



1 WHEREAS, Sandia Peak Grid, LLC (the "Company") is a corporation organized  
2 under the laws of the State of Delaware and is authorized to do business in New  
3 Mexico; and

4 WHEREAS, the Company has requested that the City issue its industrial revenue  
5 bond pursuant to the Act for the purpose of providing funds to finance the  
6 acquisition, improvement and equipping of renewable energy storage facilities within  
7 the corporate limits of the City (the "Project"); and

8 WHEREAS, the City Council of the City of Albuquerque (the "Council") has  
9 adopted an ordinance establishing the Albuquerque Development Commission (the  
10 "Commission") to review projects proposed to be financed with an industrial revenue  
11 bond pursuant to City Resolution No. 16-1985, as amended; and

12 WHEREAS, the Company has presented to the City and the Commission a  
13 proposal (the "Project Plan") whereby the City shall, pursuant to the Act, acquire  
14 certain property and equipment (the "Project Property") for the purpose of operating  
15 facilities at 7800 and 7850 Jacs Lane NE, covering approximately 6.1 acres, for a  
16 renewable energy storage facility, within the boundaries of the City, and pursuant to  
17 which the City would issue its taxable industrial revenue bond in order to finance the  
18 Project; and

19 WHEREAS, the Commission has reviewed the Project Plan, and on May 17,  
20 2022, has determined that the Company has complied with City Resolution No. 16-  
21 1985, and has recommended approval of the Project Plan by the Council; and

22 WHEREAS, under the Company's Project Plan, the City would enter into an  
23 Indenture dated as of October 1, 2022 (the "Indenture") between the City and a  
24 corporate depository satisfactory to the City to be designated at a later date, as  
25 depository (the "Depository"), pursuant to which, together with this ordinance (the  
26 "Bond Ordinance"), the City would issue its bond designated as the City of  
27 Albuquerque, New Mexico Taxable Industrial Revenue Bond (Sandia Peak Grid  
28 Project), Series 2022 (the "Bond"); and

29 WHEREAS, under the Company's Project Plan, the City and the Company would  
30 enter into a Lease Agreement dated as of October 1, 2022 (the "Lease"), pursuant to  
31 which the Company will lease the Project Property from the City and will make  
32 payments to the Depository sufficient to pay the principal of, redemption premium, if

1 any, and interest on the Bond, and to pay all other obligations incurred pursuant to  
2 the provisions of the Lease and the Bond Ordinance; and

3 WHEREAS, under the Company's Project Plan, the Lease will provide that the  
4 Company shall maintain the Project and carry all proper insurance with respect  
5 thereto; and

6 WHEREAS, the proceeds of the Bond shall be used for the purpose of financing  
7 the acquisition, improvement and equipping of the Project (the "Financing"); and

8 WHEREAS, the City is authorized to enter into the Lease, the Indenture, and  
9 other related documents and to issue the Bond pursuant to the Act and the Bond  
10 Ordinance; and

11 WHEREAS, the Bond in an aggregate principal amount not to exceed  
12 \$95,000,000 will be issued, sold, and delivered by the City in a private sale to an  
13 affiliate of the Company (the "Purchaser") pursuant to a bond purchase agreement  
14 (the "Bond Purchase Agreement") among the City, the Company, and the  
15 Purchaser; and

16 WHEREAS, the proceeds of the Bond shall be applied to pay the costs of the  
17 Project and to pay certain costs associated with the transaction; and

18 WHEREAS, after having considered the provisions of the Project Plan and the  
19 Financing, the Council has concluded that it is in the best interest of the City to  
20 authorize the issuance of the Bond to finance the Project, and that the City's  
21 issuance of the Bond shall constitute a valid public purpose under the Act; and

22 WHEREAS, the Council has been advised by the Company that the disclosure  
23 provisions of Rule 15c2-12 of the Securities and Exchange Commission are not  
24 applicable to this transaction inasmuch as the Bond is being sold to the Purchaser,  
25 which is an affiliate of the Company, in a private sale without the participation of an  
26 underwriter; and

27 WHEREAS, there has been published in the Albuquerque Journal, a newspaper  
28 of general circulation in the City, public notice of the Council's intention to adopt this  
29 Bond Ordinance, which notice contained certain information concerning the  
30 ownership, purpose, location, and size of the Project and the Project Property, and  
31 the amount of the Bond to be issued to finance the Project, which notice was  
32 published at least fourteen (14) days prior to hearing and final action on this Bond  
33 Ordinance; and

1       WHEREAS, the proposed forms of the following documents have been filed with  
2 the City Clerk and presented to the Council: (1) Project Plan; (2) Lease; (3)  
3 Indenture; and, (4) Bond Purchase Agreement (collectively the "Bond Documents");  
4 and

5       WHEREAS, the City has delivered notice to the County of Bernalillo, State of  
6 New Mexico, of its intent to consider issuance of the Bond, which notice was given  
7 at least thirty (30) days prior to the meeting at which final action is to be taken on this  
8 Bond Ordinance as required by Section 3-32-6.1, New Mexico Statutes Annotated,  
9 1978 Compilation, as amended;

10       BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
11 ALBUQUERQUE:

12       Section 1.    RATIFICATION. All actions not inconsistent with the provisions of  
13 this Bond Ordinance previously taken by the Council and the officials of the City  
14 directed toward approval of the issuance and sale of the Bond be approved and the  
15 same hereby are ratified, approved and confirmed.

16       Section 2.    THE PROJECT PLAN. The Project to be financed with the Bond  
17 consists of the acquisition, improvement and equipping of facilities for a renewable  
18 energy storage company. The Company may use additional available money to  
19 accomplish the Project. The Project Plan is hereby approved in all respects.

20       Section 3.    FINDINGS.

21       (A)    General. The Council hereby declares that it has considered all relevant  
22 information presented to it relating to the Bond and the Project and hereby finds and  
23 determines that the issuance of the Bond pursuant to the Bond Ordinance and the  
24 Act to provide funds for the Project is necessary and advisable and in the interest of  
25 the public, and will promote the public health, safety, morals, convenience,  
26 economy, and welfare of the City and the residents of the City.

27       (B)    The Council finds that:

- 28               (1)    The Bond will be issued for the purpose of financing the Project;  
29               (2)    The aggregate face amount of obligations to be issued for the  
30               purpose of financing the Project is \$95,000,000;  
31               (3)    The developer and operator of the Project is the Company; and,  
32               (4)    The Project Property is located in the City.

1 Section 4. AUTHORIZATION AND APPROVAL OF THE BOND. To finance  
2 the cost of acquiring the Project Property, the City hereby authorizes and approves  
3 the issuance and sale of its industrial revenue bond to be designated "City of  
4 Albuquerque, New Mexico Taxable Industrial Revenue Bond (Sandia Peak Grid  
5 Project), Series 2022" in a principal amount not to exceed \$95,000,000 and the use  
6 of the proceeds of the Bond to finance the cost of the Project and to pay expenses  
7 relating thereto.

8 Section 5. SALE OF THE BOND. The sale of the Bond to the Purchaser at a  
9 purchase price equal to the par amount of the Bond is hereby authorized and  
10 approved.

11 Section 6. FORM AND TERM OF THE BOND. Subject to the limitations set  
12 forth in this Bond Ordinance, the Bond shall be: (i) in the form and shall be  
13 numbered and dated all as set forth in the Indenture; (ii) payable as to principal and  
14 interest, and subject to optional and mandatory redemption and defeasance in the  
15 amounts, upon the conditions and at the times and prices set forth in the Indenture;  
16 and, (iii) issued in a principal amount not to exceed \$95,000,000, bearing interest at  
17 the rates and maturing on the dates set forth in the Indenture. The interest rate on  
18 the Bond shall not exceed 12% per annum. The Mayor or the Chief Administrative  
19 Officer of the City shall sign the Bond. The term of the Bond shall be for twenty (20)  
20 years.

21 Section 7. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS.  
22 The form, terms, and provisions of the Bond Documents in the form on deposit in the  
23 office of the City Clerk are in all respects approved, authorized, and confirmed, and  
24 the City shall enter into such Bond Documents substantially in the form of each such  
25 document on deposit with the City Clerk, with only such changes as are not  
26 inconsistent with this Bond Ordinance or such other changes as may be approved  
27 by supplemental resolution of the Council.

28 (A) The Council authorizes the Mayor or the Chief Administrative Officer of the  
29 City to execute and deliver the Bond Documents in the name and on behalf of the  
30 City, and the Council authorizes the City Clerk or Deputy City Clerk to attest to, as  
31 necessary, the Bond Documents and the Bond with such changes therein as are not  
32 inconsistent with this Bond Ordinance.

1 (B) The Mayor, Chief Administrative Officer, Chief Financial Officer, City  
2 Treasurer, and City Clerk are further authorized to execute, authenticate, and deliver  
3 such certifications, instruments, documents, letters, and other agreements, including  
4 security agreements, and to do such other acts and things, either prior to or after the  
5 date of delivery of the Bond, as are necessary or appropriate to consummate the  
6 transactions contemplated by the Bond Documents.

7 (C) The officers of the City shall take such action as is necessary to effectuate  
8 the provisions of the Indenture and shall take such action as is necessary in  
9 conformity with the Act and this Bond Ordinance to finance the costs of the Project  
10 and for carrying out other transactions as contemplated by this Bond Ordinance and  
11 the Bond Documents including, without limitation, the execution and delivery of any  
12 closing documents to be delivered in connection with the sale and delivery of the  
13 Bond.

14 Section 8. DELIVERY OF THE BOND. Upon the execution of the Bond  
15 Documents and the satisfaction of the conditions set forth in the Bond Documents,  
16 the Bond shall be executed, authenticated, and delivered to the Purchaser. No  
17 Bond shall be valid for any purpose until such Bond has been properly authenticated  
18 as set forth in the Indenture.

19 Section 9. FINDINGS REGARDING PAYMENT OF PRINCIPAL AND  
20 INTEREST AND OTHER MATTERS. The Council makes the following  
21 determinations and findings in accordance with the Act:

22 (A) The maximum amount necessary in each year to pay the principal of and  
23 interest on the Bond, assuming issuance of the Bond on or about October 1, 2022 in  
24 the amount of \$95,000,000 and bearing interest at the rate of 3.12%, with interest  
25 payable semi-annually in January and June of each year is as follows:

26	<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Each Interest Pmt.</u>	<u>Ann. Debt Service</u>
27	12/31/23	\$0	\$2,964,000	\$2,964,000
28	12/31/24	\$0	\$2,964,000	\$2,964,000
29	12/31/25	\$0	\$2,964,000	\$2,964,000
30	12/31/26	\$0	\$2,964,000	\$2,964,000
31	12/31/27	\$0	\$2,964,000	\$2,964,000
32	12/31/28	\$0	\$2,964,000	\$2,964,000
33	12/31/29	\$0	\$2,964,000	\$2,964,000

1	12/31/30	\$0	\$2,964,000	\$2,964,000
2	12/31/31	\$0	\$2,964,000	\$2,964,000
3	12/31/32	\$0	\$2,964,000	\$2,964,000
4	12/31/33	\$0	\$2,964,000	\$2,964,000
5	12/31/34	\$0	\$2,964,000	\$2,964,000
6	12/31/35	\$0	\$2,964,000	\$2,964,000
7	12/31/36	\$0	\$2,964,000	\$2,964,000
8	12/31/37	\$0	\$2,964,000	\$2,964,000
9	12/31/38	\$0	\$2,964,000	\$2,964,000
10	12/31/39	\$0	\$2,964,000	\$2,964,000
11	12/31/40	\$0	\$2,964,000	\$2,964,000
12	12/31/41	\$0	\$2,964,000	\$2,964,000
13	12/31/42	\$95,000,000	\$2,964,000	\$97,964,000

14 (B) The terms under which the Project Property is leased provide that the  
15 Company shall maintain the Project Property and carry all proper insurance (or self-  
16 insure) with respect to the Project Property.

17 (C) The lease rentals payable under the Lease shall be at least sufficient to  
18 pay the principal and interest payments on the Bond set forth in Paragraph (A) of  
19 this Section 9 when due and otherwise render the financing of the acquisition of the  
20 Project Property entirely self-liquidating. There shall be no payments to any reserve  
21 fund or sinking fund installment payments.

22 Section 10. NONTAXABLE TRANSACTION CERTIFICATES. The Company,  
23 as agent for the City, will acquire the Project. The City will cooperate with the  
24 Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates  
25 ("Certificates") that have been properly executed for acquisition of tangible personal  
26 property relating to the Project as applicable under the New Mexico Gross Receipts  
27 and Compensating Tax Act. The Company shall not use the Certificates other than  
28 for such things as may be permitted by law, if any, nor shall the Company use such  
29 Certificates after the completion of the Project. No costs, expenses or other  
30 monetary relief will be recoverable from the City by vendors of equipment.

31 Section 11. LIMITED OBLIGATIONS. The Bond shall be a special limited  
32 obligation of the City payable solely from the revenues derived from the Lease and  
33 payable by the Company as described in the Indenture, and shall never constitute a

1 debt or indebtedness of the City or the State or any political subdivision thereof  
2 within the meaning of any provision or limitation of the State Constitution, statutes, or  
3 home-rule charter of the City, and shall not constitute or give rise to a pecuniary  
4 liability of the City or a charge against its general credit or taxing power. Nothing  
5 contained in the Bond Ordinance or the Bond Documents, or any other instrument,  
6 shall be construed as obligating the City (except with respect to the Project Property  
7 and the application of the revenues therefrom and the proceeds of the Bond, all as  
8 provided in the Bond Documents), nor as incurring a pecuniary liability or charge  
9 upon the general credit of the City or against its taxing power, nor shall the breach of  
10 any agreement contained in the Bond Ordinance, the Bond Documents, the Bonds,  
11 or any other instrument be construed as obligating the City (except with respect to  
12 the Project Property and the application of revenues therefrom and the proceeds of  
13 the Bond all as provided in the Bond Documents) nor as incurring a pecuniary  
14 liability or a charge upon the general credit of the City or against its taxing power, the  
15 City having no power to pay out of its general funds, or otherwise contribute any part  
16 of the costs of acquiring the Project Property, nor power to operate the Project as a  
17 business or in any manner except as lessor and seller of the Project Property.

18 Section 12. APPROVAL OF INDEMNIFICATION. The Council specifically  
19 approves the provisions of the Lease relating to indemnification which provide that  
20 the Company shall indemnify and hold harmless the City and its City Councilors,  
21 officials, members, officers, employees, and agents against liability to the Company  
22 or to any third parties that may be asserted against the City, its City Councilors,  
23 officials, members, officers, employees, and agents with respect to the City's  
24 ownership of the Project Property or the issuance of the Bond and arising from the  
25 condition of the Project Property or the acquisition or operation of the Project  
26 Property by the Company, except to the extent that Section 56-7-1, New Mexico  
27 Statutes Annotated, 1978 Compilation, as amended, applies, and except claims for  
28 any loss or damage arising out of or resulting from the gross negligence or willful  
29 misconduct of the City or any official, member, officer, employee, or agent of the  
30 City.

31 Section 13. BOND ORDINANCE IRREPEALABLE. After the Bond is issued,  
32 this Bond Ordinance shall be and remain irrevocable until the Bond, including all



1 interest thereon, is fully paid, cancelled, and discharged, or until there has been  
2 defeasance of the Bond in accordance with the Indenture.

3 Section 14. SEVERABILITY. If any section, paragraph, clause or provision of  
4 this Bond Ordinance shall for any reason be held to be invalid or unenforceable, the  
5 invalidity or unenforceability of that section, paragraph, clause, or provision shall not  
6 affect any of the remaining provisions of this Bond Ordinance.

7 Section 15. REPEALER. All by-laws, ordinances, resolutions, and orders, or  
8 parts thereof, inconsistent with this Bond Ordinance are repealed by this Bond  
9 Ordinance but only to the extent of that inconsistency. This repealer shall not be  
10 construed to revive any by-law, ordinance, resolution, or order, or part thereof,  
11 previously repealed.

12 Section 16. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE  
13 DATE. This Bond Ordinance, immediately upon its final passage and approval, shall  
14 be recorded in the ordinance book of the City, kept for that purpose, and shall be  
15 there authenticated by the signature of the Mayor and the presiding officer of the  
16 City Council, and by the signature of the City Clerk or any Deputy City Clerk, and  
17 notice of adoption thereof shall be published once in a newspaper that maintains an  
18 office in, and is of general circulation in, the City, and shall be in full force and effect  
19 five (5) days following such publication

20 Section 17. GENERAL SUMMARY FOR PUBLICATION. The title and general  
21 summary of the subject contained in the Bond Ordinance shall be published in  
22 substantially the following form:

23 CITY OF ALBUQUERQUE, NEW MEXICO  
24 NOTICE OF ADOPTION OF ORDINANCE

25 Notice is hereby given of the title and of a general summary of the subject matter  
26 contained in City Ordinance F/S No. O-22-29 (the "Ordinance"), duly adopted and  
27 approved by the City Council of the City of Albuquerque, New Mexico, on  
28 September 7, 2022. Complete copies of the Ordinance are available for public  
29 inspection during the normal and regular business hours of the City Clerk in the  
30 office of the City Clerk, Albuquerque, New Mexico.

31 The title of the Ordinance is:

32 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,  
33 NEW MEXICO INDUSTRIAL REVENUE BOND (SANDIA PEAK GRID PROJECT),

1 SERIES 2022 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$95,000,000 TO  
2 PROVIDE FUNDS TO FINANCE THE ACQUISITION, RENOVATION,  
3 DEVELOPMENT, IMPROVEMENT AND EQUIPPING OF A FACILITY FOR A  
4 RENEWABLE ENERGY STORAGE COMPANY; AUTHORIZING THE EXECUTION  
5 AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE  
6 AGREEMENT, BOND, AND OTHER DOCUMENTS IN CONNECTION WITH THE  
7 ISSUANCE OF THE BOND AND THE PROJECT; MAKING CERTAIN  
8 DETERMINATIONS AND FINDINGS RELATING TO THE BOND AND THE  
9 PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND  
10 REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

11 The title sets forth a general summary of the subject matter contained in the  
12 Ordinance.

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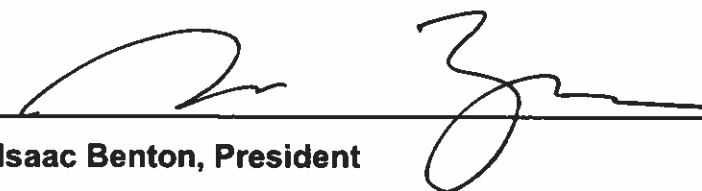
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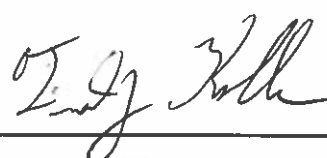
1 PASSED AND ADOPTED THIS 7th DAY OF September, 2022  
2 BY A VOTE OF: 9 FOR 0 AGAINST.


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Isaac Benton, President  
City Council

APPROVED THIS 19 DAY OF September, 2022

Bill No. F/S O-22-29

  
Timothy M. Keller, Mayor  
City of Albuquerque

ATTEST:  
  
Ethan Watson, City Clerk

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