agreement, the Indemnified Parties (as defined therein) any right, remedy or claim, legal or equitable.

Section 1104. Severability. In case any one or more of the provisions of any of the Bond Documents or of the Bonds is 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 Issuer 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 the Issuer to the full extent permitted by law.

Section 1105. Obligations of Issuer Not Obligations of Officials Individually. Except as described in Section 1116 of this Indenture, all obligations of the Issuer under the Bond Documents and the Bonds will be deemed to be obligations of the Issuer to the full extent permitted by the Constitution and laws of the State. 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, members of the Governing Body) 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 1106. 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 such date.

Section 1107. Execution in Counterparts. Each of the Bond Documents may be executed in multiple counterparts, all of which taken together will constitute one and the same instrument. Delivery of a copy of any of the Bond Documents 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. Any Party may execute any of the Bond Documents by executing any such counterpart of such Bond Document.

Section 1108. Applicable Law. The validity, construction and effect of each of the Bond Documents will be governed by the law of the State applicable to agreements made and to be performed in the State without regard or effect given to conflict of laws rules that would require the application of the laws of any other jurisdiction.

Section 1109. Survival. The provisions of Sections 901 and 902 of this Indenture will survive payment of the Bonds and expiration or earlier termination of this Indenture.

Section 1110. No Violation of Public Policies Regarding Indemnity. To the extent, if at all, that any provision contained herein or in any related documents requiring one Party to indemnify, hold harmless, insure, or defend another Party (including such other Party's employees or agents) is found to be within the scope of NMS, Section 56-7-1 (2005), as amended from time to time ("Section 56-7-1"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-1 for its enforceability, then such provision, regardless of whether it makes reference to this or any other limitation provision, shall: (a) not 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 be further modified, if required, by the provisions of Section 56-7-1(B); (b) be enforced only to the extent that the liability, damages, losses or costs are caused by, or arise out of, the acts or omissions of the indemnitor or its officers, employees or agents; and (c) be further modified, if required, by the provisions of Section 56-7-1(B). Further, despite any other term or condition of this Indenture, to the extent, if at all, that any agreement, covenant, or promise to indemnify another

Party (including such Party's employees or agents) contained herein or in any related documents, is found to be within the scope of NMSA 1978, Section 56-7-2 (2003), as amended from time to time ("Section 56-7-2"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-2, for its enforceability, then, regardless of whether it makes reference to this or any other limitation provision, such agreement is not intended to, and it does not, indemnify such indemnitee against loss or liability for damages arising from: (i) the sole or concurrent negligence of such indemnitee or the agents or employees of such indemnitee; (ii) the sole or concurrent negligence of an independent contractor who is directly responsible to such indemnitee; or (iii) an accident that occurs in operations carried on at the direction or under the supervision of such indemnitee, an employee or representative of such indemnitee or in accordance with methods and means specified by such indemnitee or the employees or representatives of such indemnitee.

Section 1111. Successors. Whenever a Party is referred to in this Indenture, it shall be deemed to include its successors and permitted assigns, and all covenants and agreements in this Indenture will bind and inure to the benefit of such Party's successors and permitted assigns.

Section 1112. Title, Headings. The title and headings of the articles, sections and subsections 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 1113. Non-Merger. The provisions of this Indenture will survive the conveyance of the Project Property to the Issuer, the re-conveyance of the Project Property to the Company, and all other performances hereunder, and will not be deemed merged in any deed or other instrument or document delivered hereunder.

Section 1114. No Waiver. No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement, and in case of a breach by any Party of any covenant, agreement or undertaking, the non-defaulting Parties may nevertheless accept from the Party in breach any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 1115. Patriot Act. In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable Law"), the Depositary is required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Depositary. Accordingly, each of the Parties agree to provide to the Depositary, upon its reasonable request from time to time such identifying information and documentation as is readily available for such Party in order to enable the Depositary to comply with Applicable Law.

Section 1116. 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 Bond 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 Bond 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.

DATED AS OF _____ , 2024.

Issuer:

ATTEST: CITY OF RIO RANCHO, NEW MEXICO

_____ By:_____
Rebecca A. Martinez, City Clerk Greggory D. Hull, Mayor

(SEAL)

STATE OF NEW MEXICO)
)
SANDOVAL COUNTY)

This instrument was acknowledged before me on _____, 2024, by Greggory D. Hull as Mayor of the City of Rio Rancho, New Mexico.

_____
Notary Public

My commission expires:_____

Company:

QUAIL RANCH SOLAR LLC,
a Delaware limited liability company
By: CRE-Quail Ranch New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____ before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch New Mexico LLC, the Sole Member of Quail Ranch Solar LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

Depositary:

BOKF, N.A.

By _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2024, by _____ as _____ of BOKF, N.A.

_____
Notary Public

My commission expires:_____

Purchaser:

QUAIL RANCH SOLAR BOND HOLDER LLC,
a Delaware limited liability company
By Quail Ranch Solar LLC, its Sole Member
By: CRE-Quail Ranch New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____ before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch New Mexico LLC, the Sole Member of Quail Ranch Solar LLC, the Sole member of Quail Ranch Solar Bond Holder LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

EXHIBIT A

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND IS TRANSFERABLE ONLY UPON COMPLIANCE WITH THE RESTRICTIVE TERMS PROVIDED BELOW AND IN THE INDENTURE REFERRED TO BELOW

No. R-1 Up to $110,000,000

United States of America
State of New Mexico

City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bond
(Quail Ranch Solar LLC Project)
Series 2024
Registered Owner: Quail Ranch Solar Bond Holder LLC
]

MATURITY DATE	INTEREST RATE	ISSUE DATE
June __ 2054	4% per annum	As of June __, 2024 _

CITY OF RIO RANCHO, NEW MEXICO, a municipal corporation existing under the law 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 source described below, to Quail Ranch Solar Bond Holder LLC, a Delaware limited liability company (together with its successors and assigns, and transferees as permitted below, the "Purchaser"), on the Maturity Date, one hundred and ten million dollars ($110,000,000) (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 source, to the Purchaser, interest at the Interest Rate (specified above) on such principal amounts advanced with respect to this Bond from the dates of such advances (computed on the basis of a 360-day year consisting of twelve 30-day months) payable annually on each June __ beginning June __, 2025 until payment of such principal amount is made in full. The outstanding principal amount of the Bond plus all interest thereon is due and payable in full on the Maturity Date.

This Bond is issued under and pursuant to the Constitution and laws of the State of New Mexico, particularly NMSA 1978, Sections 3-32-1 to 3-32-16 as amended and pursuant to Ordinance No. adopted on __ __, ,2004 as duly adopted by the Issuer.

The principal of, interest on and redemption price of this Bond are payable solely from the Basic Rent derived by the Issuer from the Lease Agreement dated as of June __, 2024 (the "Lease Agreement") between the Issuer and QUAIL RANCH SOLAR LLC (the "Company'), which

Lease Agreement relates to a certain electric generation facility located within the City of Rio Rancho, New Mexico, , and which revenues have been pledged and assigned by the Issuer to the Purchaser under the Indenture dated as of June __, 2024 (together with any amendments and supplements, the "Indenture") among the Issuer, the Purchaser, the Company and BOKF, N.A., as Depositary (the "Depositary").

Reference is made to the Indenture, the Lease Agreement, and the Bond Purchase 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, the transfer of the Bond, 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. By accepting this Bond, the holder accepts and undertakes to perform all of the obligations of the Purchaser.

NEITHER THE 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 LAWS OF THE STATE OF NEW MEXICO. THIS BOND 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.

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 a 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 responsibility to act on behalf of the Purchaser with respect to any Default.

The Purchaser is authorized to endorse on Schedule I attached to this Bond the date and amount of each advance by the Purchaser pursuant to Section 404 of the Indenture and each principal payment on and redemption in part of this Bond and the resulting principal amount. Failure to make any such endorsement or any error in such endorsement will not affect the rights or obligations of the Issuer or the Purchaser.

This Bond may be transferred in whole but not in part. 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 THE 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 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 RIO RANCHO, NEW MEXICO

By _____
Mayor

[SEAL]

Attest:

_____
City Clerk

(SEAL)

SCHEDULE I

PRINCIPAL DRAWS

Date	Amount of Advance	Amount of Principal Payment or Redemption	Resulting Principal Amount	Notation Made By

EXHIBIT B

REQUISITION AND CERTIFICATE NO. [___] (this "Requisition")

To: _____

BOKF, N.A., as Depositary
100 Sun Ave NE
Albuquerque, New Mexico 87109

The undersigned, pursuant to the Indenture dated as of [_____], 202_ (the "Indenture"), among City of Rio Rancho, New Mexico (the "Issuer"), QUAIL RANCH SOLAR LLC (the "Company"), QUAIL RANCH SOLAR BOND HOLDER LLC ("Purchaser") and BOKF, N.A., as Depositary, requests on behalf of the Company the disbursement of $_____ from the Acquisition Account (as defined by reference in the Indenture) to pay the following Related Costs with respect to the Project (as defined in the Indenture) or to the issuance of the Bonds (as defined in the Indenture), as set forth on Schedule I attached hereto and incorporated herein by this reference:

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: _____

DATED: _____

Authorized Company Representative:

QUAIL RANCH SOLAR LLC,
a Delaware limited liability Company

By:_____

Name:_____

Title:_____

Schedule I
to Requisition and Certificate No. [____]
Payments from City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds
(QUAIL RANCH SOLAR LLC Project)
Series 2024 Acquisition Account

Payment Date	Amount	Name of Payee	Account to which Payment is to be Made	Purpose/Description
	$			
	$_____ Total Amount of this Requisition			

EXHIBIT C

COMPLETION CERTIFICATE

The undersigned Authorized Company Representative, pursuant to Section 606 of the Indenture dated as of June __, 2024 (the "Indenture"), among City of Rio Rancho, New Mexico (the "Issuer"), QUAIL RANCH SOLAR LLC (the "Company"), QUAIL RANCH SOLAR BOND HOLDER LLC (the "Purchaser") and BOKF, N.A., as Depositary, states that, except for specified amounts remaining in the Acquisition Account for any Related Costs shown below and not now due and payable, the Project is complete in all material respects 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 monies in the Acquisition Account to the Company pursuant to Section 606 of the Indenture, the Company will have sole responsibility for the payment of any Related Cost in excess of the amount specified on Schedule I attached hereto and incorporated herein by this reference, to be retained in the Acquisition Account.

Schedule I
to Completion Certificate
QUAIL RANCH SOLAR LLC

Related Costs not yet Due and Payable

Vendor Name	Amount	Description/For
	$_____ Total Related Costs Not Yet due and Payable	

DATED: _____

Authorized Company Representative:

QUAIL RANCH SOLAR LLC,
a Delaware limited liability Company

By:_____

Name:_____

Title:_____

EXHIBIT D

CERTIFICATE OF QUALIFIED INVESTOR

City of Rio Rancho, New Mexico

BOKF, NA, as Depositary

Quail Ranch Solar LLC

Re: City of Rio Rancho, New Mexico Taxable Industrial Revenue Bond (Quail Ranch Solar LLC Project), Series 2024

Please be advised that the undersigned is purchasing the captioned Bond (hereinafter referred to as the "Bond"). 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 Bond, the undersigned shall comply with all provisions of the Indenture dated as of ___, 2024(as amended from time to time, the "Indenture"), among CITY OF RIO RANCHO, NEW MEXICO (the "Issuer"), QUAIL RANCH SOLAR BOND HOLDER LLC (the "Purchaser"), QUAIL RANCH SOLAR LLC (the "Company") and BOKF, NA (the "Depositary"), as described in the Bond. The undersigned has the knowledge and experience in financial and business matters and is capable of evaluating the risks of investing in the Bond. 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 before such transfer will be effective.

The undersigned acknowledges that it is one of the following (check all that apply):

__ 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)(5)(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 his purchase exceeds $1,000,000;

__ 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; and

__ 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;

__ 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. [ ], the parent thereof, or any affiliated entity.

The undersigned further acknowledges that (i) interest on the Bond 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 Bond and after such evaluation, the undersigned understands and knows that investment in the Bond involves certain risks, including, but not limited to, those related to limited security and source for payment of the Bond and the probable lack of any secondary market for the Bond.

The undersigned acknowledges, warrants and represents that the undersigned is experienced in transactions such as those relating to the Bond and that the undersigned is knowledgeable and fully capable of independently evaluating the risks involved in investing in the Bond. 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 Bond and acknowledges that the undersigned will not look and has not looked to any of them to obtain such information on its behalf.

QUAIL RANCH SOLAR BOND HOLDER LLC,
a Delaware limited liability company

By QUAIL RANCH SOLAR LLC, its sole member

By:_____
Name:
Title:

Address for Notices and
Payment of principal and interest:

CITY OF RIO RANCHO, NEW MEXICO

and

QUAIL RANCH SOLAR LLC

LEASE AGREEMENT

Dated as of June __, 2024

$110,000,000
City of Rio Rancho, New Mexico
Taxable Industrial Revenue Bonds
(Quail Ranch Solar LLC Project)
Series 2024

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CITY OF RIO RANCHO, NEW MEXICO, a municipal corporation existing under the law of the State of New Mexico (the "Issuer" or "City"), as lessor, and QUAIL RANCH SOLAR LLC, a Delaware limited liability company authorized to do business in the State of New Mexico (the "State"), together with its successors and assigns (the "Company"), as lessee and as sublessee with respect to the Project Site Leases (as defined below), agree:

ARTICLE I
RECITALS

Section 1.01 Recitals.

A. The Company has requested that the Issuer issue its Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024 in a maximum principal amount not to exceed $110,000,000 (the "Bonds"). The proceeds of the Bonds will be used to finance the Project (defined below).

B. The Issuer is authorized under the Industrial Revenue Bond Act, NMSA 1978, Sections 3-32-1 to 3-32-16 as amended (the "Act") to acquire certain projects and issue its industrial revenue bonds in payment therefor and has determined that it is desirable to acquire the Project Property (defined below) pursuant to Ordinance No. ___ adopted by the City Council of the Issuer on ___ __, 2024 (, 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 the date hereof (together with any and all amendments and supplements, the "Indenture") among the Issuer, the Company, Quail Ranch Solar Bond Holder LLC, a Delaware limited liability company (together with its successors and assignees, and transferees of the Bonds, the "Purchaser") and BOKF, NA (the "Depositary").

D. The Bonds will be a special limited obligation of the Issuer payable 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 below).

E. The proceeds of the Bonds will be used to finance the Project (as defined below), and Project Property (as defined below) which is to be leased to the Company under this Lease Agreement (together with all amendments and supplements, this "Agreement").

F. The Company has subleased its rights under the Project Site Leases (as defined below) to the Issuer pursuant to the Sublease Agreement (as defined below). The Project Property, which includes the leasehold interest in the property subject to the Project Site Leases, is to be leased to the Company pursuant to this Agreement.

G. The Bonds will be secured by the Indenture which constitutes, among other things, a collateral pledge of this Agreement.

H. The Issuer deems it desirable, in the best interests of its residents and in accordance with the purposes of the Act, to issue its Bonds and make the proceeds thereof available to the Company pursuant to this Agreement for the purposes described above and in the Indenture.

I. The Bonds are to be purchased under a Bond Purchase Agreement dated as of the date hereof (together with any and all amendments and supplements, the "Bond Purchase Agreement"), among the Issuer, the Purchaser and the Company.

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 the Basic Rent (as defined below)).

ARTICLE II
DEFINITIONS AND RULES OF CONSTRUCTION

Section 2.01 Definitions. All words and terms defined in the Indenture have the same meanings when used in this Agreement. In addition:

"Acquisition Account" has the meaning assigned thereto in Section 601 of the Indenture.

"Additional Payments" has the meaning assigned in Section 5.04(b) of this Agreement.

"Affiliate" means any direct or indirect parent or subsidiary of a corporation or limited liability company.

"Agreement" or "Lease Agreement" means this Lease Agreement dated as of June __, 2024 and any amendments or supplements thereto between the Issuer and the Company.

"Applicable Environmental Law" means 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 or pertaining to health or the environment, including, without limitation, CERCLA and RCRA, as each is amended and in effect from time to time.

"Authorized Company Representative" has the meaning assigned thereto in the Indenture.

"Basic Rent" has the meaning assigned in Section 5.04(a) of this Agreement.

"Bonds" means the City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024, in the principal amount of up to $110,000,000.

"Bond Counsel" means Sutin Thayer & Browne, A Professional Corporation, Albuquerque, New Mexico.

"Bond Documents" means collectively (i) this Agreement, (ii) the Sublease Agreement, (iii) the Indenture, and (iv) the Bond Purchase Agreement.

"Bond Ordinance" has the meaning assigned in Recital B above.

"Bond Purchase Agreement" has the meaning assigned in Recital I above.

"Business Day" has the meaning assigned in the Indenture.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Closing Date" has the meaning assigned thereto in the Bond Purchase Agreement.

"Company" has the meaning assigned in the preamble to this Agreement.

"Company Financing" means a transaction or series of transactions with the Lender or Lenders involving credit agreements, loan documents (including without limitation any Loan Agreement), letters of credit, and other instruments evidencing financial obligations to be secured by one or more mortgages, pledges, encumbrances, or other liens on the Project Property to which the Company, its members, or any subsidiary or Affiliate of the Company is a party, entered into or occurring at any time prior to the Closing Date or during the Term and after the date of initial delivery of the Bonds, for the purpose of obtaining financing or refinancing of any existing financing for the use by the Company, its parent, or any subsidiary or affiliate of the Company.

"Completion Date" has the meaning assigned in Section 4.04 of this Agreement.

"Default" has the meaning assigned in Section 801 of the Indenture.

"Depositary" has the meaning assigned in Recital C to this Agreement.

"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.

"Equipment" means that equipment and other personal property as described in Exhibit B attached hereto.

"Event of Default" has the meaning assigned in Section 8.01 of this Agreement.

"First Lender Mortgage" means, in connection with a Company Financing, any mortgage and all amendments, supplements, modifications and replacements thereof, which may be made by the Company for the benefit of the Lender or Lenders creating a lien on the Project Site and the Project Property, to which the Issuer's interest is subject.

"Improvements" means all improvements as to the Project Site, including but not limited to any buildings or other structures, the Equipment and all other equipment and personal property of any kind acquired with the proceeds of the Bonds prior to the Completion Date and is installed or located at the Project Site and used as part of the Project described in Exhibit B attached hereto.

"Indenture" has the meaning assigned in Recital C above.

"Issue Date" has the meaning assigned in the form of Bond attached as Exhibit A to the Indenture.

"Issuer" has the meaning assigned in the preamble to this Agreement.

"Issuance Costs" means items of expense related to the authorization, sale and issuance of the Bonds and authorization and execution of the Bond Documents, which items of expense will include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel fees, Issuer's financial advisor, Issuer's bond counsel and other contract counsel fees, initial fees of Depositary and other costs, charges and fees of the Issuer and the Company in connection with the foregoing.

"Leasehold Mortgage" means, in connection with a Company Financing, any leasehold mortgage and all amendments, supplements, modifications and replacements thereof, which may be made by the Company for the benefit of the Lender or Lenders and creating among other things, a lien on the Company's leasehold estate under this Agreement.

"Lender" or "Lenders" means those parties identified as a lender or lender(s) under any Loan Agreement entered into in connection with a Company Financing.

"Loan Agreement" means any loan or financing agreement entered into in connection with a Company Financing and evidencing the terms of the financing.

"Payment of the Bonds" means payment in full of the principal, interest on and redemption price of the Bonds in accordance with their terms and the provisions of the Indenture and payment of all fees and expenses of the Issuer, the Purchaser and the Depositary payable by the Company under the Indenture, the Agreement or the Bond Purchase Agreement.

"Person" means an individual, corporation, partnership, limited liability partnership, limited liability company, unincorporated organization, association, joint stock company, joint venture, trust, estate, real estate investment trust, government, agency or political subdivision or other entity, whether acting in an individual, fiduciary or other capacity.

"PILOT Payments" has the meaning assigned in Sections 4.13 and 4.14 of this Agreement.

"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, development, construction and equipping of the Project Property located within the boundaries of the Issuer and to be operated by the Company on the Project Site for the purpose of generating electricity, including without limitation all associated Improvements and Equipment.

"Project Property" means (i) any rights of the Company in, or related to, the Project Site owned or hereafter acquired under easements, agreements or leases and assigned or subleased by the Company to the Issuer (including, but not limited to, those rights subleased to the Issuer pursuant to the Sublease Agreement) and (ii) the Improvements.

"Project Site" means the real property located within the corporate boundaries of the Issuer upon which the Project is to be located and described in Exhibit A attached hereto as may be amended or supplemented from time to time pursuant to Section 4.02 of this Agreement.

"Project Site Leases" means jointly those certain lease and easement agreements that convey the Project Site to the Company as set forth in Exhibit A attached hereto.

"RCRA" means the Resource Conservation and Recovery Act of 1976, as amended.

"Related Costs" means expenditures incurred or to be incurred with respect to the Project, including, without limitation, the acquisition, installation, construction, equipping and commissioning of the Project Property and the Issuance Costs.

"Rent" means Basic Rent and any Additional Payments under this Agreement.

"School Districts" means collectively (and each individually a "School District") the Rio Rancho Public School District and the Albuquerque Public School District, being all of the school districts located within City of Rio Rancho, New Mexico.

"State" means the State of New Mexico.

"Sublease Agreement" means that agreement pursuant to which the Company subleases its rights under the Project Site Leases to the Issuer.

"Term" means the period from (a) the date of the execution and delivery of this Agreement by the Issuer and the Company to (b) the earlier of (i) the date of Payment of the Bonds, (ii) the date of termination of this Agreement pursuant to Section 8.02(d), or (iii) June __, 2054.

"TRD" means the New Mexico Taxation and Revenue Department.

"Unassigned Rights" means the right of the Issuer to make all determinations and approvals and receive all notices accorded to it under this Agreement and to enforce in its name and for its own benefit the provisions of Sections 4.04 (notice rights only), 4.05 (gross receipts and compensating tax), 4.06 (compliance with the law), 4.12 (access and inspection), 4.13 (payments in lieu of tax to Issuer) 4.14 (payments in lieu of tax to school districts), 4.16 (termination of lease or cessation of operations), 4.17, 4.19, 4.22, 5.04(b), 6.02, 6.03, 6.04, 7.03 and 8.03] of this Agreement, with respect to Issuer fees and expenses; gross receipts and compensating tax; the right to access the Project; the PILOT Payments; reports to the Depositary and Issuer; environmental matters; transfer, assignment and subleasing and indemnity payments as the interests of the Issuer and related Persons may appear.

Section 2.02 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, recitals or exhibits are references to articles, recitals, 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 the Indenture.

ARTICLE III
REPRESENTATIONS

Section 3.01 Issuer Representations. The Issuer represents that, as of the date of delivery of this Agreement:

(a) The Issuer is a municipal corporation, organized and existing with home rule powers under the laws of the State and is authorized and has the power to enter into the transactions contemplated by, and to carry out its obligations under, the Bond Documents.

(b) The Issuer has duly authorized by the Bond Ordinance adopted at a meeting duly called and held, by the affirmative vote of not less than a majority of all of the members of its City Council (the "Governing Body"), 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 without limitation the acquisition of the Project Property and paying certain costs related to the issuance of the Bonds.

(c) To the knowledge of the Issuer, without independent investigation and without representation as to the validity or enforceability of the Bonds or the Bond Documents, (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.

(d) The Issuer finds and determines that the financing of the Project will be of economic and other benefit to the Issuer, and based upon the representations of the Company as to the location of the Project, the Project is entirely located within the City of Rio Rancho, New Mexico.

(e) No litigation, proceedings or investigations are pending or, to the knowledge of the Issuer, threatened against the Issuer at law or in equity before any court, tribunal, governmental authority or arbitration board, seeking to restrain, enjoin or limit the approval or issuance and delivery of the Bonds, the Indenture, the Bond Purchase Agreement, the Sublease Agreement, this Agreement or any other documents pertaining to the Bonds or the Bond Documents to which the Issuer is a party.

(f) To the knowledge of the Issuer, no member, officer or other official of the Issuer has any pecuniary interest whatsoever in the Company or the transactions contemplated by this Agreement.

Section 3.02 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 and under the laws of the State, and has duly authorized the execution, delivery and performance of the Sublease Agreement, this Agreement, the Indenture and the Bond Purchase Agreement.

(b) The Company has full legal right, power and authority to carry out and consummate the transactions contemplated by the Sublease Agreement, this Agreement, the Indenture and the Bond Purchase Agreement and to incur and perform the obligations provided for therein, all of which have been duly authorized by all proper and necessary action on the part of the Company. No consent or approval of any public authority or third party is required as a condition of validity of the Bond Documents except for such approvals and consents that have already been obtained. The Company has not received any written notice that the Project is not in material compliance with all laws and regulations to which it is subject.

(c) The execution, delivery and performance by the Company of the Sublease Agreement, this Agreement, the Indenture 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 where such conflict, contravention, violation, breach or default could reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under the Bond Documents.

(d) The Sublease Agreement, this Agreement, the Indenture 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) There is no action, suit, proceeding, inquiry or investigation by or before any court, public board or body pending or, to the actual 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, or (iii) questions the authority of the Company to own, lease or operate any of the Project Property.

(f) The Company has not received any written notice of any currently existing violation of any zoning, land use, environmental or other similar law or regulation applicable to the Project Site.

(g) This Agreement will serve as a financing agreement for the purpose of providing payment for the account of the Issuer of such revenues as will be sufficient to pay the principal and interest on, the Bonds, and providing that the Company will be obligated to pay for the maintenance of and insurance (including self-insurance requirements) on the Project as required by the Act. None of the proceeds of the Bonds will be used to provide working capital.

(h) Immediately prior to the effectiveness of the Sublease Agreement, the Project Site Leases are each valid and legally binding against the Company and, from and after the effectiveness of the Sublease Agreement, allow the Company to use the Project Site as tenant and allow the Company to sublease the Project Site to the Issuer for the purpose of developing and operating the Project subject to the terms and conditions set forth in the Project Site Leases. The Sublease Agreement constitutes a valid, legally binding lease by the Company to the Issuer of the Project Site described therein, to the extent of the rights of the Company under the Project Site Leases.

(i) All taxes and assessments due and payable by the Company have been paid or are being contested in good faith by appropriate proceedings, and the Company has filed all tax returns that it is required to file.

(j) The Company intends to complete the Project prior to the Completion Date and will cause to be paid all costs of the Project in excess of money available therefor in the Acquisition Account.

(k) 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.

(l) All necessary authorizations, approvals, consents and other orders of any governmental authority or agency for the execution and delivery by the Company of the Sublease Agreement, this Agreement, the Indenture and the Bond Purchase Agreement have been obtained and are in full force and effect.

(m) As agent for the Issuer, the Company proposes to acquire, construct, install and equip, or cause to be acquired, constructed installed and equipped, the Project. The Company will have sole responsibility for the installation, acquisition and equipping of the Project, and may perform the same, by itself or through affiliates, agents, contractors, subcontractors or others selected by it, in whatever lawful manner it deems necessary or advisable. With respect to such acquisition, construction installation and equipping, the Company will procure from the appropriate State, county, municipal and other authorities and corporations, connection and discharge arrangements for the supply of utility services for the operation of the Project.

(n) 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.

(o) The Project Property is located entirely within the corporate boundaries of the Issuer and the Project is an electric generation facility which does not require both location approval and a certificate of convenience and necessity prior to commencing construction or operation of the facility pursuant to the New Mexico Public Utility Act, NMSA 1978, Sections 62-3-1 to -5.

(p) 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.

(q) The Company acknowledges that the Issuer has made no warranty or representation, express or implied, that the amount in the Acquisition Account will be sufficient to pay the Related Costs or that the Project Property will be suitable for the Company's needs.

(r) No litigation at law or in equity nor any proceeding before any governmental agency or other tribunal involving the Company is pending or, to the knowledge of the Company, threatened, in which any liability of the Company is not adequately covered by insurance or otherwise, or in which any judgment or order would materially and adversely affect the Project, the validity of this Agreement, the Indenture, the Bond Purchase Agreement or the Sublease Agreement, or the performance of the Company's obligations thereunder or the transactions contemplated thereby.

(s) 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 Project Property, and all permits, licenses, consents and permissions necessary for the Project Property have been or will be obtained in due course.

The representations of the Company in this Section 3.02 and in any certificate or other instrument delivered by the Company pursuant to any of the Bond Documents or in connection with the transactions contemplated by the Bond Documents will survive the execution and delivery of this Agreement and the issuance, sale and delivery of the Bonds.

ARTICLE IV
THE PROJECT AND THE COMPANY

Section 4.01 Construction, Acquisition, Equipping and Completion. The Company will, on behalf of and as agent for the Issuer, construct, acquire, install and equip the Project and will undertake to complete the Project as promptly as practicable. On or prior to the date of issuance and delivery of the Bonds and execution of this Agreement, the Company has conveyed or caused to be conveyed to the Issuer, by sublease, bill of sale and/or such other appropriate transfer or conveyance documents as will vest title in the Issuer (the "Conveyancing Documents"), to all of the Company's interest in the Project Site under the Sublease Agreement and to any and all Improvements as may exist at that time and thereafter the Company shall transfer legal title to each additional relevant portion of the Improvements acquired by the Company as agent for the Issuer, so that title will vest in the Issuer pursuant to the Conveyancing Documents. All Improvements shall be paid out of proceeds of the Bonds to appropriate vendors or on a reimbursement basis to the Company pursuant to Section 602 of the Indenture. To the extent

reasonably possible, the Company will cause the Project to be completed with proceeds of issuance of the Bonds, and the Company will use its best reasonable efforts to cause the Purchaser to carry out its obligations to make advances under the Bonds. After installation, and other than removals in connection with repairs or replacements, the Improvements will at all times during the Term be located in or upon the Project Site. To the extent necessary, after proceeds of the Bonds have been exhausted, the Company will cause the Project to be completed with its own funds or other resources and it will not be entitled to reimbursement or reduction of the Basic Rent. The Company will obtain at the necessary time all licenses and permits required for the occupancy and operation of the Project Property.

Section 4.02 Plans and Specifications; Changes. The Company will maintain a set of plans and specifications for the Project during the period of installation and equipping which will be available to the Issuer and the Purchaser for inspection during the Company's regular business hours. In addition to its rights under Section 4.09 hereof, the Company may make changes, conveyances of rights and interests and take other action as provided under the terms of supplements, amendments and additions, omissions or substitutions for components of the Project Property (including, without limitation, the Project Site Leases) without the prior approval of the Issuer, provided however, that the Company shall not, without amending the Agreement as required by Section 11.14 hereof, make any such change, supplement, amendment, addition, omission or substitution which would make the description of the Project Property contained in Exhibit A and Exhibit B hereof materially inaccurate. At the sole cost of the Company, the Issuer, the Company, and the Purchaser will take such further actions as necessary to affect such change including without limitation executing, delivering, and recording a bill of sale and assignment and any amendments to the Project Site Leases, the Sublease Agreement and/or the other 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 results in the Bond proceeds being applied in a manner other than as provided in the Bond Documents.

Section 4.03 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 4.03 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 HEREAFTER IN EFFECT.

Section 4.04 Completion Date. The Company will complete the Project as promptly as practicable, but no later than three years after the Closing. On the date the Project is complete, in the sole opinion of the Company (the "Completion Date"), the Company will deliver to the Issuer and Depositary a certificate signed by an Authorized Company Representative stating that, except for specified amounts remaining in the Acquisition Account for any specified Related Costs incurred by the Company but not then due and payable, the Project is complete in all material respects and all material 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 Account to the Company pursuant to Section 606 of the Indenture, the Company will have the sole responsibility for the payment of any Related Costs in excess of the amount specified to be retained in the Acquisition Account.

Section 4.05 Gross Receipts and Compensating Tax. The Company will act as agent for the Issuer with respect to the Project and in acquisition of the Project Property. The Issuer authorizes the Company to act as agent for the purchase of solar generation equipment used to generate electricity from solar energy and related equipment as defined in NMSA 1978, Section 7-9-54.3 (2010) with respect to the Project. The Company, either on its own behalf or as agent for the Issuer pursuant to Section 4.01 hereto and this Section 4.05, will file returns for reporting and paying compensating tax which may be due because of the Project and will pay prior to delinquency, as a Related Cost, any gross receipts or compensating tax due from the Issuer under any such returns. To the extent consistent with State law, the Issuer will cooperate with the Company in the obtaining of Nontaxable Transaction Certificates ("NTTCs") to be issued to vendors and contractors by the Company, as agent for the Issuer, in order to permit the vendors and contractors to claim deductions available under the New Mexico Gross Receipts and Compensating Tax Act for their receipts from selling tangible personal property for the Project, to the Company, as agent for the Issuer. 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; provided, except as otherwise provided in Section 6.02 hereof, that the Company shall have no liability for any penalties or other charges related to any delay or default by the Issuer in the performance of its obligations under this Agreement. 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, provided the Company will not pursue a dispute without notice to the Issuer and will not pursue any dispute that, in the reasonable opinion of the Issuer, may materially and adversely affect the interests or rights of the Issuer. During the period of such contest and any related appeal, this Section 4.05 will be deemed satisfied with respect to the matters so contested. 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 NTTCs 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 Project or the Company's operations at the Project. The Company will employ NTTCs solely to purchase Project Property with proceeds of the Bonds, and will not employ NTTCs for purchases after the Completion Date.

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 with proceeds of the Bonds on the terms set forth herein, even if certain purchasing and delivery documentation (including but not limited to receipts, invoices, and forms and corresponding documentation for the purchase of goods) may not expressly disclose or identify such agency relationship.

The Issuer and the Company understand that the receipts of vendors from the sale of tangible personal property to the Issuer, which tangible personal property is included in the Project Property (but excluding certain "construction material", as defined in NMSA 1978, Section 7-9-3.4(B) (2003) and modified at NMSA 1978, Section 7-9-54(A)(3) (2018)), will be deductible from gross receipts or governmental gross receipts, and exempt from compensating tax, to the extent permitted by NMSA 1978, Sections 7-9-14 (2001) and 7-9-54 (2018) and 3.2.212.22 NMAC and sections of the New Mexico Statutes Annotated (NMSA) and the New Mexico Administrative Code (NMAC) under which such provisions or similar provisions may be codified or renumbered in the future. The deduction from gross receipts or governmental gross receipts, and the exemption from the compensating tax, will not apply to purchases of Project Property except as provided in the preceding sentence, and except as contemplated in the preceding sentence, the Company will not be authorized by this Agreement to provide NTTCs to vendors.

Section 4.06 Compliance With Law. The Company will obtain or cause to be obtained all necessary permits and approvals for the construction, occupancy, operation and maintenance of the Project Property and will comply in all material respects with all Applicable Environmental Laws and any applicable laws and requirements of any governmental body, agency or department. The Company may in good faith contest the validity or the applicability of any such law or requirement. During the period of such contest and any related appeal, this Section 4.06 will be deemed satisfied with respect to the law or requirement so contested.

To the extent that the use which the Company makes of the Project Property results 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 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.F.R. 172.101) and amendments thereto from time to time.

The Company agrees to promptly notify the Purchaser and the Issuer of any violation or alleged violation of any Applicable Environmental Laws of which the Company receives written notice.

The Company shall, at the Company's sole cost and expense, remove or take remedial action as and to the extent required by Applicable Environmental Laws with regard to any hazardous substance brought onto the Project Site by the Company or its employees, agents or

contractors. If the Company fails to timely take any action required under this Section 4.06 after written notice from the applicable governmental entity having jurisdiction under Applicable Environmental Laws, the Issuer may, but shall have no obligation to, perform or arrange for the performance of such action and the Company shall, promptly upon demand therefor, reimburse the Issuer for all reasonable and customary costs actually incurred by the Issuer in connection with the completion of such performance. The Company shall indemnify, defend, protect and hold the Issuer and the members of the Issuer's Governing Body, its employees and agents free and harmless from any liability (including, without limitation, costs, reasonable attorneys and consulting fees, investigation and laboratory fees and litigation expenses) arising out of (a) a release of any hazardous substance in, on or under the Project Site caused by the Company or its employees, agents, or contractors or (b) the violation by the Company or its employees, agents or contractors of any Applicable Environmental Laws at the Project Site. The indemnity obligations stated in this Section 4.06: (i) are in addition to the other indemnity obligations of Company hereunder, and shall survive the termination of this Agreement, but (ii) shall specifically exclude any liabilities or amounts arising out of or related to the gross negligence or willful misconduct of the Issuer or any of the members of the Issuer's governing body or its employees or agents.

Section 4.07 Taxes and Utility Charges. The Company will pay or cause to be paid, as and when due, (a) 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, (b) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project Property and (c) 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 4.07 will be deemed satisfied with respect to any such levy, tax, assessment or other charge so contested.

Section 4.08 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 good repair and in such operating condition as is needed, in the Company's sole discretion, for its operations and make all necessary repairs and replacements to the Project Property (whether ordinary, extraordinary, structural, nonstructural, foreseen and unforeseen).

Section 4.09 Replacement and Removal of Project Property. In addition to its rights under Section 4.02 hereof, the Company, from time to time, may replace any machinery, equipment or fixtures constituting a part of the Project Property and 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 the reasonable 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 4.09 to be so replaced or removed. The provisions of Section 10.1 hereof govern the form of any such instruments. The Company may acquire machinery, equipment or other property (other than fixtures) which does not constitute a part of the Project Property; title to such property will not thereby be transferred to the Issuer. . The removal from the Project of any of the Improvements, 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, or 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 4.10 Eminent Domain; Damage; Destruction. The Company will give prompt notice to the Issuer and the Purchaser of any damage to or destruction of the Project Property that results in the Project no longer being a qualified "project" as defined in and as contemplated by the Act. 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 or with respect to or from any damage to or destruction of all or any portion of the Project Property shall be applied to the prepayment of the Bond or paid to the Company.

Section 4.11 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 comprehensive general liability insurance against liability for (a) 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 (b) if the Company has employees, claims 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 4.12 Access and Inspection. Subject to the terms of the easements applicable to the Project Site and the Project Site Leases, the Company will give the Issuer, the Purchaser and their duly authorized agents during regular business hours, upon two (2) Business Days' prior notice, such rights of access and entry onto the Project Site for any reasonable purpose of the Issuer or the Purchaser, as applicable, contemplated by this Agreement. At the sole option of the Company, any such access or entry shall include being escorted by a representative of the Company. During any such access or entry, the Issuer and Purchaser shall comply with all safety related rules and policies of the Company or its contractors. 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 Payments in Lieu of Tax 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 and received by the Issuer shall be for each year shall be as set forth on Exhibit D (such total amount, the "Total PILOT"), of which a portion shall be paid to and retained by the Issuer as the Issuer PILOT (as set forth on Exhibit D) and a portion of which shall be paid to the School Districts as the School District PILOTs (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. Such PILOT payments will be made in full annually on or before the anniversary date of

this Agreement of each year during the Bond Term, with the initial PILOT installment due on the next occurring November 1 following the Closing, in the amount of the Issuer PILOT pro rated to reflect the period from the Closing to the next occurring November 1.

The Company shall make an annual fixed payment in lieu of taxes to the Issuer (the "Issuer PILOT") in the amount set forth on Exhibit D, initially pro rated as set forth in the immediately preceding paragraph and, thereafter, on each succeeding November 1 during the Term (each such payment date, a "PILOT Payment Date"), such Issuer's PILOT amount representing the Issuer's respective portion of the Total PILOT as set forth on Exhibit D.

Section 4.14 Payments in Lieu of Tax to School Districts.

(a) The Company shall make an aggregate annual fixed payment in lieu of taxes to each of the School Districts in the amounts set forth on Exhibit D on each PILOT Payment Date through the Final PILOT Payment Date (the "School District PILOTs" and when considered together with the Issuer PILOT, the "PILOT Payments"); provided, that the initial payment of the School District PILOT shall be pro rated in the manner described in the immediately preceding paragraph in connection with the Issuer PILOT, and shall be paid on the PILOT Payment Date as provided in Section 4.13 hereof.

(b) The School District PILOTs set forth in Section 4.14(a) hereof have 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.

(c) All payments of the School District PILOTs shall be paid by check or by wire transfer directly by the Company to each of the School Districts and the Company shall coordinate all such payments of School District PILOTS directly with each of the School Districts.

Section 4.15 [Reserved]

Section 4.16 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 4.17 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).

Termination of Lease or Cessation of Operations; Assessment in the Company's Name. Subject to the Facilities Closure Claw back provision of this Agreement, in the event the Company terminates this Agreement or if there is a cessation of operations of the Project (other than the Temporary Cessation or Interruption of Operations as defined in Section hereof), the Company will take all necessary action to have the Project Property assessed for property tax purposes in the name of the Company promptly following termination of the Agreement or cessation of operations. Subject to the Facilities Closure Claw back provision of this Agreement, effective as of the date of termination, the Company's obligation to pay any future PILOT Payments shall cease and the Company shall not be liable for any such PILOT Payments due and payable after the termination date or cessation date, provided that the Company or the successor in interest in the Project Property shall be liable for property taxes thereafter levied on the Project Property.

If this Agreement has not been terminated on or before June __, 2054 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 30 days before June __, 2054, and the Company will pay all ad valorem taxes on the Project Property from and after June __, 2054. If the Project Property must be conveyed to the Company to accomplish such assessment, 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 June __, 2054, the Issuer may execute, deliver and cause to be recorded, at the expense of the Company a bill of sale and such other conveyance documents 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 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 4.19 Use of Project Property; Nuisance. Following the Completion Date, the Company will use or cause the Project Property to be used, and Issuer grants the Company the full right to use, or cause the Project Property to be used continuously during the Term 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 4.18, "continuously" means regularly and on a schedule consistent with that of similar facilities in the State. Temporary cessation or interruption of operations, cessation of operations during holiday periods or any outbreak, epidemic, pandemic, or an escalation of hostilities or other national or international calamity or crisis, for maintenance or retooling, for reasonable periods for the repair or replacement of facilities damaged or destroyed, resulting from labor disputes, strikes or because of short-term slack demand, riots or acts of God or the public enemy, terror attacks, shortages of materials or supplies, inclement or destructive weather conditions, or any other reason beyond the reasonable control of the Company, or other similar circumstances (collectively, the "Temporary Cessation or Interruption of Operations") will not constitute a failure by the Company to comply with this Section 4.18.

The Company will use reasonable care to not commit a nuisance in connection with its use or occupancy of the Project Property.

Section 4.20 Reserved.

Section 4.21 Obligations Under Project Site Leases. Company will make all payments and perform all obligations of the grantee/tenant under the Project Site Leases. The Company may, in good faith, contest its obligation to pay or perform under the Project Site Leases in appropriate legal or other proceedings. During the period for such contest and any related appeal, this Section 4.20 will be deemed satisfied with respect to such payment or obligation so contested.

Section 4.22 Contracts Relating to the Project Property. Company may enter into or amend, modify or supplement contracts relating to the Project Property, including without limitation the Project Site Leases, without the consent of Issuer, provided that such contract, amendment, modification or supplement will not change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act or impose any liability on Issuer and that such contract, amendment, modification or supplement will not change the description of the Project Property set forth herein.

Section 4.23 Restrictive Covenants. The Company will comply with all applicable restrictive covenants, if any, which run with and bind the Project Site.

Section 4.24 [Reserved]

Section 4.25 Facilities Closure Clawback. If the Company ceases operations of the Project in the Issuer or fails to operate the Project Property on or before the five year anniversary date of this Agreement, the Company will repay to the Issuer 100% of the *ad valorem* taxes on the Project Property that the Company would have been required to pay if the Bond had not been issued by the Issuer and the Project Property had been subject to *ad valorem* taxation. The abated tax shall be calculated using mill levies and actual property tax valuations and rates for each tax year. Any PILOT payments previously made by the Company to the Issuer will be credited towards the payment of such amount; provided that in no event shall the Company be required to pay more than 100% of the abated tax.

ARTICLE V
LEASE; TERM; POSSESSION; RENT

Section 5.01 Lease of the Project Property; Term. In consideration of the payment of Rent and for other good and valuable consideration, the Issuer leases the Project Property to the Company for the Term, subject to the terms and conditions of this Agreement.

Section 5.02 Quiet Enjoyment. The Issuer will not take any action, other than as provided in this Agreement, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project Property during the Term (except to the extent the Issuer is acting solely in its capacity as a governmental entity with power of Eminent Domain, in which event the provisions of Section 4.10 hereof, shall control and the Company shall have all rights against the Issuer that any other party subject to Eminent Domain may have to recover for any interest taken) and will, at the reasonable 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 against any third party.

Section 5.03 Project Site Leases. Issuer will not terminate, accept termination, amend, modify or waive provisions of the Project Site Leases without Company's prior written approval, which may be given or withheld in Company's sole and absolute discretion.

Section 5.04 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 necessary 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 (collectively, the "Basic Rent"). A copy of the anticipated payment schedule for the Bonds is attached hereto as Exhibit C. The parties acknowledge that the Company may pay, discharge and redeem the Bonds for the account of the Issuer by offsetting amounts owed under the Bonds to the Purchaser against monies due and payable 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 advances on the Bonds under the Indenture.

(b) The Company will also make the following payments (the "Additional Payments") to or on behalf of the Issuer, all actual and customary out-of-pocket costs and expenses (including, but not limited to, financial advisor fees, counsel fees, whether contract municipal attorney fees, bond counsel or any other counsel representing the Issuer in connection with matters arising under this Lease Agreement) actually paid or incurred by the Issuer in connection with: (i) the negotiation, preparation, approval, execution and delivery of the Bonds, the Indenture, this Agreement, the Sublease Agreement and the other documents and instruments related hereto and thereto; (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, during or after the Term of any of the rights or remedies of the Issuer 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 or Lenders.

Section 5.05 Obligations Unconditional; Rights of Offset

(a) Except as otherwise provided in Section 5.05(b) below, the obligation of the Company to pay Rent and to perform its other obligations under this Agreement is absolute and unconditional and will not be subject to diminution by setoff, counterclaim, abatement or otherwise, whether as a result of 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 any of its obligations under this Agreement, the Company may, subject to the limitations imposed by Section 11.03 hereof, initiate such action against the Issuer as the Company may deem necessary to compel such performance of the obligations of the Issuer set forth under Section 4.05 (Gross Receipts and Compensating Tax), Section 5.02 (Quiet Enjoyment), Section 7 (Assignment of Rights), Section 7.02 (No Other Transfers by Issuer), and Article X (Purchase of Project Property). 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, at the Company's expense; 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 foregoing provisions of this Section 5.05, 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 necessary to make all payments of principal of, interest on, and redemption price of the Bonds 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 by the Company 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 602 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 7.01 hereof, the Issuer will assign and pledge to the Purchaser certain of its rights, title and interests in and to this Agreement including without limitation the right to receive payments of Basic Rent hereunder.

Section 5.06 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 5.05(b) hereof, free of any deductions and without abatement, diminution or setoff.

ARTICLE VI
SPECIAL COVENANTS

Section 6.01 Recording and Filing; Further Assurances. The Issuer and the Company will, at the direction of the Purchaser or of the senior secured lenders of the Purchaser or the

Company, including the Lender or Lenders, or an agent therefor (which shall be deemed beneficiaries of this provision) and 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 or the Company in the Project Property, including, without limitation, the filing of financing statements and continuation statements and the execution, acknowledgment, delivery, filing and recordation of any other necessary agreements and instruments as may reasonably be required in carrying out the intention of or facilitating the performance of this Agreement. The Issuer will cooperate with the Company in all such matters.

Section 6.02 Release and Indemnification.

(a) The Company releases the Issuer and members of its Governing Body, officers, employees, designated representatives, agents or other elected or appointed officials of the Issuer, past, present or future (collectively, hereinafter the "Indemnified Persons") from, and the Company will indemnify and hold the Indemnified Persons harmless from and against, any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature (the "Losses") asserted by or on behalf of any Person against the Indemnified Persons, including litigation expenses, attorney's fees or court costs in connection with (i) the execution and delivery of this Agreement and the Bond Documents and the obligations imposed on the Issuer under this Agreement and the Indenture, any actions taken by the Issuer in connection with the performance of this Agreement and the Issuer's legal ownership or leasing of the Project Property; (ii) the offering, sale, delivery, or remarketing of the Bonds including but not limited to any liability that may arise under federal or New Mexico securities laws 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; (iii) the construction, equipping, operation, use, occupancy and maintenance of the Project by the Company and/or its affiliates and any written statements or representations made or given by the Company and/or an affiliate or any of their respective officers or employees to the Indemnified Persons, with respect to such construction, equipping, operation, use, occupancy or maintenance of the Project, including, but not limited to, statements or representations of facts and other information regarding the operational affairs and financial position of the Company; (iv) any loss or damage to property or any injury to or death of any natural person that may be occasioned by any cause whatsoever relating to the operation, installation, maintenance and use of the Project Property; (v) 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; and (vi) any loss or damage incurred by the Issuer as a result of violation by the Company of the provisions of Section 3.02 hereof or with any other requirements of this Agreement (vii) 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 of performance of this Agreement, actions taken under the Indenture, the ownership or leasing of the Project Property or any other cause whatsoever pertaining to the Project Property; and (viii) any claim, action or proceeding brought with respect to the matters set forth in clauses (i) through (vii). The Company also covenants and agrees, at its expense, to indemnify the Indemnified Persons from and against, all costs, reasonable attorney's fees, expenses and liabilities incurred

involving any claim, action or proceeding brought by reason of any such claim. If any such suit, action or proceeding is brought against the Issuer or any Indemnified Person, that suit, action or proceeding will be defended by counsel to the Company, reasonably acceptable to the Issuer and the Company will immediately assume the defense at its own cost.

In case any action or proceeding is brought against any Indemnified Persons 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 Indemnitee 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 Indemnified Persons with respect to any settlement entered into by such Indemnified Persons without the prior consent of the Company (which consent will not be unreasonably withheld)

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 Bond, 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 Bond 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.

(b) The Company will also indemnify the Issuer or any Indemnified Person for all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Company under this Agreement or any related agreement, (ii) taking any action requested by the Company, (iii) taking any action required by this Agreement or any related agreement or (iv) taking any action considered necessary by the Issuer and which is authorized by this Agreement or any related agreement.

(c) The provisions of this Section will be enforceable by the Issuer to the full extent permitted by law, but the Company will not be obligated to indemnify the Issuer or any other Indemnified Person(s) under subsections (a) and (b) of this Section 6.02, to the extent any Losses are caused or occasioned by the gross negligence or willful misconduct of the Issuer or any other Indemnified Person(s) or if a court of competent jurisdiction finds that the Losses in question were caused by the willful misconduct or negligence of the Issuer or the involved Indemnified Person(s). The provisions of this Section will survive the payment of the Bond and the termination of this Agreement.

Section 6.03 GASB77 and GASB 91 Reporting Information. The Company shall provide, promptly upon the Issuer's request, annually or more frequently if the Issuer so requests, such information concerning (a) expenditures of proceeds of the Bonds; (b) the estimated value of

the Project Property; (c) estimates of the amounts and types of tax avoided by virtue of the issuance of all industrial revenue bonds by the Issuer for the benefit of the Company; (d) the balance of outstanding indebtedness in connection with all industrial revenue bonds issued by the Issuer for the benefit of the Company Bonds; and (e) all other information reasonably requested by the Issuer for the purpose of the Issuer's annual disclosure of tax expenditures under Statement No. 77 and Statement No. 91 of the Governmental Accounting Standards Board ("GASB77" and "GASB 91", respectively).

Section 6.04 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 claim is asserted or 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, and the Company will have the sole right and duty to assume the defenses of the same and will have the power to litigate, compromise or settle the same.

ARTICLE VII
ASSIGNMENT, LEASING AND SELLING

Section 7.01 Assignment of Rights by the Issuer. As security for the payment of the Bonds, the Issuer will assign and pledge to the Purchaser all right, title and interest of the Issuer in this Agreement (other than the Unassigned Rights), including, without limitation, the Basic Rent, and hereby directs the Company to make such Basic Rent payments directly to the Purchaser, and will grant to the Purchaser a security interest in the Project Property. The Company consents to such assignment and pledge and grant and agrees that it will make payments directly to the Purchaser without defense or setoff by reason of any dispute between the Company and the Issuer or the Purchaser, and hereby further agrees that its obligations to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. The Purchaser is an intended third party beneficiary of the Company's obligations in this Agreement.

Section 7.02 No Other Transfer by Issuer. Except for the assignment described in Section 7.01 and Article X hereof or transfer to the Company in accordance with Section 4.16 or , 8.03, 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. The parties agree that the Company will be entitled to injunctive relief and specific performance (in addition to any other remedies available to it at law or in equity) to enforce the provisions of this Section 7.02.

Section 7.03 Assignment, Lease, Mortgage and Sale by the Company. If the Company is not in default under this Agreement, the rights of the Company under this Agreement may be assigned, and the rights of the Company in the Project Property may be assigned, leased, subleased, mortgaged, encumbered or sold as a whole or in part by the Company. No such assignment, lease, sublease, mortgage or sale will relieve the Company from liability for making payments of Rent or the Additional Payments and for the performance of its other obligations under this Agreement to the same extent as though no assignment, lease, sublease, mortgage or sale had been made, unless (i) such assignment, lease, sublease, mortgage or sale is to an

Affiliate)of the Company, or (ii) with the written consent of the Issuer and the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed. If an assignment is made to a person or entity that qualifies under Section 7.3(a)(i), then, in such event, the Company, as transferor, shall be relieved from all further liability under this Agreement from and after the effective date of such assignment the transferee shall thereafter be the "Company" for all purposes hereunder. If a transfer is consented to by the Issuer and the Purchaser under this Section 7.3(a)(ii), then, in such event, the transferee shall thereafter be the "Company" for all purposes, but the transferor shall be relieved of all further liability under this Agreement from and after the effective date of such transfer only to such extent as may be set forth in such consent. To the extent required by the Purchaser or the Issuer, any assignee, lessee, sublessee or purchaser of all of the Company's interest in this Agreement or of the Project Property will assume in writing the obligations of the Company under this Agreement.

The Company will, not more than sixty (60) nor less than thirty (30) days before the effective date of any assignment, lease, sublease, mortgage, or sale described in Section 7.3(a), furnish or cause to be furnished to the Issuer and the Purchaser a true and substantially complete copy of such proposed assignment, lease, sublease, mortgage or purchase contract, and to the extent applicable, such assumption. On the effective date of any such assignment, lease, sublease, mortgage or sale, the Company will, at the request of the Issuer or the Purchaser and at the expense of the Company, deliver to the requesting Party an opinion of counsel to the Company to the effect that such assignment, lease, sublease, mortgage or sale has been duly authorized by the Company, does not violate with applicable federal or State law, and does not affect the status of the Project as a "project" under the Act.

Section 7.04 Lender Mortgages.

The Company and the Issuer agree that so long as any First Lender Mortgage and/or Leasehold Mortgage is in effect and has not been discharged or reconveyed, or until written notice of discharge and reconveyance is given by the Company to the Issuer, the following provisions will apply:

(a) No termination, cancellation, surrender, amendment, modification or supplement to this Agreement or the Sublease Agreement by the Company, nor the waiver by the Company of any of the provisions of this Agreement or the Sublease Agreement nor the giving by the Company of any consent, will be effective as to the Lender or Lenders unless consented to in writing by the Lender or Lenders.

(b) The Issuer, upon providing the Company any notice of (i) default under this Agreement or the Sublease Agreement or (ii) a matter on which the Issuer may predicate or claim a default, will at the same time provide a copy of such notice to the Lender or Lenders. The Issuer will have no liability for the failure to give any such notice, except that no such notice by the Issuer to Company will be deemed to have been duly given to the Lender or Lenders unless and until a copy thereof has been so provided to the Lender or Lenders. The Company will provide the Lender or Lenders with copies of all notices delivered to the Issuer under this Agreement, the Sublease Agreement and the Indenture.

(c) So long as any Leasehold Mortgage is in existence, unless the Lender or Lenders otherwise expressly consent in writing, title to the Project held by the Issuer and the

leasehold estate of the Company created by this Agreement will not merge but will remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold estate by the Issuer or by the Company or by a third party, by purchase or otherwise.

(d) Notices from the Issuer to the Lender or Lenders will be mailed to the respective address of the Lender or Lenders set forth in Section 11.05 and those notices from the Lender or Lenders to the Issuer will be mailed to the address designated pursuant to the provisions of this Agreement. Such notices, demands and requests will be given in the manner described in this Agreement.

(e) The Issuer acknowledges that, in the event of damage to the Improvements on the Project due to casualty or condemnation, the casualty insurance proceeds or condemnation proceeds, as the case may be, will be applied in accordance with the terms of any First Lender Mortgage to the extent contemplated therein. In the event of any conflict between the provisions of this Agreement and the provisions of any First Lender Mortgage with respect to application of casualty and condemnation proceeds, the provisions of any First Lender Mortgage will control.

(f) Notwithstanding any provisions of this Agreement to the contrary, no default or event of default under a Loan Agreement or any other document or instrument evidencing or securing the indebtedness secured by any First Lender Mortgage and/or Leasehold Mortgage will, in and of itself, constitute a default or event of default under this Agreement.

(g) Issuer will not encumber Issuer's interest in the Project Property or assign Issuer's interest in this Agreement, except as Issuer has previously done pursuant to the Indenture or as permitted by this Agreement.

(h) Upon compliance with the provisions of Section 7.03 hereof, the Company, from time to time will have (i) the right to assign its right, title, and interest in this Agreement and in the Project, (ii) the right to sublease all or any part of the Project, (iii) the right to mortgage or otherwise encumber its right, title and interest in this Agreement and in the Project, and (iv) the right to use the Project for any lawful purpose; provided that any such use does not cause the Project to cease being qualified as a "project" as defined in and as contemplated by the Act.

(i) As long as any Lender or Lenders (including without limitation any of their successors and assigns) holds any mortgages, security deeds or deeds of trust, including without limitation any First Lender Mortgage and/or Leasehold Mortgage, in the leasehold estate of the Company hereunder, the Company will have the right, but not the obligation to cure any defaults under this Agreement as provided in Section 8.06 hereof, and the rights of the Issuer upon default shall remain.

(j) In the event of the foreclosure upon the rights of the Company in this Agreement (or acceptance of a deed in lieu of foreclosure), if the interests of the Issuer hereunder are not foreclosed, this Agreement shall remain in full force and effect, and the purchaser at foreclosure shall succeed to all of the rights and obligations of the Company hereunder with the consent of the Issuer and without the consent of any other Person. In that event, the Issuer will execute and deliver any reasonable requested documents to confirm such succession and the rights and obligations of the succeeding party, at the sole expense of the succeeding party.

(k) The Company's obligation to make Basic Rent payments under this Agreement is subordinate to the Company's obligations under a Loan Agreement.

(l) Upon the Company's or Lender's request, Issuer agrees to waive for the benefit of the Lender or Lenders any landlord's lien that arises by virtue of the agreements of the Company under this Agreement or pursuant to NMSA 1978, Section 48-3-5 (1997) or similar or successor statutes, and enter into a commercially standard access agreement as to collateral on which the Lender or Lenders have a lien to the extent the collateral secures the obligations of the Company under any Loan Agreement.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default Defined. Each of the following events is an "Event of Default:"

(a) Failure by the Company to make any Rent payment when due which continues unremedied for a period of thirty (30) days after notice of non-payment by the Issuer or the Purchaser.

(b) Any representation or warranty 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 Issuer or the Purchaser, unless such error cannot be remedied within thirty (30) days and the Company has initiated corrective action within thirty (30) days after such notice and diligently pursues such action until such failure is remedied.

(c) A decree or order for relief by a court of competent jurisdiction is entered against the Company 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 the affairs of the Company, and the continuance of any such decree or order remains 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 insolvency of the Company shall be grounds for default as long as Basic Rent, Additional Payments, including the PILOT Payments, and 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 material obligations under this Agreement, other than the payment of Rent, 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 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.

(e) Failure by the Company to make the PILOT Payments required by Sections 4.13 and 4.14 of this Agreement when due.

Section 8.02 Remedies on Default. If an Event of Default occurs and is continuing, the Purchaser and only the Purchaser, 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 Rent payable for the remainder of the Term as are required to provide for Payment of the Bonds and all Additional Payments, PILOT 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 and the Sublease Agreement; provided, however, that upon any such termination, the Issuer shall immediately re-convey the Project Property to the Company in accordance with Article X hereof.

In the enforcement of the remedies provided in this Section 8.02, the Purchaser, as the assignee of the Issuer and on behalf of the Issuer, will treat all expenses of enforcement, including, without limitation, legal, accounting and advertising fees, as Additional Payments then due and owing. As the assignee of the Issuer, the Purchaser has sole responsibility for the exercise of any remedies if an Event of Default occurs and is continuing except to the extent provided in Section 8.03 hereof.

Section 8.03 Issuer Remedies.

(a) If an Event of Default by the Company has occurred with respect to its obligations set forth in Sections 4.04, 4.05, 4.06, 4.07, 4.08, 4.12, 4.13, 4.14, 4.16, 4.17, 4.18, 5.04(b), 6.02, 6.03, 6.04, 7.03 and 8.01(d) and such failure continues for sixty (60) days after the Issuer, or with respect to the obligations set forth in Sections 4.14 hereof, either or both School Districts give the Company notice of such failure; or

(b) the Company fails to comply with its obligations under 5.04(a), and such failure continues for thirty (30) days after the Issuer or Purchaser or its assigns gives the Company written notice of such failure, and the Purchaser or its assignee exercises any of the remedies provided in Section 8.02 hereof with respect to 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 and remains incorrect for a period of thirty (30) days after written notice,

then, the Issuer shall have the right to immediately terminate this Agreement, terminate the Sublease Agreement and take all steps necessary to have the Project Property immediately assessed for property tax purposes in the name of the Company, including without limitation, re-conveying the Project Property to the Company in accordance with Article X hereof and retaining a lien against and security interest in the Project Property securing payments of all amounts owed to Issuer or to either or both School Districts under this Agreement; provided, however if any Event of Default described in this Section 8.03 is not related to the payment of money and cannot be cured within the time allotted for cure, so long as the Company initiates and proceeds with due diligence to effect a cure, and the Company cures the default, Issuer shall not be entitled to have the Project Property assessed in the name of the Company and re-conveyed to the Company in accordance with Article X hereof .

Section 8.04 Notice of Default. The Company will promptly give notice to the Purchaser and the Issuer of the occurrence of any Event of Default following written notice thereof from the Purchaser or Issuer.

Section 8.05 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 of this Agreement, the Company will reimburse the Issuer for such reasonable expenses so incurred, upon demand as evidenced by written notice from the Issuer.

Section 8.06 Right to Cure Defaults.

(a) To prevent termination of this Agreement or the Sublease Agreement, any mortgagee or assignee of the Company (including the Lender or Lenders) 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 or the Sublease Agreement. The Issuer will not terminate or suspend its performance under this Agreement or the Sublease Agreement until it first gives written notice of such default to the Purchaser and to any mortgagee or assignee and allows the Purchaser and any such mortgagee or assignee the right to cure such default within the applicable cure period under this Agreement or Sublease Agreement. In addition, if the Purchaser or any such mortgagee or assignee gives the Issuer written notice prior to the expiration of the applicable cure period of the Purchaser'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 or the Sublease Agreement, the Purchaser 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 or the Sublease Agreement, thirty (30) days from the Purchaser'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 or the Sublease 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, a mortgagee or assignee (including the Lender or Lenders) (i) in the applicable time period provided in Sections 8.01, 8.03 or 8.06(a) hereof, begins appropriate judicial or non-judicial proceedings to obtain the same; (ii) diligently

prosecutes any such proceedings to completion; and (iii) 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 or the Sublease Agreement. If the Purchaser, 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 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 and the Sublease Agreement (i) which are outstanding as of the date on which the mortgagee or assignee (or a receiver requested by a mortgagee) succeeds to such interest and (ii) those which accrue thereafter during the term of this Agreement.

(d) 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

Section 9.01 Prepayments. The Company may at any time without penalty (including without limitation after the occurrence and during the continuance of an Event of Default) and for any reason cause all or any portion of the Bonds to be redeemed in accordance with the provisions of the Indenture by giving notice of such redemption to the Issuer, the Depositary (during the period of its appointment under Section 904(d) of the Indenture) and the Purchaser not less than fifteen (15) days before the redemption date. Such notice will specify the redemption date and the principal amount of the Bond 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, and will pay all Additional Payments, plus interest, if any, including the PILOT Payments, currently owed to the Issuer and the School Districts.

ARTICLE X
RECONVEYANCE OF PROJECT PROPERTY UPON TERMINATION OR EXPIRATION

Section 10.01 Reconveyance 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. The Company will give notice to the Issuer specifying the date of closing such purchase, which will be not less than fifteen (15) nor more than ninety (90) days from the date of such notice. 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, quitclaim deed,

assignment and a bill of sale, prepared by the Company at the Company's expense, conveying to the Company without representation or warranty, title to the Project Property, subject only to: (a) those liens and encumbrances if any, to which the Project Property was subject when conveyed to the Issuer; (b) those liens and encumbrances created by the Company and or to the creation or suffering of which the Company consented; (c) those liens and encumbrances resulting from the failure of the Company to perform any of its obligations under this Agreement; and (d) any other lien arising as a matter of law. The provisions of this Article X shall also apply in the event of a prepayment in full of all Rent pursuant to Article IX hereof, so long as all Additional Payments and/or PILOT Payments under Sections 4.13 and 4.14 hereof due to the Issuer or the School Districts are paid on or before the prepayment date. 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 at the expiration of the Term, the Issuer may execute, deliver and cause to be recorded, at the expense of the Company, a quitclaim deed and a bill of sale with respect to the Project Property. The Company may purchase the Project Property whether or not a Default (as defined in the Indenture) or Event of Default has occurred and is continuing, except a default in payments due under Sections 4.13 and 4.14 hereof.

ARTICLE XI
MISCELLANEOUS

Section 11.01 Reserved.

Section 11.02 Beneficiaries. Nothing in this Agreement expressed or implied is intended or is to be construed to confer upon any Person other than the parties hereto (and, (a) in the case of Section 6.02 of this Agreement, the Indemnified Persons, (b) in the case of Sections [4.14(e), 5.04(b), 8.03 and Articles IX and X] hereof, the School Districtsand (c) in the case of Section 8.06 hereof, the Lender or Lenders) any right, remedy or claim, legal or equitable.

Section 11.03 Limitation of Issuer's Liability. To the fullest extent permitted by law, 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 proceeds of the Bonds 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 in this Agreement 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 11.04 No Violation of Public Policies Regarding Indemnity. To the extent, if at all, that any provision contained herein or in any related documents requiring one party to indemnify, hold harmless, insure, or defend another party (including such other party's employees or agents) is found to be within the scope of NMSA 1978, Section 56-7-1 (2005), as amended from time to time ("Section 56-7-1"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-1, for its enforceability, then such provision, regardless of whether it makes reference to this or any other limitation provision, shall: (a) not 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 be further modified, if required, by the provisions of Section 56-7-1 (B); (b) be enforced only to the extent that the liability, damages, losses or costs are caused by, or arise out of, the acts or omissions of the indemnitor or its officers, employees or agents; and (c) be further modified, if required, by the provisions of Section 56-7-1 (B). Further, despite any other term or condition of this Agreement, to the extent, if at all, that any agreement, covenant, or promise to indemnify another party (including such party's employees or agents) contained herein or in any related documents, is found to be within the scope of NMSA 1978, Section 56-7-2 (2003), as amended from time to time ("Section 56-7-2"), or in any way subject to, or conditioned upon consistency with, the provisions of Section 56-7-2, for its enforceability, then, regardless of whether it makes reference to this or any other limitation provision, such agreement is not intended to, and it does not, indemnify such indemnitee against loss or liability for damages arising from: (i) the sole or concurrent negligence of such indemnitee or the agents or employees of such indemnitee; (ii) the sole or concurrent negligence of an independent contractor who is directly responsible to such indemnitee; or (iii) an accident that occurs in operations carried on at the direction or under the supervision of such indemnitee, an employee or representative of such indemnitee or in accordance with methods and means specified by such indemnitee or the employees or representatives of such indemnitee.

Section 11.05 Notices. Any notice, demand, direction, request, consent, approval, report or other instrument authorized or required by this Agreement 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 nationally recognized commercial courier service, 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 Rio Rancho, New Mexico
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144
Attn: City Manager
Tel: 505.891.5000 (for use in connection with courier deliveries)

If to the Company: Quail Ranch Solar LLC
c/o Clenera LLC
P.O. Box 2576
Boise, Idaho 83701

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 11.06 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 either party 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 such party only to the extent permitted by law.

Section 11.07 Successors. Wherever the Issuer is referred to in this Agreement, it will be deemed to include without limitation its successors and all covenants and agreements in this Agreement will bind and inure to the benefit of the Issuer's permitted successors. Wherever the Company is referred to in this Agreement, it will be deemed to include without limitation its permitted successors and assigns and all covenants and agreements in this Agreement will bind and inure to the benefit of the Company's permitted successors and assigns.

Section 11.08 Title, Headings. The title and headings of the articles, sections and subsections 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 11.09 Execution in Counterparts. This Agreement may be executed in multiple counterparts, all of which taken together will 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. Any Party may execute any of the Bond Documents by executing any such counterpart of such Bond Document.

Section 11.10 Applicable Law. The validity, construction and effect of this Agreement will be governed by the laws of the State of New Mexico applicable to agreements made and to be performed in the State of New Mexico without regard or effect given to conflict of laws rules that would require the application of the laws of any other jurisdiction.

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, any member of the Governing Body), member or employee of a Party 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 Non-Merger. The provisions of this Agreement will survive the conveyance of the Project Property to the Issuer, the reconveyance of the Project Property to the Company, and all other performances hereunder, and will not be deemed merged in any deed or other instrument or document delivered hereunder.

Section 11.13 Payments Due on Days That Are Not Business Days. If the date for any payment due hereunder 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 such period.

Section 11.14 Amendments. Except for Section 4.14 hereof which may be amended only by an instrument executed by the Issuer, the School Districts and the Company, 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 Survival. Except for the obligations of the Company set forth in Section 4.14 hereof (other than payments due and owing at the time of termination or expiration of the Agreement), all agreements, covenants, representations and indemnities 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 termination or expiration of this Agreement.

Section 11.16 Relationship. The relationship of Issuer and Company under this Agreement is that of sub-landlord and sub-tenant. Nothing in this Agreement shall be construed as creating a partnership or joint venture between Issuer and Company.

[Signature pages follow]

DATED AS OF _____, 2024.

ATTEST: CITY OF RIO RANCHO, NEW MEXICO

_____ By:_____
Rebecca A. Martinez, City Clerk Greggory D. Hull, Mayor

(SEAL)

STATE OF NEW MEXICO)
) ss.
SANDOVAL COUNTY)

This instrument was acknowledged before me on _____, 2024, by Greggory D. Hull as Mayor of the City of Rio Rancho

_____
Notary Public

My commission expires: _____

QUAIL RANCH SOLAR LLC,
a Delaware limited liability company
By: CRE-Quail Ranch New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____ before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch New Mexico LLC, the Sole Member of Quail Ranch Solar LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

EXHIBIT A—PART I

PROJECT SITE

EXCEPTING THEREFROM,

EXHIBIT A – PART II

PROJECT SITE LEASES

[To be provided]

EXHIBIT B

Description of the Improvements and Equipment as part of Project Property

To the extent acquired with the proceeds of the Bonds:

All solar generation and storage 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.

EXHIBIT C

Anticipated Payment Schedule for the Solar Bonds

Year	Total Debt Service	Principal	Interest
1	$4,400,000	$-0-	$4,400,000
2	$4,400,000	$-0-	$4,400,000
3	$4,400,000	$-0-	$4,400,000
4	$4,400,000	$-0-	$4,400,000
5	$4,400,000	$-0-	$4,400,000
6	$4,400,000	$-0-	$4,400,000
7	$4,400,000	$-0-	$4,400,000
8	$4,400,000	$-0-	$4,400,000
9	$4,400,000	$-0-	$4,400,000
10	$4,400,000	$-0-	$4,400,000
11	$4,400,000	$-0-	$4,400,000
12	$4,400,000	$-0-	$4,400,000
13	$4,400,000	$-0-	$4,400,000
14	$4,400,000	$-0-	$4,400,000
15	$4,400,000	$-0-	$4,400,000
16	$4,400,000	$-0-	$4,400,000
17	$4,400,000	$-0-	$4,400,000
18	$4,400,000	$-0-	$4,400,000
19	$4,400,000	$-0-	$4,400,000
20	$4,400,000	$-0-	$4,400,000
21	$4,400,000	$-0-	$4,400,000
22	$4,400,000	$-0-	$4,400,000
23	$4,400,000	$-0-	$4,400,000
24	$4,400,000	$-0-	$4,400,000
25	$4,400,000	$-0-	$4,400,000
26	$4,400,000	$-0-	$4,400,000
27	$4,400,000	$-0-	$4,400,000
28	$4,400,000	$-0-	$4,400,000
29	$4,400,000	$-0-	$4,400,000
30	$114,400,000	$110,000,000	$4,400,000

EXHIBIT D

SOLAR PILOT PAYMENTS

[pending confirmation/update with updated PED numbers]

Year	Total PILOT	City Portion	Percent Payable to School Districts	APS	RRPS
1	$40,883.15	$28,739.03	$12,144.12	$7,801.60	$4,342.52
2	$122,649.45	$86,217.10	$36,432.35	$23,404.79	$13,027.56
3	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
4	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
5	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
6	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
7	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
8	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
9	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
10	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
11	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
12	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
13	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
14	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
15	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
16	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
17	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
18	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
19	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
20	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
21	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08

22	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
23	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
24	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
25	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
26	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
27	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
28	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
29	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08
30	$163,532.60	114,956.13	$48,576.47	$31,206.39	$17,370.08

Industrial Revenue Bond (IRB) Application

Name of Project: Quail Ranch Solar and Energy Storage Project

Applicant: Quail Ranch Solar LLC and Quail Ranch Energy Storage LLC

Address: c/o Clenera LLC
P.O. Box 2576
Boise, ID 83701

Telephone: (208) 639-3232

Email: eric.desmarais@clenera.com

Industry NAICS Code(s): 221114

Location of Project (Address): Parcel contains real property in the City of Rio Rancho, Bernalillo County, New Mexico, containing approximately 3,300 acres of land and more particularly described as Tracts 2-A of the Lands of Quail Ranch, as said tract is shown and described on the Bulk Plat thereof recorded in the office of the County Clerk of Bernalillo County, New Mexico, on March 1, 2019, in Book 2019C, Page 18, as Document No. 2019016035

Total Bond Amount Requested: $250,000,000 comprised of $110,000,000 for solar Project and 140,000,000 for Storage Project

What is the amount requested for each?

Real Property: $0 Personal Property: $ 250,000,000

The maximum Bond term is 30 years for real property, and personal property term maximum is determined by the depreciable life of the equipment purchased. What term(s) are you requesting (Bond term and lease term will coincide) for:

Real Property: $0 Years Personal Property: 30 Years

Fees:

1. Upon application, a fee of one-tenth of one percent (0.10%) ofthe total face amount ofthe requested bonds is due. The fee shall not be less than $3,000.00 and no more than $100,000. Should Bond issuance not be transacted, up to two-thirds (2/3) of this fee may be refunded, less any expenses incurred by the City.

2. Third party review fees (for economic impact and other analyses); and

3. City Bond Counsel Fees

Application Fee Submitted:
City Fee: $100,000
Bond Counsel Fee: $88,790.63
Total = $188,790.63 (Pending Payment)

Applicant's Bond Counsel: Sutin, Thayer & Browne

Address: 6100 Uptown Parkway NE
Suite 400
Albuquerque, NM 87110

Telephone: (505) 883-2500

Email: ead@sutinfirm.com

Bond Counsel for the City of Rio Rancho will be designated by the City Attorney's office at time of application.

Supporting documentation (attach to application):

1. Sources and uses table or summary showing all forms of public and private investment in the project, including state and local incentives.

Sources:

Solar Project	
Equity*	$13mm
Lender Financing	$197mm
Total	$110mm

Storage Project	
Equity*	$19mm
Lender Financing	$121mm
Total	$140Mmm

*Company currently contemplates self-financing the project through current and future equity. The Company will also seek lender financing for the project,.

2. Project cost and public benefits schedule.

See attached. Breakdown of employment creation by job classification and compensation profile.

During operation there will likely be 2 full time positions, all of which will be hired by the Company's subcontractors. Two will be High Voltage licensed electricians who will make approximately $45/hour. The other four will be licensed electricians that will make approximately $35/hour.

3. Short Description: Please attach to this application a maximum two-page description/summary of the proposed project. Include all relevant information related to the company requesting the bonds and to the project including but not limited to:

a. History of company.

Clēnera was founded in 2013 with the vision of making solar and energy storage a valuable and sustainable future. Underpinning years of profitable growth, Clēnera was acquired by Enlight Renewable Energy LTD (TASE:ENLT) in 2021. Clēnera has developed and manages 23 large-scale solar projects on behalf of third-party owners in nine states, totaling 1.6 GWdc of clean energy in operation.

b. Location of company headquarters.

Clenera is located at 800 W Main St, Suite 900 Boise, ID 83702.

c. Sales (past and projected).

100 MW Solar plus 100 MW Energy Storage with four hour duration (Total 300 MWh) producing approximately 300,000 MWh of renewable energy annually. The renewable energy and capacity will be sold via a Power Purchase Agreement to the Public Service Company of New Mexico.

d. Description of primary business activity.

Clenera is a highly-skilled solar and storage developer based in Boise, Idaho, the Clenera team has an extensive track record, having successfully developed and sold 25 solar projects totaling c.1.6 GW.

With a robust pipeline approaching 12 GW (out of Enlight's total 17 GW), including 1.7 GW of contracted projects, Clenera's portfolio is expected to become an increasingly important part of Enlight's overall business in the years to come

e. Expected use of bond proceeds.

100% of Bond proceeds will go towards the acquisition of project assets.

f. Zoning of project property.

The entire site is within the proposed Renewable Energy Zone District.

g. Square footage of facility.

The project is sited on an approximately 3100-acre parcel. Roughly 1700 acres of this parcel is occupied by the existing Atrisco Solar and Storage project. The Quail Ranch project will cover a portion of the unoccupied site but will not cover the entire site. The exact acreage is not yet known as final designs have not been completed.

h. Neighborhood and environmental impacts.

The project will have limited neighborhood and environmental impacts. The majority of the site is already occupied by the 300 MW Atrisco Solar and Storage project. To the south there are industrial users, to the west there is a berm that blocks the view of the facility, mostly vacant lots to the north, and there is a proposed highway on the eastern side of the project. There will be limited environmental impacts as the site is already grazed and due to the flat nature of the site there will be limited need to grade.

i. Infrastructure needs.

The project has limited infrastructure needs and will not require a water line or sewage. The access road has already been constructed for

j. Expected timeframe to project completion.

The project is expected to begin construction in Q3 of 2024 and begin commercial operations before November, 2025.

k. Net new job creation (both construction and permanent).

i. If an expansion, note current headcount and additional jobs to be created above that threshold.

ii. Note the breakdown of full-time and part-time positions to be created through this project.

iii. Note average salary and benefit package of new jobs.

iv. Note how many jobs are economic-base (directly related to the manufacturing or production of the company's products or services, of which a minimum of 50% of sales are outside the state of New Mexico), administrative and retail.

During construction we may see a peak of approximately 200 workers on site. These workers will be paid competitive construction wages. They will be contracted by our EPC contractor and as a result we do not have good insight into what their wages will be. These construction jobs will be temporary.

During operation there will likely be two full time positions, all of which wil be hired by the Company's subcontractors. Two will be High Voltage licensed electricians who will make approximately $45/hour. The other four will be licensed electricians that will make approximately $35/hour. These employees will be part of a subcontracted operations and maintenance team.

l. Whether requested bonds will be underwritten (specify which entity) and/or purchased (specify by whom).

The Bond will be purchased by an affiliated entity of the company in a self-purchase transaction. The Bonds will not be underwritten

m. Company's/Applicant's equity in this project.

Company currently contemplates self-financing a portion of the the project through current and future equity. The Bond will be purchased by an affiliated entity of the company. The Company also anticipates securing lender financing for the project, although no loans are currently being pursued.

n. "But for" test- If an IRB is not provided, how will it affect this project?

The state tax abatements provided under industrial revenue bonds are crucial to the development of the project. Like most renewable energy projects in New Mexico, the development of the project will only be economically viable if the company receives the state tax abatements afforded under industrial revenue bonds. If the tax incentives provided under industrial revenue bonds are not available for the project, the company will not be able to develop the project.

The City reserves the right to request additional information, verification, and documentation from the applicant as the City deems necessary.

Application and all supporting documents should be submitted to:

Savannah Jermance, Economic Development & Business Relations Manager
3200 Civic Center Cir NE
Rio Rancho, NM 87144
(505) 896-82191
sjermance@rrnm.gov

Process:

1. Pre-application meeting: City Manager's Office will meet with the applicant to review and discuss the requirements to become eligible for an IRB issued by the City of Rio Rancho.

2. Upon receipt of a complete application (including submittal of fee), the City Manager's Office will meet with the applicant by phone or in person to review the application. Once satisfied that the Project is ready to move forward, the City Manager's Office may initiate a third-party economic impact analysis.

3. Within fifteen (15) days following receipt of the economic impact analysis, the application and analysis may be evaluated by a committee including but not limited to the City Manager, City Attorney, Financial Services Director, Development Services Director, and Economic Development Manager.

4. Once the committee has reviewed the application, the City Manager may commence presentation of a recommended action before the Governing Body, in accordance with the applicable state statute.

5. The applicant will be notified as to when the Governing Body meeting(s) will consider and discuss the recommendation. Applicant is encouraged to attend these meetings, and may speak on behalf of the Project.

6. If the Governing Body approves and passes an inducement resolution, the applicant may apply for a non-taxable transaction certificate (NTTC) through the State Tax and Revenue Department for gross receipts and compensating tax exemptions on personal property. The applicant and their bond counsel are responsible for securing an underwriter (if applicable) and bond purchaser. Payment in Lieu of Taxes will be due to the public schools for their portion of property taxes foregone through the IRB. Clawback provisions shall apply for failure to perform regarding job-creation, capital investment obligations, or both.

For Staff Use Only:

Date Application was Received: _____

Fee Received: _____

Economic Development Manager Initial Review: _____

IRB Committee Evaluation: _____

Governing Body Meeting: _____

Action: _____

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. 27 **ENACTMENT NO. 24-027**

RESOLUTION RELATING TO THE PROPOSED INDUSTRIAL REVENUE BONDS ENTITLED CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH SOLAR LLC PROJECT), SERIES 2024 AND CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH ENERGY STORAGE LLC PROJECT), SERIES 2024, DECLARING THE INTENT OF CITY OF RIO RANCHO TO ISSUE SUCH INDUSTRIAL REVENUE BONDS IN AN AGGREGATE COMBINED PRINCIPAL AMOUNT UP TO $250,000,000 IN CONNECTION WITH THE PROPOSED PROJECTS LOCATED WITHIN THE BOUNDARIES OF CITY OF RIO RANCHO FOR THE PURPOSE OF INDUCING QUAIL RANCH SOLAR LLC AND QUAIL RANCH ENERGY STORAGE LLC AND/OR THEIR SUCCESSORS OR ASSIGNS TO CONSTRUCT AND INSTALL THE PROJECTS

WHEREAS: the New Mexico Legislature has passed the "Industrial Revenue Bond Act" (the "Act"), Sections 3-32-1 to 3-32-16 inclusive, NMSA 1978, as amended, which authorizes the City of Rio Rancho, New Mexico (the "City") to issue industrial revenue bonds and to acquire projects as defined in the Act; and

WHEREAS: the City desires to promote industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the City, to promote the use of the natural resources of the City, and to promote a sound and proper balance in the State of New Mexico between agriculture, commerce and industry, and to promote the public health, safety, security, and the general welfare of the citizens of the City; and

WHEREAS: Clenera, LLC, a Delaware limited liability company has made a proposal to the City whereby the City will (i) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt solar power generation facility for its affiliate Quail Ranch Solar LLC, a Delaware limited liability company (the "Solar Company") which will constitute an industrial development project (the "Solar Project"); and (ii) acquire equipment, improvements and other tangible personal property located in the City for a 100 megawatt storage project for use by the its affiliate Company Quail Ranch Energy Storage LLC, a Delaware limited liability company (the "Storage Company") which will constitute an industrial development project (the "Storage Project" and together with the Solar Project, the "Projects")); and

WHEREAS: the proposed project site for each of the Projects is within the corporate boundaries of the City of Rio Rancho; and

WHEREAS: the City's issuance of industrial revenue bonds in one or more series for the Solar Project (the "Solar Bonds") and for the Storage Project (the "Storage Project Bonds" and collectively, the "Bonds") to finance each Project will constitute one of the inducements whereby the Company will determine to

proceed with the Projects; and

WHEREAS: the City Council (the "Council") constitutes the Governing Body of the City within the meaning of the Act; and

WHEREAS: the Projects have been considered by the Council and the Council has concluded that the Projects will promote the health, safety, security, and general welfare of the citizens of the City, and the Council desires to indicate its intent to consider proceeding with the issuance of the Bonds for the financing the Projects; and

WHEREAS: concurrently with the issuance of the Bonds, each Project Company will enter into an installment sale, lease or other financing agreement with the City under which the City will acquire each Project, and which will provide for the payment of installments, lease rentals or other payments by each Project Company from the revenues generated by each Project or other funds of the respective Project Company sufficient to pay the debt service on the Bonds, subject to the prior adoption by the Council of an ordinance approving of each such agreement and authorizing issuance of the Bonds (each such ordinance a "Bond Ordinance" and collectively, the "Bond Ordinances"); and

WHEREAS: the City and each Project Company understand that the adoption of this Resolution shall not obligate the City to issue the Bonds except in full compliance with the terms of the respective Bond Ordinance to be considered for adoption by the Council prior to the issuance of the Bonds and with the terms of the related bond documents.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

Section 1. All actions (not inconsistent with the provisions hereof) heretofore taken by the Council and the officers and employees of the City, related to the proposal, the acquisition of the Projects, and the sale and issuance of the Bonds therefore, be and the same hereby are, ratified, approved and confirmed.

Section 2. The Council has been informed as follows:

A. The Solar Project will consist of a solar energy project with up to 100 megawatts of generating capacity. The developer and operator of the Solar Project will be the Solar Company or its permitted successors or assigns. The proposed project site of the Solar Project is located in the corporate boundaries of the City. The Solar Company will make all necessary arrangements with the proposed bond purchaser for the purchase of the Solar Bonds issued to finance the Solar Project and the City shall have no responsibility to make such arrangements. The Solar Company has agreed to pay or reimburse the City for all costs of legal counsel, including independent bond counsel of the City directly related to adoption of this Resolution, consideration and adoption of the Bond Ordinance and

issuance of the Bonds. The Solar Company has agreed to such payment or reimbursement irrespective of whether the Bonds are issued or not. The Solar Company shall make payments in lieu of taxes to the City as agreed upon by the Solar Company and the City, which arrangement shall be as set forth in the transaction documents approved by the Bond Ordinance approving the Solar Project.

B. The Storage Project will consist of a 100 megawatt of storage facility. The developer and operator of the Storage Project will be the Storage Company or its permitted successors or assigns. The proposed project site of the Storage Project is located in the corporate boundaries of the City. The Storage Company will make all necessary arrangements with the proposed bond purchaser for the purchase of the Storage Bonds issued to finance the Storage Project and the City shall have no responsibility to make such arrangements. The Storage Company has agreed to pay or reimburse the City for all costs of legal counsel, including independent bond counsel of the City directly related to adoption of this Resolution, consideration and adoption of the Bond Ordinance and issuance of the Bonds. The Storage Company has agreed to such payment or reimbursement irrespective of whether the Bonds are issued or not. The Storage Company shall make payments in lieu of taxes to the City as agreed upon by the Storage Company and the City, which arrangement shall be as set forth in the transaction documents approved by the Bond Ordinance approving the Storage Project.

Section 3. In order to promote the health, safety, security and general welfare of the citizens of the City, it is the Council's intent to take all necessary and advisable steps to consider and, if appropriate, to effect the issuance of (i) the Solar Bonds in an aggregate principal amount up to $110,000,000 in one or more series in order to defray part or all of the costs of the Solar Project and (ii) Storage Bonds in an aggregate principal amount up to $140,000,000 in one or more series in order to defray part or all of the costs of the Storage Project. The Solar Bonds are to be entitled substantially as follows: "City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024," provided, however, that the Bond Ordinance may authorize or provide a method for authorization of a different title and series designation for the Bonds. The Storage Bonds are to be entitled substantially as follows: "City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Energy Storage LLC Project), Series 2024," provided, however, that the Bond Ordinance may authorize or provide a method for authorization of a different title and series designation for the Bonds.

Section 4. The Bonds shall be payable from the revenues of each Project or other moneys payable by each Project Company with respect thereto, and shall not constitute a debt or indebtedness of the City within the meaning of any provision or limitation of the Constitution or statutes of the State of New Mexico. In addition, if each series of Bonds are issued, each Project Company shall indemnify and hold harmless the City, the Council and their respective officers, employees, designated representatives and agents (collectively, the "Indemnified Persons") from and against any liability to any Project Company or to any third parties that may be asserted against the City with respect to the

City's ownership of or leasehold interest in the Projects or the issuance of the Bonds. Nothing contained in this Resolution or in any other instrument shall be considered as obligating the City to any pecuniary liability or a charge upon the general credit of the City or against its taxing power, it being understood that no costs are to be borne by the City and that all costs incurred by the City in connection with the Bonds are to be promptly reimbursed by the Company. The City's adoption of this Resolution shall not be deemed a conclusion or expression of approval by the City or any Indemnified Person of the Company or the Project.

Section 5. Each Company, as agent for the City, will acquire each Project. For this purpose, by adoption of this Resolution, the City authorizes each Project Company to act as agent for the City for the purchase of tangible personal property including, to the extent required for each Project, "solar generation equipment" and "related equipment", as such terms are defined in Section 7-9-54.3 NMSA 1978. For tangible personal property relating to each Project, the City will cooperate with the respective Project Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates ("Certificates") that have been properly executed for acquisition of tangible personal property relating to the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. Neither Project Company shall use the Certificates other than for such purchases as may be permitted by law, if any, nor shall either Project Company use such Certificates after the completion of its respective Project. No costs, expenses or other monetary relief will be recoverable from the City by any vendors of equipment for use in the Projects to the Project Companies.

Section 6. The City Councilors and other appropriate City officials and employees are hereby authorized and empowered to take such steps and to do such things as may be necessary to achieve the purposes of this Resolution; provided, however, the issuance of the Bonds and the execution and delivery of any documents to which the City is a party in connection therewith shall be subject to the approval and authorization of the Council pursuant to the Bond Ordinances, adopted following public notice of the Council's intent to adopt such Bond Ordinances at least fourteen days prior to the consideration of each Bond Ordinance by the Council at a public meeting, such public notices to specify the time, date and place of the Council's public hearing on each Bond Ordinance and the meeting at which each Bond Ordinance will be considered. In particular, no provision of this Resolution shall in any way obligate the City or any other person to issue the Bonds or any other bonds, or to in any way finance either Project; and the City retains full and complete discretion with respect thereto.

Section 7. If Bonds are issued by the City, the documentation evidencing the obligations of each Project Company shall provide that the applicable Project Company shall make annual payments in lieu of taxes to the City and the relevant school districts for the term set forth in such documentation in accordance with the terms of the Act.

Section 8. This Resolution shall not give rise to a pecuniary liability of the City and shall not give rise to a charge against its general credit or taxing powers.

Section 9. The City Clerk is hereby authorized and directed to deliver the 30 day notice

to the Sandoval Board of County Commissioners and Assessor as required under Section 3-32-6.1 NMSA with respect to each series of Bonds. The City Clerk is hereby further directed to publish in a newspaper of general circulation within the City a title and general summary of the ordinance relating to and authorizing issuance of the Solar Bonds, substantially the form attached hereto as Exhibit A-1 and of the Storage Bonds, substantially the form attached hereto as Exhibit A-2, at least two weeks prior to the meeting at which the City Council will consider such ordinance. The City Clerk may undertake such publication upon her own initiative, following consultation with the City Manager and receipt by the City of a draft Bond Ordinance and any necessary documents related thereto.

Section 10. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; provided, however, this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.

Section 12. This Resolution shall take effect immediately upon its adoption and approval by the Council.

ADOPTED THIS 28th DAY OF MARCH, 2024.

Greggory D. Hull, Mayor

ATTEST:

Rebecca A. Martinez, City Clerk
(SEAL)

Exhibit A-1

FORM OF NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE FOR PUBLICATION

CITY OF RIO RANCHO, NEW MEXICO NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE

Notice is hereby given that at its regular meeting on _____ __, 2024, commencing at the hour of _____ pm., the City Council of the City of Rio Rancho, New Mexico will conduct a public hearing to consider a proposed Ordinance, the title of which appears below. The meeting will take place at the regular meeting place of the Council, being Council Chambers 3200 Civic Center Circle, Rio Rancho, New Mexico. Information regarding the location of the meeting will be posted on the website of the City. A complete copy of the Ordinance is available for public inspection during normal and regular business hours at the Office of the City Clerk at 3200 Civic Center Circle, Rio Rancho, New Mexico

The title of the proposed Ordinance is:

CITY OF RIO RANCHO, NEW MEXICO
BOARD OF CITY COUNCILORS
ORDINANCE NO. _____]

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH SOLAR LLC PROJECT), IN A MAXIMUM PRINCIPAL AMOUNT OF UP TO $110,000,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY QUAIL RANCH 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 BY THE COMPANY; 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.

As proposed in the Ordinance: (1) the Bonds will be issued under the authority of the New Mexico City Industrial Revenue Bond Act, Chapter 3, Article 32, NMSA 1978, as amended; (2) the proceeds of the Bonds will finance the acquisition of equipment for a solar power generation in the City of Rio Rancho, New Mexico (the "Project") for the use by Quail Ranch Solar LLC, (the "Company"); and (3) the Project will be leased to the Company.

Under the terms of a proposed Lease Agreement (the "Lease") between the City and the Company, the Company will be obligated to pay rent for the Project sufficient to pay, when due, the principal of, interest on and redemption price, if any, of the Bonds and to make certain other payments as provided in the Lease. The Bonds will be issued

pursuant to an Indenture (the "Indenture") among the Company, the City, the bond purchaser and a depositary. The Bonds will be sold to a bond purchaser pursuant to the terms of a proposed Bond Purchase Agreement.

THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE OF THE BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE OF NEW MEXICO. THE BONDS WILL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

The Bonds will mature, bear interest, be subject to prior redemption and contain other terms and provisions all in accordance with the respective Indenture and the Ordinance.

This notice is given pursuant to Section 3-17-3 NMSA 1978.

(To be published once in a newspaper of general circulation in the City of Rio Rancho at least two weeks before consideration of Bond Ordinance)

Exhibit A-2

FORM OF NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE FOR PUBLICATION

CITY OF RIO RANCHO, NEW MEXICO NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE

Notice is hereby given that at its regular meeting on _____ __, 2024, commencing at the hour of _____ pm., the City Council of the City of Rio Rancho, New Mexico will conduct a public hearing to consider a proposed Ordinance, the title of which appears below. The meeting will take place at the regular meeting place of the Council, being Council Chambers 3200 Civic Center Circle, Rio Rancho, New Mexico. Information regarding the location of the meeting will be posted on the website of the City. A complete copy of the Ordinance is available for public inspection during normal and regular business hours at the Office of the City Clerk at 3200 Civic Center Circle, Rio Rancho, New Mexico

The title of the proposed Ordinance is:

CITY OF RIO RANCHO, NEW MEXICO
BOARD OF CITY COUNCILORS
ORDINANCE NO. _____]

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF RIO RANCHO, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (QUAIL RANCH ENERGY STORAGE LLC PROJECT), IN A MAXIMUM PRINCIPAL AMOUNT OF UP TO $140,000,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY QUAIL RANCH ENERGY STORAGE 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 BY THE COMPANY; 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.

As proposed in the Ordinance: (1) the Bonds will be issued under the authority of the New Mexico City Industrial Revenue Bond Act, Chapter 3, Article 32, NMSA 1978, as amended; (2) the proceeds of the Bonds will finance the acquisition of equipment for a solar storage facility in the City of Rio Rancho, New Mexico (the "Project") for the use by Quail Ranch Energy Storage LLC, (the "Company"); and (3) the Project will be leased to the Company.

Under the terms of a proposed Lease Agreement (the "Lease") between the City and the Company, the Company will be obligated to pay rent for the Project sufficient to pay, when due, the principal of, interest on and redemption price, if any, of the Bonds and to make certain other payments as provided in the Lease. The Bonds will be issued

pursuant to an Indenture (the "Indenture") among the Company, the City, the bond purchaser and a depositary. The Bonds will be sold to a bond purchaser pursuant to the terms of a proposed Bond Purchase Agreement.

THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE OF THE BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE OF NEW MEXICO. THE BONDS WILL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

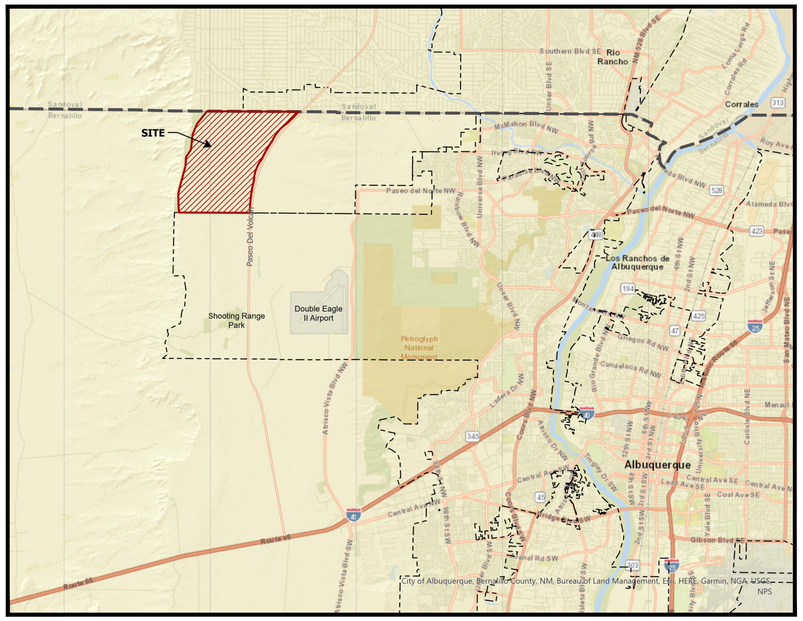
The Bonds will mature, bear interest, be subject to prior redemption and contain other terms and provisions all in accordance with the respective Indenture and the Ordinance.

This notice is given pursuant to Section 3-17-3 NMSA 1978.

(To be published once in a newspaper of general circulation in the City of Rio Rancho at least two weeks before consideration of Bond Ordinance)

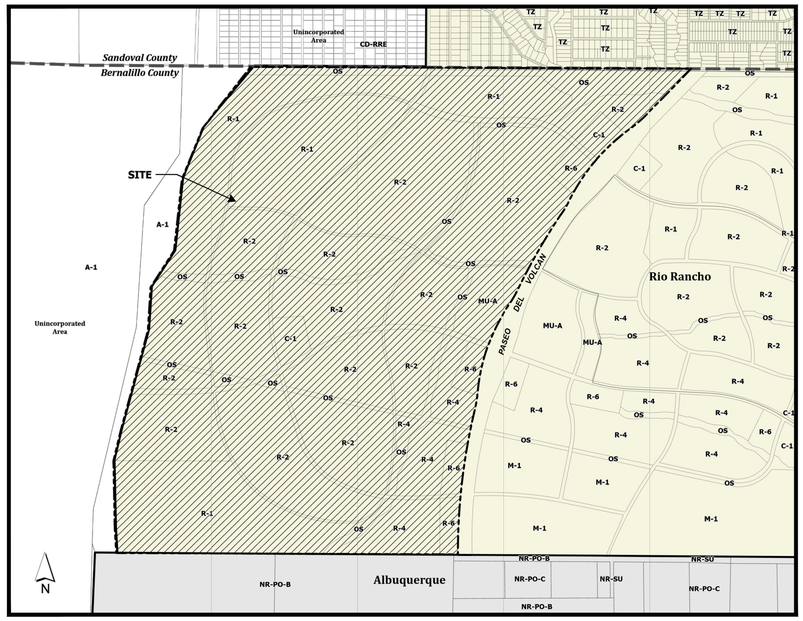
QUAIL RANCH SOLAR
SITE DEVELOPMENT PLAN

9999 PASEO DEL VOLCAN BC NW
RIO RANCHO, NM 87121



VICINITY MAP

Scale: 1" =12,000'



ZONING MAP

Scale: 1" =2,500'

PROJECT PARCEL TABLE	
UPC	100306526526420101
LEGAL DESCRIPTION	TR 2-A BULK LAND SUBDIVISION TRACTS 2-A, 2-B, 2-C, 2-D AND 1-A LANDS OF QUAIL RANCH (BEING A REPLAT OF TRACTS 1 AND 2, LANDS OF QUAIL RANCH)
OWNER OF RECORD	RANCH JOINT VENTURE ATTN: W L ROGERS
PROJECT AREA	3376.35AC

NOTE: A PORTION OF UPC 100306526526420101 WILL BE PURCHASED AND SUBDIVIDED TO HOUSE THE INTERCONNECTION EQUIPMENT OF THE INTERCONNECTION UTILITY. THE LOCATION AND EXACT DIMENSIONS MAY BE DETERMINED BY THE INTERCONNECTING UTILITY'S FINAL DESIGN. THE NEWLY CREATED PARCEL WOULD BE TRANSFERRED TO INTERCONNECTION UTILITY AND THE INTERCONNECTION UTILITY WILL ACCESS WITH AN EASEMENT THROUGH 100306526526420101.

SITE DATA TABLE	
APPROXIMATE POWER CAPACITY	400 MW
ZONING JURISDICTION	CITY OF RIO RANCHO, NM
ZONING	QR-TRE-OD (QUAIL RANCH RENEWABLE ENERGY OVERLAY DISTRICT)
CURRENT LAND USE	VACANT
PROPOSED LAND USE	RENEWABLE ENERGY OVERLAY DISTRICT
SETBACKS	FRONT/SIDE/REAR: 25' PER THE SITE PLAN ROW & EASEMENTS: 25' PER THE SITE PLAN
NO. OF ADJACENT PARCELS	48

SHEET INDEX

SHEET NO.	TITLE
1	COVER SHEET
2	SITE PLAN
3	SITE DETAILS

Prepared for:

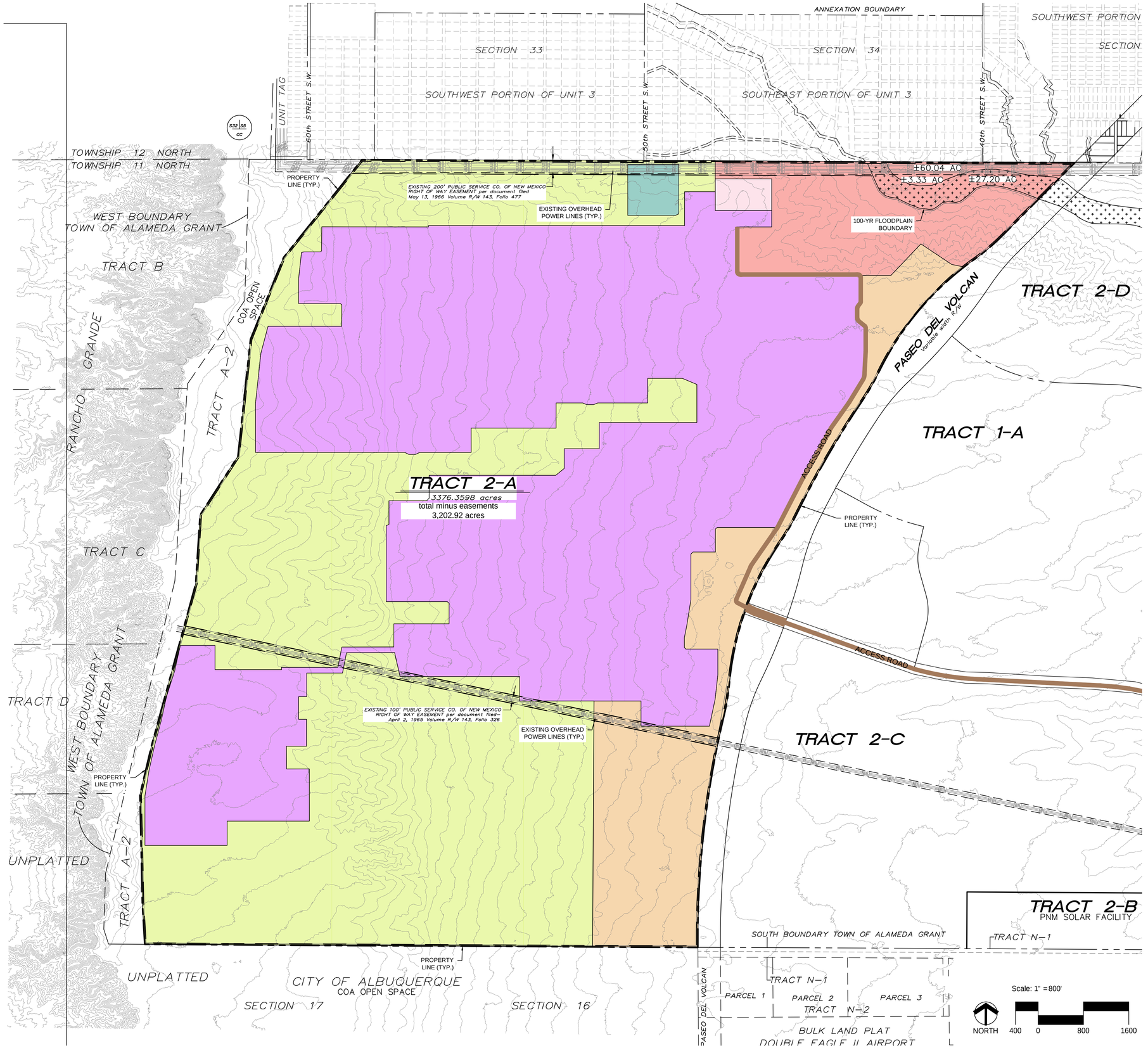
Clēnera
AN ENLIGHT COMPANY

999 W. Main St., Suite 800
Boise, ID 83702

Prepared by:

CONSENSUS PLANNING

Consensus Planning, Inc.
302 Eighth Street NW
Albuquerque, NM 87102



GENERAL SITE NOTES

1. The purpose of this plan is for a Site Plan application for review and approval by City of Rio Rancho to construct a solar electric power plant. The location of proposed improvements, including but not limited to: fencing, solar array racking, inverters, panels, battery energy storage facilities, overhead poles and lines, etc, shown is approximate and may be subject to modification due to site conditions, additional permitting requirements (DOT, NMED, USACE, etc.), equipment specifications, and/or other constraints. Any revisions will be submitted for staff approval prior to construction to verify compliance with zoning requests and conditions as approved. FAA review as required.
2. The source of the topographic data shown on this plan is LiDAR-derived, DEM - USGS/USACE/ MRCOG 2010 Regional LiDAR Project delineated on 10-04-2011 by Bohannan-Huston, Inc. The topographic lines represent 10' intervals.
3. The flood zones shown on this plan were delineated on 02-01-2013 by Federal Emergency Management Agency, FEMA.
4. The project property contains special flood hazard areas subject to inundation by the 1% annual chance flood (100 year event) per FEMA FIRM Map Panel No(s). 35001C0080H, effective on 08/16/2012; 35001C0085H, effective on 08/16/2012; and 35001C0090H, effective on 08/16/2012.
5. All right-of-ways are public unless otherwise noted.
6. The project will comply with all applicable federal, state and local requirements for erosion and sediment control.
7. Driveways will be designed and permitted, as needed, according to all applicable NMDOT requirements.
8. The project area will be cleared and grubbed, and minor grading will occur around equipment as needed to divert surface water, but site will retain pre-development drainage patterns where feasible (i.e., no mass grading).
9. Internal roads and temporary laydown areas are not shown and will be determined in the final design. During construction, gravel may be placed in high traffic or poorly draining areas to improve access. Soil conditions and final equipment location will determine if any permanent gravel access aisles will be required.
10. All proposed improvements will be fenced with a minimum 6' tall chain link fence with 1' of barbed wire will be designed and installed by fence contractor. The access gates will be locked. Emergency gate access will be provided according to an approved emergency response plan approved by the Fire Marshal. Final fence location to be determined. Fences placed in drainage features will be designed to not interfere with historic and developed stormwater flows.
11. The project shall have no permanent lighting except for the minimum lighting required by the interconnection utility at the point of interconnection.
12. The project requires no onsite water or sewage disposal. During construction, portable toilets will be rented and the rental company will service them regularly and dispose of waste offsite.
13. Free standing solar panels or solar arrays will not exceed 30' in height.
14. Solar panels are approximately 3.5' x 8'.
15. To the maximum extent practical, the existing native vegetation will remain. No landscaping is proposed for the site at this time. Within six months of development of any residential properties in Rio Rancho abutting subject site, a 10-foot landscaping buffer and a 6-foot high solid wall or fence shall be constructed / established along the boundary adjacent to the residential development meeting the standards and definitions of the City of Rio Rancho zoning ordinance.
16. Acreage will be reserved around the intersection of Paseo Del Volcan and Paseo del Norte for future commercial and industrial development. Final location and size of reserved space to be determined. These areas shall be evaluated during future development review of the out parcels to determine whether buffering may be needed.
17. In accordance with AMAFCA's Drainage Policy, a drainage easement may be required as determined during the grading and drainage permitting process.
18. Any drainage improvements will comply with applicable drainage master plans.
19. Stormwater drainage and water quality discharge will adhere to the City of Rio Rancho's current Design Process Manual (DPM) and will be addressed during the grading and drainage permitting process.

LEGEND

- PROPERTY LINE
- 25' PERIMETER, R.O.W., AND EASEMENT SETBACK
- EXISTING EASEMENT
- EXISTING OVERHEAD POWER LINE
- FEMA 100-YR FLOODPLAIN
- ATRISCO BATTERY STORAGE
- QUAIL RANCH BATTERY STORAGE
- LANDOWNER ECONOMIC EXCLUSION AREA
- ATRISCO SOLAR
- QUAIL RANCH SOLAR
- PNM SWITCHYARD

QUAIL RANCH

SOLAR

9999 PASEO DEL VOLCAN BC NW
RIO RANCHO, NM 87121

SITE PLAN

Prepared for:

Clēnera
AN ENLIGHT COMPANY
999 W. Main St., Suite 800
Boise, ID 83702

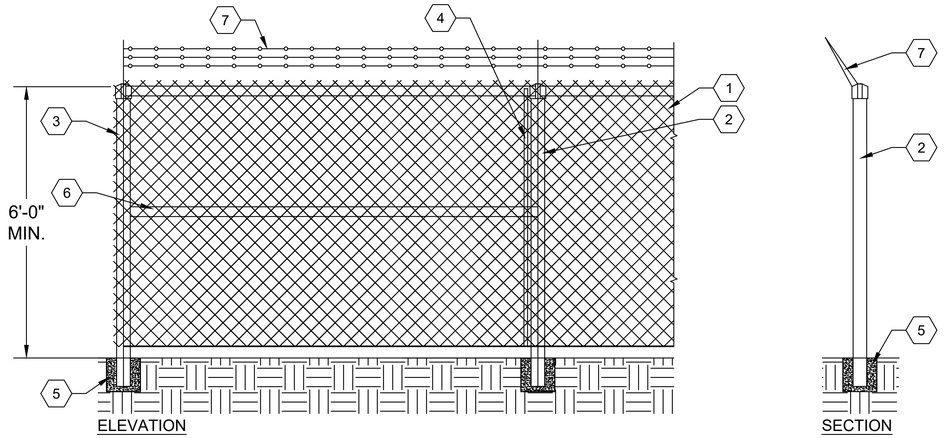
Prepared by:

CONSENSUS PLANNING
Consensus Planning, Inc.
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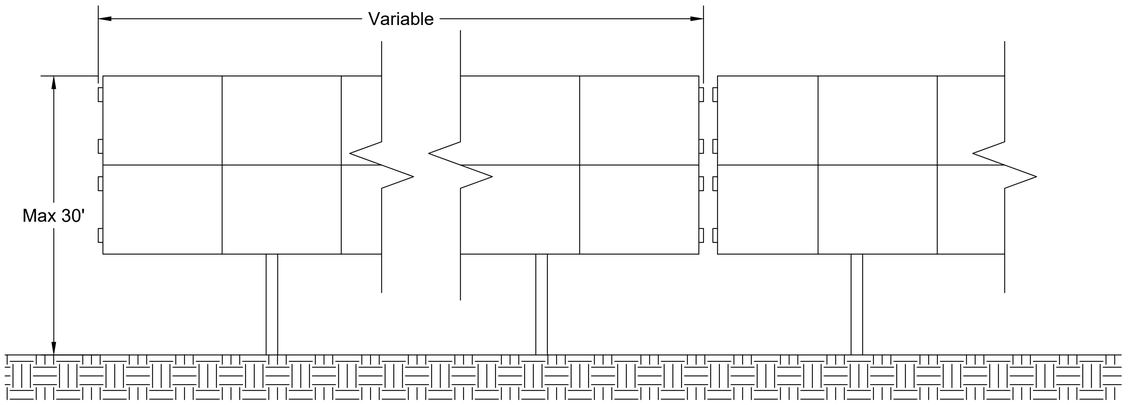
Sheet 1 of 1
February 26, 2024

KEY NOTES:

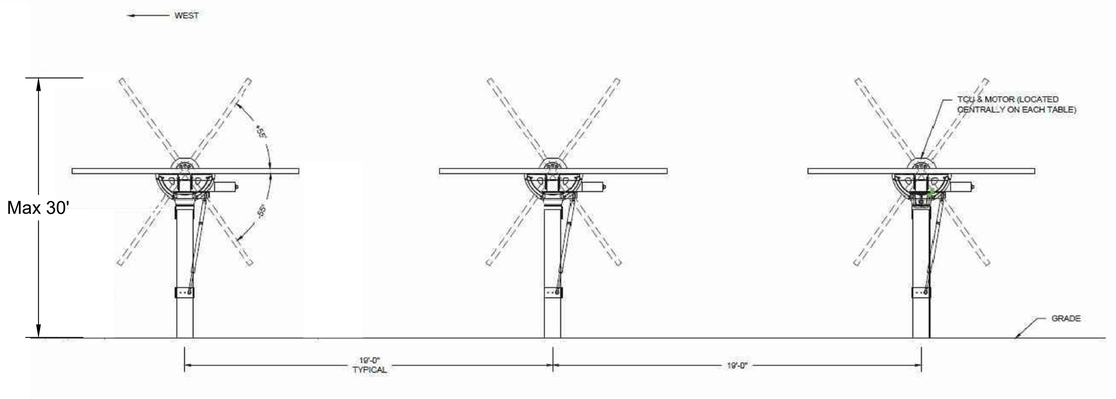
1. CHAIN LINK FABRIC.
2. LINE POSTS
3. CORNER AND GATE POSTS
4. PULL BAR
5. FOUNDATION
6. BRACE BAR
7. BARBED WIRE



TYPICAL CHAINLINK FENCE DETAIL
N.T.S.



TYPICAL RACK FRONT ELEVATION
N.T.S.



NOTES:

1. DIMENSIONS WILL VARY ACCORDING TO FINAL SITE DESIGN.

TYPICAL TRACKER SECTION DETAIL
N.T.S.

QUAIL RANCH SOLAR

9999 PASEO DEL VOLCAN BC NW
RIO RANCHO, NM 87121

SITE DETAILS

Prepared for:

Clēnera
AN ENLIGHT COMPANY
999 W. Main St., Suite 800
Boise, ID 83702

Prepared by:

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February 26, 2024

Quail Ranch Solar/Storage Proposed PILOT Schedule - Combined

Assessed Value: $ 250,000,000.00
MW: 100 Pilot-$ per mW $ 3,716.65

		PILOT-% Payable to Schools	PILOT-% Split between School Districts	
Average/MW	$ 3,592.76	29.7045%	64.24%	35.76%

Year	PILOT	$ Payable to Schools	APS	RRPS	Net to City of Rio Rancho
1	$ 92,916.25	$ 27,600.27	$ 17,730.90	$ 9,869.36	$ 65,315.98
2	$ 278,748.75	$ 82,800.80	$ 53,192.70	$ 29,608.09	$ 195,947.95
3	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
4	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
5	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
6	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
7	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
8	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
9	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
10	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
11	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
12	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
13	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
14	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
15	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
16	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
17	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
18	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
19	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
20	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
21	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
22	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
23	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
24	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
25	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
26	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
27	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
28	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
29	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
30	$ 371,665.00	$ 110,401.06	$ 70,923.60	$ 39,477.46	$ 261,263.94
Sum	$ 10,778,285.00	$ 3,201,630.84	$ 2,056,784.53	$ 1,144,846.31	$ 7,576,654.16
Validate	$ 10,778,285.00	$ 3,201,630.84	$ 2,056,784.53	$ 1,144,846.31	$ 7,576,654.16

Quail Ranch Storage Proposed PILOT Schedule

Assessed Value: $ 140,000,000.00 — 56.00% — **Storage** — PILOT-% Split between School Districts: 64.24% / 35.76%

Yr.	PILOT	$ Payable to Schools	APS	RRPS	Net to City of Rio Rancho
1	$ 52,033.10	$ 15,456.15	$ 9,929.30	$ 5,526.84	$ 36,576.95
2	$ 156,099.30	$ 46,368.45	$ 29,787.91	$ 16,580.53	$ 109,730.85
3	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
4	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
5	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
6	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
7	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
8	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
9	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
10	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
11	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
12	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
13	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
14	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
15	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
16	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
17	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
18	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
19	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
20	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
21	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
22	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
23	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
24	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
25	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
26	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
27	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
28	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
29	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
30	$ 208,132.40	$ 61,824.60	$ 39,717.22	$ 22,107.38	$ 146,307.80
	$ 6,035,839.60	$ 1,792,913.27	$ 1,151,799.34	$ 641,113.93	$ 4,242,926.33
	$ 6,035,839.60	$ 1,792,913.27	$ 1,151,799.34	$ 641,113.93	$ 4,242,926.33

Quail Ranch Solar Proposed PILOT Schedule

Assessed Value: $ 110,000,000.00 — 44.00% — **Solar** — PILOT-% Split between School Districts: 64.24% / 35.76%

Yr.	PILOT	$ Payable to Schools	APS	RRPS	Net to City of Rio Rancho
1	$ 40,883.15	$ 12,144.12	$ 7,801.60	$ 4,342.52	$ 28,739.03
2	$ 122,649.45	$ 36,432.35	$ 23,404.79	$ 13,027.56	$ 86,217.10
3	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
4	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
5	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
6	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
7	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
8	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
9	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
10	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
11	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
12	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
13	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
14	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
15	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
16	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
17	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
18	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
19	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
20	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
21	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
22	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
23	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
24	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
25	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
26	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
27	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
28	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
29	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
30	$ 163,532.60	$ 48,576.47	$ 31,206.39	$ 17,370.08	$ 114,956.13
	$ 4,742,445.40	$ 1,408,717.57	$ 704,358.79	$ 704,358.79	$ 3,333,727.83
	$ 4,742,445.40	$ 1,408,717.57	$ 904,985.19	$ 503,732.38	$ 3,333,727.83

PILOT Allocation as defined in Section 3-32-6 NMSA 1978

Criteria

(c) 1) "1) *fifty percent allocated equally among all school districts in which the project is located;* "
See Exhibit II - RRPS APS and Solar Location
That overlays the City's boundaries to the respective school districts service area

APS	50%
RRPS	0%

(c) 2) *"2) forty percent allocated to the school districts within the municipality in proportion to the area of each school district within the municipality ;"*
See Attachment- RRPS and APS Boundary Percentages
Shows the service areas with respect to the City's limits.

	Acres	*% of Area*		
RRPS	56,362.10	84.95%	34.0%	of the PILOT for Schools Districts
APS	9,984.76	15.05%	6.0%	of the PILOT for Schools Districts
CoRR	66,346.87			

(c) 3) *"and 3) ten percent allocated to the school districts in proportion to the average of each school district's student membership pursuant to the Public School Code [Chapter 22 NMSA 1978, except Article 5A] reported on the second and third reporting dates for the most recent school year for which data is available as of the date of issuance of*

10%

District	Date	Total	Average	RRPS Proportion	APS Proportion
RRPS	Dec-2022	17,276			
RRPS	Mar-2023	17,314	17,295	17.78%	
APS	Dec-2022	80,157			
APS	Mar-2023	79,802	79,980		82.22%
			97,275	1.78%	8.22%

* See Exhbits IV and V (Enrollmend data provided by NM Public Education Department on Aug 4, 2023).

Total Allocation:

APS	64.24%
RRPS	35.76%

PILOT % Attributable to School Districts

TY2023	Sandoval County	Sandoval County	Bernalillo County
MUNICIPALITY:	**Rio Rancho**	**Rio Rancho**	**Rio Rancho**
TAXABLE VALUE:	2,684,054,256	478,400,569	9,051,534
CATEGORY:	94 IN R	94 IN NR	R1-A NR
State Debt Service	1.360	1.360	1.360
Total State	1.360	1.360	1.360
County Operational	6.089	10.350	10.750
County Debt Service	0.606	0.606	1.264
			0.200
Bern. County Judgement (A) (4)			0.006
Bern. County Debt Service (4)			
Total County	6.695	10.956	12.220
Municipal Operational	7.004	7.650	7.650
Municipal Debt Service	2.772	2.772	2.772
Total Municipal	9.776	10.422	10.422
School District Operational	0.254	0.477	0.500
School District Debt Service	8.543	8.543	4.480
School Dist. Cap. Improvement	1.908	1.908	2.000
HB 33 School Building	0.000	0.000	4.344
School Dist. Educ. Tech. Debt Service	0.000	0.000	0.000
Total School District	10.705	10.928	11.324
Total State, County, Municipal, & School District	28.536	33.666	35.326
Other:			
Contracting Hospitals	1.816	1.900	6.400
Central NM Comm College (1)	2.790	3.000	3.000
Central NM Comm. College Debt	1.000	1.000	1.000
Total Other	5.606	5.900	10.400
SUB-TOTAL	**34.142**	**39.566**	**45.726**
SSCAFCA/AMAFCA	2.025	2.074	1.152
AMAFCA			
Grand Total - with Flood Control	**36.167**	**41.640**	**46.878**

The relevant portion of the IRB statute setting out the requirements for School District PILOT, Section 3-32-6(A)(2) is as follows:

A municipality shall not acquire any electricity generation or transmission facility project unless the school districts within the municipality in which the project is located receive annual in-lieu tax payments; provided that the annual in-lieu tax payments required by this paragraph shall be:

(a) payable to the school districts for the period the municipality owns and leases the project;

(b) in an aggregate amount equal to the amount received by the municipality multiplied by the percentage [School District PILOT Percentage] determined by dividing the average of the operating, capital improvement and bond mills imposed by the school districts in the municipality [Average School District Mill Levy] and state debt service mills [State Debt Service Mill Levy] as of the date of issuance of the bonds [together, the Numerator] by the average of the mills imposed by all entities levying taxes on property in the municipality [Average Total Mill Levy as the Denominator] as of such date;

(c) shared among the school districts located within the municipality equally; and

(d) not be less than the amount due to the school districts in the tax year immediately preceding the issuance of the bonds from the property included in a project, had such project not been created;

Average School District Mill Levies	State Debt Sevice Mill Levy	Numerator
10.986	1.36	12.346

Average Total Mill Levy in Municipality as the Denominator
39.811

School District PILOT Percentage (Total Numerator/Total Denominator)
31.0104%

Average Total Mill Levy in Municipality as the Denominator
41.562

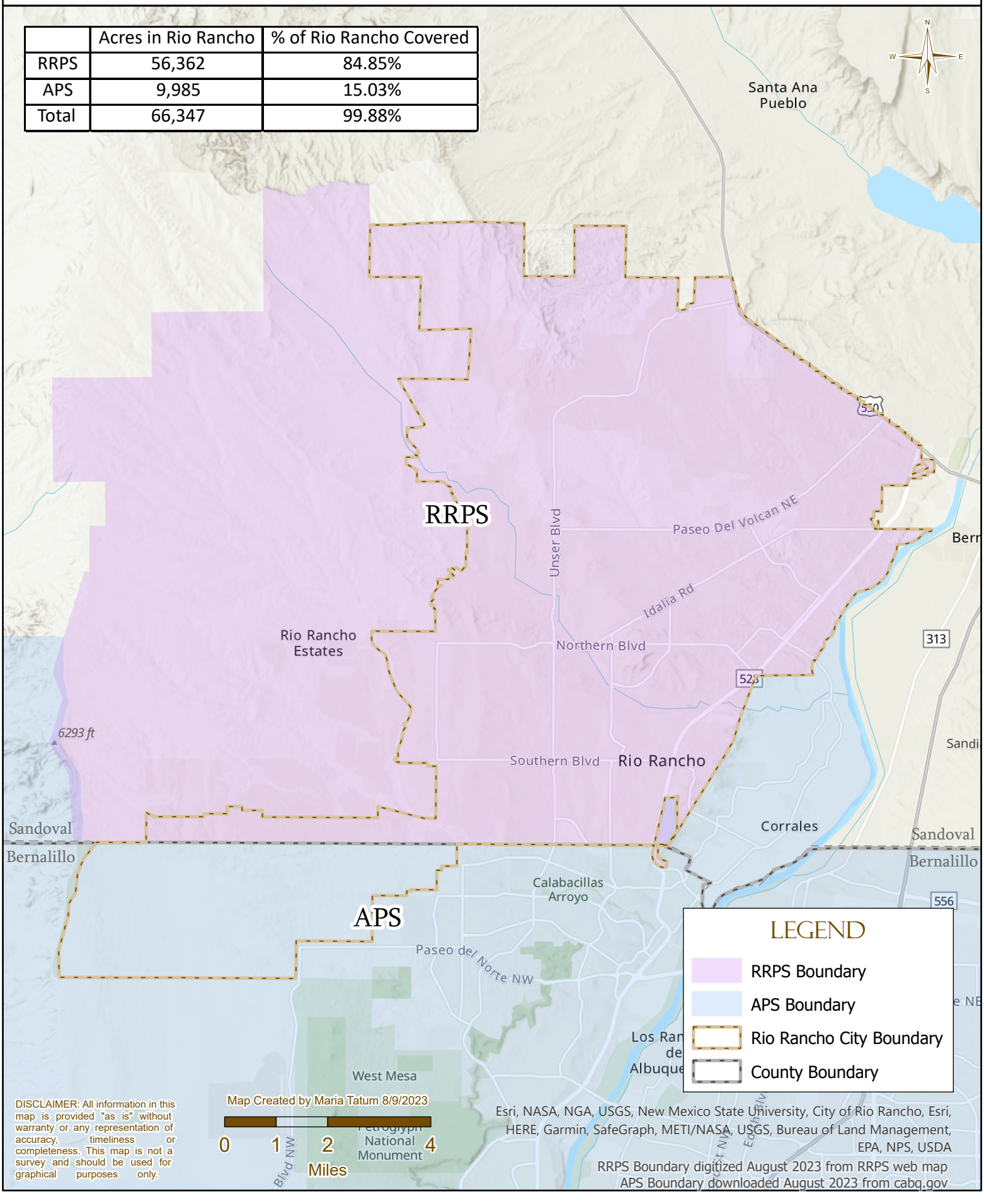
School District PILOT Percentage (Total Numerator/Total Denominator)
29.7045%

Average School District Mill Levies	10.986	
(+) State Debt Service Levy (1.360)	12.346	(a) = numerator
Average Total Mill Levies	41.562	(b) = denominator
School District PILOT Percentage (a / b)	29.7045%	
Number of School Districts In City	2	

0.779
0.779

RRPS AND APS BOUNDARIES

	Acres in Rio Rancho	% of Rio Rancho Covered
RRPS	56,362	84.85%
APS	9,985	15.03%
Total	66,347	99.88%



DISCLAIMER: All information in this map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness. This map is not a survey and should be used for graphical purposes only.

Esri, NASA, NGA, USGS, New Mexico State University, City of Rio Rancho, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

RRPS Boundary digitized August 2023 from RRPS web map
APS Boundary downloaded August 2023 from cabq.gov

SUBLEASE AGREEMENT

This Sublease Agreement (this "Agreement") is entered into as of June __. 2024 by and between Quail Ranch Solar LLC, a Delaware limited liability company ("Company" or "Lessor"), and the City of Rio Rancho, 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 solar project located within the corporate boundaries of the City, for the generation and transportation 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 a ground lease 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 O__ on _____ __, 2024, , which authorizes the issuance of up to $110,000,000 City of Rio Rancho, New Mexico Taxable Industrial Revenue Bonds (Quail Ranch Solar LLC Project), Series 2024 (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 Lease, upon the terms and conditions provided herein. No rent payments will be payable by Issuer to Company or to any other party. For the avoidance of doubt Company and the Issuer acknowledge that the leasehold interest conveyed hereunder is subject in its entirety to and will at all times will be subordinate to the Leasehold Mortgage and the First Lender Mortgage.

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 City Counsel of the City (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 Lease, 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 4.06 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.

QUAIL RANCH SOLAR LLC,
a Delaware limited liability company
By: CRE-Quail Ranch New Mexico LLC, its Sole Member
By: Clenera DevCo, LLC, its Sole Member
By: Clenera Holdings, LLC, its Sole Member

By: _____
Name: Jason Ellsworth
Title: Chief Executive Officer

ACKNOWLEDGMENT

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On _____ before me, the undersigned Notary Public, personally appeared Jason Ellsworth, Chief Executive Officer of Clenera Holdings, LLC, the Sole Member of Clenera DevCo, LLC, the Sole Member of CRE-Quail Ranch New Mexico LLC, the Sole Member of Quail Ranch Solar LLC, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Idaho that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

(SEAL) CITY OF RIO RANCHO, NEW MEXICO

Attest:

_____ By _____
Rebecca A. Martinez, City Clerk Greggory D. Hull, Mayor

STATE OF NEW MEXICO)
) ss.
SANDOVAL COUNTY)

This instrument was acknowledged before me on _____, 2024 by Greggory D. Hull as mayor of the City of Rio Rancho, New Mexico.

_____
Notary Public

My Commission Expires: _____

EXHIBIT A

Project Site Lease

[To be provided]

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O10

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Administration

SUBJECT:
O10, Ordinance Amending Chapter 51 Water and Wastewater Rules and Rates

BACKGROUND AND ANALYSIS:
Secord reading of the Ordinance. First reading of the Ordinance unanimously adopted by the Governing Body on May 23, 2024.

In order to operate and maintain a reliable and safe water/wastewater utility system for customers, regular rate adjustments are necessary to account for such factors as inflation, miscellaneous materials/services cost increases, and new/amended regulations with associated costs.

In 2019, the Governing Body adopted a 5-year rate schedule (Fiscal Years 2020 – 2024) of water rate-only adjustments (1.75 percent increase annually).

Fiscal Year 2025, which begins on July 1, 2024, is beyond the current rate schedule, and, as a result, no rate adjustment is contemplated.

Operating cost increases in Fiscal Year 2025 such as electricity for well pumping and chemicals to treat the water, which are outside of local government's control, are projected to continue to increase significantly.

The City Manager's Recommended Budget for Fiscal Year 2025 (published on April 15, 2024) factors in a 1.75 percent water rate-only adjustment to help offset a portion of projected operating cost increases.

The citizen Public Infrastructure Advisory Board reviewed the City Manager's Recommended Budget and was briefed on the proposed 1.75 percent water rate-only adjustment on April 23, 2024. Pursuant to Municipal Code, the board voted 5-0 in favor of the City Manager's Recommended Budget.

The Mayor's response to the City Manager's Recommended Budget (published on April 23, 2024) includes the following: *Over the past few years, supply chain issues and inflationary forces have impacted nearly all aspects of life, including infrastructure projects. Water and wastewater operations and associated projects have been hit particularly hard. As a result of these factors, rate increases ranging from 12 percent to 90 percent are being contemplated by communities throughout New Mexico right now. I firmly believe this recommended budget contemplates only a 1.75 percent water rate adjustment for customers because of past management decisions and fiscal discipline.*

As part of its May 23, 2024 regular meeting, the Governing Body adopted the City Manager's Recommended Budget for Fiscal Year 2025.

In Fiscal Year 2025, the Governing Body will undertake a comprehensive water/wastewater utility system rate study and review in order to consider and adopt a multi-year rate schedule. The 1.75 percent rate increase would repeat annually in subsequent Fiscal Years until the aforementioned rate study is completed in order to adopt a more accurate multi-year rate schedule. The effective date of the rate increase shall be July 1 of each year.

IMPACT:

The effective date of the Ordinance is July 1, 2024, to coincide with the beginning of the new fiscal year (Fiscal Year 2025).

The proposed water rate-only adjustment of 1.75 percent will increase the average monthly customer bill by approximately 94 cents.

A 1.75 percent adjustment will result in approximately $443,000 in additional revenue for the Utilities Department. The rate adjustment does not fully offset projected increases in operating costs such as electricity (projected to increase by 22 percent or $500,000) and chemicals (projected to increase by 7 percent or $73,500).

ALTERNATIVES:

Approve the Ordinance.

Do not approve the Ordinance.

DEPARTMENT RECOMMENDATION:

City staff recommends approval of the Ordinance as presented.

ATTACHMENT: O10_Ordinance

CITY OF RIO RANCHO
ORDINANCE

ORDINANCE NO. **ENACTMENT NO.**

ORDINANCE AMENDING CHAPTER 51 WATER AND WASTEWATER RULES AND RATES

WHEREAS: in order to operate and maintain a reliable and safe water/wastewater utility system for customers, regular rate adjustments are necessary to account for such factors as inflation, miscellaneous materials/services cost increases, and new/amended regulations with associated costs; and

WHEREAS: in 2019, the Governing Body adopted a 5-year rate schedule (Fiscal Years 2020 – 2024) of water rate only adjustments (1.75 percent increase annually); and

WHEREAS: Fiscal Year 2025, which begins on July 1, 2024, is beyond the current rate schedule, and, as a result, no rate adjustment is contemplated; and

WHEREAS: operating cost increases in Fiscal Year 2025 such as electricity for well pumping and chemicals to treat the water, which are outside of local government's control, are projected to continue to increase significantly; and

WHEREAS: the City Manager's Recommended Budget for Fiscal Year 2025 factors in a 1.75 percent water rate-only adjustment to help offset a portion of projected operating cost increases; and

WHEREAS: in Fiscal Year 2025, the Governing Body will undertake a comprehensive water/wastewater utility system rate study and review in order to consider and adopt a multi-year rate schedule; and

WHEREAS: it is in the City's interest to ensure that future water rates continue to account for increased costs in future years beyond Fiscal Year 2025 until the City finalizes a comprehensive water/wastewater utility system rate study in order to adopt a more accurate multi-year rate schedule.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

This section left blank intentionally.

Section 1. Subsection 51.12(A)(1), R.O. 2003 is amended as follows (underline new text and strikethrough deleted text):

(1) The rates charged by and paid to the utility for municipal water and sewer service will be the rates legally in effect and approved by the Governing Body. Beginning on July 1, 2025, the rates described in subsection (B) Monthly water service charges Schedule 1 and subsection (C) Water volume charges Schedule 2 shall increase by 1.75% annually until a comprehensive water/wastewater utility system rate study is completed in order to adopt a more accurate multi-year rate schedule. The effective date of the rate increase shall be July 1 of each year. Complete rate schedules will be kept at the City Clerk's Office and the utility office at City Hall as well as on the city website. The rates shall include a monthly service charge and volume charge. These rates do not include tax.

Section 2. Schedule 1 of Subsection 51.12(B), R.O. 2003, Monthly Water Service Charges is amended as follows (underline new text and strikethrough deleted text):

Schedule 1 Monthly Water Service Charges						
Meter Size (in.)	***Fiscal Year (1)***					
	~~2020~~	***~~2021~~***	***~~2022~~***	***~~2023~~***	***2024***	***2025***
5/8	~~$11.73~~	~~$11.94~~	~~$12.15~~	~~$12.36~~	$12.57	$12.79
3/4	~~$11.91~~	~~$12.12~~	~~$12.34~~	~~$12.55~~	$12.77	$12.99
1	~~$13.40~~	~~$13.63~~	~~$13.87~~	~~$14.12~~	$14.36	$14.61
1-1/4	~~$15.58~~	~~$15.85~~	~~$16.13~~	~~$16.41~~	$16.70	$16.99
1-1/2	~~$18.51~~	~~$18.83~~	~~$19.16~~	~~$19.50~~	$19.84	$20.19
2	~~$20.53~~	~~$20.89~~	~~$21.26~~	~~$21.63~~	$22.01	$22.40
3	~~$88.78~~	~~$90.33~~	~~$91.91~~	~~$93.52~~	$95.16	$96.83
4	~~$118.94~~	~~$121.02~~	~~$123.13~~	~~$125.29~~	$127.48	$129.71
6	~~$185.94~~	~~$189.19~~	~~$192.50~~	~~$195.87~~	$199.30	$202.79
8	~~$199.34~~	~~$202.83~~	~~$206.38~~	~~$209.99~~	$213.66	$217.40
10	~~$341.72~~	~~$347.70~~	~~$353.78~~	~~$359.97~~	$366.27	$372.68
(1) Fiscal year is the period from July 1st through June 30th.						

This section left blank intentionally.

Section 3. Schedule 2 of Subsection 51.12(C), R.O. 2003, Water Volume Charges is amended as follows (underline new text and strikethrough deleted text):

Schedule 2 Water Volume Charges (Cost per 1,000 gallons)						
Customer Class	***Fiscal Year (1)***					
	2020	***2021***	***2022***	***2023***	***2024***	***2025***
Single-Family Residential(2)						
First 6,000 gallons	~~$5.41~~	~~$5.51~~	~~$5.60~~	~~$5.70~~	$5.80	$5.90
7,000 to 10,000 gallons	~~$5.86~~	~~$5.96~~	~~$6.07~~	~~$6.17~~	$6.28	$6.39
Over 10,000 gallons	~~$6.32~~	~~$6.43~~	~~$6.54~~	~~$6.66~~	$6.77	$6.89
Multi-Family Residential						
2 to 4 housing units	~~$5.51~~	~~$5.61~~	~~$5.71~~	~~$5.81~~	$5.91	$6.01
More than 4 housing units	~~$5.74~~	~~$5.84~~	~~$5.94~~	~~$6.05~~	$6.15	$6.26
Commercial	~~$5.74~~	~~$5.84~~	~~$5.94~~	~~$6.05~~	$6.15	$6.26
Industrial	~~$5.44~~	~~$5.54~~	~~$5.63~~	~~$5.73~~	$5.83	$5.93
City	~~$5.18~~	~~$5.27~~	~~$5.36~~	~~$5.46~~	$5.55	$5.65
Irrigation						
Commercial	~~$6.32~~	~~$6.43~~	~~$6.54~~	~~$6.66~~	$6.77	$6.89
City	~~$6.01~~	~~$6.12~~	~~$6.23~~	~~$6.33~~	$6.45	$6.56
Recycled Water	~~$0.65~~				$0.65	$0.65
Bulk Water	~~$10.00~~				$10.00	$10.00
(1) Fiscal year is the period from July 1st through June 30th. (2) In the interest of conserving water, a multi-tiered single-family residential rate structure has been adopted.						

Section 4. Severability Clause. If any section, paragraph, clause, or provision of this Ordinance, or any section, paragraph, clause, or provision of any regulation promulgated hereunder shall for any reason be held to be invalid, unlawful, or unenforceable, the invalidity, illegality, or unenforceability of such section, paragraph, clause, or provision shall not affect the validity of the remaining portions of this Ordinance or the regulation so challenged.

Section 5. Compiling Clause. This Ordinance shall be incorporated in and

compiled as part of the Revised Ordinances of the City of Rio Rancho, (R.O. 2003).

Section 6. Effective Date. This Ordinance shall become effective July 1, 2024.

ADOPTED THIS _____DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O12

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Development Services

SUBJECT:
O12, Ordinance Amending the Rio Rancho Code of Ordinances (R.O. 2003) Title XV “Land Usage”, Chapter 150 General Provisions, Section 150.23 (G) and (K), Section 150.30 (A)(5), the Addition of (B)(4)(e) and (f), and Repealing and Replacing the Appendix

BACKGROUND AND ANALYSIS:
The City of Rio Rancho is requesting approval of text amendments to the Rio Rancho Code of Ordinances (R.O. 2003) Chapter 150 General Provisions, Section 150.23 (G), Section 150.30 (A)(5) and (B)(4)(e) and (f), and repealing and replacing the Appendix. The City is authorized to impose impact fees under New Mexico Statutes (NMSA 1978) § 5-8-1 through 5-8-42, the Development Fees Act.

In preparation of updating the Impact Fee Schedule, the City put out a request for proposal and selected Wildan Financial Services as a consultant for the update. In collaboration with the City, Wildan provided a detailed impact fee study, which has been provided as an attachment. Staff reviewed data and assumptions provided by the consultants in developing the fee schedule and sought input and guidance from the City’s Capital Improvement Plan Citizen’s Advisory Committee (CIPCAC), Governing Body, and stakeholders. The City held multiple rounds of stakeholder sessions and presented updates and findings at five Governing Body Work Session meetings.

The consultants used three methodologies to calculate the potential impact fees. The methodologies are: existing standard, system standard, and planned facility. The data used for these methodologies, pursuant to State Statute, included land use assumptions, population projections, estimated employment projections, level of service, and ICIP items that had a percentage of need based on new growth. Detailed schedules were created using these three methodologies to determine the best measure of demand created by new development for each of the impact fees, as demonstrated in the attached impact fee study. Based on feedback from Governing Body members and stakeholders, staff determined that the proposed increases using the standard methodologies for impact fees would be overly burdensome to the development community to maintain the level of service currently held by residents.

Staff proposed a new impact fee schedule that will start with a "true up". The "true up" takes a weighted average of the Consumer Price Index, Producer Price Index-Final Demand and Produce Pricer Index-Government Construction since 2017 through the end of calendar year 2023 to compare the multi-year increases in the current impact fee schedule to the increases in the cost of capital project construction for the City. The intent of the “true up” is to address the erosion in the

City’s purchase power since 2017 with the adoption of the current schedule. It should be noted that the last adjustment to impact fee rates took place on July 1, 2021 and rates have not changed since that time. Should this item pass with the new rates going into effect on July 8, 2024, it will have been three years since the rates last increased.

After this "true up" for year one of the schedule, staff presented five alternative options for minor increases for year 2-5 of the fee schedule. At the Governing Body Work Session held on April 16, 2024, the feedback was that some Governing Body members supported Option C. This option incorporates the recommended 18.8% initial increase rate ("true up"), which reflects the most updated increase in the Consumer Price Index and Producer Price Index since July 1, 2017, while also having a lower annual annual increase of 3.5% in order to account for growth and inflation/cost increases related to development. The presentation from the April 16, 2024 work session is attached and provides additional information related to percentages/dollars and adjustments over time. Of note and for reference, the dollar amounts of the increases follow:

	Previous Schedule	**Current Schedule**	**18.8% / 3.5%**			
	7/1/2016	7/1/2021	FY25: Year 1	FY30: Year 6	Year 1 Incr. vs Current	Year 6 Incr. vs Current
Single Family Residential (per unit)	$9,882.00	$10,718.00	$12,224.00	$14,518.00	$1,506.00	$3,800.00
Multi-family residential (per unit)	$2,967.00	$3,895.00	$4,627.00	$5,495.50	$732.00	$1,600.50
Commercial (per 1,000 sq ft)	$5,000.00	$1,955.00	$2,322.50	$2,758.00	$367.50	$803.00
Office/institutional (per 1,000 sq ft)	$3,465.00	$1,434.50	$1,704.00	$2,024.00	$269.50	$589.50
Industrial/warehouse (per 1,000 sq ft)	$2,155.00	$495.00	$588.00	$698.00	$93.00	$203.00

Staff also recommends the implementation of subcategory fees that are charged in lieu of a specific impact fee. These fees will be applied businesses that place a disproportionate strain on City infrastructure and services compared to others in the land use categories. The annual increase of these fees will also be 3.5%. The starting recommended subcategory fees are as follows:

Roadways:
1. $3,600 per 1,000 sf for Quick Service Restaurants.
2. $3,600 per 1,000 sf for Car Washes.
Public Safety:
1. $843 per bed for Assisted Living Facilities.

The current impact fee schedule is located in the Appendix of Chapter 150 General Provisions. This text amendment is proposing to repeal and replace this section to reflect the 18.8% initial increase rate starting July 8, 2024 and the subsequent 3.5% annual increase until July 1, 2029. This updated schedule also incorporates the addition of the subcategories.

In Chapter 150.23 (G), the proposed amendment includes updating the level of service calculations to reflect the new impact fees and in section (K) the language would be changed to reflect that the annual increase is accounting for inflation.

In Chapter 150.30, the main changes would be the additions of the sections (B)(4)(e) and (B)(4)(f).

In (B)(4)(e) language proposed would allow staff to have a way to calculate for RV storage square footage without a physical office. This addition would state: "the square footage of the nonresidential development shall be calculated by determining the square footage of the smallest parking space multiplied by the total number of all parking spaces." This method has been used by staff in order to calculate the impact fees for this type of development and adding this language to the code will allow this method to be formalized.

The added language in section (B)(4)(f) would state: "Subcategories have been created for development of land uses that have a disproportionately higher strain on infrastructure. These subcategories are only assessed on the specified development for that specific category by the listed unit. The development will be assessed on the remaining categories by the standard process listed above."

NMSA 5-8-34 requires that “the advisory committee …. shall file its written comments with the applicable municipality or county on the proposed amendments to the land use assumptions, capital improvements plan or impact fees before the fifth business day before the date of the public hearing on the amendments.” This advisory committee is the Capital Improvement Plan Citizen’s Advisory Committee (CIPCAC).

CIPCAC has received presentations mirroring the presentations at the Governing Body Work Session meetings and included updates on the RFP and Consultant selection that occurred in October of 2022. CIPCAC completed their final review of the impact fee amendments at their meeting held on April 22, 2024. The motion to recommend approval to the Governing Body received 4 votes for and 0 votes against and the motion passed. The draft meeting minutes are provided as an attachment.

In addition, a change or amendment to any portion of the Title XV Land Usage requires review and recommendation by the Planning and Zoning Board pursuant to Chapter 150.07 (A), which states "Proposed amendments shall be submitted to the Governing Body through the Planning and Zoning Board”, and (B) "The Board shall study the proposals at a regular meeting or at a special meeting, if necessary, and shall submit its recommendations to the Governing Body.”

The Planning and Zoning Board reviewed this item at their May 14, 2024 meeting and the motion to recommend approval to the Governing Body received 0 votes for and 5 votes against, and the motion failed.

IMPACT:

Adoption of the impact fee schedule will provide supplemental funding for the City to address capital projects that are necessitated by growth.

The Capital Improvement Plan Citizen’s Advisory Committee recommends that the Governing Body approves the text amendments with findings and the Planning and Zoning Board recommends denial, subject to the following findings of fact:

GENERAL FINDINGS OF FACT:
1.The City is authorized to impose impact fees under New Mexico Statutes (NMSA 1978) § 5-8-1 through 5-8-42, the Development Fees Act.

2. The Planning and Zoning Board may make a recommendation to the Governing Body on the applicant's request for a text amendment.
3. The applicant has the authority to apply for a text amendment.
4. The applicant and the public received due process.

SPECIFIC FINDINGS OF FACT FOR APPROVAL:
1. The proposed text amendment would be consistent with the health, safety, morals, and general welfare of the City.
2. Sound justification has been presented for the proposed text amendments which update outdated information.

If the Governing Body determines the proposed text amendment is not justified, the following findings are recommended for denial:

SPECIFIC FINDINGS OF FACT FOR DENIAL:
1. The proposed text amendment does not meet the requirements of Rio Rancho Code of Ordinances (R.O. 2003) §150.07(D) Amendments.

ALTERNATIVES:

The Governing Body may:

1. The Governing Body may approve the request.
2. The Governing Body may deny the request.
3. The Governing Body may modify the request and approve such modifications.
4. The Governing Body may continue the public hearing to request additional information or to consider testimony provided at the public hearing.

DEPARTMENT RECOMMENDATION:

The Capital Improvement Plan Citizen's Advisory Committee recommends that the Governing Body approves the text amendments with findings and the Planning and Zoning Board recommends denial.

ATTACHMENT: O12 - Redlined
ATTACHMENT: Impact Fee Study
ATTACHMENT: 4.22.24 CIPCAC Draft Meeting Minutes
ATTACHMENT: April 16 2024 Work Session Impact Fees Presentation
ATTACHMENT: Legal Notice

CITY OF RIO RANCHO
ORDINANCE

ORDINANCE NO. **ENACTMENT NO.**

ORDINANCE OF THE CITY OF RIO RANCHO, NEW MEXICO AMENDING THE RIO RANCHO CODE OF ORDINANCES TITLE XV LAND USAGE, CHAPTER 150 GENERAL PROVISIONS, ARTICLE III IMPACT FEES, SECTION 150.23 (G) AND (K), SECTION 150.30 (A)(5) AND (B)(4)(e) AND (f), AND REPEALING AND REPLACING APPENDIX; PROVIDING FOR INTERPRETATION, SEVERABILITY, AND CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS: the Governing Body of City of Rio Rancho, has adopted impact fees in accordance with the State of New Mexico Statutes Annotated (NMSA 1978) Chapter 5 “Municipalities and Counties”, Article 8 “Land Development Fees and Rights”, cited as the Development Fees Act; and

WHEREAS: the Governing Body finds a need to amend the impact fees subchapter based on NMSA Section 5-8-30(B), requiring the City to review and evaluate its impact fee use assumptions and impact fee capital improvements plan (ICIP) in accordance with the Development Fees Act”; and

WHEREAS: the Capital Improvement Plan Citizen's Advisory Committee (CIPCAC) has reviewed the proposed amendments at the CIPCAC meeting on April 22, 2024, and recommended approval to the Governing Body; and

WHEREAS: the City of Rio Rancho Planning and Zoning Board reviewed the proposed amendments at a public meeting on May 14, 2024 and made recommendations to the Governing Body regarding adoption of the changes; and

WHEREAS: a public hearing occurred, in accordance with procedures set forth in R.O. 2003 Section 150.07, and NMSA 1978 Section 3-21-6, on the proposed text amendments and were duly advertised and held by the Governing Body of the City of Rio Rancho on June 13, 2024 (First Reading) and June 27, 2024 (Second and Final Reading), and the Governing Body heard interested parties and citizens for and against the proposed text amendments; and

WHEREAS: the proposed amendments to be adopted by this Ordinance comply with the statutory and regulatory requirements of the aforesaid Code of Ordinances and Statutes, and upon findings and determination that the proposed amendments are consistent with the policies and criteria set forth in R.O.2003 and the City’s Comprehensive Plan, the Governing Body finds that the amendments promote the health, safety, morals, and general welfare of the City.

NOW THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF RIO RANCHO:

Section 1. Amendment of Chapter 150.23 (G).
The Rio Rancho Code of Ordinances (R.O. 2003) Title XV "Land Usage", Chapter 150.30: "Findings and Declarations", Subsection G is hereby amended to read as follows:

(G) The Governing Body hereby adopts the following standards for minimum level-of-service (LOS) for each of the following categories of capital facilities:

Facility Category	***Level-of-Service***
Roads	~~VMC/VMT ratio of 2.00~~ $49 per VMT
Bikeways and Trails	~~0.46 miles per 10,000 VMT~~ $49 per resident and $5.00 per worker
Parks	~~3.06 equivalent developed park acres per 1,000 peak residential population~~ $1,315 per resident
Public Safety	~~1.62 square feet of public safety building per functional population~~ $715 per resident and $222 per worker
Utilities (Water and Wastewater)	~~Single-family equivalent connector service unit, or ERU, requires: 340 gallons per day (gpd) potable water capacity, and 750 gallons per day maximum water day demand, and 175 gpd wastewater (sewer) capacity.~~ 60.96 gpd and 2.60 pph for 158 gpd per ERU
Drainage	~~To provide a conveyance system adequate to accommodate the design storm from the farthest upstream property or city boundary to the receiving waters of the Rio Grande River. The design storm is the 100-year storm event, with a duration of six hours for conveyance facilities and 24 hours for detention facilities.~~ $414 per 1,000 square feet

…

(K) The Governing Body further finds and declares that such impact fees may be increased yearly to try to account for inflation; ~~be phased-in over a period of time in order to equitably facilitate projects that may be in the development review process when this subchapter becomes effective;~~

Section 2. Amendment of Chapter 150.30.
The Rio Rancho Code of Ordinances (R.O. 2003) Title XV "Land Usage", Chapter 150.30: "Imposition of Fees; Assessment and Collection", is hereby amended to read as follows:

(A)(1) Any person who, after the effective date, engages in development shall pay impact fees in the manner and in the amounts required in this subchapter unless otherwise specified herein. No building permit or notice to proceed to commence construction shall be issued for development within the city unless the impact fees are assessed and collected pursuant to this subchapter.

(2) Payment of impact fees identified in and pursuant to the appendix to this chapter shall constitute full and complete payment of the development's proportionate share of system improvements for which the fee was paid and shall constitute compliance with the requirements of this subchapter.

(3) Notwithstanding any other provision of this subchapter, that portion of a development for which a valid building permit has been issued or applied for and deemed complete prior to the effective date shall not be subject to impact fees pursuant to this subchapter so long as the building permit remains valid and construction is commenced and diligently pursued according to the terms of the building permit. An application for a building permit which has been deemed complete prior to the effective date shall be subject to the fees in effect prior to the effective date of this subchapter.

(4) Nothing in this subchapter shall prevent the city from requiring a developer to construct reasonable project improvements in connection with the new development.

(5) Impact fees, as updated and amended, shall be phased in over a five-year period as applicable for increases in the fees, beginning ~~July 1, 2017~~ July 8, 2024, as detailed in the schedule contained in the appendix to this chapter.

(B)(1) The Impact Fees Administrator shall calculate and assess the impact fees at the earliest possible time.

(a) For land that is platted or replatted after the effective date of this amendment to the impact fees subchapter, the impact fees shall be assessed at the time that the preliminary subdivision plat or summary plat is approved.

(b) For land that was platted or replatted prior to the effective date of this amendment to the impact fees subchapter, or for development that occurs without platting, the impact fees shall be assessed at the time of development approval, zoning plan check or issuance of a building permit.

(2) The calculation and assessment of the impact fees shall be valid for a period of at least four years, but no greater than seven years, from the date of the assessment.

(3) Notwithstanding subsection (B)(2) of this section, the calculation and assessment of impact fees may be revised under the following circumstances:

(a) If the number of service units in the specific development increases; or

(b) If construction is not commenced within one year from the date of development approval or issuance of the building permit or zoning plan check, whichever date is earlier.

(4) The Impact Fees Administrator, or designee, shall calculate and assess the impact fees for new development as follows:

(a) The impact fee shall be calculated by multiplying the number of dwelling units or 1,000 square feet of gross floor area by the fee shown in the applicable fee schedule for the type of dwelling or nonresidential development.

(b) In the case of water utilities, the impact fee shall be calculated based on the meter size up to two inches. For meters larger than two inches, the fee will be calculated based on estimated usage.

(c) Applicable credits for system improvements constructed as part of the development and which are in excess of the development's proportionate share shall be subtracted. The value or amount of credits for construction of system improvements is also based on the year the system improvement is programmed for construction in the IFCIP, in relation to the year that the improvement is constructed based on the following schedule:

Year of Construction Prior to Fiscal Year Project Is Programmed in the IFCIP	Percentage Value of Credit for Value in Excess of Proportionate Share
0 – 1 Year	100%
2 Years	90%
3 Years	80%
4 Years	70%
5 Years	60%
6 Years or greater	50%

(d) For change of land use and/or additions, the impact fee shall be the difference between the impact fee calculated for the site prior to the change of land use and/or addition and the impact fee calculated for the site following the change of land use and/or addition. Should the change of land use and/or the addition result in a net decrease in gross floor area or calculated impact fee, no refund or credit for past development impact fees paid shall be made or created.

(e) In the case of outdoor RV Storage and parking lots with no physical office on site, the square footage of the nonresidential development shall be calculated by determining the square footage of the smallest parking space multiplied by the total number of all parking spaces.

(f) Subcategories have been created for development of land uses that have a disproportionately higher burden on infrastructure. These subcategories are only assessed on the specified development for that specific category by the listed unit. The development will be assessed the remaining categories by the standard process listed above.

(5) In the event that an application proposes a land use that does not directly match a land use type upon which fees are based, the Impact Fees Administrator shall assign the proposed use to the land use type that most closely resembles the proposed land use.

(6) If the assessment occurs at the time of subdivision plat approval, the assessment may provide the applicable fee schedule in lieu of the specific amount of impact fees due.

(7) When new development for which an application for a building permit has been made includes two or more buildings, structures or other land uses in any combination, including two or more land uses within a building or structure, the total impact fee shall be the sum of the fees for each and every building, structure or land use, including each and every land use within a building or structure.

(8) When a change of land use, redevelopment or modification of an existing land use or building requires the issuance of a building permit, the impact fee shall be based on the difference between the impact fee calculated for the previous land use and the impact fee calculated for the proposed land use. Should a redevelopment or modification of an existing land use or building that requires the issuance of a building permit but does not involve a change in land use result in a net increase in gross floor area, the impact fee shall be based on the net increase, if the service units are calculated on gross floor area. Should a change of land use, redevelopment or modification of an existing land use or building result in a net decrease in gross floor area or calculated impact fee, no refund or credit for past impact fees paid shall be made or created.

(9) In lieu of all or part of an impact fee, the city at its sole discretion may accept an offer from a developer to construct improvements or to contribute or dedicate land or money. The “in lieu” portion of any impact fee represented by construction of improvements shall be deemed paid when the construction is completed and accepted by the city for maintenance or at an earlier time upon terms and conditions and security acceptable to the city in its sole discretion. The “in lieu” portion of an impact fee represented by land dedication shall be deemed paid when the title to the land has been accepted by the city or at an earlier time upon terms and conditions acceptable to the city in its sole discretion.

(10) In addition to the cost of new or expanded system improvements needed to serve new development, the impact fee shall also include the proportionate cost of existing system improvements, but only to the extent that the public facilities have excess capacity and new development as well as existing development will be served by the facilities.

(11) The Impact Fees Administrator shall retain a record of the impact fees assessment. A copy shall be provided to the applicant on the forms prescribed by the city. If requested by the developer or property owner, a notice of impact fees assessment for the new development shall be recorded by the city in the appropriate real property title records of the County Clerk, with the cost of such recording being borne by the developer or owner.

(12) The impact fees shall be due and payable at the time of issuance of a building permit. Impact fees for mobile homes shall be collected at the time of issuance of a foundation permit, electric permit, or zoning plan check. Payment of impact fees shall not be accepted by the city prior to the issuance of a building

permit for which the impact fee is due unless payment is by means of a development agreement.

(13) Impact fees may be assessed but shall not be collected unless the collection is for a capital improvement or facility expansion that has been identified in the capital improvements plan and the city commits to complete construction within seven years and to have service available within seven years and to have service within a reasonable time after such completion of construction considering the type of capital improvement or facility expansion to be constructed, but in no event longer than seven years.

(14) The City Administrator or designee may enter into a written agreement with the owner of record providing a method of payment over time; providing that the city receive security ensuring payment of the fees, which security may be in the form of a cash bond, surety bond, an irrevocable letter of credit, negotiable certificate of deposit or escrow account, or a lien or mortgage on property for which the impact fees are due.

('87 Code, § 9-11-14)

(C)(1) Aside from impact fees collected for recoupment, the funds collected pursuant to this subchapter shall be used solely for the purpose of planning, design, acquisition, construction, expansion and development of system improvements within the service area from which the fees were collected.

(2) Impact fees collected for recoupment may be spent to offset the impact fees otherwise due from development for which a waiver of impact fees has been granted or for any other lawful municipal purpose.

(3) The city shall be entitled to expend three percent of the impact fees collected annually for city employees who are qualified professionals, as defined in the Development Fees Act, associated with the collection and use of the impact fee revenues.

(4) The city may issue bonds, revenue certificates and other obligations of indebtedness in a manner and subject to limitations as may be provided by law in furtherance of the provision of capital improvement projects. Funds pledged toward retirement of bonds, revenue certificates or other obligations of indebtedness for the projects may include impact fees and other city revenues as may be allocated by the Governing Body. The nonrecoupment impact fees paid pursuant to this subchapter, however, shall be restricted to use solely and exclusively for financing directly, or as a pledge against bonds, revenue certificates and other obligations of indebtedness for the cost of capital improvements as specified herein.

Section 3. Repeal and Replacement of Chapter 150, Appendix.
The Rio Rancho Code of Ordinances (R.O. 2003) Title XV "Land Usage", Chapter 150, Appendix is hereby repealed and replaced in its entirety to read as presented in Exhibit A.

Section 4. Severability Clause. If any section, paragraph, clause, or provision of

this Ordinance, or any section, paragraph, clause, or provision of any regulation promulgated hereunder shall for any reason be held to be invalid, unlawful, or enforceable, the invalidity, illegality, or unenforceability of such section, paragraph, clause, or provision shall not affect the validity of the remaining portions of this Ordinance or the regulation so challenged.

Section 5. Effective Date. This Ordinance shall become effective on July 8, 2024.

ADOPTED THIS _____ OF _____ , 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

EXHIBIT A

Note: Fees are calculated down to the nearest one-half dollar amount.

SCHEDULE FOR DEVELOPMENT IMPACT FEES

Land Use Type	*Unit*	*Roads*	*Bikeways and Trails*	*Parks*	*Public Safety*	*Total*
YEAR 1, beginning July 8, 2024:						
Single-family	Dwelling	$4,465	$47.50	$968	$628.50	$6,109
Multi-family	Dwelling	$3,125.50	$39	$834	$628.50	$4,627
Commercial	1,000 sf	$2,054	$7	$0	$261.50	$2,322.50
Quick Service Restaurant, Car Wash	1,000 sf	$3,600	$7	$0	$261.50	$3,868.50
Office/institutional	1,000 sf	$889	$19	$0	$796	$1,704
Assisted Living Facility	1,000 sf/ Per Bed for Public Safety	$889	$19	$0	$843	$908 plus $843 per bed
Industrial/warehouse	1,000 sf	$562	$2.50	$0	$24	$588.50
YEAR 2, beginning July 1, 2025:						
Single-family	Dwelling	$4,621.50	$49	$1,002	$650.50	$6,323
Multi-family	Dwelling	$3,235	$40.50	$863	$650.50	$4,789
Commercial	1,000 sf	$2,126	$7.50	$0	$270.50	$2,404
Quick Service Restaurant, Car Wash	1,000 sf	$3,726	$7.50	$0	$270.50	$4,004
Office/institutional	1,000 sf	$920.50	$19.50	$0	$824	$1,764
Assisted Living Facility	1,000 sf/ Per Bed for Public Safety	$920.50	$19.50	$0	$872.50	$940 plus $872.50 per bed
Industrial/warehouse	1,000 sf	$581.50	$2.50	$0	$24.50	$608.50
YEAR 3, beginning July 1, 2026:						

SCHEDULE FOR DEVELOPMENT IMPACT FEES

Land Use Type	*Unit*	*Roads*	*Bikeways and Trails*	*Parks*	*Public Safety*	*Total*
Single-family	Dwelling	$4,783	$51	$1,037	$673	$6,544
Multi-family	Dwelling	$3,348.50	$42	$893.50	$673	$4,957
Commercial	1,000 sf	$2,200.50	$7.50	$0	$280	$2,488
Quick Service Restaurant, Car Wash	1,000 sf	$3,856.50	$7.50	$0	$280	$4,144
Office/institutional	1,000 sf	$952.50	$20.50	$0	$852.50	$1,825.50
Assisted Living Facility	1,000 sf/ Per Bed for Public Safety	$952.50	$20.50	$0	$903	$973 plus $903 per bed
Industrial/warehouse	1,000 sf	$602	$2.50	$0	$25.50	$630
YEAR 4, beginning July 1, 2027:						
Single-family	Dwelling	$4,950.50	$52.50	$1,073.50	$697	$6,773.50
Multi-family	Dwelling	$3,465.50	$43.50	$924.50	$697	$5,130.50
Commercial	1,000 sf	$2,277.50	$8	$0	$290	$2,575
Quick Service Restaurant, Car Wash	1,000 sf	$3,991.50	$8	$0	$290	$4,289.50
Office/institutional	1,000 sf	$986	$21	$0	$882.50	$1,889.50
Assisted Living Facility	1,000 sf/ Per Bed for Public Safety	$986	$21	$0	$934.50	$1,007 plus $934.50 per bed
Industrial/warehouse	1,000 sf	$623	$2.50	$0	$26.50	$652
YEAR 5, beginning July 1, 2028:						
Single-family	Dwelling	$5,124	$54.50	$1,111	$721	$7,010.50
Multi-family	Dwelling	$3,586.50	$45	$957	$721	$5,310
Commercial	1,000 sf	$2,357	$8	$0	$300	$2,665

SCHEDULE FOR DEVELOPMENT IMPACT FEES

Land Use Type	*Unit*	*Roads*	*Bikeways and Trails*	*Parks*	*Public Safety*	*Total*
Quick Service Restaurant, Car Wash	1,000 sf	$4,131	$8	$0	$300	$4,439
Office/institutional	1,000 sf	$1,020.50	$22	$0	$913.50	$1,956
Assisted Living Facility	1,000 sf/ Per Bed for Public Safety	$1,020.50	$22	$0	$967	$1,042.50 plus $967 per bed
Industrial/warehouse	1,000 sf	$645	$2.50	$0	$27.50	$675
YEAR 6, beginning July 1, 2029:						
Single-family	Dwelling	$5,303	$56.50	$1,150	$746.50	$7,226
Multi-family	Dwelling	$3,712.50	$46.50	$990.50	$746.50	$5,496
Commercial	1,000 sf	$2,439.50	$8.50	$0	$310.50	$2,758.50
Quick Service Restaurant, Car Wash	1,000 sf	$4,275.50	$8.50	$0	$310.50	$4,594.50
Office/institutional	1,000 sf	$1,056	$22.50	$0	$945.50	$2,024
Assisted Living Facility	1,000 sf/ Per Bed for Public Safety	$1,056	$22.50	$0	$1,001	$1,078.50 plus $1,001 per bed
Industrial/warehouse	1,000 sf	$667.50	$3	$0	$28	$698.50

SCHEDULE FOR WATER UTILITIES IMPACT FEES

Meter Size	***5/8"***	***3/4"***	***1"***	***1.5"***	***2"***	***3" or greater***
YEAR 1, beginning July 8, 2024:						
Water impact fee	$3,740	$5,610	$8,941	$17,883	$28,612	Based upon estimated usage
Sewer impact fee	$2,375	$3,563	$5,937.50	$11,874	$18,998.50	
Total	$6,115	$9,173	$14,878.50	$29,757	$47,610.50	
YEAR 2, beginning July 1, 2025:						
Water impact fee	$3,871	$5,806.50	$9,254	$18,509	$29,613.50	Based upon estimated usage
Sewer impact fee	$2,458	$3,687.50	$6,145.50	$12,289.50	$19,663.50	
Total	$6,329	$9,494	$15,399.50	$30,798.50	$49,277	
YEAR 3, beginning July 1, 2026:						
Water impact fee	$4,006.50	$6,009.50	$9,578	$19,156.50	$30,650	Based upon estimated usage
Sewer impact fee	$2,544	$3,816.50	$6,360.50	$12,720	$20,351.50	
Total	$6,550.50	$9,826	$15,938.50	$31,876.50	$51,001.50	
YEAR 4, beginning July 1, 2027:						
Water impact fee	$4,146.50	$6,220	$9,913	$19,827	$31,722.50	Based upon estimated usage
Sewer impact fee	$2,633	$3,950	$6,583	$13,165	$21,064	
Total	$6,779.50	$10,170	$16,496	$32,992	$52,786.50	
YEAR 5, beginning July 1, 2028:						
Water impact fee	$4,291.50	$6,437.50	$10,260	$20,521	$32,833	Based upon estimated usage
Sewer impact fee	$2,725	$4,088.50	$6,813.50	$13,626	$21,801	
Total	$7,016.50	$10,526	$17,073.50	$34,147	$54,634	
YEAR 5, beginning July 1, 2029:						
Water impact fee	$4,442	$6,663	$10,619	$21,239.50	$33,982	Based upon estimated usage
Sewer impact fee	$2,820.50	$4,231.50	$7,052	$14,102.50	$22,564.50	
Total	$7,262.50	$10,894.50	$17,671	$35,342	$56,546.50	

SCHEDULE FOR DRAINAGE IMPACT FEES (for areas not served by an engineered and approved stormwater management system)

Land Use Type	***Unit***	***Year 1: Beginning July 8, 2024***	***Year 2: Beginning July 1, 2025***	***Year 3: Beginning July 1, 2026***	***Year 4: Beginning July 1, 2027***	***Year 5: Beginning July 1, 2028***	***Year 6: Beginning July 1, 2029***
Single-family	Dwelling	$2,444	$2,529.50	$2,618	$2,709.50	$2,804.50	$2,902.50
Multi-family	Dwelling	$2,105	$2,178.50	$2,255	$2,334	$2,415.50	$2,500
Commercial	1,000 sf	$468	$484.50	$501.50	$519	$537	$556
Office/institutional	1,000 sf	$468	$484.50	$501.50	$519	$537	$556
Industrial/warehouse	1,000 sf	$468	$484.50	$501.50	$519	$537	$556

City of Rio Rancho, NM

Impact Fee Study

February 2024



WILLDAN

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Section 1 - Introduction

1.1. Introduction

Willdan Financial Services "Willdan" was retained by the City of Rio Rancho, New Mexico ("City") to conduct an Impact Fee Study "Study" for the City's public safety, parks, bikeways and trails, drainage, roadways, water and sewer impact fees. This report details the results of the Study analysis for the forecast fiscal period, Fiscal Year (FY) 2023-2028.

1.2. Overview of the Impact Fee Study Process

The impact fee study was a collaboration between Willdan and the City. We reviewed data and assumptions with City staff in developing the fees and sought input and guidance from the City's Capital Improvement Plan Citizen's Advisory Committee (CIPCAC) and City Council. The approach taken in this study adheres to industry standard practices for impact fee development and conforms to the requirements of the State Development Fee Act (New Mexico Statutes sections 5-8-1 through 5-8-43).

1.3. Organization of this Report

This Study presents an overview of the concepts employed in the development of the analysis contained herein. The analysis is followed by a discussion of the data, assumptions and results associated with each component of the analysis. Finally, appendices with detailed schedules are presented for further investigation into the data, assumptions and calculations which drive the results presented in this Study. The report is organized as follows:

- Section 1 - Introduction
- Section 2 – Development Projections
- Section 3 – Capital Improvement Plan and Impact Fees
- Appendix A – Demographic Data
- Appendix B – Public Safety Impact Fee
- Appendix C – Parks Impact Fee
- Appendix D – Bikeways and Trails Impact Fee
- Appendix E – Drainage Impact Fee
- Appendix F – Roadways Impact Fee
- Appendix G – Water Impact Fee
- Appendix H – Sewer Impact Fee

1.4. Reliance on Data

During the course of this project the City provided Willdan with a variety of technical information, including cost and demographic data. Willdan did not independently assess or test for the accuracy of such data – historic or projected. We have relied on this data in the formulation of our findings and subsequent recommendations, as well as in the preparation of this report. As is often the case, there will be differences between actual and projected data, and these differences may be significant. Therefore, we take no responsibility for the accuracy of data or projections provided by or prepared on behalf of the City, nor do we have any responsibility for updating this report for events occurring after the date of this report.

Section 2 - Development Projections

2.1. Introduction

Per the Development Fees Act, it is necessary to identify the development that were used as the basis of the impact fees contained within this report. This section of the report provides the projection of land use changes for the period 2023 through 2028, based on the City's anticipated growth.

2.2. Service Areas

The City intends to assess development fees using one system that serves the entire City rather than multiple individual service areas. The fixed assets and projects identified in the capital improvements plan (CIP) will benefit new growth to all sections of the City regardless of location. A City-wide service area approach is permissible under the Development Fees Act. Figure 1 illustrates the City of Rio Rancho service area.

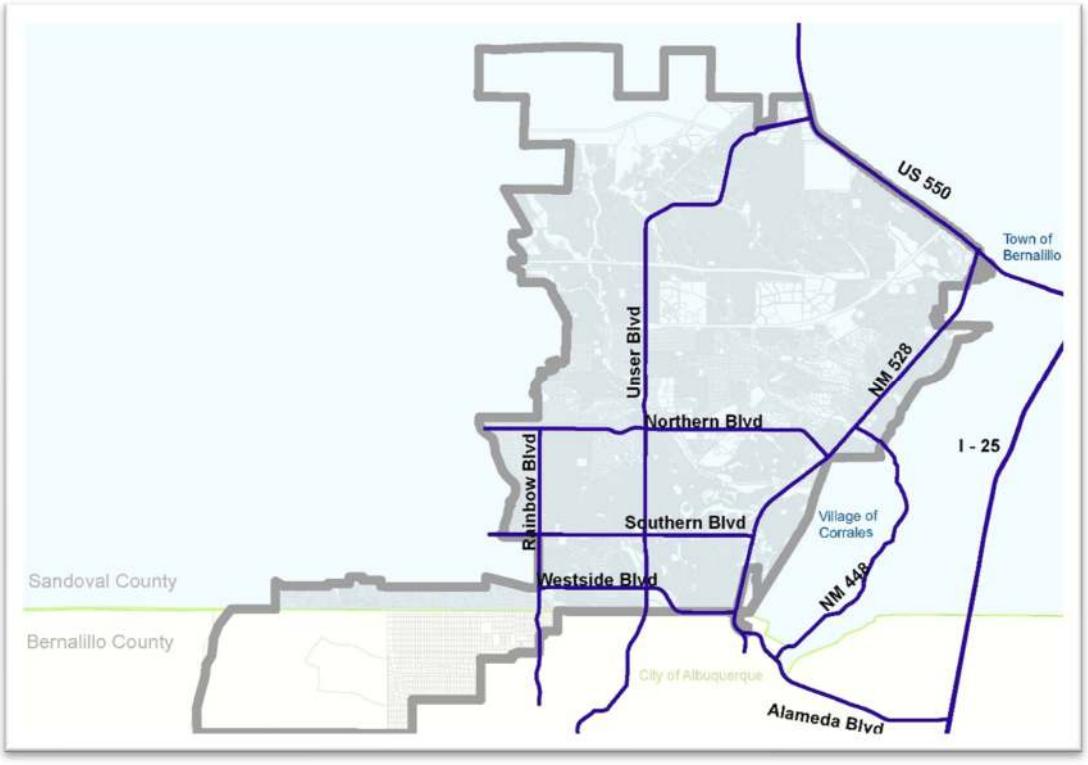


Figure 1
City of Rio Rancho Service Area

2.3. Key Requirements for Future Growth Trends

This section identifies the current population and development projections (as of 2023) and the projection of new population and development through 2028. It is anticipated that there will be 4,550 new housing units and 724,301 square feet of non-residential development added between 2023 and 2028. Table 1 summarizes the population and development projections.

Table 1
Population and Development Projections

Year	Population	Single Family Housing Units	Multifamily Housing Units	Commercial Square Footage	Office Square Footage	Industrial Square Footage
2023	108,082	37,429	4,164	4,289,284	4,511,501	1,565,344
2024	110,447	38,039	4,464	4,324,556	4,558,780	1,627,654
2025	112,811	38,649	4,764	4,359,827	4,606,058	1,689,964
2026	115,176	39,259	5,064	4,395,099	4,653,337	1,752,274
2027	117,541	39,869	5,364	4,430,370	4,700,615	1,814,584
2028	119,905	40,479	5,664	4,465,642	4,747,894	1,876,894

While the terms commercial, office and industrial are generic and encompass many types of developments, the following provides examples of developments within each category.

Commercial

- Retail
- Hotels and food services

Office

- Finance and insurance
- Real estate
- Health care

Industrial

- Utilities
- Construction
- Warehouses
- Manufacturing

2.4. Future Development Trends

The City's development projections for 2023 through 2028, anticipate a shift in development trends with within the development classifications in 5 years as compared to today. The percentages of development by type current and projected are summarized in Table 2.

Table 2
Development Distribution

Development Type	2023 Units/SqFt	Percent of Distribution	2028 Units/SqFt	Percent of Distribution
Single Family	37,429	90%	40,479	88%
Multifamily	4,164	10%	5,664	12%
Total	41,593	100%	46,143	100%
Commercial	4,289,284	41%	4,465,642	40%
Office	4,511,501	44%	4,747,894	43%
Industrial	1,565,344	15%	1,876,894	17%
Total	10,366,129	100%	11,090,430	100%

As indicated in Table 2, there is a small shift in total housing unit distribution away from single family housing units to multifamily units. The industrial category is anticipated to represent a larger percentage of total non-residential square footage in 2028 as compared to 2023, while commercial and office developments will represent a smaller overall percentage of square footage of development.

Full demographic data can be found in Appendix A.

Section 3 - Capital Improvement Plan and Impact Fees

3.1. Service Areas

As was discussed in Section 1.2, the City provides services on a City wide basis. Impact fees are proposed to be assessed on a single service area basis rather than multiple service areas.

3.2. Fee Areas

This study involved a comprehensive review and update of the City's currently assessed impact fees. The following impact fees were reviewed and updated in the analysis:

- Public Safety (police and fire)
- Parks
- Bikeways and Trails
- Drainage
- Roadways
- Water
- Sewer

3.3. Existing and Future Levels of Service

In order to assess impact fees in an equitable manner to future development it was necessary to identify the existing level of service for each of the City's fee areas and ensure that new development is being asked to pay fees that will maintain the same level of service and not increase the level of service. The level of service will be discussed further in each fee area discussion.

3.3. Service Population

The impact fee analysis in this report uses a service population basis in calculating fees. Under the service population basis a resident equates to a service population of 1.00 and a worker equates to a service population of 0.31 based on a 40 hour work week out of a possible 128 non-work hours in a week. The exception to the use of service population applies to roadways, water and sewer. The approach for these three fee areas are discussed in their respective sections.

3.4. Fee Calculation Methodology

Three basic methodologies were used to calculate the City's various impact fees. There is no single right approach to be used in developing all impact fees, and there may be one methodology that works better for a specific fee area. The methodologies are used to determine the best measure of demand created by new development for each of the impact fees. The three basic methodologies are described below:

Under the **existing standard** new development will fund the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Future facilities to serve growth are identified through an annual CIP and budget process, possibly after completion of a new facility master plan.

The **system standard** methodology uses the City's past investment as well as all future facility needs along with total development at the end of the study period to identify the unit cost of facilities. Dividing total facilities by total development for the same period ensures level of service equity, as all developments have the same unit cost of facilities. However, only new development will be assessed impact fees.

The third approach used was the **planned facility** methodology. The planned facility methodology used the City's capital improvement plan (CIP) and related plans to determine new developments share of planned projects. Projects that do not add capacity, such as routine maintenance or replacement of existing facilities, are not included in the fees. Projects that add capacity are further evaluated as to the percentage of the project attributable to existing development versus new development. Only the incremental projects attributable to new development is included in the impact fees.

3.5. Public Safety

The public safety fee includes both the City's police and fire facilities and systems. Public safety impact fees were calculated using the system standard methodology.

Under the existing standard methodology approach new development is being asked to fund future expansion at the same level as the existing public safety facilities and associated system based on the current value of the system (fixed assets).

The system standard approach examined the value of existing and new facilities as of the end of 2028, a value of $86,695,855. The system value was then divided by the total service population at the end of 2028 to determine a cost per capita which was then converted to a cost per person and per worker as summarized in Table 3.

Table 3
Public Safety System Standard

Category	Metric
Value of Existing Facilities	$40,456,292
Value of Planned Facilities	46,239,563
Total System Value (2028)	$86,695,855
Total Service Population	121,233
Cost per Capita	$715
Existing Standard per Resident	715
Existing Standard per Worker	222

3.5.1 Public Safety Impact Fee

The cost per resident and per worker is used to identify the fee by development category based on persons per household for residential developments and workers per 1,000 square feet for non-residential developments. In addition to the existing fee categories a new development classification is proposed. An assisted living classification is being proposed in recognition of the incremental calls for service associated with assisted living developments as compared to the single family developments. The current and calculated fees are identified in Table 4.

Table 4
Current and Calculated Public Safety Impact Fees

Development Type	Current Fee	Calculated Fee	$ Difference	% Difference
Single Family Residential (1)	$529	$1,933	$1,404	265%
Multifamily Residential (1)	529	1,546	1,017	192%
Assisted Living (2)	n/a	3,256	3,256	n/a
Commercial (3)	0.220	0.580	0.360	164%
Office (3)	0.670	0.894	0.224	33%
Industrial (3)	0.020	0.318	0.298	1,490%

(1) Per dwelling unit
(2) Per bed
(3) Per square foot

The full public safety impact fee calculation can be found in Appendix B to this report.

3.6. Parks

Parks impact fees were calculated using the system standard methodology. The system standard approach examined the value of existing and new facilities as of the end of 2028 ($157,703,055). The system value was then divided by the total service population at the end of 2028 to determine a cost per capita which was then converted to a cost per person as summarized in Table 5.

Table 5
Parks System Standard

Category	Metric
Value of Existing Facilities	$136,882,902
Value of Planned Facilities	20,820,153
Total System Value (2028)	$157,703,055
Total Service Population	119,905
Cost per Capita	$1,315
Existing Standard per Resident	1,315

3.6.2 Parks Impact Fee

The cost per resident is used to identify the fee by development category based on persons per household. The current and calculated fees are identified in Table 6.

Table 6
Current and Calculated Parks Impact Fees

Development Type	Current Fee	Calculated Fee	$ Difference	% Difference
Single Family Residential [(1)]	$815	$3,555	$2,740	336%
Multifamily Residential [(1)]	702	2,844	2,142	305%

(1) Per dwelling unit

The full parks impact fee calculation can be found in Appendix C to this report.

3.7 Bikeways and Trails

Bikeways and trails impact fees were calculated using the system standard methodology.

The system standard approach examined the value of existing and new facilities as of the end of 2028, a value of $5,846,559. The system value was then divided by the total service population at the end of 2028 to determine a cost per capita which was then converted to a cost per person and per worker as summarized in Table 7.

Table 7
Bikeways and Trails System Standard

Category	Metric
Value of Existing Facilities	$3,103,669
Value of Planned Facilities	2,742,890
Total System Value (2028)	$5,846,559
Total Service Population	120,334
Cost per Capita	$49
Existing Standard per Resident	49
Existing Standard per Worker	5

3.7.1 Bikeways and Trails Fee per Unit

The cost per resident and per worker is used to identify the fee by development category based on persons per household for residential developments and workers per 1,000 square feet for non-residential developments. The current and calculated fees are identified in Table 8.

Table 8
Current and Calculated Bikeways and Trails Impact Fees

Development Type	Current Fee	Calculated Fee	$ Difference	% Difference
Single Family Residential [1]	$40	$133	$93	233%
Multifamily Residential [1]	33	106	73	221%
Commercial [2]	0.006	0.013	0.007	117%
Office [2]	0.016	0.020	0.004	25%
Industrial [2]	0.002	0.007	0.005	250%

(1) Per dwelling unit
(2) Per square foot

The full bikeways and trails impact fee calculation can be found in Appendix D to this report.

3.8. Drainage

Drainage impact fees were calculated using all the system standard approach.

The system standard approach examined the value of existing and new facilities as of the end of 2028, a value of $47,137,679. The system value was then divided by the total impervious area at the end of 2028 to determine a cost per 1,000 square feet as summarized in Table 9.

Table 9
Drainage System Standard

Category	Metric
Value of Existing Facilities	$9,900,704
Value of Planned Facilities	37,236,975
Total System Value (2028)	$47,137,679
Total Impervious Area (1,000 Sq.Ft.)	113,805
Cost per 1,000 Square Feet	$414

3.8.1 Drainage Fee per Unit

The cost per 1,000 square feet is used to identify the fee by development category based on an assumed square footage of 2,265 square feet for single family dwelling units and 1,951 square feet per multifamily dwelling unit. The fee is based on per 1,000 developed square feet for non-residential developments. The current and calculated fees are identified in Table 10.

Table 10
Current and Calculated Drainage Impact Fees

Development Type	Current Fee	Calculated Fee	$ Difference	% Difference
Single Family Residential [1]	$4,465	$957	($3,508)	(79%)
Multifamily Residential [1]	1,855	824	(1,031)	(56%)
Commercial [2]	0.394	0.422	0.028	7%
Office [2]	0.394	0.422	0.028	7%
Industrial [2]	0.394	0.422	0.028	7%

(1) Per dwelling unit
(2) Per square foot

The full drainage impact fee calculation can be found in Appendix E to this report.

3.9. Roadways

The roadways impact fees were calculated using the existing standard methodology.

Under the existing standard methodology approach new development is being asked to fund future expansion at the same level as the existing drainage facilities and associated system based on the current value of the system (fixed assets).

The current value of roadways assets was brought to today's dollars using the ENR CCI. Using this index attempts to value the City's assets at what it would cost to purchase or construct those assets today. It is important to recognize, however, that these assets are not new and are not being purchased today, but

rather have been depreciated over time. Therefore, the accumulated depreciation for each asset was subtracted from the calculated current day value to determine the RCNLD fixed asset value. The RCNLD fixed asset value was calculated at $334,750,935.

3.9.1 Vehicle Miles Traveled

Like other fee areas, roadways fees are developed based on the impact or burden each classification of new development places on the system. The metric used to identify the impact new development places on the roadways system is vehicle miles traveled (VMT). VMT represents the number of trips as well as the typical length of trip generated by development. Table 11 provides a summary of the inputs used to identify the VMT by development type.

Table 11
Development of Vehicle Miles Traveled

Development Type	Weekday VTE [1]	Trip Adjustment Factor	Average Trip Length	Trip Length Weight Factor	Average VMT [2]
Single Family Residential	9.43	65%	18.73	1.21	138.94
Multifamily Residential	6.74	65%	18.73	1.21	99.30
Commercial	42.70	33%	18.73	0.66	174.22
Office	11.03	50%	18.73	0.73	75.42
Industrial	6.97	50%	18.73	0.73	47.66
High Impact [3]	355.94	50%	18.73	0.73	2,433.75
RV Storage	2.05	50%	18.73	0.73	14.02

(1) VTE per dwelling unit for residential and per 1,000 square feet for non-residential
(2) VMT per dwelling unit for residential and per 1,000 square feet for non-residential
(3) Includes quick service restaurants and car washes

Weekday VTE represents the number of trip ends generated by each development type. For example, someone leaving their house to go to the grocery store and returning home represents four trip ends. The house represents two trip ends, one leaving the house and one returning to the house. The grocery store also represents two trip ends, one arriving at the grocery store and one leaving the grocery store.

The trip adjustment factor reflects the fact that trips can have multiple purposes and not all trip ends represent the primary destination. In the above example, if the stop at the grocery store was on the way home from work at the end of the day, the grocery store would not be the primary trip destination, it

would be a pass by stop on the way home. As such adjustments are made to reflect that not all trip ends are primary purposes of the trip.

Average trip length is a representation of the relative capacity placed on the City's roadways system based on each trip.

Trip length weight factor reflects the fact that not all trips are of the same length and therefore place less demand on the City's system. The 2009 National Household Travel Survey (NHTS) reports that trips from residential developments tend to be 121% of the overall average trip length. By contrast commercial trips lengths represent 66% of the overall average trip lengths and all other non-residential trips are approximately 73% of average overall trip lengths.

By multiplying the aforementioned components together, the VMT per development type is identified.

Once the VMT per development type has been determined it is possible to identify the total VMT that is projected for existing, incremental and total development based on the projected development in the study period. Table 12 summarizes the calculation of total VMT through 2023.

Table 12
Total Vehicle Miles Traveled – Existing

Development Type	Total Development (1)	Unit VMT (2)	Total VMT (3)
Single Family Residential	37,429	138.94	5,200,255
Multifamily Residential	4,164	99.30	413,500
Commercial	4,289	174.22	747,268
Office	4,512	75.42	340,248
Industrial	1,565	47.66	74,600
Total			6,775,871

(1) Residential development per dwelling unit, non-residential per 1,000 square feet
(2) VTE per dwelling unit for residential and per 1,000 square feet for non-residential
(3) VMT per dwelling unit for residential and per 1,000 square feet for non-residential

As indicated in Table 12, existing development represents 6,775,871 vehicle miles traveled. Table 13 provides a summary of the unit cost per VMT under the existing standard approach.

Table 13
Roadways Existing Standard

Category	Metric
Value of Existing Facilities	$334,750,935
Vehicle Miles Traveled (VMT)	6,775,871
Cost per VMT	$49.00

3.9.2 Roadways Fee per Unit

The cost per VMT is used to identify the fee by development category based on unit VMT per dwelling unit for residential developments and 1,000 of developed square feet for non-residential developments. The current and calculated fees are identified in Table 14.

Table 14
Current and Calculated Roadways Impact Fees

Development Type	Current Fee	Calculated Fee	$ Difference	% Difference
Single Family Residential [1]	$3,758	$6,944	$3,186	85%
Multifamily Residential [1]	2,631	4,963	2,332	89%
Commercial [2]	1.729	8.708	6.979	404%
Office [2]	0.749	3.769	3.021	404%
Industrial [2]	0.473	2.382	1.909	404%
High Impact [2] [3]	n/a	121.639	121.639	n/a
RV Storage [2]	n/a	0.701	0.701	n/a

(1) Per dwelling unit
(2) Per square foot
(3) Includes quick service restaurants and car washes

The full roadways impact fee calculation can be found in Appendix F to this report.

3.10 Water

The water impact fee was calculated using the existing standard methodology. Under this approach new development is being asked to fund future expansion at the same level as the existing system based on the current value of the system (fixed assets). Under this approach it was necessary to identify a single family equivalent (SFE) residential unit's proportionate investment share in the current water system, and therefore the unit cost per development.

The current value of water assets was brought to today's dollars using the ENR CCI. Using this index attempts to value the City's assets at what it would cost to purchase or construct those assets today. It is important to recognize, however, that these assets are not new and are not being purchased today, but rather have been depreciated over time. Therefore, the accumulated depreciation for each asset was subtracted from the calculated current day value to the RCNLD fixed asset value. The current value of the water system was calculated at $236,119,353.

3.10.1 Single Family Equivalent (SFE) Units

Through discussions with the City it was identified that the water system capacity is 10,000,000 gallons per day. It was also determined that the consumption per person is 60.96 gallons per day, and with 2.60 persons per household equating to an average single-family home consumption of 158 gallons per day. Based on the system capacity and the use per household, 63,128 SFEs can be served by the existing system as illustrated in Table 15.

Table 15
Single Family Equivalent Water Customers

	Consumption	Demand
System Capacity (gpd)		10,000,00
Average Water Flows per Person (gpd)	60.96	
Persons per household	2.60	
Flows per SFE (gpd)		158
SFEs to be Served		63,128

3.10.2 Calculated Water Impact Fees

By dividing the calculated value of the water system by the number of single family equivalents to be served, the proportionate share of ownership each single family equivalent has in (or will buy into) the system is $3,740 ($236,119,353/63,128).

The single family water impact fee represents the fee for a 5/8-inch meter (the typical meter size for a single family development). The water impact fee for all other meters are based on water meter size and the associated capacity compared to a 5/8-inch meter. The capacity ratio (as published by AWWA) is used to convert the single family residential equivalent fee for a 5/8-inch meter into a proportionate fee for larger meter sizes.

Impact fees for meter sizes 3/4-inch and greater are determined based on the meter capacity ratios of maximum safe continuous capacity as published in the AWWA Manual M6. For example, the capacity of a 1-inch meter is roughly 2.50 times greater than that of a 5/8-inch meter. Thus, the fee for a 1-inch meter is approximately 2.50 times greater than that of the 5/8-inch meter. Table 16 summarizes the water impact fee by meter size.

Table 16
Existing and Calculated Water Impact Fees

Meter Size	Capacity Ratio	Calculated	Current	$ Difference	% Difference
5/8-inch	1.00	$3,740	$3,577	$164	5%
3/4-inch	1.50	5,610	5,365	246	5%
1-inch	2.50	9,351	8,941	410	5%
1 ½-inch	5.00	18,702	17,883	819	5%
2-inch	8.00	29,923	28,612	1,311	5%
3-inch or greater			Impact Fee is Based on Estimated Use		

The full water impact fee calculation can be found in Appendix G to this report.

3.11 Sewer

The sewer impact fee was calculated using the existing standard methodology. Under this approach new development is being asked to fund future expansion at the same level as the existing system based on the current value of the system (fixed assets). Under this approach it was necessary to identify a single family equivalent (SFE) residential unit's proportionate investment share in the current sewer system, and therefore the unit cost per development.

The current value of sewer assets was brought to today's dollars using the ENR CCI. Using this index attempts to value the City's assets at what it would cost to purchase or construct those assets today. It is important to recognize, however, that these assets are not new and are not being purchased today, but rather have been depreciated over time. Therefore, the accumulated depreciation for each asset was subtracted from the calculated current day value to determine the RCNLD fixed asset value. The current value of the sewer system was calculated at $130,635,081.

3.11.1 Single Family Equivalent Units

Through discussions with the City it was identified total sewer system capacity is 4,600,00 gallons per day. It was also determined that the discharge per person is 60.96 gallons per day, with persons per household of 2.60 the average single family home contributes 158 gallons of discharge per day. Based on the system capacity and the use per household, the existing system can serve 29,039 SFEs as illustrated in Table 17.

Table 17
Existing Single Family Equivalent Sewer Customers

	Discharge	Demand
System Capacity (gpd)		4,600,00
Average Discharge per Person (gpd)	60.96	
Persons per household	2.60	
Discharge per SFE (gpd)		158
SFEs to be Served		29,039

3.11.2 Calculated Sewer Impact Fees

By dividing the calculated value of the sewer system by the number of single family equivalents to be served, by the proportionate share of ownership each single family equivalent has in (or will buy into) the system is $4,499 ($130,635,081/29,039).

The single family sewer impact fee represents the fee for a 5/8-inch meter (the typical meter size for a single family development). The sewer impact fees for all other meters are based on the capacity by water meter size. A capacity ratio (as published by AWWA) is used to convert the single family residential equivalent fee for a 5/8-inch meter into a proportionate fee for larger meter sizes.

Impact fees for meter sizes 3/4-inch and greater are determined based on the meter capacity ratios of maximum safe continuous capacity as published in the AWWA Manual M6. For example, the capacity of a 1-inch meter is roughly 2.50 times greater than that of a 5/8-inch meter. Thus, the fee for a 1-inch meter is approximately 2.50 times greater than that of the 5/8-inch meter. Table 18 summarizes the sewer impact fee by meter size.

Table 18
Existing and Calculated Sewer Impact Fees

Meter Size	Capacity Ratio	Calculated	Current	$ Difference	% Difference
5/8-inch	1.00	$4,499	$1,199	$2,500	125%
3/4-inch	1.50	6,748	2,999	3,749	125%
1-inch	2.50	11,247	4,998	6,249	125%
1 ½-inch	5.00	22,943	9,995	12,498	125%
2-inch	8.00	35,989	15,992	19,997	125%
3-inch or greater	Impact Fee is Based on Estimated Use				

The full sewer impact fee calculation can be found in Appendix H to this report.

APPENDIX A

Demographic Data

Demographic Assumptions

	2023	2028	Increase
Residents[1]	108,082	119,905	11,823
Dwelling Units[2]			
Single Family	37,429	40,479	3,050
Multifamily	4,164	5,664	1,500
Total	41,593	46,143	4,550
Employment[3]			
Commercial	1,672	1,741	69
Office	1,144	1,204	60
Industrial	1,115	1,337	222
Total	3,931	4,282	351
Building Square Feet (1,000s)[4]			
Commercial	4,289	4,466	176
Office	4,512	4,748	236
Industrial	1,565	1,877	312
Total	10,366	11,090	724

[1] Population in 2023 identified in the 2023 American Community Survey Estimates. Total population in 2028 identified based on current persons per household mulitplied by number of housing units projected in 2028.
[2] Total units in 2023 iprepared by City of Rio Rancho Department of Financial Services. Assumed to increase at same annual growth rate as population.
[3] Nonresidential square footage iprepared by City of Rio Rancho Department of Financial Services. Assumed to increase at same annual growth rate.
[4] Jobs in Rio Rancho in 2015 and 2019 identified using U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics. Jobs in 2023 through 2028 assumed to increase at rate consistent with increases from 2015 to 2019.

APPENDIX B

Public Safety Impact Fee

Table 1.1: Public Safety Service Population

	Residents	Workers[1]	Service Population
Existing (2023)	108,082	3,931	109,301
New Development (2023-2028)	11,823	351	11,932
Total (2028)	119,905	4,282	121,233
Weighting Factor	1.00	0.31	

[1] Workers are weighted at 0.31 of residents based on a 40 hour work week out of a possible 128 non-work hours in a week (40/128 = 0.31)

Table 1.2: Public Safety Assets

Asset #	Asset Class	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI/CPI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
		Buildings					
	PBSAFETY	DPS Fire Station	2022	$4,000,000	$0	1.00	$4,000,000
	PBSAFETY	DPS North Hills Fire Su	2022	2,500,000	0	1.00	2,500,000
	PBSAFETY	DPS Rivers Edge Fire S	2022	1,500,000	0	1.00	1,500,000
	PBSAFETY	DPS 19th Street Fire Su	2022	200,000	0	1.00	200,000
	PBSAFETY	DPS/Court Bldg	2022	6,835,530	0	1.00	6,835,530
	PBSAFETY	Enchanted Hills Fire Sta	2022	3,000,000	0	1.00	3,000,000
	PBSAFETY	Mariposa Fire Station	2022	2,500,000	0	1.00	2,500,000
	PBSAFETY	Fire Station #7	2022	2,500,000	0	1.00	2,500,000
	PBSAFETY	Fire Administration Bldg	2022	1,500,000	0	1.00	1,500,000
	PBSAFETY	DPS Evidence Bldg	2022	106,000	0	1.00	106,000
		Equipment					
	PBSAFETY	Dayton Generator	1998	6,175	0	1.65	6,175
	PBSAFETY	Onan Emergency Generator	1998	10,957	0	1.65	10,957
	PBSAFETY	Generator	2006	13,000	0	1.37	13,000
	PBSAFETY	2010 Kubota Utility Vehicle	2010	15,045	0	1.21	15,045
	PBSAFETY	Stryker Power Pro Ambulance Cot	2013	12,614	0	1.15	12,614
	PBSAFETY	Heartstart MRX ALS Monitor	2014	22,348	0	1.12	22,348
	PBSAFETY	Phillips Heart Monitor	2014	22,844	0	1.12	22,844
	PBSAFETY	Heartstart MRX ALS Monitor	2014	13,354	0	1.12	13,354
	PBSAFETY	Ambulance Cot	2014	10,669	0	1.12	10,669
	PBSAFETY	Heartstart MRX Monitor	2014	26,309	0	1.12	26,309
	PBSAFETY	Heartstart Defibrillator	2014	26,981	0	1.12	26,981
	PBSAFETY	Ambulance Cot	2014	15,000	0	1.12	15,000
	PBSAFETY	Stryker Ambulance Cot	2014	14,144	0	1.12	14,144
	PBSAFETY	POWER PRO XT GURNEY, POWER	2019	13,848	0	1.05	13,848
	PBSAFETY	MONITOR, PHILLIPS HEART	2019	22,844	0	1.05	22,844
	PBSAFETY	MONITOR (ECG) PHILIPS, 12-LEAD	2019	21,649	0	1.05	21,649
	PBSAFETY	MONITOR (ECG) PHILIPS, 12-LEAD	2019	21,649	0	1.05	21,649
	PBSAFETY	MONITOR (ECG) PHILIPS, 12-LEAD	2019	21,649	0	1.05	21,649
	PBSAFETY	STYKER POWER PRO COT 6506	2019	13,918	0	1.05	13,918
	PBSAFETY	STYKER POWER PRO COT 6506	2019	13,918	0	1.05	13,918
	PBSAFETY	NXTGEN SPREADER-GENESIS	2019	9,953	0	1.05	9,953
	PBSAFETY	NXTGEN EFORCE CUTTER-GENESIS	2019	10,174	0	1.05	10,174
	PBSAFETY	SPREADER eFORCE 2.0 MODEL S42	2018	8,986	0	1.06	8,986
	PBSAFETY	SPREADER eFORCE 2.0 MODEL S42	2018	8,986	0	1.06	8,986
	PBSAFETY	NXTGEN CUTTER eFORCE C-236-SL	2018	9,174	0	1.06	9,174
	PBSAFETY	NXTGEN CUTTER eFORCE C-236-SL	2018	9,174	0	1.06	9,174
	PBSAFETY	NXTGEN CUTTER eFORCE C-236-SL	2018	9,174	0	1.06	9,174
	PBSAFETY	X SERIES MANUAL MONITOR/DEFIBR	2019	26,085	0	1.05	26,085
	PBSAFETY	X SERIES MANUAL MONITOR/DEFIBR	2019	26,085	0	1.05	26,085
	PBSAFETY	LUCAS 2.2 CHEST COMPRESSION SY	2019	13,211	0	1.05	13,211
	PBSAFETY	SPREADER eFORCE 2.0 MODEL S42	2018	8,986	0	1.06	8,986
	PBSAFETY	Stryker Power Pro Ambulance Cot	2020	20,612	0	1.04	20,612
	PBSAFETY	Zoll X-Series Defibrillator/Manual Monitor	2020	29,900	0	1.04	29,900
	PBSAFETY	Zoll X-Series Defibrillator/Manual Monitor	2020	29,900	0	1.04	29,900
	PBSAFETY	Continental Washer Extractor - 40 lb Capacity	2020	9,476	0	1.04	9,476
	PBSAFETY	TRAINING MANNEQUIN-AMBUMAN	2020	10,339	0	1.04	10,339
	PBSAFETY	S53 SPREADER EFORCE 2.0	2021	10,685	0	1.02	10,685
	PBSAFETY	C236-SL2 BLADES/CUTTER	2021	10,505	0	1.02	10,505
	PBSAFETY	X SERIES MANUAL MONITOR	2021	29,799	0	1.02	29,799
	PBSAFETY	X SERIES MANUAL MONITOR	2021	29,799	0	1.02	29,799
	PBSAFETY	X SERIES MANUAL MONITOR	2021	29,799	0	1.02	29,799
	PBSAFETY	CAP 5 STANDARD EMS MACHINE W/C	2021	9,691	0	1.02	9,691
	PBSAFETY	X-SERIES MANUAL MONITOR	2021	32,688	0	1.02	32,688
	PBSAFETY	DJI Inspire - Drone with Zenmus Camera	2020	9,700	0	1.04	9,700
	PBSAFETY	Polaris UTV- Ranger	2022	36,740	0	1.00	36,740
	PBSAFETY	Honda ATV	2022	5,850	0	1.00	5,850
	PBSAFETY	Honda ATV	2022	5,850	0	1.00	5,850
	PBSAFETY	Honda ATV	2022	4,848	0	1.00	4,848
		Vehicles					
	PBSAFETY	Ford Explorer	2022	30,639	0	1.00	30,639
	PBSAFETY	Chevy Winnebago	1995	110,000	0	1.79	110,000
	PBSAFETY	Ford Ambulance	1995	60,668	0	1.79	60,668
	PBSAFETY	Ford F350 Ambulance	2003	85,000	0	1.46	85,000
	PBSAFETY	Ford F350	1999	59,000	0	1.60	59,000
	PBSAFETY	Ford Type I Ambulance	2008	125,000	0	1.29	125,000
	PBSAFETY	Ford F-350	2008	36,694	0	1.29	36,694
	PBSAFETY	International Truck MRAP	2013	733,000	0	1.15	733,000
	PBSAFETY	Freightline Truck Tractor	2009	170,000	0	1.25	170,000
	PBSAFETY	Dodge Charger	2014	33,968	0	1.12	33,968
	PBSAFETY	Dodge Charger	2014	34,043	0	1.12	34,043
	PBSAFETY	Dodge Charger	2014	34,043	0	1.12	34,043
	PBSAFETY	Dodge Charger	2014	34,043	0	1.12	34,043
	PBSAFETY	Dodge Charger	2014	34,042	0	1.12	34,042
	PBSAFETY	Dodge Charger	2014	34,043	0	1.12	34,043
	PBSAFETY	Dodge Charger	2014	34,043	0	1.12	34,043
	PBSAFETY	Dodge Charger	2014	34,043	0	1.12	34,043
	PBSAFETY	BMW Motor Cycle	2016	20,786	0	1.08	20,786
	PBSAFETY	Dodge Charger	2016	30,329	0	1.08	30,329
	PBSAFETY	Dodge RAM 1500	2016	42,394	0	1.08	42,394
	PBSAFETY	Dodge RAM 1500	2016	44,135	0	1.08	44,135
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Charger	2016	37,515	0	1.08	37,515
	PBSAFETY	Dodge Ram	2017	44,135	0	1.06	44,135
	PBSAFETY	Dodge Charger	2015	37,340	0	1.10	37,340
	PBSAFETY	Dodge Ram 1500	2017	35,717	0	1.06	35,717
	PBSAFETY	Dodge Charger	2017	29,394	0	1.06	29,394
	PBSAFETY	Dodge Charger	2017	29,394	0	1.06	29,394
	PBSAFETY	Dodge Charger	2017	29,394	0	1.06	29,394
	PBSAFETY	Dodge Durango	2017	34,849	0	1.06	34,849
	PBSAFETY	Dodge Ram 1500 SSV	2017	44,517	0	1.06	44,517
	PBSAFETY	Dodge Ram 1500 SSV	2017	44,517	0	1.06	44,517
	PBSAFETY	Dodge Ram 1500 SSV	2018	44,517	0	1.06	44,517
	PBSAFETY	Dodge Ram 1500 SSV	2017	44,517	0	1.06	44,517
	PBSAFETY	Dodge Ram 1500 SSV	2018	44,517	0	1.06	44,517
	PBSAFETY	Dodge Ram 1500 SSV	2018	44,517	0	1.06	44,517
	PBSAFETY	Dodge Ram 1500 SSV	2017	44,517	0	1.06	44,517
	PBSAFETY	Dodge Charger	2018	30,274	0	1.06	30,274
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502

Table 1.2: Public Safety Assets

Asset #	Asset Class	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI/CPI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Ram 1500	2018	44,502	0	1.06	44,502
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	BMW R1250RT Motorcycle	2019	28,990	0	1.05	28,990
	PBSAFETY	BMW R1250RT Motorcycle	2019	28,990	0	1.05	28,990
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Ford Explorer	2019	35,124	0	1.05	35,124
	PBSAFETY	Ford Explorer	2019	35,124	0	1.05	35,124
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	38,092	0	1.05	38,092
	PBSAFETY	Dodge Charger	2019	37,715	0	1.05	37,715
	PBSAFETY	Ford Explorer	2019	48,518	0	1.05	48,518
	PBSAFETY	Ford Explorer	2019	48,518	0	1.05	48,518
	PBSAFETY	Ford Explorer	2019	48,518	0	1.05	48,518
	PBSAFETY	Dodge Ram Crew Cab 4x4	2019	44,502	0	1.05	44,502
	PBSAFETY	Dodge Ram Crew Cab 4x4	2019	36,263	0	1.05	36,263
	PBSAFETY	Dodge Ram Crew Cab 4x4	2019	36,263	0	1.05	36,263
	PBSAFETY	Dodge Ram Crew Cab 4x4	2019	36,263	0	1.05	36,263
	PBSAFETY	Dodge Charger	2019	30,450	0	1.05	30,450
	PBSAFETY	Ford F150	2019	36,807	0	1.05	36,807
	PBSAFETY	Ford F150	2019	36,807	0	1.05	36,807
	PBSAFETY	Ford F150	2019	36,807	0	1.05	36,807
	PBSAFETY	Dodge Challenger	2019	45,012	0	1.05	45,012
	PBSAFETY	Dodge Ram 1500	2019	36,263	0	1.05	36,263
	PBSAFETY	Dodge Ram 1500	2019	35,903	0	1.05	35,903
	PBSAFETY	Dodge Ram 1500	2019	35,913	0	1.05	35,913
	PBSAFETY	Dodge Ram 1500	2019	34,046	0	1.05	34,046
	PBSAFETY	Ford Explorer	2020	37,971	0	1.04	37,971
	PBSAFETY	Dodge Ram 1500	2019	29,210	0	1.05	29,210
	PBSAFETY	BMW Motorcycle	2020	29,004	0	1.04	29,004
	PBSAFETY	Dodge Charger	2019	25,868	0	1.05	25,868
	PBSAFETY	Dodge Charger	2019	42,695	0	1.05	42,695
	PBSAFETY	Ford F150	2020	33,243	0	1.04	33,243
	PBSAFETY	Dodge Charger	2019	41,729	0	1.05	41,729
	PBSAFETY	Dodge Charger	2019	41,729	0	1.05	41,729
	PBSAFETY	Dodge Charger	2019	43,229	0	1.05	43,229
	PBSAFETY	AM General Military Humvee (Donated Unit)	2015	49,897	0	1.10	49,897
	PBSAFETY	Chevrolet Tahoe	2020	49,319	0	1.04	49,319
	PBSAFETY	Dodge Charger	2014	34,043	0	1.12	34,043
	PBSAFETY	BMW R1200RT	2017	17,225	0	1.06	17,225
	PBSAFETY	INTL MT 4700 Armored Truck (DONATED UNIT)	1998	5,000	0	1.65	5,000
	PBSAFETY	Chevrolet Tahoe	2020	49,486	0	1.04	49,486
	PBSAFETY	Dodge Charger	2020	34,606	0	1.04	34,606
	PBSAFETY	GM M1224 MaxxPro MRAP-Donated	2007	658,000	0	1.33	658,000
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	34,366	0	1.02	34,366
	PBSAFETY	Ford Explorer	2021	35,124	0	1.02	35,124
	PBSAFETY	Ford Explorer	2021	35,124	0	1.02	35,124
	PBSAFETY	Ford Explorer	2021	35,124	0	1.02	35,124
	PBSAFETY	Ford Explorer	2021	35,124	0	1.02	35,124
	PBSAFETY	Ford Explorer	2021	35,124	0	1.02	35,124
	PBSAFETY	Ford Expedition	2020	49,901	0	1.04	49,901
	PBSAFETY	BMW R1250	2020	28,773	0	1.04	28,773
	PBSAFETY	Dodge Charger	2021	40,560	0	1.02	40,560
	PBSAFETY	Dodge Charger	2021	40,560	0	1.02	40,560
	PBSAFETY	Dodge Charger	2021	40,560	0	1.02	40,560
	PBSAFETY	Ford Maverick	2022	21,054	0	1.00	21,054
	PBSAFETY	Dodge Charger	2021	34,148	0	1.02	34,148
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Explorer Interceptor	2021	34,767	0	1.02	34,767
	PBSAFETY	Ford F350 Ambulance	1999	75,000	0	1.60	75,000
	PBSAFETY	BMW MC RT250	2022	29,331	0	1.00	29,331
	PBSAFETY	Polaris UTV- Ranger	2022	35,120	0	1.00	35,120
	PBSAFETY	Cargo Mate Utility Trailer	2022	3,890	0	1.00	3,890
	PBSAFETY	Ford Ambulance	1997	75,786	0	1.70	75,786
	PBSAFETY	Pierce Ambulance	2005	234,711	0	1.40	234,711
	PBSAFETY	Ford F350 Ambulance	2006	86,850	0	1.37	86,850

Table 1.2: Public Safety Assets

Asset #	Asset Class	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI/CPI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
	PBSAFETY	Ford F450 Supercab	2012	38,620	0	1.17	38,620
	PBSAFETY	Ford E450 Ambulance	2016	147,318	0	1.08	147,318
	PBSAFETY	Ford E450 Type III Ambu	2016	147,318	0	1.08	147,318
	PBSAFETY	Ford E450 Ambulance Typ	2016	147,318	0	1.08	147,318
	PBSAFETY	Ford Utility Police Interceptor	2016	26,404	0	1.08	26,404
	PBSAFETY	Pierce Ambulance	2012	165,547	0	1.17	165,547
	PBSAFETY	Ford E450 Ambulance	2013	168,900	0	1.15	168,900
	PBSAFETY	Medix Type III E450 Ambulance	2016	168,694	0	1.08	168,694
	PBSAFETY	Dodge Durango	2017	25,860	0	1.06	25,860
	PBSAFETY	Dodge Durango	2017	26,355	0	1.06	26,355
	PBSAFETY	Pierce Enforcer-Pumper Truck	2017	470,579	0	1.06	470,579
	PBSAFETY	Pierce Enforcer-Ladder Truck	2017	846,741	0	1.06	846,741
	PBSAFETY	Ford E450 Ambulance	2018	155,751	0	1.06	155,751
	PBSAFETY	Ford F150	2019	37,007	0	1.05	37,007
	PBSAFETY	Freightliner - Pierce FXP Tanker/Tender	2018	265,000	0	1.06	265,000
	PBSAFETY	Ford F150	2019	30,998	0	1.05	30,998
	PBSAFETY	Ford Ambulance Type I	2019	158,856	0	1.05	158,856
	PBSAFETY	Ford F550 - Brush Truck	2020	134,267	0	1.04	134,267
	PBSAFETY	Pierce Enforcer Pumper	2020	574,826	0	1.04	574,826
	PBSAFETY	Pierce Enforcer Ladder	2021	998,163	0	1.02	998,163
	PBSAFETY	Dodge Durango	2021	49,899	0	1.02	49,899
	PBSAFETY	Dodge Durango	2021	39,805	0	1.02	39,805
	PBSAFETY	Ford F550 SD Flatbed	2000	33,485	0	1.57	33,485
	PBSAFETY	Pierce Arrow XT Pumper	2006	323,514	0	1.37	323,514
	PBSAFETY	GMC Mini Pumper	2007	133,892	0	1.33	133,892
	PBSAFETY	International Pumper	1993	90,000	0	1.93	90,000
	PBSAFETY	Arrow 75' Ladder Truck	2007	569,866	0	1.33	569,866
	PBSAFETY	Pierce (Pumper) Fire Truck	2009	319,485	0	1.25	319,485
	PBSAFETY	Pierce Arrow XT Pumper	2010	429,780	0	1.21	429,780
	PBSAFETY	Pierce XT Pumper	2014	481,579	0	1.12	481,579
				$40,456,292	$0		$40,456,292

Table 1.3: Public Safety CIP

Line No.	Description	FY 2023-24 2024	FY 2024-25 2025	FY 2025-26 2026	FY 2026-27 2027	FY 2027-28 2028	FY 2028-29 2029	Total 2024-2029	Growth-Related %	Growth-Related Total 2024-2029
1	State Homeland Security Grant Program (SHSGP)	$244,000	$0	$0	$0	$0	$0	$244,000	0%	$0
2	Fire Command Vehicles	78,750	82,688	75,000	78,750	82,688	86,822	484,698	0%	0
3	Fire Station Improvement and Major Repair	525,000	250,000	100,000	350,000	-	175,000	1,400,000	13%	175,000
4	Fire and EMS Equipment	609,125	1,285,119	562,419	369,996	485,811	394,595	3,707,065	71%	2,634,208
5	Fire Apparatus Replacement	500,000	6,987,500	486,500	3,705,000	3,158,000	2,490,000	17,327,000	54%	9,364,500
6	Fire Command Vehicles	165,000	-	-	-	-	-	165,000	100%	165,000
7	Fire Training Facility	-	65,000	6,125,000	-	-	-	6,190,000	100%	6,190,000
8	Fire Station 8	-	252,500	5,125,000	-	-	-	5,377,500	100%	5,377,500
9	Police Vehicles	587,819	1,464,750	769,956	1,611,658	847,083	1,773,624	7,054,890	0%	0
10	Police Equipment	193,300	-	-	-	-	-	193,300	0%	0
11	SRECC Expansion	45,112	-	-	-	-	-	45,112	0%	0
12	Police All Terrain Vehicles	23,200	23,896	-	-	-	-	47,096	0%	0
13	Police Headquarters	60,000	-	-	672,000	1,758,937	-	2,490,937	0%	0
14	Crisis Negotiation Team Vehicle	-	350,000	-	-	-	-	350,000	0%	0
15	Police Motorcycles	101,000	42,230	43,497	44,802	46,146	47,530	325,205	0%	0
16	Law Enforcement SWAT Robot	-	-	85,000	-	-	-	85,000	0%	0
17	Police Building Design Fund	-	250,000	-	-	-	-	250,000	0%	0
18	SWAT Vehicles and Heavy Equipment	-	-	502,760	-	-	-	502,760	0%	0
19		-	-	-	-	-	-	0	0%	0
20	**Total**	**$3,132,306**	**$11,053,683**	**$13,875,132**	**$6,832,206**	**$6,378,665**	**$4,967,571**	**$46,239,563**		**$23,906,208**
21	**Total ICIP Costs**									**$46,239,563**

Table 1.4: Public Safety System Standard

Value of Existing Facilities	$40,456,292
Value of Planned Facilities	46,239,563
Total System Value (2028)	$86,695,855
Future Service Population (2028)	121,233
Cost per Capita	$715
Facility Standard per Resident	$715
Facility Standard per Worker[1]	222

[1] Based on a weighing factor of 0.31.

Table 1.5: Revenue Projection - System Standard

Cost per Capita	$715
Growth in Service Population (2023 - 2028)	11,932
Fee Revenue	$8,531,000
Cost of Planned Facilities	$23,906,208
Non-Fee Revenue to Be Identified	($15,375,208)

Table 1.6: Public Safety Fee - System Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$715	2.65	$1,895	$38	$1,933	
Multifamily	715	2.12	1,516	30	1,546	
Assisted Living - per Bed						
Assisted Living		-	3,192	64	3,256	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$222	2.57	$569	$11	$580	$0.580
Office	222	3.94	876	18	894	0.894
Industrial	222	1.40	312	6	318	0.318

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.
[3] Assisted living fee based on calls for service of 0.64 per 1,000 residents compared to calls per population for single family of 0.38, a ratio of 1.68 times

APPENDIX C

Parks Impact Fee

Table 2.1: Parks Service Population

	Residents	Workers[1]	Service Population
Existing (2023)	108,082	-	108,082
New Development (2023-2028)	11,823	-	11,823
Total (2028)	119,905	-	119,905
Weighting Factor	1.00	0.31	

Table 2.2: Parks Assets

Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI/CPI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
Land						
Land (Developed and Undeveloped)	2022	$108,738,828	$0	1.00	$108,738,828	$108,738,828
Buildings						
Haynes Pool,bath hous	2022	292,680	0	1.00	292,680	292,680
Star Heights Recreation	2022	1,316,592	0	1.00	1,316,592	1,316,592
Haynes Recreation Cen	2022	408,876	0	1.00	408,876	408,876
Medowlark Sr. Center	2022	2,772,000	0	1.00	2,772,000	2,772,000
Sabana Grande Portabl	2022	85,200	0	1.00	85,200	85,200
Rainbow Park Pool hou	2022	430,200	0	1.00	430,200	430,200
Sabana Grande Rec Ce	2022	560,880	0	1.00	560,880	560,880
Animal Control Kennel	2022	1,500,000	0	1.00	1,500,000	1,500,000
Rainbow Park Pool	2022	1,275,000	0	1.00	1,275,000	1,275,000
Rio Rancho Sports Co	2022	84,404	0	1.00	84,404	84,404
Rio Rancho Sports Co	2022	152,700	0	1.00	152,700	152,700
Cabezon Recreation Ce	2022	1,610,029	0	1.00	1,610,029	1,610,029
Animal Control Office	2022	607,504	0	1.00	607,504	607,504
Rio Rancho Aquatics C	2022	12,033,600	0	1.00	12,033,600	12,033,600
Office - 24' All Steel Sq	2022	17,350	0	1.00	17,350	17,350
Chemical Storage Lock	2022	23,850	0	1.00	23,850	23,850
Chemical Storage Lock	2022	23,850	0	1.00	23,850	23,850
Camino Crossing Park	2022	89,700	0	1.00	89,700	89,700
Havasu Park	2022	82,800	0	1.00	82,800	82,800
Haynes Park BBQ Shad	2022	431,328	0	1.00	431,328	431,328
Haynes Park Playgroun	2022	118,105	0	1.00	118,105	118,105
Rio Rancho Sports Co	2022	155,250	0	1.00	155,250	155,250
Rainbow Park playgrou	2022	75,388	0	1.00	75,388	75,388
Broadmoor Senior center	2022	3,121,215	0	1.00	3,121,215	3,121,215
Campus Park Bathroom	2022	345,254	0	1.00	345,254	345,254
Campus Park- Sky Room	2022	530,319	0	1.00	530,319	530,319
		$136,882,902	$0		$136,882,902	$136,882,902

Table 2.3: Parks CIP

Line No.	Description	FY 2023-24 2024	FY 2024-25 2025	FY 2025-26 2026	FY 2026-27 2027	FY 2027-28 2028	FY 2028-29 2029	Total 2024-2029	Growth-Related %	Growth-Related Total 2024-2029
1	Aquatic Center	$410,000	$162,000	$100,000	$120,000	$154,206	$100,000	$1,046,206	13%	$136,206
2	Park Maintenance Equipment	448,288	116,000	96,500	300,000	154,000	339,582	1,454,370	0%	0
3	Haynes Pool	20,504	-	37,000	-	8,000	-	65,504	69%	45,000
4	Rainbow Pool	151,969	-	-	-	-	-	151,969	88%	134,000
5	Sports Complex Improvements	116,088	54,000	54,000	68,000	98,000	-	390,088	70%	274,000
6	Bosque Improvements	6,485	-	-	-	-	-	6,485	100%	6,485
7	Campus Park Phase 2	3,297,729	-	-	-	-	-	3,297,729	100%	3,297,729
8	Sports Complex North	-	3,117,291	2,764,134	2,791,321	4,684,462	-	13,357,208	100%	13,357,208
9	Park Parking Lot Renovations	250,000	-	-	-	-	-	250,000	100%	250,000
10	Park Playground Replacement, Surfacing and Shade Improvements	362,594	-	-	-	-	-	362,594	100%	362,594
11	Cabezon Pool and Recreation Center Improvements	-	-	-	-	8,000	-	8,000	100%	8,000
12	Star Heights Park Improvements	-	-	-	350,000	-	-	350,000	100%	350,000
13	Star Heights Recreation Center Improvements and Repairs	-	-	80,000	-	-	-	80,000	100%	80,000
14								0	0%	0
15	**Total**	**$5,063,657**	**$3,449,291**	**$3,131,634**	**$3,629,321**	**$5,106,668**	**$439,582**	**$20,820,153**		**$18,301,222**
16	**Total ICIP Costs**									**$20,820,153**

Table 2.4: Parks System Standard

Value of Existing Facilities	$136,882,902
Value of Planned Facilities	20,820,153
Total System Value (2028)	$157,703,055
Future Service Population (2028)	119,905
Cost per Capita	$1,315
Facility Standard per Resident	$1,315

Table 2.5: Revenue Projection - System Standard

Cost per Capita	$1,315
Growth in Service Population (2023 - 2028)	11,823
Fee Revenue	$15,548,000
Cost of Planned Facilities	$18,301,222
Non-Fee Revenue to Be Identified	($2,753,222)

Table 2.6: Parks Fee - System Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$1,315	2.65	$3,485	$70	$3,555	
Multifamily	1,315	2.12	2,788	56	2,844	

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

APPENDIX D

Bikeways & Trails Impact Fee

Table 3.1: Bikeways & Trails Service Population

	Residents	Workers	Service Population
Existing (2023)	108,082	3,931	108,475
New Development (2023-2028)	11,823	351	11,859
Total (2028)	119,905	4,282	120,334
Weighting Factor	1.00	0.10	

Table 3.2: Bikeways & Trails Assets

Asset #	Asset Class	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI/CPI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
		Infrastructure					
143	BIKETRAL	INFRA - BIKEWAYS & TRAILS DC	2007	$10,265	$4,521	1.63	$12,234
162	BIKETRAL	BIKEWAYS & TRAILS DEV CB	2007	31,820	8,075	1.63	43,864
206	BIKETRAL	BIKELANES/TRAILS, MEADOWLARK	2007	407,397	3,799	1.63	661,188
0	BIKETRAL	INFRASTRUCTURE - BIKE PATHS	2007	254,100	-	1.63	0
0	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	264,000	-	1.63	0
0	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	273,900	-	1.63	0
0	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	277,200	-	1.63	0
0	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	290,400	3,196	1.63	470,819
9	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	297,000	67,340	1.63	417,448
20	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	310,200	41,592	1.63	464,743
33	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	313,500	20,567	1.63	491,154
45	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	323,400	-	1.63	0
57	BIKEWAYS	INFRASTRUCTURE - BIKE PATHS	2007	330,000	20,317	1.63	518,337
116	BIKEWAYS	PATHS/TRAILS DEVELOPER CONTRIB	2007	27,077	20,317	1.63	23,881
145	BIKEWAYS	10TH STREET TRAILS	2007	114,121	-	1.63	0
119	BKYTRLS	PATHS/TRAILS DEVELOPER CONTRIB	2007	15,959	-	1.63	0
150	BKYTRLS	INFRA - BIKEWAYS & TRAILS DC	2007	57,950	-	1.63	0
				$3,598,289	$189,724		$3,103,669

Table 3.3: Bikeways & Trails CIP

Line No.	Description	FY 2023-24 2024	FY 2024-25 2025	FY 2025-26 2026	FY 2026-27 2027	FY 2027-28 2028	FY 2028-29 2029	Total 2024-2029	Growth-Related %	Growth-Related Total 2024-2029
1	Bosque Improvements	$22,174	$0	$0	$0	$0	$0	$22,174	100%	$22,174
2	Campus Park Phase 2	101,890	-	-	-	-	-	101,890	100%	101,890
3	Park Parking Lot Renovations	224,826	109,000	109,000	109,000	109,000	109,000	769,826	98%	757,717
4	Park Playground Replacement, Surfacing and Shade Improvements	109,000	580,000	-	580,000	-	580,000	1,849,000	6%	109,000
5										
6	**Total**	**$457,890**	**$689,000**	**$109,000**	**$689,000**	**$109,000**	**$689,000**	**$2,742,890**		**$990,781**
7	**Total ICIP Costs**									**$2,742,890**

Table 3.4: Bikeways & Trails System Standard

Value of Existing Facilities	$3,103,669
Value of Planned Facilities	2,742,890
Total System Value (2028)	$5,846,559
Future Service Population (2028)	120,334
Cost per Capita	$49
Facility Standard per Resident	$49
Facility Standard per Worker[1]	5

[1] Based on a weighing factor of 0.10.

Table 3.5: Revenue Projection - System Standard

Cost per Capita	$49
Growth in Service Population (2023 - 2028)	11,859
Fee Revenue	$581,000
Cost of Planned Facilities	$990,781
Non-Fee Revenue to Be Identified	($409,781)

Table 3.6: Bikeways & Trails Fee - System Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$49	2.65	$130	$3	$133	
Multifamily	49	2.12	104	2	106	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	5	2.57	$13	$0	$13	$0.013
Office	5	3.94	20	-	20	0.020
Industrial	5	1.40	7	-	7	0.007

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).
[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

APPENDIX E

Drainage Impact Fee

Table 4.1: Drainage Impervious Square Feet

	Impervious Square Feet (1,000s)		
	2023	**2028**	**Incremental**
Residential			
Single Family [1]	84,760	91,667	6,907
Multifamily [2]	8,122	11,048	2,926
Nonresidential			
Commercial	4,289	4,466	176
Office	4,512	4,748	236
Industrial	1,565	1,877	312
Total	103,248	113,805	10,557

(1) Assumes 2,265 square feet per dwelling unit

(2) Assumes 1,951 square feet per dwelling unit

Table 4.2: Drainage Assets

Asset Class	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI/CPI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
	Infrastructure						
DRAIN	STORM DRAIN/ALBERTA WATERSHED	2007	883,240	46,100	1.63	1,441,698	1,395,599
DRAIN	EMERGENCY FLOOD CONTROL PROJ	2007	2,241,914	83,422	1.63	3,659,441	3,576,018
DRAIN	STORM DRAINAGE, PdV EXTENSION	2006	2,064,103	103,766	1.69	3,494,958	3,391,192
DRAINAGE	DRAINAGE, BARRANCAS ARROYO	2007	192,324	0	1.63	313,928	313,928
DRAINAGE	LOMA COLORADO 9B DRAINAGE DC	2007	61,552	0	1.63	100,471	100,471
DRAINIDA	REPLACE DRAINAGE IRIS/IDALIA	2007	17,469	0	1.63	28,515	28,515
STORMLIN	Infrastructure - StormDrn Line	2008	710,863	17,455	1.56	1,112,438	1,094,983
			$6,171,465	$250,743		$10,151,448	$9,900,704

Table 4.3: Drainage CIP

Line No.	Description	FY 2023-24 2024	FY 2024-25 2025	FY 2025-26 2026	FY 2026-27 2027	FY 2027-28 2028	FY 2028-29 2029	Total 2024-2029	Growth-Related %	Growth-Related Total 2024-2029
1	City Center Facility Plan-Storm Drainage & Land Acquisition		$919,806	$663,210	$1,961,320	$10,471,064	$10,120,921	$24,136,321	12%	$2,883,016
2	Southern Boulevard Reconstruction Phase IIA - NicklausChannel			5,000,000				5,000,000	100%	5,000,000
3	Idalia Road Culvert Crossing at Arroyo de la Barranca	1,993,889						1,993,889	100%	1,993,889
4	Pine Road Drainage Improvements	500,000					3,800,000	4,300,000	12%	500,000
5	Loma Barbon Sediment Control at Kennard Road Pond	250,000						250,000	100%	250,000
6	MS4 Outfalls to the Rio Grande	538,665	258,100					796,765	68%	538,655
7	Unser Boulevard Drainage Design at Acano Circle NE		60,000					60,000	0%	0
8	2nd Street at Unser Boulevard Drainage Design		200,000					200,000	0%	0
9	Iris Road Drainage Improvements		500,000					500,000	0%	0
10								0	0%	0
11	**Total**	**$3,282,554**	**$1,937,906**	**$5,663,210**	**$1,961,320**	**$10,471,064**	**$13,920,921**	**$37,236,975**		**$11,165,560**
12	**Total ICIP Costs**									**$37,236,975**

Table 4.4: Drainage System Standard

Value of Existing Facilities	$9,900,704
Value of Planned Facilities	37,236,975
Total System Value (2028)	$47,137,679
Total Impervious Area - 2028 (1,000 Sq. Ft.)	113,805
Cost per 1,000 Square Feet	$414

Table 3.5: Revenue Projection - System Standard

Cost per 1,000 square feet	$414
Growth in Impervious Area - 2023 - 2028 (1,000 Sq. Ft.)	10,557
Fee Revenue	$4,371,000
Cost of Planned Facilities	$11,165,560
Non-Fee Revenue to Be Identified	($6,794,560)

Table 4.6: Drainage Fee - System Standard

Land Use	A Cost Per 1,000 Sq. Ft.	B Base Sq. Ft per Unit	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$414	2,265	$938	$19	$957	
Multifamily	414	1,951	808	16	824	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$414	1,000	$414	$8	$422	$0.422
Office	414	1,000	414	8	422	0.422
Industrial	414	1,000	414	8	422	0.422

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

APPENDIX F

Roadways Impact Fee

Table 5.1a: Roadways Units - Existing

Line No.	Land Use Pattern	Existing Development	Trip Generation Relative Weighting [1]	Units	Weighted Trip Generation Factors	Percent Distribution
1	Single Family Residential	37,429	9.43	D.U.	352,955	56.49%
2	Multi-Family Residential	4,164	6.74	D.U.	28,065	4.49%
3	Commercial	4,289	42.70	sq ft	183,152	29.31%
4	Office	4,512	11.03	sq ft	49,762	7.96%
5	Industrial	1,565	6.97	sq ft	10,910	1.75%
6	**Total**				**624,846**	**100%**

[1] Source: International Transportation Trip Generation Manual
These figures represent peak weekday conditions.

Table 5.1b: Roadways Units New Development (2023 - 2028)

Line No.	Land Use Pattern	New Development (2023 - 2028)	Trip Generation Relative Weighting [1]	Units	Weighted Trip Generation Factors	Percent Distribution
1	Single Family Residential	3,050	9.43	D.U.	28,762	56.20%
2	Multi-Family Residential	1,500	6.74	D.U.	10,110	19.75%
3	Commercial	176	42.70	sq ft	7,530	14.71%
4	Office	236	11.03	sq ft	2,607	5.09%
5	Industrial	312	6.97	sq ft	2,172	4.24%
6	**Total**				**51,181**	**100%**

[1] Source: International Transportation Trip Generation Manual
These figures represent peak weekday conditions.

Table 5.1c: Roadways Trip Generation

Line No.	Land Use Pattern	(a) Ave Day VTE	(b) Trip Adjustment Factor	(c) Rio Rancho Average Trip Length	(d) Trip Length Wt Factor	(e) Average VMT	Service Unit Index
						*(a) * (b) * (c) * (d)*	
	Weekday Average VTE (per Dwelling Unit)						
1	Single Family	9.43	65%	18.73	1.21	138.94	1.00
2	Multi-Family	6.74	65%	18.73	1.21	99.30	0.71
	Weekday Average VTE (per Ksq ft)						
2	Commercial	42.70	33%	18.73	0.66	174.22	1.25
3	Office	11.03	50%	18.73	0.73	75.42	0.54
4	Industrial	6.97	50%	18.73	0.73	47.66	0.34
5	High Impact (Quick Service and Car Wash)	355.94	50%	18.73	0.73	2,433.75	17.52
6	RV Storage	2.05	50%	18.73	0.73	14.02	0.10

Table 5.1d: Roadways Vehicle Miles Traveled - Existing

Line No.	Land Use Pattern	(a) Existing Development	(b) Unit VMT	(c) Total VMT	(d) Percent Distribution
	Weekday Average VTE (per Dwelling Unit)				
1	Single Family	37,429	138.94	5,200,255	76.75%
2	Multi-Family	4,164	99.30	413,500	6.10%
	Weekday Average VTE (per Ksq ft)				
3	Commercial	4,289	174.22	747,268	11.03%
4	Office	4,512	75.42	340,248	5.02%
5	Industrial	1,565	47.66	74,600	1.10%
6	**Total**			6,775,871	100%

Table 5.1e: Roadways Vehicle Miles Traveled - New Development (2023 - 2028)

Line No.	Land Use Pattern	(a) New Development (2023 - 2028)	(b) Unit VMT	(c) Total VMT	(d) Percent Distribution
	Weekday Average VTE (per Dwelling Unit)				
1	Single Family	3,050	138.94	423,756	66.62%
2	Multi-Family	1,500	99.30	148,955	23.42%
	Weekday Average VTE (per Ksq ft)				
3	Commercial	176	174.22	30,725	4.83%
4	Office	236	75.42	17,828	2.80%
5	Industrial	312	47.66	14,848	2.33%
6	**Total**			636,112	100%

Table 5.1f: Roadways Vehicle Miles Traveled - Total Development (2028)

Line No.	Land Use Pattern	(a) Total Development	(b) Unit VMT	(c) Total VMT	(d) Percent Distribution
	Weekday Average VTE (per Dwelling Unit)				
1	Single Family	40,479	138.94	5,624,011	75.88%
2	Multi-Family	5,664	99.30	562,455	7.59%
	Weekday Average VTE (per Ksq ft)				
3	Commercial	4,466	174.22	777,993	10.50%
4	Office	4,748	75.42	358,076	4.83%
5	Industrial	1,877	47.66	89,448	1.21%
6	**Total**			7,411,983	100%

Table 5.2: Roadways Assets

Asset Class	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	CCI/CPI Inflation Factor	Replacement Cost New (RCN)	Replacement Cost New Less Depreciation (RCNLD)
	Existing Road System						
	320 Centerlines @ $1,046,097 per mile	2022	$334,750,935	$0	1.00	$334,750,935	$334,750,935
	Infrastructure						
21STAVE	INFRASTRUCTURE 21ST AVE SE	1996	$503,059	$3,535	2.31	$1,164,055	$1,160,520
40STREET	40TH STREET PAVING PROJECT	2004	426,617	2,560	1.83	779,748	777,188
40STREET	40TH ST & LOMA CO REALIGN	2004	573,434	1,805	1.83	1,048,091	1,046,285
40TSIGNL	TRAFFIC SIGNAL/40TH & NORTHERN	2004	71,890	1,348	1.83	131,397	130,049
8TH STRT	8TH STREET ROAD IMPROVEMENTS	1993	327,372	2,182	2.50	817,137	814,955
HRNGSTRE	HIGH RANGE III-DC ST LIGHTS	2007	45,826	9,420	1.63	74,801	65,381
MATTROAD	RACHEL MATTHEWS OFFICE ROADWAY	2007	20,467	9,381	1.63	33,408	24,027
PDVBROAD	PDV AND BROADMOOR TURNLANE	2007	136,541	0	1.63	222,874	222,874
PDVROAD	PASEO DEL VOLCAN PROJECT	2007	5,380,389	0	1.63	8,782,325	8,782,325
TSIGNALS	AUTOSCOPE 2020	2007	16,000	49,550	1.63	26,117	0
TSIGNALS	TRAFFICE SIGNAL/UNSER & ABRAZO	2008	207,062	102,464	1.56	324,033	221,569
TSIGNALS	TRAFFIC SIGNAL SERVER	2008	6,055	4,433	1.56	9,476	5,042
TSIGNALS	EAGLE RIDGE MS ZONE FLASHERS	2008	5,220	0	1.56	8,169	8,169
TSIGNALS	ASC/3-2100 STD CONTROLLER, 110	2008	23,625	0	1.56	36,971	36,971
VILLROAD	VILLAGE ROADWAY ST LIGHTS/PAVE	2008	59,328	0	1.56	92,843	92,843
			$7,802,885	$186,678		$13,551,443	$13,388,199

Table 5.3: Roadways CIP

Line No.	Description	FY 2023-24 2024	FY 2024-25 2025	FY 2025-26 2026	FY 2026-27 2027	FY 2027-28 2028	FY 2028-29 2029	Total 2024-2029	Growth-Related %	Growth-Related Total 2024-2029
1	Idalia Road Design (Iris Road to Northern Boulevard)	$2,812,735						$2,812,735	6%	$170,078
2	Sara Road Reconstruction NM 528 to Meadowlark Lane	4,050,000						4,050,000	0%	0
3	Rainbow Boulevard Preliminary Engineering - City of Albuquerque						2,500,000	2,500,000	0%	0
4	Idalia Road and Loma Colorado Boulevard Roundabout Phase 2 - Right of Way			1,500,000				1,500,000	0%	0
5	Idalia Road and Broadmoor Boulevard Roundabout Phase 1 - Right of Way			1,500,000				1,500,000	0%	0
6	Unser Boulevard Widening Phase IIB	500,000			15,000,000			15,500,000	0%	0
7	Northern Boulevard Widening Phase B1					16,600,000		16,600,000	0%	0
8	City Wide Right of Way Acquisition	915,618	400,000	400,000	400,000	400,000	400,000	2,915,618	0%	0
9	15th Street SE Realignment Design	300,000						300,000	0%	0
10	Sara Road and Meadowlark Lane Roundabout Design	400,000		2,200,000				2,600,000	0%	0
11	Pavement Preservation, Rehabilitation, and Reconstruction Programs	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	39,000,000	0%	0
12	Roadway General Obligation Bond Projects		10,610,000		10,610,000		10,610,000	31,830,000	0%	0
13	Traffic Signal Detection Replacement	120,900	120,900	120,900	120,900	120,900	120,900	725,400	0%	0
14	Multi-Modal Safety Improvements	47,900	47,900	47,900	47,900	47,900	47,900	287,400	0%	0
15	ADA Sidewalk Improvements	110,000	110,000	110,000	110,000	110,000	110,000	660,000	0%	0
16	Broadmoor Boulevard Extension Phase II R/W (Northern Boulevard to PdV)				750,000		2,000,000	2,750,000	27%	750,000
17	Loma Colorado Boulevard Extension aand Roundabout to Silent Spring Drive			1,000,000			6,200,000	7,200,000	0%	0
18	College Boulevard from King Boulevard to Broadmoor Boulevard	2,000,000					4,000,000	6,000,000	0%	0
19	Southern Boulevard Reconstruction Phase 2A - Western Hills to 525' east					500,000	22,725,000	23,225,000	0%	0
20								-	0%	0
21								-	0%	0
22										
23	**Total**	**$17,757,153**	**$17,788,800**	**$13,378,800**	**$33,538,800**	**$24,278,800**	**$55,213,800**	**$161,956,153**		**$920,078**
24	**Total ICIP Costs**									**$161,956,153**

Table 5.4: Roadways Existing Standard

Value of Existing Facilities	$334,750,935
Existing Vehicle Miles Traveled (VMT)	6,775,871
Cost per VMT	$49.00

Table 5.5: Revenue Projection - Existing Standard

Cost per VMT	$49
Growth in VMT (2023 - 2028)	636,112
Fee Revenue	$31,169,000
Cost of Planned Facilities	$920,078
Unfunded Costs	$30,248,922

Table 5.6: Roadways Fee - Existing Standard

Land Use	A Cost Per VMT	B Unit VMT	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / 1,000 Fee per Sq. Ft.
Residential - per Dwelling Unit						
Single Family	$49	138.94	$6,808	$136	$6,944	
Multifamily	49	99.30	4,866	97	4,963	
Nonresidential - per 1,000 Sq. Ft.						
Commercial	$49	174.22	$8,537	$171	$8,708	$8.708
Office	49	75.42	3,695	74	3,769	3.769
Industrial	49	47.66	2,335	47	2,382	2.382
High Impact	49	2,433.75	119,254	2,385	121,639	121.639
RV Storage	49	14.02	687	14	701	0.701

[1] Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

[2] Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

APPENDIX G

Water Impact Fee

Table 1.1: Water Fixed Assets

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
	Land and Buildings						
1678	LAND-PURCHASE OF LT22,23-BLK92	2015	$60,278	$0	$60,278	1.30	$60,278
1675	LAND-PURCHASE OF LT20 FOR UT	2015	24,057	0	24,057	1.30	24,057
2207	LAND PARCEL	2015	1,612	0	1,612	1.30	1,612
2208	LAND PARCEL	2015	2,000	0	2,000	1.30	2,000
2209	LAND PARCEL	2015	2,500	0	2,500	1.30	2,500
2210	LAND PARCEL	2015	4,000	0	4,000	1.30	4,000
2211	LAND PARCEL	2015	5,000	0	5,000	1.30	5,000
2212	LAND PARCEL	2015	5,000	0	5,000	1.30	5,000
2213	LAND PARCEL	2015	7,060	0	7,060	1.30	7,060
2214	LAND PARCEL	2015	10,019	0	10,019	1.30	10,019
2215	LAND PARCEL	2015	10,019	0	10,019	1.30	10,019
2216	LAND PARCEL	2015	10,104	0	10,104	1.30	10,104
2217	LAND PARCEL	2015	10,542	0	10,542	1.30	10,542
2218	LAND PARCEL	2015	13,214	0	13,214	1.30	13,214
2219	LAND PARCEL	2015	14,000	0	14,000	1.30	14,000
2220	LAND PARCEL	2015	19,471	0	19,471	1.30	19,471
2221	LAND PARCEL	2015	20,038	0	20,038	1.30	20,038
2222	LAND PARCEL	2015	23,933	0	23,933	1.30	23,933
2223	LAND PARCEL	2015	25,000	0	25,000	1.30	25,000
2224	LAND PARCEL	2015	27,486	0	27,486	1.30	27,486
2225	LAND PARCEL	2015	28,087	0	28,087	1.30	28,087
2226	LAND PARCEL	2015	31,500	0	31,500	1.30	31,500
2227	LAND PARCEL	2015	44,645	0	44,645	1.30	44,645
2228	LAND PARCEL	2015	45,000	0	45,000	1.30	45,000
2229	LAND PARCEL	2015	90,785	0	90,785	1.30	90,785
2230	LAND PARCEL	2015	129,000	0	129,000	1.30	129,000
2231	LAND PARCEL	2015	229,671	0	229,671	1.30	229,671
2232	LAND PARCEL	2015	231,217	0	231,217	1.30	231,217
2444	LAND PARCEL UT13/LT17,18,19,20	2015	125,757	0	125,757	1.30	125,757
3796	LAND ACQ/LOT 7-A PARCEL A	2015	28,500	0	28,500	1.30	28,500
4496	LAND/UT11, BLK 45, LOT 25	2015	9,138	0	9,138	1.30	9,138
4497	LAND/UT11, BLK E, LOT 80	2015	9,138	0	9,138	1.30	9,138
4533	LAND/UT17 BLK 1-31/LT1,2,9	2015	1,435	0	1,435	1.30	1,435
4505	LAND/UT17/BLK 38/LOT 34	2015	108,182	0	108,182	1.30	108,182
5546	LAND/UT21,BLK 31, LOT 25	2015	8,050	1,964	6,086	1.30	6,086
5566	U21/BLK19/L30,U21/BLK31/L23&24	2015	22,919	1,800	21,119	1.30	21,119
5731	LAND/UT11, BLK E, LT 79 & 80	2015	44,425	0	44,425	1.30	44,425
5791	RESERVOIR ROW/U21, B19, LT1	2015	12,231	0	12,231	1.30	12,231
5796	ROW/U25, BLK 138, LT 32-36	2015	53,928	0	53,928	1.30	53,928
5909	ROW/U11,BLK E,L73 - 78	2015	131,386	816	130,570	1.30	130,570
5988	LAND ROW/UT6,BLK76,LT19	2015	8,800	0	8,800	1.30	8,800
6034	LAND/UT20/BLK36/LT7A/LFTST#15	2015	11,575	0	11,575	1.30	11,575
6106	LAND/UT11, BLK E, LOT 72	2015	22,164	0	22,164	1.30	22,164
5902	LAND/U21, BLK31, LT21	2015	25,616	0	25,616	1.30	25,616
6538	TANK#10/U13,BLK117,LT33-A	2015	40,000	0	40,000	1.30	40,000
6806	LAND/UT13,BLK29,LT57	2015	66,105	0	66,105	1.30	66,105
8882	LAND/UT17, BLK 38, LT 43	2015	316,356	0	316,356	1.30	316,356
8987	LAND/UT13, BLK 29, LOT 55&56	2015	181,469	0	181,469	1.30	181,469
9133	APPRAISAL OF WELL SITE S26	2015	1,283	0	1,283	1.30	1,283
9698	LAND/UT20,BLK18,LT19,20,24,25	2015	85,282	0	85,282	1.30	85,282
3169	LAND/UT11,BLK V, LT 30 & 31	2015	13,832	0	13,832	1.30	13,832
9750	LAND/UT13,BLK5,LT1	2015	65,934	0	65,934	1.30	65,934
9751	LAND/UT13,BLK5,LT34	2015	65,914	0	65,914	1.30	65,914
9752	LAND/UT20,BLK18,LT 26&27	2015	46,026	0	46,026	1.30	46,026
9753	LAND/UT20,BLK18,LT 21&22	2015	46,137	0	46,137	1.30	46,137
9760	LAND/UT20,BLK18,LT23	2015	21,477	0	21,477	1.30	21,477
9926	LAND/UT13,BLK6,LT33 (WELLSITE)	2015	76,022	0	76,022	1.30	76,022
9952	LAND/UT20,BLK18,LT28(WELLSITE)	2015	21,709	0	21,709	1.30	21,709
9983	LAND/UT13,BLK5,LT2(WELLSITE)	2015	65,970	0	65,970	1.30	65,970
10571	LAND, PARCEL 21-A (15-ACRE)CAB	2015	2,011,943	0	2,011,943	1.30	2,011,943
6503	TANK#15/BACK TAXES & FEES	2015	66	0	66	1.30	66
5706	TANK#15/LAND ACQUISITION	2015	533	0	533	1.30	533
12452	LAND/UT21 BLK103 LT 46	2015	13,066	0	13,066	1.30	13,066
12444	LAND/UT21 BLK99 LOT 19	2015	13,000	0	13,000	1.30	13,000
12517	LAND/UT21 BLK99 LT20	2015	15,430	0	15,430	1.30	15,430
12572	LAND/UT17,BLK84,LT11	2015	133,193	0	133,193	1.30	133,193
12584	LAND CONDE/UT13,BLK2,LT16	2015	48,000	0	48,000	1.30	48,000
12587	LAND/UT17, BLOCK 84, LOT 11	2015	139,107	0	139,107	1.30	139,107
12325	APPRAISAL OF UNIT 21, BLOCK 99	2015	6,390	0	6,390	1.30	6,390
12603	LAND/UT13,BLK2,LT16(WELL14 BOO	2015	52,800	1,673	51,127	1.30	51,127
12604	LAND/UT6,BLK66,LT1 (BOOSTER)	2015	13,179	0	13,179	1.30	13,179
12606	REC FEES, UT21 BLK99 LT20	2015	9	0	9	1.30	9
12607	REC FEES, UT21 BLK 103 LT 46	2015	9	0	9	1.30	9
12608	REC FEES, UT 21 BLK103 LT46	2015	9	0	9	1.30	9
12609	REC FEES, UT 17 BLK84 LT11	2015	9	0	9	1.30	9
12728	PROVIDE SERVICES TO ACQUIRE PR	2015	5,640	0	5,640	1.30	5,640
12856	LAND/UT17,BLK117,LTS3B,33A1	2015	3,207	0	3,207	1.30	3,207
12857	LAND/UT17,BLK117,LTS4,32A(MORE	2015	9,286	0	9,286	1.30	9,286
12863	LAND/UT21,BLK103,LT48 PASEO GA	2015	13,165	0	13,165	1.30	13,165
12885	LAND/UT21,BLK99,LT22	2015	17,000	0	17,000	1.30	17,000
12886	LAND/UT21,BLK103,LTS 1 & 2	2015	34,708	0	34,708	1.30	34,708
12973	PROF SVCS LAND ACQUISITION	2015	9,430	0	9,430	1.30	9,430
13029	PURCHASE UT 21, BLK 99, LT 21	2015	23,154	0	23,154	1.30	23,154
13038	LAND/UT21,BLK103,LT47	2015	17,000	0	17,000	1.30	17,000
13489	2010 PROPTAX-UT21,BLK99,LT19	2015	178	0	178	1.30	178
13534	LAND/UT21,BLK103,LT22	2015	18,279	0	18,279	1.30	18,279
13729	LAND/UT21,BLK108,LOTS 15-17	2015	1,514	0	1,514	1.30	1,514
13750	LAND/UT21,BLK99,LT20-PROP TAX	2015	816	0	816	1.30	816
13751	LAND/UT21,BLK103,LT46-PROP TAX	2015	48	0	48	1.30	48
13752	LAND/UT21,BLK99,LT22-PROP TAX	2015	97	0	97	1.30	97
13753	LAND/UT21,BLK103,LT47-PROP TAX	2015	97	0	97	1.30	97
13754	LAND/UT21,BLK103,LT1-PROP TAX	2015	97	0	97	1.30	97
13755	LAND/UT21,BLK103,LT2-PROP TAX	2015	97	17	80	1.30	80
13892	LAND/UT13,BLK2,LT16/PROP TAX	2015	120	29	91	1.30	91
12160	APPRAISAL FOR UNIT 13, BLOCK 2	2015	1,065	0	1,065	1.30	1,065
12706	CONDEMNATION SERVICES FOR CITY	2015	543	0	543	1.30	543
11191	LAND IMPRV, WELL#10A	2015	17,880	0	17,880	1.30	17,880
12844	LAND IMPROV WELL#12	2015	318,993	0	318,993	1.30	318,993
13344	WELL#9 LAND IMPROVMENTS	2015	191,008	0	191,008	1.30	191,008
13347	WELL#13 LAND IMPROVEMENTS	2015	220,026	0	220,026	1.30	220,026
196	WELL 15 LAND IMPROVEMENTS	2015	12,466	0	12,466	1.30	12,466
196	WELL 6 LAND IMPROVEMENTS	2015	170,572	0	170,572	1.30	170,572

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
196	WELL 16 LAND IMPROVEMENTS	2015	161,853	0	161,853	1.30	161,853
196	WELL10A LAND IMPROVEMENTS	2015	1,930,368	0	1,930,368	1.30	1,930,368
196	WELL 14 LAND IMPROVEMENTS	2015	238,733	0	238,733	1.30	238,733
196	WELL 17 LAND IMPROVEMENTS	2015	211,408	0	211,408	1.30	211,408
205	WELL#3 LAND IMPROVEMENTS	2015	448,113	0	448,113	1.30	448,113
1566	Chlorine Analyzer Shed	2022	7,000	0	7,000	1.00	7,000
1581	Warehouse -Well #6	2022	40,977	0	40,977	1.00	40,977
4711	Meter Warehouse	2022	1,064,385	0	1,064,385	1.00	1,064,385
1553	Water Office	2022	140,000	0	140,000	1.00	140,000
	Water Infrastructure						
2007	VISTA HILLS WATERLINE	2015	599,719	0	599,719	1.30	777,257
2009	WATERLINES, WELL#10A	2015	154,635	0	154,635	1.30	200,412
2010	CLEVELAND HS WATERLINE	2015	1,535,394	0	1,535,394	1.30	1,989,923
2011	SAD INFRA WATERLINE	2015	2,011,671	0	2,011,671	1.30	2,607,194
2012	SASC WATERLINE EXTENSION	2015	14,567	0	14,567	1.30	18,879
2008	INFRASTRUCTURE - WATERLINE DEV	2015	1,293,424	0	1,293,424	1.30	1,676,322
2010	INFRASTRUCTURE - WATERLINE DEV	2015	258,121	0	258,121	1.30	334,534
2012	INFRASTRUCTURE - WATERLINE DEV	2015	133,707	0	133,707	1.30	173,289
2010	24" WATER TRANSMISSION LINE	2015	1,902,850	0	1,902,850	1.30	2,466,160
2003	17TH AVE 12" WATERLINE REPLACE	2015	259,549	0	259,549	1.30	336,384
2012	BROADMOOR DR WATER SVCLN REPL	2015	8,690	0	8,690	1.30	11,262
3921	Aquifer/Storage/Reinjection	2022	1,577,907	0	1,577,907	1.00	1,577,907
3922	Aquifer/Storage/Reinjection	2022	386,283	0	386,283	1.00	386,283
	Wells						
944	Well # 1 Warehouse	2022	150,000	0	150,000	1.00	150,000
946	Well # 1	2022	40,000	0	40,000	1.00	40,000
947	Well # 2	2022	30,000	0	30,000	1.00	30,000
948	Well # 3	2022	2,650,000	0	2,650,000	1.00	2,650,000
949	Well # 4	2022	20,000	0	20,000	1.00	20,000
951	Well # 6	2022	5,800,000	0	5,800,000	1.00	5,800,000
952	Well # 7	2022	2,650,000	0	2,650,000	1.00	2,650,000
953	Well # 8	2022	2,650,000	0	2,650,000	1.00	2,650,000
954	Well # 9	2022	185,805	0	185,805	1.00	185,805
957	Well # 12	2022	5,800,000	0	5,800,000	1.00	5,800,000
958	Well # 13	2022	410,889	0	410,889	1.00	410,889
959	Well # 14	2022	5,800,000	0	5,800,000	1.00	5,800,000
960	Well # 15	2022	5,800,000	0	5,800,000	1.00	5,800,000
961	Well # 16	2022	5,800,000	0	5,800,000	1.00	5,800,000
962	Well # 17	2022	5,800,000	0	5,800,000	1.00	5,800,000
963	Well # 19	2022	5,800,000	0	5,800,000	1.00	5,800,000
3011	Well 10A	2022	6,100,000	0	6,100,000	1.00	6,100,000
3018	Well 21	2022	5,800,000	0	5,800,000	1.00	5,800,000
4394	Well#22	2022	6,400,000	0	6,400,000	1.00	6,400,000
	Tanks and Boosters						
2012	INFRASTRUCTURE-SAD7A WATER	2015	872,816	0	872,816	1.30	1,131,200
2012	INFRASTRUCTURE-SAD8 WATER	2015	100,081	0	100,081	1.30	129,709
2012	35TH AVE WATERLINE CONSTRUCTIO	2015	10,927	0	10,927	1.30	14,162
2010	3 MGD SEC RESERVOIR NO. 15	2015	1,916,871	0	1,916,871	1.30	2,484,331
2004	6 MGD BOOSTER PIPLINE	2015	428,701	0	428,701	1.30	555,611
2013	CITY CENTER BOOSTER INFRA	2015	1,129,100	0	1,129,100	1.30	1,463,352
6260	ENCH HILLS E/HWY 44 & SF HILLS	2011	376,296	0	376,296	1.43	539,527
6263	ENCH HILLS W/KENNARD ROAD	2011	817,430	0	817,430	1.43	1,172,017
12853	BLDG, TANK10 WATER COMPLEX	2011	1,040,968	0	1,040,968	1.43	1,492,522
965	Tank # 3	2022	1,000,000	0	1,000,000	1.00	1,000,000
969	Tank # 6	2022	2,000,000	0	2,000,000	1.00	2,000,000
971	Tank # 8S	2022	3,000,000	0	3,000,000	1.00	3,000,000
972	Tank # 9	2022	200,000	0	200,000	1.00	200,000
973	Tank # 3	2022	700,000	0	700,000	1.00	700,000
974	Tank # 4	2022	2,000,000	0	2,000,000	1.00	2,000,000
975	Tank # 13	2022	3,100,000	0	3,100,000	1.00	3,100,000
976	Tank # 15N	2022	1,000,000	0	1,000,000	1.00	1,000,000
1579	Well 12 Booster Station	2022	3,405,566	0	3,405,566	1.00	3,405,566
1580	Well 10 Booster Station	2022	3,405,566	0	3,405,566	1.00	3,405,566
1582	Tank # 4	2022	20,000	0	20,000	1.00	20,000
1583	Tank # 17	2022	1,000,000	0	1,000,000	1.00	1,000,000
2729	Booster Station # 6	2022	3,405,566	0	3,405,566	1.00	3,405,566
3012	Tank 12E	2022	893,807	0	893,807	1.00	893,807
3017	Mariposa Tank	2022	2,250,000	0	2,250,000	1.00	2,250,000
3088	City Center Tank	2022	4,000,000	0	4,000,000	1.00	4,000,000
3746	Well 14 Booster/Fill Station	2022	1,217,600	0	1,217,600	1.00	1,217,600
4156	Enchanted Hills Tank 1	2022	3,000,000	0	3,000,000	1.00	3,000,000
4288	Recycled Water Tank	2022	2,791,086	0	2,791,086	1.00	2,791,086
4379	City Center Booster Station	2022	3,405,566	0	3,405,566	1.00	3,405,566
4395	Well 15 Booster Station	2022	674,045	0	674,045	1.00	674,045
4396	Mariposa Booster Station	2022	674,045	0	674,045	1.00	674,045
4397	Tank 6B	2022	3,100,000	0	3,100,000	1.00	3,100,000
4398	Tank #8S	2022	4,500,000	0	4,500,000	1.00	4,500,000
4399	Tank 10A	2022	3,000,000	0	3,000,000	1.00	3,000,000
4400	Tank 10B	2022	4,000,000	0	4,000,000	1.00	4,000,000
4401	Tank 15S	2022	3,000,000	0	3,000,000	1.00	3,000,000
4402	Well 8 Booster Station	2022	3,405,556	0	3,405,556	1.00	3,405,556
	Equipment						
2193	GROUP OF CHAIN LINK FENCING	2015	6,768	0	6,768	1.30	6,768
2195	GROUP OF CHAIN LINK FENCING	2015	8,594	0	8,594	1.30	8,594
2196	GROUP OF CHAIN LINK FENCING	2015	8,993	0	8,993	1.30	8,993
2197	GROUP OF CHAIN LINK FENCING	2015	9,233	0	9,233	1.30	9,233
2199	GROUP OF CHAIN LINK FENCING	2015	10,127	0	10,127	1.30	10,127
2200	GROUP OF CHAIN LINK FENCING	2015	11,422	0	11,422	1.30	11,422
2201	GROUP OF CHAIN LINK FENCING	2015	16,833	0	16,833	1.30	16,833
2202	GROUP OF CHAIN LINK FENCING	2015	18,627	0	18,627	1.30	18,627
8784	GROUP OF CHAIN LINK FENCING	2015	1,815	0	1,815	1.30	1,815
8785	GROUP OF CHAIN LINK FENCING	2015	3,604	0	3,604	1.30	3,604
8786	GROUP OF CHAIN LINK FENCING	2015	4,822	0	4,822	1.30	4,822
13924	SECURITY SYSTEM IMPRV WELL10	2015	282,114	0	282,114	1.30	282,114
13925	SECURITY SYSTEM IMPRV WELL6	2015	23,314	0	23,314	1.30	23,314
13926	SECURITY SYSTEM IMPRV WELL16	2015	84,476	0	84,476	1.30	84,476
13927	SECURITY SYSTEM IMPRV WELL14	2015	162,191	0	162,191	1.30	162,191
13928	SECURITY SYSTEM IMPRV WELL17	2015	22,364	0	22,364	1.30	22,364
13929	SECURITY SYSTEM IMPRV WELL15	2015	74,974	0	74,974	1.30	74,974
13930	SECURITY SYSTEM IMPRV WELL3	2015	21,451	0	21,451	1.30	21,451
13931	SECURITY SYSTEM IMPRV WELL12	2015	16,140	0	16,140	1.30	16,140
13932	SECURITY SYSTEM IMPRV WELL19	2015	6,166	0	6,166	1.30	6,166
13933	SECURITY SYSTEM IMPRV WELL13	2015	52,457	0	52,457	1.30	52,457
2013	FIBEROPTIC LINE (SCADA)	2015	9,262	0	9,262	1.30	12,003

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
13934	SECURITY SYSTEM IMPRV WELL9	2015	52,087	0	52,087	1.30	52,087
	Treatment						
2012	WELL 12 REVERSE OSMOSIS	2015	2,037,223	0	2,037,223	1.30	2,640,312
1020	BUILDING-WATER OFFICE	2010	53,807	0	53,807	1.48	79,524
1027	BUILDING-WATER WAREHOUSE/SHOP	2010	24,253	0	24,253	1.48	35,845
1143	BUILDING-TREATMENT POND	2010	107,676	0	107,676	1.48	159,139
1149	BUILDING-CHLORINE CONTACT BASI	2010	46,898	2,840	44,058	1.48	66,473
1166	BUILDING-CONTROL	2010	38,570	395	38,175	1.48	56,609
1171	BUILDING-UV TREATMENT	2010	29,266	395	28,871	1.48	42,858
8314	BUILDING-WASHWATER SHED	2011	2,252	0	2,252	1.43	3,229
8316	BLDG-CONF/TILE-REMOVE CARPET	2011	2,503	0	2,503	1.43	3,589
8317	BLDG-CONTROL/REPLACE CARPET	2011	3,533	0	3,533	1.43	5,066
8318	BLDG-CONTROL/RM-CARPET/VINYLBS	2011	1,832	0	1,832	1.43	2,627
8319	BLDG-OPS/WINDOW REPLACEMENT	2011	3,473	0	3,473	1.43	4,979
8320	VINYL BASE/REM&REPL CARPET	2011	1,214	0	1,214	1.43	1,741
1181	BUILDING-WASHWATER HOLDING TAN	2010	20,920	395	20,525	1.48	30,523
3319	Arsenic Treatment Well	2022	5,200,000	0	5,200,000	1.00	5,200,000
3320	Arsenic Treatment Well	2022	11,500,000	0	11,500,000	1.00	11,500,000
3321	Arsenic Treatment Well	2022	5,095,000	0	5,095,000	1.00	5,095,000
3322	Arsenic Treatment Well	2022	5,200,000	0	5,200,000	1.00	5,200,000
3451	Arsenic Treatment Well	2022	5,095,000	0	5,095,000	1.00	5,095,000
3452	Arsenic Treatment Well	2022	5,095,000	0	5,095,000	1.00	5,095,000
3453	Arsenic Treatment Well	2022	5,200,000	0	5,200,000	1.00	5,200,000
3454	Arsenic Treatment Well	2022	5,200,000	0	5,200,000	1.00	5,200,000
3573	Arsenic Treatment Well	2022	4,450,000	0	4,450,000	1.00	4,450,000
3574	Arsenic Treatment Well	2022	4,450,000	0	4,450,000	1.00	4,450,000
	Fleet						
17697	Ditch Witch FX30	2006	39,563	0	39,563	1.68	39,563
17698	Big Tex 24' Pintle Hook	2015	14,733	0	14,733	1.30	14,733
17699	Ditch Witch Trailer FX20	2015	24,707	0	24,707	1.30	24,707
17863	International 7500	2007	60,219	0	60,219	1.63	60,219
17879	Pace Cargo	1997	3,277	0	3,277	2.23	3,277
17880	Townmaster Pipe Trailer	1996	2,700	0	2,700	2.31	2,700
17881	Big Tex Trailer	2002	7,875	0	7,875	1.99	7,875
17864	Kenworth T800	2006	89,654	0	89,654	1.68	89,654
17942	Ford F350	2007	30,579	0	30,579	1.63	30,579
17875	Ford F350	2013	34,983	0	34,983	1.36	34,983
17876	Ford F350	2013	34,893	0	34,893	1.36	34,893
17872	Kenworth T800	2014	20,017	0	20,017	1.33	20,017
17703	Big Tex 24' Pintle Hook	2014	17,106	0	17,106	1.33	17,106
17874	Pjtr U81	2014	2,900	0	2,900	1.33	2,900
17870	Big Tex 16' Dump Trailer	2014	7,315	0	7,315	1.33	7,315
17868	Ford F450	2014	48,065	0	48,065	1.33	48,065
17869	Ford F450	2014	48,065	0	48,065	1.33	48,065
17944	Ford F150	2014	25,000	0	25,000	1.33	25,000
17866	Ford F450	2015	52,043	0	52,043	1.30	52,043
17871	Big Tex 14LX-14BK7SIRPD	2017	7,960	0	7,960	1.20	7,960
17867	Kenworth T300	2008	71,561	0	71,561	1.56	71,561
17877	Big Tex Trailer	2000	3,500	0	3,500	2.09	3,500
17878	Interstate Trailer	2002	11,479	0	11,479	1.99	11,479
17865	International HV607	2021	132,150	0	132,150	1.04	132,150
17873	Kenworth T800	2020	171,529	0	171,529	1.12	171,529
17886	Ford F150	2013	22,317	0	22,317	1.36	22,317
17903	John Deere Welding	1993	1,300	0	1,300	2.50	1,300
17904	Towmaster C10	2000	3,500	0	3,500	2.09	3,500
17905	Jbmf Steam Clean	2003	12,000	0	12,000	1.94	12,000
17895	Ford F350	2006	24,461	0	24,461	1.68	24,461
17890	Chevrolet Colorado	2006	12,086	0	12,086	1.68	12,086
17894	Chevrolet 2500	2007	28,362	0	28,362	1.63	28,362
17891	Ford Ranger	2007	16,144	0	16,144	1.63	16,144
17906	Felling hydraulic Pump Trailer	2010	7,724	0	7,724	1.48	7,724
17898	Ford F150	2010	20,903	0	20,903	1.48	20,903
17893	Chevrolet 1500	2008	20,446	0	20,446	1.56	20,446
17885	Ford F150	2013	22,317	0	22,317	1.36	22,317
17896	Ford F350	2013	34,893	0	34,893	1.36	34,893
17889	PJ Trailer MFG U8121	2012	1,825	0	1,825	1.40	1,825
17899	Ford F250	2016	23,878	0	23,878	1.26	23,878
17901	Ford F250	2016	23,878	0	23,878	1.26	23,878
17908	Ford F150	2017	29,600	0	29,600	1.20	29,600
17897	Chevrolet 3500	2008	39,983	0	39,983	1.56	39,983
17902	Norstar Ironbull	2018	6,165	0	6,165	1.16	6,165
17887	Ford F350	2019	29,964	0	29,964	1.14	29,964
17909	Ford F350	2019	29,964	0	29,964	1.14	29,964
17888	Ford F350	2019	34,907	0	34,907	1.14	34,907
17892	Ford F450	2020	40,007	0	40,007	1.12	40,007
	Meters						
1996	INFRASTRUCTURE - METERS/FITTIN	2015	143,060	0	143,060	1.30	185,410
1998	INFRASTRUCTURE - METERS/FITTIN	2015	13,231	0	13,231	1.30	17,148
2001	INFRASTRUCTURE - METERS/FITTIN	2015	14,764	0	14,764	1.30	19,135
2002	INFRASTRUCTURE - METERS/FITTIN	2015	26,835	0	26,835	1.30	34,779
2003	Infrastructure - Meters/Fittin	2015	85,231	0	85,231	1.30	110,463
2004	METERS AND FITTINGS	2015	76,228	0	76,228	1.30	98,794
2005	METERS & FITTINGS	2015	106,111	0	106,111	1.30	137,523
2006	METERS & FITTINGS	2015	33,512	0	33,512	1.30	43,433
2006	METER SETTING & INSTALL PROGRM	2015	700,756	0	700,756	1.30	908,204
2007	METERS/FITTINGS	2015	985,399	0	985,399	1.30	1,277,112
2008	Infrastructure - Meters/Fittin	2015	911,076	0	911,076	1.30	1,180,786
2009	METERS & FITTINGS	2015	845,551	0	845,551	1.30	1,095,864
2010	METERS & FITTINGS - AUTO	2015	1,038,539	0	1,038,539	1.30	1,345,982
2011	FY11 METERS & FITTINGS	2015	642,898	0	642,898	1.30	833,218
2012	FY12 METERS & FITTINGS	2015	594,038	0	594,038	1.30	769,894
2013	METERS/FITTINGS FY13	2015	634,025	0	634,025	1.30	821,718
2005	METER SETTINGS & INSTALL	2015	331,747	0	331,747	1.30	429,956
2010	FY10 METERS & FITTINGS	2015	627,664	0	627,664	1.30	813,474
2012	17" X 15" X 24" METER CAN	2015	11,401	0	11,401	1.30	14,776
	Total		$228,339,685	$10,324	$228,329,361		$236,119,353

Table 1.2: Water CIP

Description - Inflated	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Unser Boulevard Water Line City Center Tank to Tank 15	$9,094,000	$0	$0	$0	$0	$0	$9,094,000
Redrill Well 9 and Equip for Arsenic Removal	18,213,857	0	0	0	0	0	18,213,857
Hydroexcavator Storage Garage	0	898,978	0	0	0	0	898,978
Booster Station and Transmission Line Well 17	5,898,290	0	0	0	0	0	5,898,290
Northern Blvd and North Hills Waterline	84,843	8,813,394	0	0	0	0	8,898,237
Well 13 Equipping Continued from FY23	8,285,873	0	0	0	0	0	8,285,873
Well Chemical Storage Canopies	65,000	74,033	83,892	94,641	106,351	119,095	543,012
Sodium Hydroxide Skids	110,751	122,155	134,228	147,877	162,654	178,642	856,307
Sodium Hypochlorite Systems at Well Sites	245,000	269,693	296,419	326,512	359,089	396,983	1,893,697
Well Line Shaft Sound Walls	0	190,372	0	224,773	0	0	415,145
Water Well Level Monitoring Wells	41,400	47,593	55,928	65,066	75,071	86,013	371,071
Equipment for Water Production, Treatment and Distribution	13,670	0	0	0	0	0	13,670
Water Utility Vehicles and Heavy Equipment	1,098,984	0	0	0	0	0	1,098,984
Well Site Security and SCADA	200,000	219,985	242,728	266,179	294,028	324,203	1,547,123
Install/Replace Water Lines	0	2,517,139	3,187,904	4,022,253	4,254,021	4,499,143	18,480,459
Renovate/Paint Water Storage Tanks	0	2,644,053	2,857,928	3,087,671	3,334,401	3,599,314	15,523,367
New Tank at Well 17	0	0	0	0	0	463,147	463,147
New Tank Volcan Water Tank (Near Sue Cleeland HS same as Tank 6 overflow)	0	0	0	354,905	5,004,730	0	5,359,635
New and Replacement Pressure Reducing Valves (PRVs)	305,000	338,439	369,126	396,310	431,658	463,147	2,303,680
Drill S25 (Lacuna/Chayote property owned by Utilities) or Well 15 Mariposa	0	0	0	0	312,796	7,145,697	7,458,493
Redrill Well 2 or 4 and Equip 850 ft depth	2,824,833	0	5,212,502	0	0	0	8,037,335
Water Rights	1,291,795	1,269,145	1,454,132	1,656,222	1,876,774	2,117,244	9,665,311
Total	$47,773,296	$17,404,980	$13,894,786	$10,642,409	$16,211,572	$19,392,628	$125,319,671

Description - Current Day Dollars	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Unser Boulevard Water Line City Center Tank to Tank 15	$9,094,000	$0	$0	$0	$0	$0	$9,094,000
Redrill Well 9 and Equip for Arsenic Removal	18,213,857	0	0	0	0	0	18,213,857
Hydroexcavator Storage Garage	0	850,000	0	0	0	0	850,000
Booster Station and Transmission Line Well 17	5,898,290	0	0	0	0	0	5,898,290
Northern Blvd and North Hills Waterline	84,843	8,333,223	0	0	0	0	8,418,066
Well 13 Equipping Continued from FY23	8,285,873	0	0	0	0	0	8,285,873
Well Chemical Storage Canopies	65,000	70,000	75,000	80,000	85,000	90,000	465,000
Sodium Hydroxide Skids	110,751	115,500	120,000	125,000	130,000	135,000	736,251
Sodium Hypochlorite Systems at Well Sites	245,000	255,000	265,000	276,000	287,000	300,000	1,628,000
Well Line Shaft Sound Walls	0	180,000	0	190,000	0	0	370,000
Water Well Level Monitoring Wells	41,400	45,000	50,000	55,000	60,000	65,000	316,400
Equipment for Water Production, Treatment and Distribution	13,670	0	0	0	0	0	13,670
Water Utility Vehicles and Heavy Equipment	1,098,984	0	0	0	0	0	1,098,984
Well Site Security and SCADA	200,000	208,000	217,000	225,000	235,000	245,000	1,330,000
Install/Replace Water Lines	0	2,380,000	2,850,000	3,400,000	3,400,000	3,400,000	15,430,000
Renovate/Paint Water Storage Tanks	0	2,500,000	2,555,000	2,610,000	2,665,000	2,720,000	13,050,000
New Tank at Well 17	0	0	0	0	0	350,000	350,000
New Tank Volcan Water Tank (Near Sue Cleeland HS same as Tank 6 overflow)	0	0	0	300,000	4,000,000	0	4,300,000
New and Replacement Pressure Reducing Valves (PRVs)	305,000	320,000	330,000	335,000	345,000	350,000	1,985,000
Drill S25 (Lacuna/Chayote property owned by Utilities) or Well 15 Mariposa	0	0	0	0	250,000	5,400,000	5,650,000
Redrill Well 2 or 4 and Equip 850 ft depth	2,824,833	0	4,660,000	0	0	0	7,484,833
Water Rights	1,291,795	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	8,291,795
Total	$47,773,296	$16,456,723	$12,422,000	$8,996,000	$12,957,000	$14,655,000	$113,260,019

Table 1.3: Water CIP Allocation %

Description - Inflated	Capital Costs Allocated to Existing Customers (System Upgrade)	System Expansion Costs Allocated to New Customers	Total Allocation
Unser Boulevard Water Line City Center Tank to Tank 15	84%	16%	100%
Redrill Well 9 and Equip for Arsenic Removal	100%	0%	100%
Hydroexcavator Storage Garage	100%	0%	100%
Booster Station and Transmission Line Well 17	64%	36%	100%
Northern Blvd and North Hills Waterline	90%	10%	100%
Well 13 Equipping Continued from FY23	70%	30%	100%
Well Chemical Storage Canopies	100%	0%	100%
Sodium Hydroxide Skids	100%	0%	100%
Sodium Hypochlorite Systems at Well Sites	100%	0%	100%
Well Line Shaft Sound Walls	100%	0%	100%
Water Well Level Monitoring Wells	100%	0%	100%
Equipment for Water Production, Treatment and Distribution	100%	0%	100%
Water Utility Vehicles and Heavy Equipment	100%	0%	100%
Well Site Security and SCADA	100%	0%	100%
Install/Replace Water Lines	100%	0%	100%
Renovate/Paint Water Storage Tanks	100%	0%	100%
New Tank at Well 17	100%	0%	100%
New Tank Volcan Water Tank (Near Sue Cleeland HS same as Tank 6 overflow)	70%	30%	100%
New and Replacement Pressure Reducing Valves (PRVs)	100%	0%	100%
Drill S25 (Lacuna/Chayote property owned by Utilities) or Well 15 Mariposa	96%	4%	100%
Redrill Well 2 or 4 and Equip 850 ft depth	78%	22%	100%
Water Rights	100%	0%	100%

Table 1.4: Water CIP Allocation $

Description - Inflated	Capital Costs Allocated to Existing Customers (System Upgrade)	System Expansion Costs Allocated to New Customers	Total
Unser Boulevard Water Line City Center Tank to Tank 15	$7,594,000	$1,500,000	$9,094,000
Redrill Well 9 and Equip for Arsenic Removal	18,213,857	0	18,213,857
Hydroexcavator Storage Garage	898,978	0	898,978
Booster Station and Transmission Line Well 17	3,751,655	2,146,635	5,898,290
Northern Blvd and North Hills Waterline	8,052,604	845,632	8,898,237
Well 13 Equipping Continued from FY23	5,840,368	2,445,505	8,285,873
Well Chemical Storage Canopies	543,012	0	543,012
Sodium Hydroxide Skids	856,307	0	856,307
Sodium Hypochlorite Systems at Well Sites	1,893,697	0	1,893,697
Well Line Shaft Sound Walls	415,145	0	415,145
Water Well Level Monitoring Wells	371,071	0	371,071
Equipment for Water Production, Treatment and Distribution	13,670	0	13,670
Water Utility Vehicles and Heavy Equipment	1,098,984	0	1,098,984
Well Site Security and SCADA	1,547,123	0	1,547,123
Install/Replace Water Lines	18,480,459	0	18,480,459
Renovate/Paint Water Storage Tanks	15,523,367	0	15,523,367
New Tank at Well 17	463,147	0	463,147
New Tank Volcan Water Tank (Near Sue Cleeland HS same as Tank 6 overflow)	3,739,280	1,620,355	5,359,635
New and Replacement Pressure Reducing Valves (PRVs)	2,303,680	0	2,303,680
Drill S25 (Lacuna/Chayote property owned by Utilities) or Well 15 Mariposa	7,128,471	330,022	7,458,493
Redrill Well 2 or 4 and Equip 850 ft depth	6,254,800	1,782,535	8,037,335
Water Rights	9,665,311	0	9,665,311
Total	$114,648,987	$10,670,684	$125,319,671

Table 1.5: Water Impact Fee Existing Standard

Description	Original Cost	Original Cost Less Depreciation	Replacement Cost New Less Depreciation (RCNLD)
Existing - Assets			
Land and Buildings	10,638,066	10,631,768	10,631,768
Water Infrastructure	10,136,516	10,136,516	12,555,806
Wells	67,686,694	67,686,694	67,686,694
Tanks and Boosters	70,841,594	70,841,594	73,130,834
Equipment	907,832	907,832	910,574
Treatment	58,858,421	58,854,395	59,617,512
Fleet	1,448,496	1,448,496	1,448,496
Meters	7,822,067	7,822,067	10,137,669
Total Fixed Assets	228,339,685	228,329,361	236,119,353
Water Rights	42,469,248	42,469,248	42,469,248
Total Assets	270,808,934	270,798,609	278,588,601
Number of SFE's	63,128	63,128	63,128
Proposed Water System Impact Fee per SFE	$3,617	$3,617	$3,740
Current Impact Fee per SFE	$3,577	$3,577	$3,577
Change	$41	$40	$164
Proposed Water Rights Impact Fee per SFE	$673	$673	$673
Proposed Water Impact Fee w/ Water Rights per SFE	$4,290	$4,290	$4,413

Demand Capacity			10,000,000
Average Water Flows per person (gpd)	60.96		
Average Use per SFE (2.60 pph)		158	
Water Flows per SFE			158
Total SFEs			63,128

Meter Size	Ratio	Proposed Fee	Current Fee	Difference $	Difference %
5/8-inch	1.00	$3,740	$3,577	$164	5%
3/4-inch	1.50	5,610	5,365	$246	5%
1-inch	2.50	9,351	8,941	$410	5%
1 1/2-inch	5.00	18,702	17,883	$819	5%
2-inch	8.00	29,923	28,612	$1,311	5%

APPENDIX H

Sewer Impact Fees

Table 1.1: Sewer Fixed Assets

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
	Land and Buildings						
11101	LAND,MARIPOSA EAST TRACT 1B-1	2015	$605,138	$0	605,138	1.30	$605,138
11175	LAND, MARISPOSA WWTP, LEGAL SV	2015	1,811	0	1,811	1.30	1,811
11400	LAND, UT6,BLK66,LT1 - BSTR ST	2015	7,915	0	7,915	1.30	7,915
12102	LAND/MARIPOSA EAST TRACT 1B-1	2015	605,000	0	605,000	1.30	605,000
15094	PURCHASE OF LAND FOR LIFT STAT	2015	209,909	0	209,909	1.30	209,909
942	WWTP Warehouse	2022	2,867,777	0	2,867,777	1.00	2,867,777
943	WWTP Office/Laborator	2022	11,604,548	0	11,604,548	1.00	11,604,548
1005	WWTP Control Building	2022	217,244	0	217,244	1.00	217,244
1541	Blower Building	2022	100,000	0	100,000	1.00	100,000
1557	Blower Building	2022	578,103	0	578,103	1.00	578,103
	Manholes						
1985	INFRASTRUCTURE - MANHOLES	2007	55,680	8,252	47,428	1.63	82,634
1986	INFRASTRUCTURE - MANHOLES	2007	60,030	569,866	0	1.63	0
1987	INFRASTRUCTURE - MANHOLES	2007	60,900	5,525	55,375	1.63	93,881
1988	INFRASTRUCTURE - MANHOLES	2007	61,770	5,525	56,245	1.63	95,301
1989	INFRASTRUCTURE - MANHOLES	2007	62,640	5,400	57,240	1.63	96,846
1990	INFRASTRUCTURE - MANHOLES	2007	63,510	16,071	47,439	1.63	87,595
1991	INFRASTRUCTURE - MANHOLES	2007	64,380	18,036	46,344	1.63	87,050
1992	INFRASTRUCTURE - MANHOLES	2007	66,990	12,933	54,057	1.63	96,414
1993	INFRASTRUCTURE - MANHOLES	2007	69,600	8,827	60,773	1.63	104,780
1994	INFRASTRUCTURE - MANHOLES	2007	72,210	0	72,210	1.63	117,867
1995	INFRASTRUCTURE - MANHOLES	2007	73,080	0	73,080	1.63	119,287
1996	INFRASTRUCTURE - MANHOLES	2007	76,560	95,736	0	1.63	29,232
1997	INFRASTRUCTURE - MANHOLES	2007	78,300	155,008	0	1.63	0
1998	INFRASTRUCTURE - MANHOLES	2007	81,780	9,716	72,064	1.63	123,772
1999	INFRASTRUCTURE - MANHOLES	2005	82,650	1,072	81,578	1.75	143,276
2001	INFRASTRUCTURE - MANHOLES	2007	18,000	8,853	9,147	1.63	20,528
1996	INFRASTRUCTURE - MANHOLES	2015	2,712,547	0	2,712,547	1.30	3,515,554
2000	INFRASTRUCTURE - MANHOLES	2007	20,580	11,585	8,995	1.63	22,008
	Infrastructure						
2012	INFRASTRUCTURE-SAD8 WASTEWATER	2015	161,434	0	161,434	1.30	209,223
	Equipment						
2194	GROUP OF OUTDOOR LIGHTING	2015	7,953	0	7,953	1.19	9,434
2203	GROUP OF CHAIN LINK FENCING	2015	28,830	0	28,830	1.19	34,200
2198	GROUP OF OUTDOOR LIGHTING	2015	10,127	0	10,127	1.19	12,013
2204	GROUP OF ASPHALT PAVING	2015	30,433	0	30,433	1.19	36,102
2205	GROUP OF CHAIN LINK FENCING	2015	40,508	0	40,508	1.19	48,053
2192	GROUP OF CHAIN LINK FENCING	2015	6,352	0	6,352	1.19	7,536
2206	GROUP OF ASPHALT PAVING	2015	102,161	0	102,161	1.19	121,191
3057	PAVING, ASPHALT 3" WWTP#2	2015	10,037	0	10,037	1.19	11,906
3064	GROUP OF CHAIN LINK FENCING	2015	6,143	0	6,143	1.19	7,287
3065	GROUP OF CONCRETE PAVING	2015	9,819	0	9,819	1.19	11,648
3183	GROUP OF ASPHALT PAVING	2015	23,725	0	23,725	1.19	28,145
3184	GROUP OF ASPHALT PAVING	2015	23,725	0	23,725	1.19	28,145
3806	FENCING, SECURITY	2015	5,147	0	5,147	1.19	6,106
4872	ROCK BASE COURSE - CABEZON	2015	13,145	0	13,145	1.19	15,593
6035	LIFT STATION LAND IMPRMTS	2015	157,009	0	157,009	1.19	186,256
8787	GROUP OF ASPHALT PAVING	2015	3,132	0	3,132	1.19	3,715
8788	GATE, AUTOMATIC CHAIN LINK	2015	2,264	0	2,264	1.19	2,686
8789	GRAVEL, BASE COURSE 4" WWTP#1	2015	3,375	0	3,375	1.19	4,004
8790	GROUP OF OUTDOOR LIGHTING	2015	4,781	0	4,781	1.19	5,671
8791	GROUP OF CHAIN LINK FENCING	2015	1,478	0	1,478	1.19	1,753
8792	PAVING, ASPHALT 3" WWTP#3	2015	2,257	0	2,257	1.19	2,678
8793	FINES, GREY CRUSHER	2015	1,064	0	1,064	1.19	1,263
8794	FINES, GREY CRUSHER	2014	1,741	0	1,741	1.19	2,068
8795	GRAVEL, SANTA ANA TAN 3/4"	2015	1,499	0	1,499	1.19	1,778
8796	FENCING & GATE, SECURITY	2015	2,909	0	2,909	1.19	3,451
8797	FENCING & GATE, 8' SECURITY	2015	1,935	0	1,935	1.19	2,296
8798	FENCING & GATE, 8' SECURITY	2015	1,649	0	1,649	1.19	1,956
8799	FENCING & GATE, 8' SECURITY	2015	1,649	0	1,649	1.19	1,956
8800	FENCING & GATE, 8' SECURITY	2015	2,063	0	2,063	1.19	2,448
14432	GROUP OF OUTSIDE LIGHTING	2015	28,710	0	28,710	1.19	34,058
	Treatment and Lift Stations						
3185	WWTP #2 REHAB - IMPROVMENTS	2015	149,788	0	149,788	1.30	194,130
12845	WWWTP2 LS14.2 IMPROVEMENTS	2015	3,646,843	0	3,646,843	1.30	4,726,434
1030	EFFLUENT POND	2010	418,900	0	418,900	1.48	619,110
3161	GRATING, SAFETY LIFT STATION #	2010	5,208	0	5,208	1.48	7,697
2010	WWTP LS 14.2 FORCE MAIN	2015	440,836	0	440,836	1.30	571,338
943	Clarifier	2022	1,700,000	0	1,700,000	1.00	1,700,000
943	Clarifier	2022	1,700,000	0	1,700,000	1.00	1,700,000
1003	WWTP Operations	2022	230,000	0	230,000	1.00	230,000
1007	Lift Station # 1	2022	808,485	0	808,485	1.00	808,485
1008	Lift Station # 2	2022	808,485	0	808,485	1.00	808,485
1009	Lift Station # 3	2022	808,485	0	808,485	1.00	808,485
1010	Lift Station # 4	2022	808,485	0	808,485	1.00	808,485
1011	Lift Station # 5	2022	808,485	0	808,485	1.00	808,485
1012	Lift Station # 6	2022	808,485	0	808,485	1.00	808,485
1013	Lift Station # 8	2022	808,485	0	808,485	1.00	808,485
1014	Lift Station # 9	2022	808,485	0	808,485	1.00	808,485
1016	Lift Station # 11	2022	808,485	0	808,485	1.00	808,485
1017	Lift Station # 12	2022	808,485	0	808,485	1.00	808,485
1018	Lift Station # 13	2022	808,485	0	808,485	1.00	808,485
1558	Aerobic Digester #1	2022	1,200,000	0	1,200,000	1.00	1,200,000
1559	Aerobic Digester #2	2022	500,000	0	500,000	1.00	500,000
1560	Influent/Headworks/Grit	2022	4,000,000	0	4,000,000	1.00	4,000,000
1561	Aeration Basin	2022	1,500,000	0	1,500,000	1.00	1,500,000
1562	Clarifier	2022	2,500,000	0	2,500,000	1.00	2,500,000
1563	Blower Building	2022	578,103	0	578,103	1.00	578,103
2720	Lift Station # 17	2022	808,485	0	808,485	1.00	808,485

Asset No.	Fixed Asset	Valuation Date	Original Cost	Accumulated Depreciation	Original Cost Less Depreciation	CCI Inflation Factor	Replacement Cost New Less Depreciation (RCNLD)
2721	Lift Station # 18	2022	808,485	0	808,485	1.00	808,485
2722	Lift Station # 19	2022	808,485	0	808,485	1.00	808,485
2723	Lift Station # 20	2022	808,485	0	808,485	1.00	808,485
2724	Lift Station # 21	2022	1,008,485	0	1,008,485	1.00	1,008,485
2725	Lift Station # 22	2022	808,485	0	808,485	1.00	808,485
2726	Lift Station # 23	2022	808,485	0	808,485	1.00	808,485
2727	Lift Station # 24	2022	1,008,485	0	1,008,485	1.00	1,008,485
3013	WWTP # 5 - Operations	2022	4,506,176	0	4,506,176	1.00	4,506,176
3014	WWTP # 5 - Headworks	2022	3,115,006	0	3,115,006	1.00	3,115,006
3015	WWTP # 6 - Operations	2022	6,913,046	0	6,913,046	1.00	6,913,046
3016	WWTP # 6 - Headworks	2022	14,642,874	0	14,642,874	1.00	14,642,874
3085	Lift Station 15A	2022	1,308,485	0	1,308,485	1.00	1,308,485
3324	Lift Station 14.2	2022	5,208,250	0	5,208,250	1.00	5,208,250
3455	Sue Cleveland HS Lift Station	2022	808,485	0	808,485	1.00	808,485
4289	Lift Station 10	2022	2,898,003	0	2,898,003	1.00	2,898,003
4386	Lift Station # 16	2022	350,035	0	350,035	1.00	350,035
4387	Lift Station # 26	2022	1,008,485	0	1,008,485	1.00	1,008,485
4402	Mariposa Lift Station	2022	808,485	0	808,485	1.00	808,485
4617	WWTP # 6 Solids Handling	2022	1,762,422	0	1,762,422	1.00	1,762,422
4618	Lift Station 27	2022	5,721,788	0	5,721,788	1.00	5,721,788
	Process Aeration Basin	2022	1,500,000	0	1,500,000	1.00	1,500,000
	Solids Handling Building	2022	3,038,485	0	3,038,485	1.00	3,038,485
	Fleet						
17700	Ve enterprises EVC 140	2007	49,550	0	49,550	1.63	49,550
17701	Harmon 1N11SI	2002	56,379	0	56,379	1.99	56,379
17940	International 2115-J6	2007	331,250	0	331,250	1.63	331,250
17936	International Diamond spec 7600	2008	95,736	0	95,736	1.56	95,736
17910	Sterling LT9500	2008	102,464	0	102,464	1.56	102,464
17937	Kenworth T800	2010	100,485	0	100,485	1.48	100,485
17938	Kenworth T800	1989	13,217	0	13,217	2.82	13,217
17934	Big tex Welding	1996	3,500	0	3,500	2.31	3,500
17939	International 2574	2002	64,337	0	64,337	1.99	64,337
17926	Chevrolet 1500	2004	15,531	0	15,531	1.83	15,531
17911	International diamond	2008	109,923	0	109,923	1.56	109,923
17922	Freightliner M2 business class	2004	51,896	0	51,896	1.83	51,896
17920	Ford F250	2005	24,721	0	24,721	1.75	24,721
17923	Chevrolet 1500	2008	20,446	0	20,446	1.56	20,446
17921	Ford F350	2006	28,083	0	28,083	1.68	28,083
17915	Ford F450	2014	40,585	0	40,585	1.33	40,585
17927	Ford F150	2014	21,586	0	21,586	1.33	21,586
17916	Ford S-Dty F450	2014	40,585	0	40,585	1.33	40,585
17928	Ford F150	2014	25,000	0	25,000	1.33	25,000
17914	FreightlinerChassis	2015	403,003	0	403,003	1.30	403,003
17924	Chevrolet 1500	2008	19,117	0	19,117	1.56	19,117
17917	Ford E450	2016	288,593	0	288,593	1.26	288,593
17919	Lark United VT8.5x20TA-3500	2017	7,140	0	7,140	1.20	7,140
17929	Kenworth T800	2018	170,266	0	170,266	1.16	170,266
17925	Chevrolet 1500	2008	30,861	0	30,861	1.56	30,861
17931	Martinez trailers Low Boy	1986	1,375	0	1,375	3.03	1,375
17913	Sterling LT9500	2008	102,464	0	102,464	1.56	102,464
17912	Ford F800	1997	49,875	0	49,875	2.23	49,875
17951	Road boss Trailer	2002	2,995	0	2,995	1.99	2,995
17933	Big tex 14' Single Axle	2013	1,425	0	1,425	1.36	1,425
17941	Ford F350	2019	36,649	0	36,649	1.14	36,649
17918	Lamar	2019	7,800	0	7,800	1.14	7,800
	Mains and Pipes						
9105	WALL, LS#22 - MAIN ST SEWER	2015	11,400	0	11,400	1.30	14,775
9106	DRAINAGE IMPRV, MAIN ST SEWER	2015	179,235	0	179,235	1.30	232,295
2004	INFRASTRUCTURE-ACO SEWERLINE	2015	236,148	0	236,148	1.30	306,055
2012	CLEVELAND HIGH SCH SEWERLINE	2015	665,453	0	665,453	1.30	862,450
2007	SEWERLINE, INDUSTRIAL LOOP	2015	888,507	0	888,507	1.30	1,151,535
2012	PRADO ALTO UNIT II SEWERLINES	2015	134,736	0	134,736	1.30	174,622
2014	PUERTO DEL SOL WASTEWATER LINE	2015	129,111	0	129,111	1.30	167,332
2012	INFRASTRUCTURE-SAD7A WASTEWTR	2015	565,081	0	565,081	1.30	732,365
2013	INNOVATION WAY WASTEWATERLINE	2015	36,073	0	36,073	1.30	46,752
2013	SCRMC SEWER LINE	2015	140,311	0	140,311	1.30	181,847
2007	MAIN STREET SEWERLINES	2015	1,151,215	0	1,151,215	1.30	1,492,014
2008	SEWERLINE, MONTOYAS ARROYO	2015	2,476,514	0	2,476,514	1.30	3,209,647
2011	SAD INFRA SEWERLINES	2015	1,509,696	0	1,509,696	1.30	1,956,618
2012	LA BARRANCA SEWERLINE PHI	2015	3,047,930	0	3,047,930	1.30	3,950,223
2008	SEWERLINE, BLACK ARROYO GRAVTY	2015	1,230,261	0	1,230,261	1.30	1,594,461
2010	NBLVD COMM CTR - SEWERLINE	2015	300,231	0	300,231	1.30	389,109
			$124,215,359	$932,405	$123,888,675		$130,635,081

Table 1.2: Sewer CIP

Description - Inflated	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Wastewater Treatment Plant (WWTP) 5 Membrane Bioreactor (MBR) Expansion	$0	$0	$0	$354,905	$23,522,231	$0	$23,877,136
Wastewater Treatment Plant (WWTP) 2 Biological Nutrient Removal or Membrane Bioreactor (MBR) Expansion	0	0	0	2,366,031	13,137,416	13,894,411	29,397,859
Laboratory	0	0	1,118,563	591,508	0	0	1,710,071
Lift Station 15 Improvements	0	0	4,474,251	0	0	0	4,474,251
Lift Station 2 Replacements	0	4,230,485	0	0	0	0	4,230,485
Lift Station 22 Improvements	5,066,628	0	0	0	0	0	5,066,628
Equipment for Recycled Water Operations	28,183	0	0	0	0	0	28,183
Injection Wells and Advance Water Treatment Facility	0	0	4,848,969	0	0	0	4,848,969
Wastewater Treatment Plant (WWTP) 2 Headworks	8,739,228	0	0	0	0	0	8,739,228
Equipment for Wastewater Treatment and Rehab of Lift Stations	157,197	0	0	0	0	0	157,197
Lift Station 21 Improvements	391,813	4,230,485	0	0	0	0	4,622,298
Wastewater Vehicles and Heavy Equipment	1,264,701	0	0	0	0	0	1,264,701
Security and SCADA Improvements at WWTPs and Lift Station	200,000	219,985	242,728	266,179	294,028	324,203	1,547,123
Install/Replace Sanitary Sewer Lines	3,000,000	4,018,961	2,796,407	2,957,539	3,253,075	3,705,176	19,731,157
Wastewater Treatment Plant (WWTP) 5 Membranes and Equipment Expansion	2,537,173	317,286	335,569	0	0	0	3,190,028
Total	$21,384,923	$13,017,202	$13,816,487	$6,536,162	$40,206,750	$17,923,790	$112,885,314

Description - Current	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
	2024	2025	2026	2027	2028	2029	
Wastewater Treatment Plant (WWTP) 5 Membrane Bioreactor (MBR) Expansion	$0	$0	$0	$300,000	$18,800,000	$0	$19,100,000
Wastewater Treatment Plant (WWTP) 2 Biological Nutrient Removal or Membrane Bioreactor (MBR) Expansion	0	0	0	2,000,000	10,500,000	10,500,000	23,000,000
Laboratory	0	0	1,000,000	500,000	0	0	1,500,000
Lift Station 15 Improvements	0	0	4,000,000	0	0	0	4,000,000
Lift Station 2 Replacements	0	4,000,000	0	0	0	0	4,000,000
Lift Station 22 Improvements	5,066,628	0	0	0	0	0	5,066,628
Equipment for Recycled Water Operations	28,183	0	0	0	0	0	28,183
Injection Wells and Advance Water Treatment Facility	0	0	4,335,000	0	0	0	4,335,000
Wastewater Treatment Plant (WWTP) 2 Headworks	8,739,228	0	0	0	0	0	8,739,228
Equipment for Wastewater Treatment and Rehab of Lift Stations	157,197	0	0	0	0	0	157,197
Lift Station 21 Improvements	391,813	4,000,000	0	0	0	0	4,391,813
Wastewater Vehicles and Heavy Equipment	1,264,701	0	0	0	0	0	1,264,701
Security and SCADA Improvements at WWTPs and Lift Station	200,000	208,000	217,000	225,000	235,000	245,000	1,330,000
Install/Replace Sanitary Sewer Lines	3,000,000	3,800,000	2,500,000	2,500,000	2,600,000	2,800,000	17,200,000
Wastewater Treatment Plant (WWTP) 5 Membranes and Equipment Expansion	2,537,173	300,000	300,000	0	0	0	3,137,173
Total	$21,384,923	$12,308,000	$12,352,000	$5,525,000	$32,135,000	$13,545,000	$97,249,923

Table 1.3: Sewer CIP Allocation %

Description - Inflated	Capital Costs Allocated to Existing Customers (System Upgrade)	System Expansion Costs Allocated to New Customers	Total Allocation
Wastewater Treatment Plant (WWTP) 5 Membrane Bioreactor (MBR) Expansion	96%	4%	100%
Wastewater Treatment Plant (WWTP) 2 Biological Nutrient Removal or Membrane Bioreactor (MBR) Expansion	100%	0%	100%
Laboratory	100%	0%	100%
Lift Station 15 Improvements	100%	0%	100%
Lift Station 2 Replacements	100%	0%	100%
Lift Station 22 Improvements	100%	0%	100%
Equipment for Recycled Water Operations	100%	0%	100%
Injection Wells and Advance Water Treatment Facility	100%	0%	100%
Wastewater Treatment Plant (WWTP) 2 Headworks	90%	10%	100%
Equipment for Wastewater Treatment and Rehab of Lift Stations	100%	0%	100%
Lift Station 21 Improvements	100%	0%	100%
Wastewater Vehicles and Heavy Equipment	100%	0%	100%
Security and SCADA Improvements at WWTPs and Lift Station	100%	0%	100%
Install/Replace Sanitary Sewer Lines	95%	5%	100%
Wastewater Treatment Plant (WWTP) 5 Membranes and Equipment Expansion	100%	0%	100%

Table 1.4: Sewer CIP Allocation $

Description - Inflated	Capital Costs Allocated to Existing Customers (System Upgrade)	System Expansion Costs Allocated to New Customers	Total
Wastewater Treatment Plant (WWTP) 5 Membrane Bioreactor (MBR) Expansion	$22,877,047	$1,000,089	$23,877,136
Wastewater Treatment Plant (WWTP) 2 Biological Nutrient Removal or Membrane Bioreactor (MBR) Expansion	29,397,859	0	29,397,859
Laboratory	1,710,071	0	1,710,071
Lift Station 15 Improvements	4,474,251	0	4,474,251
Lift Station 2 Replacements	4,230,485	0	4,230,485
Lift Station 22 Improvements	5,066,628	0	5,066,628
Equipment for Recycled Water Operations	28,183	0	28,183
Injection Wells and Advance Water Treatment Facility	4,848,969	0	4,848,969
Wastewater Treatment Plant (WWTP) 2 Headworks	7,889,228	850,000	8,739,228
Equipment for Wastewater Treatment and Rehab of Lift Stations	157,197	0	157,197
Lift Station 21 Improvements	4,622,298	0	4,622,298
Wastewater Vehicles and Heavy Equipment	1,264,701	0	1,264,701
Security and SCADA Improvements at WWTPs and Lift Station	1,547,123	0	1,547,123
Install/Replace Sanitary Sewer Lines	18,813,429	917,728	19,731,157
Wastewater Treatment Plant (WWTP) 5 Membranes and Equipment Expansion	3,190,028	0	3,190,028
Total	$110,117,496	$2,767,818	$112,885,314

Table 1.5: Sewer Impact Fee Existing Standard

Description	Original Cost	Original Cost Less Depreciation	Replacement Cost New Less Depreciation (RCNLD)
Existing - Assets			
Land and Buildings	16,797,445	16,797,445	16,797,445
Manholes	3,781,207	3,454,522	4,836,026
Infrastructure	161,434	161,434	209,223
Equipment	535,619	535,619	635,396
Treatment and Lift Stations	87,920,917	87,920,917	89,378,052
Fleet	2,316,837	2,316,837	2,316,837
Mains and Pipes	12,701,900	12,701,900	16,462,101
Total Fixed Assets	124,215,359	123,888,675	130,635,081
Total Assets	124,215,359	123,888,675	130,635,081
Number of SFE's	29,039	29,039	29,039
Proposed Capacity Fee per SFE	$4,278	$4,266	$4,499
Current Capacity Fee per SFE	$1,999	$1,999	$1,999
Change	$2,279	$2,267	$2,500

Demand Capacity			4,600,000
Average Sewer Flows per person (gpd)	60.96		
Average Use per SFE (2.60 pph)		158	
Sewer Flows per SFE			158
Total SFEs			29,039

Meter Size	Ratio	Proposed Fee	Current Fee	Difference $	Difference %
5/8-inch	1.00	$4,499	$1,999	$2,500	125%
3/4-inch	1.50	6,748	2,999	3,749	125%
1-inch	2.50	11,247	4,998	6,249	125%
1 1/2-inch	5.00	22,493	9,995	12,498	125%
2-inch	8.00	35,989	15,992	19,997	125%



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Ste 550 OF. 523
Aurora, CO 80014
Phone: 303.990.4616
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THE CITY OF RIO RANCHO
CAPITAL IMPROVEMENTS PLAN
CITIZEN'S ADVISORY COMMITTEE (CIPCAC)
REGULAR MEETING MINUTES
April 22, 2024
6:00 PM
Hybrid (In-Person/Public ZOOM)
3200 CIVIC CENTER CIRCLE, NE; RIO RANCHO, NM 87144

CIPCAC Committee Members:	City Staff Present:
Cynthia Spring, Chair (virtual)	Amy Rincon, DSD Director
Rada Moss (virtual)	Michelle Costilla, Planner II
Tommy Knight (absent)	
Dan Darnell	
Kyle Olsen	

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The meeting called to order upon reaching a quorum at 6:12pm by Chair Spring.

CONSENT CALENDAR: October 23, 2023

Dan Darnell motions to approve the minutes at 6:13pm, second by Committee Member Moss. Motion passes by a vote of four (4) for and 0 against.

STAFF PRESENTATIONS, REPORTS, AND COMMENTS:

PUBLIC HEARINGS

At 6:14pm, Development Services Director Amy Rincon presents the items discussing the adoption of a resolution of the City of Rio Rancho, New Mexico for the Impact Fee's Land Use Assumptions and text amendments to the Rio Rancho Code of Ordinances (R.O. 2003) Chapter 150.30, and the Appendix.

The Land Use Assumptions serve as the basis for projecting the demand for capital improvements or facility expansions that will be needed to serve the anticipated growth of the City during the period 2023-2030.

The City is updating the impact fee schedule and is authorized to impose impact fees under New Mexico Statutes (NMSA 1978) § 5-8-1 through 5-8-42, the Development Fees Act. In conjunction with the Wildan consultant group research, stakeholder sessions, and City Council, staff proposed five options for the new schedule.

Option A would be a 20.31% initial increase rate with an increase 5% each following year until July 1, 2029.

Option B would be a 18.8% initial increase rate, followed by a 5% increase per year.

Option C would be a 18.8% initial increase rate, followed by a 3.5% increase per year.

Option D would be a 18.8% initial increase rate, followed by a step-down increase per year (4% for FY26-27, 3% for FY28-30).

Option E would be a 18.8% true-up followed by annual adjustment based on Producer's Price Index-Government Construction.

Rada Moss motions to recommend approval of the adoption of the Land Use Assumptions resolution and to recommend approval of Option C for the Impact Fee Update, second by Chair Spring. Motion passes by a vote of four (4) for and 0 against.

DISCUSSION AND DELIBERATION:

Discussion and deliberation for the election of the new Chair and Vice Chair begins at 6:55 pm. Dan Darnell motions to elect Kyle Olsen as the new Chair and Rada Moss as Vice Chair, second by Chair Spring. Motion passes by a vote of four (4) for and 0 against.

COMMENTS BY MEMBERS

PUBLIC FORUM

ADJOURNMENT:

Hearing no other business before the Committee, the Chair motioned to adjourn the meeting at 6:57 pm, second by Committee Member Darnell. Motion passes by a vote of four (4) for and 0 against.

_____ _____

Kyle Olsen, Chair, CIPCAC Date

Development Impact Fee Update

Governing Body Work Session
April 16, 2024

Rio Rancho
City of Vision



Roadmap

- Recap of previous GB Work Sessions
- Stakeholder Sessions
- Key Considerations
- Proposed Schedule
- Next Steps

Previous GB Work Sessions

- April 18, 2023 Wildan presented on Impact Fees and the methodologies the consultant would be using to propose updates to the Impact Fee Schedule

- August 15, 2023 Willdan presented on the Land Use Assumptions (LUA identifies additional demand created by new development, first step in calculating impact fees)

- October 17, 2023 Staff presented the “true-up” fourth methodology for impact fee calculations

- December 12, 2023 Staff presented the Subcategories to be charged in lieu of a specific impact fee applied to businesses that place a disproportionate burden on City infrastructure.

Stakeholder Sessions

Meetings

First Round

- 11/29/23: NAIOP
- 11/30/23: Chamber of Commerce
- 12/5/23: HBA

Second Round (Subcategories)

- 1/17/24: NAIOP and HBA
- 1/23/24: Chamber of Commerce

Supplemental Meetings

- 2/1/24: HBA

Stakeholder Sessions
Feedback and Response

HBA Feedback	Staff Comments
Agreed that a true-up makes sense yet expressed concern that the 5% increase each year may be a little high in the outer years if inflation moderates.	Subject to Governing Body input, it would be possible to use a step-down approach, lower annual fixed % increase, or annual adjustment based on actual inflation.
Suggested an updated true-up that incorporated this past year's CPI.	Staff has calculated an updated true-up incorporating the CPI and PPI through YE2023, resulting in a lower 18.8% true-up (down from 20.3%).
Expressed Concern that the new schedule will begin July 2024 because they have already started acquisition deals.	Rates are locked in in for 2-4 years with the preliminary plat approval. Impact Fee Update started 12 mos ago and the current schedule was slated to be updated as of 7/1/22.

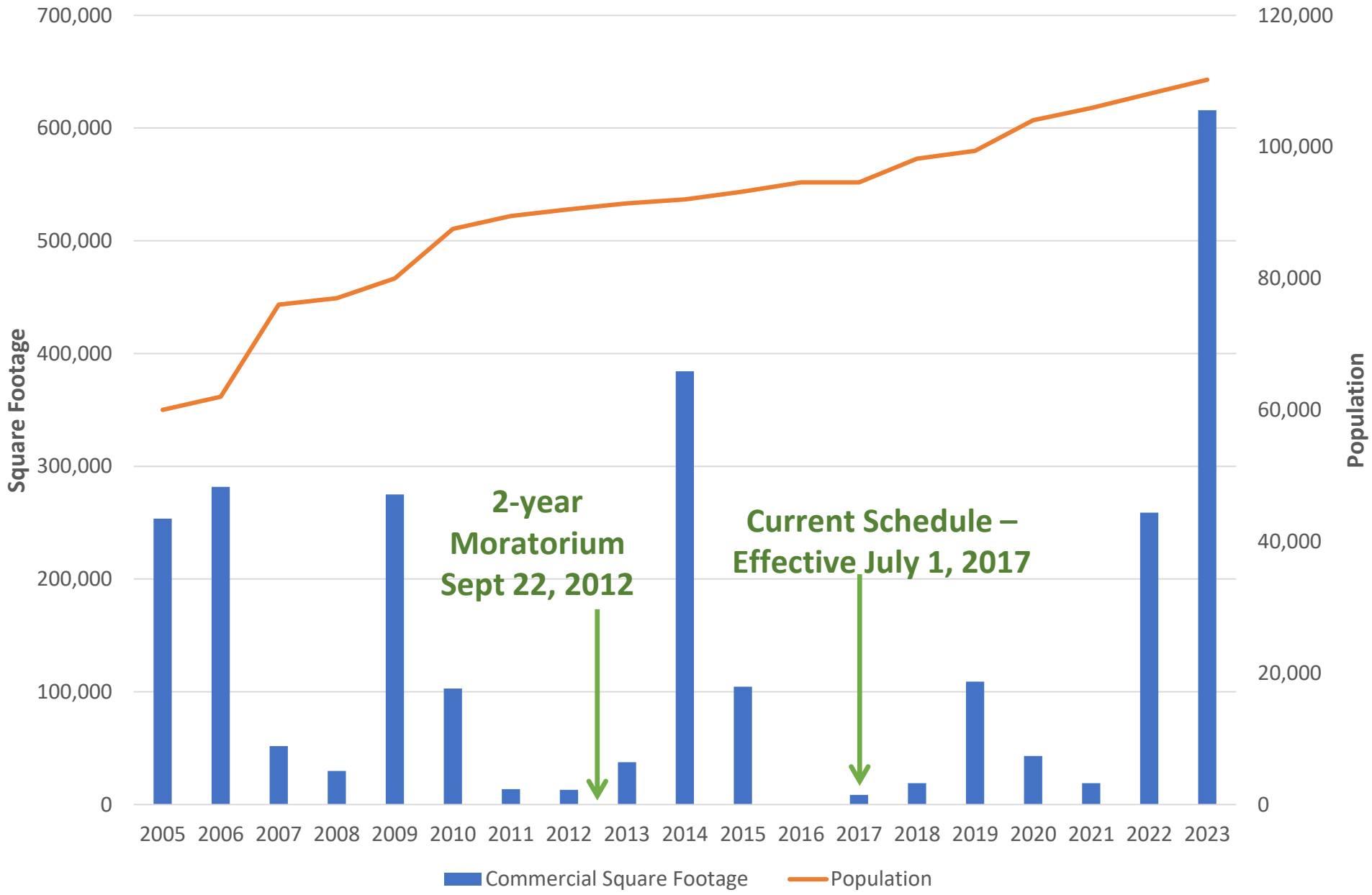
Stakeholder Sessions Feedback and Response

NAIOP Feedback	Staff Comments
Suggested establishing a payment plan for our water and wastewater impact fees.	Staff finds that this isn't common practice among other municipalities, though we do understand the ABCWUA has a process. The City would have to front any capital costs and recoup the impact fee overtime and in essence repay the utility for the capital expenditure that has already been made.

Stakeholder Sessions Feedback and Response

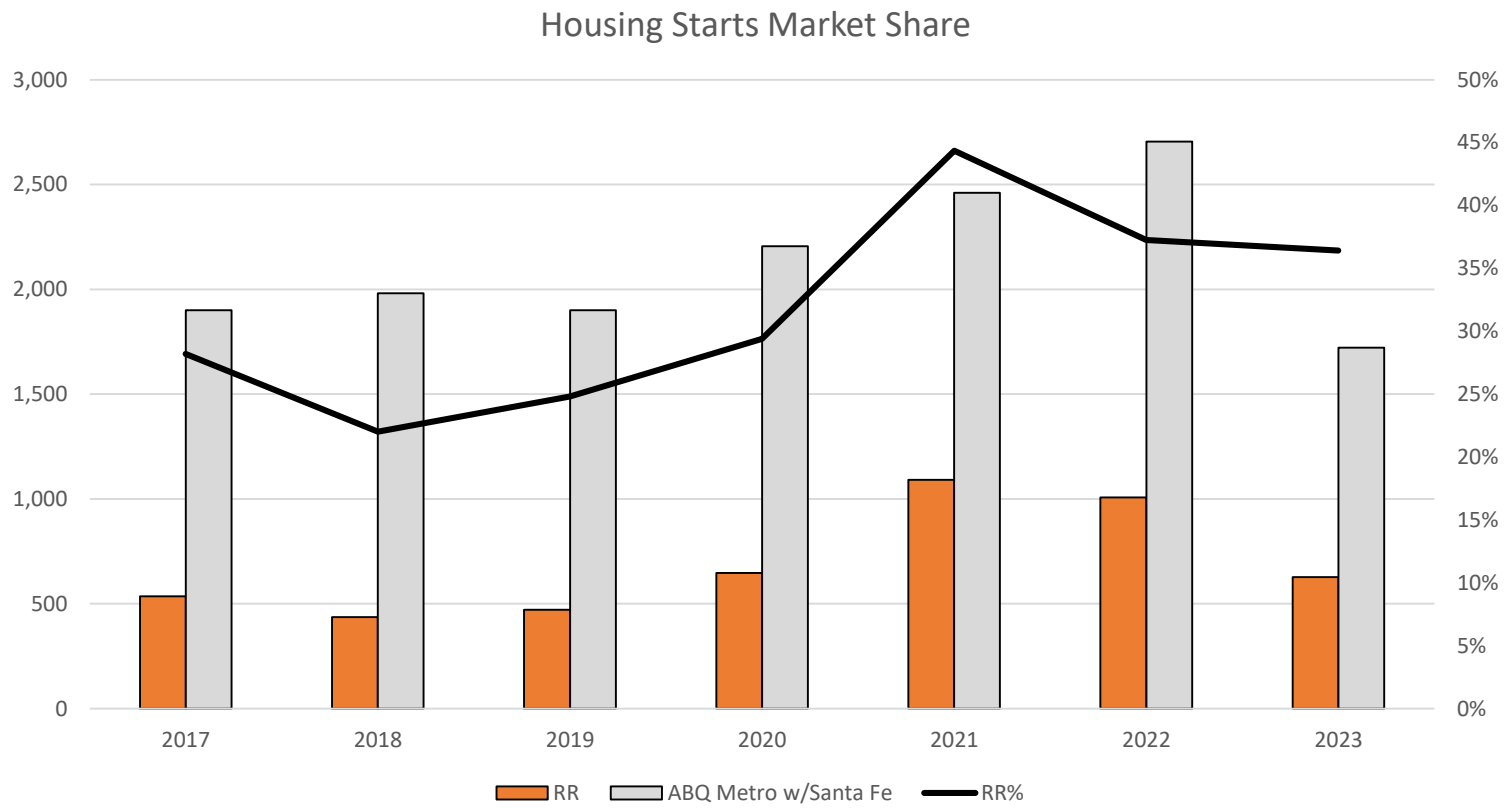
Rio Rancho Regional Chamber of Commerce Feedback	Staff Comments
The risk of slowing construction due to higher impact fees could lead to an overall lower budget for the city.	Impact Fees are only one of many factors that are considered with construction, existing entitlements, inflation, market absorption, land availability, available contractors etc.
Consider differentiated impact fees based on multifamily construction types, incentivizing lower fees for higher-density single-level housing that aligns with workforce housing needs.	City just adopted the Affordable Housing Plan which enables criteria for fee waiving and other funding sources; not exclusive to multifamily. The Impact Fees categories are separated by single family residential and multi-family residential.
Suggest exploring the possibility of reducing impact fees based on employee count or jobs that provide a livable wage, supporting housing affordability for employees.	Existing economic development tools such as LEDA which now includes retail in addition to e-based job creators enable impact fee waivers. Other tools include MRA, PID, TIDD and the purchasing of credits from other developers at below face value.
Before any impact fee increases, reconcile all impact fee tax credits to ensure accurate accountability.	Impact Fees and tax credits are two different items. Tax credits are administered by NMTRD or the IRS. Attached is a list of current estimated Impact Fee Credits.
Provide an annual report on impact fees charged, collected, and credits given, along with details on funds held in each category and their utilization in the past year.	Part of the annual budget report
Propose a one-time increase of 20%-25% beginning mid-fiscal year 1/1/2025, with no further increases for a three-year period.	True-up is intended to restore its purchasing power. No further increases erodes the purchasing power on top of the Developer locking-in fees for multiple years at preliminary plat.

Commercial Square Footage and Population By Year



Rio Rancho Single Family Residential Starts as a Percentage of the Metro

Fiscal Year	RR	ABQ Metro with Santa Fe	RR %
2017	536	1901	28.2%
2018	436	1981	22.0%
2019	472	1901	24.8%
2020	648	2205	29.4%
2021	1091	2460	44.3%
2022	1008	2705	37.3%
2023	627	1722	36.4%



Key Considerations

- The Current Schedule has been in effect since July 1, 2021
- The intent of the “true-up” is to bridge the erosion of City purchase power since 2017 and over the three years with no increase; that is, to try to restore the fees back to a level where the same amount of infrastructure can be purchased as in 2017
- Developers commonly lock-in Impact Fee rates for 2-4 years
- Credits are more favorable to the Developer and Business. It provides for supplemental income for the development’s infrastructure costs and allow other business to buy credits below face value to “save money at the window”
- Under any of the scenarios presented, several categories will only reach their FY17 (previous schedule) or FY18 (year one of current schedule) in later years, including:
  - Parks (SFR) – In FY17 the fee was $1,258, in the proposed scheduled it will be $1,251.50 in 2029
  - Non-residential Road fees will not catch up
  - Residential and Non-Residential Bikeways and Trails won’t catch up
  - Public Safety fees will only exceed in the Office/Institutional category

Key Considerations (Con't)

- Proposed Impact Fees are in the range of other communities' current schedules in the 5-county area (several of which are in the process of updating their Impact Fees)
  - Additionally, Rio Rancho has a very competitive GRT rate that translates into a $1500-$3000 savings per dwelling unit
- Impact Fees are important to funding the City's ICIP:
  - The proposed ICIP is $614M, of which 43% or $264.5M is growth related.
  - Of the $264.5M an estimated $96.7M, or 37% has funding TBD
  - Growth comprises
    - Public Works: 39%
    - Utilities: 39%
    - Public Safety: 58%
    - Parks: 65%

Proposed Schedule and Alternatives

Impact Fee Schedule Options

- Option A – Originally Proposed:
  - 20.31% true-up, followed by 5% increase per year
- Option B:
  - 18.8% true-up, followed by 5% increase per year
- Option C:
  - 18.8% true-up, followed by 3.5% increase per year
- Option D:
  - 18.8% true-up, followed by a step-down increase per year:
    - 4% for FY25-27, 3% for FY28-30
- Option E:
  - 18.8% true-up followed by annual adjustment based on Producer's Price Index-Government Construction

Side-by-Side Comparison

	Previous Schedule	Current Schedule	Option A		Option B		Option C		Option D	
	7/1/2016	7/1/2021	20.31% / 5%		18.8% / 5%		18.8% / 3.5%		18.8% / 4%/4%/3%/3%/3%	
			FY25: Year 1	FY30: Year 6	FY25: Year 1	FY30: Year 6	FY25: Year 1	FY30: Year 6	FY25: Year 1	FY30: Year 6
Single Family Residential (per unit)	$9,882.00	$10,718.00	$ 12,331.60	$ 15,738.60	$ 12,224.10	$ 15,601.40	$ 12,224.10	$ 14,518.40	$ 12,224.10	$ 14,447.59
Multi-family residential (per unit)	$2,967.00	$3,895.00	$ 4,685.89	$ 5,980.52	$ 4,627.26	$ 5,905.69	$ 4,627.26	$ 5,495.73	$ 4,627.26	$ 5,468.93
Commercial (per 1,000 sq ft)	$5,000.00	$1,955.00	$ 2,351.97	$ 3,001.77	$ 2,322.54	$ 2,964.21	$ 2,322.54	$ 2,758.45	$ 2,322.54	$ 2,744.99
Office/institutional (per 1,000 sq ft)	$3,465.00	$1,434.50	$ 1,725.78	$ 2,202.58	$ 1,704.19	$ 2,175.02	$ 1,704.19	$ 2,024.04	$ 1,704.19	$ 2,014.17
Industrial/warehouse (per 1,000 sq ft)	$2,155.00	$495.00	$ 595.51	$ 760.04	$ 588.06	$ 750.53	$ 588.06	$ 698.43	$ 588.06	$ 695.02

Option A – Originally Proposed: 20.31% true-up, followed by 5% increase per year

Option A		Proposed Fee Schedule: 2024-2029				
		20.31% True-Up - 5% Annually				
	BEGINNING July 1, 2024	**BEGINNING July 1, 2025**	**BEGINNING July 1, 2026**	**BEGINNING July 1, 2027**	**BEGINNING July 1, 2028**	**BEGINNING July 1, 2029**
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	FY25	FY26	FY27	FY28	FY29	FY30
	TRUE-UP	**5% Increase Annually thru FY30**				
Total (excluding drainage)						
Single Family Residential (per unit)	$ 12,332	$ 12,948	$ 13,596	$ 14,275	$ 14,989	$ 15,739
Multi-family residential (per unit)^	$ 4,686	$ 4,920	$ 5,166	$ 5,425	$ 5,696	$ 5,981
Commercial (per 1,000 sq ft)^	$ 2,352	$ 2,470	$ 2,593	$ 2,723	$ 2,859	$ 3,002
Office/institutional (per 1,000 sq ft)^	$ 1,726	$ 1,812	$ 1,903	$ 1,998	$ 2,098	$ 2,203
Industrial/warehouse (per 1,000 sq ft)^	$ 596	$ 625	$ 657	$ 689	$ 724	$ 760

Note(s): ^ Plus Water/Sewer based on meter size

Option B:
18.8% true-up, followed by 5% increase per year

Option B		Proposed Fee Schedule: 2024-2029				
		18.8% True-Up - 5% Annually				
	BEGINNING July 1, 2024	**BEGINNING July 1, 2025**	**BEGINNING July 1, 2026**	**BEGINNING July 1, 2027**	**BEGINNING July 1, 2028**	**BEGINNING July 1, 2029**
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	FY25	FY26	FY27	FY28	FY29	FY30
	TRUE-UP	**5% Increase Annually thru FY30**				
Total (excluding drainage)						
Single Family Residential (per unit)	$ 12,224	$ 12,835	$ 13,477	$ 14,151	$ 14,858	$ 15,601
Multi-family residential (per unit)^	$ 4,627	$ 4,859	$ 5,102	$ 5,357	$ 5,624	$ 5,906
Commercial (per 1,000 sq ft)^	$ 2,323	$ 2,439	$ 2,561	$ 2,689	$ 2,823	$ 2,964
Office/institutional (per 1,000 sq ft)^	$ 1,704	$ 1,789	$ 1,879	$ 1,973	$ 2,071	$ 2,175
Industrial/warehouse (per 1,000 sq ft)^	$ 588	$ 617	$ 648	$ 681	$ 715	$ 751
Note(s):	^ Plus Water/Sewer based on meter size					

Option C:
18.8% true-up, followed by 3.5% increase per year

Option C		Proposed Fee Schedule: 2024-2029				
		18.8% True-Up - 3.5% Annually				
	BEGINNING July 1, 2024	**BEGINNING July 1, 2025**	**BEGINNING July 1, 2026**	**BEGINNING July 1, 2027**	**BEGINNING July 1, 2028**	**BEGINNING July 1, 2029**
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	FY25	FY26	FY27	FY28	FY29	FY30
	TRUE-UP	**3.5% Increase Annually thru FY30**				
Total (excluding drainage)						
Single Family Residential (per unit)	$ 12,224	$ 12,652	$ 13,095	$ 13,553	$ 14,027	$ 14,518
Multi-family residential (per unit)^	$ 4,627	$ 4,789	$ 4,957	$ 5,130	$ 5,310	$ 5,496
Commercial (per 1,000 sq ft)^	$ 2,323	$ 2,404	$ 2,488	$ 2,575	$ 2,665	$ 2,758
Office/institutional (per 1,000 sq ft)^	$ 1,704	$ 1,764	$ 1,826	$ 1,889	$ 1,956	$ 2,024
Industrial/warehouse (per 1,000 sq ft)^	$ 588	$ 609	$ 630	$ 652	$ 675	$ 698
Note(s):	^ Plus Water/Sewer based on meter size					

Option D:
18.8% true-up, followed by a step-down increase per year: 4% for FY26-27, 3% for FY28-30

Option D		Proposed Fee Schedule: 2024-2029				
		18.8% True-Up, 4% for FY26-27, 3% for FY28-30				
	BEGINNING July 1, 2024	**BEGINNING July 1, 2025**	**BEGINNING July 1, 2026**	**BEGINNING July 1, 2027**	**BEGINNING July 1, 2028**	**BEGINNING July 1, 2029**
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	FY25	FY26	FY27	FY28	FY29	FY30
	TRUE-UP	**4%**	**4%**	**3%**	**3%**	**3%**
Total (excluding drainage)						
Single Family Residential (per unit)	$ 12,224	$ 12,713	$ 13,222	$ 13,618	$ 14,027	$ 14,448
Multi-family residential (per unit)^	$ 4,627	$ 4,812	$ 5,005	$ 5,155	$ 5,310	$ 5,469
Commercial (per 1,000 sq ft)^	$ 2,323	$ 2,415	$ 2,512	$ 2,587	$ 2,665	$ 2,745
Office/institutional (per 1,000 sq ft)^	$ 1,704	$ 1,772	$ 1,843	$ 1,899	$ 1,956	$ 2,014
Industrial/warehouse (per 1,000 sq ft)^	$ 588	$ 612	$ 636	$ 655	$ 675	$ 695

Note(s): ^ Plus Water/Sewer based on meter size

Option E:
18.8% true-up followed by annual adjustment based on Producer's Price Index-Gov't Construction

- Pros:
  - Should move in line with City's construction costs
  - Acknowledges that both development community and City may face increased construction cost
- Cons:
  - Future numbers are not concretely published
  - May require annual ordinance update

Side-by-Side Comparison

	Previous Schedule	Current Schedule	Option A		Option B		Option C		Option D	
	7/1/2016	7/1/2021	20.31% / 5%		18.8% / 5%		18.8% / 3.5%		18.8% / 4%/4%/3%/3%/3%	
			FY25: Year 1	FY30: Year 6	FY25: Year 1	FY30: Year 6	FY25: Year 1	FY30: Year 6	FY25: Year 1	FY30: Year 6
Single Family Residential (per unit)	$9,882.00	$10,718.00	$ 12,331.60	$ 15,738.60	$ 12,224.10	$ 15,601.40	$ 12,224.10	$ 14,518.40	$ 12,224.10	$ 14,447.59
Multi-family residential (per unit)	$2,967.00	$3,895.00	$ 4,685.89	$ 5,980.52	$ 4,627.26	$ 5,905.69	$ 4,627.26	$ 5,495.73	$ 4,627.26	$ 5,468.93
Commercial (per 1,000 sq ft)	$5,000.00	$1,955.00	$ 2,351.97	$ 3,001.77	$ 2,322.54	$ 2,964.21	$ 2,322.54	$ 2,758.45	$ 2,322.54	$ 2,744.99
Office/institutional (per 1,000 sq ft)	$3,465.00	$1,434.50	$ 1,725.78	$ 2,202.58	$ 1,704.19	$ 2,175.02	$ 1,704.19	$ 2,024.04	$ 1,704.19	$ 2,014.17
Industrial/warehouse (per 1,000 sq ft)	$2,155.00	$495.00	$ 595.51	$ 760.04	$ 588.06	$ 750.53	$ 588.06	$ 698.43	$ 588.06	$ 695.02

Next Steps

- 4/22/24: CIPCAC review on updated Impact Fee schedule
- 5/14/24: Planning and Zoning Board Hearing
- 5/23/24: Governing Body Hearing- 1st Reading
- 6/13/24: Governing Body Hearing- 2nd Reading
- 7/1/24: Implementation

Appendix

Summary of Existing Impact Fee Credits

Development Agreements[2]	ROADS	TRAILS	PARKS	BLIC SAFE	WATER	SEWER	RAINAG	TOTAL
Lomas Encantadas DA (boundary)[1]	$2,633,027	$119,917	$697,540		$232,955	($248,447)		$3,434,990
Los Diamantes DA	$526,190	$22,576	$475,960	$308,936	$500,710	$217,891		$2,052,263
Melon Ridge DA	$42,540	$390,873			$16,263		$0	$449,676
Stonegate DA	$2,214,693	$26,336	$1,035,334		$646,988	$1,891,254		$5,814,605
Tierra del Norte DA	$364,762				$43,051		$0	$407,813
Broadmoor Heights DA	$1,212,390		$278,730					$1,491,120
Cabezon DA	$3,759							$3,759
Hawksite DA (boundary)[1]	$1,850,974	$43,835	($4,380)		$286,268	$845,801		$3,022,498
Enchanted Hills DA Non-residential								$0
Loma Colorado DA (boundary)[1]	$2,559,488	$79,385						$2,638,873
JLM DA	$87,900							$87,900
Mariposa (2000 dwelling units)								
Vatapa Rd DA	$152,713							$152,713

[1] Excess Credits can only be used within a specific boundary outside of the DA boundary

[2] These are estimates until the infrastructure is built and accepted where the final creditable amount is determined.

The Gap in Impact Fees and Purchase Power

	Percentage of change from July 1, 2017 - June 30, 2023	Gap (Increase in Index %-Impact Fee Increase %)
Impact Fees	13.69%	-
Consumer Price Index	27.50%	13.81%
Producer Price Index – Final Demand	22.70%	9.01%
Producer Price Index - Construction	42.90%	29.21%
	Proposed "True-Up"	
Option A	17.34%	Average of CPI, PPI Final Demand and PPI Construction
Option B	20.31%	Weighted towards construction costs (50% PPI Construction, 25% PPI Final Demand and 25% CPI)

Option A (20.31% + 5% Annual): SFR Proposed Impact Fee Schedule –Per Unit

Impact Fee Type	FY17 Previous Schedule (eff 7/1/16)	Current Schedule (eff 7/1/21)	Beginning July 1, 2024	Beginning July 1, 2025	Beginning July 1, 2026	Beginning July 1, 2027	Beginning July 1, 2028	Beginning July 1, 2029	Difference 2029 vs 2021
Roadways	$2,691	$3,759	$4,521.50	$4,748	$4,985	$5,234.50	$5,496	$5,771	$2,012
Bikeways and Trails	$32	$40	$48	$50.50	$53	$55.50	$58.50	$61.50	$21.50
Parks	$1,258	$815	$980.50	$1,029.50	$1,081	$1,135	$1,192	$1,251.50	$436.50
Public Safety	$339	$529	$636.50	$668	$701.50	$736.50	$773.50	$812	$283
Water 5/8'' meter	$3,264	$3,577	$3,740	$3,927	$4,123.50	$4,329.50	$4,546	$4,773.50	$1,196.50
Sewer 5/8'' meter	$2,298	$1,999	$2,405	$2,525	$2,651.50	$2,784	$2,923	$3,069.50	$1,070.50
Drainage- Only When Necessary	$4,465	$4,465	$2,444	$2,566	$2,694.50	$2,829	$2,970.50	$3,119	($1,346)
Total (Without Drainage)	$9,882	$10,718	$12,331.50	$12,948	$13,595.50	$14,275	$14,989	$15,739	$5,021

Option A (20.31% + 5% Annual): MFR Proposed Impact Fee Schedule –Per Unit

Impact Fee Type	FY17 Previous Schedule (eff 7/1/16)	Current Schedule (eff 7/1/21)	Beginning July 1, 2024	Beginning July 1, 2025	Beginning July 1, 2026	Beginning July 1, 2027	Beginning July 1, 2028	Beginning July 1, 2029	Difference 2029 vs 2021
Roadways	$1,887	$2,631	$3,165	$3,323.50	$3,489.50	$3,664	$3,847.50	$4,039.50	$1,409
Bikeways and Trails	$23	$33	$39.50	$41.50	$44	$46	$48.50	$50.50	$18
Parks	$832	$702	$844.50	$887	$931	$977.50	$1,026.50	$1,078	$376
Public Safety	$225	$529	$636.50	$668	$701.50	$736.50	$773.50	$812	$283
Water 3/4'' meter	$4,896	$5,365	$5,610	$5,890.50	$6,185	$6,494.50	$6,819	$7,160	$1,795
Sewer 3/4'' meter	$3,447	$2,999	$3,608	$3,788.50	$3,978	$4,176.50	$4,385.50	$4,605	$1,606
Drainage- Only When Necessary	$1,191	$1,855	$2,105	$2,210.50	$2,231	$2,437	$2,558.50	$2,686.50	$832
Total* (Without Drainage)	$2,967	$3,895	$4,685.50	$4,920	$5,166	$5,424	$5,696	$5,980	$2,085

* Plus water and sewer based on meter size

Option A (20.31% + 5% Annual): Result/Comparisons- Single Family Residential

	Rio Rancho FY17 (eff 7/1/16)	Rio Rancho Current 7/1/21)	Albuquerque Current 2012	Bernalillo County Current 2013	July 1, 2024 for Rio Rancho	July 1, 2025 for Rio Rancho	July 1, 2026 for Rio Rancho	July 1, 2027 for Rio Rancho	July 1, 2028 for Rio Rancho	July 1, 2029 for Rio Rancho
Single Family Residential (Per Unit)	$9,882	$10,718	$12,547	$14,904	$12,331	$12,948	$13,596	$14,276	$14,990	$15,737

- Excluding Drainage
- Based on a 5/8'' Water and Sewer Meter
- Albuquerque and Bernalillo County water/sewer fees are payable to the Water Authority

Option A: Commercial, Office/Institutional, Industrial Proposed Impact Fee Schedule- Per 1,000 square feet

Impact Fee Type	FY17 Previous Schedule	Current Schedule	Beginning July 1, 2024	Beginning July 1, 2025	Beginning July 1, 2026	Beginning July 1, 2027	Beginning July 1, 2028	Beginning July 1, 2029
Roadways								
Commercial	$4,196	↓ $1,729	$2,080	$2,184	$2,293.50	$2,408	$2,528.50	$2,655
Office/Institutional	$3,094	↓ $749	$900.50	$945.50	$993	$1,042.50	$1,094.50	$1,149.50
Industrial/Warehouse	$1,955	↓ $473	$569	$597.50	$627.50	$658.50	$691.50	$726.50
Bikeways and Trails								
Commercial	$49	↓ $6	$7	$7.50	$8	$8	$9	$9
Office/Institutional	$36	↓ $16	$19	$20	$21	$22	$23	$25
Industrial/Warehouse	$23	↓ $2	$2.50	$2.50	$2.50	$3	$3	$3
Public Safety								
Commercial	$755	↓ $220	$264.50	$278	$292	$306.50	$321.50	$338
Office/Institutional	$335	↓ $670	$806	$846.50	$888.50	$933	$980	$1,028.50
Industrial/Warehouse	$177	↓ $20	$24	$25.50	$26.50	$28	$29	$30.50

Option A: Commercial, Office/Institutional, Industrial Proposed Impact Fee Schedule- Per 1,000 square feet

Impact Fee Type	FY17 Previous Schedule	Current Schedule	Beginning July 1, 2024	Beginning July 1, 2025	Beginning July 1, 2026	Beginning July 1, 2027	Beginning July 1, 2028	Beginning July 1, 2029
Water								
1" meter	$8,160	$8,941	$8,941	$9,388	$9,857.50	$10,350.50	$10,868	$11,411
1 1/2" meter	$16,320	$17,883	$17,883	$18,777	$19,716	$20,702	$21,737	$22,883.50
2" meter	$26,112	$28,612	$28,612	$30,042.50	$31,544.50	$33,122	$34,778	$36,517
Sewer								
1" meter	$5,745	$4,998	$6,013	$6,313.50	$6,629	$6,960.50	$7,309	$7,674
1 1/2" meter	$11,490	$9,995	$12,024.50	$12,625.50	$13,257	$13,920	$14,616	$15,346.50
2" meter	$18,384	$15,992	$19,239	$20,201	$21,211	$22,272	$23,385.50	$24,554.50
Total* (Without Drainage)								
Commercial	$5,000	$1,955	$2,351.50	$2,469.50	$2,593.50	$2,722.50	$2,859	$3,002
Office/Institutional	$3,465	$ 1,435	$1,725.50	$1,812	$1,902.50	$1,997.50	$2,097.50	$2,203
Industrial/ Warehouse	$2,155	$495	$595.50	$625.50	$656.50	$689.50	$723.50	$760

* Plus water and sewer based on meter size

Option A (20.31% + 5% Annual) Result/Comparisons- Commercial for 5,000 square foot building

	Rio Rancho FY17	Rio Rancho Current	ABQ Current 2012	Bernalillo County Current 2013	July 1, 2024 for Rio Rancho	July 1, 2025 for Rio Rancho	July 1, 2026 for Rio Rancho	July 1, 2027 for Rio Rancho	July 1, 2028 for Rio Rancho	July 1, 2029 for Rio Rancho
Commercial	$38,905	$23,714	$22,617	$20,614	$26,714	$28,049	$29,452	$30,921	$32,474	$34,095
Per SF	$7.78	$4.74	$4.52	$4.12	$5.34	$5.61	$5.89	$6.18	$6.49	$6.82

- Rio Rancho excludes drainage, ABQ and Bernalillo charge drainage on impervious surface
- Based on a 1’’ meter size



Option A (20.31% + 5% Annual) Result/Comparisons- Office for 10,000 square foot building

	Rio Rancho FY17	Rio Rancho Current	ABQ Current 2012	Bernalillo County Current 2013	July 1, 2024 for Rio Rancho	July 1, 2025 for Rio Rancho	July 1, 2026 for Rio Rancho	July 1, 2027 for Rio Rancho	July 1, 2028 for Rio Rancho	July 1, 2029 for Rio Rancho
Office	$62,460	$42,223	$38,275	$35,544	$47,165	$49,524	$52,000	$54,592	$57,322	$60,201
Per SF	$6.25	$4.22	$3.83	$3.55	$4.72	$4.95	$5.20	$5.46	$5.73	$6.02

- Rio Rancho excludes drainage, ABQ and Bernalillo charge drainage on impervious surface
- Based on a 1.5’’ meter size

Result/ Comparisons- Industrial for 10,000 square foot building

	Rio Rancho FY17	Rio Rancho Current	ABQ Current 2012	Bernalillo County Current 2013	July 1, 2024 for Rio Rancho	July 1, 2025 for Rio Rancho	July 1, 2026 for Rio Rancho	July 1, 2027 for Rio Rancho	July 1, 2028 for Rio Rancho	July 1, 2029 for Rio Rancho
Industrial	$66,046	$49,554	$57,125	$53,782	$53,806	$56,497	$59,321	$62,294	$65,408	$68,672
Per SF	$6.60	$4.96	$5.71	$5.38	$5.38	$5.65	$5.93	$6.23	$6.54	$6.87

- Rio Rancho excludes drainage, ABQ and Bernalillo charge drainage impervious surface
- Based on a 2’’ meter size



Subcategories

Categories

Commercial

- Restaurants
- Shops
- Stores
- Car Washes
- Hotels/Motels

Office/ Institutional

- Banks
- Hospitals
- Medical Complexes
- Office Buildings
- Churches

Industrial

- Self Storage
- Manufacturing
- Warehousing
- Wholesale
- Truck and Trailer Rentals

Sample Sub-Categories

Bernalillo County Road Subcategories

- Elementary School
- Mid-School
- High School
- Day Care Center
- Hospital
- Nursing Home
- Shopping Center
- Quality Restaurant
- Fast Food Restaurant
- High Turnover Sit-Down Restaurant
- Free-Standing Discount Superstore

Odessa, TX Road Subcategories

- Assisted Living Facilities

For your consideration – Select subcategory fees

- A subcategory fee is charged in lieu of a specific impact fee and is applied to businesses that place a disproportionate burden on City infrastructure.
- Examples
  - Quick Service Restaurants
  - Car Washes
  - Assisted Living Facilities
- Affected Infrastructure
  - Roads
  - Public Safety
  - Water

Summary of subcategory recommendation

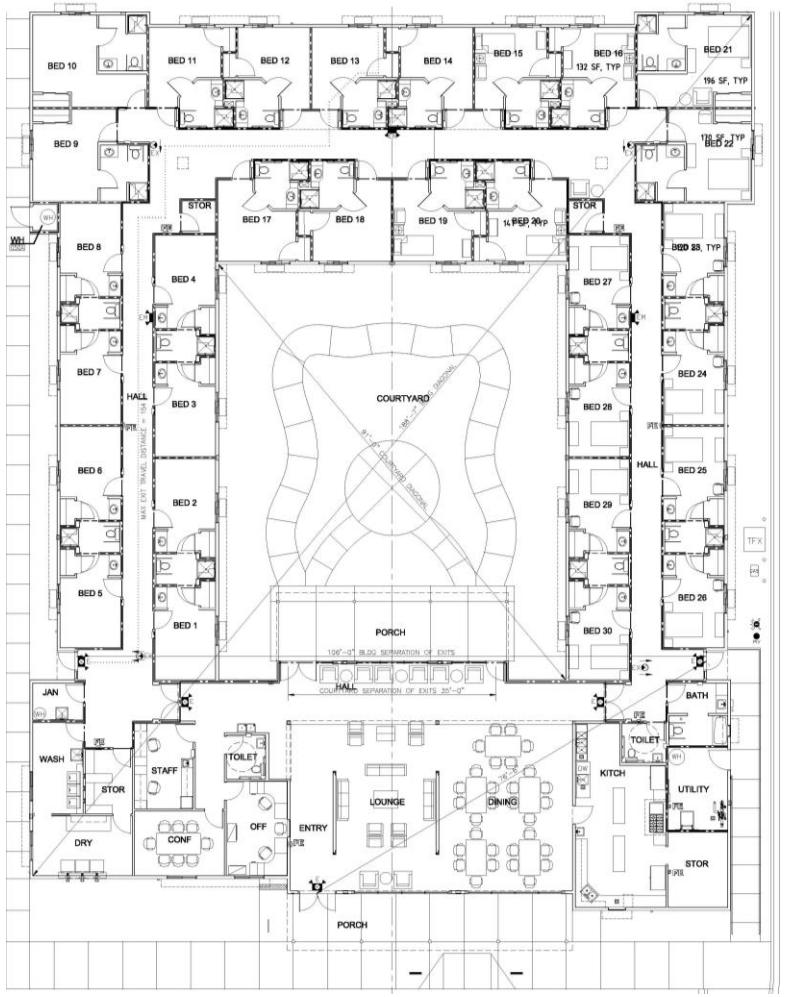
Subcategory	Proposed Baseline Fee	Proposed Subcategory Fee	Difference
Quick Service Restaurants	$2,080 per 1,000 sf	$3,600 per 1,000 sf	$1,520 per 1,000 sf
Car Washes	$2,080 per 1000 sf	$3,600 per 1,000 sf	$1,520 per 1,000 sf
Assisted Living Facilities	$806 per 1000 sf	$843 per bed	-

Subcategory- Assisted Living (Per Bed)

	Public Safety	Roadways
Bernalillo County (2013)	0	$596 per bed
Odessa, TX	0	$1,681 per bed
Rio Rancho-FY25 Proposed (Baseline, per 1,000 sf)	$806 per 1,000 sf	-
Rio Rancho – Method 1	$1,685 per bed	0
Rio Rancho – Method 2	$3,192 per bed	0
Rio Rancho – Method 3	$8,945 per bed	0
Rio Rancho-FY25 Recommendation – 50% method 1	$843 per bed	-

Calculations

13,060 sf., 30 beds



First year of 5 year Impact Fees Schedule Based on Square Footage

Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
$11,760	$251	$0	$10,527	$17,883	$12,025	$52,446

FY25 Recommended Safety Impact Fees Based on Bed Count

	Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
Method 1 $1,685/ bed	$11,760	$251	$0	$50,550	$17,883	$12,025	$92,469
Method 2 $3,192/ bed	$11,760	$251	$0	$95,760	$17,883	$12,025	$137,679
Method 3 $8,945/ bed	$11,760	$251	$0	$268,350	$17,883	$12,025	$406,029
Proposed – 50% Method 1				$25,290			$67,209

- Excluding Drainage
- 1.5’’ Meter

Who pays for development?

- Is it development that causes the strains on the system?
- Is it the broader tax/user base, based on the presumption that growth ultimately expands the pie, benefiting everyone?
- It is a question GBs across the country have grappled with for decades:
  - Too high - you may stifle development
  - Too low – you will exasperate already stretched, limited infrastructure funding as you need to fund expansion of infrastructure in addition to re-investment in existing infrastructure
- 1-Time expenditure versus long-term operations/ownership and maintenance

Result/ Comparisons- Commercial

	July 1, 2024 for Rio Rancho	July 1, 2025 for Rio Rancho	July 1, 2026 for Rio Rancho	July 1, 2027 for Rio Rancho	July 1, 2028 for Rio Rancho	July 1, 2029 for Rio Rancho
Commercial 5,000 sf	$26,714	$28,049	$29,452	$30,921	$32,474	$34,095
Commercial 30,000 sf	$85,513	$89,789	$94,278	$98,971	$103,959	$109,145
Commercial 50,000 sf	$132,552	$139,180	$146,139	$153,411	$161,147	$169,185

- Excluding drainage
- Based on a 1’’ meter size

Quick Service Restaurants



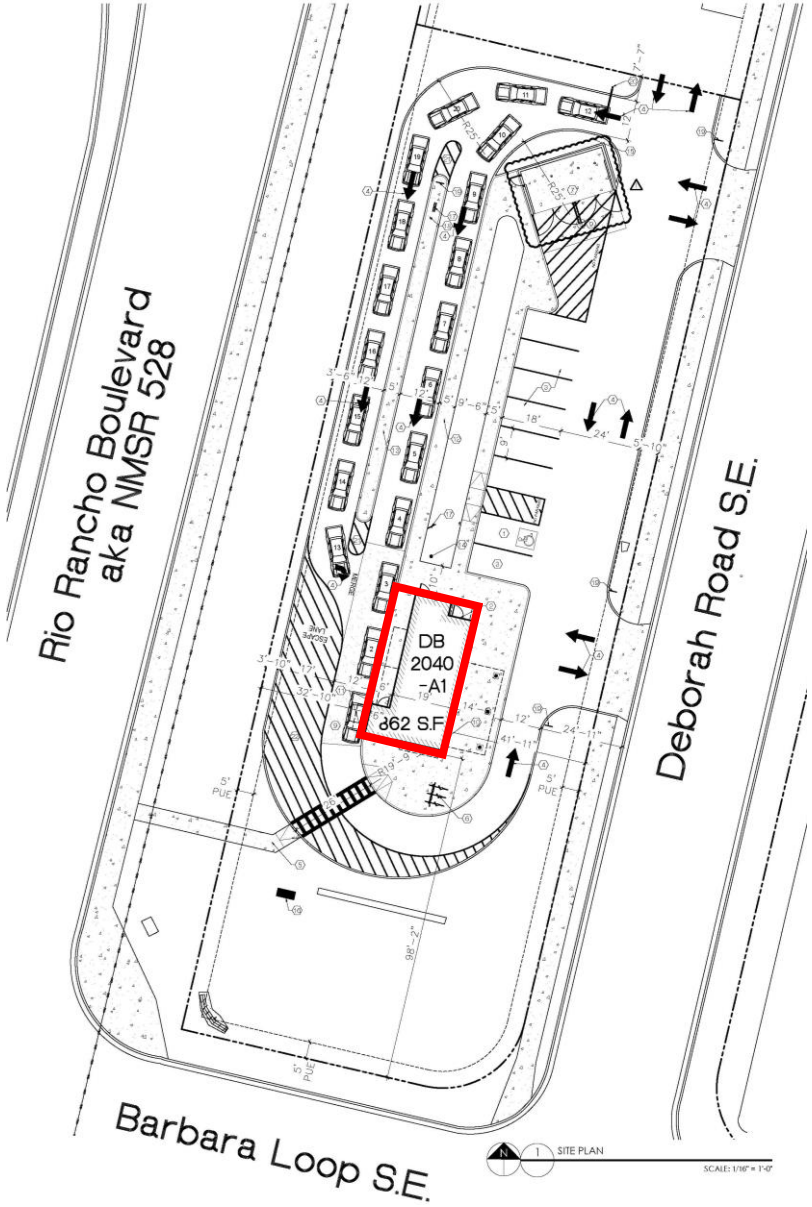


Subcategory- High Impact (Per 1,000 sf)

	Roadways
Bernalillo County (2013)	$12,850
Odessa, TX	$56,181
Rio Rancho-FY25 Proposed (Baseline)	$2,080
Rio Rancho – Method 1	$121,639
Rio Rancho – Method 2	$111,709
Rio Rancho – Method 3	$3,600
Rio Rancho-FY25 Recommendation – Method 3	$3,600

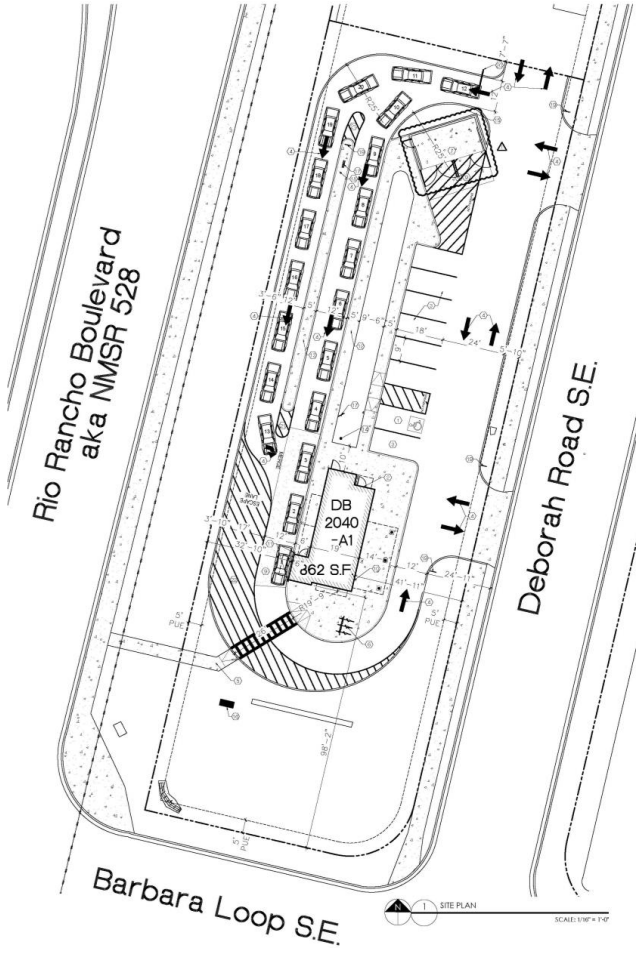
Quick Service Restaurants

- 862 square foot building on an 0.7 acre (30,492 square feet) site
- Two-lane drive through
- Increased traffic
- Minimal on-premise seating
- Floor to area ratio: 2.8%



Calculations

862 sf.



FY25 Baseline Impact Fees Based on Square Footage

Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
$1,793	$6	$0	$228	$5,610	$3,608	$11,245

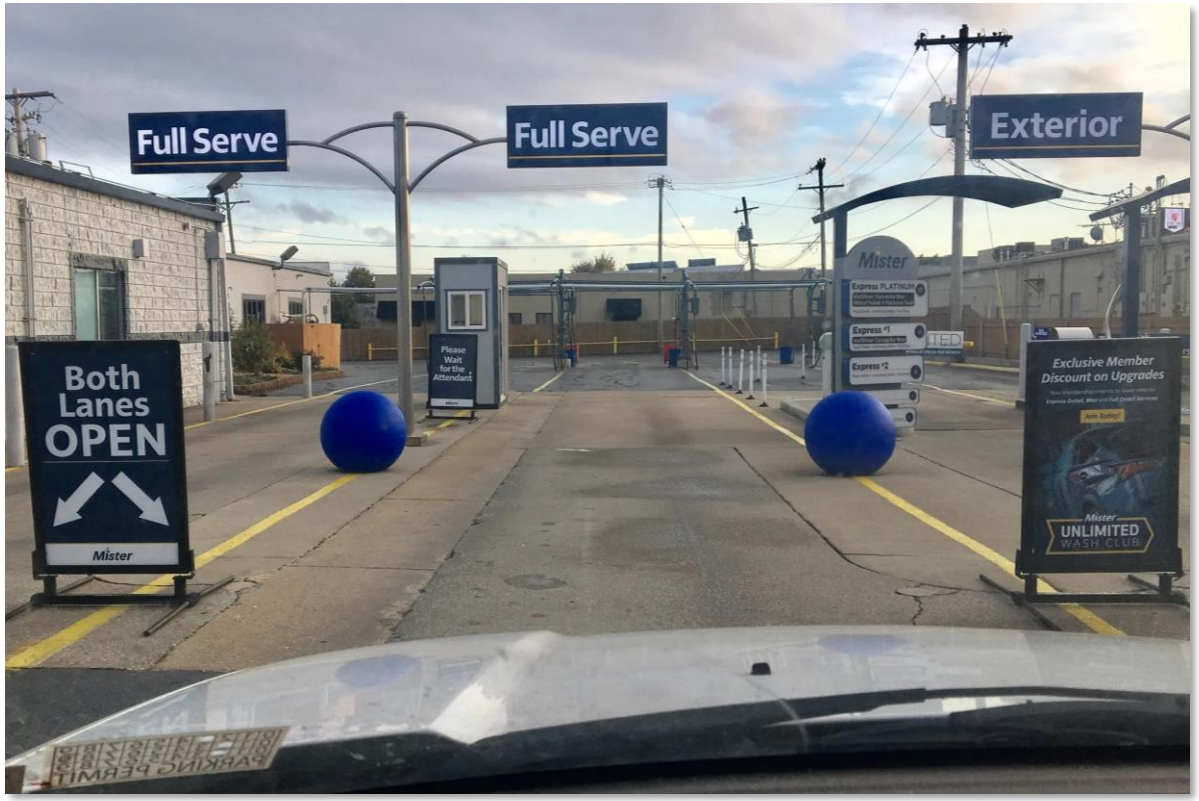
FY25 Recommended Impact Fees Based on Square Footage

	Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
Method 1 $121,639/ 1,000 sf	$104,853	$6	$0	$228	$5,610	$3,608	$114,305
Method 2 $111,709/ 1,000 sf	$96,293	$6	$0	$228	$5,610	$3,608	$105,745
Method 3 $3,600/ 1,000 sf	$3,103	$6	$0	$228	$5,610	$3,608	$12,555
Proposed $3,600/ 1,000 sf	$3,103						$12,555

- Drainage N/A
- 3/4'' Meter

Car Washes


ENTER
UNLIMITED MEMBER
UNLIMITED MEMBER
Sign Up Online!
Unlimited Members

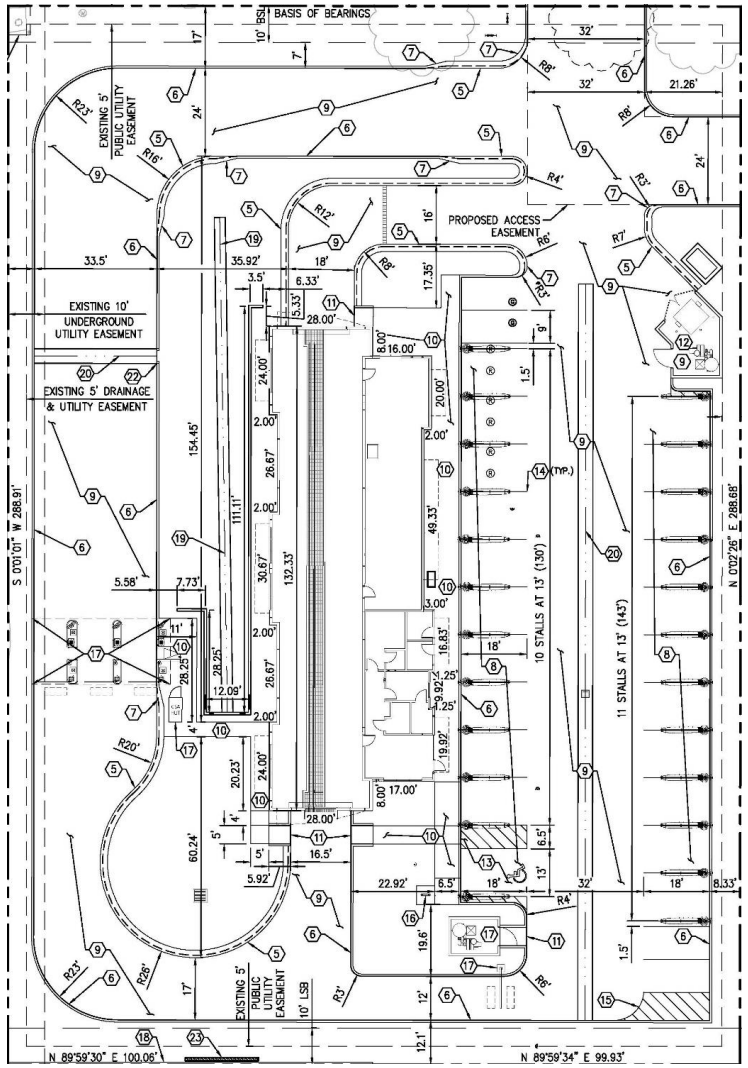

Full Serve
Full Serve
Exterior
Both Lanes OPEN
Mister
Please Wait for the Attendant
Exclusive Member Discount on Upgrades
UNLIMITED WASH CLUB

Subcategory- High Impact (Per 1,000 sf)

Carwash	Roadways
Bernalillo County (2013)	$3,825
Rio Rancho-FY25 Proposed (Baseline)	$2,080
Rio Rancho – Method 1	$121,639
Rio Rancho – Method 2	$111,709
Rio Rancho – Method 3	$3,600
Rio Rancho-FY25 Recommendation	$3,600

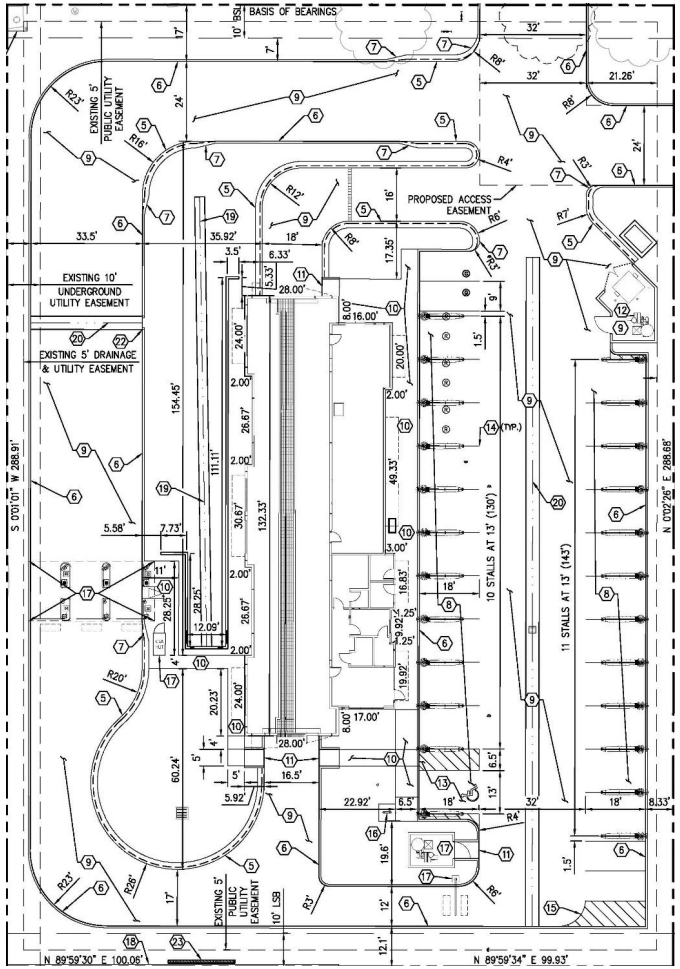
Car Washes

- Multi-lane drive through
- High turnover
- Increased traffic



Calculations

5,381 sf.



- Drainage N/A
- 2'' Meter

FY25 Impact Fees Based on Square Footage

Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
$11,193	$39	$0	$1,424	$28,612	$19,239	$47,851

FY25 Recommended Impact Fees Based on Square Footage

	Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
Method 1 $121,639/ 1,000 sf	$654,539	$39	$0	$1,424	$28,612	$19,239	$703,853
Method 2 $111,709/ 1,000 sf	$601,106	$39	$0	$1,424	$28,612	$19,239	$650,420
Method 3 $3,600/ 1,000 sf	$19,371	$39	$0	$1,424	$28,612	$19,239	$68,685
Proposed $3,600/ 1,000 sf	$19,371						$68,685

Assisted Living Facilities





Assisted Living Facilities

- Any facility which is operated for the maintenance or care of two (2) or more adults who need or desire assistance with one (1) or more activities of daily living. *(New Mexico State Statue)*



Subcategory- Assisted Living (Per Bed)

	Public Safety	Roadways
Bernalillo County (2013)	0	$596 per bed
Odessa, TX	0	$1,681 per bed
Rio Rancho-FY25 Proposed (Baseline, per 1,000 sf)	$806 per 1,000 sf	-
Rio Rancho – Method 1	$1,685 per bed	0
Rio Rancho – Method 2	$3,192 per bed	0
Rio Rancho – Method 3	$8,945 per bed	0
Rio Rancho-FY25 Recommendation – 50% method 1	$843 per bed	-

Additional information on how assisted living development impact on EMS

Calls by Population	
Rio Rancho population	107,000
Care Facility Bed Capacity	1,547
Percentage of Total Population	1.45%

	CY 2021	CY 2022	CY 2023
EMS Calls	9,244	9,957	9,691
Care Facility Calls (Adjusted)	827	1,111	1,198
Percentage of EMS Calls	8.95%	11.16%	12.36%

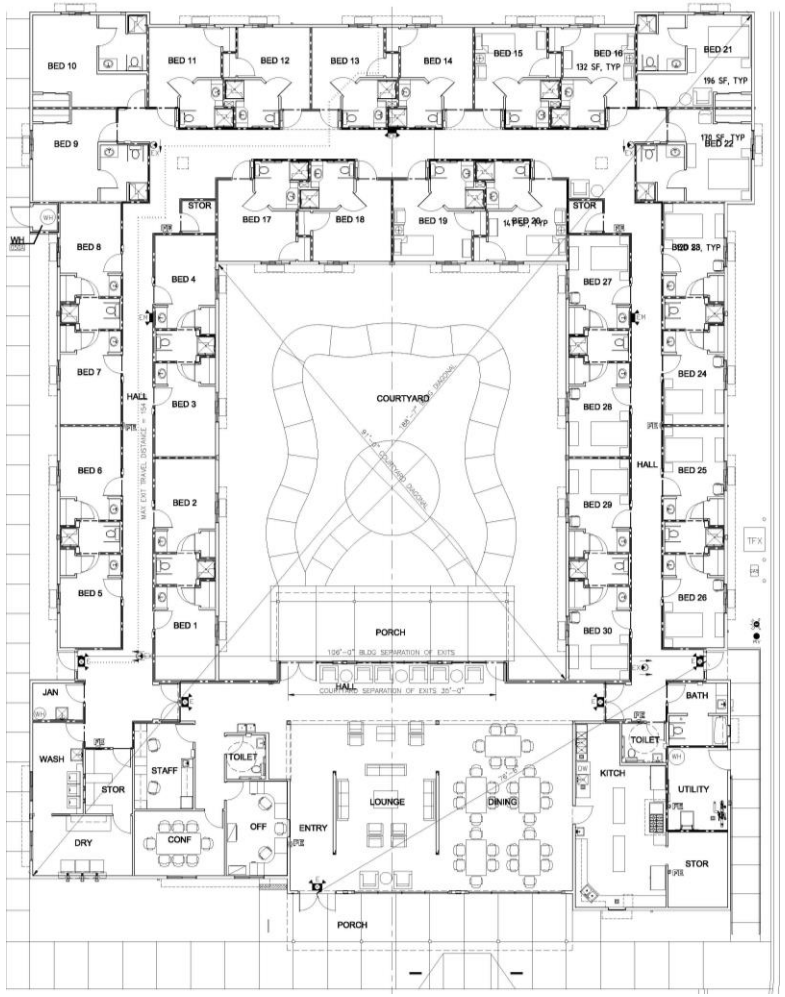
Additional information on how assisted living development impact on EMS Continued

Care Facility	Square Footage	Beds	CY21 Calls	CY22 Calls	CY23 YTD Calls
Clear Sky Rehab	33,000	32	92	111	143
Genesis Health Care	32,500	120	242	241	278

Business	Square Footage	CY21 Calls	CY22 Calls	CY23 YTD Calls
1558 Stephanie	14,592	2	1	0
1400 Jackie	11,196	1	1	1

Calculations

13,060 sf., 30 beds



First year of 5 year Impact Fees Schedule Based on Square Footage

Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
$11,760	$251	$0	$10,527	$17,883	$12,025	$52,446

FY25 Recommended Safety Impact Fees Based on Bed Count

	Roads	Bikeways and Trails	Parks	Public Safety	Water	Sewer	Total
Method 1 $1,685/ bed	$11,760	$251	$0	$50,550	$17,883	$12,025	$92,469
Method 2 $3,192/ bed	$11,760	$251	$0	$95,760	$17,883	$12,025	$137,679
Method 3 $8,945/ bed	$11,760	$251	$0	$268,350	$17,883	$12,025	$406,029
Proposed – 50% Method 1				$25,290			$67,209

- Excluding Drainage
- 1.5’’ Meter

What are impact fees and what do they fund?

- Roads

Sources	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Beginning Fund Balance	804,944	846,929	1,271,726	1,559,705	1,145,287	1,658,694	1,769,637
Assessment Revenue	296,709	441,794	288,873	399,453	1,007,867	647,270	490,947
Interest Earnings	709	5,026	7,772	10,219	9,023	2,406	6,276
Total Sources	1,102,362	1,293,749	1,568,371	1,969,377	2,162,177	2,308,370	2,266,860

Uses	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Impact Fee Source as a Percentage of Total Project
Administrative Costs	8,901	13,254	8,666	11,984	-	49,654	14,728	
Lincoln Avenue Phase II: Adams to PdV	14,399	-	-	54,018	410,241	166,081	103	15%
Idalia Rd. Reconstruction	170	8,769	-	-	-	-	-	3%
Sprint/Enchanted Hills Intersection	231,963							59%
Southern Blvd.: NM528 to Golf Course Rd.				716,299				5%
Unser Blvd. Phase IIB ROW				41,789	19,761	22,599	13,652	23%
Southern Blvd.: Golf Course Rd. to Unser Blvd.					73,481	158,944	37,459	6%
Northern Blvd. Phase B: Broadmoor to Unser Blvd.						68,004	61,605	14%
Idalia Road Corridor Study						73,451	33,839	15%
Loma Colorado Boulevard Extension							62,019	15%
Total Uses	255,433	22,023	8,666	824,090	503,483	538,733	223,406	8%
Projects	246,532	8,769	-	812,106	503,483	489,079	208,678	

What are impact fees and what do they fund?

- Bikeway and Trails

Sources	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Beginning Fund Balance	195,841	197,145	200,577	75,562	91,719	127,298	159,733	
Assessment Revenue	5,574	8,429	6,710	16,624	35,550	34,394	23,338	
Interest Earnings	-	-	-	25	29	140	4,535	
Total Sources	201,415	205,574	207,287	92,211	127,298	161,831	187,606	
Uses	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Impact Fee Source as a Percentage of Total Project
Administrative Costs	167	253	201	492	-	2,098	700	
Bosque Trail	4,103	4,744	131,523					100%
Total Uses	4,271	4,997	131,724	492	-	2,098	700	
Ending Fund Balance	197,145	200,577	75,562	91,719	127,298	159,733	186,906	
Projects	4,103	4,744	131,523	-	-	-	-	

What are impact fees and what do they fund?

- Parks

Sources	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Beginning Fund Balance	286,308	321,429	402,708	423,592	627,296	1,618,022	2,210,698	
Assessment Revenue	115,566	88,325	177,981	326,886	992,601	655,248	295,050	
Interest Earnings	394	2,463	3,599	4,877	4,494	1,473	4,425	
Total Sources	402,268	412,217	584,288	755,354	1,624,391	2,274,743	2,510,173	
Uses	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Impact Fee Sources as a Percentage of Total Project
Administrative Costs	3,467	2,650	5,293	9,300	-	49,435	8,851	
Sports Complex North	50,786	6,859	96,766	49,239	6,369	14,610	963,486	50%
Big Brothers Big Sisters			44,928	2,882				91%
A Park Above	26,586		13,710	66,637				14%
Campus Park Phase 2							7,849	2%
Total Uses	80,839	9,509	160,697	128,059	6,369	64,045	980,187	27%
Ending Fund Balance	321,429	402,708	423,592	627,296	1,618,022	2,210,698	1,529,986	
Projects	77,372	6,859	155,404	118,759	6,369	14,610	971,335	

What are impact fees and what do they fund?

- Drainage

Sources	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Beginning Fund Balance	337,626	472,364	570,175	804,763	1,093,018	1,561,452	1,983,976	
Assessment Revenue	166,098	180,176	242,567	292,905	464,819	447,432	357,200	
Interest Earnings	237	1,788	2,725	3,810	3,616	2,040	29,970	
Total Sources	503,961	654,328	815,467	1,101,478	1,561,452	2,010,924	2,371,145	
Uses	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Impact Fee Sources as a Percentage of Total Project
Administrative Costs	4,983	5,405	7,277	8,460	-	26,948	10,716	
Los Milagros Channel Improvements	26,614							96%
Northern Blvd. Drainage		78,748	3,427					100%
Total Uses	31,597	84,153	10,704	8,460	-	26,948	10,716	96%
Ending Fund Balance	472,364	570,175	804,763	1,093,018	1,561,452	1,983,976	2,360,429	
Projects	26,614	78,748	3,427	-	-	-	-	

What are impact fees and what do they fund?

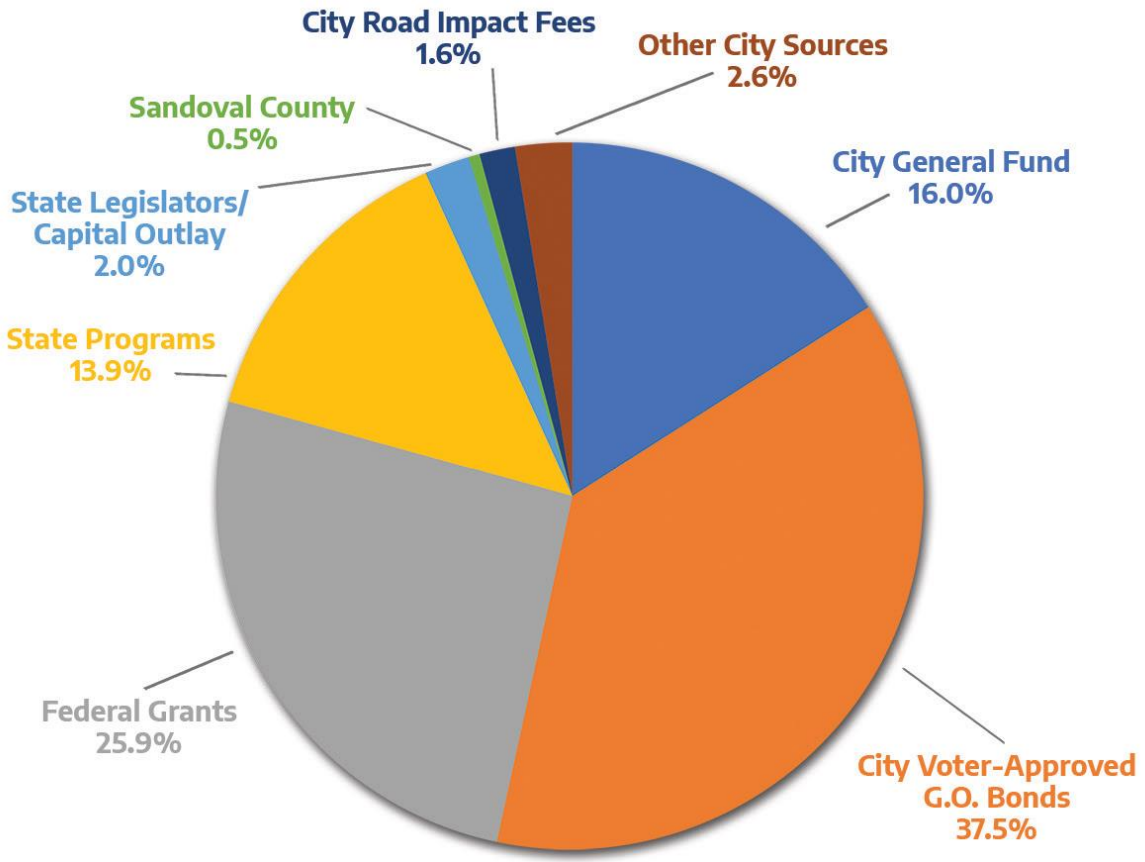
- Public Safety

Sources	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
Beginning Fund Balance	192,798	58,714	220,911	107,544	304,051	627,970	783,893	
Assessment Revenue	132,691	203,765	95,198	301,001	455,836	411,543	224,458	
Interest Earnings	-	-	-	73	82	402	19,319	
Insurance Recovery and Auction Revenue	-	-	15,207	994	-	-	-	
Total Sources	325,490	262,479	331,316	409,611	759,970	1,039,914	1,027,670	
Uses	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	Impact Fee Sources as a Percentage of Total Project
Administrative Costs	3,981	6,113	2,856	8,911	-	26,021	6,450	
FY2016 Police Vehicles	16,706							11%
FY2017 Ambulance	174,089							100%
FY2017 Police Vehicles	72,000							12%
FY2018 Police Vehicles		35,455	30,274					18%
Evidence Storage Facility			59,920					21%
FY2019 Ambulance			130,722	96,649				63%
FY2021 Vehicles					132,000			36%
FY2022 Vehicles						230,000		44%
FY2022 Ambulance							4,344	0.4%
Total Uses	266,776	41,568	223,772	105,560	132,000	256,021	10,794	
Ending Fund Balance	58,714	220,911	107,544	304,051	627,970	783,893	1,016,876	
Projects	262,795	35,455	220,916	96,649	132,000	230,000	4,344	

Road Work Funding Sources

Since 2016,

38 major road projects HAVE BEEN completed AND MORE THAN **110 miles** of residential streets have been improved.



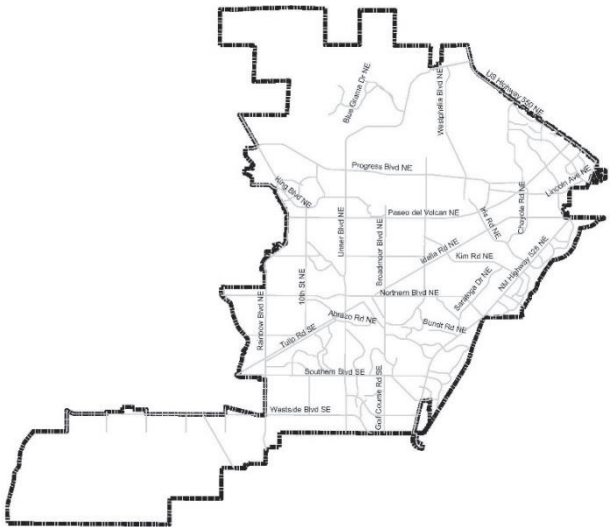
NOTICE OF PUBLIC HEARING ON AMENDMENTS TO LAND USE ASSUMPTIONS AND IMPACT FEES

At their regularly scheduled Governing Body meeting starting at 6pm on June 13, 2024, in the Council Chambers at City Hall, 3200 Civic Center Cir. NE, Rio Rancho, NM, the Governing Body will hold a public hearing to consider the adoption of a resolution for Amendments to the Land Use Assumptions and the first reading of an Ordinance for Amendments to the Impact Fees. The Governing Body will consider the following actions:

- Ordinance of the City of Rio Rancho, New Mexico Amending the Rio Rancho Code of Ordinances Title XV Land Usage, Chapter 150 General Provisions, Article III Impact Fees, Section 150,23 (G) and (K); Section 150.30 (A)(5); adding Section 150.30 (B)(e) and (f), repealing and replacing the Appendix; providing for interpretation, severability, and conflicts; and providing for an effective date of July 8, 2024.

- Resolution to adopt an Amendment Study titled: 2023-2030 Land Use Assumptions that will be used to develop capital improvements plan under which an impact fee may be imposed.

The Impact Fee Area subject to the above Ordinance is the boundary of the City of Rio Rancho as generally depicted in the map below:



Any member of the public has the right to appear at the hearing and present evidence for or against the land use assumptions. Materials related to this item are available for viewing in the Development Services Department at City Hall and at the following link: https://rrnm.gov/4929/Impact-Fee-Schedule-Update

If you would like to comment on this application, you are encouraged to submit a written comment to planning@rrnm.gov. Written comments will be inserted into the public record.

(Date of Publication: Friday, May 17, 2024**)**
PO# 240051 Client # 1010956

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: D20

AGENDA DATE:
June 13, 2024

DEPARTMENT:
Utilities

SUBJECT:
D20, Advice and Consent of the Governing Body to Award an Amendment in the amount of $756,280 (Excluding NMGRT) to Contract 21-UT-108, Huitt Zollars, for Well 9

BACKGROUND AND ANALYSIS:
Well 9 (RG-26259, 2,439 Acre-Feet per annum) has its own pumping permit separate from the 24,000 Acre-Feet pumping permit (RG-6745) for the other wells. The well is anticipated to be able to supply 1,500 to 2,000 homes during peak day water consumption. Integration of Well 9 into the City's water system is essential for the City to provide potable water to the growing population in addition to meeting existing demand.

Well 9 is located at 2333 Unicorn Circle NW, 3 miles west of the City limits. The well site has undergone several projects in preparation for equipping and integration into the Rio Rancho water system. Huitt Zollars was originally hired to design and oversee the construction of a new 3-million-gallon tank which was completed in 2022 in anticipation of the new well. Subsequently, in March 2024, the redrilling of Well 9 was completed under this same contract. The final step in this project is to design and build a new wellhouse and procure the necessary equipment to treat and convey water from Well 9 to the City's distribution system.

This change order to the Huitt Zollars contract would be used to design and provide construction oversight of the production and treatment equipment at the well and all water infrastructure required to distribute water from Well 9 to the City's water distribution system.

The change order will be funded with a combination of existing utilities revenues, federal grant funds and loan funds.

IMPACT:

Well 9 can supply approximately 1 million gallons of water per day. The additional water supply will

Well 9 can supply approximately 1 million gallons of water per day. The additional water supply will provide an essential redundancy of potable water for the existing and growing population within the City.

ALTERNATIVES:

Approve the contract change order.

Do not approve the contract change order.

DEPARTMENT RECOMMENDATION:

Staff recommends approval of the change order to the Huitt Zollars contract.

ATTACHMENT: Executed Contract 21-UT-108
ATTACHMENT: 21-UT-108 Amendment One
ATTACHMENT: Additional Fee Abandonment and Re-Drill Well9R - PH 2 Well 9R Equipping

Contract 21-UT-108
Professional Services Agreement
Planning, Design and Construction Management Services for the Abandonment and Re-drilling of Well 9

THIS AGREEMENT (the "Agreement") is made and entered into by and between the City of Rio Rancho (the "City"), a municipal corporation and political subdivision of the State of New Mexico, and Huitt-Zollars, Inc. (the "Consultant"), a New Mexico corporation, as of the date indicated below.

WHEREAS, the City issued an RFP for Planning, Design and Construction Management Services for the Abandonment and Re-drilling of Well 9, RFP 21-UT-007, on November 30, 2020, containing the scope of work attached hereto as Exhibit A and incorporated herein by reference; and

WHEREAS, the Consultant submitted a proposal in response to RFP 21-UT-007 on December 29, 2020; and incorporated herein by reference; and

WHEREAS, The City and the Consultant negotiated certain terms regarding the services to be provided pursuant to the RFP 21-UT-007, resulting in the scope of services, labor and direct costs fee proposals, attached hereto as Exhibit A, Exhibit B, and Exhibit C; and

NOW, THEREFORE, in consideration of the premises and the respective obligations set forth herein, the parties agree as follows:

1. ENGAGEMENT; SCOPE

The City hereby engages the Consultant to provide the services described in Exhibit A attached hereto.

2. TERM; TERMINATION

(a) Unless sooner terminated, this Agreement will be effective for a period of one year or until project completion.

(b) Notwithstanding anything to the contrary contained herein, the City may terminate this Agreement at any time by giving the Consultant such written notice as may be reasonable under the circumstances. Upon receipt of such written notice, the Consultant shall cease all work undertaken hereunder, except as may be necessary to provide for an orderly transition of such work. The Consultant may terminate this Agreement at any time with 60 days written notice to the City.

(c) Upon any termination of this Agreement, the Consultant shall provide a final invoice to the City, showing all costs incurred but unpaid, and the City shall pay such costs, as shown therein. The Consultant shall forthwith deliver all files, reports, and other materials concerning the services provided, maintained or controlled by the Consultant at the time of such termination, subject to all applicable federal and state law.

(d) The Consultant shall have no claim, right or cause of action against the City for termination of this Agreement by City in accordance with the provisions of this paragraph, except as may be otherwise expressly provided with respect to the Consultant's earned but unpaid costs as of

the date of such termination.

(e) Nothing herein shall be construed as relieving the Consultant from liability to the City for damages sustained by the City as a result of a breach of this Agreement by the Consultant, and the City may withhold any payments otherwise due to the Consultant as a set-off against all or part of such damages, until such time as the exact amount of damages due the City from the Consultant is determined and that amount paid to (and/or withheld by) the City in full.

3. COMPENSATION AND PAYMENT

For services rendered hereunder, the Consultant shall invoice the City monthly for services provided in accordance with the Consultant's fee schedule included in Exhibit B. Consultant shall submit monthly invoices to the City showing the amount of compensation due, the amount of any New Mexico gross receipts taxes and the total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after the City's receipt of the invoice.

4. RELATIONSHIP OF PARTIES

The Consultant (and each agent, employee and Consultant employed or engaged by the Consultant to fulfill the Consultant's obligations hereunder) shall be an independent Consultant performing professional services for the City and not an employee of the City or an agent of the City for any purpose beyond the specific engagement for services set forth herein. As independent Consultants, the Consultant and its agents and employees shall not qualify for or receive any employee benefits from the City, including but not limited to leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to City employees.

5. STANDARD OF PERFORMANCE

The Consultant agrees and represents that it has the personnel, experience and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Consultant shall perform the work described herein in accordance with the highest standard of care for performance of the Services.

6. DELIVERABLES AND USE OF DOCUMENTS

All work, work product, and deliverables produced under contract with the City shall remain the exclusive property and shall inure to the benefit of the City as work for hire; the Consultant shall not use, sell, disclose or obtain any other compensation for such work for hire. In addition, the Consultant may not, with regard to all work, work product, deliverables or work for hire required by this Agreement, apply for in its name or otherwise, any copyright, patent or other property right and acknowledges that any such property right created or developed remains the exclusive right of the City.

7. EMPLOYEES AND SUBCONTRACTORS

The Consultant shall be solely responsible for payment of wages, salary or benefits to any and all employees or Consultants retained by the Consultant in the performance of the Services. Consultant agrees to indemnify, defend and hold harmless the City for any and all claims that may arise from the Consultant's relationships to its employees and Subcontractors.

8. INSURANCE

The Consultant shall procure and maintain, at its own expense, all necessary or appropriate insurance coverage for itself and its agents and employees.

(a) In particular, but not by way of limitation, the Consultant shall maintain in force throughout the term of this Agreement, the following insurance policies:

(1) a professional liability insurance policy in an amount not less than One Million Dollars ($1,000,000) per claim and in the aggregate, written on a "claims made" basis, covering the Consultant's errors and omissions in performing its services hereunder; and

(2) a commercial general liability insurance policy (ISO Form CG 0001) written on an occurrence basis and covering liabilities arising out of the performance of the Consultant's services hereunder, including those provided by independent Consultants, with coverage for products and completed operations, personal and advertising liability, and liability assumed under an insured contract, with coverage for any one occurrence or claim of not less than One Million Dollars ($1,000,000), and One Million Dollars ($1,000,000) aggregate limit.

(b) The coverages required under this Section may be provided by two or more separate policies, as long as they together provide the coverages required.

(c) The Consultant shall provide to the City a certificate of insurance or declarations page(s) demonstrating compliance with the foregoing.

(d) The City shall be named as an additional insured under all policies required under this Section.

9. LIQUIDATED DAMAGES

The City and Consultant agree time is of the essence and that, in the case of the Consultant's failure to complete the design phase services within the time specified and agreed upon as specified in Exhibit C – Project Schedule, the City will be damaged thereby; and because it is difficult to definitely ascertain and prove the amount of such damages, it is hereby agreed that the amount of such damages shall be the liquidated sum of One Hundred dollars ($100.00) per calendar day for each day's delay in finishing the complete design phase services in excess of the number of working days prescribed; and the Consultant hereby agrees that said sum shall be deducted from amounts due the Consultant under the contract or, if no amount is due the Consultant, the Consultant hereby agrees to pay to the Owner as liquidated damages such total sum as shall be due for such delay, computed as aforesaid.

10. ASSIGNMENT AND DELEGATION

The Consultant shall not delegate or subcontract any portion of the services to be performed hereunder without the prior written approval of the City or customary in the provision of the Consultant's services. Nor shall the Consultant assign or transfer any interest in this Agreement without the prior written consent of the City; provided, however, that, notwithstanding the foregoing, amounts due hereunder from the City to the Consultant may be assigned to a bank or trust company.

Notwithstanding anything to the contrary contained herein, no assignment or transfer of funds and/or the Consultant's right to payment hereunder shall bind the City to pay any person other than the Consultant for services provided hereunder.

11. RECORDS AND AUDIT

The Consultant shall maintain appropriate accounts and records to adequately identify and account for all services provided and costs chargeable to the City hereunder and such other records as may be required by law. Subject to applicable federal and state law, such records will be made available to the City and/or its authorized representative(s) during regular business hours, upon reasonable request, and will be retained for two (2) years after the termination of this Agreement, unless provided otherwise by the City in writing.

12. APPROPRIATIONS

The terms of this Agreement and all amounts payable hereunder are contingent upon sufficient appropriations therefore by the City's Governing Body. If sufficient appropriations are not made, the City shall notify the Consultant of the termination of this Agreement in accordance with the provisions of paragraph 2, above.

13. CONFIDENTIALITY

Any confidential information provided to or developed by the Consultant in the performance of this Agreement shall be kept confidential and shall not be revealed or made available to any person by the Consultant without the prior written approval of the City.

14. COMPLIANCE WITH LAWS AND POLICIES; CONFLICT OF INTEREST

(a) In the performance of their obligations hereunder, the parties shall obey and abide by all applicable laws, rules and regulations, and with all applicable ordinances, polices and procedures.

(b) The Consultant hereby covenants, warrants and represents that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services under this Agreement. Without limiting the generality of the foregoing, the Consultant shall comply with all applicable legal or regulatory provisions concerning conflicts of interest.

(c) Both parties shall abide by all applicable federal and state laws, rules, regulations, and executive orders pertaining to equal employment opportunity; pursuant thereto, shall assure that no person shall, on the grounds of race, color, national origin, sex, age, or disability, be excluded from employment with, participation in, be denied the benefits of or be otherwise subjected to discrimination under, any program or activity performed under this Agreement; and to promptly take appropriate steps to correct any deficiency that may be found to occur in compliance with such laws and rules.

15. RELEASE; INDEMNITY

By its receipt of final payment of all amounts due under this Agreement, the Consultant shall release the City, and its officers and employees, from all liabilities, claims, and obligations whatsoever, arising from or under this Agreement. The Consultant shall indemnify and defend the City and hold

the City harmless for and from any and every claim, action, liability, loss, damage or suit, arising from the fault of the Consultant in performing (or omitting to perform) services hereunder, including claims for payment with respect to work for items not properly specified in the Consultant's work product.

16. FORCE MAJEURE

Neither the City nor the Consultant shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.

17. LICENSES

The Consultant shall maintain all required licenses, including without limitation all necessary professional and business licenses, throughout the term of this Agreement. Consultant shall require and shall assure that all of the Consultant's employees and Subcontractors maintain all required licenses, including without limitation all necessary professional and business licenses.

18. NOTICES/POINT OF CONTACT

For the City, the sole points of contact under this Agreement shall be the Public Works Department - Engineering Section. Any notice required or permitted to be given hereunder shall be sufficient if mailed to the address shown below or faxed to the number shown below for the party receiving notice, or to such other address or fax number of which such party has duly notified the other party in accordance with the provisions of this paragraph.

For notice to the City:
City of Rio Rancho
Stephanie DuBois, Project Manager
3200 Civic Center Circle NE
Rio Rancho, New Mexico 87144
Telephone: 505-896-8776
Email: sdubois@rrnm.gov

For notice to the Consultant:
Huitt-Zollars, Inc.
Robert Demeule, Vice President
333 Rio Rancho Drive NE
Rio Rancho, New Mexico 87124
Telephone: 505-892-5141
Fax: 505-892-3259
Email: rdemeule@huitt-zollars.com

19. MERGER; AMENDMENT

This Agreement represents the entire agreement between the parties with respect to the matters addressed herein, and all prior agreements, covenants, and understandings between the parties concerning the same have been merged into this written Agreement. This Agreement shall not be altered, modified, changed, or amended except by a written instrument executed by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date executed by both parties.

CITY OF RIO RANCHO

By: _____
Peter Wells, Acting City Manager

Date: 2/15/21

HUITT-ZOLLARS, INC.

By: _____
Robert Demeule, Vice President

Date: 2/2/2021

APPROVED AS TO FORM:

_____
Gregory F. Lauer, City Attorney

Exhibit A
Scope of Work / Specifications for Planning, Design and Construction Management Services for the Abandonment and Re-drilling of Well 9

General Information

In accordance with the terms and conditions of the Contract, the Consultant shall perform work for the City of Rio Rancho (City) as described herein. All work accomplished under the contract shall be in accordance with federal, state and city manuals, standards, guidelines, standard specifications, and standard procedures.

Any changes made to the proposed project team must be approved by written notice from the City prior to any changes being made.

Scope of Work

The scope of work consists of the planning, design, bidding, and construction management services for the abandonment and re-drilling of Well 9 at Well Site 9. Well 9 (RG-26259) is declared to produce up to 2,419 acre-feet per annum. Consultant will assume a 70% well utilization rate for initial design. Coordination will be required with an ongoing construction project by others, the new Tank 9 Site which includes the construction of a 3 million-gallon steel water storage tank.

WELL 9 ABANDONMENT AND RE-DRILL

1. Planning Phase

A. Conduct a Project Kickoff Meeting with the Utility Department, the City's contract water system operators, Jacobs Engineering, and other affected parties as deemed appropriate. This meeting will set the anticipated schedule required for the Drilling Phase of this project and identify constraints. Scope for the meeting will include the following:

i. Coordination with the design of the Well 9 Site elements that are/will be developed as part of the new well site 9 project by others. The well site project includes analyses and design of elements including but not limited to; construction of a new 3 million-gallon steel storage tank, equipping well 9 with pumps, well house, security fencing, arsenic treatment and location of all underground piping for the site facilities.

ii. Review all findings of the tank 9 project including design of systems and appurtenances for the well 9 site by others, and subsurface utility engineering (SUE) at the site.

iii. Hydrogeologic and water quality data collection: development of monitoring plans and field protocols for continuous water quality, and aquifer levels, instrumentation, operation and maintenance of monitoring stations, data

collection, compilation, quality assurance/ quality control reviews, and interpretation and development of discharge rating curves.

iv. Soils sampling; development of minimum flows and minimum water levels.

v. Discussion about health and safety plan, quality control and documentation, contingency plan, and environmental controls for the project.

B. Determine the optimal location for the pilot hole and monitoring well, replacement of well 9, drill rig, ancillary equipment, materials, and the mud pit. Coordinate with the City and the consultant for the new 3 million-gallon tank 9 project by others to determine location for the pilot hole and replacement well.

C. Prepare the associated plans for the project:

i. Health & Safety Plan – This plan will describe health and safety procedures that will be implemented to support the safety of workers, oversight staff, and the general public during drilling and construction activities.

ii. Quality Control and Documentation Plan – This plan will describe quality control and documentation procedures that will be implemented to verify the design is followed during drilling and construction, and that sufficient documentation of field activities are completed to recreate events that occur during drilling and construction.

iii. Fieldwork Contingency Plan – This plan will describe potential drilling and construction issues that may arise, and develop contingency actions prior to the start of fieldwork to specifically indicate how the Contractor will limit risk and cost to the City. This plan will also include: 1) an evaluation of the proper duration and volume required for zonal sampling to allow for collection of representative samples from the pilot well and the potential use of existing well 9 for zonal sampling prior to its abandonment, as appropriate; 2) an evaluation of methods to ensure proper placement of the filter pack to limit bridging; and 3) evaluation of where to discharge water during development and aquifer testing.

iv. Environmental Controls Plan – This plan will describe the environmental controls that will be implemented to support prevention and proper management of potential spills of contaminants (hydraulic fluid, fuel, etc.) during drilling and construction activities.

2. Preliminary Design Phase – Well 9 Abandonment and Re-drill

A. Prepare 30% and 60% design and bid package for the abandonment of existing well 9, and the drilling, construction, development, and testing of replacement well 9. The bid package shall include any relevant information required by the City of Rio Rancho Development Process Manual. In addition, the bid package will consider the following:

B. The bid package will include technical specifications; well abandonment design and construction detail drawings; detail drawings for the pilot hole and monitoring well that will be installed within the pilot hole; and the replacement well design and construction detail drawings. The bid package shall also specify the drilling Contractor's use of a mud engineer, who will be consulted on appropriate drilling fluid (mud) design based on the hydrogeologic conditions expected to be encountered during drilling.

i. The well drawings will show the location for the pilot hole and monitoring well, as well as the replacement well at the well site 9 property, and the well construction details.

ii. The location of the pilot hole and monitoring well, and replacement well 9, will be placed in accordance with the Technical Memorandum and Environmental Information Document prepared as part of the well site 9 project. The Consultant will locate the monitoring well and replacement well within the site, and define the Drilling Contractor's work area limits.

iii. The well design will include material and driller specifications that conform to all applicable American Water Works Association (AWWA) and American National Standards Institute (ANSI) standards.

iv. Replacement well 9 will be designed to maximize the potential for a high-yield and long-lasting well, limit arsenic concentrations while balancing well yield, and will use available hydrogeologic data to optimize the design. The monitoring well will be used as an observation well during aquifer testing to calculate the well efficiency of replacement well 9.

v. The final production capacity of replacement well 9 will be influenced by local hydrogeologic conditions; hydrogeologic characterization and water quality sampling during pilot hole installation; quality of the design, quality of the Drilling Contractor's equipment and methods; drilling fluid (mud) design and well development methods; contingency planning for unexpected hydrogeologic or construction issues that might be encountered in the field; and the level of oversight during construction.

C. Develop estimate of probable construction cost.

D. Develop construction schedule for the project.

Additional items included are:

- Site plan identifying existing facilities, proposed facilities, new access roads and future 3 million-gallon storage tank.
- Drainage plan for disposal/runoff of water associated with the re-drilling and testing of the well.
- Potholing of existing utilities to identify and prevent conflicts during construction.
- The future 3 million-gallon steel storage tank and arsenic treatment facility must remain in operation during construction.
- Potholing of existing utilities to identify and prevent conflicts during construction.
- Coordination and review and approval is required with the New Mexico Finance Authority, New Mexico Environment Department (NMED) Constructions Programs Bureau, Office of the State Engineer, and the Southern Sandoval County Arroyo Flood Control Authority.
- Abandonment of the existing well 9 shall be per Office of the State Engineer (OSE) standards and requirements.

E. Completion of the Preliminary Design Phase will consist of the following steps:

i. Submit the 90% complete design package for review and comment by the City, appropriate drawings, technical specifications, site layout drawing, detail drawings for abandonment of existing well 9, and replacement well 9 drilling and construction detail drawings for review and approval.

ii. Submit a Field Oversight Plan that will include the level of oversight planned during drilling and well construction activities. The Field Oversight Plan will also include how the following plans will be implemented during the project (Health & Safety Plan, Quality Control and Documentation Plan, Contingency Plan, and Environmental Controls Plan for the project). Well 9 production has decreased due to inadequate casing alignment. Additionally, improper water quality sampling during the pilot hole installation could affect costs associated with the total depth of the well and long-term treatment costs for water from this well. Therefore, the construction oversight plan should identify potential hydrogeologic or construction issues that may arise, as well as potential contingency actions that may be appropriate to limit cost and construction risks associated with installation of Replacement Well 9.

iii. Submit electronic copies of the specifications in Microsoft Word format, and detailed drawings in 11-inch by 17-inch PDF format.

iv. Submit the cost estimate and construction schedule for review and approval.

v. Attend design review meeting(s) with the City and affected agencies as necessary and document comments received.

3. Final Design Phase

A. Based on review and approval of preliminary design, complete the construction documents for bidding in accordance with review comments.

i. Submit the 100% complete technical specifications, and well drilling detail drawings as a design package ready to bid for review and approval. All City and agency comments from the 90% design shall be addressed.
ii. Submit electronic copies of the specifications in Microsoft Word format and detailed drawings 11-inch-by-17-inch PDF format.

iii. A reproducible PDF version of all accepted drawings and support documentation (construction schedules, estimates, reports, etc.) shall be submitted electronically on CD, DVD, or USB flash drive.
DESIGN SCHEDULE:

- Submittal deadlines shall include:

    - 30% plans, technical specifications, and consultant's cost estimate.
    - 60% plans, technical specifications, and consultant's cost estimate.
    - 90% plans, technical specifications, consultant's cost estimate, and construction schedule.
    - Final plans, technical specifications, consultant's cost estimate, and construction schedule (all items sealed and signed by a professionally licensed engineer registered in the state of New Mexico).

- Submittals will be electronic copies in PDF format. Hardcopies will only be needed if a review agency other than the City requires them.

- Review meetings will be held for each submittal with the City and agencies. Prepare meeting agenda, meeting minutes, and distribute to attendees.
- Submittals shall be at least 2 weeks prior to the review meetings.
- Complete final design shall be within 4 months (120 calendar days) of execution of contract and issued purchase order. Liquidated Damages will be assessed for delay in the amount of $100 per day for each calendar day beyond the agreed upon schedule specified in the final contract.

4. Bidding Phase

A. Assist the City in developing Bid Advertisement for city publishing, providing information as requested.

B. Lead hydrogeologist shall attend Pre-Bid Conference, held by the City.

C. Respond to prospective bidder questions during the project bid period and provide City with responses to questions. Issue interpretations and prepare bid addenda, as needed during the project bid period.

D. Attend Bid Opening, review and evaluate bids received, identify unbalance bides, issue letter of recommendation for bid award.

E. After selection of the Drilling Contractor, meet with the City and Drilling Contractor to discuss well construction and ensure driller is aware of all requirements.

F. Review and approve the Drilling Contractor's mud design and well development plan to ensure that it will support optimization of well efficiency.

5. Construction Phase

A. Attend and assist the City during the Pre-Construction Conference. Prepare the agenda and meeting minutes, and distribute to attendees.

B. Respond to any Requests for Information (RFIs) submitted by the Drilling Contractor.

C. Review the Drilling Contractor's submittals and contract document clarification during well drilling, construction, development, and testing activities.

D. Confirm best management practices are being used for soil erosion and sediment control.

E. Attend weekly construction meetings; provide meeting minutes and distribute to all attendees.

F. Provide observation of the Drilling Contractor's field activities; confirm work is completed according to the design, and provide daily observation reports.

G. Provide oversight of implementation of the contract documents (equipment, materials, and execution of the work).

H. Assistance in the management of any Drilling Contractor claims, including assisting the City in determining the legitimacy of the claim; developing the scope of the claim and estimating the claim cost.

I. Conduct wage interviews to satisfy State of New Mexico and Federal requirements.

J. Review pay applications from the Drilling Contractor for accuracy and recommend approval of payment.

K. Attend the final walk-though inspection and prepare a final punch list of items needed to complete the contract work.

The Consultant's oversight of the Drilling Contractor's field activities represents hydrogeologic oversight that will be provided (at varying levels of effort) for the following activities during the drilling, construction and development of the well:

Drilling Contractor Mobilization – The Consultant will be on site at all times during the Drilling Contractor's mobilization and installation of the conductor casing and sanitary seal.

Pilot Borehole Drilling – The Consultant will be on site at all times during the pilot borehole drilling and sampling. The Consultant will describe and catalog drill cuttings. The Consultant will record mud measurement and drift surveys taken by the driller to ensure they are within the AWWA standards in specifications, and that the drilling mud properties will allow for optimization of well efficiency.

The Drilling Contractor is required to collect samples at discrete intervals to be sent to a laboratory for grain-size analysis. The grain-size analysis will be used in conjunction with the lithologic geophysical logs for final well design (screen placement, filter pack size, and screen slot size). Isolated aquifer zone sampling will also be performed to confirm water quality to maximize well yield and minimize long-term treatment costs (due to arsenic, total dissolved solids [TDS], etc.)

Upon completion of the pilot borehole, geophysical logs will be conducted in the boring by the Drilling Contractor or a Subcontractor to the driller. The Consultant will be present at all times during the logging to ensure quality. The Consultant will analyze the geophysical logs, in conjunction with the lithologic logs and grain-size analysis, to determine the final well design (location of screens, screen slot size, total depth of the well).

Monitoring Well Installation – The Consultant will select the proper screen interval for the monitoring well that will be installed in the pilot borehole and confirm proper construction of the monitoring well. Consultant will build in Stand-by time for the awarded contractor or account for stoppage of contactor construction between the completion of the monitoring well installation and the start of replacement well drilling. Under no circumstances shall replacement well drilling commence without having analyzed monitoring well water quality test results.

Replacement Well Drilling, Design, and Construction – The replacement well will be designed and installed based on results of the pilot hole. The Consultant will be on site at all times during all well drilling and installation activities and will review drift surveys and verify mud properties to ensure the boring is within AWWA standards for mud properties and borehole alignment.

Caliper and deviation logs will be conducted in the boring to ensure that the hole is straight and plumb and allow a calculation of the annular space around the casing after it is installed to ensure the proper filter pack volume is installed around the screen. Borehole inclination and borehole azimuth will be measured at 10-foot depth intervals to derive horizontal borehole deviations. The Consultant will be responsible for ensuring that screens are property located within the aquifer, that centralizers are properly located in the screened interval, and that the filter pack and seals are property installed. The Consultant will maintain a log of all completion materials used such as materials specifications (cut sheets), confirmation that materials on-site match the design specifications, length and location of casing and screens, volume of annular materials added, locations of centralizes, and location of seals.

Well Development – The Consultant will be on site daily during well development to ensure that development methods comply with AWWA standards. The Consultant shall obtain approval from the City for the well development discharge location prior to beginning testing. The onsite geologist will be responsible for measuring sand content, temperature, pH, and conductivity of the water during development to ensure that development continues until the well is fully developed and well efficiency has been optimized to the extent practicable.

Video Survey and Well Logs – After well development is complete, video and 4-arm caliper logs will be conducted in the well. The Consultant will observe the logging and review the video and caliper logs. The purpose of the video log is to ensure that, prior to use of the well, there are no visually discernible defects in the well (that is, broken welds, foreign objects in well, etc.). The 4-arm caliper log measures the roundness of the well in order to determine if there are any non-visually discernible defects in the well (i.e. the casing is out of round). If the video or 4-arm caliper logs reveal any problems, the driller will be responsible for the cost of repairs and/or replacement.

Step Test – The Consultant shall obtain approval from the City for the step test discharge location prior to beginning testing. A one-day (800-minute) step drawdown test will be conducted on the well prior to the onset of the long-term pumping test (see below). The driller will be responsible for controlling the pump during the test in a manner that allows for an even increment of increasing extraction rates, expected to be approximately 0.5, 0.75, 1.0, 1.2, and 1.4 times the design capacity of the well. Extraction rates and drawdown during the test shall be measured and recorded sufficiently during the test to perform well efficiency analysis. The Consultant shall analyze the results of the step test to determine well efficiency, short-term specific capacity, and the optimal pumping rate for the long-term pumping test. Water quality will be tested during each step test to help determine preferred production capacity.

7-Day Pumping Test – The Consultant shall obtain approval from the City for the 7-day pumping test discharge location prior to beginning testing. After the optimal pumping rate has been determined from the step-drawdown test, a 7-day constant-rate pumping test will be conducted on the well. The Drilling Contractor will be responsible for maintaining constant pump operation during the entire duration of the pumping test. The Consultant will be on site at all times to measure drawdown throughout the test. Sand content shall not exceed 5 parts per million (ppm) within the first 15 minutes of pumping at test discharge rate. If sand content exceeds 5 ppm, perform additional development to reduce sand content to less than 5 ppm. Spinner flowmeter logging and depth-specific groundwater analytical sampling will also be conducted during this test. The newly installed monitoring well, as well as any other suitable nearby wells will be used as observation wells during the test and will be monitored by Consultant. After the end of the pumping test, recovery water levels will be continuously measured for 2 days by the Consultant, and intermittently thereafter until recovery in the water level in the wells stabilize. The purpose of the long-term pumping test is to determine aquifer characteristics, long-term production capacity, and identify any boundaries (limiting or recharge), which may affect long-term pumping from the well.

Disinfection of Replacement Well 9 – The Consultant will be on site daily during disinfection and capping of Replacement Well 9, to ensure the driller performs work according to the specifications.

Abandonment of Existing Well 9 – The Consultant will be on site daily during abandonment of existing Well 9, to ensure the driller abandons the well according to the specifications. The consultant will ask the Office of the State Engineer (OSE) on behalf of the City if the existing well 9 can be used for a static water level monitoring well.

Data Reduction and Report Preparation – Upon completion of the pumping-test, the Consultant will analyze the data obtained during the test and determine the aquifer characteristics (transmissivity, hydraulic conductivity, and storativity) and

well characteristics (efficiency and specific capacity). This information will be provided to the City within 2 weeks after the end of recovery measurements to allow the City to begin planning for equipping the well. Consultant will compile a well drilling and completion report within 60 days of the end of the pumping test. This report will be given to the City as the deliverable for Phase 1 of this project.

The Consultant will prepare a well drilling, construction, and testing report that includes the data, analyses, and all submittals for the newly constructed well. This report will establish baseline conditions in the well and is intended to provide a single source of information to the City for future reference. This report will capture all activities through disinfection and capping of the well, prior to design and installation of the permanent pump.

CONSTRUCTION SCHEDULE:

The City estimates completed construction of the well drilling shall be within 6-months (180 calendar days) of execution of contract and issued purchase order. If construction timeline is extended, the consultant shall submit an additional cost on a per month basis above the 6-months not to exceed 12-months.

6. Project Closeout

A. Provide a closeout package per the attached City of Rio Rancho Development Process Manual, Chapter II.7.
B. Assist City in obtaining necessary signatures on required project closeout documents.

In addition, all Final Record Drawings will follow the format and method stated in the Development Process Manual (DPM) Chapter II.7 Revised for Public Works Section 2.2 (Attachment 6). Please note that Geographic Information System (GIS) files are required, and must comply with the GIS Quality Control and Quality Assurance (QC/QA) Plan (Attachment 7). After award of the project; the Project Manager, the Engineer of Record (if applicable as determined by the Project Manager), and the GIS Manager will have a meeting to discuss the GIS layers required for the project and the appropriate schemas for those layers. If, upon submittal, the digital files are rejected due to failing QC/QA guidelines then they must be corrected at no cost to the City.

HUITT-ZOLLARS

CITY OF RIO RANCHO

WELL SITE 9 PROJECT

RFP 21-UT-007

HOURLY RATE SHEET

Engineering/Architecture

Principal	$ 230.00
QA Manager	$ 200.00
Sr. Project Manager	$ 200.00
Project Manager	$ 180.00
Sr. Civil Engineer	$ 170.00
Civil Engineer	$ 135.00
Sr. Structural Engineer	$ 175.00
Structural Engineer	$ 130.00
Engineer Intern	$ 110.00
Sr. Architect	$ 160.00
Architect.	$ 110.00
Architect Intern 3	$ 95.00
Architect Intern 2	$ 90.00
Architect Intern 1	$ 85.00
Sr. Landscape Architect	$ 125.00
Landscape Architect	$ 95.00
Landscape Architect Intern	$ 80.00
Sr. Designer	$ 130.00
Designer	$ 115.00
Sr. CADD Technician	$ 95.00
CADD Technician	$ 75.00

Survey

Survey Manager	$ 170.00
Survey Technician	$ 100.00

Survey Crews

1-Person Survey Crew	$ 120.00
2-Person Survey Crew	$ 165.00
3-Person Survey Crew	$ 210.00

Construction

Construction Manager	$ 165.00
Construction Observer	$ 90.00
Resident Project Representative	$ 120.00

Administrative

Sr. Project Support	$ 85.00
Project Support	$ 65.00

Reimbursable Expenses

Outside Services	Cost
Outside Consultants	Cost
Mileage	Standard Business Mileage Rate

4.3.6.b.1 - OBJECTIVE COST ANALYSIS

As required in the Request for Proposals, Huitt-Zollars submits the following fee for the Planning, Design and Construction Management Services for the Abandonment and Re-drilling of Well 9 (CoRR RFP No. 21-UT-007). A detailed man-hour breakdown is provided on the next page. The costs are further discussed and described within the Cost Reasonableness section. The fee is based on the required four months (120 calendar days) design and six months (180 calendar days) construction management respective timeframes as stated in the RFP.

Planning, Design and Construction Management Services for the Abandonment and Re-drilling of Well 9 Fee Proposal	
Planning Phase	$ 16,090.00
Preliminary Design Phase	$ 25,175.00
Final Design Phase	$ 7,480.00
Bid Phase Service	$ 6,170.00
Construction Phase Services & Project Closeout	$ 301,405.00
Project Total	$356,320.00

RFP 20-UT-007
Planning, Design and Construction Management Services for the Abandonment and Re-drilling of Well 9
Basic Professional Services Fees

Date: 12/18/2021

	Project Manager	Project Engineer	Survey Manager	Survey Crew (2-Person)	Principal Hydrogeologist	Senior Hydrogeologist	Project Hydrologist	Staff Hydrologist	AutoCad (JSAI)	Report Specialist	Project Assistant	Administrator	Designer	Construction Observer	Supplies / Expenses	Total Hours
BASIC SERVICES																
Planning Phase																
Well Site Analysis and Coordination Reservoir 9	8	4	4	8		2	4						8			38
Optimze Pilot Hole and Monitoring Well locations	8	4	4		10	6							8			40
Prepare Initial Asscoiated Plans and Documentation					10	8	4		4	6	2	1				35
TOTAL HOURS	**16**	**8**	**8**	**8**	**20**	**16**	**8**	**0**	**4**	**6**	**2**	**1**	**16**	**0**		**113**
TOTAL FEE	**$3,200**	**$880**	**$1,360**	**$1,320**	**$3,500**	**$2,080**	**$840**	**$0**	**$360**	**$450**	**$100**	**$60**	**$1,840**	**$0**	**$100**	**$16,090**
														Subtotal Planning Phase		**$16,090**
Preliminary Design Phase- 30%, 60%, and 90%																
Geotech Investigations	4	8			10											
SUE Level B	2	8	4													
30% Design Submittal, including Plans & Specifications	8	4			10	8			6	7			8			
City, NMFA, NMED, OSE, and SSCAFCA Coordination / Review																
60% Design Submittal, including Plans & Specifications	8	4			10	8			6	7	2		8			
City, NMFA, NMED, OSE, and SSCAFCA Coordination / Review																
90% Design Submittal, including Plans & Specifications	4	4			10	8			4	6	2	1	8			
City, NMFA, NMED, OSE, and SSCAFCA Coordination / Review																
TOTAL HOURS	26	28	4	0	40	24	0	0	16	20	4	1	24	0		**187**
TOTAL FEE	**$5,200**	**$3,080**	**$680**	**$0**	**$7,000**	**$3,120**	**$0**	**$0**	**$1,440**	**$1,500**	**$200**	**$60**	**$2,760**	**$0**	**$135**	**$25,175**
														Subtotal Preliminary Design Phase		**$25,175**
Final Design Phase																
100% Design Submittal, including Plans & Specifications	8	8			20				6	4	2	1	4			**53**
City, NMFA, NMED, OSE, and SSCAFCA Coordination / Review																**0**
TOTAL HOURS	8	8	0	0	20	0	0	0	6	4	2	1	4	0		**53**
TOTAL FEE	**$1,600**	**$880**	**$0**	**$0**	**$3,500**	**$0**	**$0**	**$0**	**$540**	**$300**	**$100**	**$60**	**$460**	**$0**	**$40**	**$7,480**
														Subtotal Final Design Phase		**$7,480**
Bid Phase Services																
Attend Pre-Bid Meeting	2				2	2										6
Answer Questions for Addendum	4	8			4	12					2	1				31
Attend Bid-Opening	2				2	2										6
TOTAL HOURS	**8**	**8**	**0**	**0**	**8**	**16**	**0**	**0**	**0**	**0**	**2**	**1**	**0**	**0**		**43**
TOTAL FEE	**$1,600**	**$880**	**$0**	**$0**	**$1,400**	**$2,080**	**$0**	**$0**	**$0**	**$0**	**$100**	**$60**	**$0**	**$0**	**$50**	**$6,170**
														Subtotal Bid Phase		**$6,170**
Construction Phase Services and Project Closeout																
Pre-Construction Meeting	2				2	2	2									8
Submittal Review	2				2	8	2									14
Respond to RFI's	4	4			4	45	6									63
Construction Observation		80				80	1110	1020						40		2,330
Attend Weekly Construction Meetings	20	24			20	40	40	80								224
Record Drawing Preparation	2	8			2	5					2	4				23
Project Close-Out	4	8			18	24	40		8	16	4	1	40			163
TOTAL HOURS	**34**	**124**	**0**	**0**	**48**	**204**	**1200**	**1100**	**8**	**16**	**6**	**5**	**40**	**40**		**2,825**
TOTAL FEE	**$6,800**	**$13,640**	**$0**	**$0**	**$8,400**	**$26,520**	**$126,000**	**$99,000**	**$720**	**$1,200**	**$300**	**$300**	**$4,600**	**$3,480**	**$10,445**	**$301,405**
														Subtotal Construction Phase		**$301,405**
														Total Professional Services Fee		**$356,320**

Exhibit C - Project Schedule

City of Rio Rancho RFP #21 - UT -007

1/27/2021

Planning, Design and Construction Management Services for the Abandonment and Re-drilling of Well 9	DAYS	START	FINISH
Planning Phase	*30 Days*	*February 15, 2021*	*March 17, 2021*
Well 9 Site Analysis and Coordination with Reservoir 9	7 days	February 15, 2021	February 22, 2021
Optimize Pilot Hole and Monitoring Well Location	20 days	February 15, 2021	March 7, 2021
Prepare Initial Associated Plans and Documentation	10 days	March 7, 2021	March 17, 2021
Preliminary Design - Abandonment, drilling, construction, development, and testing for Well 9R	*60 days*	*March 24, 2021*	*May 23, 2021*
Geotechnical Investigation	7 days	March 24, 2021	March 31, 2021
SUE Site Piping, Coordination with Res 9 Project and Proposed Site Utilities	14 days	March 24, 2021	April 7, 2021
30% Plans, Specifications and Estimate	20 days	March 24, 2021	April 13, 2021
City, NMFA, NMED, OSE, and SSCAFCA Coordination / Review of 30% Bid Documents	*7 days*	*April 13, 2021*	*April 20, 2021*
60% Plans, Specifications and Estimate	7 days	April 20, 2021	April 27, 2021
City, NMFA, NMED, OSE, and SSCAFCA Coordination / Review of 30% Bid Documents	*14 days*	*April 27, 2021*	*May 11, 2021*
90% Plans, Specifications and Estimate	5 days	May 11, 2021	May 16, 2021
City, NMFA, NMED, OSE, and SSCAFCA Coordination / Review of 90% Bid Documents	*7 days*	*May 16, 2021*	*May 23, 2021*
Final Design Phase	*30 days*	*May 23, 2021*	*June 22, 2021*
100% Plans, Specification and Estimate	23 days	May 23, 2021	June 15, 2021
City, NMFA, NMED, OSE, and SSCAFCA Review and Approval of 100% Bid Documents	7 days	June 15, 2021	June 22, 2021
Bid Phase	*51 days*	*June 22, 2021*	*August 12, 2021*
Assist City with Preparation of Contract Documents	7 days	June 22, 2021	July 6, 2021
Bidding and Award	44 days	July 6, 2021	August 19, 2021
Construction Phase	*180 days*	*September 1, 2021*	*February 28, 2022*
Construction Management and Full-Time Construction Observation	180 days	September 1, 2021	February 28, 2022
Project Closeout	*14 days*	*February 28, 2022*	*March 14, 2022*
Construction Management and Full-Time Construction Observation	14 days	March 14, 2022	March 28, 2022

AMENDMENT NUMBER ONE

TO CONTRACT 21-UT-108

BETWEEN

THE CITY OF RIO RANCHO

AND

HUITT-ZOLLARS, INC

WITNESSETH:

WHEREAS, the City of Rio Rancho ("City") and Huitt-Zollars, Inc ("Contractor") entered into a Contract 21-UT-108 dated February 15, 2021; and

WHEREAS, Contract 21-UT-108 has been in effect since that time; and

WHEREAS, the City and Contractor hereby wish to amend said Contract; and

NOW THEREFORE, in consideration of each other, the "City" and "Contractor" agree that said "Contract" shall be amended as follows:

Add Scope of Work in the amount of $756,280.00 not including NMGRT, as attached hereto as Exhibit A-1

All other terms and conditions not specifically modified herein shall remain in full force and effect.

IN WITNESS WHEREOF, "City' and "Contractor" have executed this instrument and the Amendment is effective as of the date of the last signature.

CITY OF RIO RANCHO

By: _____
Matthew B. Geisel, City Manager

Date: _____

Huitt-Zollars, Inc

By: _____
Robert Demeule, Vice President

Date: _____

Approved as to Form:

By: _____
Josh Rubin, City Attorney

Date: _____

HUITT HZ ZOLLARS

10/30/2023

Mr. Steve Gallegos, Deputy Utility Director
City of Rio Rancho
3200 Civic Center Circle NE
Rio Rancho, NM 87144

RE: **RFP 21-UT-108 and City Project No. WA 2164 – Abandonment and Re-Drilling of Well 9R**
Additional Engineering Services – Phase 2 Equipping of Well 9R

Dear Mr. Gallegos:

Per our discussions, field review meetings and the revised Preliminary Engineering Report, we are requesting an increase to P.O. 211392 (RFP 21–UT-108 Re-Drilling Well 9R) in the amount of $756,280.00, excluding NMGRT to provide the required design and construction observation services for Well 9R. This work will include equipping Well 9R, designing a new well house including HVAC, electrical, plumbing, well piping, and security. The project will also include mapping / topographic survey, Environmental Documentation, Subsurface Utility Explorations, existing Well 9 abandonment, site piping improvements, site grading, access road(s), and arsenic treatment improvements. Lastly, we will work with the City to ensure all components removed from the Reservoir 9 construction project are included in this final phase for Well 9R. The components removed from Reservoir 9; include, control panels, electrical wiring, installation of the pressure transducer, PAX mixing system. motor operated access gates, SCADA requirements, and security improvements. A detailed breakdown and assumptions for the proposed engineering fee is illustrated below:

Assumptions\Conditions

- The City will provide a detailed list of all the components removed from the reservoir 9 project
- The City and the City's Operations Staff will provide the required direction for the SCADA improvements
- The City and the City's Operations Staff will provide the required direction for the security improvements
- HZ will coordinate directly with JSAI to determine the new well's pumping capacity and conditions
- The new waterlines will be constructed in existing ROW or easements
- Coordination will be required with Sandoval County during design and construction to obtain construction permits (By the Contractor).

Based on our understanding of the project, we have developed the following Scope of Work and Fee:

SCOPE OF WORK

TASK 1 – Preliminary Engineering Report

- Prepare the required Preliminary Engineering Report per USACE funding requirements
- Perform the required Environmental Documentation.

TASK 2 – Design Phase Services for waterline extensions in 20th Street and King Blvd.

- Perform the required Geotechnical Investigation including soil corrosivity
- Perform the Aerial Mapping of the proposed waterline alignments
- Perform Subsurface Utility Explorations to determine the location and depth of the existing 10" waterline in 20th Street
- Coordinate with Sandoval County permitting and construction requirements
- Prepare and submit 60% Plans for review and comment
- Prepare and submit 90% Plans for review and comment
- Prepare and submit 100% Construction Documents for bidding.

TASK 3 – Design Phase Services for Well Equipping and Arsenic Treatment

- Perform site topographic Survey, including new site piping from the Reservoir 9 project
- Perform a SUE Level B for the site including the re-drilled Well 9R
- Coordination with JSAI to determine the new Well 9R pumping capacity
- Submit 60%, 90%, and Final Design Construction Documents
- Well Design
- Arsenic Treatment Modifications and Replacements
- Architectural Design
- Grading and Drainage
- Site Piping and Access
- Site Electrical / SCADA
    - Agency Coordination. .

TASK 4 – Bid Phase Services for Well Equipping and Arsenic Treatment, 20th Street Waterline Extension, and Ling Blvd Waterline Extension

- Attend construction Pre-Bid Meeting
- Respond to RFI's
- Attend Bid Opening
- Provide Recommendation of Award.

TASK 5 – Construction Phase Services for Well 9R Equipping and Arsenic Treatment

- Attend Pre-Construction Meeting
- Submittal Review
- Respond to RFI's
- Provide full time Construction Observation
- Attend Weekly Construction Meetings
- Record Drawing Preparation
- Project Close-Out.

TASK 6 – Construction Phase Services for 20th Street and King Blvd Waterline Extensions

- Attend Pre-Construction Meeting
- Submittal Review
- Respond to RFI's
- Provide part time Construction Observation

- Attend Weekly Construction Meetings
- Record Drawing Preparation
- Project Close-Out.

FEE

We will perform the above scope of work for following lump sum fee(s):

TASK 1	**Preliminary Engineering Report** • EID ($25,000.00)	$ 52,660.00
TASK 2	**20th Street and King Blvd Waterlines** • Geotechnical ($12,000.00) • Aerial Mapping ($25,720.00) • SUE ($10,000.00)	$ 179,880.00
TASK 3	**Well Equipping and Arsenic Treatment** • Electrical / SCADA ($67,000.00) • Well Abandonment ($11,000.00)	$ 234,660.00
TASK 4	**Bid Phase**	$ 6,060.00
TASK 5	**Construction Phase Services Well 9R**	$ 176,550.00
TASK 6	**Construction Phase Services Waterlines**	$ 106,470.00
	Total:	**$ 756,280.00**

New Mexico gross receipts tax is in addition to the above fee. A detailed fee schedule is attached hereto.

If this request is acceptable to the City, we will proceed with the work and submit the Project Schedule within 10 calendar days for the City to review and approve. Please let me know if you require any additional information and thank you again for this opportunity to assist the City.

Sincerely,
Huitt-Zollars, Inc.

Wes Vote, PE
Vice President

Att: Manhour Fee Proposal

RFP 21 - UT - 108
Design and Construction Management Services for Re-Drilling of Well 9R - WA 2164
Phase II - Additional Engineering Fee for Equipping Well 9R

Date: 6/12/2023

	Project Manager	*Project Engineer*	*QA/QC Manager*	*Survey Manager*	*Survey Crew (2-Person)*	*Senior Architect*	*Structural Engineer*	*Designer*	*Construction Observer*	***Total Hours***
BASIC SERVICES										
Preliminary Engineering Services										
Develop Preliminary TM and 30% Design	4	40						40		**84**
Develop Final TM and 30% Design	4	30						20		**54**
NMED Review and USACE Coordination	4	8								**12**
TOTAL HOURS	**12**	**78**	**0**	**0**	**0**	**0**	**0**	**60**	**0**	**150**
TOTAL FEE	**$3,060**	**$15,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$9,000**	**$0**	**$27,660**
Environmental Information Documentation (Rocky Mountain Ecology)-Subconsultant										
TOTAL FEE										**$25,000**
									Subtotal	***$52,660***
Design Phase Services - 20th Street and King BLVD Waterline Extensions										
Survey (Boundary, ROW, Legal Descriptions)	8			30	122			10		**170**
Plan and Profile Sheets	16	100	24					420		**560**
Pipeline Corrossivity Analysis	12	16								**28**
TOTAL HOURS	**36**	**116**	**24**	**30**	**122**	**0**	**0**	**430**	**0**	**758**
TOTAL FEE	**$9,180**	**$23,200**	**$5,040**	**$6,450**	**$23,790**	**$0**	**$0**	**$64,500**	**$0**	**$132,160**
Geotechnical Investigations (TERRACON)-Subconsultant										
TOTAL FEE										**$12,000**
Aerial Mapping (AEROTECH)-Subconsultant										
TOTAL FEE										**$25,720**
SUE (Cobb Fenley)-Subconsultant										
TOTAL FEE										**$10,000**
									Subtotal	***$179,880***
Design Phase Services - Well Equipping and Arsenic Treatment										
Topographic Survey										
SUE Level B		8						16		**24**
60% Design Phase										
Well Design	4	8	2				24	24		**62**
Arsenic Treatment Modifications		8	2				24	24		**58**
Architectural						100	24	24		**148**
Grading and Drainage	2	8						24		**34**
Site Piping and Access	2	8						16		**26**
Site Electrical / SCADA	4							16		**20**
Specifications	4	8								**12**
Agency Coordination	4	4								**8**
90% Design Phase										
Well Design	4	8	2				16	24		**54**
Arsenic Treatment Modifications	4	8	2				16	24		**54**
Architectural						80	16	24		**120**
Grading and Drainage	2	4						16		**22**
Site Piping and Access	2	4						8		**14**
Site Electrical / SCADA	2							16		**18**
Specifications	2	8								**10**
Agency Coordination	2	4								**6**
Final Design Phase										
Well Design	2	8	2				8	24		**44**
Arsenic Treatment Modifications	2	8	2					24		**36**
Architectural						20	4	24		**48**
Grading and Drainage	2	2						12		**16**
Site Piping and Access	2	2						8		**12**
Site Electrical / SCADA	2							16		**18**
Specifications	2	4								**6**
Agency Coordination	2	4								**6**
TOTAL HOURS	**52**	**116**	**12**	**0**	**0**	**200**	**132**	**364**	**0**	**876**
TOTAL FEE	**$13,260**	**$23,200**	**$2,520**	**$0**	**$0**	**$38,000**	**$25,080**	**$54,600**	**$0**	**$156,660**
Electrical / SCADA (AEA PC)-Subconsultant										
TOTAL FEE										**$67,000**
Well 9R Abandonment (JSAI)-Subconsultant										
TOTAL FEE										**$11,000**
									Subtotal	***$234,660***
Bid Phase Services										
Attend Pre-Bid Meeting	2	2								4
Answer Questions for Addendum		8				8	8			24
Attend Bid-Opening	2									2
TOTAL HOURS	**4**	**10**	**0**	**0**	**0**	**8**	**8**	**0**	**0**	**30**
TOTAL FEE	**$1,020**	**$2,000**	**$0**	**$0**	**$0**	**$1,520**	**$1,520**	**$0**	**$0**	**$6,060**
									Subtotal	***$6,060***
Construction Phase Services - Well Equipping										
Pre-Construction Meeting	2	2							2	6
Submittal Review	32	40				8	8			88
Respond to RFI's	24	40				8	8			80
Construction Observation	40	40							800	880
Attend Weekly Construction Meetings	40	40								80
Record Drawing Preparation	8	24						24		56
Project Close-Out	4	16								20
TOTAL HOURS	**150**	**202**	**0**	**0**	**0**	**16**	**16**	**24**	**802**	**1,210**
TOTAL FEE	**$38,250**	**$40,400**	**$0**	**$0**	**$0**	**$3,040**	**$3,040**	**$3,600**	**$88,220**	**$176,550**
									Subtotal	***$176,550***
Construction Phase Services - 20th Street and King Waterlines (Four Months Part Time)										
Pre-Construction Meeting	2	2							2	6
Submittal Review	8	12				8	8			36
Respond to RFI's	8	8				8	8			32
Construction Observation	16	16							640	672
Attend Weekly Construction Meetings	16	16								32
Record Drawing Preparation	2	4						24		30
Project Close-Out	2	4								6
TOTAL HOURS	**54**	**62**	**0**	**0**	**0**	**16**	**16**	**24**	**642**	**814**
TOTAL FEE	**$13,770**	**$12,400**	**$0**	**$0**	**$0**	**$3,040**	**$3,040**	**$3,600**	**$70,620**	**$106,470**
									Subtotal	***$106,470***
									Total Fee, excl NMGRT	**$756,280**