

LEASE AGREEMENT

LEASE AGREEMENT made this _____ day of September, 2025, between **P.T Productions, Inc a New Mexico Corporation**, whose address is P.O. Box 344, Roswell, NM 88202, hereinafter referred to as **LESSOR**, and **City of Roswell**, whose address 425 North Richardson, Roswell, NM 88201, hereinafter referred to as **LESSEE**.

Lessor does hereby lease unto Lessee the following described real estate in Roswell, Chaves County, New Mexico:

**Commercial Office Building
400-402-404 West Second Street
and
106 North Kentucky
Roswell, New Mexico**

The lease term shall be for a period of Sixty (60) months, commencing 1 October 2025 and terminating 30 September 2030.

In consideration of said demise the Lessee covenants:

1. To pay to Lessor as rent for the leased premises:

a. Minimum rent of Seven Thousand Six Hundred Seventy Dollars (**\$ 7,670.00**) per month. First month's rent shall be paid upon execution of lease. Monthly rental amount calculated as follows:

\$ 11.00 per square foot x 8,368 square feet =

\$ 92,048.00 per year

b. All rental payments shall be paid to Lessor at P.O. Box 344, Roswell, NM 88202, or at such other place or address as the Lessor shall from time to time, by written notice given to Lessee, appoint. Upon the first day of each month upon commencement, Lessee shall be subject to a \$100.00 late charge for rental payments made past the 20th of the month.

2. Lessee will use and occupy the leased premises as City of Roswell Community Development Services and for no other use or legal purpose and will at its own expense keep the leased premises in good and suitable repair and condition during the term and any extensions thereof. Lessee shall provide fascia signage and be allowed use of the pole sign on southwest corner of property. The vacant lot commonly described as 106 N. Kentucky is a portion of the existing parking lot of the leased premises and shall be included in this agreement.

3. No representations, except such as are contained herein or endorsed hereon, have been made to the Lessee respecting the condition of the leased premises. The taking possession of leased

premises by the Lessee shall be conclusive evidence as against the Lessor that said premises were in "as is" condition when possession of the same was so taken; and the Lessee will, at the termination of this lease, by lapse of time or otherwise, return said premises to the Lessor in as good condition as when received, loss by fire and ordinary wear and tear excepted.

4. Subject to first obtaining Lessor's written consent, which consent shall not be unreasonably withheld, Lessee may sublet the leased premises.

5. Lessee may, at its sole expense, make such alterations and improvements to the leased premises as shall reasonably be necessary for its proper use of the leased premises, provided that the written approval of Lessor shall first be obtained (which approval shall not be unreasonably withheld), and that such improvements and alterations are done in a good and workmanlike manner in keeping with all building codes and regulations and in such manner as not to harm the structure of the leased premises. Lessee at its sole expense, if requested, shall at the termination of this lease for any reason restore the leased premises to the original condition and repair any damage to the premises resulting from the making of such alterations and improvements as may have been made by Lessee. Any such alterations and improvements which remain upon the leased premises at the termination of the lease, and which has not been removed at the request of Lessor, shall be and become Lessor's property without compensation to the Lessee. Any remodeling done by Lessee with Lessor's consent shall be made pursuant to plans and specifications covering such work which have been approved in writing by Lessor, which approval shall not be unreasonably withheld.

6. At all time during the term of this lease and any extensions thereof, Lessee, at its sole cost and expense, shall provide and keep in force with responsible insurance companies satisfactory to Lessor public liability insurance covering the leased premises and the business conducted by Lessee or any subtenant therein with limits of liability not less than \$500,000.00 for each person, \$1,000,000.00 for each accident or occurrence for bodily injury and \$500, 000.00 property damage. Said policy of insurance shall be obtained by Lessee and shall be subject to Lessor's approval as to the face amount and content, shall name Lessor and Lessee as co-insurers and each policy shall provide that it may not be canceled by the insurer without at least ten (10) days prior written notice to Lessor. A certificate of said insurance shall be delivered to Lessor not later than the commencement date of this lease and Certificates of Renewal of such insurance shall be delivered to Lessor prior to the expiration of any such policy. Lessor shall carry hazard insurance on the improvements located on the leased premises for their sole benefit and protection and any insurance desired by Lessee on the contents which belong to Lessee in the leased premises shall be obtained by Lessee at its sole cost and expense. Lessee shall reimburse Lessor for hazard insurance coverage.

7. The Lessor shall keep the roof, outer walls, plumbing, electrical, heating and cooling systems in good condition and repair. Lessee shall maintain the leased premises in as good condition as when received, loss by fire, ordinary wear and tear and act of nature excepted.

8. Lessor shall not be liable for any damage either to person or property sustained by Lessee or by other persons on account of the building or any part thereof, or any appurtenances thereof, becoming out of repair, or due to the happenings of any accident in or about said building, or due to any act or neglect of any subtenant or occupants of said building or of any other person. This

provision shall apply especially (but not exclusively) to damage caused by water, snow, frost, steam, sewerage, sewer gas or odors, or by the bursting or leaking of pipes or plumbing works or electrical. If any such damage shall be caused by any act or neglect of the Lessee, Lessee shall repair such damage at Lessee's expense. All personal property upon the leased premises shall be at the risk of the Lessee only and the Lessor shall not be liable for any damage thereto or theft thereof.

9. In case Lessee shall vacate said premises or abandon the same during the life of this lease, or in case the Lessee shall make default in the payment of the rent hereby reserved or shall make in any of the covenants herein contained to be kept, observed and performed by the Lessee, Lessor may at its option, enter into said premises, remove the Lessee's property therefrom and relet the same for the account of the Lessee for such rent and upon such terms as shall reasonably be obtainable, without such reentry working a forfeiture of the rents to be paid and the covenants to be performed by the Lessee during the term of this lease and any valid extensions thereof; and for the purposes of such reletting the Lessor is authorized to make any repairs, changes, alterations, or additions on or to the leased premises that may be necessary or convenient to make the premises tenantable, and, if a sufficient sum shall not be realized from such reletting, after paying all the costs and expenses of such repair, changes, alterations or additions and the expenses of such repairs, changes, alterations or additions and the expense of such reletting to satisfy the rent owing from the Lessee, then the Lessee will satisfy and pay such deficiency promptly upon demand.

10. Lessee shall pay all electric, gas, water, sewer, trash collection, internet service, security system including video surveillance, cable television and telephone bills which are charged against the leased premises. In case Lessee shall not pay the same when due and payable, the Lessor may pay the same and the amount so paid is hereby declared to be so much additional rent and shall be due and payable to the Lessor from the Lessee forthwith. Lessee shall be responsible for the for all janitorial services and groundskeeping, including removal of leaves, weeds and debris on the property. Any required tree trimming shall be the responsibility of the Lessor.

11. No waiver of any condition expressed in this lease shall be implied by any neglect of the Lessor to declare a forfeiture or take any other action on account of the violation of such condition if such violation be continued or repeated subsequently, and no express waiver shall affect any condition other than the one specified in such waiver, and that one only for the time and in the manner specifically stated. If Lessor shall not take action of any kind upon any failure of the Lessee to pay any installment of rent when due, such forbearance or failure or neglect to take prompt action shall not be construed as a waiver by the Lessor of any right reserved to the Lessor herein, but Lessor shall have the right at any time and all times thereafter to enforce a prompt and strict compliance with acts of forbearance or failure to insist upon a prompt or strict compliance with any of the terms, covenants and conditions of the lease.

12. Lessor represent to Lessee that Lessor has good and merchantable title to the leased premises, subject only to any mortgages of public record, restrictions of record, ad valorem taxes not delinquent, zoning ordinances of the City of Roswell and easements of record and apparent. The representations by Lessor set forth above in this paragraph shall be true and correct upon the date the lease term commences.

13. Lessee shall not cause or permit any hazardous material to be brought upon, kept, or used in or about the premises by Lessee, its agents, employees, contractors, or invitee's, except for such hazardous materials as is necessary or useful to Lessee's business.

a. Any hazardous material permitted on the above premises as provided in the paragraph 15 above, and all containers therefore, shall be used, kept, stored and disposed of in a manner that complies with all federal, state, and local laws or regulations applicable to such hazardous material.

b. Lessee shall not release, discharge, leak, or emit, or permit to be released, discharged, leaked or emitted, any material into the atmosphere, ground, sewer system, or any body of water, if that material (as is reasonably determined by the Lessor, or any governmental authority) does or may pollute or contaminate the same, or may adversely affect (1) the health, welfare, or safety of persons, whether located on the premises or elsewhere, or (2) the condition, use or enjoyment of the building or any other real or personal property.

c. As used herein, the term "hazardous material" means (1) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder, (2) any "hazardous substance" as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, from time to time, and regulations promulgated thereunder, (3) any oil, petroleum products, and their byproducts, and (4) any substance that is or becomes regulated by any federal, state, or local governmental authority.

d. Lessee hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage and disposal of hazardous material on the premises by the Lessee, and the Lessee shall give immediate notice to Lessor of any violation of the provisions of subparagraph b, above. Lessee shall defend, indemnify, and hold harmless Lessor and its Agents, from and against any claims, demands, penalties, fines, liability, settlements, damages, costs, or expenses (including, without limitation, attorney's and consultant's fees, court costs, and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of its use, storage, or occupancy of premises, or in any way related to (1) the presence, disposal, release, or threatened release of any such hazardous material that is on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise caused by Lessee's use or occupancy; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to that hazardous material caused by Lessee's use or occupancy; (3) any lawsuit brought or threatened, settlement reached or government investigation, order or related action to that hazardous material caused by Lessee's use or occupancy; (4) any violation of any laws applicable thereto caused by Lessee's use or occupancy. Lessor shall save Lessee harmless and indemnified against hazardous material existing at the commencement of the lease to the same extent as set forth in the indemnity by Lessee. The provisions of this subparagraph (d) shall be in addition to any other obligation and liabilities which either party may have to the other at law or equity and shall survive the transaction contemplated herein and shall survive the termination of this lease.

14. Neither this lease, nor any interest therein nor any estate thereby created shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law.

a. In the event the estate created hereby shall be taken in execution or by other process of law, or if Lessee shall be adjudicated insolvent or bankrupt pursuant to the provisions of any state or federal insolvency or bankruptcy act, or if a receiver or trustee of the property of Lessee shall be appointed by reason of Lessee's insolvency or inability to pay its debts, or if any assignments shall be made of Lessee's property for the benefit of creditors, then and in any of such events, Lessor may at its option terminate this lease and all rights of Lessee hereunder, by giving to Lessee notice in writing of the election of Lessor to so terminate.

b. Lessor shall not cause or give cause for the institution of legal proceedings seeking to have Lessee adjudicated bankrupt, reorganized or rearranged under the bankruptcy laws of the United States, and shall not cause or give cause for the appointment of a trustee or receiver for Lessee's assets, and shall not make assignment for the benefit of creditors, or become or be adjudicated insolvent. The allowance of any petition under the bankruptcy law, or the appointment of a trustee or receiver of Lessee or its assets, shall be conclusive evidence that Lessee caused, or gave cause therefore, unless such allowance of the petition, or the appointment of a trustee or receiver, is vacant within thirty (30) working days after such allowance or appointment. Any act described in this subparagraph shall be deemed a material breach of Lessee's obligation hereunder, and upon such breach by Lessee, Lessor may at its option and in addition to any other remedy available to Lessor terminate this lease and all rights of Lessee hereunder, by giving the Lessee notice in writing of the election of Lessor to so terminate.

15. If either Lessor or Lessee shall default in the performance of any provision, covenant or condition on the part to be performed under this lease by the defaulting party, the other party may, at its option, perform the same for the account of and at the expense of the other. If either party at any time shall be compelled to pay or elects to pay any sum or to do any act which requires the payment of any sum of money by reason to of the failure of the other party to comply with any provisions of this lease or other legal obligation, the sum so paid or incurred by such party with legal interest and costs shall be immediately due from and paid by the party.

16. All notices given by Lessor to Lessee may be mailed or delivered to Lessee at 425 N. Richardson, Roswell, NM 88201, or at such other address as may be specified in writing from time to time by Lessee. All notices given by Lessee to Lessor shall be delivered or mailed to Lessor at P.O. Box 344, Roswell, New Mexico 88202 or at such other P.O. Box or mailing address as may be specified in writing from time to time.

17. Lessee shall make any and all additional modifications to the existing building at their own expense.

18. Prior to occupancy, Lessor agrees to:

- a.** Paint the interior walls of premises.
- b.** Repair or replace exterior door locks as needed.

- c. Replace damaged parquet tile flooring in space adjacent to courtyard.
- d. Inspect HVAC, roof, plumbing and electrical systems and repair as needed.
- e. Coordinate with City of Roswell Fire Department to satisfy occupancy requirements.

19. Lease acceptance is subject to and contingent upon approval by Rowell City Council.

20. Non-Appropriation - Nothing else herein, withstanding the terms of this Agreement, is contingent upon sufficient appropriations and authorization being made by the Roswell City Council for the performance of this Agreement. If sufficient appropriations and authorizations are not made by the City Council, the City may immediately terminate this Agreement by giving P.T. Productions, Inc. written notice of such termination. The City's decision as to whether sufficient appropriations are available shall be accepted by Lessor and shall be final. Lessor hereby waives any rights to assert an impairment of contract claim against the City in the event of immediate or Early Termination of this Agreement by the City.

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed this _____ day of September 2025.

LESSEE:

LESSOR:

City Of Roswell

P. T. Productions, Inc

By: _____
Paul Taylor, III President

