SANDOVAL COUNTY, NEW MEXICO
BOARD OF COUNTY COMMISSIONERS
ORDINANCE NO. 10-22-25.10

AN ORDINANCE APPROVING A LEDA PROJECT FOR THE BENEFIT OF CASTELION CORPORATION (TOGETHER WITH ITS ASSIGNS, SUBSIDIARIES, AND AFFILIATES, THE "COMPANY") PURSUANT TO THE LOCAL ECONOMIC DEVELOPMENT ACT; APPROVING ECONOMIC ASSISTANCE TO THE COMPANY FOR A PORTION OF THE BUILDING AND INFRASTRUCTURE COSTS ASSOCIATED WITH CONSTRUCTING A HYPERSONIC SYSTEMS TEST AND MANUFACTURING FACILITY WITHIN THE COUNTY (THE "PROJECT"); AUTHORIZING THE EXECUTION OF A PROJECT PARTICIPATION AGREEMENT BETWEEN THE COMPANY AND THE COUNTY; AUTHORIZING THE EXECUTION OF ONE OR MORE INTERGOVERNMENTAL AGREEMENTS, OR OTHER COOPERATIVE AGREEMENTS OR MEMORANDA, WITH THE STATE OF NEW MEXICO AND THE CITY OF RIO RANCHO; AUTHORIZING THE EXECUTION OF ALL OTHER NECESSARY DOCUMENTS; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

WHEREAS, the Local Economic Development Act, Chapter 5, Article 10, NMSA 1978, as amended (the "Act"), authorizes municipalities and counties to provide certain economic assistance to qualifying entities as defined under the Act; and

WHEREAS, pursuant to the Act, the Board of County Commissioners has adopted Ordinance No. 11-1-13.10, which approved the Sandoval County Local Economic Development Act Plan, as amended from time to time (the "LEDA Plan"); and

WHEREAS, the purpose of the LEDA Plan is to allow public support of economic development Project to foster, promote and enhance local economic development efforts while continuing to protect against the unauthorized use of public money and other public resources; and

WHEREAS, pursuant to the Act and the LEDA Plan, representatives of Castelion Corporation, a Delaware corporation (together with its assigns, subsidiaries, and affiliates, the "Company"), have presented to the Board of County Commissioners (the "Board") of the County a proposal (the "Project Plan") whereby the Company will construct and equip, or cause to be constructed and equipped, a hypersonic systems test and manufacturing facility, and related

facilities, located within the County, which will constitute an economic development project (the "Project"); and

WHEREAS, the Project Plan proposes the provision by the County, pursuant to the Act, of "public support" (as defined in the Act) not to exceed $4,000,000 in the form of certain land acquisitions and infrastructure improvements to be built by the County as well as to assist the Company with certain qualifying expenses associated to the Project (collectively, the "County Funds"); and

WHEREAS, the State of New Mexico (the "State") also is providing public support to the Project in the form of a grant not to exceed $5,000,000 (the "State Funds"); and

WHEREAS, the City of Rio Rancho (the "City") also is providing $1,000,000 in public support to the Project to assist in the infrastructure improvements to be built by the County to support the Project (the "City Funds," and together with the State Funds and the County Funds, the "LEDA Funds"); and

WHEREAS, the City and the State will transfer the City Funds and the State Funds to the County, for subsequent use by the County in infrastructure improvements or for transfer to or on behalf of the Company pursuant to one or more intergovernmental agreements, or other cooperative agreements or memoranda, among the County, the City, and the State (collectively, the "Intergovernmental Agreements"); and

WHEREAS, the contribution made to the Project pursuant to this Ordinance would be in exchange for certain commitments made by the Company; and

WHEREAS, the Act and the LEDA Plan require that the County and the Company enter into a project participation agreement meeting the requirements of the Act and the LEDA Plan (the "Project Participation Agreement"); and

WHEREAS, the County staff, with assistance from the State Economic Development Department and the City, has worked with the Company to prepare, and has negotiated the terms of, the Project Participation Agreement with the Company,

WHEREAS, the total amount of public money expended and the value of credit pledged in each fiscal year in which money is expended by the County for the Project (and any other approved Project) pursuant to the Act does not and will not exceed ten percent of the general fund expenditures of the County in such fiscal year; and

WHEREAS, the forms of the proposed Project Participation Agreement and Intergovernmental Agreements have been filed with the County Clerk and presented to the Commission; and

WHEREAS, in connection with the Project, it may be necessary for the County to enter into certain services agreements with providers in accordance with the County's procurement code (the "Procurement Code"); and

WHEREAS, after having considered the Project, the Project Participation Agreement, and the Intergovernmental Agreements, the Commission has concluded that the benefits of the Project to the County will be substantial, that it is desirable and necessary at this time to authorize the County to enter into the Project Participation Agreement and the Intergovernmental Agreements, and that the County's provision of the assistance contemplated by the Project Participation Agreement will constitute a valid public purpose under the Act;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO THIS 22ND DAY OF OCTOBER 2025:

. All actions not inconsistent with the provisions of this Ordinance previously taken by the County Commission and the officials of the County directed toward the provision of economic development assistance in connection with the Project be approved and the same hereby are ratified, approved and confirmed.

. The goals and objectives of the Project are, as set forth in the Project Participation Agreement, to create and support an economic development project that fosters, promotes and enhances local economic development efforts and that provides job growth and career opportunities for the County's residents and otherwise makes a substantive contribution to the community.

. The Project will consist of the construction of a hypersonic systems test and manufacturing facility, and related facilities, and the employment of 300 new full-time employees at said facility within five years of the start of the Project.

. The Commission hereby declares that it has considered all relevant information presented to it relating to the Project and the Project Participation Agreement and hereby finds and determines that the provision of economic development assistance for the Project is necessary and advisable and in the interest of the public and will promote the public health, safety, morals, convenience, economy, and welfare of the County and its residents.

. The County hereby approves the Project and the Project Participation Agreement, which provides, among other things, that the County will administer, spend, and disburse, in part, to the Company, all in accordance with the Project Participation Agreement and the Intergovernmental Agreements, funds up to $10,000,000, of which $4,000,000 will be provided by the County, $1,000,000 by the City, and $5,000,000 by the State, in exchange for which the Company will complete the Project as specified in the Project Participation Agreement. The portion of the LEDA Funds to be disbursed to the Company will be paid in compliance with the Project Participation Agreement and the Intergovernmental Agreements.

The pledge of the designated and appropriated $4,000,000 in County LEDA Funds under this section and the Project Participation Agreement constitutes a special fund and the sole and only source pledged or otherwise available for the Project. Additionally, there is hereby appropriated for the Project, effective upon receipt of such funds, up to $5,000,000 of funds received from the State and up to $1,000,000 of funds received from the City.

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(A) The Project Participation Agreement and the Intergovernmental Agreements, substantially in the forms presented herewith, with such changes, insertions, deletions and modifications as may be approved by the Chair or Vice Chair of the Board or the County Manager, and as may be recommended by Bond Counsel, are hereby ratified and approved. All such changes, insertions, deletions and modifications shall be deemed to have been approved by the County upon execution and delivery of the Project Participation Agreement and the Intergovernmental Agreements, such execution and delivery to be conclusive evidence of such approval. The Chair or Vice Chair of the Board or the County Manager are hereby authorized and

directed to execute and deliver the Project Participation Agreement and the Intergovernmental Agreements on behalf of the County.

(B) The Chair or Vice Chair of the Board, as well as the County Manager, County Treasurer and County Clerk, are further authorized to execute, authenticate and deliver such certifications, instruments, documents, letters and other agreements and to do such other acts and things, either prior to or after the date of delivery of the executed Project Participation Agreement and Intergovernmental Agreements, as are necessary or appropriate to consummate the transactions contemplated by the Project Participation Agreement and the Intergovernmental Agreements.

(C) Each of the officers (including the Board officers) and employees of the County, and its counsel, shall take such action as is necessary in conformity with the Act, the Local Economic Development Act Plan Ordinance and this Ordinance to effectuate the provisions of the Project Participation Agreement and the Intergovernmental Agreements and carry out the transactions as contemplated by this Ordinance, the Project Participation Agreement, and the Intergovernmental Agreements, including, without limitation, the execution and delivery of such other documents and any amendments, from time to time, thereto, deemed necessary in connection therewith.

. If any section, paragraph, sentence, clause, word or phrase of this ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The Commission hereby declares that it would have passed this ordinance and each section, paragraph, sentence, clause, word or phrase thereof irrespective of any provisions being declared unconstitutional or otherwise invalid.

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

. Upon due adoption of this Ordinance, it shall be recorded in the book of ordinances of the County kept for that purpose, and this Ordinance shall be in full force and effect 30 days thereafter, in accordance with law.

PASSED, ADOPTED, SIGNED AND APPROVED this 22nd day of October 2025.

BOARD OF COUNTY COMMISSIONERS,
SANDOVAL COUNTY, NEW MEXICO

By: _____
Michael Meek, Chairman

By: _____
Jordan Juarez, Vice Chairman

By: _____
Katherine A. Bruch, District 1

By: _____
Jon Herr, District 2

By: _____
Joshua A. Jones, District 5

(SEAL)

ATTEST:

By: _____
Anne Brady-Romero, County Clerk

APPROVED AS TO FORM:

_____
Taft Stettinius & Hollister LLP
Bond Counsel