

STANDSTILL AGREEMENT

THIS STANDSTILL AGREEMENT (the “Agreement”) is made and entered into this 4 day of February 2022, by and between the City of Roswell, New Mexico, a municipal corporation (“City”) and Dean Baldwin Painting, L.P., a Texas limited partnership (“Baldwin”)

RECITALS

A. City and Baldwin entered into a Lease Agreement for certain property at the Roswell Industrial Air Center (“RIAC”) dated December 8, 2016, but effective January 1, 2017 (the “Lease”);

B. The City sent a letter to Baldwin purporting to terminate the Lease effective February 10, 2022 (the “Lease Termination”);

C. City on October 11, 2021, commenced litigation against Baldwin relating to damage to and maintenance of the fire suppression system in the premises subject to the Lease (the “Litigation”)

D. Baldwin answered the Litigation and has brought counterclaims that dispute the validity of the Lease Termination and seek relief from the Court; and

E. City and Baldwin desire to enter into an Agreement providing for a continuation of the tenancy of Baldwin in the leased premises after February 10, 2022, until further Order of the Court in the Litigation, or agreement of the parties.

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and promises contained herein, the parties hereto agree as follows:

1. **Continuation of Tenancy:** City will allow Baldwin to continue its tenancy in the leased premises after February 10, 2022. That tenancy shall continue until the parties agree otherwise, or until order of the court in the Litigation. By this Agreement, City does not rescind its Notice of Termination, but rather agrees to the continuation of the tenancy under the specific terms and conditions contained in the Agreement.

2. **Rent Adjustment:** Baldwin agrees to pay to City, commencing February 1, 2022, as Basic Rent, the sum of \$3.00 per square foot on an annualized basis, based upon an agreed square footage of 172,157 square feet. This figure shall be for the Basic Rent set forth in the Lease.

Commencing February 11, 2022, that Basic Rent shall be \$ 43,039.25 per month. The amount reflected in the Lease as Additional Rent shall remain the same and is not affected by this Agreement. If this Agreement continues past February 1, 2023, the Basic Rent will be adjusted by 3% or the increase in the Consumer Price Index using the index referenced in the Lease, whichever is greater.

3. **Other Terms and Conditions of Tenancy:** In all other respects, the tenancy provided by this agreement shall be governed by the terms and conditions as provided for in the Lease. In addition, all other agreements that Baldwin has with the City, including agreements for storage of aircraft on City property at the RIAC, shall remain and be governed by their explicit provisions.

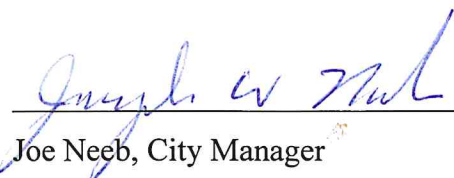
4. **Term of Agreement:** This Standstill Agreement shall remain in effect until the parties mutually agree to its termination or to entry of a Court Order in the litigation addressing the issue regarding the Termination of Baldwin's tenancy in the leased premises.

5. **Effect on Litigation:** This Standstill Agreement does not waive any claims and shall not impact, in any way, either party's right to any position they wish to take in the Litigation or to pursue any relief they deem appropriate in the litigation, including by summary proceedings.

6. **Holdover:** In the event the Court upholds the Lease Termination, Baldwin may hold over at the premises for an additional eight months at the rate provided in this Agreement by providing written notice of the same to the City.

ACCEPTED:

CITY OF ROSWELL



Joe Neeb, City Manager

DEAN BALDWIN PAINTING LP

Barbara Baldwin, President

Approved as to form:



City Attorney

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