

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT has been made this 8th day of May, 2026 by and between L & K Waggoner, LLC, a New Mexico limited liability company, (hereinafter collectively referred to as "Seller") and the City of Roswell, (hereinafter collectively referred to as "Buyer").

WITNESSETH:

WHEREAS, Seller owns seventy seven and eight tenths (77.8) acres located in Chaves County, New Mexico, more particularly described on Exhibit "A" attached hereto;

WHEREAS, Seller desires to sell, assign or convey to Buyer all of the Seller's right, title and interest in and to the fee land, including any minerals underlying the fee property, RESERVING AND EXCEPTING all water rights, wells and irrigation equipment thereon, collectively referred to as "Subject Property", and Buyer desires to purchase the same upon the terms and conditions herein set forth; and

NOW, THEREFORE, for and in consideration of the purchase price and conditions, agreements and covenants contained herein, the parties agree as follows:

1. PURCHASE PRICE FOR SUBJECT PROPERTY: Seller hereby agrees to sell, assign and convey to Buyer and Buyer hereby agrees to purchase, accept and assume title to the Subject Property for the following consideration:

(a) a cash payment of Eight Hundred and Fifty Thousand Dollars (\$850,000.00);

(b) the right and ability of Seller to continue to use and farm the Subject Property until the Buyer begins actual construction on a new wastewater facility on the Subject Property;

(c) an effluent water credit of Two Hundred Thousand Dollars (\$200,000.00) to Seller to be used by Seller at Seller's discretion, not to exceed an annual use of up to thirty thousand dollars (\$30,000.00) of the effluent water credit by Seller per year;

Buyer agrees to purchase the Subject Property in the following manner:

(a) \$10,000.00 in cash to be paid by Buyer to Seller upon execution of this Agreement, said sum to constitute an earnest money deposit to be applied upon the purchase price or retained by Seller in accordance with the further terms of this Agreement. The earnest money deposit shall be held by the Landmark Title Roswell, whose address is 2724 Wilshire Blvd., Roswell, New Mexico, as the escrow agent. Any interest that might accrue on said sum shall accrue to the benefit of the Buyer.

(b) The remaining balance of \$840,000.00 cash to be paid by Buyer to Seller at time of closing, along with the aforementioned earnest money, subject to prorations described in paragraph 7 of this Agreement.

2. "AS IS" CONVEYANCE: It is understood and agreed that Seller is not making and specifically disclaims any warranties or representations of any kind or character, express or implied, with respect to the premises, including, but not limited to, warranties or representations as to matters of title (other than Seller's warranty of title set forth in the warranty deed to be delivered at closing), physical or environmental conditions, availability of access, ingress or egress, valuation, or any other matter or thing relating to or affecting the premises, including, without limitation, the value, condition, size, location, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the premises. Buyer has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Seller or any agent of Seller. Buyer represents that it is a knowledgeable buyer of real estate and

that they are relying solely on their own expertise in purchasing the Subject Property. Buyer has conducted such inspections and investigations of the premises as Buyer deem necessary, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same. Buyer acknowledge and agree that upon closing, Seller shall sell and convey to Buyer and Buyer shall accept the premises "as is, where is," with all faults. Buyer further acknowledges and agrees that there are no oral agreements, warranties or representations, collateral to or affecting the premises by seller, any agent of seller or any third party. The terms and conditions of this paragraph shall expressly survive the closing, not merge with the provisions of any closing documents and shall be incorporated into the warranty deed.

3. TITLE: Within thirty (30) days from the execution of this Agreement by the parties, Seller shall cause to be delivered to Buyer a title insurance commitment showing good and marketable title to the Subject Property to be in the Seller's name. The Seller warrants that the title upon closing shall be free and clear of all liens or encumbrances.

4. TITLE DEFECT: In the event any bona fide defects of title which would render the title unmarketable are discovered in the preparation of the title insurance commitment by the title company, then Seller shall have a reasonable time, not to exceed thirty (30) days from the date of receipt of written notice from the title company specifying such defect, within which to cure the same, failing which, Buyer shall have the option:

(a) To terminate this Agreement, whereupon they shall be entitled to a return of all monies, including without limitation, their earnest money deposit with no further liability on the part of either party;

(b) If the defect is capable of being cured by an expenditure of money and the Buyer and Seller mutually agree in writing to cure the defect with the cost of said procedure being paid as agreed upon by the parties in writing;

(c) To accept title subject to the defect.

5. SURVEY: In order to properly describe the Subject Property, the Buyer shall obtain a survey to be used for the legal description of the Subject Property in the conveyance documentation between the parties. The cost of the survey shall be paid by the Buyer.

6. CLOSING: The transaction contemplated hereby shall close on or before June 30, 2026 at 10:00 o'clock a.m. which may be changed only by mutual agreement by the parties in writing. Said closing shall be held in the offices of Landmark Title Roswell, whose address is 2724 Wilshire Blvd., Roswell, New Mexico. On closing Seller shall deliver to Buyer:

(a) Fully executed Warranty Deed to the fee lands of the Subject Property and said Warranty Deed shall convey to Buyer all minerals but excepting and reserving all water rights, wells and irrigation equipment on or underlying said Subject Property, to also include a reservation to the Seller of the right to continue to use and farm the Subject Property until the Buyer begins actual construction on a new wastewater facility on the Subject Property as well as an effluent water credit of Two Hundred Thousand Dollars (\$200,000.00) to Seller to be used by Seller at Seller's discretion, not to exceed an annual use of up to thirty thousand dollars (\$30,000.00) of the effluent water credit by Seller per year;

(b) The title insurance policy as described in this Agreement;

Buyer shall simultaneously deliver to Seller:

(a) The payment described in Paragraph 1(b) above by wire transfer, cashier's check or certified funds.

(b) Fully executed and recordable Assignment and Conveyance from Buyer granting and conveying to Seller the ability to continue to use and farm the Subject Property until the Buyer begins actual construction on a new wastewater facility on the Subject Property as well as an effluent water credit of Two Hundred Thousand Dollars (\$200,000.00) to Seller to be used by Seller at Seller's discretion, not to exceed an annual use of up to thirty thousand dollars (\$30,000.00) of the effluent water credit by Seller per year, to include any other documentation necessary to complete the transfer of these rights from the Buyer to the Seller.

Closing and other costs and fees shall be payable as follows:

Seller and Buyer shall each pay one-half (50%) of the cost of the Title Commitment and Owner's Title Policy and all remaining fees and closing costs shall also be paid one half by Seller and one half by Buyer.

7. PRORATIONS: On the date of closing and as of the date of closing, the parties shall prorate Seller's share of the real property taxes. With regard to the proration of taxes, the parties shall use the last available tax statement in the event a tax bill for the current year is not available.

8. POSSESSION and RISK of LOSS: Buyer shall be entitled to possession of the Subject Property upon the closing of this transaction as described in paragraph 6 herein.

In the event of any damage to any of the improvements prior to closing on the Subject Property by fire or other casualty, this Agreement shall remain in full force and effect. Seller and Buyer may mutually agree to restore or repair such damage as soon as possible (all work to be done in a good and proper manner so that the improvements shall have been restored to its condition immediately prior to the fire or casualty) in which event Seller and Buyer shall be entitled as they mutually agree to receive the proceeds payable under the insurance policies

covering such damages. If Buyer shall elect, Seller and Buyer shall refrain from repairing any such damage and Buyer shall accept the conveyance of the Subject Property in such damaged condition, and Seller shall assign and transfer to Buyer, at the time of closing for the Subject Property, all of the policies of insurance covering such damage or casualty and the proceeds thereof, save and except any proceeds allocable to any personal property owned by Seller which is not subject to this transaction.

9. REPRESENTATIONS and WARRANTIES of SELLER: Seller makes the following representations and warranties to Buyer, each of which is material and is relied upon by Buyer, Seller represents and warrants and Buyer understands and agrees as follows:

(a) Seller is the owner of a fee simple marketable title to the Subject Property and the Subject Property is not subject to any liens or encumbrances.

(b) Seller and Buyer understand that the Subject Property is possibly within a flood boundary and Buyer assumes the risk of said Subject Property possibly being in a flood boundary and zone.

10. NOTICES: All notices required to be given pursuant hereto shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the parties at their respective addresses shown below, and to the attorneys shown via email. Each party may from time to time designate by written notice to the other a change as to the contact information shown herein below.

SELLER: L & K Waggoner, LLC
c/o Timmy Taylor, Jr., Managing Member
1882 East Second Street
Roswell, New Mexico 88201

Steven P. Fisher, Attorney for Buyer
Fisher Law Firm, LLC
400 North Pennsylvania, Suite 820
Roswell, NM 88201
575-755-0707
Email: spf@fish.legal

BUYER: City of Roswell
c/o City Manager, Hessel Yntema
P.O. Drawer 1838
Roswell, NM 88202-1838
Email: h.yntema@roswell-nm.gov

All notices and demands which shall be served upon either party hereto shall be deemed sufficiently served or given for all purposes hereunder at the time such notice or demand shall have been delivered, mailed or emailed to the party or parties at the addresses shown hereinabove.

11. OFFER OF CONTRACT EXPIRATION: This Purchase and Sale Agreement shall be null and void and deemed terminated for all purposes unless executed by the parties on or before May 22, 2026.

12. REAL ESTATE BROKERAGE: The parties hereto represent and state that there are no real estate agents or brokers involved in this transaction.

13. 1031 EXCHANGE It is agreed that the parties to this Agreement shall have the option to assign all of their right in and to this Agreement to a Qualified Intermediary pursuant to Section 1031 of the Internal Revenue Code pursuant to an Exchange Agreement by and between Buyer/Seller and a Qualified Intermediary. In the event Seller exercises this option, Buyer consents to the assignment of the rights of Seller in and to this Agreement and waives and releases all claims against the Qualified Intermediary, its agents, employees, successors and/or assigns for any breach of representation, warranty or other obligation of Seller in connection

with this Agreement. In the event Buyer exercises this option, Seller consents to the assignment of the rights of Buyer in and to this Agreement and waives and releases all claims against the Qualified Intermediary, its agents, employees, successors and/or assigns for any breach of representation, warranty or other obligation of Buyer in connection with this Agreement. This consent shall not release Seller/Buyer from any representation, warranty or other obligation under the terms of this Agreement. Seller and Buyer agree to execute any documents reasonably necessary to the completion of the exchange. The parties agree and covenant with each other that the exercise of this option will not cause any additional expense or risk of loss to the other party and each party does hereby agree to defend and indemnify the other party from and against any such expense or loss.

14. MISCELLANEOUS PROVISIONS:

(a) The parties hereto agree to expeditiously execute such other and further instruments as may be necessary or desirable to carry out the terms and provisions of this Agreement.

(b) This Agreement, as to execution, interpretation, enforceability, validity and performance, shall be governed by the laws of the State of New Mexico.

(c) This document fully and completely expresses the agreement of the parties and all previous understandings to this transaction are merged in this Agreement.

(d) The terms of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, devisees, legal representatives, personal representatives and assigns, as the case may be.

(e) Time shall be of the essence in the performance by the parties of all the terms, provisions and conditions herein contained.

(f) All covenants, agreements, representations and warranties continued herein shall survive the closing of this transaction.

(g) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the undersigned have executed this Agreement the day and year first above written.

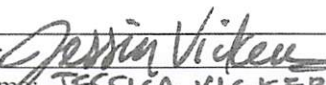
"SELLER"

L & K Waggoner, LLC

By: 
Name: Timmy Taylor, Jr.
Managing Member

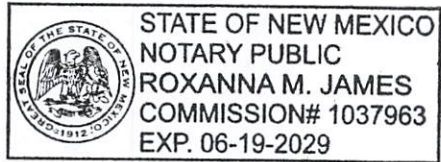
"BUYER"

City of Roswell

By: 
Name: JESSICA VICKERS
Title: Community Development
Director
5/8/2026

STATE OF NEW MEXICO)
)ss
COUNTY OF CHAVES)

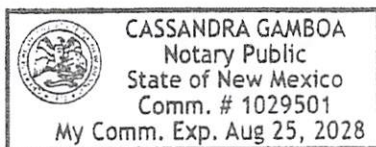
The foregoing instrument was acknowledged before me this 12th day of May, 2026, by Timmy Taylor, Jr., as Managing Member of L & K Waggoner, LLC, a New Mexico limited liability company, on behalf of the company.



Roxanna M James
Notary Public

STATE OF NEW MEXICO)
)ss
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 8th day of May, 2026, by Jessica Vickers, as Community Development of the City of Roswell, on behalf of the City.
Director



Cassandra Gamboa
Notary Public

Exhibit "A"

