

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.
CITY OF ROSWELL)

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

Mayor: _____

Councilors: _____

Absent:

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

CITY OF ROSWELL, NEW MEXICO
ORDINANCE NO. _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Net Revenues to the Finance Authority (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 Refunding Project, and (iii) the authorization, execution and delivery of the Loan Agreement which are required to have been obtained by the date of this Ordinance, have been obtained or are reasonably expected to be obtained.

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

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

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

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

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

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

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

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

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

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

“Finance Authority” means the New Mexico Finance Authority.

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

“Fiscal Year” means the period commencing on July 1 in 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“State” means the State of New Mexico.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 5. Loan Agreement - Authorization and Detail.

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

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

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

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

indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

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

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

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

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

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

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

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

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

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

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

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

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

Section 11. Authorized Officers; Delegation. 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 in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Ordinance set out in Section 17 of this Ordinance (with such changes, additions and deletions as may be necessary).

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

Section 12. Amendment of Ordinance. This Ordinance may be amended by ordinance of the Governing Body without receipt by the Governmental Unit of any additional consideration, but

only with the prior written consent of the Finance Authority. This Ordinance will be supplemented by the terms set forth in the Sale Certificate.

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

Section 14. 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 such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby 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, heretofore repealed.

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

Section 17. General Summary for Publication. Pursuant to the general laws of the State, 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 Roswell, New Mexico
Notice of Adoption of Ordinance

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

CITY OF ROSWELL, NEW MEXICO
ORDINANCE NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE CITY OF ROSWELL, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$11,750,000, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF (1) REFINANCING, PAYING AND DISCHARGING THE

GOVERNMENTAL UNIT'S OUTSTANDING JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS, SUBORDINATE SERIES 2017 ISSUED ON FEBRUARY 21, 2017, (2) FUNDING A LOAN AGREEMENT RESERVE ACCOUNT; AND (3) PAYING EXPENSES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES FROM THE GOVERNMENTAL UNIT'S JOINT WATER AND SEWER UTILITY SYSTEM; APPROVING THE DELEGATION OF AUTHORITY TO MAKE CERTAIN DETERMINATIONS REGARDING THE LOAN AGREEMENT PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; RATIFYING ACTIONS HERETOFORE TAKEN; APPROVING THE FORMS OF THE LOAN AGREEMENT AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT

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

(End of Form of Summary for Publication)

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

CITY OF ROSWELL, NEW MEXICO

ATTEST:

Mayor

City Clerk

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

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

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

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

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

CITY OF ROSWELL, NEW MEXICO

By _____
Mayor

[SEAL]

ATTEST:

By _____
Clerk