Regular Governing Body Meeting
City of Rio Rancho
AGENDA
May 9, 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 April 1, 2024 Work Session Meeting
Minutes of April 1, 2024 Work Session Meeting

2 Minutes of April 16, 2024 Work Session
Minutes of April 16, 2024 Work Session

3 Minutes of April 25, 2024 Work Session Meeting
Minutes of April 25, 2024 Work Session Meeting

4 Minutes of April 25, 2024 Regular Meeting
Minutes of April 25, 2024 Regular Meeting

5 R37, Resolution Authorizing Disposal of Police Department Property
Resolution
Exhibit A

6 R38, Resolution Authoring the Disposal and Trade-in of Library Materials
Resolution
Exhibit A Disposal List Library Materials

7 R39, Resolution Authorizing the Disposal of Library and Information Services Department Property
Resolution
Exhibit A Disposal List Property

8 D14, Appointment of Angeline Montoya to the Keep Rio Rancho Beautiful Committee
Angeline Montoya - Resume

9 D15, Appointment of Robert Radosevich to the Keep Rio Rancho Beautiful Committee
Robert Radosevich - Resume

10 D16, Appointment of Joe Cowling to the Keep Rio Rancho Beautiful Committee
JOE COWLING - Resume

11 D17, Appointment of Ellen Herrera to the Parks and Recreation Commission
Ellen Herrera- Resume

12 D18, Appointment of Lisa Leiding to the Parks and Recreation Commission
Lisa Leiding- Resume

13 D19, Appointment of Bina Bhakta to the Lodgers Tax Advisory Board
Bina Bhakta- Resume

Boards/Commissions/Committee Reports

Public Hearings

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

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

Second Reading of Ordinances

16 O4, An Ordinance Amending and Restating Ordinance No. 28, Enactment No. 20-27; Authorizing the Execution and Delivery of an Amended and Restated Loan Agreement ("Loan Agreement") By and Between the City of Rio Rancho, New Mexico (the "City") and the New Mexico Finance Authority, Evidencing a Special Limited Obligation of the City to Pay a Principal Amount of Not to Exceed Fifteen Million One Hundred Fifty Thousand Dollars ($15,150,000), Together with Interest, Costs of Issuance and Administrative Fees Thereon, for the Purpose of Financing the Costs of Extending and Improving the City's Water and Wastewater Utility System (the "System"), including Upgrades to Well #9; Providing for the Pledge and Payment of the Principal, Interest and Administrative Fees Due Under the Loan Agreement Solely from Net Revenues of the System; Repealing Prior Authorization of the Acceptance of a Loan Subsidy in Consideration of an Offsetting Reduction of the Interest Payable on the Loan Agreement; Setting a Maximum Interest Rate for the Loan; Approving the Form of and Other Details Concerning the Loan Agreement; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent with this Ordinance; and Authorizing the Taking of Other Actions in Connection with the Execution and Delivery of the Loan Agreement.
Ordinance
Amended and Restated Loan Agreement

First Reading of Ordinances

17 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.
Ordinance_O8
PILOT Payment Distribution Schedule
Storage BPA
QR Storage Indenture
QR Storage Lease
QR Storage Sublease
QR IRB Application Final 3.21.24.
R27 Signed
Quail Ranch Site Plan

18 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
Ordinance_O9
PILOT Payment Distribution Schedule
QR Solar BPA

QR Solar Indenture
QR Solar Lease
QR Solar Subleasee
QR IRB Application Final 3.21.24
R27 Signed
Quail Ranch Site Plan

Discussion and Deliberation

19 Selection of Deputy Mayor
Public Comment

City Manager

Adjournment

CITY OF RIO RANCHO
COVER PAGE

Legislation Item:

AGENDA DATE:
May 9, 2024

DEPARTMENT:
City Clerk

SUBJECT:
Minutes of April 1, 2024 Work Session Meeting

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

ATTACHMENT: Minutes of April 1, 2024 Work Session Meeting

Governing Body
of the
City of
Rio Rancho
Special
Work Session
MINUTES
APRIL 1, 2024
4:00 p.m.
Council Chambers

MEMBERS PRESENT:
Greggory D. Hull, Mayor
Jim Owen, Councilor Dist. 1
Bob Tyler, Councilor Dist. 3
Paul Wymer, Councilor Dist. 4
Karissa Culbreath, Councilor Dist. 5
Nicole List, Councilor Dist. 6

STAFF & SPECIAL GUEST PRESENT:
Matt Geisel, City Manager
Peter Wells, Deputy City Manager
Josh Rubin, City Manager
Rebecca Martinez, City Clerk
Amy Rincon, Director of Development Svcs.

MEMBERS ABSENT:
Jeremy Lenentine, Dist. 2

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Hull called the meeting to order at 4:00 p.m.

Discussion

1. Discussion of Ordinance Amending Chapter 131 Offenses Against Order and Safety & Chapter 154 Planning and Zoning

Peter Wells, Deputy City Manager presented this item. He went over the general concepts of sound. Sound intensity is the amount of sound energy in a confined space. It is measured in decibels (dB). The decibel scale is logarithmic, which means that loudness is not directly proportional to sound intensity. Instead, the intensity of a sound grows very fast. This means that a sound at 20 dB is 10 times more intense than a sound at 10 dB. Two sounds that have equal intensity are not necessarily equally loud. Loudness refers to how you perceive audible sounds. A sound that seems loud in a quiet room might not be noticeable when you are on a street corner with heavy traffic, even though the sound intensity is the same. In general, to measure loudness, a sound must be increased by 10 dB to be perceived as twice as loud. He went over the general daytime and nighttime hours and general measurement methods from other City's in New Mexico and how they compare to staff recommendations. Staff recommends measuring at the property line of the noise source, however he went over measuring alternatives. Lastly, staff has proposed the below language, however if the will of the Governing Body is to add specific hours, staff would recommend the below changes.

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- Proposed:
  D) No person shall operate or allow to be operated outdoors, any power equipment, including, but not limited to, sweepers, power mowers, leaf/snow blowers, rototillers, power saws, or other equipment used to perform gardening, property repair or other functions during the nighttime.

- Alternative:
  D) No person shall operate or allow to be operated outdoors, any power equipment, including, but not limited to, sweepers, power mowers, leaf/snow blowers, rototillers, power saws, or other equipment used to perform gardening, property repair or other functions during the ~~nighttime~~ hours of 8 p.m. to 7a.m. At no time when operational shall the sound level caused by or emitted from any of such equipment/tools exceed 85 dB(A) at the source premises property line.

Also, staff would recommend the effective date of the proposed ordinance be adjusted from June 1, 2024 to July 1, 2024, as this item was previously postponed. This will allow for necessary time to acquire sound-level meters and train applicable staff on the new regulations.

Councilor Tyler stated he supports measurement to take place from the property line of the noise source. He would be interested in adjusting the nighttime hours on Friday and Saturday to extend to 10:00 p.m.

Mayor Hull also supports the measurement to be from the property line and is not in support of the measurement taking place inside the premise.

Councilor Wymer, List and Culbreath voiced concern with sound level (decibels) recommended and would like to ensure the decibel is acceptable community noise levels.

Matt Geisel, City Manager explained if the proposed ordinance is approved by the Governing Body, staff will monitor the progress of the ordinance and keep the Governing Body updated.

The meeting adjourned at 4:57p.m.

APPROVED THIS MAY 9, 2024

_____
Greggory D. Hull, Mayor

ATTEST:

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Noel Davis, City Clerk
(SEAL)

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CITY OF RIO RANCHO
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Legislation Item:

AGENDA DATE:
May 9, 2024

DEPARTMENT:
City Clerk

SUBJECT:
Minutes of April 16, 2024 Work Session

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

ATTACHMENT: Minutes of April 16, 2024 Work Session

Governing Body
of the
City of
Rio Rancho
Special
Work Session
MINUTES
APRIL 16, 2024
3:00 p.m.
Council Chambers

MEMBERS PRESENT:
Greggory D. Hull, Mayor
Jim Owen, Councilor Dist. 1
Bob Tyler, Councilor Dist. 3
Paul Wymer, Councilor Dist. 4
Karissa Culbreath, Councilor Dist. 5
Nicole List, Councilor Dist. 6

MEMBERS ABSENT:
Jeremy Lenentine, Dist. 2

STAFF & SPECIAL GUEST PRESENT:
Matt Geisel, City Manager
Peter Wells, Deputy City Manager
Josh Rubin, City Manager
Rebecca Martinez, City Clerk
Amy Rincon, Director of Development Svcs.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Hull called the meeting to order at 4:00 p.m.

Discussion

1. Impact Fees Review

Amy Rincon, Director of Development Services gave a brief overview. On April 18, 2023, Wildan presented on Impact Fees and the methodologies the consultant would be using to propose updates to the Impact Fee Schedule. On August 15, 2023 Willdan presented on the Land Use Assumptions and on October 17, 2023, Staff presented the "true-up" fourth methodology for impact fee calculations. Lastly, on 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. She went over the different meetings that have taken place with stakeholders and the feedback staff received along with several key considerations.

Ms. Rincon went over several Impact Fee schedule options as follows:
• 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:

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- 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

On 4/22/24 CIPCAC will review an updated Impact Fee schedule and on 5/14/24 the Planning and Zoning Board will hear this item. Staff is proposing this item come before Governing Body for the 1st reading on 5/23/24 and the final reading on 6/13/24 with an implementation date of 7/1/24. Ms. Rincon explained the considerations for the subcategory fees. These are in lieu of a specific impact fee and is applied to businesses that place a disproportionate burden on City infrastructure.

2. Water & Wastewater Rates/Fees/Budget Review

Jim Chiasson, Director of Utilities presented this item and explained that over the years the usage rates have changed and in the past 6 years the operations cost have drastically increased. In the FY25 recommended budget includes a 1.75% increase to water rates to partially address increasing operational costs and mitigate a larger increase as part of the forthcoming rate study. This will result in approximately $443,000 in additional revenue. The average monthly customer bill would increase by 94 cents. The recommended FY 25-29 ICIP has the following to address existing and growth-related needs:

- $124,504,163 in wastewater capital projects
- $156,815,009 in water production projects
- $4,335,000 in recycled water projects

The ICIP includes two $25 million bond issues for the Utility. The $50 million in bond proceeds will support approximately 30% to 35% of the Utilities ICIP over the planning period. Also, there are Water Rights Acquisition options to consider. The City can continue to buy smaller lots of water rights as they become available and "chip away" at the remaining liability over the next 30 years or borrow a larger sum of funds ($25M-$50M) at a reasonable interest rate in order to buy larger lots of water rights as they become available. Lastly, the City currently services approximately 200 homes in the County. There are approximately another 150 lots with water service at the lot line or on the residential street. A moratorium on connections outside of the City limits was put in place in 2002 and was reviewed and upheld by the Governing Body in 2014. Some options to consider is to allow the 150 lots to connect to the current system without further extending lines in the County or keep the current moratorium on connections in place.

3. Road Work/Planning Update

BJ Gottlieb, Director of Public Works gave an overview. Since 2016, there have been a

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total of 38 road projects completed and an additional 12 anticipated to start or finish over the next year in Capital Projects. The NSIP Patch & Seal (P&S) project has implemented 8 in-house Phases of road improvement work since its inception in 2017. In FY25 a request for funding P&S in-house and supplemental for up to 20 miles. Next, the NSIP Hybrid Mill program is used to improve residential roads not qualifying for the NSIP Patch & Seal project. 6 centerline miles were approved as part of the FY23 & FY24 budgets. There are high amounts of roads in Districts 1 & 4 that need Hybrid Mill & Inlay, so it is prudent to switch those District allocations regularly to keep parity. Staff is recommending switching Hybrid Mill & Inlay allocations during Phase 3 & 4 bringing parity between District 1 and District 4. Afterwards, switch the allocations every other year and leaving other District allocations as specified. Lastly, Mr. Gottlieb went of Traffic Calming Process procedures that are currently in place. Since 2014, Public Works Engineering has, on average, completed 21.6 Speed & Volume Studies (SVS)/year on residential roadways. Only 2.55% meet criteria for traffic calming. When traffic calming is not required, educating the motoring public with safety messages on Variable Message Signs is a priority.

Mayor Hull suspended the Rules of Procedure Section to allow for the Work Session to go beyond the two-hour time limit pursuant to Section 2.3 E. There was no objection from the Governing Body.

The meeting adjourned at 5:16 p.m.

APPROVED THIS MAY 9, 2024

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Greggory D. Hull, Mayor

ATTEST:

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Noel Davis, City Clerk

(SEAL)

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CITY OF RIO RANCHO
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Legislation Item:

AGENDA DATE:
May 9, 2024

DEPARTMENT:
City Clerk

SUBJECT:
Minutes of April 25, 2024 Work Session Meeting

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

ATTACHMENT: Minutes of April 25, 2024 Work Session Meeting

Governing Body
of the
City of
Rio Rancho
Special
Work Session
MINUTES
APRIL 25 2024
2:00 p.m.
Council Chambers

MEMBERS PRESENT:
Greggory D. Hull, Mayor
Jeremy Lenentine, Dist. 2
Bob Tyler, Councilor Dist. 3
Paul Wymer, Councilor Dist. 4
Karissa Culbreath, Councilor Dist. 5
Nicole List, Councilor Dist. 6

MEMBERS ABSENT:
Jim Owen, Councilor Dist. 1

STAFF & SPECIAL GUEST PRESENT:
Matt Geisel, City Manager
Peter Wells, Deputy City Manager
Josh Rubin, City Attorney
Rebecca Martinez, City Clerk
Carol Jaramillo, Director of Financial Svcs.
Connie Peterson, Dir. of Parks, Rec & Comm Svcs.
James DeFillippo, Fire Chief
Amy Rincon, Director of Development Services
Jason Shoup, Library Director
Stewart Steele, Police Chief
Jason Shoup, Library Director
Loyola Martinez, Director of Human Resources
Charli Hannona, Director Information Technology
Jim Chiasson. Director of Utilities
BJ Gottlieb, Director of Public Works
Yolanda Lucero, Deputy City Clerk

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Hull called the meeting to order at 2:00 p.m.

Councilor Owen has been excused from the meeting.

Discussion

1. City Manager Response to Mayor's Comments on Recommended FY 25 Budget

Mayor Hull stated he has submitted his response to the City Manager regarding the proposed recommended FY25 budget pursuant to the City Charter. I'm pleased that the budget is structurally balanced and projects meet or exceed the City's established policy of a 25 percent reserve minimum. He supports the Citizen Investment Advisory Board's recommendation to reinvest applicable Permanent Fund investment earning's back into the fund in Fiscal Year 2025. Also, he supports the recommended 5 percent cost-of-living increase for all employees. Lastly, the recommended budget seeks to

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create six full-time positions and one part-time position for our public safety departments. Mayor Hull is recommending that an additional two police officer positions are included in the Fiscal Year 2025 Budget.

Matt Geisel, City Manager stated the FY 2025 Recommended Budget maintains the City's service levels while supporting capital funding for various needs around the City. He believes this budget recommendation strikes a proper balance between funding strategic goals, addressing current operational needs and ensuring a sustainable budget for future years. The policy targets for reserves in both the General Fund and the Utilities Enterprise have been exceeded in the proposed budget, thus positioning the City to face future economic challenges without adversely impacting services.

2. Line Item Review of FY 25 Recommended Budget

Mayor Hull stated they will go through each Department and their fund code/line item if there are questions staff will be available to answer.

3. Infrastructure and Capital Improvement Plan FY 25-29

Mayor Hull stated he is extremely encouraged by the capital programs and the management of the programs and funding.

Mr. Geisel stated the ICIP consists of cross-departmental activities designed to identify, plan, finance, and undertake acquisition of capital assets necessary to meet service level goals and objectives. This capital program accurately represents the capital priorities of the City as identified through department-level capital needs assessments, asset management, and ongoing infrastructure planning. Project financing has been identified to the extent practicable and incorporates established and dedicated revenue sources associated with the capital program

Carol Jaramillo, Director of Financial Services stated in the aggregate, the City's Capital Program consists of 109 projects at a total estimated cost of $614 million for the planning period beginning on July 1, 2024 and ending on June 30, 2029. The City has affirmatively and/or tentatively identified funding sources for 70 percent of total capital spending planned to occur through FY 2029 using both pay-as-you-go and debt financing sources, while 30 percent of the total program funding is yet to be determined. An effort has been made in the ICIP to accurately represent the funding gap that exists between capital needs and the anticipated financial resources available to satisfy those needs.

4. Municipal Court FY25 Budget Request

Angel Mascarenas, Court Administrator was available for questions and stated after through review and discussion between the Executive Branch and Judicial Branch, the appropriate budget request meets the needs of the Court.

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Councilor Tyler would like to recommend adding funding for Municipal Court for repair and maintenance of the flooring.

The meeting adjourned at 4:44p.m.

APPROVED THIS MAY 9, 2024

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Greggory D. Hull, Mayor

ATTEST:

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Noel Davis, City Clerk
(SEAL)

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CITY OF RIO RANCHO
COVER PAGE

Legislation Item:

AGENDA DATE:
May 9, 2024

DEPARTMENT:
City Clerk

SUBJECT:
Minutes of April 25, 2024 Regular Meeting

BACKGROUND AND ANALYSIS:

IMPACT:

ALTERNATIVES:

DEPARTMENT RECOMMENDATION:

ATTACHMENT: Minutes of April 25, 2024 Regular Meeting

Governing Body
of the
City of Rio Rancho

MINUTES
APRIL 25, 2024
6:00 PM
Council Chambers, City Hall

MEMBERS PRESENT:	STAFF PRESENT:
Greggory D. Hull, Mayor	Matt Geisel, City Manager
Jim Owen, Councilor Dist. 1	Peter Wells, Deputy City Manager
Jeremy Lenentine, Councilor Dist. 2	Josh Rubin, City Attorney
Bob Tyler, Councilor Dist. 3	Rebecca Martinez, City Clerk
Paul Wymer, Councilor Dist. 4	Carol Jaramillo, Director of Financial Svcs.
Karissa Culbreath, Councilor Dist. 5	Connie Peterson, Dir. of Parks, Rec & Comm Svcs.
Nicole List, Councilor Dist. 6	James DeFillippo, Fire Chief
	Amy Rincon, Director of Development Services
	Jason Shoup, Library Director
	Stewart Steele, Police Chief
	Jason Shoup, Library Director
	Yolanda Lucero, Deputy City Clerk

Call to Order and Pledge of Allegiance

Mayor Hull called the meeting to order at 6:00 p.m.

Proclamations and Awards of Merit

Public Forum

Comments by Councilors

The Governing Body members thanked Councilor Owen for his commitment as City Councilor, as his term is ending at the end of this month.

Consent Calendar

1) Minutes of April 11, 2024 Regular Meeting
2) R31, Resolution Authorizing a Budget Adjustment to the Infrastructure Fund (305) for Acceptance of Sandoval County Funds for the 15th Street SE Realignment Project
3) R32, Resolution Authorizing a Budget Adjustment to the 2022 G.O. Bond Fund (333) for Police Vehicle Upfit and Equipping

Bob Tyler moved to approve consent calendar. Seconded by Paul Wymer

The motion carried by a vote of 6 FOR and 0 AGAINST.

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YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

Boards/Commissions/Committee Reports

Public Hearings

4) R33, Resolution Amending the Los Diamantes Master Plan to Update Section 4. Design Standards and Section 10. Implementation and Phasing; Providing for Severability and an Effective Date

Amy Rincon, Director of Development Services stated late this afternoon the applicant requested this item be postponed. Staff will bring the item back, as a new item at a later date when the applicant is ready to move forward.

Bob Tyler moved to postpone R33, indefinitely. Seconded by Jim Owen

The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

5) R34, Resolution Amending the Lomas Negras Specific Area Plan to Update the Land Use Map (Exhibit 13) and the Future Land Use Table (Exhibit 12)

Ms. Rincon presented R34, R35, and O6 together. The applicant, LGI Homes, through their agent, Coe & Van Loo Consultants, Inc., is requesting approval of an amendment to the Lomas Negras Specific Area Plan to change the Land Use Map and Future Land Use Table. A proposed Zone Map Amendment to change the zoning of Unit 13, Block 70, Lots 1-10, 12-36, 39-40, 47, 52-54, 58-60, 63-72, 74-96; as well as Block 71, Lots 3-15, 20-22, 24-25, 28-35, 37-45. Lastly the High Range 6 Master Plan, details a conceptual lot layout and roadway sections, identifies community amenities, and seeks to change the zoning of all subject parcels so that it is compatible with the proposed residential development. The subject properties comprise approximately 102 acres and are currently zoned R-1: Single-Family Residential District, as well as O-1: Office District.

Karissa Culbreath moved to approve R34. Seconded by Bob Tyler

The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

6) R35, Resolution Adopting the High Range 6 Master Plan

Paul Wymer moved to approve R35. Seconded by Karissa Culbreath

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The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

7) O6, Ordinance Amending the Zoning Classification and Official Zoning Map for the Property Legally Described as Rio Rancho Estates Unit 13, Block 71, Lots 3-15, 20-22, 24-25, 28-35, 37-45, From O-1 and R-1 to R-5: Single-Family Residential; Identifying Conditions of Development; Providing for Severability and an Effective Date

Karissa Culbreath moved to approve O6. Seconded by Paul Wymer

The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

Second Reading of Ordinances

8) O2, Ordinance Amending Chapter 131 Offenses Against Order and Safety & Chapter 154 Planning and Zoning

Matt Geisel, City Manager presented this item. The Governing Body first considered this item at its March 14, 2024 meeting and postponed taking any action until its April 11, 2024 meeting. At its April 11, 2024 meeting, the Governing Body approved an amended version of the Ordinance. At that meeting, four amendments were proposed and adopted. These amendments are reflected in the amended Ordinance document. In addition, a cross reference to applicable, existing appeal procedures found in Section 150.08 of Municipal Code has been added to the amended Ordinance document.

Bob Tyler moved to approve O2. Seconded by Karissa Culbreath

The following individual spoke under this item:

Daniel Gray

The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

9) O5, Ordinance Amending Chapter 34 Municipal Court

Peter Wells, Deputy City Manager stated this is the second reading. As part of the 2023 New Mexico Legislature session, House Bill (HB)139 was passed, which is effective July 1, 2024. It eliminates the State law requirement for municipalities to enact an ordinance requiring an assessment of corrections fees, judicial education fees, and court automation fees to be collected as Municipal Court costs, with a portion remitted

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to the State. Increasing the corrections fee assessed by Municipal Court from $50 to $75 will help offset the increased costs imposed by Sandoval County. Staff is not recommending a larger increase to the corrections fee because such fees can be viewed as regressive and impact lower-income individuals more significantly. With the proposed increase to the corrections fee from $50 to $75, along with the reduction of the judicial education fee ($3) and court automation fee ($6), the minimum and mandatory amount someone will pay when convicted of violating any City ordinance related to the operation of a motor vehicle or any ordinance that may be enforced by the imposition of a term of imprisonment will increase from $77 to $93 (effective July 1, 2024 and includes the local $15 traffic safety education and enforcement fee and $3 court facility/equipment/technology/program fee).

Bob Tyler moved to approve O5. Seconded by Paul Wymer

The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

First Reading of Ordinances

10) 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 stated on October 26, 2023 the Governing Body approved a Resolution authorizing placement of three bond questions (roads, public safety, and quality of life facilities) on the March 5, 2024 ballot to seek voter approval of all three bond questions. Rio Rancho voters approved all three bond questions. Approval of the Bond Parameters Ordinance will 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.

Karissa Culbreath moved to approve O7. Seconded by Jim Owen

The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

DRAFT

Discussion and Deliberation

11) R36, Resolution Establishing an Annual Schedule of Governing Body Meetings and Determining Reasonable Notice for Public Meetings of the City of Rio Rancho

Rebecca Martinez, City Clerk presented this item. The Resolution serves to fulfill two obligations. First, it sets the annual schedule of regular Governing Body meetings (May 2024-May 2025). Second, it communicates what constitutes reasonable notice for all meetings held by the Governing Body and Rio Rancho boards, commissions and committees. Each of these tasks are required by the New Mexico Open Meetings Act, Section 10-5-1, NMSA 1978 and City regulation, Section 2.09 of the City Charter and Section 30.04 of the Municipal Code.

Bob Tyler moved to approve R36. Seconded by Karissa Culbreath

The motion carried by a vote of 6 FOR and 0 AGAINST.
YES: Jim Owen, Jeremy Lenentine, Bob Tyler, Paul Wymer, Karissa Culbreath, Nicole List

City Manager

Mr. Geisel thanked Rebecca Martinez, City Clerk for her hard work and commitment to the City, as she is retiring. Also, the Annual Park 'N the Park will take place on Saturday, 4/27 at Campus Park between 10 am – 4 pm.

The Governing Body members thanked Mrs. Martinez for her service to the City of Rio Rancho.

Adjournment

6:51 p.m.

APPROVED THIS MAY 9, 2024

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel Davis, City Clerk
SEAL

DRAFT

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: R37

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Police Department

SUBJECT:
R37, Resolution Authorizing Disposal of Police Department Property

BACKGROUND AND ANALYSIS:
The Police Department no longer has use for property (i.e., tasers and associated equipment) because it has been replaced and/or has no credit value with the original vendor because the items have been discontinued and are no longer warrantied.

The Department desires to transfer, as applicable, the property to the Gallup Police Department in New Mexico for their lawful and exclusive use in conjunction with their policies and any relevant laws that may apply.

The Department will dispose of any non-transferable inventory of the unusable property.

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:
Approval of the Resolution will enable the transfer/disposal of unusable property.

ALTERNATIVES:
Approve the Resolution.

Do not approve the Resolution.

DEPARTMENT RECOMMENDATION:
Staff recommends approval of the Resolution.

ATTACHMENT: Resolution
ATTACHMENT: Exhibit A

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. 37 **ENACTMENT NO.**

RESOLUTION AUTHORIZING DISPOSAL OF POLICE DEPARTMENT PROPERTY

WHEREAS: the Police Department no longer has use for property; and

WHEREAS: the Police Department desires to donate the property to the Gallup Police Department, a law enforcement agency within the State of New Mexico; and

WHEREAS: the Police Department desires to dispose of any non-transferable inventory of the unusable property; 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 formal authorization is hereby given to transfer or dispose of property located at Police Headquarters (500 Quantum Rd) and depicted in Exhibit A, attached hereto.

ADOPTED THIS _____DAY OF _____2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

EXHIBIT A

Item set for Disposal.

Item	Qty	Destruction Method
Bullard Thermal Imager	1	Transfer
Protech Tactical Body Armor Plate Carriers w/3a soft armor	17	Transfer
Ballistic Helmets	34	Transfer
Fire Hooks Unlimited tools	10	Transfer
Multicam Plate Carriers	7	Transfer
Tacview Camera	1	Transfer
Polecam	1	Transfer
Ballistic Blanket	1	Transfer
Tacsight Thermal Imaging Cable	1	Transfer
Armor Hide Shin Guards	2	Transfer
Motorola APX4500	39	Disposal
Motorola CDM1250	10	Disposal
Taser 7 Holsters	131	Disposal
Taser X26 Handles	54	Disposal
Taser X2 Cartridges	313	Disposal
Taser 7 Cartridges	2,200	Disposal
Taser 7 Batteries	100	Disposal



*Pictures attached.




Bullard

POLE CAM
STORM CASE



FIRE HOOKS UNLIMITED, INC.
1827 Old Mill Road
Wall, New Jersey 07719
(732) 280-7737
FAX (732) 280-7792







TASER X2
CEW
IMPORTANT SAFETY INFORMATION. PLEASE READ.
SP


AXON

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: R38

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Library and Information Services

SUBJECT:
R38, Resolution Authoring the Disposal and Trade-in of Library Materials

BACKGROUND AND ANALYSIS:

The Library and Information Services Department periodically removes materials from circulation due to wear and tear, materials being outdated, or materials being duplicative and no longer needed. The Department's primary book vender, Baker and Taylor, operates the Sustainable Shelves Program, which allows the library to trade-in materials for credit toward future purchases and recycle outdated and poor condition items at no cost to the City. The trade-in credit for the attached list is $69.16.

IMPACT:

The trade-in credit toward future purchases is in the best interest of Rio Rancho because it creates additional resources for the libraries and its patrons to use, and recycling or otherwise disposing items, which are in poor condition or out-of-date, will free up space in the library allowing the City to continue providing quality services to the community.

ALTERNATIVES:
Approve the Resolution.

Do not approve the Resolution.

DEPARTMENT RECOMMENDATION:
Staff recommends approval of the Resolution.

ATTACHMENT: Resolution
ATTACHMENT: Exhibit A Disposal List Library Materials

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. 38 **ENACTMENT NO.**

RESOLUTION AUTHORIZING THE DISPOSAL AND TRADE-IN OF LIBRARY MATERIALS

WHEREAS: the Library and Information Services Department periodically removes materials from circulation due to wear and tear, materials being outdated, or materials being duplicative and no longer needed; and

WHEREAS: the Department's primary book vender, Baker and Taylor, operates the Sustainable Shelves Program, which allows the library to trade-in some materials for credit toward future purchases and recycle outdated and poor condition items at no cost to the City; and

WHEREAS: the trade-in credit toward future purchases is in the best interest of Rio Rancho because it creates additional resources for the libraries and its patrons to use, and recycling or otherwise disposing of items, which are in poor condition or out-of-date, will free up space in the library allowing the City to continue providing quality services to the community.

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

That authorization is hereby given to properly dispose and trade-in of the items listed in Exhibit A, attached hereto.

ADOPTED THIS _____DAY OF _____, 2024.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

Exhibit A
Library Materials Disposal and Trade-In
Library and Information Services
April 25, 2024

ISBN	STATUS
9781474813693;"1474813690"	Discard
0192741438 (pbk) :	Discard
0823409341 :	Discard
0439561450 (alk. paper);"9780439561457"	Credit
1883536308 (hardcover);"9781883536305 (hardcover)"	Discard
1570915814;"9781570915819";"1570915822 (pbk.)";"9781570915826 (pbk.)"	Discard
1591977150	Discard
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0933553048 (pbk.) :	Credit
395291011	Credit
0763609978 (alk. paper)	Discard
0805015809 (alk. paper)	Discard
9781402752988;"1402752989"	Credit
1560652144 (lib. bdg.)	Discard
1577685563;"9781577685562"	Discard
0531204030 (lib. bdg.)	Discard
516215159	Discard
1567666426 (lib. reinforced : alk. paper)	Discard
0516271571;"0516222082"	Discard
9781426301209 (trade bdg.: alk. paper);"1426301200 (trade bdg.: alk. paper)";"9781426301216 (lib. bdg. : alk. paper)";"1426301219 (lib. bdg. : alk. paper)"	Discard
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April 25, 2024

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April 25, 2024

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April 25, 2024

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9781449463007;"1449463002"	Discard
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9781510730878 (hc alk. paper);"1510730877 (hc alk. paper)"	Discard
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9781801051255	Discard
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9781338215267;"1338215264"	Discard
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Exhibit A
Library Materials Disposal and Trade-In
Library and Information Services
April 25, 2024

ISBN	STATUS
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5054429007770;"BFCD064 Brainfeeder"	Discard
9781338169867 (pbk.);"1338169866 (pbk.)";"9781338169874 (hardcover)";"1338169874 (hardcover)"	Discard
29 magazines	Discard
70 magazines	Discard
13 magazines	Discard
9781569319017 (v. 1);"1569319014 (v. 1)";"9781591161844 (v. 3)";"9781591163374 (v. 4)";"9781421501918 (v. 9)";"1421501910 (v. 9)";"9781591166153 (v. 5)";"159116723X (v. 6)";"9781591167235 (v. 6)";"159116852X (v. 7)";"9781591168522 (v. 7)";"1421500752 (v. 8)";"9781421500751 (v. 8)";"1421504065 (v. 10)";"9781421504063 (v. 10)";"9781421506630 (v. 11)";"9781417784875 (v. 12)";"9781421506654 (v. 13)";"9781421515120 (v. 18)";"9781421534459 (v. 29)";"9781421534503 (v. 34)";"9781421534657 (v. 49)";"9781421539591 (v. 59)";"9781421573441 (v. 72)";"9781421580296 (v. 75)";"9781421582603 (v. 76)";"9781421585147 (v. 77)";"9781421588155 (v. 79)";"9781421590240 (v. 80)";"9781421591599 (v. 81)";"9781421592695 (v. 82)";"9781421594330 (v. 83)";"9781421597003 (v. 84)";"9781421598208 (v. 85)";"9781974700424 (v. 86)";"9781974701414 (v. 87)";"9781974703784 (v. 88)";"9781974705214 (v. 89)";"9781974707003 (v. 90)";"9781974707010 (v. 91)";"9781974710157 (v. 92)";"9781974712557 (v. 93)";"9781974715374 (v. 94)";"9781974718139 (v. 95)";"9781974719990 (v. 96)";"9781974722891 (v. 97)";"9781974725199 (v. 98)";"9781974729005 (v. 99)";"9781974732173 (v. 100)";"9781974734207 (v. 101)";"9781974736553 (v. 102)";"9781974738700 (v. 103)";"9781974741298 (v. 104)"	Discard
9781728296166 (trade paperback);"1728296161 (trade paperback)"	Discard
9781648277870 (paperback : volume 1);"164827787X (paperback : volume 1)";"9781648279263 (paperback : volume 2)";"1648279260 (paperback : volume 2)";"9781638583035 (paperback : volume 3)";"9781638587125 (paperback : volume 4)"	Discard
9781101905364 (hardback);"1101905360 (hardback)"	Discard
0448089211;"9780448089218"	Discard

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ISBN	STATUS
9780544464971 (hardcover);"0544464974 (hardcover)"	Discard
9780345545145 (hbk. : acid-free paper);"0345545141 (hbk. : acid-free paper)"	Discard
9780764218781 (hardcover acid-free paper);"0764218786 (hardcover acid-free paper)";"9780764217616 (softcover)";"0764217615 (softcover)"	Discard
9780375868481 (hardcover);"0375868488 (hardcover)";"9780375968488 (hardcover library binding)";"0375968482 (hardcover library binding)"	Discard
9781728228600	Discard
9781936669219	Discard
9781506721736 hardcover;"1506721737 hardcover"	Discard
9781338215243;"1338215248"	Discard
9780062111111;"0062111116"	Discard
076137454X (trade hard cover : alk. paper);"9780761374541 (trade hard cover : alk. paper)"	Discard
9780593108413 (hardcover);"0593108418"	Discard
9780446574327 (pbk.);"0446574325 (pbk.)"	Discard
448095165	Discard
448095092	Discard
044809553X : 0448195534	Discard
0448095262 (tr. ed.);"0448195267 (lib. ed.)"	Discard
0448095319;"0448195313"	Discard
9780399155987;"0399155988"	Discard
9780062082145 (trade bdg.);"0062082140 (trade bdg.)";"9780062082152 (lib. bdg.)";"0062082159 (lib. bdg.)"	Discard
9781484782354 (hardcover);"1484782356 (hardcover)";"9781484786390 (paperback)";"1484786394 (paperback)"	Discard
1435986156;"9781435986152";"043396326309";"32630 Sony Pictures Home Entertainment"	Discard
9780061711930 (pbk.);"0061711934 (pbk.)"	Discard
0785116575 (pbk.) :;"9780785116578"	Discard
9780794433918;"079443391X"	Discard
9781476754451 (hardback);"1476754454 (hardback)";"9781476754475 (paperback)";"1476754470 (paperback)";"9781501180767 (paperback)"	Discard
0803734166 (acid-free paper);"9780803734166 (acid-free paper)"	Discard
9780307271754;"0307271757"	Discard
9780593743782 (large print paperback);"0593743784 (large print paperback)"	Discard

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ISBN	STATUS
9780061240201 (pbk. : alk. paper);"9781427801098";"1427801096";"9780061240614 (trade bdg. : alk. paper)";"0061240613 (trade bdg. : alk. paper)";"0061240206 (pbk. : alk. paper)"	Discard
9781338846003;"9780545646239 (pbk.)";"0545646235 (pbk. : alk. paper)";"0545646243 (hardcover : alk. paper)";"9780545646246 (hardcover : alk. paper)"	Discard
9780670022328;"0670022322"	Discard
515121940	Discard
1465460365;"9781465460363";"1465453024";"9781465453020"	Discard
1591664578 (gr.9 student);"9781591664574 (gr.9 student)";"1591664586 (gr.9 teacher)";"9781591664581 (gr.9 teacher)"	Discard
9781601530882	Discard
9780133196689;"0133196682"	Discard
0078617766 (student ed.);"9780078617768 (student ed.)"	Discard
0078617766 (student ed.);"9780078617768 (student ed.)"	Discard
9781601532022	Discard
9781601530288	Discard
043919864X (gr. 7);"9780439198646 (gr. 7)"	Discard
0153178361 (student ed.);"9780153178368 (student ed.)"	Discard
9781419098543 (student textbook);"1419098543 (student textbook)";"9781419098550 (student workbook)";"1419098551 (student workbook)"	Discard
0826335071;"9780826335074"	Discard
9780073125015;"0073125016"	Discard
0078617650 (student ed.);"9780078617652 (student ed.)"	Discard
0078617707 (student ed.);"9780078617706 (student ed.)"	Discard
0471369802 (pbk. alk. paper);"9780471369806 (pbk. alk. paper)";"0613819357";"9780613819350"	Discard
0078617731 (student ed.);"9780078617737 (student ed.)"	Discard
0078617677 (student ed.);"9780078617676 (student ed.)"	Discard
0078617677 (student ed.);"9780078617676 (student ed.)"	Discard
0471163961 (paper);"9780471163961 (paper)"	Discard
9780615188584	Discard
1580620639;"9781580620635"	Discard
9780132013956	Discard
9780130540614	Discard
9780078617430 (student ed.);"007861743X (student ed.)"	Discard
0395917352;"9780395917350"	Discard

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ISBN	STATUS
9780076037292;"0076037290"	Discard
0321356861;"9780321356864"	Discard
0912511060;"9780912511061"	Discard
9781601631633 (pbk.);"1601631634 (pbk.)"	Discard
9780979945977;	Discard
9780979945946;	Discard
9780979945984;	Discard
9780979945939;	Discard
9780979945953;	Discard
9780979945960;	Discard
013365723X (gr. 10);"9780133657234 (gr. 10)"	Discard
9780821528051 (gr. 5)	Discard
9780821528044 (gr. 4)	Discard
0078617405;"9780078617409"	Discard
0078617405;"9780078617409"	Discard
066947164X (hardcover);"9780669471649 (hardcover)";"0669471860 (pbk.)";"9780669471861 (pbk.)"	Discard
9780312668303;	Discard
9780061098635;"0060194243"	Discard
9780373838110 (paperback);"0373838115 (paperback)"	Discard
9780373838066 (pbk.);"0373838069 (pbk.)"	Discard
9780141321103;"9780199536566";"9781402767623";"0448405601";"0517205769";"0670869856"	Discard
0451208552 (pbk.);"9780739434598"	Discard
9781426330049 (paperback);"1426330049 (paperback)";"9781426330056 (hardcover)";"1426330057 (hardcover)"	Discard
9781426323355 (paperback alkaline paper);"9781426323362 (library binding alkaline paper)";"1426323360 (library binding alkaline paper)";"1426323352 (paperback alkaline paper)";"1518213375 (Paw Prints)";"9781518213373 (Paw Prints)"	Discard
0618377638;"9780618377633"	Discard
0030655072;"9780030655074"	Discard
0590963805;"9780590963800"	Discard
9780133183818 (student guide)	Discard
9780131656383 (student ed. text);"9780131656437 (teacher's guide)";"9780133661927 (teacher's guide with student ed. pages)"	Discard
9780131656383 (student ed. text);"9780131656437 (teacher's guide)";"9780133661927 (teacher's guide with student ed. pages)"	Discard

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ISBN	STATUS
9780131656383 (student ed. text);"9780131656437 (teacher's guide)";"9780133661927 (teacher's guide with student ed. pages)"	Discard
9780131656383 (student ed. text);"9780131656437 (teacher's guide)";"9780133661927 (teacher's guide with student ed. pages)"	Discard
0071451374 (alk. paper);"9780071451376 (alk. paper)"	Discard
9780071475143 (alk. paper);"0071475141 (alk. paper)"	Discard
9780131338166 (student guide Spanish)	Discard
9780131656413 (student ed. text);"9780131656727 (teacher's guide)"	Discard
9780131656420 (student guide)	Discard
9780131656413 (student ed. text);"9780131656727 (teacher's guide)"	Discard
013020692X;"9780130206923"	Discard
0072402636 (Student's edition);"9780072402636 (Student's edition)"	Discard
0618007482 (student text);"9780618007486 (student text)"	Discard
9781421500621 (v. 3);"9781591169901 (v . 2)";"1591169151 (v. 1)";"9781591169154 (v. 1)";"1591169909 (v . 2)";"1421500620 (v. 3)";"1421501929 (v. 4)";"9781421501925 (v. 4)";"1421503298 (v. 5)";"9781421503295 (v. 5)";"1421505843 (v. 6)";"9781421505848 (v. 6)";"1421508648 (v. 7)";"9781421508641 (v. 7)";"1421511614 (v. 8)";"9781421511610 (v. 8)";"1421514044 (v. 9)";"9781421514048 (v. 9)";"1421519291 (v. 10)";"9781421519296 (v. 10)";"9781421522555 (v. 11 : pbk.)";"1421522551 (v. 11 : pbk.)";"9781421526720 (v. 12 : pbk.)";"1421526727 (v. 12 : pbk.)";"9781421526737 (v. 13 : pbk.)";"1421526735 (v. 13 : pbk.)";"9781421535654 (v. 14 : pbk.)";"1421535653 (v. 14 : pbk.)";"9781421536705 (v. 15 : pbk.)";"1421536706 (v. 15 : pbk.)";"9781421538709 (v. 16 : pbk.)";"1421538709 (v. 16 : pbk.)";"9781421539799 (v. 17 : pbk.)";"1421539799 (v. 17 : pbk.)";"9781421541358 (v. 18 : pbk.)";"1421541351 (v. 18 : pbk.)";"1435205391 : PBD";"9781435205390 : PBD"	Discard
9780062678713 (hardcover);"006267871X"	Discard
9781984827586 large print paperback;"1984827588 large print paperback"	Discard
9780062675323 (paperback);"006267532X (paperback)";"9781544412597 (FollettBound)";"1544412592 (FollettBound)";"9780606414524 (Turtleback Books)";"0606414525 (Turtleback Books)";"9781536448153";"153644815X";"9780780428539";"0780428536"	Discard
9781410477231 (hbk. : lg. print);"1410477231 (hbk. : lg. print)"	Discard
0394992172;"0394892178"	Discard
9780399162169;"039916216X"	Discard

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ISBN	STATUS
9780307983022 (no. 6);"9780375843921 (no. 4)";"9780375843891 (hbk. : no. 1)";"9780375843907 (trade pbk. : no. 2)";"9780307983053 (no. 7)";"0375843906 (trade pbk. : no. 2)";"0375843892 (hbk. : no. 1)";"9780375937835 (lib. bdg. : no. 1)";"0375937838 (lib. bdg. : no. 1)";"9780375937842 (hardcover library binding : no. 2)";"0375937846 (hardcover library binding : no. 2)";"9780375843914 (no. 3)";"9780307983008 (no. 5)";"9780307982995 (no. 5)";"9780307983091 (no. 8)"	Discard
9781554513895	Discard
9781534495234	Discard
9780763634551 (hardback : alk. paper);"0763634557 (hardback : alk. paper)"	Discard
1484700066;"9781484700068"	Discard
9780618436620;"0618436626"	Discard
9780778313106 (pbk.);"0778313107 (pbk.)"	Discard
0060268565;"0808524550"	Discard
9781949520019 (hbk.);"1949520013"	Discard
0063037645;"9780063037649"	Discard
9781933241531;"1933241535"	Discard
9780131656352 (student guide)	Discard
9780131338159 (student guide Spanish)	Discard
9780131656468 (student ed. text);"9780131656765 (teacher's guide)"	Discard
0078664233 (student ed.);"9780078664236 (student ed.)"	Discard
9780030740619 (student text);"0030740614 (student text)"	Discard
013048069X;"9780130480699"	Discard
9780979107269;"0979107261"	Discard
9780131656444 (student ed. text);"9780131656741 (teacher's guide)"	Discard
9781572321885 (student ed.)	Discard
9780131656543 (student ed. text);"9780131656819 (teacher's guide)"	Discard
9780131656543 (student ed. text);"9780131656819 (teacher's guide)"	Discard
9780131656505 (student ed. text);"9780131656789 (teacher's guide)"	Discard
9780131656505 (student ed. text);"9780131656789 (teacher's guide)"	Discard
9780131338166 (student guide Spanish)	Discard
0078617529 (student ed.);"9780078617522 (student ed.)"	Discard
0131101706 (alk. paper);"9780131101708 (alk. paper)"	Discard
0812043898;"9780812043891"	Discard
9780766833913;"0766833917"	Discard
9781572321922 (student ed.)	Discard
9780131338142 (student guide Spanish)	Discard
9780131656406 (student guide)	Discard

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ISBN	STATUS
1559534591;"9781559534598"	Discard
0382365747;"9780382365744"	Discard
0382365720;"9780382365720"	Discard
9780130241436;"0130241431"	Discard
1930367775;"9781930367777"	Discard
0030358272 (student ed.);"9780030358272 (student ed.)";"9790030358271 (student ed.)"	Discard
9781256462736	Discard
0030565898 (student text);"9780030565892 (student text)";"0030573246 (teacher's edition)";"9780030573248 (teacher's edition)"	Discard
0030565898 (student text);"9780030565892 (student text)";"0030573246 (teacher's edition)";"9780030573248 (teacher's edition)"	Discard
0078617464;"9780078617461"	Discard
9780133268591;"0133268594"	Discard
9780976605737	Discard
0757510817 (student);"9780757510816 (student)"	Discard
9780131656444 (student ed. text);"9780131656741 (teacher's guide)"	Discard
0078617340 (student ed.);"9780078617348 (student ed.)"	Discard
0078617375 (student ed.);"9780078617379 (student ed.)"	Discard
0078617375 (student ed.);"9780078617379 (student ed.)"	Discard
9780131656468 (student ed. text);"9780131656765 (teacher's guide)"	Discard
9780131656345 (student ed. text);"9780131656659 (teacher's guide)"	Discard
9780131656345 (student ed. text);"9780131656659 (teacher's guide)"	Discard
9780131656307 (student guide)	Discard
9780131656307 (student guide)	Discard
9780071795531 (pbk. acid-free paper);"0071795537 (pbk. acid-free paper)"	Discard
1887371281 (bk.);"9781887371285 (bk.)"	Discard
9781572321908 (student ed.)	Discard
9780131656451 (student ed. text);"9780131656758 (teacher's guide)"	Discard
9780131656451 (student ed. text);"9780131656758 (teacher's guide)"	Discard
9780205617449;"0205617441"	Discard
9780393930207 (pbk.);"0393930203 (pbk.)"	Discard
0767918614;"9780767918619"	Discard
9780669535969 (sc);"0669535966 (sc)";"9780669535976 (hc)";"0669535974 (hc)"	Discard
0669508195;"9780669508192"	Discard
0669508160;"9780669508161";"0669508179";"9780669508178"	Discard

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ISBN	STATUS
0618377085;"9780618377084"	Discard
9780133659467 (student text);"0133659461 (student text)";"9780131657182 (student workbook)";"0131657186 (student workbook)";"9780133659511 (teacher edition)";"0133659518 (teacher edition)"	Discard
9781601530226;"1601530226"	Discard
0812376986;"9780812376982"	Discard
9781591664963 (student text);"1591664969 (student text)";"9781591667797 (teacher's ed.)";"1591667798 (teacher's ed.)";"9781591668664 (student activities answer key)";"1591668662 (student activities answer key)"	Discard
9781591664963 (student text);"1591664969 (student text)";"9781591667797 (teacher's ed.)";"1591667798 (teacher's ed.)";"9781591668664 (student activities answer key)";"1591668662 (student activities answer key)"	Discard
9781591664963 (student text);"1591664969 (student text)";"9781591667797 (teacher's ed.)";"1591667798 (teacher's ed.)";"9781591668664 (student activities answer key)";"1591668662 (student activities answer key)"	Discard
9781883937126;"1883937124";"9781883937126"	Discard
9781591664963 (student text);"1591664969 (student text)";"9781591667797 (teacher's ed.)";"1591667798 (teacher's ed.)";"9781591668664 (student activities answer key)";"1591668662 (student activities answer key)"	Discard
9780983581208;"0983581207"	Discard
0153471271 (level 3);"9780153471278 (level 3)";"0153472758 (level 3 teacher)";"9780153472756 (level 3 teacher)"	Discard
0153396296 (vol. 2);"9780153396298 (vol. 2)"	Discard
9780131656567 (student ed. text);"9780131656826 (teacher's guide)"	Discard
7300042627;"9787300042626"	Discard
9780131656567 (student ed. text);"9780131656826 (teacher's guide)"	Discard
9780131656567 (student ed. text);"9780131656826 (teacher's guide)"	Discard
9781572321861 (student ed.)	Discard
0739824562;"9780739824566"	Discard
9780131656512 (student ed. text);"9780133662030 (teacher's guide)"	Discard
9780131656512 (student ed. text);"9780133662030 (teacher's guide)"	Discard
9780131656536 (student ed. text);"9780131656802 (teacher's guide)"	Discard
9780131656536 (student ed. text);"9780131656802 (teacher's guide)"	Discard
9781572321823 (student ed.)	Discard
0134374975;"9780134374970"	Discard
0134374975;"9780134374970"	Discard
0022442294;"9780022442293"	Discard

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ISBN	STATUS
9780071546171 (alk. paper);"0071546170 (alk. paper)";"9780071546188";"0071546189";"XO772595"	Discard
9780133659467 (student text);"0133659461 (student text)";"9780131657182 (student workbook)";"0131657186 (student workbook)";"9780133659511 (teacher edition)";"0133659518 (teacher edition)"	Discard
1411403991;"9781411403994"	Discard
0769643027;"9780769643021"	Discard
0866516271;"9780866516273"	Discard
9780131656475 (student ed. text);"9780131656772 (teacher's guide)"	Discard
9780131656475 (student ed. text);"9780131656772 (teacher's guide)"	Discard
9780131656475 (student ed. text);"9780131656772 (teacher's guide)"	Discard
9780131656536 (student ed. text);"9780131656802 (teacher's guide)"	Discard
9780131656512 (student ed. text);"9780133662030 (teacher's guide)"	Discard
9780133501148;"0133501140"	Discard
9780131338166 (student guide Spanish)	Discard
1887371478;"9781887371476"	Discard
0205395910 (pbk.);"9780205395910 (pbk.)"	Discard
9781411404038;"1411404033"	Discard
9780133659467 (student text);"0133659461 (student text)";"9780131657182 (student workbook)";"0131657186 (student workbook)";"9780133659511 (teacher edition)";"0133659518 (teacher edition)"	Discard
0876283865;"9780876283868"	Discard
9780078779848 (teacher edition);"0078779847 (teacher edition)"	Discard
0471578436 (acid-free paper);"9780471578437 (acid-free paper)"	Discard
0395387388 (gr. 7);"9780395387382 (gr. 7)"	Discard
9780076045372 (grades 1-2);"0076045374 (grades 1-2)"	Discard
9780133268201;"0133268209"	Discard
0374272883 (hardcover);"9780374272883 (hardcover)";"0374522863 (pbk.)";"9780374522865 (pbk.)"	Discard
0669471658 (pbk.);"9780669471656 (pbk.)";"0669471631 (hardcover)";"9780669471632 (hardcover)"	Discard
9781601531834;"1601531834"	Discard
9.7816E+12	Discard
0826312659;"9780826312655"	Discard
9780826342195;"0826342191"	Discard
9780132239011 (9780132239011);"0132239019 (9780132239011)"	Discard
061819553X;"9780618195534"	Discard

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ISBN	STATUS
130523852	Discard
132029960	Discard
328630772	Discard
9780962265211;	Discard
1563084406	Discard
881601225	Discard
1580371094	Discard
130523852	Discard
5 magazines	Discard
12 newspapers	Discard
9780525645535 (hardcover);"0525645535 (hardcover)";"9780241397244 (paperback)";"0241397243 (paperback)";"9780525645542 (library binding)";"0525645543 (library binding)";"9780780440807 (permabound)";"0780440803 (permabound)";"9780593487785 (paperback)";"0593487788 (paperback)"	Discard
191329061138;"D100050 DreamWorks Animation";"D100327 DreamWorks Animation";"46502566 DreamWorks Animation";"46197244 DreamWorks Animation"	Discard
0783283083;"025192309229";"23092 Universal"	Discard
9781665902946	Discard
9781423101505;"9781423101475";"1423101472"	Discard
9781481428644;"1481428640"	Discard
9781449436346 (paperback);"144943634X (paperback)";"9781480652187 (Paw Prints)";"1480652180 (Paw Prints)";"9781484441169 (prebound)";"1484441168 (prebound)";"9780606361439";"060636143X";"9781449474003";"1449474004"	Discard
9781338546477 (paperback);"1338546473 (paperback)";"1338575716";"9781338575712"	Discard
9780152060985 (hardcover);"0152060987 (hardcover)"	Discard
9781987160789 (portfolio);"1987160789";"9781987160635 (hanging bag)";"1987160630";"9781467689670 (Playaway)";"146768967X";"9781987161342";"1987161343";"83118 Findaway World (portfolio)";"83103 Findaway World (hanging bag)";"31622 Findaway World (Playaway)"	Discard
9781250107367 (hardcover);"1250107369 (hardcover)";"9781250135728 (trade paperback)";"1250135729 (trade paperback)"	Discard
9781589251632;"1589251636"	Discard
0525470158 :	Discard

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ISBN	STATUS
9781426371837 (paperback);"1426371837 (paperback)";"9781426371844 (library binding)";"1426371845 (library binding)"	Discard
9780590029117	Discard
0345478274 (pbk.);"9780345478276 (pbk.)"	Discard
093624926108;"550219-2 Reprise"	Discard
9780385391061 (paperback);"0385391064 (paperback)";"9780375973604 (hardcover library binding)";"0375973605 (hardcover library binding)"	Discard
9780316501460 (v. 1);"0316501468 (v. 1)";"9780316433532 (v. 2)";"0316433535 (v. 2)";"9780316433549 (v. 3)";"9780316433563 (v. 4)";"9780316433570 (v. 5)";"9780316433587 (v. 6)";"9781975302368 (v. 8)";"9781975356736 (v. 9)";"9781975399467 (v. 10)";"9781975335724 (v. 11)"	Discard
9781534405608;"1534405607"	Discard
0516244167 (lib. bdg.);"9780516244167 (lib. bdg.)";"0516255045 (pbk.)";"9780516255040 (pbk.)";"9781415556535";"1415556539"	Discard
9780794533687;"079453368X";"9781409550518 (pbk.)";"1409550516 (pbk.)";"9781601303035";"1601303033"	Discard
9781534426382;"1534426388";"9781534436541"	Discard
425102416	Discard
9780670020874;"0670020877";"9780143117315"	Discard
9781250138729 (hardcover);"1250138728 (hardcover)"	Discard
18 Homeschool books	Discard
9781608260119 (hc);"1608260119 (hc)"	Discard
0153471271 (level 3);"9780153471278 (level 3)";"0153472758 (level 3 teacher)";"9780153472756 (level 3 teacher)"	Discard
9781933339139;"1933339136"	Discard
9780756667290 (pbk.);"0756667291 (pbk.)"	Discard
9780022841348;"0022841342"	Discard
7 magazines	Discard
7 newspapers	Discard
9780374346485 (hardback);"0374346488 (hardback)"	Discard
0425147584;"0399139540"	Discard
9780143124733 (pbk.);"0143124730 (pbk.)"	Discard
9780593430903 (v.1 hardcover);"0593430905 (v.1 hardcover)";"9780593430910 (v. 1 lib. bdg.)";"0593430913 (v. 1 lib. bdg.)";"9780593430934 (v. 1 trade pbk.)";"059343093X (v. 1 trade pbk.)";"9780593430941 (v.2 hardcover)"	Discard
9780871403339 (hardcover);"0871403331 (hardcover)"	Discard

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ISBN	STATUS
9781536200782;"9780763648558";"9780763628338 (hardcover : alk. paper)";"0763628336 (hardcover : alk. paper)"	Discard
9781433671623 (pbk.);"143367162X (pbk.)"	Discard
9781524871574 (softcover);"1524871575 (softcover)"	Discard
9780399256219 (hardback);"0399256210 (hardback)"	Discard
9781426308642 (hbk.);"1426308647 (hbk.)";"9781426308956 (library binding alk. paper)";"1426308957 (library binding alk. paper)";"9781426309786 (Scholastic)";"1426309783 (Scholastic)"	Discard
0786837209;"9780786837205"	Discard
9781618370389;"1618370383"	Discard
1910959146;"9781910959145"	Discard
9781596436954 (v. 1);"9781596434462 (pbk. : v. 1)";"1596434465 (pbk. : v. 1)";"1596436956 (v. 1)";"9781596434479 (v. 2)";"9781596438064 (v. 2)";"9781626720589 (v. 3)"	Discard
9781451688092 (pbk.);"1451688091 (pbk.)"	Discard
9780756693046;"0756693047"	Discard
9780756666934 (hbk);"0756666937 (hbk)"	Discard
9780545791427 (hardcover);"0545791421 (hardcover)"	Discard
9780593383629	Discard
9780374312107	Discard
9781570619281	Discard
9781894786522	Discard
849910056	Discard
1624314821 (pbk.);"9781624314063 (hardcover)";"1624314066 (hardcover)";"9781624314827 (pbk.)"	Discard
70 RR Observer Microfilm	Discard
9780970494252;	Discard
c5k61432;	Discard
886979361928;	Discard
9780061472572;	Discard
731453607729;	Discard
9781598595321;"1598595326"	Discard
032429315595;"2111059 Paramount Home Entertainment (container)";"59201653000 Paramount Home Entertainment"	Discard
9781725498426;"9780593121351 (lib. bdg.)";"059312135X (lib. bdg.)";"9780593121344 (trade)";"0593121341 (trade)"	Discard
9781538744406;"1538744406"	Discard

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ISBN	STATUS
0758206828;"9780758206824";"075820681X"	Discard
9780764204913 (pbk.);"0764204912 (pbk.)"	Discard
0425222209 (trade pbk.);"9780425222201 (trade pbk.)"	Discard
9780764210815 (lg. print : pbk.);"0764210815 (lg. print : pbk.)"	Discard
9780761448396;"076144839X"	Discard
1402732317 (pbk.);"9781402749544 (hc.)";"1402749546 (hc.)";"9781402732317 (pbk.)"	Discard
037117042333;"04233 Bullwinkle Studios"	Discard
0738934127;"9780738934129";"074645416199";"LVD54161 Sony Music Entertainment"	Discard
9780794446079	Discard
9780061996634 (hardcover bdg.);"9780061996641 (lib. bdg.)";"0061996645 (lib. bdg.)";"0061996637 (hardcover bdg.)"	Discard
9780545658522 (pbk.);"9780545950060 (hardcover)";"0545950066 (hardcover)";"0545658527 (pbk.)"	Discard
9781608863242 (hbk. v. 1);"1608863247 (hbk. v. 1)";"9781608863211 (hbk. v. 2)";"1608863212 (hbk. v. 2)";"9781608863471 (hbk. v. 3)";"1608863476 (hbk. v. 3)";"9781608863518 (pbk. v. 4)";"1608863514 (pbk. v. 4)";"9781608863969 (hbk. v. 4)";"1608863964 (hbk. v. 4)";"9781608864799 (hbk. v. 5)";"1608864790 (hbk. v. 5)";"1608867102 (hbk. v. 6)";"9781608867103 (hbk. v. 6)";"1608868400 (hbk. v. 7)";"9781608868407 (hbk. v. 7)";"9781608869671 (hbk. v.8)";"1608869679 (hbk. v.8)";"9781684150366 (hbk. v. 9)";"1684150361 (hbk. v. 9)"	Discard
9781338326024 (v. 1 trade);"1338326023 (v. 1 trade)";"9781338507782 (v. 1 fairs)";"1338507788 (v. 1 fairs)";"9781338326031 (v. 2 trade)";"1338326031 (v. 2 trade)";"9781725430600 (v. 2 FollettBound)";"1725430606 (v. 2 FollettBound)";"9781338616286 (v. 3 trade)";"1338616285 (v. 3 trade)";"9781338670899 (v. 4)";"1338670891 (v. 4)";"9781338682229 (v. 5)";"9781338770230 (v. 6)"	Discard
9780733646096 (paperback);"0733646093 (paperback)"	Discard
9780310734956;"0310734959"	Discard
9781628874563	Discard
9781640976542;"2471-920X 1"	Discard
5 newspapers	Discard
1932573011	Discard
006065273X (hardcover);"9780060652739 (hardcover)"	Discard
9781668629529;"9781668629529";"15527388 MWT"	Discard
9781467689946 (kit);"9781467658935 (kit)";"1467658936 (kit)";"1467689947 (kit)";"9781467648875 (Playaway)";"1467648876 (Playaway)";"9780316112468";"0316112461";"9780316110747";"0316110744";"9780316113168";"0316113166";"9780316109215";"0316109215";"9780316111645";"0316111643";"80472 Findaway World";"19089 Findaway World";"81674 Findaway World"	Discard

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ISBN	STATUS
9781626723719 (hardback);"1626723710 (hardback)"	Discard
9780735211957;"9780425228081";"9780399154881";"0399154884"	Discard
9781452164731 (hardcover);"1452164738 (hardcover)"	Discard
9780545224901 (hbk.);"054522490X (hbk.)"	Discard
1416938931 (hbk.);"9781416938934 (hbk.)"	Discard
9780451418807 (pbk.);"0451418808 (pbk.)";"9780451239358 (hardback)";"0451239350 (hardback)"	Discard
9781481480871 (hardback);"1481480871 (hardback)"	Discard
9 newspapers	Discard
19 magazines	Discard
Gaming Dice 1 Set	Discard
9780062878168 (hardcover);"0062878166 (hardcover)"	Discard
9780440461265;"044046126X";"9781439549056"	Discard
9780062203564 (hbk.);"0062203568 (hbk.)";"9780062203571 (pbk.)";"0062203576 (pbk.)"	Discard
0717267318;"9780717267316"	Discard
9781368041881;"1368041884"	Discard
9780593093702 (v. 1);"0593093704 (v. 1)";"9780593093719 (pbk. v. 1)";"9780593093733 (v. 2)";"9780593093740 (pbk. v. 2)";"9780593226605 (v. 3)";"9780593383377 (pbk. v. 3)";"9780593383384 (v. 4)";"9780593383391 (pbk. v. 4)"	Discard
9781682685068 (Paperback);"1682685063"	Discard
9781368052771 (hardcover);"1368052770 (hardcover)"	Discard
9781789198393 (paperback);"1789198399 (paperback)"	Discard
9780823442461 (hardcover);"0823442462";"9780823451838 (softcover)";"0823451836"	Discard
9781684057832 (volume 2 : paperback);"9781684057498 (volume 1 : paperback)";"1684057493 (volume 1 : paperback)"	Discard
9781511370776;"9781511370776"	Discard
786936863079;"154134 Disney (container)";"8051686 Disney (disc)"	Discard
9781534439733	Discard
9781524766153	Discard
9781402770265 (pbk.);"140277026X (pbk.)"	Discard
9780316410700;"0316410705"	Discard
9780840708199 (hardcover);"084070819X (hardcover)"	Discard
9780446510288 (pbk.);"0446510289 (pbk.)"	Discard
9780446510295 (pbk.);"0446510297 (pbk.)"	Discard

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ISBN	STATUS
9780545666756 (paperback);"0545666759 (paperback)"	Discard
0394829204;"9780394829203";"0394929209 (lib. bdg.)";"9780394929200 (lib. bdg.)"	Discard
9780062087003;"0062087002"	Discard
9781592701551 (hardback);"1592701558 (hardback)"	Discard
0760734801;"9780760734803"	Discard
9780547255224;"0547255225"	Discard
9781465435002;"146543500X";"9781480675629 (Paw Prints)";"1480675628 (Paw Prints)"	Discard
6 newspapers	Discard
3 magazines	Discard
9781606840849;	Discard
782009173939;	Discard
9781591162384;	Discard
9781421542782;	Discard
9781421542799;	Discard
9781421543154;	Discard
9781421553788;	Discard
9781421542744;	Discard
9781421565941;	Discard
1575057964 (lib. bdg. : alk. paper)	Discard
9781785650376 (paperback);"1785650378 (paperback)"	Discard
9781423165200 (padded cover);"1423165209 (padded cover)"	Discard
708431211070	Discard
9780316307475 (v. 1 hardcover);"0316307475 (v. 1 hardcover)";"9780316307451 (v. 1 trade paperback)";"0316307459 (v. 1 trade paperback)";"9780316307482 (v. 2 hardcover)";"0316307483 (v. 2 hardcover)";"9780316307505 (v. 2 trade paperback)";"0316307505 (v. 2 trade paperback)";"9780316307529 (v. 3 hardcover)";"0316307521 (v. 3 hardcover)";"9780316307536 (v. 3 trade paperback)";"031630753X (v. 3 trade paperback)";"9780316307567 (v. 4 paperback)";"9780316451260 (v. 5 paperback)";"9780316451277 (v. 6 paperback)"	Discard
9780679883401;"0679883401 (pbk.)";"0679983406 (lib. bdg.)";"0439136806";"0590706373";"9781439589311"	Discard
9798885792592 (large print hardcover)	Discard
0140139397;"9780140139396"	Discard
9781534495210 (hardcover);"1534495215 (hardcover)";"9781534495203 (paperback)";"1534495207 (paperback)";"9781544461519 (FollettBound)";"1544461518 (FollettBound)"	Discard

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ISBN	STATUS
9780449813423 (trade);"0449813428 (trade)";"9780449813430 (lib. bdg.)";"0449813436 (lib. bdg.)"	Discard
9781449479602 (paperback);"144947960X (paperback)"	Discard
9781338120943 (paperback);"9781338120950 (hardcover)";"1338120956 (hardcover)";"1338120948 (paperback)";"9781646973729 (Penworthy)";"1646973720 (Penworthy)";"9781725487321 (FollettBound)";"1725487322 (FollettBound)"	Discard
9780793806560 (alk. paper);"0793806569 (alk. paper)";"018214112846"	Discard
9780545647953;	Discard
9780385480338;	Discard
7 newspapers	Discard
9781101918715 (paperback volume 1);"1101918713 (paperback volume 1)";"9781101918265 (v. 1)";"1101918268 (v. 1)";"9781101918296 (v. 2)";"9781338282726 (v. 2)";"9780735262454 (v. 3)";"9781338314540 (v. 3)";"9780735262485 (v. 4)";"9780735262515 (v. 5)";"9780735262546 (v. 6)";"9780735266728 (v. 7)";"9780735266742 (v. 8)"	Discard
9780062675385 (hardcover);"0062675389 (hardcover)";"9780062675378 (paperback)";"0062675370 (paperback)"	Discard
9781952303548 (paperback);"1952303540"	Discard
9781250119179 (hardcover);"1250119170 (hardcover)"	Discard
9780316239875 (large print);"0316239879 (large print)"	Discard
9781592539918;"1592539912"	Discard
1426221894;"9781426221897"	Discard
1439541698;"9781439541692";"1416915478 (pbk.)";"9781416915478 (pbk.)"	Discard
9781524763886;"1524763888"	Discard
9780310733867 (hbk.);"0310733863 (hbk.)"	Discard
0786851678;"9780786851676"	Discard
9781847802880 (hbk.);"1847802885 (hbk.)"	Discard
9781509467181;"9781509467181";"36888 Findaway World"	Discard
9781419708824 (hardcover);"1419708821 (hardcover)";"9781419708848 (paperback)";"1419708848 (paperback)"	Discard
9781645950004 (v. 1: hbk.);"164595000X (v. 1 : hbk.)";"9781645950028 (v. 1: pbk.)";"1645950026 (v. 1: pbk.)";"9781645950042 (v. 2 : hbk.)";"9781645950912 (v. 3 : hbk.)";"9781645950943 (v.4 : hbk.)"	Discard
9781449475895 (v. 1 pbk.);"1449475892 (v. 1 pbk.)";"9781449475901 (v. 2 pbk.)";"1449475906 (v. 2 pbk.)";"9781449493844 (v. 3 pbk.)"	Discard
9781368072809 (hardcover);"1368072801 (hardcover)";"9781368075008 (paperback)";"1368075002 (paperback)"	Discard

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ISBN	STATUS
9780525954873 (hardcover);"0525954872 (hardcover)";"99964124844"	Discard
9781534428751 (paperback);"1534428755";"9781534428768 (hardcover)";"1534428763"	Discard
9781423164821 (hbk.);"1423164822 (hbk.)"	Discard
0759529442 (v. 1 : pbk.);"9780759529441 (v. 1 : pbk.)";"0759529450 (v. 2 : pbk.)";"9780759529458 (v. 2 : pbk.)";"0759529469 (v. 3 : pbk.)";"9780759529465 (v. 3 : pbk.)";"0759529477 (v. 4 : pbk.)";"9780759529472 (v. 4 : pbk.)";"0316086053 (v. 5 : pbk.)";"9780316086059 (v. 5 : pbk.)";"0316089524 (v. 6 : pbk.)";"9780316089524 (v. 6 : pbk.)";"0316089532 (v. 7 : pbk.)";"9780316089531 (v. 7 : pbk.)"	Discard
9781419740176 (hardcover);"1419740172 (hardcover)";"9781419740183 (paperback)";"1419740180 (paperback)"	Discard
9781569319017 (v. 1);"1569319014 (v. 1)";"9781591161844 (v. 3)";"9781591163374 (v. 4)";"9781421501918 (v. 9)";"1421501910 (v. 9)";"9781591166153 (v. 5)";"159116723X (v. 6)";"9781591167235 (v. 6)";"159116852X (v. 7)";"9781591168522 (v. 7)";"1421500752 (v. 8)";"9781421500751 (v. 8)";"1421504065 (v. 10)";"9781421504063 (v. 10)";"9781421506630 (v. 11)";"9781417784875 (v. 12)";"9781421506654 (v. 13)";"9781421515120 (v. 18)";"9781421534459 (v. 29)";"9781421534503 (v. 34)";"9781421534657 (v. 49)";"9781421539591 (v. 59)";"9781421573441 (v. 72)";"9781421580296 (v. 75)";"9781421582603 (v. 76)";"9781421585147 (v. 77)";"9781421588155 (v. 79)";"9781421590240 (v. 80)";"9781421591599 (v. 81)";"9781421592695 (v. 82)";"9781421594330 (v. 83)";"9781421597003 (v. 84)";"9781421598208 (v. 85)";"9781974700424 (v. 86)";"9781974701414 (v. 87)";"9781974703784 (v. 88)";"9781974705214 (v. 89)";"9781974707003 (v. 90)";"9781974707010 (v. 91)";"9781974710157 (v. 92)";"9781974712557 (v. 93)";"9781974715374 (v. 94)";"9781974718139 (v. 95)";"9781974719990 (v. 96)";"9781974722891 (v. 97)";"9781974725199 (v. 98)";"9781974729005 (v. 99)";"9781974732173 (v. 100)";"9781974734207 (v. 101)";"9781974736553 (v. 102)";"9781974738700 (v. 103)";"9781974741298 (v. 104)";"9781974743278 (v. 105)"	Discard
	Discard
9781975364397 (Volume 1);"1975364392 (Volume 1)";"9781975364410 (volume 2)";"1975364414 (volume 2)";"9781975364434 (volume 3)";"1975364430 (volume 3)"	Discard
9780714860756	Discard
9780399567056;"9780399567056";"YA 1526A Listening Library";"DC563 Recorded Books"	Discard
9781950912254 (paperback);"1950912256 (paperback)"	Discard
9780761193623	Discard
0448089130 (hardcover);"9780448089133 (hardcover)";"0448189135 (library edition)";"9780448189130 (library edition)"	Discard
9781974725755 (pbk.);"1974725758"	Discard

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ISBN	STATUS
0786251522 (lg. print : hc : alk. paper);"0739432621"	Discard
9781421558974 (v. 13);"9781421542805 (v. 5)";"1421542803 (v. 5)";"9781421540900 (v. 1)";"1421540908 (v. 1)";"9781421540917 (v. 2)";"1421540916 (v. 2)";"1421540924 (v. 3)";"9781421540924 (v. 3)";"1421541149 (v. 4)";"9781421541143 (v. 4)";"9781421542836 (v. 5)";"1421542838 (v. 5)";"9781421542812 (v. 6)";"1421542811 (v. 6)";"9781421542829 (v. 7)";"142154282X (v. 7)";"9781421542836 (v. 8)";"9781421558936 (v. 9)";"9781421558943 (v. 10)";"9781421558950 (v. 11)";"9781421558967 (v. 12)";"9781421567662 (v. 14)";"9781421567679 (v. 15)";"9781421567686 (v. 16)";"9781421567693 (v. 17)";"9781421576022 (v. 18)";"9781421576039 (v. 19)";"9781421576046 (v. 20)"	Discard
9780399247941;"0399214240";"0142302376"	Discard
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)"	Discard
9781250219954 (hardcover v. 1);"1250219957 (hardcover v. 1)";"9781250219985 (hardcover v. 2)";"1250219981 (hardcover v. 2)";"9781250220004 (hardcover v. 3)";"9781250220059 (hardcover v. 4)";"9781250220066 (hardcover v. 5)";"9781250849885 (hardcover v. 6)";"9781250849892 (hardcover v. 7)"	Discard
9780399172762 (hardcover);"0399172769 (hardcover)"	Discard
8 newspapers	Discard
TOTAL TRADE IN CREDIT:	$69.16

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: R39

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Library and Information Services

SUBJECT:
R39, Resolution Authorizing the Disposal of Library and Information Services Department Property

BACKGROUND AND ANALYSIS:

The Library and Information Services Department needs to dispose of non-functional, damaged, and/or obsolete items (e.g., miscellaneous office equipment and technology) 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 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:
Approval of the Resolution will enable the City to dispose of obsolete and unused property.

ALTERNATIVES:

Approve the Resolution.

Do not approve the Resolution.

DEPARTMENT RECOMMENDATION:

Staff recommends approval of the Resolution.

ATTACHMENT: Resolution
ATTACHMENT: Exhibit A Disposal List Property

CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. 39 **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)

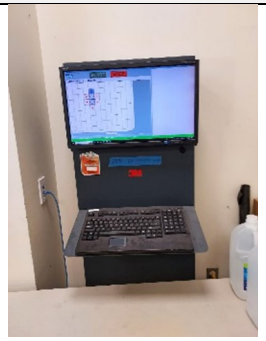
Exhibit A
Property Disposal
Library and Information Services
April 25, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Counter Height Task Chair (2)	Loma Colorado	Damaged	$0	
Clover Mini Register with cables	Loma Colorado	Damaged	$20	

Exhibit A
Property Disposal
Library and Information Services
April 25, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
Beige File Cabinet with 4 Drawers	Loma Colorado	Obsolete	$50	
Rolling Bins x8	Loma Colorado	Obsolete	$200	
Orion FunScope Astro Dazzle 4.5” Reflector Telescope with stand	Loma Colorado	Damaged	$0	

Exhibit A
Property Disposal
Library and Information Services
April 25, 2024

Item Description	Location	Reason for Disposal	Estimated Current Value	Item Image
3M 5-Bin Sorter System Asset 17437 Serial #: 28300216, 28500451, 28500458, 28550162	Loma Colorado	Obsolete	$1,000	   
Total Estimated Current Value:			$1,270	

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: D14

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

SUBJECT:
D14, Appointment of Angeline Montoya to the Keep Rio Rancho Beautiful Committee

BACKGROUND AND ANALYSIS:
The committee works to improve the quality of life in the community with specific focus in the areas of recycling, litter prevention, beautification, environmental education, and solid waste handling practices.

Montoya resides in City Council District 3. If appointed, Montoya will serve as the at-large member with a term that expires on May 9, 2027.

IMPACT:
The appointment will fill a vacancy on the Keep Rio Rancho Beautiful Committee caused by term expiration.

ALTERNATIVES:
Approve the appointment.

Do not approve the appointment.

DEPARTMENT RECOMMENDATION:
Mayor Hull recommends the appointment of Angeline Montoya to the Keep Rio Rancho Beautiful Committee.

ATTACHMENT: Angeline Montoya - Resume

Angeline Montoya



Professional Summary

As a versatile professional with a diverse background, I gain profound satisfaction from helping others. I am dependable and excel in roles requiring minimal supervision, operating autonomously while upholding rigorous standards. With a knack for fostering team morale, I am enthusiastically committed to expanding my knowledge and honing my sales expertise. Currently, I am actively pursuing the SIE certification and am determined to obtain my series license.

EXPERIENCE

New York Life Insurance - *Agent*
October 2023- Present

- **Scheduling appointments and meeting with clients.**
- **Conduct thorough financial needs analysis to understand clients' goals and recommend suitable life insurance solutions.**
- **Collaborate with underwriters to ensure accurate and timely processing of insurance applications, resulting in an efficient and seamless client experience.**

State Beauty Supply- *Sales Manager*
March 2021- Present

- **Great and assist customers**
- **Manage social media platforms**
- **Ensure bank is equivalent at beginning and end of shift.**
- **Close store following proper procedure for premises safety.**

Inspiration Real Estate LLC- *Associate Broker*
October 2023- Present

- **Buyers Specialist**

Thompson Satellite & Security, Alb, NM-*Office Manager*
March 2020-February 2021

- **Schedule routes and communicate with 13 company technicians.**
- **Manage correspondence, complaints and queries.**
- **Process and submit payroll.**
- **Maintain inventory and order equipment when needed.**

SKILLS

Collaborating with team members

Detailed oriented

Personable and Outgoing

Self Sufficient

Strong interpersonal and communication skills

Education

Santa Fe Community College, Santa Fe, N.M.

June 2007

G.E.D

Brightwood Real Estate Education, Alb, N.M.

January 2018

Licensed Realtor- License #51756

Member of GAAR

XCEL Solutions License Course

July 2023

Insurance Producer - License #20746709

Perfection Honda, Alb, NM- *Sales Associate*
November 2019-March 2020

- **Greet customers and assist with any inquiries.**
- **Establish rapport with customers.**
- **Present and demo vehicles of interest.**
- **Coordinate with the finance office and detail department.**

REFERENCES

Available upon request.

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: D15

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

SUBJECT:
D15, Appointment of Robert Radosevich to the Keep Rio Rancho Beautiful Committee

BACKGROUND AND ANALYSIS:
The committee works to improve the quality of life in the community with specific focus in the areas of recycling, litter prevention, beautification, environmental education, and solid waste handling practices.

Radosevich resides in City Council District 4. If appointed, Radosevich will serve a term that expires on May 31, 2027. Radosevich previously served on the committee.

IMPACT:
The appointment will fill a vacancy on the Keep Rio Rancho Beautiful Committee caused by term expiration.

ALTERNATIVES:
Approve the appointment.

Do not approve the appointment.

DEPARTMENT RECOMMENDATION:
Mayor Hull recommends the appointment of Robert Radosevich to the Keep Rio Rancho Beautiful Committee.

ATTACHMENT: Robert Radosevich - Resume

Resume

Robert J Radosevich

[redacted]

Married to Roberta Radosevich
Lifelong Resident of New Mexico
Resident of Rio Rancho since 1997
US Army Veteran
Retired from Law Enforcement after 41 years.
Rio Rancho City Councilor 2002-2006
Currently serve on KKRB since 2006

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Legislation Item: D16

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

SUBJECT:
D16, Appointment of Joe Cowling to the Keep Rio Rancho Beautiful Committee

BACKGROUND AND ANALYSIS:
The committee works to improve the quality of life in the community with specific focus in the areas of recycling, litter prevention, beautification, environmental education, and solid waste handling practices.

Cowling resides in City Council District 1. If appointed, Cowling will serve a term that expires on May 31, 2027. Cowling previously served on the committee.

IMPACT:
The appointment will fill a vacancy on the Keep Rio Rancho Beautiful Committee caused by term expiration.

ALTERNATIVES:
Approve the appointment.

Do not approve the appointment.

DEPARTMENT RECOMMENDATION:
Mayor Hull recommends the appointment of Joe Cowling to the Keep Rio Rancho Beautiful Committee.

ATTACHMENT: JOE COWLING - Resume

Joe M. Cowling

[redacted]

Relevant Highlights

- Business management
- Marketing
- Leadership
- Problem solver
- Website Design/Maintenance
- Customer service
- Excellent communication skills
- Logistics
- Inventory control
- Improved yearly sales
- Collaboration/team player
- Detail oriented

Education

- Highland High School, Albuquerque, NM – 1982-1985
- Electrician Apprenticeship Program, Albuquerque, NM –1993-1995
- College credit: Vietnamese, Heating and A/C, Albuquerque, NM – 1985-1987

Special Qualifications

- United States Air Force-cryptologic linguist, shortwave radio & HVAC
- “Q” Security Clearance (eligible to reinstate)
- Fluent in Spanish; additional languages German & Vietnamese
- Public Speaking

Work History Highlights

- Six (6) years’ experience as sole proprietor
- Twenty-four (24) years’ managerial experience
- Thirty (30) years’ tire and parts experience

References

- Available upon request

Experience Overview

Accomplished business owner and manager who excels on building successful, long-lasting customer relationships. Thirty (30) years of industry experience, the majority in progressively challenging management positions with million-dollar budgets.

Experienced leader and manager with specialized expertise in developing and implementing inventory control systems, purchasing, and improving business operations. Proven reputation and track record for increasing profit margins, including increasing delivery in operations by 80% in the last year, cross training team members, and building successful relationships with executives and customers.

Strong business and management skills heavily focused on delivering high-value, high-quality, and low-cost solutions while maximizing efficiency and reducing risk. Exhibits strong communication skills, multi-tasking abilities, and attention to detail.

Specific Experience

Kelly Services at Intel Corporation

Shift 7 ROC November to January

- **Trained and certified in entry level monitoring**
- **was moving quickly to be certified station operator**

Joe's Marketing and Consulting DBA Rio Rancho Tires
Owner/sole-proprietor (June 2013)
Business Partner with Hiltop/GoodYear during this time (February 2013)
February 2013-present, NM territory (state-wide)

- Responsible for inside and outside sales which includes accurately collecting and inputting data to support invoice billing and associated paperwork, financial arrangements, generating monthly billing statements, and collection notifications for outstanding accounts receivable (A/R) balances.
- Accountable for numerous managerial and administrative duties such as purchasing supplies, CODs, deliveries, returns, warranties for tires, coordinating installs and service for car and truck accessories, organizing information and associated files, photocopying, faxing, scanning, mailing, and maintaining an organized filing system.
- Responsible for hiring and managing staff, associated schedules, and logistics specific to deliveries. Answers telephone and takes complete and accurate messages.
- Interact daily with staff, executives, clients, and vendors.

Notable Accomplishments:
- Collected 50% of outstanding balances from customers.
- $400K in average yearly sales.
- Accomplished business partner responsible for $989K in yearly sales.

A to Z tire company ***February 2011-February 2013***
Sales/Manager, Albuquerque, NM
- Directly managed 9 employees, including hiring and managing staff, work schedules, allocation of work, invoicing, delivery of products and services, and personnel actions.
- Provided support for strategic planning, metrics, and the development of financial reports.
- Validated and approved invoicing activities in conjunction with identifying costs and resource requirements for various jobs.
- Provided advice, guidance, and training to coworkers, and vendors.

- Responsible for inside and outside sales which included accurately collecting and inputting data to support invoice billing and associated paperwork, financial arrangements, generating monthly billing statements, and collection notifications for outstanding accounts receivable (A/R) balances.
- Accountable for numerous managerial and administrative duties such as purchasing supplies, CODs, deliveries, returns, warranties for tires, coordinating installs and service for car and truck accessories, organizing information and associated files, photocopying, faxing, scanning, mailing, and maintaining an organized filing system.
- Conducted regular internal company assessments to highlight current state of operations and provided recommendations for improvements.
- Provided business management support including administrative, logistics, records management, customer service, and program management administration.
- Reviewed and updated daily sales reports.
- Responsible for logistics specific to deliveries.
- Interacted daily with staff, executives, clients, vendors and visitors.
- Answered telephone and takes complete and accurate messages.

Notable Accomplishments:

- Directly responsible for over $3 million in yearly sales.

AB Tire company ***March 2007-February 2011***
Sales Assistant Manager, Albuquerque, NM

- Directly managed 11 employees, including hiring and managing staff, work schedules, allocation of work, invoicing, delivery of products and services, and personnel actions.
- Validated and approved invoicing activities in conjunction with identifying costs and resource requirements for various jobs.
- Provided advice, guidance, and training to coworkers, and vendors.
- Responsible for inside and outside sales which included accurately collecting and inputting data to support invoice billing and associated paperwork, financial arrangements, generating monthly billing statements, and collection notifications for outstanding accounts receivable (A/R) balances.
- Accountable for numerous managerial and administrative duties such as purchasing supplies, CODs, deliveries, returns, warranties for tires, coordinating installs and service for car and truck accessories, organizing information and associated files, photocopying, faxing, scanning, mailing, and maintaining an organized filing system.
- Reviewed and updated daily sales reports.
- Routinely assessed the effectiveness of sales personnel and overall business actions to systematically identify strategies to sustain business or improve operations.
- Responsible for logistics specific to deliveries.
- Interacted daily with staff, executives, clients, vendors and visitors.

Notable Accomplishments:

- Directly responsible for over $2.4 million in yearly sales.

Rio Rancho Public Works ***March 2007-September 2007***
Road and weed crew, Rio Rancho, NM

- Responsible for labor to the Rio Rancho streets, including planning, scheduling and coordination of various projects.
- Provided support to collect, review and analyze data, made recommendations, and formulated suggestions to improve crew performance.
- Operated several different pieces of construction equipment.
- Maintained records in accordance with applicable records management file plan.

Parts Plus ***March 2007-September 2007***
Manager, Bernalillo, NM

- Directly managed 5 employees, managed staff and associated work schedules, invoicing, and delivery of products and services.

- Responsible for inside and outside sales which included accurately collecting and inputting data to support invoice billing and associated paperwork, financial arrangements, generating monthly billing statements, and collection notifications for outstanding accounts receivable (A/R) balances and daily deposits.
- Reviewed and updated daily sales reports.
- Managed inventory by implementing system to effectively monitor and track inventory (control).
- Responsible for SHRINK.

Accessories Unlimited ***1998-2007***
Insides Sales Representative, Albuquerque, NM

- Responsible for inside and outside sales which included accurately collecting and inputting data to support invoice billing and associated paperwork, financial arrangements, generating monthly billing statements, and collection notifications for outstanding accounts receivable (A/R) balances and daily deposits.
- Reviewed and updated daily sales reports.
- Responsible for inventory control.
- Responsible for SHRINK.

Parnelli Jones Tire Shop ***December 1995-1998***
Tire Technician/Sales, Albuquerque, NM

- Responsible for inside and outside sales which included accurately collecting and inputting data to support invoice billing and associated paperwork, financial arrangements, generating monthly billing statements, and collection notifications for outstanding accounts receivable (A/R) balances and daily deposits.
- Accountable for installing tires and performing maintenance.

Greenwood Bicycle ***March -November 1995***
Manager, El Paso,TX

- Managed two stores (Las cruces, NM & El Paso, TX)
- Responsble for assembling, tuning and repairing bicycles
- Responsible for hiring personnel, training staff, arranging work schedules, and performing all personnel actions for two stores.
- Managed inventory for both locations and implemented inventory control measures.
- Responsible for local advertising and marketing for both locations.
- Responsible for sales for both locations.

Duggers Towing ***1994-1995***
Driver/Operator, Albuquerque, NM

- Served as a tow truck driver and operator
- Performed accident recovery

Electrician Apprentice Program **1993-1994**
Albuquerque, NM

- Attended school and on-the-job training for electrician journeyman; worked at several different companies in order to gain OJT knowledge for various areas

Allwoods ***1990-1993***
Sales/Department Head/Manager, Albuquerque, NM

- Managed the electrical department
- Managed the inside and outside lawn and garden departments
- Responsible for overseeing the clearance center outlet, which had record sales

Notable Accomplishments:

- High sales in clearance center outlet resulted in closing of other clearance centers in town, thereby forcing sales into the Allwoods center.

World Cycle Bicycle Shop ***February 1988-1990***
Assistant Manager/Manager/Regional Manager, Albuquerque, NM

- Responsible for assembling, tuning, and repairing bicycles
- Responsible for hiring personnel, training staff, arranging work schedules, and performing all personnel actions for two stores.
- Managed inventory for both locations and implemented inventory control measures.
- Responsible for local advertising and marketing for both locations.
- Responsible for sales for both locations.

Big O Tires ***1987-1988***
Tire installer/laborer, Albuquerque, NM

- Responsible for inside and outside sales which included accurately collecting and inputting data to support invoice billing and associated paperwork, financial arrangements, and generating monthly billing statements.
- Accountable for installing tires and performing maintenance.

United States Air Force ***July 1985-September 1987***

- Cryptologic Linguist 208 for Vietnamese, Level 2 completed, Q-level security clearance.
- Shortwave radio cryptologic trained.
- Heating & A/C systems; training included rebuilding boilers, steam systems and asbestos removal.

Hobbies

- District 1 Keep Rio Rancho Beautiful; account representative (volunteer) 2016-present.
- Toys for Tots Charity Event; promoter and organizer (volunteer) 2-3 times/yr 2007-present.
- Elks Lodge Rio Rancho, NM; member/organizer of charity event since 2005-present.
- Car show charity events to include Trunk-and-Treat, Tacos and Cars, Coffee and Cars, hospital visits, St. Felix panty donations, church donation rally's 1999-present.
- NM Motor Events; promoter/organizer of various events to include the Las Vegas Cruise 2019.
- Racing Southwest; promoter/organizer of various events to include Jemez Cruise 2006-2019.
- Outlaw Desert Racing, NM Off-road League; promoter/organizer/co-owner for yearly Off-Road Gathering show 1999-2016.
- Buy Rio Rancho; initial organizer and promoter, transitioned ownership to Kiwanis Club, 2007/2008.

CITY OF RIO RANCHO
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Legislation Item: D17

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

SUBJECT:
D17, Appointment of Ellen Herrera to the Parks and Recreation Commission

BACKGROUND AND ANALYSIS:
The commission works to ensure the efficient, economical and comprehensive planning of parks and recreation.

Herrera resides in City Council District 3 and previously served on the Parks and Recreation Commission. If appointed, Herrera will serve a term that expires on May 31, 2027.

IMPACT:
The appointment will fill a vacancy on the Parks and Recreation Commission caused by term expiration.

ALTERNATIVES:
Approve the appointment.

Do not approve the appointment.

DEPARTMENT RECOMMENDATION:
Mayor Hull recommends the reappointment of Ellen Herrera to the Parks and Recreation Commission.

ATTACHMENT: Ellen Herrera- Resume

Ellen Herrera

[redacted]

Objective

To be reappointed to serve the city of Rio Rancho Parks and Recreation Commission

Education

UNIVERSITY STUDIES |1993| UNIVERSITY OF NEW MEXICO

- Major: Child Development/Education

Skills & Abilities

MANAGEMENT

- Maintained records/minutes as Secretary for 3 high school sports teams, 2-year terms
- Created and monitored scheduling, procurement for middle school store
- Recruited and managed volunteers in staff student store, concessions, public events, and committees to maximize efficiency and productivity
- Coordinating with community programs to establish community involvement with student athletes

COMMUNICATION

- Distribute current information to teams, parents and administrators and maintained historical records
- Built and maintained professional relationships to achieve shared goals
- Collaborated with Rio Rancho High School for annual Community Event fundraiser

LEADERSHIP

- Recruit and include individuals to create a productive environment
- Communicate and work with committees and fellow board members to set and achieve short and long-term goals
- Establish and improve processes to ensure continuity of boards efforts

Experience

RIO RANCHO PARKS AND RECREATION COMMISSIONER 2018-PRESENT

-Advised and made recommendations to the Governing Body on current parks and recreation programs and provide input to future projects such as Campus Park.

KEEP RIO RANCHO BEAUTIFUL PARTICIPANT| 2006-PRESENT

- Family involvement as well as coordinate High School Teams to participate

SECRETARY | V.SUE CLEVELAND HIGH SCHOOL | 2013-2018

- Served 2 year terms for Basketball, Baseball and Soccer Booster Clubs consecutively

TEAM MANAGER| CIBOLA LITTLE LEAGUE|2010, TITANS, ALBUQUERQUE UNITED FOOTBALL CLUB|2013-2016

- Facilitated and managed team activities team/tournament registrations and finances

PTA CO-VICE PRESIDENT|VISTA GRANDE ELEMENTARY| 2007-2008

- Involved in drafting of school expansion plan, assist with campus safety plans, assist with planning and implementing field placement, playground equipment, direct Fall Carnival

Honors/Accolades

VISTA GRANDE ELEMENTARY VOLUNTEER OF THE YEAR, 2009

MT. VIEW MIDDLE SCHOOL VOLUNTEER OF THE YEAR, 2013

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: D18

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

SUBJECT:
D18, Appointment of Lisa Leiding to the Parks and Recreation Commission

BACKGROUND AND ANALYSIS:
The commission works to ensure the efficient, economical and comprehensive planning of parks and recreation.

Leiding resides in City Council District 6 and previously served on the Parks and Recreation Commission. If appointed, Leiding will serve a term that expires on May 31, 2027.

IMPACT:
The appointment will fill a vacancy on the Parks and Recreation Commission caused by term expiration.

ALTERNATIVES:
Approve the appointment.

Do not approve the appointment.

DEPARTMENT RECOMMENDATION:
Mayor Hull recommends the reappointment of Lisa Leiding to the Parks and Recreation Commission.

ATTACHMENT: Lisa Leiding- Resume

Lisa L. Leiding D.N.P., R.N., CCHP-RN
ANAI Fellow

[redacted] [redacted]

EDUCATION

Doctor of Nursing Practice (Leadership) Chamberlain College of Nursing, June 2, 2020
Master of Science in Nursing (Health Policy) Chamberlain College of Nursing, July 2016
Summa Cum Laude
Bachelor of Science in Nursing, Regis University, December 2003
Magna Cum Laude
Associate of Science in Nursing, Albuquerque - TVI, May 1994
Magna Cum Laude

HONORS

New Mexico Nursing Excellence Winner – Community Service – 2018
Nominee- Touch a Life - 2020
US Marshal Service Civilian Excellence – Care of the Incarcerated Pregnant Females 2017
American Nurses Advocacy Institute Fellow – 2016 - Present
Sigma Theta Tau National Nursing Honor Society 2016 - Present
Phi Theta Kappa National Honor Society 1992 - Present
National Dean's List 1992, 1993, 1994
Dean's Honor Roll 1991, 1992, 1993, 1994
Phi Theta Kappa Texas / New Mexico Regional Distinguished Member
Phi Theta Kappa President 1994

LICENSES AND CERTIFICATIONS

Licensed Registered Nurse, State of New Mexico, current since 1994

Emergency Nursing Pediatric Certification (ENPC), current since 2018
Pediatric Advanced Life Support (PALS), current since 2017
Certified Correctional Health Care Professional – Registered Nurse, current since 2014
Certified Correctional Health Care Professional, current since 2013
Sexual Assault Nurse Examiner, 2000 - 2006
Nationally certified in Adult and Adolescent 2002-2006
Critical Incident Stress Debriefing Team member, current since 1997
Advanced Cardiac Life Support (ACLS), current since 1997
Trauma Nurse Core Curriculum (TNCC), current since 1995
Basic Life Support (BLS), current since 1994

COMMUNITY SERVICE

2018 – Present Parks and Recreation Commissioner, Rio Rancho, NM District 6
2017 – 2020 Vitamins for Uganda (Collection during summer months)
2017 – Present Beads of Courage Bags for UNM Children's Hospital
2018 – Present Holiday Pet food and supplies for the elderly (Parks and Rec, Rio Rancho)

PROFESSIONAL EXPERIENCE

Santa Fe Community College – 2-Term Clinical Instructor SRMC 2024 to present
Clinical Instructor: Acute Care

Central New Mexico Community College – Rio Rancho Campus: 2018 to present
Clinical Instructor
Level II Nursing: Assessment and Health Promotion
Level IV Nursing: Mental Health Nursing

Sandoval Regional Medical Center (SRMC) – Rio Rancho: 2017 to present
Emergency Department Staff Nurse
Responsible for patient assessment and care in the Emergency Department

Independent Contractor – 2005 – present
Medical / Legal Chart Review specializing in:
Correctional Nursing, Mental Health Nursing, and Sexual Assault Nursing

Santa Fe County Adult Detention Facility – Santa Fe: 2005 to 2017
Health Services Administrator / Nurse Administrator
Responsible for health care services at the adult detention center
Manage 5-million-dollar budget for health care services
PREA coordinator

Tristate Care Flight – Santa Fe: 2004 to 2005
Education Coordinator / Flight Nurse
Development of educational program for the company
Public relations and community outreach

University of California – Riverside: 2004 - 2006
On-line Course Instructor
Development of a 12-week course entitled: "Forensic Approach to Human Abuse Injuries" 20 Students enrolled in this Clinical Nurse Specialist Course. Jan – March 2004
Development of a 4-week course entitled: "Domestic Violence" 32 Students enrolled in this Clinical Nurse Specialist Course. July 2004

Trauma Nurse Coordinator: 2001 - 2004
St. Vincent Hospital, Santa Fe, New Mexico
Coordinate trauma designation for the hospital
Responsible for trauma education throughout the hospital
Case management of all trauma patients
Patient / Staff education of trauma and forensic issues
Oversee trauma registry functions

Regional Trauma Nurse Coordinator: (Volunteer position) 2001, 2003
Injury Prevention and EMS Bureau, Santa Fe, New Mexico
Coordinate regional trauma related meetings for EMS Region I.
Promote trauma education and compliance with applicable laws within the region.
Promote regional injury prevention activities.

Sexual Assault Nurse Examiner: Jan 2000 – July 2004
St. Vincent's Hospital, Santa Fe, New Mexico
Objective assessment and documentation of physical and sexual assault injuries
Facilitating activation of community response team members
Coordinate hospital's screening and response to domestic violence.

House Supervisor: 2001 - 2002
St. Vincent Hospital, Santa Fe, New Mexico
Assignment of Hospital beds
Handling of staff and patient issues
Coordination of acceptance of patients from other hospitals
Updating the statewide EMSystem program

Registered Nurse Emergency Department: 1999 - 2004
St. Vincent's Hospital, Santa Fe, New Mexico
Assessment and care of patients in the emergency department
Competency instructor for the Trauma STAT and the Domestic Violence component

Weekend Charge Nurse: 1996 - 1999
Bernalillo County Detention Center, Albuquerque, New Mexico
Oversee care of 500 to 600 inmates in a correctional setting.
Supervision of 2 LPN's, 1 EMT-P, and 1 RN
Coordinate care and transport for inmates needing emergency treatment
Established Continuous Quality Improvement tracking and standards

1st Lieutenant - Army Corp of Nurses: 1995 - 2002
2291st USAR, Section 2
Credential coordinator for mid-level practitioners and physicians.
Education of EMT-B and LPN's in the Trauma 1 hospital ER and Transplant Unit
Nurse education for Hepatitis, Corrections, and Psychiatric issues.
Promotion: 14 March 1997
Honorable Discharge – August 2002

PROFESSIONAL MEMBERSHIPS

American Nurses Association, 2014 to present
New Mexico Nurses Association, 2014 to present
NMNA Board Member, 2019 to 2020
NMNA Board Secretary, 2020 to present
NMNA Practice Committee Chair, 2022 to present
National Correctional Health Care Academy, 2007 to present
Emergency Nurses Association, 1999 to 2007; 2016 to present
Education Chair – 2020 to present
New Mexico Emergency Nurses Association, 1999 – 2006 **President 2003**
American Academy of Critical Care Nurses, 2001 to present
International Association of Forensic Nurses, 2000 - 2011
NM State Domestic Violence Advisory Council, 2000-2004 **Co-Chair 2002**
NETWORK – State Domestic Violence and Sexual Assault workgroup, 2003 -2005
Santa Fe Community Domestic Violence Task Force, 2000 - 2004
American Trauma Society, 2001 - 2006
Society of Trauma Nurses, 2002 - 2006

PROFESSIONAL WRITINGS

Leiding, L. (2023). Violence and Its's Impact on the Emergency Nurse [Position statement]. Emergency Nurses Association. https://enau.ena.org/URL/WorkplaceViolenceandItsImpactontheEmergencyNurse

October 2001, Domestic Violence Tool for assessment and referrals. 97 different Emergency Departments and SANE programs internationally have requested to use the tool. 4 different Master Level Nursing programs are using the Domestic Violence Tool in their curriculums or texts.

Leiding, L. L. (Summer 2001). Domestic Violence: Innovative tool offers improved care, safety planning. On The Edge: The official newsletter of the international association of forensic nurses.

COMMITTEE ACTIVITY

Dec 23 to present	Student Assessment Achievement Committee - CNM
Nov 23 to present	UNMH Evidence Based Practice Committee
Sep 23 to present	CNM Attendance Chair
January 2022 to 2024	ENA – National Position Statement Committee
June 2018 to June 2021	UNMH Nursing Research committee
Jan. 2006 to 2017	Interdisciplinary Team for inmates with special medical and mental health needs
Apr. 2000 to 2002	Domestic Abuse Hospital based Response Team - Team leader
Dec. 2000 to 2006	Emergency Nurses Association – NM State ENCARE Domestic Violence Chair
Oct. 2000 to 2005	National EMS Domestic Violence Education Standards Committee
Feb. 2001 to 2004	NETWORK – formerly Domestic Violence Advisory Council
Oct. 2001 to 2004	Trauma Quality Improvement Screening Team (TQIST)
Oct. 2001 to 2004	Trauma Committee
Jan. 2002 to 2003	NM Domestic Violence Advisory Council – Co-Chair

POLICY DEVELOPMENT

2005-2017	Santa Fe County Adult Detention Facility Medical Policy and Procedures
2013	Santa Fe County Juvenile Detention Facility Medical Policy and Procedures
2003	Trauma Website with related Trauma Hospital-wide policies
2002	SAFEHAVEN Policy – St. Vincent Hospital
2001	Child abuse and Elder abuse policy revisions – St. Vincent Hospital
2000	Domestic Violence Policies – St. Vincent Hospital

CURRICULUM DEVELOPMENT and DELIVERY

New Mexico Nursing Education Consortium (NMNEC) curriculum for CNM Level 4
(Samples and student feedback on the curriculum)

Intracellular Regulation,
Fluid and Electrolytes, Burns,
Intracranial Regulation,
Perfusion (congenital hearts, hypertension, coronary and infarction, heart failure, cardiac medications, hemodynamic monitoring, peripheral vascular diseases and cardiogenic shock),
Psychosis,
Delirium, Dementia and Alzheimer's disease
Interpersonal Violence
Acute Respiratory Distress
Shock
Emergency and Disaster Nursing
Created Recorded Exemplars with NCLEX questions.
Lab and Clinical: Created a sepsis escape room, heparin medication calculation activity

PUBLIC PRESENTATIONS

Hospital Training

Feb 2020 Delirium, Sandoval Regional Medical Center (SRMC)
Mar 2019 to present Basic Arrhythmia Course, SRMC
Mar 2019 to present Management of Aggressive Behaviors (MOAB), SRMC
Sep. 2018 Caring for Patients in Custody of Law Enforcement, SRMC Nursing Education Hour
Jan. 2004 Documentation for Trauma Patients – Emergency Department Competency
Dec. 2003 Hypothermia and Trauma – Trauma Grand Rounds, St. Vincent Hospital
Oct. 2003 Chest Trauma – Critical Care Course, St. Vincent Hospital
Dec. 2002 Spinal Cord Injury – Trauma Grand Rounds, St. Vincent Hospital
Dec. 2002 Hypothermia in Trauma Patients – Critical Care Competency, St. Vincent Hospital
Oct. 2002 Blunt and Penetrating Trauma – Critical Care Course, St. Vincent Hospital
May 2001 Women's Health / Pediatric Domestic Violence Competency, St. Vincent Hospital
Nov. 2000 Domestic Violence Competency – Nursing, St. Vincent Hospital
Oct. 2000 Domestic Violence Competency - Emergency department, St. Vincent Hospital
Aug. 2000 Forensic Evidence Collection and Chain of Custody, St. Vincent's Hospital
Apr. 2000 Trauma STAT, ER Competency, St. Vincent's Hospital

Emergency Medical Service Training

Sep. 2005 Spinal / Neuro trauma – TriState CareFlight
May 2005 Documentation – TriState CareFlight
Feb. 2005 Presbyterian NICU nurses – Helicopter Safety and Transport
Jun. 2004 Hondo Fire – Hyperthermia – Domestic Violence EMS response
May 2004 Cochiti Lake EMS Summer Trauma Updates – monthly for 6 months
Oct. 2003 Trauma-STAT; Domestic Violence training for El Dorado Fire Department
Jul. 2003 Hypothermia and Trauma – New Mexico State EMS Conference
Jul. 2003 Trauma and Forensics – New Mexico State EMS Conference
Feb. 2001 El Dorado EMS Domestic Violence Recognition and Documentation

Local/State/Regional Presentations

Jan. 2004 Hypothermia and Trauma – Emergency Nurses Association, Albuquerque, New Mexico
Jan. 2004 Domestic Violence in Healthcare – Esperanza / SVH for Women's Health Center, Santa Fe, New Mexico
Nov. 2003 Consequences of Drinking and Driving, College of Santa Fe
Oct. 2003 Don't fight about Domestic Violence, Chinle, Arizona
Oct. 2003 EMTALA / COBRA – Albuquerque Chapter of Legal Nurse Consultants
Nov. 2002 Pediatric SANE Course Instructor – New Mexico State SANE training
Apr. 2002 New Mexico State Police Academy class – Domestic Violence
Mar. 2002 Northern New Mexico Community College 2nd year Nursing – Domestic Violence
Oct. 2001 Family Violence – Documentation and Forensic Evidence Collection – NM ENA
Mar. 2001 Domestic Violence Conference Presenter – Flagstaff, Arizona
Mar. 2001 Domestic Violence Program presentation – DVAC monthly meeting
Jan. 1997 Disaster Medical Issues, USAR 2291st Section 2

National Presentations

Apr. 2015	Naloxone upon Discharge: Why it's a good idea. – New Orleans NCCHC Spring Conference
Oct. 2008	Corrections for the Forensic Nurse – IAFN
Sep. 2003	Don't fight about Domestic Violence, Indian Health Services National Conference, Albuquerque, New Mexico
Sep. 2003	Traumatic Brain Injury: Keeping your Head on Straight, Indian Health Services National Conference, Albuquerque, New Mexico
Sep. 2001	Domestic Violence: Obtaining Consistency in Data Collection, Intervention and Referrals – IAFN International Conference Presenter, Orlando, Florida

Specialty Nursing Courses for student nurses 2018- Present

How to Study in Nursing School
How to take Tests in Nursing School
Correctional Nursing for Nursing Students
Assessing Cognition and Developmental domains for Nursing Students
Prioritization and Acuity of patient care for Nursing Students

Quarterly Correctional Officer Academies 2005-2017

Medical Urgencies and Emergencies
Prison Rape Elimination Act (PREA)
OSHA Blood and Airborne Pathogens
Infection Control
Alcohol and Drugs

Monthly Correctional Nursing Topics 2005-2017

Suicide Prevention
Medication Errors
Triage
Performance Based-Budgets for Nurses
NCCHC Standards Training
Professional Development
Walk-A-Mile
Drugs, Alcohol, and Intoxication
Quality Improvement
Alcohol Intoxication and Delirium
Alcohol Delirium Prevention

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: D19

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

SUBJECT:
D19, Appointment of Bina Bhakta to the Lodgers Tax Advisory Board

BACKGROUND AND ANALYSIS:
The Lodgers Tax Advisory Board has several duties that include advising the Governing Body on the expenditure of funds generated by Lodgers Tax for advertising, publicizing, and promoting tourist attractions and facilities in the City and surrounding area.

The five-member board consists of two members from the lodging industry, two members from the tourism industry, and one member from the general public.

If appointed, Bhakta will fill a lodging industry seat on the board and serve a term that expires on May 31, 2027. Bhakta previously served on the board.

IMPACT:
The appointment will fill a vacancy on the Lodgers Tax Advisory Board caused by term expiration.

ALTERNATIVES:
Approve the appointment.

Do not approve the appointment.

DEPARTMENT RECOMMENDATION:
Mayor Hull recommends the appointment of Bina Bhakta to the Lodgers Tax Advisory Board.

ATTACHMENT: Bina Bhakta- Resume

Bina Bhakta

Assistant General Manager

Bina Bhakta
[redacted]

Skills

Dedicated Hotel Administrator; trained and well-practiced across all frontline operational areas. Great success guiding staff in implementing strategies to ensure total guest satisfaction and brand leadership. Broad field, market, and industry knowledge backed by deep understanding of corporate standards, procedures, resources, and brand strategy.

Multi-Brand Operational Excellence

Customer Relations & Service

High-Impact Marketing Strategies

Corporate / Customer Appreciation Programs

Hotel Renovation, Maintenance, & Safety

Group Sales & Supply Contract Negotiations

Staff training

Multilingual: English, Gujarati, Hindi

Experience

Comfort Inn/Quality Inn ASSISTANT GENERAL MANAGER (2007 to Present)

Implement corporate strategies to advance brand leadership, ensure consistent guest satisfaction, and create positive work environment with motivated, high-performing staff and low turnover. Stay abreast of Choice operating practices and market trends to identify improvement areas and keep property running at top performance. Monitor hotel performance through daily customer / staff interactions and review of performance metrics.

Managed hotel Web placement and content, blog, Facebook and Twitter presence, print ads, trade shows, targeted email campaigns, and radio / TV segments. Monitored travel Web site commentary / complaints and responded to feedback in a timely and professional manner.

Successfully negotiated and managed all group sale and loyalty programs for corporate clients. Consistently achieve high rate of repeat business.

Continually optimized revenues by negotiating for lower costs on hotel supplies.

Developed and implemented successful appreciation programs for corporate clients and Choice GP members.

Executed online advertising campaign for New Mexico Co-op for Choice Hotels.

Baskin Robbins, Stone Mountain, GA

Owner, Cake Decorator and Customer Relations Specialist, (1997 to 2006)

Managed and trained team of 8 employees in all aspects of customer service, guest relations, and food service. Organized and managed Birthday Parties and School Field Trip groups at Baskin Robbins. Responsible for store opening and closing duties and store all product inventory. Developed strategies to motivate staff for better customer service, inventory control and higher revenue.

Credentials

Certified Servsafe

Certified Front desk Manager

Certified sales and marketing

Certified Safe Covid Practices

ChoiceU by choice hotels international

Affiliation

Board Member, Rio Rancho, NM Lodgers Tax advisory Board (Current)

New Mexico Co-Op Chairperson for Choice Hotels International (2010 to 2012)

RAB Member Region #11 Choice Hotels International (2009 to 2014)

National Delegate, Choice Hotels Owners Council (2010 to 2011)

Board Member, CAI of NM[Cultural Association of India], (2015-2019)

Board Member, Bhakta Youth Cultural Organization (2019-current)

CITY OF RIO RANCHO
COVER PAGE

Legislation Item:

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

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

BACKGROUND AND ANALYSIS:
The City Manager's Recommended Budget for Fiscal Year 2025 (July 1, 2024 to June 30, 2025) and Capital Program can be viewed by visiting www.rrnm.gov/fy25budget.

Pursuant to the City Charter, the City Manager's Recommended Budget and Capital Program for the coming fiscal year was provided to the Governing Body on April 15, 2024. Between April 15 and April 25, the Mayor may submit comments to the City Manager regarding the recommended budget. The Mayor's comments can be viewed at www.rrnm.gov/fy25budget.

On April 25, the Governing Body held a budget review work session meeting. The meeting provided a venue to ask questions of staff, propose and discuss budget amendments, and for the City Manager to formally respond to the Mayor's budget comments/recommendations.

Pursuant to the City Charter, public comment on the Recommended Fiscal Year 2025 Budget and Capital Program is taken at the Governing Body's regular meetings in May (May 9 and May 23).

A vote to adopt a balanced budget for Fiscal Year 2025 and capital program, which includes consideration of amendments that have been offered, will take place at the Governing Body's May 23 meeting.

IMPACT:
Compliance with City Charter and Municipal Code.

ALTERNATIVES:
This is a public hearing only, therefore there are no alternatives.

DEPARTMENT RECOMMENDATION:
Not an action item; public hearing only.

CITY OF RIO RANCHO
COVER PAGE

Legislation Item:

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

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

BACKGROUND AND ANALYSIS:
The City Manager's Recommended Budget for Fiscal Year 2025 (July 1, 2024 to June 30, 2025) and Capital Program (Infrastructure Capital Improvement Plan or ICIP for Fiscal Years 2025 - 2029) can be viewed by visiting www.rrnm.gov/fy25budget.

Pursuant to the City Charter, the City Manager's Recommended Budget and Capital Program for the coming fiscal year was provided to the Governing Body on April 15, 2024. Between April 15 and April 25, the Mayor may submit comments to the City Manager regarding the recommended budget and capital program. The Mayor's comments can be viewed at www.rrnm.gov/fy25budget.

On April 25, the Governing Body held a budget review work session meeting. The meeting provided a venue to ask questions of staff, propose and discuss budget amendments, and for the City Manager to formally respond to the Mayor's budget comments/recommendations.

Pursuant to the City Charter, public comment on the Recommended Fiscal Year 2025 Budget and Capital Program is taken at the Governing Body's regular meetings in May (May 9 and May 23).

A vote to adopt a balanced budget for Fiscal Year 2025 and capital program, which includes consideration of amendments that have been offered, will take place at the Governing Body's May 23 meeting.

IMPACT:
Compliance with City Charter and Municipal Code.

ALTERNATIVES:
This is a public hearing only, therefore there are no alternatives.

DEPARTMENT RECOMMENDATION:
Not an action item; public hearing only.

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O4

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Financial Services

SUBJECT:
O4, An Ordinance Amending and Restating Ordinance No. 28, Enactment No. 20-27; Authorizing the Execution and Delivery of an Amended and Restated Loan Agreement ("Loan Agreement") By and Between the City of Rio Rancho, New Mexico (the "City") and the New Mexico Finance Authority, Evidencing a Special Limited Obligation of the City to Pay a Principal Amount of Not to Exceed Fifteen Million One Hundred Fifty Thousand Dollars ($15,150,000), Together with Interest, Costs of Issuance and Administrative Fees Thereon, for the Purpose of Financing the Costs of Extending and Improving the City's Water and Wastewater Utility System (the "System"), including Upgrades to Well #9; Providing for the Pledge and Payment of the Principal, Interest and Administrative Fees Due Under the Loan Agreement Solely from Net Revenues of the System; Repealing Prior Authorization of the Acceptance of a Loan Subsidy in Consideration of an Offsetting Reduction of the Interest Payable on the Loan Agreement; Setting a Maximum Interest Rate for the Loan; Approving the Form of and Other Details Concerning the Loan Agreement; Ratifying Actions Heretofore Taken; Repealing All Action Inconsistent with this Ordinance; and Authorizing the Taking of Other Actions in Connection with the Execution and Delivery of the Loan Agreement.

BACKGROUND AND ANALYSIS:
Second reading of an Ordinance. On April 11, 2024, the Governing Body approved the first reading of this Ordinance by a vote of 6-0.

On September 10, 2020 the City adopted Ordinance No. 28, Enactment No. 20-27 authorizing the execution and delivery of a Loan and Subsidy Agreement by and between the City and the the New Mexico Finance Authority (NMFA) in a principal amount not to exceed $15,150,000 at a 1.0 percent interest rate which included the administrative fee. The loan included a Federal subsidy grant amount of $468,861. The loan and subsidy were obtained through the Drinking Water State Revolving Loan Fund (DWSRLF), a Federal program administered by NMFA. The purpose of the loan was to finance the costs of extending and improving the City’s Water and Wastewater Utility System, specifically the Well #9 redrill, housing and equipping Well #9, expanding arsenic treatment capacity, and enhancing site security. The loan agreement was executed on May 28, 2021.

Per the executed DWSRLF loan agreement, the City had two years to complete the project drawing loan funds as needed to pay for construction costs. During the initial two-year period a subsidy of $468,861 would be granted to the City and only interest on the amount drawn would be due. Upon completion of the project, the total amount borrowed would be converted to a 23-year loan and debt service payments would commence. At the end of the initial two-year period the City was granted an extension due to project delays. To date funds have not been drawn from the loan.

Because of the project delays due to additional requirements and environmental reviews needed, the DWSRLF loan agreement must be modified to amend the terms. The Federal subsidy is no

longer available, however NMFA has agreed to lower the interest rate of the loan to 0.26 percent which includes the administrative fee. Further, NMFA has agreed to extend the construction period an additional three years during which the City may draw loan funds, paying interest only on the amounts drawn. Upon completion of the project, the total amount drawn will convert to a 20-year loan up to $15,150,000 and semi-annual debt service payments will become due.

The loan will be a special, limited obligation of the Utility secured by the pledge of Utilities Net Revenue. It will not impact the General Fund or its capacity to borrow.

IMPACT:

Approving the ordinance will enable the City to Finance the $15,150,000 for the Well 9 redrill and security upgrades project.

ALTERNATIVES:

Approve the Ordinance.

Do not approve the Ordinance.

DEPARTMENT RECOMMENDATION:

Staff recommends approval of the Ordinance.

ATTACHMENT: Ordinance
ATTACHMENT: Amended and Restated Loan Agreement

CITY OF RIO RANCHO
ORDINANCE

ORDINANCE NO. 4 **ENACTMENT NO.**

ORDINANCE

AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 28, ENACTMENT NO. 20-27; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF RIO RANCHO, NEW MEXICO (THE "CITY ") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTEEN MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS ($15,150,000), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF EXTENDING AND IMPROVING THE CITY'S WATER AND WASTEWATER UTILITY SYSTEM (THE "SYSTEM"), INCLUDING UPGRADES TO WELL #9; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN AGREEMENT SOLELY FROM NET REVENUES OF THE SYSTEM; REPEALING PRIOR AUTHORIZATION OF THE ACCEPTANCE OF A LOAN SUBSIDY IN CONSIDERATION OF AN OFFSETTING REDUCTION OF THE INTEREST PAYABLE ON THE LOAN AGREEMENT; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

WHEREAS: Unless otherwise defined in Section 1 or elsewhere in this ordinance (the "Bond Ordinance") or unless the context requires otherwise, capitalized terms in the following preambles have the same meanings assigned to such terms in Article I of Ordinance No. 59, Enactment No. 94-059 adopted by the Council on December 14, 1994, as amended by Ordinance No. 13, Enactment No. 95-013 adopted by the Council on May 17, 1995, by Substitute Ordinance No. 25, Enactment No. 98-028 adopted by the Council on November 18, 1998, and by Ordinance No. 16, Enactment No. 17-18 adopted by the Council on August 9, 2017 (collectively, the "Master Ordinance"); and

WHEREAS: The City is a legally and regularly created, established, organized and existing municipality under the general laws of the State; and

WHEREAS: The City owns, operates and maintains the System as a joint public utility water and wastewater utility system; and

WHEREAS: The following Parity Obligations of the City, payable from Net Revenues and constituting a first lien thereon, are outstanding on the date of the adoption

of this Ordinance in the following principal amounts: City of Rio Rancho, New Mexico Water and Wastewater Utility System Revenue Bonds, Series 2013, in an outstanding principal amount of $1,465,000; City of Rio Rancho, New Mexico Water and Wastewater Utility System Refunding Revenue Bonds, Series 2015, in an outstanding principal amount of $20,485,000; 2016 New Mexico Finance Authority Senior Lien Improvement and Refunding Loan Agreement, in an outstanding principal amount of $25,085,000; and

WHEREAS: The following Subordinate Obligations, payable from Net Revenues with a lien thereon subordinate to the lien thereon of the Parity Obligations, are outstanding on the date of the adoption of this Ordinance in the following principal amounts: 2016 New Mexico Finance Authority Refunding Loan Agreement, in an outstanding principal amount of $15,560,000; 2016 New Mexico Finance Authority Water Trust Board Loan Agreement, in an outstanding principal amount of $239,745; and

WHEREAS: Except as stated in these preambles, the Net Revenues have not been pledged or hypothecated to the payment of any Outstanding obligations and no other obligations are payable from the Net Revenues on the date of this Ordinance; and

WHEREAS: There are no obligations which have a lien on the Net Revenues superior to the lien thereon of the Parity Obligations; and

WHEREAS: Funds may be provided from the Drinking Water State Revolving Loan Fund to finance infrastructure projects in the State, including the Project; and

WHEREAS: On September 10, 2020 the City adopted Ordinance No. 28, Enactment No. 20-27, pursuant to which it authorized the execution and delivery of a Loan and Subsidy Agreement by and between the City and the NMFA in a principal amount not to exceed $15,150,000 and a subsidy amount of $468,861, for the purpose of financing the costs of extending and improving the City's Water and Wastewater Utility System (the "Original Loan Agreement"); and

WHEREAS: The NMFA and the City executed and delivered the Original Loan Agreement dated May 28, 2021; and

WHEREAS: The NMFA has requested that the City execute and deliver an amended and restated loan agreement (the "Amended and Restated Loan Agreement" or, as the context requires, the "Loan Agreement") for the purpose of removing the Original Maximum Forgiven Principal Amount, to increase the Original Maximum Repayable Principal Amount, decrease the interest rate from 1.0% to 0.01% for a total of 0.26% which includes interest rate and administrative fee, resetting the 3-year construction period followed by the 20-year repayment term, and incorporating federal provisions that are now applicable; and

WHEREAS: The City is willing to enter into the Amended and Restated Loan Agreement to accomplish the purposes described in the Recital immediately above; and

WHEREAS: The Governing Body of the City has determined that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the City and its System customers that the Loan Agreement be executed and delivered and that the financing of the construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS: The Governing Body has determined that it may lawfully pledge the Net Revenues for repayment of the Loan Agreement, as a "System Bond" as defined in the Master Ordinance; and

WHEREAS: The City intends to use a portion of the proceeds of the Loan Agreement for the purpose of acquiring and installing additional System assets and improving the System; and

WHEREAS: All required authorizations, consents and approvals in connection with (i) the use and pledge of the Net Revenues to the NMFA (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement, which are required to have been obtained by the date of the Ordinance have been obtained or are reasonably expected to be obtained prior to the Closing Date.

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

Section 1. Definitions and Rules of Construction.

DEFINITIONS. As used in this Bond Ordinance, the following terms have the meanings specified, unless the context clearly requires otherwise. Other capitalized terms used in this Bond Ordinance which are not defined in this Article or in this Bond Ordinance have the same meanings assigned to such terms in the Master Ordinance, unless the context clearly requires otherwise.

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

"Administrative Fee" or "Administrative Fee Component" means the 0.25% annual fee payable to the NMFA as 0.25% of the Aggregate Repayable Disbursements then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

"Aggregate Disbursements" means, at any time after the Closing Date, the sum of all Disbursements.

"Aggregate Program Amount" means, with respect to this Loan Agreement, the sum of the Aggregate Repayable Disbursements up to the Maximum Principal Amount.

"Aggregate Repayable Disbursements" means, at any time after the Closing Date, the Aggregate Disbursements (including the Cost of Issuance).

"Approved Requisition" means a requisition in the form of Exhibit "C" to the Loan Agreement, together with the required supporting documentation submitted to and approved by the NMFA pursuant to Section 4.2 of the Loan Agreement.

"Authorized Officer" means the Mayor, City Manager, City Financial Services Director, City Clerk, or other officer or employee of the City when designated by a certificate signed by the Mayor or City Manager from time to time.

"City" means the City of Rio Rancho, New Mexico.

"City Expenses" means the costs incurred by the City in connection with the execution and delivery of the Amended and Restated Loan Agreement.

"Closing Date" means the date of execution, delivery and funding of the Loan Agreement authorized by this Ordinance.

"Completion Date" means the date of completion of the Project.

"Cost of Issuance" means an amount equal to one percent (1%) of each disbursement for the Project, as permitted by federal law, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

"Credit Facility" has the meaning assigned to such term in the Master Ordinance.

"Debt Service Account" means the debt service account established in the name of the City and administered by the NMFA to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

"Debt Service Fund" has the meaning assigned to such term in the Master Ordinance and continued in Section 13 of this Ordinance.

"Debt Service Requirements" means, with respect to System Obligations, for any given period, the sum of: (a) the amount required to pay the interest becoming due on the applicable System Bonds during that period, or to make reimbursements for payments of interest, and (b) the amount required to pay the principal or Accreted Value becoming due on the applicable System Bonds during that period, whether at maturity, the Accreted Term Date or upon mandatory sinking fund redemption dates, or to make reimbursements for payments of that principal or Accreted Value. For purposes of calculating the maximum annual Debt Service Requirements, unless otherwise provided in the Resolution of Sale for the applicable System Bonds, the following assumptions shall be used; provided that no assumption shall be applied if its application would result in

principal of applicable System Bonds being treated as amortized in larger annual increments than specified pursuant to their express terms or an existing underlying agreement with a third party:

(a) in determining the principal due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on System Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such System Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such year; in determining the interest due in each year, interest payable at a fixed rate shall (except to the extent subsection (b), (c), (d), (e) or (f) of this definition applies) be assumed to be made at such fixed rate and on the required payment dates;

(b) if all or any portion or portions of an Outstanding series of System Bonds constitutes Balloon Indebtedness, or if all or any portion or portions of a series of System Bonds then proposed to be issued would constitute Balloon Indebtedness, then, for purposes of determining Debt Service Requirements, each maturity which would constitute Balloon Indebtedness shall, unless provision (c) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of 20 years commencing in the year the stated maturity of such Balloon Indebtedness occurs (provided such period does not exceed the maturity of such debt) and with substantially level annual debt service payments; the interest rate used for such computation shall be equal to the last published in *The Bond Buyer* 30-Year Revenue Bond Index; with respect to any series of System Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in (a) above or such other provision of this definition as shall be applicable and, with respect to any series or that portion of a series which constitutes Balloon Indebtedness, all payments of principal and interest becoming due prior to the year of the stated maturity of the Balloon Indebtedness shall be treated as described in (a) above or such other provisions of this definition as shall be applicable;

(c) any maturity which constitutes Balloon Indebtedness as described in provision (b) of this definition and for which the stated maturity date occurs within 12 months from the date such calculation is made, shall be assumed to become due and payable on the stated maturity date and provision (b) above shall not apply thereto unless there is delivered to the entity making the calculation a certificate of an Authorized Officer stating that the City intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the City is sufficient to successfully complete such refinancing; upon receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Debt Service Requirements, provided that such assumption shall not result in an amortization period longer than or an interest rate lower than that which would be assumed under provision (b) above;

(d) if any of the Outstanding series of System Bonds constitute Tender Indebtedness or if System Bonds then proposed to be issued would constitute Tender Indebtedness, then for purposes of determining Debt Service Requirements, Tender Indebtedness shall be treated as if the principal amount of such System Bonds were to be amortized over a term of 25 years (so long as such period does not exceed the maturity of such debt) commencing in the year in which such series if first subject to tender and with substantially level annual debt service payments; the interest rate used for such computation shall be equal to the last published *The Bond Buyer* 30-Year Revenue Bond

Index; with respect to all principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender such payments shall be treated as described in (a) above unless the interest during that period is subject to fluctuation, in which case the interest becoming due prior to such first tender date shall be determined as provided in (e) or (f) below, as appropriate;

(e) if any Outstanding System Bonds constitute Variable Rate Bonds (except to the extent subsection (b) or (c) relating to Balloon Indebtedness or (d) relating to Tender Indebtedness applies), the interest rate on such System Bonds shall be assumed to be the rate quoted in *The Bond Buyer 25-Year Revenue Bond Index* for the last week of the month preceding the date of sale of such additional bonds as published in *The Bond Buyer* (as certified by the City's financial advisor, the Purchasers of the System Bonds, or other investment banker, as designated by the City from time to time), plus 50 basis points. The prospective computations of interest payable on Variable Rate Bonds relating to the issuance of additional Parity Bonds required by Article XXIV or required by the Rate Covenant shall be made on the same assumption herein;

(f) in any computation relating to the issuance of additional System Bonds or the Rate Covenant, there shall be excluded from the computation of Debt Service Requirements amounts and investments (unless funded by Net Revenues during the applicable period) which are irrevocably committed to make designated payments on System Bonds during the applicable period, including, without limitation, money on deposit in a Debt Service Account for a series of System Bonds, amounts representing capitalized interest for a series of System Bonds and amounts on deposit in an escrow account irrevocably committed to make designated payments on System Bonds during the applicable period;

(g) interest or principal being paid for reimbursements of Debt Service Requirements made pursuant to a Credit Facility, if such obligations rank on a parity with the obligation to pay System Bonds, or if a System Bond is a Bank Bond on the date of computation, shall be considered in the computation of Debt Service Requirements; and

(h) should the City enter into an interest rate swap contract or its equivalent with respect to all or a portion of any series of Parity Bonds, such contract shall be approved in advance by the Bond Insurer. The amount of interest required to be paid with respect to that series shall be the interest rate paid by the City under its interest rate swap contract, so as to properly reflect the actual savings of the swap.

"Disbursement" means an amount caused to be paid by the NMFA for an Approved Requisition for costs of the Project, including the Cost of Issuance calculated on the basis of the amount of such Approved Requisition.

"Drinking Water State Revolving Loan Fund" means the drinking water state revolving loan fund established by the DWSRLF Act.

"DWSRLF Act" means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978 §§ 6-21A-1 through 6-21A-9, as amended.

"Expenses" means the NMFA's costs of issuance of this Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the NMFA in administering this Loan Agreement, including legal fees; "Expenses" do not include City Expenses.

"Final Loan Agreement Payment Schedule" means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

"Final Requisition" means the final requisition of moneys to be submitted by the City, which shall be submitted by the City on or before the date provided for in Section 4.1(b) of the Loan Agreement.

"Governing Body" means the City Council and Mayor of the City.

"Gross Revenues" means all income and revenues directly or indirectly derived by the City from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the City, or any municipal corporation or agency succeeding to the rights of the City, from the availability or operation and use of the System and from the sale and use of water, water and wastewater services or facilities, or any other service, commodity or facility or any combination thereof furnished to the City and public and private customers of the System, including but not limited to connection or impact fees. Such term also includes:

(i) All income derived from the investment of any money in the Acquisition Fund, as defined in the Master Ordinance, Water and Wastewater Fund, Debt Service Fund, Program Account and Rate Stabilization Fund and from surplus Net Revenues;

(ii) Money released from the Rebate Fund to the City;

(iii) Money released from the Rate Stabilization Fund to the extent that the amount released is used to pay Operation and Maintenance Expenses or Debt Service Requirements on System Bonds in the year released;

(iv) Property insurance proceeds which are not necessary to restore or replace the property lost or damaged and the proceeds of the sale or other disposition of any part of the System.

Gross Revenues do not include:

(i) any money received as (i) a water quality testing fee,

(ii) grants or gifts from the United States of America, the State or other sources, or (iii) the proceeds of any charge or tax intended as a replacement therefor or other capital contributions from any source which are restricted as to use;

(iii) taxes and/or fees collected by the City and remitted to other governmental agencies;

(iv) condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption;

(v) Water Rights Acquisition Fee Revenues, as herein defined; and

(vi) the proceeds of System Bonds or any other bonds or refunding bonds.

"Interest Component" means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

"Interest Rate" means the rate of interest on the Loan Agreement of 0.01%, which, together with the 0.25% administrative fee payable to the NMFA, is 0.26%, as shown on the Term Sheet.

"Interim Period" means the period no greater than thirty-six (36) months, or a longer period as may be approved by the NMFA as provided in Section 4.1(b) of the Loan Agreement, beginning on the Closing Date, during which the NMFA will disburse moneys to the Governmental Unit to pay costs of the Project, unless extended pursuant to Section 4.1(b) of the Loan Agreement.

"Interim Loan Agreement Payment Schedule" means the anticipated schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, assuming disbursement of the entire Aggregate Program Amount within thirty-six (36) months of the Closing Date. The Interim Loan Agreement Payment Schedule shall be in the form attached as Exhibit "B" to the form of Loan Agreement submitted to the City in connection with its consideration of this Ordinance.

"Loan" means the funds to be loaned to the City by the NMFA pursuant to the Loan Agreement, up to the Maximum Principal Amount.

"Loan Agreement" means the Amended and Restated Loan agreement and any amendments or supplements thereto, including the exhibits attached to the Loan Agreement.

"Loan Agreement Payment" means, collectively, the Principal Component, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the City as payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on Exhibit "B" thereto.

"Maximum Principal Amount" means Fifteen Million One Hundred Fifty Thousand Dollars ($15,150,000).

"Maximum Repayable Principal" means the maximum amount of Aggregate Repayable Disbursements repayable by the City pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount of Fifteen Million One Hundred Fifty Thousand Dollars ($15,150,000).

"NMFA" means the New Mexico Finance Authority, created by the New Mexico Finance Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

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

"Net Revenues" means the Gross Revenues after deducting Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the System, in any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System including, without limiting the generality of the foregoing:

(1) legal and overhead expenses of the various City departments directly related and reasonably allocable to the administration of the System;

(2) insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(3) premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay Debt Service Requirements on System Bonds) for Credit Facilities;

(4) expenses other than Expenses paid from the proceeds of System Bonds;

(5) the costs of audits of the books and accounts of the System;

(6) amounts required to be deposited in the Rebate Fund;

(7) salaries, administrative expenses, labor costs, surety bonds and the cost of materials and supplies used for or in connection with the current operation of the System; and

(8) any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, liabilities incurred by the City as a result of its negligence or other misconduct in the operation of the System, any charges of the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Ordinance" means this Ordinance, as amended or supplemented from time to time.

"Outstanding" or "outstanding" when used in reference to System Bonds, on any particular date, the aggregate of all System Bonds issued and delivered under the Master Ordinance and an applicable Resolution of Sale authorizing the issuance of such bonds, except:

(1) those canceled at or prior to such date or delivered to or acquired by the City at or prior to such date for cancellation;

(2) those which have been paid or are deemed to be paid in accordance with the City ordinance authorizing the issuance of the applicable bonds or otherwise relating thereto, provided that the payment of Insured bonds with the proceeds of a Bond Insurance Policy shall not result in those Insured Bonds ceasing to be Outstanding;

(3) in the case of Variable Rate Obligations, System Obligations deemed tendered but not yet presented for payment;

(4) any System Obligation which has been refunded in accordance with this Ordinance or other ordinances of the City authorizing the defeasance of such designated System Obligations; and

(5) those in lieu of or in exchange or substitution for which other System Obligations shall have been delivered, unless proof satisfactory to the City and the paying agent for the applicable System Obligations is presented that any System Obligation for which a new System Obligation was issued or exchanged is held by a bona fide holder in due course.

"Principal Component" means the portion of each Loan Agreement Payment paid as principal on this Loan Agreement, based upon the Aggregate Repayable Disbursements, as shown on Exhibit "B" attached to the Loan Agreement.

"Program Account" means the book account established by the NMFA in the name of the City for purposes of tracking expenditure of the Loan by the City to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the NMFA.

"Project" means acquiring additional System assets, extending, repairing, replacing and improving the City's System, including drilling a new replacement well (Well #9), installing a new pump and variable frequency drive motors, a new well house, arsenic treatment facilities and new security fence, and the payment of Expenses associated with the execution and delivery of the Loan Agreement.

"Rate Covenant" means the covenants in the Loan Agreement relating to charging rates for use of the System to pay Debt Service Requirements.

"Rate Stabilization Fund" means the Rate Stabilization Fund for System Obligations previously established by the City in the Master Ordinance and continued in Section 13 of this Ordinance.

"Replacement Fund" means the Replacement Fund for the System previously established by the City in the Master Ordinance and continued in Section 13 of this Ordinance

"Senior Obligations" means the Series 2013 Refunding Bonds, the Series 2015 Refunding Bonds, the 2016 Senior Lien NMFA Improvement and Refunding Loan Agreement, and any other System Bonds issued with a lien on the Net Revenues on a parity with the lien of the Outstanding Senior Obligations on Net Revenues.

"Series 2013 Refunding Bonds" means the City of Rio Rancho, New Mexico Water and Wastewater System Refunding Revenue Bonds, Series 2013, authorized pursuant to the Master Ordinance and Ordinance No. 08, Enactment No. 13-06, adopted on April 24, 2013.

"Series 2015 Refunding Bonds" means the City of Rio Rancho, New Mexico Water and Wastewater System Refunding Revenue Bonds, Series 2015, authorized pursuant to the Master Ordinance and Ordinance No. 18, Enactment No. 15-15, adopted on September 9, 2015.

"State" means the State of New Mexico.

"Subordinate Obligations" means the 2016 Subordinate Lien Water Trust Board/NMFA Loan Agreement, and the 2016 Subordinate Lien NMFA Loan Agreement, and all other bonds and other obligations of the City now or hereafter issued with a lien on the Net Revenues subordinate to the lien of Senior Bonds.

"System" means that water and wastewater system acquired or to be acquired by the City and designated as the City's water and wastewater system consisting

of all properties, real, personal, mixed or otherwise now existing or hereafter acquired by the City through acquisition, purchase, construction or otherwise including all expansions, extensions, enlargements, and improvements of or to the water and wastewater system, and used in connection therewith or relating thereto, in any other related activity or enterprise of the City designated by the Governing Body as part of the water and wastewater system, whether situated within or without the limits of the City, including but not limited to all tangible assets, personalty, equipment, materials, supplies, records, real property, fixtures, distribution facilities, sewage collection and treatment facilities, intangible assets, contract rights, accounts receivables, deposits, and all other rights and interests of any nature which comprise the water and wastewater systems originally acquired from Rio Rancho Utilities Corporation.

"System Bonds" means all bonds, notes and other obligations payable solely or primarily from Net Revenues, Refinancing Proceeds, System Bond proceeds and earnings thereon, or from other sources as designated in the resolution of Sale for that series of bonds.

"Term Sheet" means Exhibit "A" to the Loan Agreement.

"Water and Wastewater Fund" means the water and wastewater fund established in the Master Ordinance, administered by the City and continued in Section 13 of this Ordinance, to which all Gross Revenues are credited while any Debt Service Requirements on System Bonds payable in whole or in part from Net Revenues are outstanding.

"Water Rights Acquisition Fee Revenue" means the revenues of the Water Rights Acquisition Fee enacted pursuant to Ordinance No. 25, Enactment No. 10-25 on June 9, 2010, as amended by Ordinance No. 35, Enactment No. 12-34 on January 9, 2013, and as may be further amended from time to time. Water Rights Acquisition Fee Revenue is not subject to the pledge of and lien on the Net Revenues of the Water System under the Master Ordinance.

"2016 Senior Lien NMFA Improvement Refunding Loan Agreement" means the loan agreement by and between the City and the NMFA dated July 13, 2016, authorized pursuant to Ordinance No. 19, Enactment No. 16-16 adopted on May 25, 2016.

"2016 Subordinate Lien Water Trust Board/NMFA Loan Agreement" means the loan agreement by and between the City and the NMFA on behalf of the Water Trust Board, dated January 8, 2016, authorized pursuant Ordinance No. 22, Enactment No. 15-19 adopted on November 18, 2015.

"2016 Subordinate Lien NMFA Loan Agreement" means the loan agreement by and between the City and the NMFA dated July 13, 2016, authorized pursuant Ordinance No. 20, Enactment No. 16-17 adopted on May 25, 2016.

Section 2. Ratification. All actions previously taken (not inconsistent with the provisions of this Ordinance) by the Governing Body and the officers of the City directed toward the authorization, pledge, collection and distribution of the Net Revenues, the Project, and the authorization, execution and delivery of the Loan Agreement are ratified,

approved and confirmed.

Section 3. Findings.

(A) The Governing Body declares that it has considered all relevant information and data and finds that the execution and delivery of the Loan Agreement under the Act in the Maximum Principal Amount to finance the Project is necessary and in the interest of the public health, safety and welfare of the residents of the geographic area served by the City.

(B) The City will finance the Project with the proceeds of the Loan Agreement, together with other funds of the City, if necessary.

(C) It is economically feasible to accomplish the Project by the execution and delivery of the Loan Agreement.

(D) The Net Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

Section 4. Joint Water and Wastewater Utility System. The System shall continue to be operated and maintained as a public water and wastewater utility system.

Section 5. Amended and Restated Loan Agreement – Authorization and Detail.

(A) AUTHORIZATION. This Ordinance has been adopted by the affirmative vote of at least a three-fourths (3/4) majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the public served by the City and acquiring and constructing the Project, it is hereby declared necessary that the City, pursuant to the Act, execute and deliver the Amended and Restated Loan Agreement evidencing a special limited obligation of the City to pay a maximum principal amount of fifteen million one hundred fifty thousand dollars ($15,150,000) and interest thereon at the Interest Rate, and the execution and delivery of the Loan Agreement is hereby authorized. The City shall use the proceeds of the Loan and Subsidy (i) to finance the acquisition and construction of the Project and (ii) to pay Expenses. The Project will be owned by the City.

(B) DETAIL. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of fifteen million one hundred fifty thousand dollars ($15,150,000). The Loan Agreement Principal Amount shall be payable in installments of principal due on May 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and November 1 of each year, at the rates designated in the Loan Agreement, including Exhibit "A" thereto, which rates include the Administrative Fee. Interest on Loan Agreement will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Section 6. Authorization of Project and Expenses.

(A) The Project is hereby authorized and approved.

(B) The payment of Expenses is authorized and approved.

(C) The proceeds of the Loan Agreement will be used exclusively to finance the Project including the payment of Expenses.

Section 7. Approval of the Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted is

hereby approved. The Mayor is hereby authorized to execute, acknowledge and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by the Mayor, and the City Clerk is hereby authorized to affix the seal of the City on the Loan Agreement and attest the same. The execution of the Loan Agreement by the Mayor shall be conclusive evidence of such approval.

Section 8. Special Limited Obligations. The Loan Agreement shall be secured by the pledge of the Net Revenues as set forth in the Loan Agreement and shall be payable solely from the Net Revenues. The Loan Agreement, together with interest thereon and other obligations of the City thereunder, shall be a special, limited obligation of the City, payable solely from the Net Revenues as provided in this Ordinance, and the Loan Agreement shall not constitute a general obligation of the City or the State, and the holders of the Loan Agreement may not look to any general or other fund of the City for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the City (except with respect to the application of the Net Revenues) or as imposing a pecuniary liability or a charge upon the general credit of the City, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the City or any charge upon its general credit. The Loan Agreement 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. Nothing herein shall prevent the City from applying other funds of the City legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 9. Disposition of Proceeds; Completion of Acquisition and Construction of the Project.

(A) ACCOUNTS. The City hereby consents to creation of the Program Account and Debt Service Account to be held and maintained by the NMFA as provided in the Loan Agreement. The City hereby approves of the deposit of a portion of the proceeds of the Loan Agreement in the Program Account. The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon receipt thereof in the Program Account, as provided in the Loan Agreement. Until the Completion Date or the date of the Final Disbursement, the money in the Program Account shall be used and paid out solely for the purpose of acquiring and constructing the Project and to pay Expenses in compliance with applicable law and the provisions of the Loan Agreement.

(B) PROMPT COMPLETION OF THE PROJECT. The City will acquire, construct and complete the Project with all due diligence. Upon the acquisition and completion of the Project, the City shall execute and send to the NMFA a certificate stating that the completion of and payment for the Project has been completed.

(C) NMFA NOT RESPONSIBLE FOR APPLICATION OF LOAN PROCEEDS. The NMFA shall in no manner be responsible for the application or disposal by the City or by its officers of the net proceeds derived from the Loan Agreement.

Section 10. Deposit of New Revenues; Distributions of Net Revenues and Flow of Funds.

(A) DEPOSIT OF NET REVENUES. Net Revenues shall be paid directly by the City to the NMFA in an amount sufficient to pay principal and interest due under the Loan Agreement, as provided in Section 5.2 of the Loan Agreement.

(B) TERMINATION OF DEPOSITS TO MATURITY. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount of Loan Agreement Payments to become due as to principal and interest due under the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the City and used as provided in Section 10(C) below.

(C) USE OF SURPLUS REVENUES. After making all the payments hereinabove required to be made by this Section, any moneys remaining in the Debt Service Account shall be transferred to the City on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any System Bonds, or purposes authorized by the City, the Constitution and laws of the State, as the City may from time to time determine.

Section 11. Lien on Net Revenues. The Loan Agreement shall be issued with a lien on the Net Revenues on parity with the lien of the Senior Obligations on the Net Revenues and a lien superior to the lien of the Subordinate Obligations on the Net Revenues. The Net Revenues are hereby authorized to be pledged, and are hereby pledged, and the City grants a security interest therein, for the payment of the principal and interest due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Ordinance and the Loan Agreement. The Loan Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first lien, on the Net Revenues as set forth herein and therein, and the City shall not create a lien on the Net Revenues superior to that of the Loan Agreement without the express prior written approval of the NMFA.

Section 12. Authorized Officers; Delegated Powers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan Agreement including, but not limited to, the execution and delivery of closing documents, additional agreements and reports required in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Ordinance set out in Section 19 of this Ordinance (with such changes, additions and deletions as may be necessary).

Section 13. Funds and Accounts.

(A) WATER AND WASTEWATER FUND. The City shall continue the Water and Wastewater Fund as a separate, distinct and segregated fund. As long as the Loan Agreement is outstanding, all Gross Revenues shall continue to be set aside and credited to the Water and Wastewater Fund.

(B) DEBT SERVICE FUND AND ACCOUNTS. The City shall continue the Debt Service Fund as a separate, distinct and segregated fund for the deposit of Net Revenues for the payment of System Bonds, including the Loan Agreement, and for deposit to the Debt Service Account for the payment of the Principal Component, Interest Component

and Expense Component. The City hereby creates an Expense Account as part of the Debt Service Fund. Money on deposit or credited to the Expense Account shall be used for the purpose of payment of Expenses.

(C) REPLACEMENT FUND AND RATE STABILIZATION FUND. The City shall continue the Replacement Fund and the Rate Stabilization Fund as separate, distinct and segregated funds.

Section 14. Amendment of Ordinance. Prior to the Closing Date, the provisions of this Ordinance may be supplemented or amended by ordinance of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. After the Closing Date, this Ordinance may be amended without receipt by the City of any additional consideration, but only with the prior written consent of the NMFA.

Section 15. Limitation of Rights. Nothing in this Ordinance expressed or implied is intended or shall be construed to give to any person other than the City, the NMFA and the parties to which such right, remedy or claim is expressly granted by this Ordinance any legal or equitable right, remedy or claim under or in respect to the Ordinance.

Section 16. Ordinance Irrepealable. After the Closing Date, this Ordinance shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 17. Severability Clause. If any section, paragraph, clause or provision of this 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 this Ordinance.

Section 18. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent with this Ordinance are repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, previously repealed.

Section 19. General Summary for Publication. The title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

City of Rio Rancho
Notice of Adoption of Ordinance

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 6-14-6 NMSA 1978, that on May 9, 2024, the Governing Body of the City of Rio Rancho (the "City") adopted Ordinance No. _____, Enactment No. _____, an ordinance which authorizes the execution and delivery of a loan agreement with the New Mexico Finance Authority in an aggregate principal amount of $15,150,000 to make improvements to City's Water and Wastewater Utility System.

The title of the Ordinance is:

ORDINANCE

AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 28, ENACTMENT NO. 20-27; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED LOAN AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF RIO RANCHO, NEW MEXICO (THE "CITY ") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTEEN MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS ($15,150,000), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF EXTENDING AND IMPROVING THE CITY'S WATER AND WASTEWATER UTILITY SYSTEM (THE "SYSTEM"), INCLUDING UPGRADES TO WELL #9; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL, INTEREST AND ADMINISTRATIVE FEES DUE UNDER THE LOAN AGREEMENT SOLELY FROM NET REVENUES OF THE SYSTEM; REPEALING PRIOR AUTHORIZATION OF THE ACCEPTANCE OF A LOAN SUBSIDY IN CONSIDERATION OF AN OFFSETTING REDUCTION OF THE INTEREST PAYABLE ON THE LOAN AGREEMENT; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

The title contains a general summary of the subject matter contained in the Ordinance.

This notice constitutes compliance with § 6-14-6 NMSA 1978.

(End of Summary of Ordinance for Publication)

PASSED AND ADOPTED THIS 9TH DAY OF MAY, 2024.
BY A VOTE OF _____ FOR AND _____ AGAINST.

_____
Greggory D. Hull, Mayor

ATTEST:

_____
Noel C. Davis, City Clerk
(SEAL)

$15,150,000 Maximum Principal Amount

AMENDED AND RESTATED

DRINKING WATER STATE REVOLVING LOAN FUND LOAN AGREEMENT

dated

June 14, 2024

by and between the

NEW MEXICO FINANCE AUTHORITY

and the

CITY OF RIO RANCHO,
SANDOVAL COUNTY, NEW MEXICO

DRINKING WATER STATE REVOLVING LOAN FUND
AMENDED AND RESTATED LOAN AGREEMENT

This AMENDED AND RESTATED LOAN AGREEMENT (the "Loan Agreement" or "Amended and Restated Loan Agreement"), dated as of June 14, 2024, is entered into by and between the **NEW MEXICO FINANCE AUTHORITY** (the "NMFA"), and the **CITY OF RIO RANCHO**, Sandoval County, New Mexico (the "Governmental Unit" or "City"), a legally and regularly created, established, organized and existing charter municipality with home-rule powers, duly organized and existing under the laws of the State of New Mexico (the "State").

WITNESSETH:

Capitalized terms used in the following recitals of this Loan Agreement and not defined in the first Paragraph above or in these recitals shall have the same meaning as defined in Article I of this Loan Agreement, unless the context requires otherwise.

WHEREAS, the NMFA is authorized, pursuant to the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended (the "DWSRLF Act") to implement a program to permit qualified local authorities, such as the Governmental Unit, to enter into agreements with the NMFA to provide financial assistance in the acquisition, design, construction, improvement, expansion, repair and rehabilitation of drinking water supply facilities as authorized by the Safe Drinking Water Act ("SDWA"); and

WHEREAS, the NMFA and the Governmental Unit entered into a Drinking Water State Revolving Loan Fund Loan and Subsidy Agreement on May 28, 2021 (the "Original Loan Agreement") for the purpose of financing the Project, as defined in the Term Sheet; and

WHEREAS, the Governing Body of the Governmental Unit adopted Ordinance No. 28, Enactment No. 20-27 on September 10, 2020 authorizing the Governmental Unit to enter into the Original Loan Agreement; and

WHEREAS, the Governmental Unit's progress of the Project under the Original Loan Agreement was delayed due to additional requirements and environmental reviews needed; and

WHEREAS, the Governmental Unit was unable to draw down the funds as required in the two-year timeframe under the Drinking Water State Revolving Loan Fund program, and as a result, the subsidy funds previously given to the Governmental Unit under the Original Loan Agreement in the amount of four hundred sixty-eight thousand eight hundred fourteen dollars and eleven cents ($464,172.39) ("Original Maximum Forgiven Principal Amount") was no longer available; and

WHEREAS, the NMFA and the Governmental Unit desire to amend and restate the Original Loan Agreement to remove the Original Maximum Forgiven Principal Amount and increase the maximum repayable principal amount from fourteen million six hundred eighty-one thousand one hundred eighty-five dollars and eighty-nine cents ($14,681,185.89) ("Original Maximum Repayable Principal Amount") to fifteen million one hundred fifty thousand dollars

($15,150,000) ("Maximum Repayable Principal Amount") and decrease the interest rate from 1.0% to 0.01% for a total of 0.26% which includes interest rate and administrative fee ("Interest Rate"); and

WHEREAS, the NMFA and the Governmental Unit also desire to reset the loan term to begin a 3-year construction period upon the Closing Date of this Amended and Restated Loan Agreement followed by a 20-year repayment term; and

WHEREAS, at its regularly scheduled meeting on January 25, 2024, the NMFA Board approved the removal of the Original Maximum Forgiven Principal Amount increase to the Maximum Repayable Principal Amount, the decrease to the Interest Rate and the new loan term; and

WHEREAS, this Amended and Restated Loan Agreement amends and restates the Original Loan Agreement to remove the Original Maximum Forgiven Principal Amount, increase the Original Maximum Repayable Principal Amount, decrease the Interest Rate and reset the 3-year construction period followed by the 20-year repayment term; and

WHEREAS, the Governing Body of the Governmental Unit has determined that it is in the best interests of the Governmental Unit and the public it serves that the Governmental Unit enter into this Amended and Restated Loan Agreement with the NMFA and accept the new terms and amounts as stated in this Amended and Restated Loan Agreement to finance the costs of the Project, as more fully described on the Term Sheet attached hereto as Exhibit "A"; and

WHEREAS, the Governing Body of the Governmental Unit adopted Ordinance No. _____, Enactment No. _____, on May 9, 2024 authorizing the Governmental Unit to enter into this Amended and Restated Loan Agreement to accept the removal of the Original Maximum Forgiven Principal Amount, increase the Original Maximum Repayable Principal Amount, decrease the Interest Rate and reset the 3-year construction period followed by the 20-year repayment term; and

WHEREAS, the Project appears on the Drinking Water Fundable Priority List; and

WHEREAS, the Project has been planned and authorized in conformity with the Intended Use Plan; and

WHEREAS, the New Mexico Environment Department (the "Department") has determined that the Governmental Unit's Project plans and specifications comply with the provisions of 42 U.S.C. Section 300j-12 and the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems prior to disbursement of any proceeds of the Loan for construction; and

WHEREAS, a portion of the funds made available under this Amended and Restated Loan Agreement pursuant to the DWSRLF Act and the Safe Drinking Water Act are federal funds categorized as CFDA 66.468; and

WHEREAS, pursuant to the Environmental Assessment, Rio Rancho Well Site #9 Improvements Project for the City of Rio Rancho located in Sandoval County, New Mexico (the "EA") issued by the NMFA on January 7, 2021 and the Finding of No Significant Impact, the City of Rio Rancho, Sandoval County, New Mexico issued by the NMFA on March 26, 2021, the NMFA has found and determined that the Project meets all applicable requirements of the State Environmental Review Process (SERP) for the Drinking Water State Revolving Loan Fund; and

WHEREAS, pursuant to 42 U.S.C. 300j-12(a)(3), the New Mexico Environment Department Drinking Water Bureau has determined that the Governmental Unit has sufficient technical, managerial and financial capability to operate the Project for its useful life and ensure compliance with the requirements of the Safe Drinking Water Act.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the NMFA and the Governmental Unit agree:

ARTICLE I

DEFINITIONS

Capitalized terms defined in this Article I, for all purposes, shall have the meaning specified in this Article I wherever used in this Loan Agreement, including the foregoing recitals, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined). Capitalized terms defined in the foregoing recitals, if not defined in this Article I, shall have the same meaning as therein stated when used in this Loan Agreement, unless the context clearly requires otherwise.

"Administrative Fee" or "Administrative Fee Component" means the 0.25% annual fee payable to the NMFA as 0.25% of the Aggregate Repayable Disbursements then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

"Aggregate Disbursements" means, at any time after the Closing Date, the sum of all Disbursements.

"Aggregate Program Amount" means, with respect to this Loan Agreement, the sum of the Aggregate Repayable Disbursements up to the Maximum Principal Amount.

"Aggregate Repayable Disbursements" means, at any time after the Closing Date, the Aggregate Disbursements (including the Cost of Issuance).

"Approved Requisition" means a requisition in the form of Exhibit "C" to this Loan Agreement, together with the required supporting documentation set out in Exhibit "C" submitted to and approved by the NMFA pursuant to Section 4.2 of this Loan Agreement.

"Authorized Officers" means, with respect to the Governmental Unit, the Mayor, the City Manager, the City Financial Services Director and the City Clerk or other officer or employee of the Governmental Unit when designated by a certificate signed by the Chair from time to time;

and with respect to the NMFA, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer of the NMFA, and any other officer or employee of the NMFA designated in writing by an Authorized Officer of the NMFA.

"Bonds" means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the NMFA and specifically related to this Loan Agreement and the Loan Agreement Payments.

"City" means the City of Rio Rancho, New Mexico.

"City Expenses" means "City Expenses" as defined in the Ordinance.

"Completion Date" means the date of completion of the Project.

"Closing Date" means the date of execution and delivery of this Amended and Restated Loan Agreement as shown on the Term Sheet.

"Cost of Issuance" means an amount equal to one percent (1%) of each disbursement for the Project, as permitted by federal law, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

"Debt Service Account" means the debt service account established in the name of the Governmental Unit and administered by the NMFA to pay the Loan Agreement Payments under this Loan Agreement as the same become due.

"Debt Service Fund" means "Debt Service Fund" as defined in the Ordinance.

"Debt Service Requirements" means "Debt Service Requirements" as defined in the Ordinance.

"Department" means the New Mexico Environment Department.

"Disbursement" means an amount caused to be paid by the NMFA for an Approved Requisition for costs of the Project, including the Cost of Issuance calculated on the basis of the amount of such Approved Requisition.

"Drinking Water Fundable Priority List" means the list of drinking water projects compiled by the Department pursuant to the Memorandum of Understanding and the Intended Use Plan.

"DWSRLF Act" means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended; NMSA 1978, §§ 3-31-1 through 3-31-12, as amended, the home rule City Charter of the Governmental Unit under Article X Section 6 of the New Mexico Constitution; and enactments of the Governing Body relating to this Loan Agreement including the Ordinance.

"Drinking Water State Revolving Loan Fund" means the drinking water state revolving loan fund established by the DWSRLF Act.

"Environmental Protection Agency" or "EPA" means the United States Environmental Protection Agency.

"Event of Default" means one or more events of default as defined in Section 10.1 of this Loan Agreement.

"Expense Fund" means the expense fund hereby created to be held and administered by the NMFA to pay Expenses.

"Expenses" means the NMFA's costs of issuance of this Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the NMFA in administering this Loan Agreement, including legal fees; "Expenses" do not include City Expenses.

"Final Loan Agreement Payment Schedule" means the schedule of Loan Agreement Payments due on this Amended and Restated Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

"Final Requisition" means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of this Loan Agreement.

"NMFA Act" means NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

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

"Generally Accepted Accounting Principles" means the officially established accounting principles applicable to the Governmental Unit consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the NMFA establishing accounting principles applicable to the Governmental Unit.

"Governing Body" means the duly organized City Council and Mayor of the Governmental Unit and or successor governing body of the Governmental Unit.

"Gross Revenues" means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the availability or operation and use of the System and from the sale and use of water, water and wastewater services or facilities, or any other service, commodity or facility or any combination thereof furnished to

the Governmental Unit and public and private customers of the System, including but not limited to connection or impact fees. Such term also includes:

(i) All income derived from the investment of any money in the Acquisition Fund, as defined in the Master Ordinance, Water and Wastewater Fund, Debt Service Fund, Program Account and Rate Stabilization Fund and from surplus Net Revenues;

(ii) Money released from the Rebate Fund to the City;

(iii) Money released from the Rate Stabilization Fund to the extent that the amount released is used to pay Operation and Maintenance Expenses or Debt Service Requirements on System Bonds in the year released;

(iv) Property insurance proceeds which are not necessary to restore or replace the property lost or damaged and the proceeds of the sale or other disposition of any part of the System.

Gross Revenues do not include:

(i) any money received as (i) a water quality testing fee, (ii) grants or gifts from the United States of America, the State or other sources, or (iii) the proceeds of any charge or tax intended as a replacement therefor or other capital contributions from any source which are restricted as to use;

(ii) taxes and/or fees collected by the City and remitted to other governmental agencies;

(iii) condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption;

(iv) Water Rights Acquisition Fee Revenues, as herein defined; and

(v) the proceeds of System Bonds or any other bonds or refunding bonds.

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

"Independent Accountant" means (i) an accountant employed by the State and under the supervision of the State Auditor, or (ii) any certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Governmental Unit who (a) is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an officer or employee

of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

"Intended Use Plan" means the current plan prepared by the NMFA and the Department and approved by the Environmental Protection Agency pursuant to 42 U.S.C. Section 300j-12(b) and 40 CFR §35.3555 which establishes criteria for extending drinking water improvements financial assistance to qualifying public drinking water utility systems.

"Interest Component" means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each Disbursement.

"Interest Rate" means the rate of interest on this Loan Agreement of 0.01%, which, together with the 0.25% Administrative Fee payable to the NMFA is 0.26%, as shown on the Term Sheet.

"Interim Period" means the period no greater than thirty-six (36) months, or a longer period as may be approved by the NMFA as provided in Section 4.1(b) of this Amended and Restated Loan Agreement, beginning on the Closing Date, during which the NMFA will disburse moneys to the Governmental Unit to pay costs of the Project, unless extended pursuant to Section 4.1(b) of this Amended and Restated Loan Agreement.

"Interim Loan Agreement Payment Schedule" means the anticipated schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, assuming disbursement of the entire Aggregate Program Amount within thirty-six (36) months of the Closing Date. The Interim Loan Agreement Payment Schedule is attached hereto as Exhibit "B".

"Loan" means the funds to be loaned to the Governmental Unit by the NMFA pursuant to this Loan Agreement, up to the Maximum Principal Amount.

"Loan Agreement" or "Amended and Restated Loan Agreement" means this amended and restated loan agreement and any amendments or supplements hereto, including the exhibits attached to this loan agreement.

"Loan Agreement Payment" means, collectively, the Principal Component, the Interest Component, Expenses, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under this Loan Agreement, as shown on Exhibit "B" hereto.

"Loan Agreement Payment Date" means each date a Loan Agreement payment is due on this Amended and Restated Loan Agreement as shown on the Interim Loan Agreement Payment Schedule, attached hereto as Exhibit "B," or in the Final Loan Agreement Payment Schedule.

"Loan Agreement Term" means the term of this Loan Agreement as provided under Article III of this Amended and Restated Loan Agreement.

"Master Ordinance" means Ordinance No. 59, Enactment No. 94-059 adopted by the Council on December 14, 1994, as amended by Ordinance No. 13, Enactment No. 95-013 adopted

by the Council on May 17, 1995, by Substitute Ordinance No. 25, Enactment No. 98-028 adopted by the Council on November 18, 1998, and by Ordinance No. 16, Enactment No. 17-18 adopted by the Council on August 9, 2017.

"Maximum Annual Debt Service" means the Maximum Repayable Principal Amount and Interest due on all outstanding Senior, Parity and Subordinate Obligations of the Governmental Unit.

"Maximum Principal Amount" means fifteen million one hundred fifty thousand dollars ($15,150,000).

"Maximum Repayable Principal Amount" means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to this Loan Agreement. The Maximum Repayable Principal Amount is fifteen million one hundred fifty thousand dollars ($15,150,000).

"Memorandum of Understanding" means the current memorandum of understanding by and between the NMFA and the Department pursuant to the DWSRLF Act describing and allocating duties and responsibilities in connection with the Drinking Water State Revolving Loan Fund program.

"Net Revenues" means the Gross Revenues after deducting Operation and Maintenance Expenses.

"NMSA 1978" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

"Operating Agreement" means the operating agreement entered into between the NMFA and the Environmental Protection Agency, Region 6, for the Drinking Water State Revolving Loan Fund program.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System including, without limiting the generality of the foregoing:

(1) legal and overhead expenses of the various Governmental Unit departments directly related and reasonably allocable to the administration of the System;

(2) insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(3) premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay Debt Service Requirements on System Bonds) for Credit Facilities;

(4) expenses other than Expenses paid from the proceeds of System Bonds;

(5) the costs of audits of the books and accounts of the System;

(6) amounts required to be deposited in the Rebate Fund;

(7) salaries, administrative expenses, labor costs, surety bonds and the cost of materials and supplies used for or in connection with the current operation of the System; and

(8) any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, liabilities incurred by the City as a result of its negligence or other misconduct in the operation of the System, any charges of the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Ordinance" means Ordinance No. 28, Enactment No. 20-27 adopted by the Governing Body of the Governmental Unit on September 10, 2020, approving and authorizing the acceptance and execution of the Original Loan Agreement and Ordinance No. _____, Enactment No. _____, adopted by the Governing Body of the Governmental Unit on May 9, 2024 approving and authorizing the acceptance and execution of this Amended and Restated Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet, as supplemented from time to time.

"Outstanding" or "outstanding" means "Outstanding" or "outstanding" as defined in the Ordinance.

"Parity Obligations" means any obligations of the Governmental Unit under this Loan Agreement and any other obligations now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with this Loan Agreement, including any such obligations shown on the Term Sheet.

"Permitted Investments" means securities which are at the time legal investments of the Governmental Unit for the money to be invested, as applicable, including but not limited to the following if permitted by law: (i) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States, the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, federal home loan banks or the student loan marketing association or that are backed by the full faith and credit of the United States government; (ii) negotiable securities of the State; (iii) money market funds which invest solely in obligations described in clause (i) above

which are rated in the highest rating category by Moody's Investors Service, Inc. or S & P Global Ratings; and (iv) the State Treasurer's short-term investment fund created pursuant to NMSA 1978, § 6-10-10.1, as amended, and operated, maintained and invested by the office of the State Treasurer.

"Pledged Revenues" means the Net Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments by the Ordinance and this Amended and Restated Loan Agreement and described in the Term Sheet.

"Principal Component" means the portion of each Loan Agreement Payment paid as principal on this Loan Agreement, based upon the Aggregate Repayable Disbursements, as shown on Exhibit "B" attached to this Loan Agreement.

"Program Account" means "Program Account" as defined in the Ordinance.

"Project" means the project(s) described on the Term Sheet.

"Rate Covenant" means "Rate Covenant" as defined in the Ordinance.

"Rate Stabilization Fund" means "Rate Stabilization Fund" as defined in the Ordinance.

"Replacement Fund" means "Replacement Fund" as defined in the Ordinance.

"Safe Drinking Water Act" means 42 U.S.C. §§ 300f et seq.

"Senior Obligations" means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by this Loan Agreement, including any such obligations shown on the Term Sheet.

"Service Area" means the area served by the System, whether situated within or without the limits of the Governmental Unit.

"State Environmental Review Process" or "SERP" means the environmental review process adopted by the NMFA, as required by and approved by the Environmental Protection Agency, pursuant to the Operating Agreement.

"Subordinate Obligations" means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by this Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

"System" means that water and wastewater system acquired or to be acquired by the City and designated as the City's water and wastewater system consisting of all properties, real, personal, mixed or otherwise now existing or hereafter acquired by the City through acquisition,

purchase, construction or otherwise including all expansions, extensions, enlargements, and improvements of or to the water and wastewater system, and used in connection therewith or relating thereto, in any other related activity or enterprise of the City designated by the Governing Body as part of the water and wastewater system, whether situated within or without the limits of the City, including but not limited to all tangible assets, personalty, equipment, materials, supplies, records, real property, fixtures, distribution facilities, sewage collection and treatment facilities, intangible assets, contract rights, accounts receivables, deposits, and all other rights and interests of any nature which comprise the water and wastewater systems originally acquired from Rio Rancho Utilities Corporation.

"System Bonds" means all bonds, notes and other obligations payable solely or primarily from Net Revenues, Refinancing Proceeds, System Bond proceeds and earnings thereon, or from other sources as designated in the authorizing Resolution of Sale for that series of bonds.

"Term Sheet" means Exhibit "A" attached to this Amended and Restated Loan Agreement.

"Unrequisitioned Principal Amount" means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of this Loan Agreement.

"Water and Wastewater Fund" means "Water and Wastewater Fund" as defined in the Ordinance.

"Water Rights Acquisition Fee Revenue" means "Water Rights Acquisition Fee Revenue" as defined in the Ordinance.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) Binding Nature of Covenants; Enforceability. All representations, covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Loan Agreement shall be deemed to be the representations, covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such representations, covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit and its successors and enforceable in accordance with their terms, and upon any board or body to which any powers or duties affecting such representations, covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Loan Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Governmental Unit by the provisions of this Loan Agreement and the Ordinance shall be exercised or performed by the Governmental Unit or by such members, officers, or officials of the Governmental Unit as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of Loan Agreement, and Readiness to Proceed. The Governmental Unit is a legally and regularly created, established, organized and existing charter municipality with home-rule powers under the statutes and laws of the State, including specifically the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended, and the City Charter of the Governmental Unit. The Governmental Unit is a local authority as defined in the DWSRLF Act. The Governmental Unit is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder and thereunder. The Governmental Unit has duly authorized and approved the execution and delivery of this Loan Agreement and the other documents related to the transaction. The Governmental Unit has met all readiness to proceed requirements of the NMFA and has met and will continue to meet all requirements of law applicable to this Loan Agreement.

(c) Use of Loan Agreement Proceeds. The Governmental Unit shall proceed without delay in applying the Aggregate Program Amount, pursuant to Section 6.1 of this Loan Agreement to the acquisition and completion of the Project and to no other purpose, as follows:

(i) The Governmental Unit shall, within three (3) years after the Closing Date, of this Amended and Restated Loan Agreement, have completed the acquisition of the Project, and shall within thirty-six (36) months after the Closing Date have requisitioned the Aggregate Program Amount, or such portion thereof as shall be necessary to complete the Project, unless an extension is agreed to pursuant to Section 4.1(b) of this Loan Agreement.

(d) Payment of Loan Agreement Payments. The Governmental Unit meets and will continue to meet the requirements established by the NMFA to assure sufficient Pledged Revenues to operate and maintain the System for its useful life and repay the Loan. The Governmental Unit shall promptly pay Loan Agreement Payments, as specified in the Interim Loan Agreement Payment Schedule or the Final Loan Agreement Payment Schedule, as applicable, according to the true intent and meaning of this Loan Agreement.

(e) Acquisition and Completion of Project; Compliance with Laws. The Project will be acquired and completed so as to comply with all applicable ordinances, resolutions and regulations, if any, and any and all applicable laws relating to the acquisition and completion of the Project and to the use of the Pledged Revenues.

(f) Necessity of Project. The acquisition and completion of the Project under the terms and conditions provided for in this Loan Agreement is necessary, convenient and in furtherance of the governmental purposes of the Governmental Unit and is in the best interests of the Governmental Unit and the public it serves.

(g) Legal, Valid and Binding Obligation. The Governmental Unit has taken all required action necessary to authorize the execution and delivery of this Loan Agreement. This Loan Agreement constitutes a legal, valid and binding special obligation of the Governmental Unit enforceable in accordance with its terms.

(h) Loan Agreement Term. The Loan Agreement Term does not exceed the anticipated useful life of the Project.

(i) Use of Project. During the Loan Agreement Term, the Project will at all times be used for the purpose of benefiting the Governmental Unit and the public it serves.

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

(k) Irrevocable Enactments. While this Loan Agreement remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of this Loan Agreement shall be irrevocable until this Loan Agreement has been paid in full as to both principal and interest, and shall not be subject to amendment or modification in any manner which would in any way jeopardize the timely payment of Loan Agreement Payments.

(l) Outstanding and Additional Debt. Except for any Parity Obligations and any Subordinate Obligations described on the Term Sheet, there are currently no outstanding bonds, notes or other obligations of the Governmental Unit which are payable from and secured by a lien on the Pledged Revenues superior to or on a parity with the lien of this Loan Agreement. No additional indebtedness, bonds or notes of the Governmental Unit, payable on parity with or on a priority ahead of the indebtedness herein authorized out of Pledged Revenues, shall be created or incurred while this Loan Agreement remains outstanding without providing prior written notice to the NMFA, as provided in Section 5.4 hereof.

(m) No Litigation. To the knowledge of the Governmental Unit after due investigation, no litigation or proceeding is pending or threatened against the Governmental Unit or any other person affecting the right of the Governmental Unit to execute or deliver this Loan Agreement and the other documents related to this transaction or to comply with its obligations under this Loan Agreement and documents related to the transaction. Neither the execution and delivery of this Amended and Restated Loan Agreement and the other documents related to the transaction by the Governmental Unit nor compliance by the Governmental Unit with the obligations under this Loan Agreement and the other documents related to the transaction, requires the approval of any regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(n) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Loan Agreement and the other documents related to the transaction, would constitute an Event of Default on the part of the Governmental Unit under this Loan Agreement and the other documents related to the transaction.

(o) Existing Pledges; Pledged Revenues Not Budgeted. Except as described on the Term Sheet the Pledged Revenues have not been pledged or hypothecated in any manner for any purpose at the time of execution and delivery of this Loan Agreement. The portion of the Pledged Revenues necessary to pay the Loan Agreement Payments, as and when due, is not needed or budgeted to pay current or anticipated operational or other expenses of the Governmental Unit.

(p) Expected Coverage Ratio. The Pledged Revenues from the current Fiscal Year are projected to equal or exceed one hundred twenty percent (120%) and, on an ongoing basis during each year of the Loan Agreement Term are reasonably expected to equal or exceed, one hundred twenty percent (120%) of the Maximum Annual Debt Service.

(q) Governmental Unit's Existence. The Governmental Unit will maintain its legal identity and existence so long as this Loan Agreement is unpaid, unless another political subdivision, State agency or other entity by operation of law succeeds to the liabilities, rights and duties of the Governmental Unit under this Loan Agreement without adversely affecting to any substantial degree the privileges and rights of the NMFA.

(r) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the NMFA, as the NMFA may require, that shall include, but not be limited to: Project documents, annual audits, operational data required to update information in any disclosure documents used in connection with assignment or securitizing this Loan Agreement or the Loan Agreement Payments by issuance of Bonds by the NMFA, and notification of any event deemed material by the NMFA. For the purposes of this Loan Agreement, a material event shall include, without limitation, any violation or alleged violation by a state or federal agency of appropriate jurisdiction, of federal law, regulation, or policy which governs or applies to participants in the Drinking Water State Revolving Loan Fund program.

(s) Construction Requirements. The Governmental Unit shall require any contractor hired by it in connection with the construction of the Project to post a performance and payment bond as provided by NMSA 1978, § 13-4-18, as amended.

Section 2.2 Protective Covenants Regarding Operation of the System. The Governmental Unit further represents, covenants and warrants as follows:

(a) Rate Covenant. The Governmental Unit covenants that it will at all times fix, charge and collect such rates and charges as shall be required in order that in each Fiscal Year in which the Loan is outstanding the Gross Revenues shall at least equal the Operation and Maintenance Expenses of the System for the Fiscal Year, plus one hundred twenty percent (120%) of the maximum annual principal and interest payments due on all outstanding Parity Obligations.

(b) Efficient Operation. The Governmental Unit will maintain the System in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the System as may be necessary or advisable for its economical and efficient operation at all times and sufficient to supply reasonable public and private demands for System services within the Service Area of the System.

(c) Records. So long as this Loan Agreement remains outstanding, proper books of record and account will be kept by the Governmental Unit, in accordance with Generally Accepted Accounting Principles, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the System. However, pursuant to NMSA 1978, § 6-14-10(E), as amended, records with regard to the ownership or pledge of System Bonds are not subject to inspection or copying.

(d) Right to Inspect. The NMFA, or its duly authorized agents, shall have the right to inspect at all reasonable times the Project and all records, accounts and data relating to the Project, the Pledged Revenues, and the System.

(e) Audits. Not later than March 31 following the close of each Fiscal Year, the Governmental Unit will cause an audit of the books and accounts of the System and its separate systems to be made by an Independent Accountant and the audit to be made available for inspection by the NMFA. Each audit of the System shall comply with Generally Accepted Accounting Principles.

(f) Billing Procedure. Bills for water and wastewater utility services or facilities, or any combination, furnished by or through the System shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by the applicable ordinance of the Governmental Unit. To the extent permitted by law, if a bill is not paid within the period of time required by such ordinance, water and wastewater utility services shall be discontinued as required by Governmental Unit regulation, policy or ordinance, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection. Water and wastewater utility services may be billed jointly with each other, provided that each such joint bill shall show separately the water and wastewater utility charges.

(g) Charges and Liens Upon System. The Governmental Unit will pay when due from Gross Revenues or other legally available funds all taxes and assessments or other municipal or governmental charges, lawfully levied or assessed upon the System and will observe and comply with all valid requirements of any municipal or governmental authority relating to the System. The Governmental Unit will not create or permit any lien or charge upon the System or the Gross Revenues or it will make adequate provisions to satisfy and discharge within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the System or the Gross Revenues. However, the Governmental Unit shall not be required to pay or cause to be discharged, or make provision for any tax assessment, lien or charge before the time when payment becomes due or so long as the validity thereof is contested in good faith by appropriate legal proceedings and there is no adverse effect on NMFA.

(h) Insurance. Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, in its operation of the System, the Governmental Unit will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the System and public liability insurance in the form of commercial insurance or Qualified Self

Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Governing Body, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by entities which operate systems such as the System. "Qualified Self-Insurance" means insurance maintained through a program of self-insurance or insurance maintained with a fund, company or association in which the Governmental Unit may have a material interest and of which the Governmental Unit may have control, either singly or with others. Each plan of Qualified Self-Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Governmental Unit determines to be reasonable to protect against risks assumed under the Qualified Self-Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self-Insurance. In the event of property loss or damage to the System, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged and thereafter, and any remainder may be used to redeem System Bonds or be treated as Gross Revenues and used in any legally permissible manner.

(i) Competing Utility System. Unless contrary to any provision of, or required by, applicable law, as long as this Loan Agreement is outstanding, the Governmental Unit prior to granting any franchise or license to a competing utility system, or permitting any person, association, firm or corporation to sell similar utility services or facilities to any consumer, public or private, within the Service Area of the System, shall obtain a written report from an independent utility rate consultant stating that in the opinion of the consultant the use charges in effect immediately prior to the approval of the franchise or license by the Governmental Unit are sufficient to meet the requirement of section 2.1(p) (expected coverage ratio) for the first full calendar year after the approval of the franchise or license, based on the new Service Area of the System.

(j) Alienating System. While this Loan Agreement is outstanding, the Governmental Unit shall not transfer, sell or otherwise dispose of the System, except that the Governmental Unit may dispose of inadequate, obsolete or worn out property. For purposes of this Section, any transfer of an asset over which the Governmental Unit retains or regains substantial control shall, for so long as the Governmental Unit has such control, not be deemed a disposition of the System.

(k) Management of the System. If an Event of Default shall occur or if the Pledged Revenues in any Fiscal Year fail to equal principal and interest due on the Senior Obligations, if any, and Parity Obligations, the Governmental Unit shall retain an independent consultant qualified in the management of water and wastewater utility systems to assist in the management of the System so long as such default continues.

(l) Competent Management. The Governmental Unit shall employ experienced and competent personnel to manage the System.

(m) Performing Duties. The Governmental Unit will faithfully and punctually perform all duties with respect to the System required by the Constitution and laws of the State and the regulations, policies, ordinances or resolutions of the Governmental Unit relating to the

System and this Loan Agreement, including, but not limited to, making and collecting reasonable and sufficient rates and charges for services rendered or furnished by the System as required by this Loan Agreement and the proper segregation and application of the Gross Revenues.

(n) Other Liens. Except for any Parity Obligations and Subordinate Obligations listed in the Term Sheet, there are no liens or encumbrances of any nature whatsoever, on or against the System or the Gross Revenues or Net Revenues on parity with or senior to the lien of this Loan Agreement.

Section 2.3 Representations, Covenants and Warranties of the NMFA. The NMFA represents, covenants and warrants for the benefit of the Governmental Unit:

(a) Legal Status and Authorization of Loan Agreement. The NMFA is a public body politic and corporate constituting a governmental instrumentality, separate and apart from the State, duly organized and created under and pursuant to the laws of the State, particularly the NMFA Act. The NMFA has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Loan Agreement and has duly authorized the execution and delivery of this Loan Agreement.

(b) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, nor the consummation of the transactions contemplated in this Loan Agreement, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the NMFA is a party or by which the NMFA is bound or constitutes a default under any of the foregoing and will not conflict with or constitute a violation of any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the NMFA, or its property and which conflict or violation will have a material adverse effect on the NMFA or the financing of the Project.

(c) No Litigation. To the knowledge of the NMFA, there is no litigation or proceeding pending or threatened against the NMFA or any other person affecting the right of the NMFA to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. To the knowledge of the NMFA, neither the execution and delivery of this Loan Agreement by the NMFA, nor compliance by the NMFA with its obligations under this Loan Agreement, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

(d) Legal, Valid and Binding Obligations. This Loan Agreement constitutes a legal, valid and binding obligation of the NMFA enforceable in accordance with its terms.

Section 2.4 NMFA Compliance with Policies. As related to this Loan Agreement, the NMFA has complied with all applicable policies and procedures, as adopted and approved by the NMFA Board of Directors, or such policies or procedures have been waived by the NMFA Board of Directors.

Section 2.5 Compliance with Securities Laws. The NMFA acknowledges that no offering document or prospectus has been prepared by the Governmental Unit with respect to this Loan Agreement. The NMFA has been provided with and has reviewed such information as it deems relevant in making its decision to make the Loan to the Governmental Unit and has assumed and relied on the accuracy of such information. The NMFA will not sell, pledge, transfer, convey, hypothecate, mortgage or dispose of the Loan Agreement, or any portion thereof, except to persons who have been provided sufficient information with which to make an informed investment decision regarding the Loan Agreement and in compliance with the Securities Act of 1933, as amended, the regulations promulgated thereunder and applicable State securities laws and regulations.

ARTICLE III

LOAN AGREEMENT TERM

The Loan Agreement Term shall commence on the Closing Date and shall not terminate until the Governmental Unit's obligations under this Amended and Restated Loan Agreement have been paid in full or provision for payment of this Loan Agreement has been made pursuant to Article VIII hereof.

ARTICLE IV

LOAN; APPLICATION OF MONEYS

Section 4.1 Application of Loan Agreement Proceeds.

(a) On the Closing Date, the amount shown on the Term Sheet as the Aggregate Program Amount shall be made available for disbursal by the NMFA to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement at the request of the Governmental Unit and as needed by the Governmental Unit to implement the Project.

(b) The Final Requisition shall be submitted by the Governmental Unit within thirty-six (36) months following the Closing Date, except only as otherwise approved in writing by an Authorized Officer of the NMFA, based on the Governmental Unit's demonstration, to the reasonable satisfaction of the Authorized Officer of the NMFA, that unanticipated circumstances beyond the control of the Governmental Unit resulted in delaying the acquisition and completion of the Project, and submission of the Governmental Unit's Final Requisition.

Section 4.2 Disbursements; Approval of Payment Requests. The Governmental Unit shall transmit payment requisitions in the form attached to this Loan Agreement as Exhibit "C" and the supporting documentation required pursuant to Exhibit "C" to the NMFA. The NMFA or its designee shall review each requisition for compliance with (i) the Project's construction plans and specifications and (ii) all applicable state and federal laws, rules and regulations, and shall approve or disapprove the requisition accordingly. The NMFA shall cause an Approved Requisition to be paid from the Drinking Water State Revolving Loan Fund.

Section 4.3 Expense Fund Deposit. The NMFA shall determine the amount of the Cost of Issuance at the time of each payment to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement and deposit such amount to the Expense Fund.

ARTICLE V

LOAN TO THE GOVERNMENTAL UNIT; PAYMENTS BY THE GOVERNMENTAL UNIT

Section 5.1 Loan to the Governmental Unit; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The NMFA hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the NMFA an amount not to exceed the Maximum Principal Amount. The Governmental Unit promises to pay, but solely from the sources pledged herein, the Loan Agreement Payments as herein provided. Subject to any Senior Obligations, now outstanding or hereafter acquired, and any outstanding Parity Obligations, the Governmental Unit does hereby grant a lien on and a security interest in and does hereby convey, assign and pledge unto the NMFA and unto its successors in trust forever all right, title and interest of the Governmental Unit in and to (i) the Pledged Revenues to the extent required to pay the Loan Agreement Payments on a parity with any Parity Obligations or subordinate to any Senior Obligations, now outstanding or hereafter acquired, (ii) the Debt Service Account, and (iii) all other rights hereinafter granted, for the securing of the Governmental Unit's obligations under this Loan Agreement, including payment of the Loan Agreement Payments, provided, however, that if the Governmental Unit, its successors or assigns, shall pay, or cause to be paid, all Loan Agreement Payments at the time and in the manner contemplated by this Loan Agreement, or shall provide as permitted by Article VIII of this Loan Agreement for the payment thereof, and shall pay all other amounts due or to become due under this Loan Agreement in accordance with its terms and provisions then, upon such final payment, this Loan Agreement and the rights created thereby shall terminate; otherwise, this Loan Agreement shall remain in full force and effect. The Loan Agreement Payments shall, in the aggregate, be sufficient to pay the Aggregate Repayable Disbursements, as set forth in the Interim Loan Agreement Payment Schedule or the Final Loan Agreement Payment Schedule, as applicable.

Within five (5) days after each payment of an Approved Requisition during the Interim Period, the NMFA shall recalculate on the basis of the Aggregate Repayable Disbursements to that date the Interest Component and Administrative Fee Component next coming due as set out in Section 5.2(a)(i) of this Loan Agreement and shall provide written notice to the Governmental Unit of the recalculated Interest Component and Administrative Fee Component. Within thirty (30) days after the final Disbursement, the NMFA shall provide a Final Loan Agreement Payment Schedule. The schedule of Loan Agreement Payments, assuming the disbursal of the entire Aggregate Program Amount within thirty-six (36) months after the Closing Date, identified as the Interim Loan Agreement Payment Schedule, is attached to this Loan Agreement as Exhibit "B". The NMFA shall provide a Final Loan Agreement Payment Schedule following the final Disbursement which shall supersede the schedule attached as Exhibit "B".

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Governmental Unit and the NMFA acknowledge and agree that the sources of

the Loan Agreement Payments of the Governmental Unit hereunder are limited to the Pledged Revenues, and that the Loan Agreement shall constitute a special, limited obligation of the Governmental Unit. No provision of this Loan Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Governmental Unit or the State within the meaning of any constitutional or statutory debt limitation. No provision of this Loan Agreement shall be construed to pledge or to create a lien on any class or source of Governmental Unit moneys other than the Pledged Revenues, nor shall any provision of this Loan Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Governmental Unit moneys other than the Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Governmental Unit hereunder, the Pledged Revenues may be utilized by the Governmental Unit for any other purposes permitted by law and the laws of the State.

Section 5.2 Payment Obligations of Governmental Unit. The Debt Service Account shall be established and held by the NMFA or its designee on behalf of the Governmental Unit. All Loan Agreement Payments received by the NMFA or its designee pursuant to this Loan Agreement shall be accounted for and maintained by the NMFA or its designee in the Debt Service Account, which account shall be kept separate and apart from all other accounts of the NMFA. The amounts on deposit in the Debt Service Account shall be expended and used by the NMFA only in the manner and order of priority specified herein.

(a) As a first charge and lien, but not an exclusive first charge and lien, on the Pledged Revenues (on a parity with the lien on the Pledged Revenues created by any outstanding Parity Obligations and subordinate to any outstanding Senior Obligations, now outstanding our hereafter acquired), the Governmental Unit shall remit to the NMFA and the NMFA shall collect and deposit into the Debt Service Account from the Governmental Unit the Pledged Revenues, in the manner specified herein.

(i) Payment of Interest Component and Administrative Fee Component during Interim Period.

(A) During the Interim Period, the Interest Component and Administrative Fees shall accrue on the amount of Aggregate Repayable Disbursements, from the date of each Disbursement.

(B) During the Interim Period the Governmental Unit shall monthly, commencing on the first day of the month next following the first payment by the NMFA of an Approved Requisition, transfer Pledged Revenues to the debt service account established by the City pursuant to the Master Ordinance (the "City Debt Service Account") such amount as is necessary, in monthly installments, to pay the Interest Component and Administrative Fee Component on the Aggregate Repayable Disbursements as of each Loan Agreement Payment Date. At least five (5) days prior to the next occurring Loan Agreement Payment Date, the City shall transfer such revenues to the NMFA for deposit into the Debt Service Account.

(ii) Loan Agreement Payments Following the Interim Period. After the Interim Period, the Governmental Unit shall pay to the NMFA for deposit into the Debt Service Account the following amounts:

(A) Interest and Administrative Fee Components. Monthly, commencing on the first day of the month next following the final Disbursement, the Governmental Unit shall transfer Pledged Revenues to the City Debt Service Account in an amount in equal monthly installments which is necessary to pay the first maturing Interest Component and Administrative Fee Component coming due on this Loan Agreement and monthly thereafter, commencing on each Loan Agreement Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing Interest Component and Administrative Fee Component on this Loan Agreement as described in the Final Loan Agreement Payment Schedule. At least five (5) days prior to the next occurring Loan Agreement Payment Date, the City shall transfer such revenues to the NMFA for deposit into the Debt Service Account.

(B) Principal Payments. Monthly, commencing on the first day of the month next following the final Disbursement, the Governmental Unit shall transfer Pledged Revenues in an amount in equal monthly installments which is necessary to pay the first maturing Principal Component; and thereafter on the first day of each month thereafter, one-twelfth (1/12) of the amount which is necessary to pay the next maturing Principal Component on this Loan Agreement during the Loan Agreement Term, as described in the Final Loan Agreement Payment Schedule. At least five (5) days prior to the next occurring Loan Agreement Payment Date, the City shall transfer such revenues to the NMFA for deposit into the Debt Service Account.

(iii) Method of Payment. The Governmental Unit shall transfer each month to the NMFA, from Pledged Revenues, the amounts set forth in Subsections (i)(B), (ii)(A) and (ii)(B) of this Section 5.2(a) during the time that this Loan Agreement is outstanding, provided, that in the event of any default in making the Loan Agreement Payments by the Governmental Unit, the NMFA shall be entitled to seek payment of the amounts due through any of the remedies provided in Article X of this Loan Agreement.

(b) In the event that the balance of payments held in the Debt Service Account should exceed the amount needed to cover Loan Agreement Payments then due, the NMFA shall use the balance of the Pledged Revenues received, at the request of the Governmental Unit (i) to credit against upcoming Loan Agreement Payments, or (ii) to distribute to the Governmental Unit for any other purpose permitted by law.

Section 5.3 Manner of Payment. All payments of the Governmental Unit hereunder shall be paid in lawful money of the United States of America to the NMFA or its designee at the address designated in Section 11.1 of this Loan Agreement. The obligation of the Governmental Unit to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Governmental Unit, the NMFA or its designee, any vendor or any other person, the Governmental Unit shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final

resolution of such dispute, nor shall the Governmental Unit assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 5.4. Additional Parity and Senior Obligations Payable from Pledged Revenues.

(a) Parity Obligations. No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Loan Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund Subordinated Obligations as provided in Section 5.5 hereof), the Governmental Unit shall provide written notice to the NMFA of its intention to authorize the issuance of additional Parity Obligations or Subordinate Obligations prior to taking official action regarding the issuance of the bonds or obligations and, following establishment of the final terms of the additional bonds proposed to be issued and it must be determined that:

(i) The Governmental Unit is then current in all of the accumulations required to be made into the Debt Service Account as provided in this Loan Agreement.

(ii) No default shall exist in connection with any of the covenants or requirements of the Ordinance or this Loan Agreement.

(iii) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of issuance of such additional Parity Obligations (the "Historic Test Period") shall have been sufficient to pay an amount representing one hundred twenty percent (120%) of the Maximum Annual Debt Service coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

(iv) A written certification or opinion by the Governmental Unit's treasurer or chief financial officer or by an Independent Accountant that the Pledged Revenues for the Historic Test Period are sufficient to pay said amounts, shall be conclusively presumed to be accurate in determining the right of the Governmental Unit to authorize, issue, sell and deliver the Parity Obligations proposed to be issued.

(v) No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.5 hereof.

(b) Senior Obligations. The Governmental Unit shall not issue Senior Obligations payable from the Pledged Revenues, without providing prior written notice to the NMFA, unless such Senior Obligations are purchased by the NMFA.

Section 5.5 Refunding Obligations Payable from Pledged Revenues. The provisions of Section 5.4 hereof are subject to the following exceptions:

(a) If at any time after the Closing Date, while this Loan Agreement, or any part thereof, is outstanding, the Governmental Unit shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, this Loan Agreement, such bonds or other obligations, or any part thereof, may be refunded (but the holders of this Loan Agreement or bonds to be refunded may not be compelled to surrender this Loan Agreement or their bonds, unless this Loan Agreement, the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the Governmental Unit's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in subparagraph (f) of Section 5.4 hereof and in subparagraphs (b) and (c) of this Section 5.5.

(b) No refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity with this Loan Agreement unless:

(i) The outstanding obligations so refunded have a lien on the Pledged Revenues on a parity with the lien thereon of this Loan Agreement and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 of this Loan Agreement.

(c) The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of this Loan Agreement or any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of this Loan Agreement or the bonds or other obligations of this same issue refunded thereby. If only a part of this Loan Agreement or the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless:

(i) The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such last maturity date of such unrefunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 hereof; or

(iii) The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

(d) Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the Governmental Unit may provide by ordinance or resolution, but without any impairment of any contractual obligations imposed upon the Governmental Unit by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including, but not necessarily limited to, this Loan Agreement).

Section 5.6 Investment of Governmental Unit Funds. Money on deposit in the Debt Service Account created hereunder may be invested by the NMFA or its designee in Permitted Investments at the written direction of the Governmental Unit or, in the absence of such written direction of the Governmental Unit, at the discretion of the NMFA. Any earnings on Permitted Investments shall be held and administered in the Debt Service Account and utilized in the same manner as the other moneys on deposit therein for the benefit of the Governmental Unit.

Section 5.7 Governmental Unit May Budget for Payments. The Governmental Unit may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to defray any insufficiency of Pledged Revenues to pay Loan Agreement Payments; provided, however, the Governmental Unit has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

ARTICLE VI

THE PROJECT

Section 6.1 Loan Agreement to Acquire and Complete the Project. The Governmental Unit hereby agrees that in order to effectuate the purposes of this Loan Agreement and to effectuate the acquisition and completion of the Project, it shall make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and, in general do all things which may be requisite or proper to acquire and complete the Project.

The Governmental Unit agrees to acquire and complete the Project through the application of moneys to be disbursed by the NMFA pursuant to Section 6.2 of this Loan Agreement.

Section 6.2 Disbursements. So long as no Event of Default shall occur and the requirements of Section 4.2 are satisfied, the NMFA or its designee shall disburse moneys to pay a requisition upon receipt and approval by the NMFA or its designee of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Governmental Unit, with required supporting documentation.

Section 6.3 Completion of the Acquisition of the Project. Upon completion of the acquisition of the Project, which shall occur no later than three (3) years after the Closing Date, unless a later date is approved as provided in Section 4.1(b) of this Amended and Restated Loan Agreement, an Authorized Officer of the Governmental Unit shall deliver a certificate to the NMFA, substantially in the form of Exhibit "D" attached hereto, stating that, to his or her

knowledge, the acquisition of the Project has been completed and the Project has been accepted by the Governmental Unit, and all costs have been paid, except for any reimbursements requested pursuant to requisitions submitted prior to the end of the Interim Period. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 6.4 Unrequisitioned Amounts. In the event that, (1) at the time of the delivery of the certificate of completion required by Section 6.3 hereof, there remains an Unrequisitioned Principal Amount, or (2) the NMFA shall not have received a Final Requisition, by the date that is thirty-six (36) months from the Closing Date, unless an extension is approved pursuant to Section 4.1(b) of this Loan Agreement, then the Governmental Unit shall have no right or title to the Unrequisitioned Principal Amount, nor any right to pledge, encumber or draw upon such Unrequisitioned Principal Amount, and the NMFA will not approve, honor, or enforce any requisition upon such Unrequisitioned Principal Amount pursuant to this Loan Agreement.

ARTICLE VII

COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 7.1 Further Assurances and Corrective Instruments. The NMFA and the Governmental Unit agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues, or for otherwise carrying out the intention hereof. Authorized Officers are authorized to execute, acknowledge and deliver any such supplements and further instruments.

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

Section 7.3 Compliance with Court Orders. During the Loan Agreement Term, the Governmental Unit and the NMFA shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the parties hereto, the Project or the Pledged Revenues.

Section 7.4 Compliance with Applicable State and Federal Laws. During the Loan Agreement Term, the Governmental Unit shall comply with all applicable State and federal laws, including, without limitation, the following:

(a) For all contracts, the Governmental Unit shall comply with the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or its local procurement ordinances and regulations, as applicable.

(b) For all construction contracts awarded in excess of $10,000, the Governmental Unit shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 12, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapters 40 and 60). In addition, for all contracts, the Governmental Unit shall comply with all State laws and regulations and all executive orders of the Governor of the State pertaining to equal employment opportunity.

(c) For all contracts awarded for construction or repair, the Governmental Unit shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874) as supplemented in Department of Labor regulations (29 C.F.R. part 3).

(d) For all contracts the Governmental Unit shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with section 362 of the Energy Policy and Conservation Act (42 U.S.C. § 6322).

(e) For all contracts, including subcontracts in excess of $2,000 the Governmental Unit shall comply with applicable standards of the Davis-Bacon Wage Act (40 U.S.C. § 3141 et seq.), as amended and supplemented, relating to wages paid to laborers and mechanics employed by contractors and sub-contractors on a Project funded directly by or assisted in whole or in part by and through the Governmental Unit, and the requirements of section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)), and shall include the contract clauses set out in the Environmental Protection Agency publication entitled "Wage Rate Requirements Under the Clean Water Act, Section 513 and the Safe Drinking Water Act Section 1450(e)".

(f) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order 13502 on Use of Project Agreements for Federal Construction Projects.

(g) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order 13627 on Strengthening Protections Against Trafficking in Persons in Federal Contracts.

(h) For all contracts, the Governmental Unit shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, 2014 Consolidated Appropriations Act, Section 436 and related SRF Policy Guidelines) which the Governmental Unit understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Governmental Unit has requested and obtained a waiver from the NMFA pertaining to the Project or (ii) the NMFA has otherwise advised the Governmental Unit in writing that the American Iron and Steel Requirement is not applicable to the Project.

(i) For all contracts, the Governmental Unit shall comply with all record keeping and reporting requirements under the Clean Water Act/Safe Drinking Water Act, including any reports required by a Federal agency or the NMFA such as performance indicators of program deliverables, information on costs and project progress. The Governmental Unit understands that (i) each contract and subcontract related to the Project is subject to audit by

appropriate federal and state entities and (ii) failure to comply with the Clean Water Act/Safe Drinking Water Act and this Loan Agreement may be a default under this Loan Agreement.

(j) The Governmental Unit shall comply with the requirement of the June 3, 2015 Guidelines for Enhancing Public Awareness of SRF Assistance Agreements issued by the Environmental Protection Agency relating to signage, posters, advertisements, website or press releases indicating that financial assistance was received from the Environmental Protection Agency for the Project.

(k) The Governmental Unit agrees to comply with all applicable New Mexico State cybersecurity laws and requirements and ensure that any connections between the Governmental Unit's network or information system and Environmental Protection Agency networks used by the recipient to transfer data under this Loan Agreement, if any, are secure. If a connection does not go through the Environmental Information Exchange Network or Environmental Protection Agency's Central Data Exchange, the Governmental Unit agrees to contact the Environmental Protection Agency Project Officer (PO) and work with the designated Environmental Protection Agency Regional/Headquarters Information Security Officer to ensure that the connections meet Environmental Protection Agency security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the Governmental Unit into systems operated and used by Environmental Protection Agency's regulatory programs for the submission of reporting and/or compliance data. The Governmental Unit is subject to monitoring as deemed necessary by the NMFA or the State of New Mexico under 2 CFR 200.331. In regard to this section a "connection" is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

(l) If the Governmental Unit gathers geospatial data, as defined in 43 U.S.C. §2801(2018), during the life of the Project, the data must be consistent with the Federal Geographic Data Committee endorsed standards.

(m) The Governmental Unit, as well as any contractors and subcontractors working with the Governmental Unit in this Project, shall comply with federal anti-discrimination law requirements, pursuant to 40 C.F.R. 35.3575(a)(c), including Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, et seq., EPA's regulations 40 CFR §7.30 and 40 CFR §7.35, Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, et seq. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. §1251 and the Age Discrimination Act of 1975, 42 U.S.C. §6102 which laws prohibit discrimination in the provision of services or benefits on the basis of race, color, national origin, sex, disability or age in programs or activities receiving federal assistance.

The NMFA or its designee shall have the right to review all contracts, work orders and other documentation related to the Project that it deems necessary to assure compliance with applicable laws, rules and regulations, and may conduct such review as it deems appropriate prior to disbursing funds for payment of an Approved Requisition.

Section 7.5 First Lien Status. The Loan Agreement Payments constitute an irrevocable first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. The Governmental Unit covenants that the Loan Agreement Payments and any Parity Obligations herein authorized to be issued and from time to time outstanding shall be equitably and ratably secured by a first lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of such obligations, it being the intention of the Governmental Unit that there shall be no priority between the Loan Agreement Payments and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times.

Section 7.6 Expeditious Completion. The Governmental Unit shall complete the Project with all practical dispatch.

ARTICLE VIII

PREPAYMENT OF LOAN AGREEMENT PAYMENTS

The Governmental Unit is hereby granted the option to prepay the Principal Component of this Loan Agreement in whole or in part on any day without penalty or prepayment premium, beginning one (1) year after the Closing Date. The Governmental Unit may designate the due date or due dates of the Principal Component or portions thereof being prepaid in the event of a partial prepayment. Any such prepayment shall include accrued interest to the redemption date of the corresponding Bonds to be redeemed, if any, and notice of intent to make such prepayment shall be provided to the NMFA or its designee by the Governmental Unit no less than forty-five (45) days prior to the prepayment date. The NMFA or its designee shall recalculate the Loan Agreement Payments due under this Loan Agreement in the event of a partial prepayment in a manner which is consistent with the manner in which the Bonds, if any, are prepaid.

ARTICLE IX

INDEMNIFICATION

From and to the extent of the Pledged Revenues and to the extent permitted by law, the Governmental Unit shall and hereby agrees to indemnify and save the NMFA and its designee, if any, harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition or operation of the Project during the Loan Agreement Term, from: (i) any act of negligence of the Governmental Unit or breach of any covenant or warranty by the Governmental Unit hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan Agreement proceeds and interest on the investment of the Loan Agreement proceeds. The Governmental Unit shall indemnify and save the NMFA and its designee, if any, harmless, from and to the extent of the available Pledged Revenues and to the extent permitted by law, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the NMFA or its designee, shall defend the NMFA or its designee, if any, in any such action or proceeding.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an Event of Default under this Loan Agreement:

(a) Failure by the Governmental Unit to pay any amount required to be paid under this Loan Agreement on the date on which it is due and payable; or

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Unit by the NMFA or its designee, if any, unless the NMFA or its designee, as applicable, shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the NMFA or its designee but cannot be cured within the applicable thirty (30) day period, the NMFA or its designee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Governmental Unit is unable to carry out the agreements on its part herein contained, the Governmental Unit shall not be deemed in default under this paragraph (b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Governmental Unit contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement is false or misleading in any material respect; or

(d) A petition is filed against the Governmental Unit under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the NMFA shall have the right to intervene in the proceedings to protect the NMFA's interests; or

(e) The Governmental Unit files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or,

(f) The Governmental Unit admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Governmental Unit for any of its property is appointed by court order or takes possession thereof and such order remains in

effect or such possession continues for more than thirty (30) days, but the NMFA shall have the right to intervene in the proceedings to protect its interests.

Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, the NMFA may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any agreement of the Governmental Unit in this Loan Agreement:

(a) By mandamus or other action or proceeding or suit at law or in equity to enforce the rights of the NMFA under this Loan Agreement against the Governmental Unit, and compel the Governmental Unit to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein; or

(b) By suit in equity enjoin any acts or things which are unlawful or violate the rights of the NMFA; or

(c) Intervene in judicial proceedings that affect this Loan Agreement or the Pledged Revenues; or

(d) Cause the Governmental Unit to account as if it were the trustee of an express trust for all of the Pledged Revenues and Aggregate Disbursements (except the Cost of Issuance); or,

(e) Take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Loan Agreement or enforce any other of its rights thereunder.

Section 10.3 Limitations on Remedies. A judgment requiring a payment of money entered against the Governmental Unit may reach only the available Pledged Revenues.

Section 10.4 No Remedy Exclusive. Subject to Section 10.3 of this Loan Agreement, no remedy herein conferred upon or reserved to the NMFA is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the NMFA to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The NMFA may in its discretion waive any Event of Default hereunder and the consequences of an Event of Default by written waiver; provided, however, that there shall not be waived (i) any Event of Default in the payment of principal of this Loan Agreement at the date when due as specified in this Loan Agreement, or (ii) any default in the payment when due of the interest on this Loan Agreement, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by this Loan Agreement on all arrears of payment of principal and all expenses of the NMFA, in connection with such

Event of Default shall have been paid or provided. Such waiver shall be effective only if made by written statement of waiver issued by the NMFA. In case of any such waiver or rescission, or in case any proceeding taken by the NMFA on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the NMFA shall be restored to its former position and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses Related to Defaults. In the event that the Governmental Unit should default under any of the provisions hereof and the NMFA employs attorneys or incurs other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Governmental Unit contained in this Loan Agreement, the Governmental Unit agrees that it shall on demand therefor pay to the NMFA the fees of such attorneys and such other expenses so incurred, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Governmental Unit under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Governmental Unit, then to:

City of Rio Rancho
Attn: City Manager
3200 Civic Center Circle NE
Rio Rancho, NM 87144

If to the NMFA, then to:

New Mexico Finance Authority
Attention: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

And if to NMFA's designated servicing agent for this Loan Agreement, if any, at the address to be provided by the servicing agent. The Governmental Unit and the NMFA may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the NMFA, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Amendments. This Loan Agreement may be amended only with the written consent of the NMFA and the Governmental Unit, except as provided in Section 4.1(b) of this Loan Agreement. The consent of the NMFA for amendments not affecting the terms of payment of the loan component of this Loan Agreement may be given by an Authorized Officer of the NMFA. The execution of any such consent by an Authorized Officer of the NMFA shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Loan Agreement, unless such change results in a decrease in the payment amount of the loan component.

Section 11.4 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the NMFA, either directly or through the NMFA or against any officer, employee, director or member of the Governing Body, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Governing Body or of the NMFA is hereby expressly waived and released by the Governmental Unit and by the NMFA as a condition of and in consideration for the execution of this Loan Agreement.

Section 11.5 Severability. In the event that any provision of this Loan Agreement, other than the requirement of the Governmental Unit to pay hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.6 Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Assignment by the NMFA. This Loan Agreement (except as to the Administrative Fee and Cost of Issuance) may be assigned and transferred by the NMFA to a trustee, which right to assign and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 11.8 Compliance with Governing Law. It is hereby declared by the Governing Body that it is the intention of the Governmental Unit by the execution of this Loan Agreement to comply in all respects with the provisions of the New Mexico Constitution and statutes as the same

govern the pledge of the Pledged Revenues to payment of all amounts payable under this Loan Agreement.

Section 11.9 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.10 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

[*Signature pages follow*.]

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the NMFA, on behalf of itself has executed this Amended and Rested Loan Agreement, which was approved by the NMFA's Board of Directors on January 25, 2024, in its corporate name by its duly authorized officers; and the Governmental Unit has caused this Loan Agreement to be executed in its corporate name and the seal of the Governmental Unit affixed hereto and attested by duly authorized officers. All of the above are effective as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

By_____
Marquita D. Russel, Chief Executive Officer

Prepared for Execution by Officers of the NMFA:

VIRTUE & NAJJAR, PC
As Loan Counsel to the NMFA

By _____
Carla R. Najjar

Approved for Execution by Officers of the NMFA:

By _____
Daniel C. Opperman, Chief Legal Officer
NMFA Legal and Compliance Department

CITY OF RIO RANCHO,
SANDOVAL COUNTY, NEW MEXICO

By_____
Greggory D. Hull, Mayor

[SEAL]

ATTEST:

By_____
Noel C.Davis, City Clerk

EXHIBIT "A"

TERM SHEET

AMENDED AND RESTATED LOAN NO. DW-5270 TO THE CITY OF RIO RANCHO, NEW MEXICO

Governmental Unit:	City of Rio Rancho, New Mexico
Project Description:	The Project will extend and improve the Governmental Unit's Water and Wastewater Utility System, including upgrades to Well #9.
Pledged Revenues:	Net Revenues of the System designated as the City of Rio Rancho Water and Wastewater Utility System originally established in Ordinance No. 59, Enactment No. 94-059 adopted by the Council on December 14, 1994, as amended by Ordinance No. 13, Enactment No. 95-013 adopted by the Council on May 17, 1995, by Substitute Ordinance No. 25, Enactment No. 98-028 adopted by the Council on November 18, 1998, and by Ordinance No. 16, Enactment No. 17-18 adopted by the Council on August 9, 2017 (collectively, the "Master Ordinance").
Currently Outstanding Senior Obligations:	None.
Currently Outstanding Parity Obligations:	City of Rio Rancho, New Mexico Water and Wastewater Utility System Revenue Bonds, Series 2013, in an outstanding principal amount of $1,465,000; City of Rio Rancho, New Mexico Water and Wastewater Utility System Refunding Revenue Bonds, Series 2015, in an outstanding principal amount of $20,485,000; 2016 New Mexico Finance Authority Senior Lien Improvement and Refunding Loan Agreement, in an outstanding principal amount of $25,085,000.

Currently Outstanding Subordinate Obligations:	2016 New Mexico Finance Authority Refunding Loan Agreement, in an outstanding principal amount of $15,560,000; and 2016 New Mexico Finance Authority Water Trust Board Loan Agreement, in an outstanding principal amount of $239,745.	
Authorizing Legislation:	Governmental Unit Ordinance No. 28, Enactment No. 20-27 adopted September 10, 2020 and Ordinance No. _____, Enactment No. _____, adopted on May 9, 2024.	
Closing Date:	June 14, 2024	
Interest Rate:	0.26% (which includes the Administrative Fee)	
Total Funding (Maximum Principal Amount):		$15,150,000
Program Fund:	$15,150,000	
Cost of Issuance:	$150,000	
Total Repayable (Maximum Repayable Principal Amount):		$15,150,000
Repayable Project Fund:	$150,000	
Repayable Cost of Issuance:	$150,000	
Total Subsidy (Maximum Forgiven Principal Amount):		$0
	$0	
Project Subsidy Fund:	$0	
Subsidy Cost of Issuance:		
Total Funding (Maximum Principal Amount):	$15,150,000	
Subsidy Percent:	0%	
Disadvantaged Status:	Base	
First Interest Payment Date:	May 1, 2025	
First Principal and Interest Payment Date:	May 1, 2027	
Final Payment Date:	May 1, 2046	

EXHIBIT "B"

LOAN AGREEMENT PAYMENT SCHEDULE

[SEE ATTACHED]

EXHIBIT "C"

FORM OF REQUISITION

RE: $15,150,000 Amended and Restated Loan Agreement by and between the NMFA and the City of Rio Rancho, New Mexico (the "Loan Agreement" or "Amended and Restated Loan Agreement")

TO: DW@nmfa.net
New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501
Attn: Drinking Water

LOAN NO. DW-5270 CLOSING DATE: June 14, 2024

You are hereby authorized to disburse to the City of Rio Rancho or its payee with regard to the above-referenced Loan Agreement the following:

REQUISITION NUMBER:		☐ Interim Request ☐ Final Request
AMOUNT OF PAYMENT:	$	

For Period (work encumbered) _____ to _____

PURPOSE OF PAYMENT: _____

_____

_____

_____

☐ This is a request of REIMBURSEMENT of incurred and paid project expenses. (Attach proof of payment, e.g. check stubs, and corresponding invoices)

☐ This is a request of DIRECT PAYMENT to vendor or service provider of incurred project expenses. (Attach invoices)

PAYEE INFORMATION

NAME:	
CONTACT NAME:	
ADDRESS:	
PHONE NUMBER:	
FAX NUMBER:	
E-MAIL ADDRESS:	

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

Each obligation, item of cost or expense mentioned herein is for costs of the Project, is due and payable, has not been the subject of any previous requisition and is a proper charge for requisition and payment.

Each obligation, item of cost or expense mentioned herein is not for costs related to the purchase of land or easement.

All representations contained in the Amended and Restated Loan Agreement and the related closing documents remain true and correct and the City of Rio Rancho is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Project is complete or, if not complete, the City of Rio Rancho understands its obligation to complete the acquisition and installation of the Project and shall complete the acquisition and installation of the Project from other legally available funds.

Capitalized terms used herein, are used as defined or used in the Amended and Restated Loan Agreement.

DATED:_____ By:_____
Authorized Officer

_____
(Print name and title)

EXHIBIT "D"

FORM OF CERTIFICATE OF COMPLETION

RE: $15,150,000 Amended and Restated Loan Agreement by and between the NMFA and the City of Rio Rancho, New Mexico (the "Loan Agreement" or "Amended and Restated Loan Agreement")

Loan No. DW-5270

Closing Date: June 14, 2024

TO: NEW MEXICO FINANCE AUTHORITY

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

City of Rio Rancho, hereby certify as follows:

1. The project described in the Amended and Restated Loan Agreement (the "Project") was completed and placed in service on _____, 20___.

2. The total cost of the Project was $ _____.

3. Cost of the Project paid from the Loan was $ _____.

4. The portion of the Maximum Principal Amount unexpended for the Project is $ _____.

5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Amended and Restated Loan Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

CITY OF RIO RANCHO, NEW MEXICO

By: _____

Its: _____

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O8

AGENDA DATE:
May 9, 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:
First reading of a Bond Ordinance. 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.

If this Ordinance is approved on May 9, 2024, a second reading of the Ordinance will take place on June 13, 2024, whereby the Governing Body will consider final approval and adoption.

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: Ordinance_O8
ATTACHMENT: PILOT Payment Distribution Schedule
ATTACHMENT: Storage BPA
ATTACHMENT: QR Storage Indenture
ATTACHMENT: QR Storage Lease
ATTACHMENT: QR Storage Sublease
ATTACHMENT: QR IRB Application Final 3.21.24.
ATTACHMENT: R27 Signed
ATTACHMENT: Quail Ranch Site Plan

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 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 Exhibit III - 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

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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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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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

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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.

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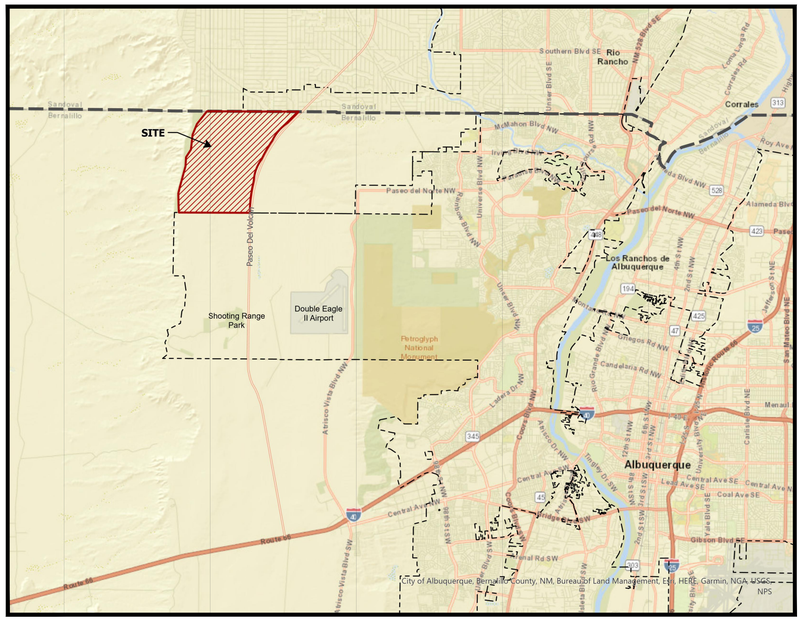
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This notice is given pursuant to Section 3-17-3 NMSA 1978.

(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)

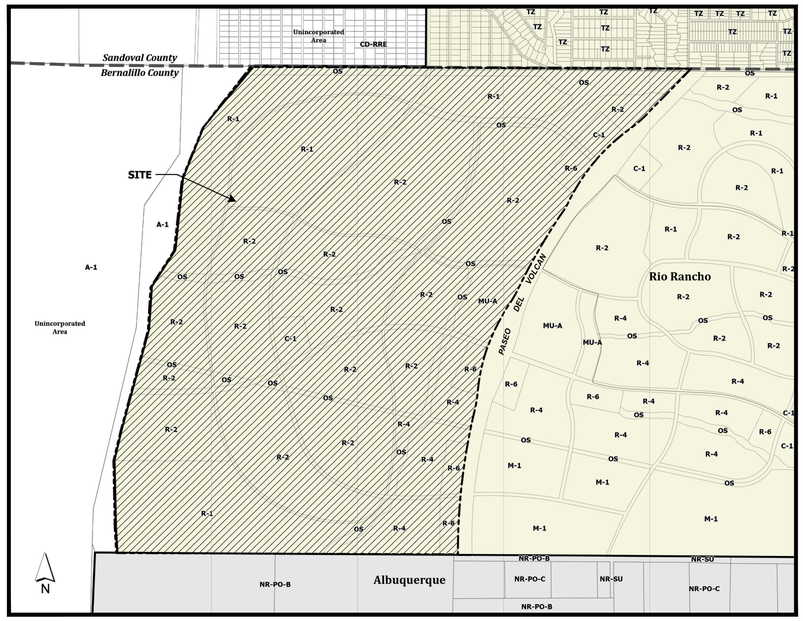
QUAIL RANCH SOLAR
SITE DEVELOPMENT PLAN

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:

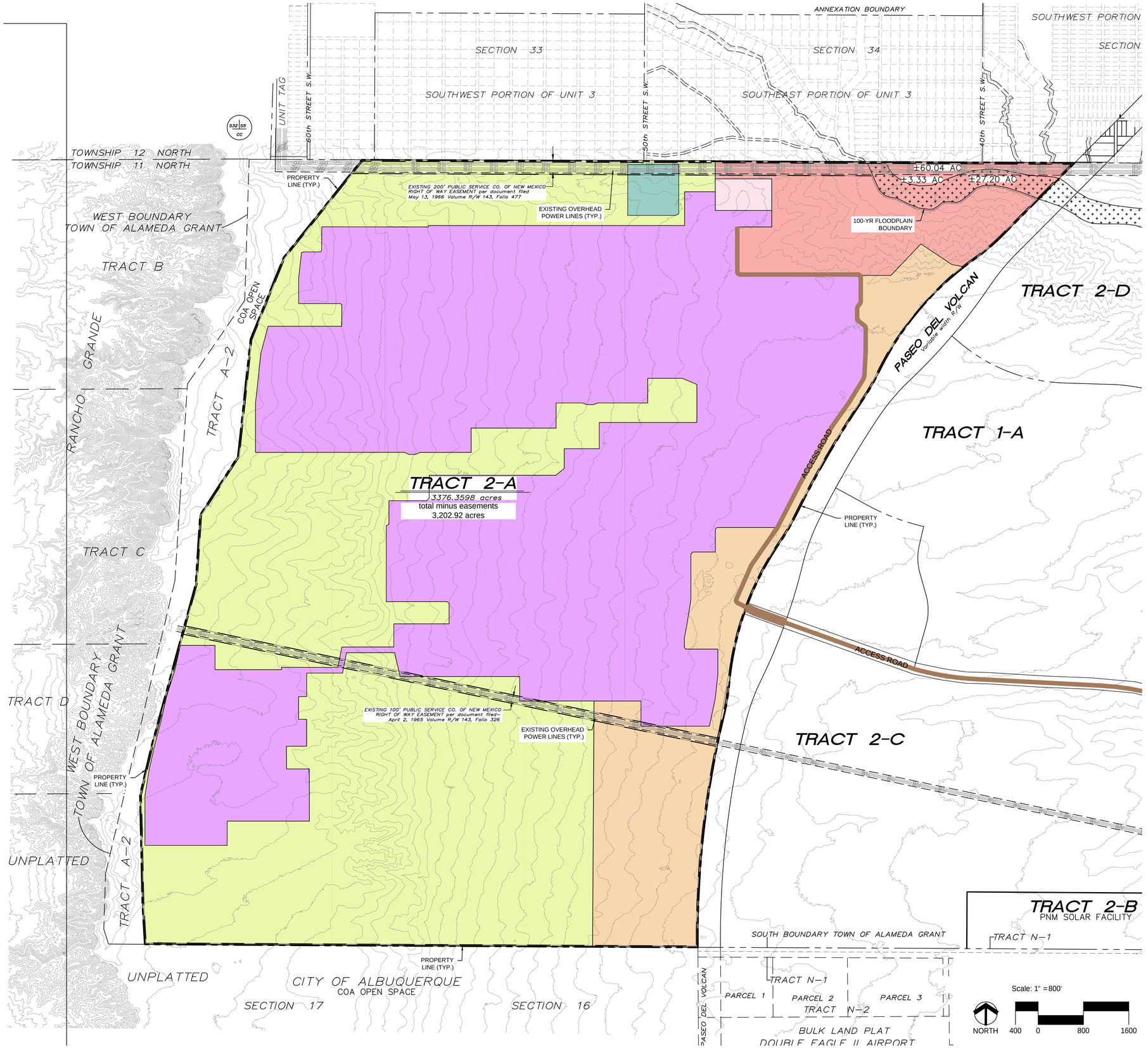
Clēnera
AN ENLIGHT COMPANY

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

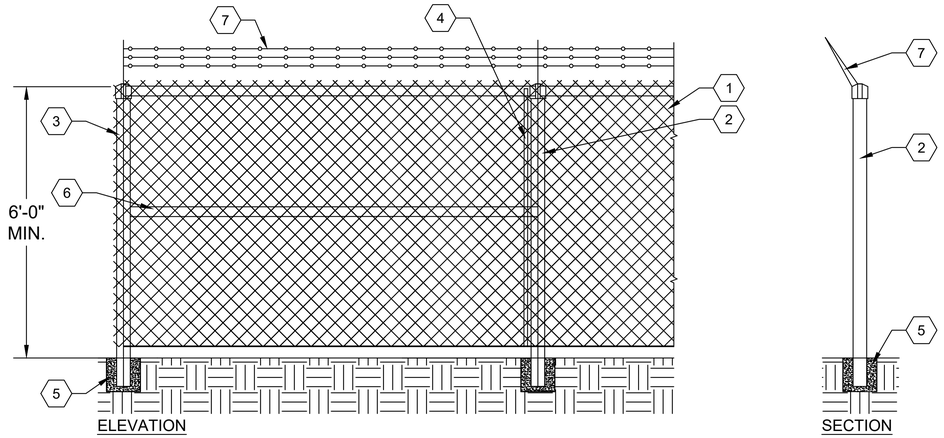
Prepared by:

CONSENSUS PLANNING
Consensus Planning, Inc.
302 Eighth Street NW
Albuquerque, NM 87102

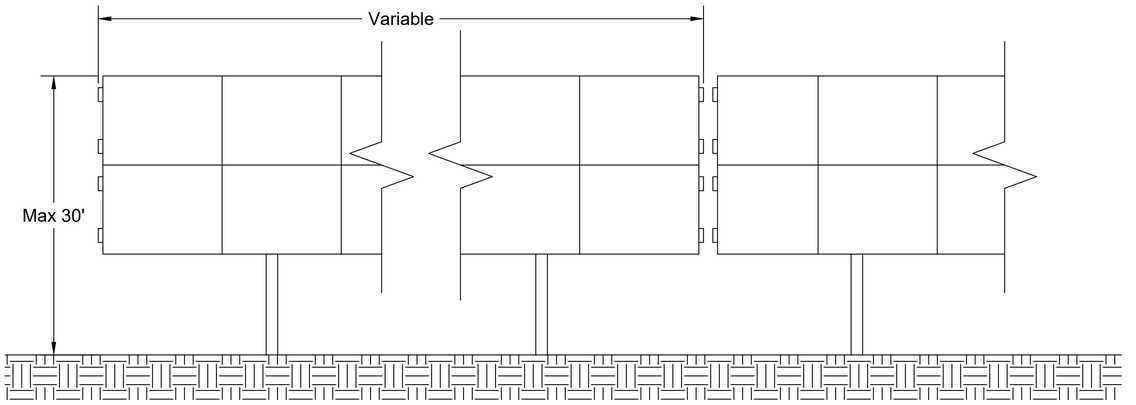
Sheet 1 of 1
February 26, 2024

KEY NOTES:

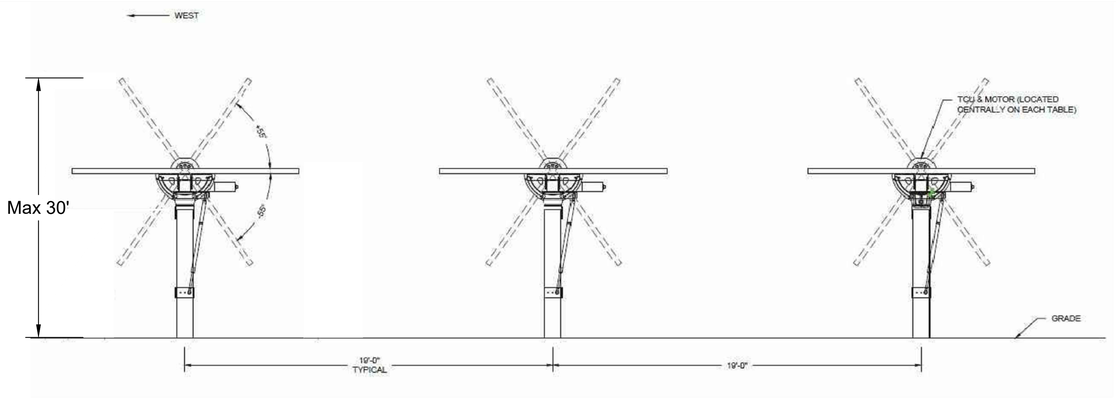
1. CHAIN LINK FABRIC.
2. LINE POSTS
3. CORNER AND GATE POSTS
4. PULL BAR
5. FOUNDATION
6. BRACE BAR
7. BARBED WIRE



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

CITY OF RIO RANCHO
COVER PAGE

Legislation Item: O9

AGENDA DATE:
May 9, 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:
First reading of a Bond Ordinance. 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.

If this Ordinance is approved on May 9, 2024, a second reading of the Ordinance will take place on June 13, 2024, whereby the Governing Body will consider final approval and adoption.

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: Ordinance_O9
ATTACHMENT: PILOT Payment Distribution Schedule
ATTACHMENT: QR Solar BPA
ATTACHMENT: QR Solar Indenture
ATTACHMENT: QR Solar Lease
ATTACHMENT: QR Solar Subleasee
ATTACHMENT: QR IRB Application Final 3.21.24
ATTACHMENT: R27 Signed
ATTACHMENT: Quail Ranch Site Plan

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/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 Exhibit III - 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

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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Exhibit A Form of Series 2024Series 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 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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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 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

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]

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

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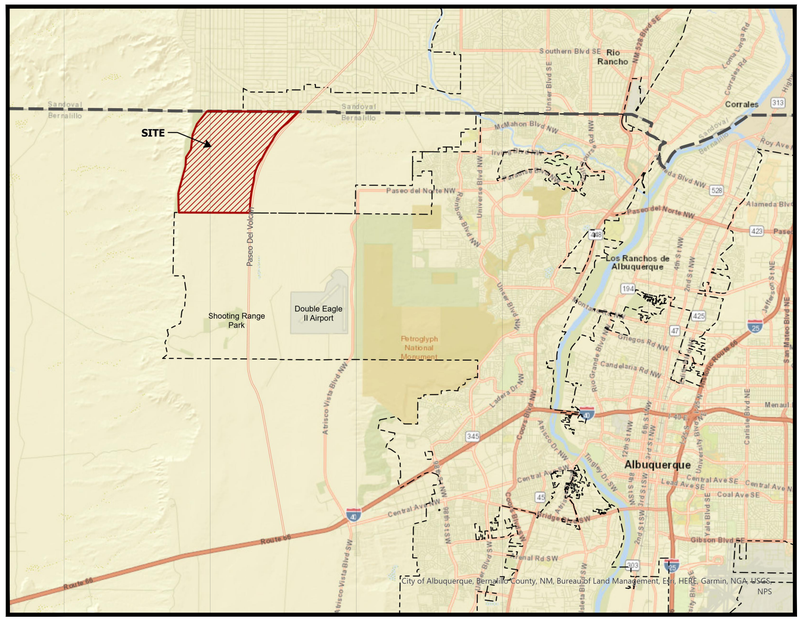
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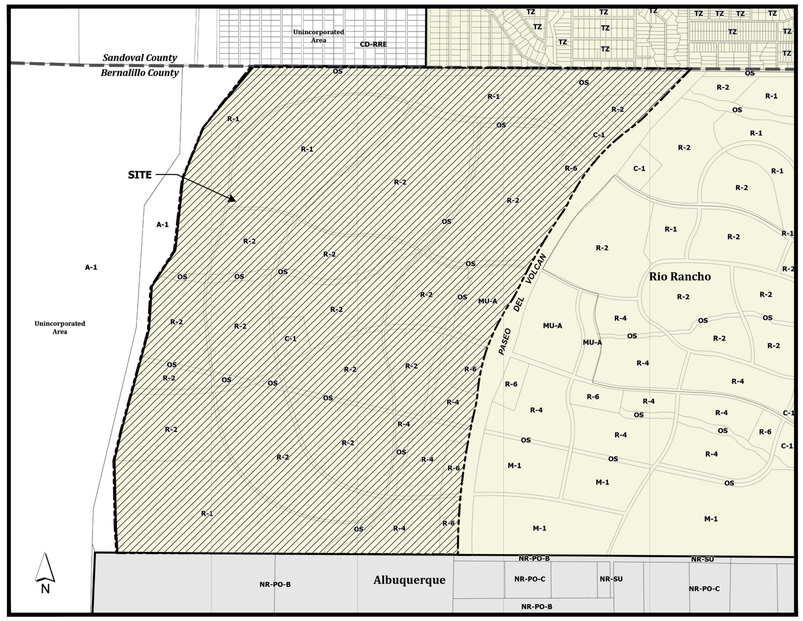
QUAIL RANCH SOLAR
SITE DEVELOPMENT PLAN

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:

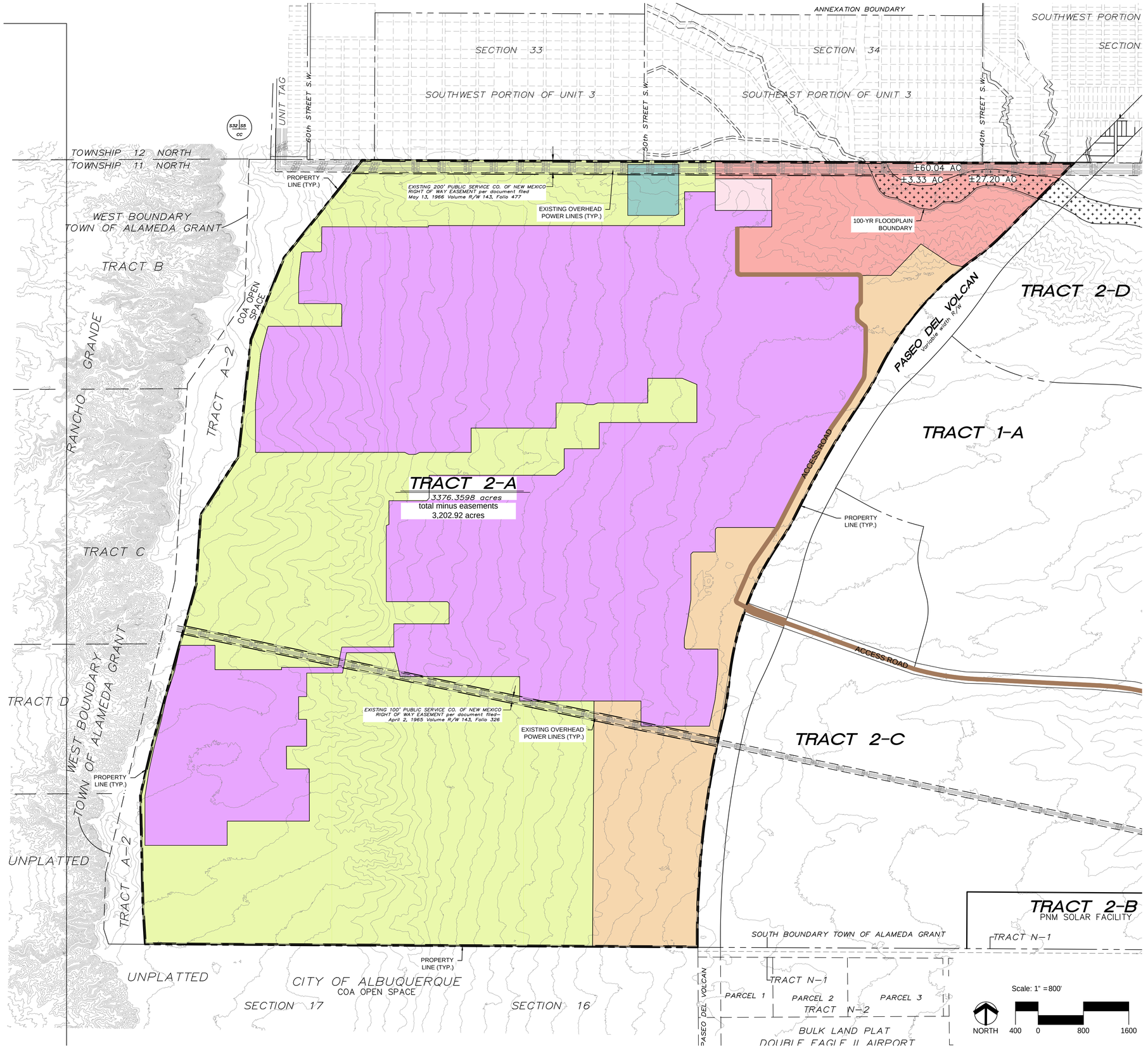
Clēnera
AN ENLIGHT COMPANY

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

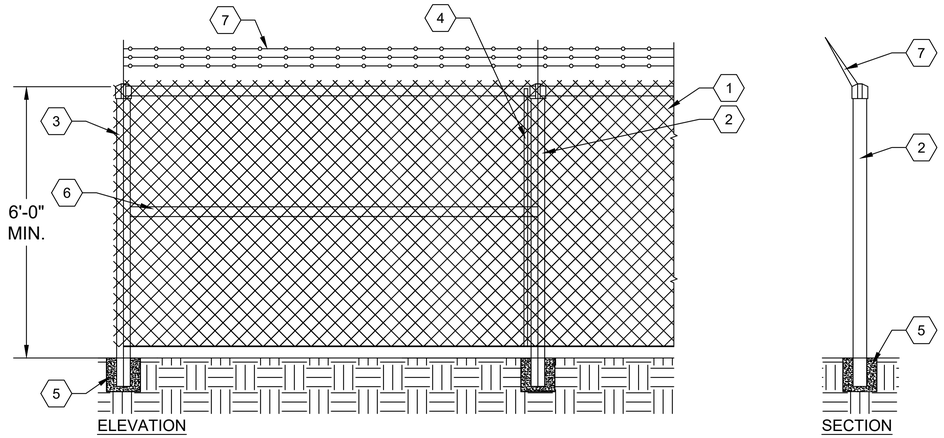
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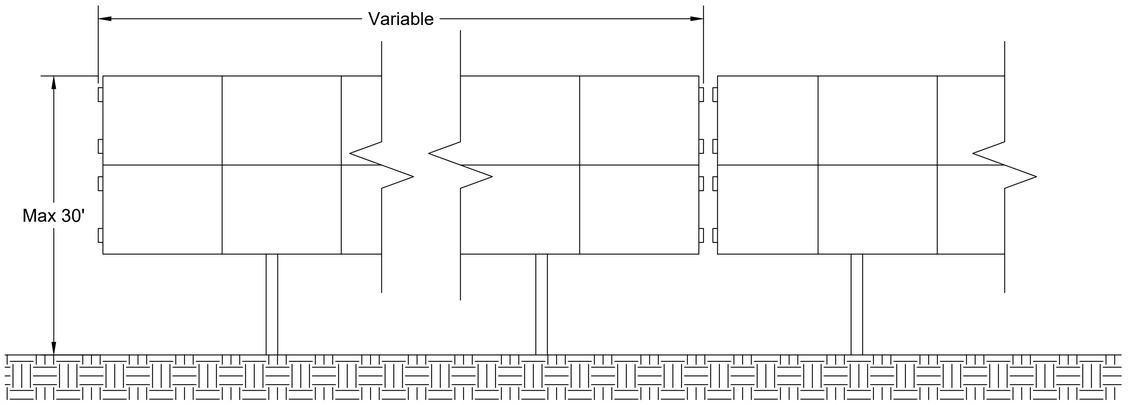
Sheet 1 of 1
February 26, 2024

KEY NOTES:

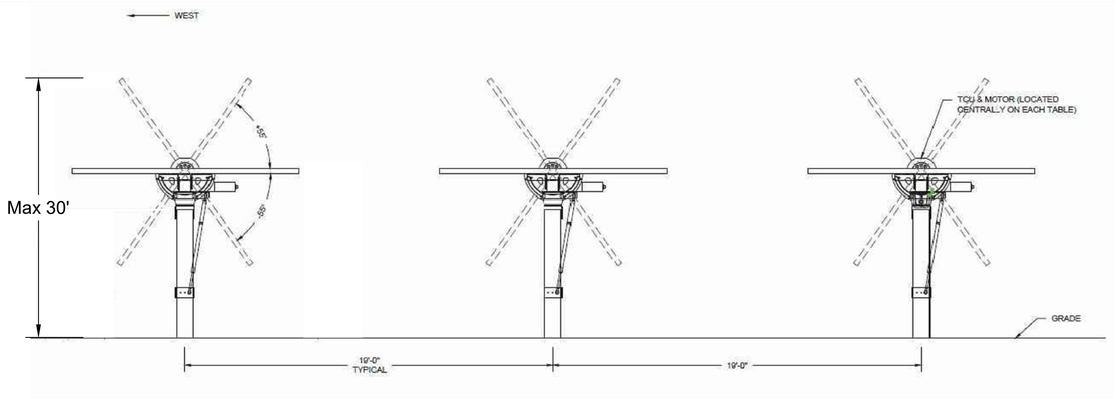
1. CHAIN LINK FABRIC.
2. LINE POSTS
3. CORNER AND GATE POSTS
4. PULL BAR
5. FOUNDATION
6. BRACE BAR
7. BARBED WIRE



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
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February 26, 2024

CITY OF RIO RANCHO
COVER PAGE

Legislation Item:

AGENDA DATE:
May 9, 2024

DEPARTMENT:
Administration

SUBJECT:
Selection of Deputy Mayor

BACKGROUND AND ANALYSIS:
The City Charter, Section 3.03, states the following:

A. The city councilors shall elect, from among themselves, a deputy mayor to assume the assigned role of mayor during the temporary absence or disability of the mayor. A deputy mayor shall be elected by the city councilors no less often than at the organizational meeting following each regular municipal election. The city councilors may change the deputy mayor at their pleasure at any time. The mayor shall have the power to break a tie vote on the election of the deputy mayor.

B. A city councilor serving as deputy mayor, in the temporary absence or disability of the mayor, shall be entitled to vote only once on matters coming before the Governing Body and shall be entitled to cast a vote as a city councilor and not to break a tie.

Municipal Code, Section 31.16, states the following:

(A) The Deputy Mayor shall be elected in accordance with § 3.03.A of the City Charter. In the absence of the Deputy Mayor, the senior governing body member present shall preside as Deputy Mayor until the governing body may appoint an Acting Deputy Mayor.

(B) In those instances where the governing body members have equal seniority, the member representing the district with the lowest district number shall preside.

IMPACT:
Selecting a Deputy Mayor will adhere to applicable City Charter provisions.

ALTERNATIVES:
N/A

DEPARTMENT RECOMMENDATION:
Governing Body policy decision.

ATTACHMENT: Public Comment

From: Danny Gray
To: Clerk
Subject: Public comment for meeting of 4/9
Date: Thursday, May 9, 2024 1:42:02 PM

Caution! This message was sent from outside your organization.

You don't often get email from dannygray877@gmail.com. Learn why this is important

In regards to "deputy Mayor" I was wondering the need. If the Mayor is required to be at meetings in the job description, then they would be required to attend or no meeting. Why would a council member take the role or even be allowed to except in the case of extreme emergency, no Mayor filling the office.
Danny Gray
632 Sonora Rd

Sent via the Samsung Galaxy Tab A, an AT&T 4G LTE tablet
Get Outlook for Android