

ORDINANCE NO. 2024-01

AN ORDINANCE OF THE NEW MEXICO MUNICIPAL ENERGY ACQUISITION AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS GAS SUPPLY REVENUE REFUNDING BONDS, SERIES 2025 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$895,000,000 (THE "SERIES 2025 BONDS") TO PAY COSTS OF REFUNDING THE AUTHORITY'S GAS SUPPLY REVENUE REFUNDING AND ACQUISITION BONDS, SERIES 2019, AND TO PAY COSTS OF ISSUANCE OF THE SERIES 2025 BONDS; PROVIDING FOR THE ISSUANCE OF THE SERIES 2025 BONDS PURSUANT TO AN AMENDED AND RESTATED TRUST INDENTURE BETWEEN THE AUTHORITY AND COMPUTERSHARE TRUST COMPANY, NATIONAL ASSOCIATION, AS SUCCESSOR TO WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE (THE "INDENTURE"); PROVIDING FOR THE PAYMENT OF THE SERIES 2025 BONDS FROM THE REVENUES DERIVED FROM AMENDED GAS SUPPLY AGREEMENTS BETWEEN THE AUTHORITY AND THE LAS CRUCES UTILITY BOARD ON BEHALF OF THE CITY OF LAS CRUCES, THE CITY OF FARMINGTON AND THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (EACH A "GAS PURCHASER"), AND SUCH OTHER REVENUES AND FUNDS AS ARE PLEDGED TO SUCH PAYMENT UNDER THE INDENTURE; AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE PREPAID NATURAL GAS SUPPLY AGREEMENT AND AMENDMENTS TO THE GAS PURCHASE AND SALE AGREEMENTS BETWEEN THE AUTHORITY AND THE GAS PURCHASERS; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTATION PREVIOUSLY ENTERED INTO BY THE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT FOR THE REFUNDING PROJECT; DELEGATING AUTHORITY TO CERTAIN OFFICERS OF THE AUTHORITY TO DETERMINE THE FINAL TERMS OF THE SERIES 2025 BONDS AND FEATURES OF THE TRANSACTION DOCUMENTS PURSUANT TO A PRICING CERTIFICATE AND BOND PURCHASE AGREEMENT TO BE EXECUTED AND DELIVERED BY SUCH OFFICERS; APPROVING THE PREPARATION, DISTRIBUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE SERIES 2025 BONDS; MAKING FINDINGS RELATED TO THE FOREGOING; PROVIDING THAT, IF ONE OR MORE OF THE GAS PURCHASERS DETERMINES NOT TO PARTICIPATE IN THE 2025 TRANSACTION, THIS ORDINANCE AND THE RELEVANT TRANSACTION DOCUMENTS WILL BE AMENDED OR MODIFIED BY A SUPPLEMENTAL RESOLUTION TO REFLECT THE PARTICIPATION OF THE PARTICIPATING GAS PURCHASERS; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE AND THE ISSUANCE OF THE SERIES 2025 BONDS AND RELATED MATTERS.

Capitalized terms used herein shall have the meanings assigned to such terms in Section 1 hereof unless the context clearly requires otherwise.

WHEREAS, the New Mexico Municipal Energy Acquisition Authority (“NMMEAA” or the “Authority”) has been formed by the City of Las Cruces, New Mexico and the City of Gallup, New Mexico (together, the “Members”), each a New Mexico charter municipality with municipal home-rule powers, created and existing pursuant to the Constitution and laws of the State of New Mexico (the “State”); and

WHEREAS, as charter local government entities with home-rule powers, the Members are empowered to engage in activities and transactions not expressly prohibited by State law; and

WHEREAS, the City of Las Cruces owns and operates facilities for the distribution of natural gas to retail customers within its municipal boundaries and related service area; and

WHEREAS, the City of Gallup owns and operates facilities for the distribution of electricity to retail customers within its municipal boundaries and related service area; and

WHEREAS, as home-rule municipal local governments, the Members are empowered to exercise any powers not expressly prohibited under the Constitution or statutes of the State; and

WHEREAS, the Members are authorized by the Joint Powers Agreements Act, Sections 11-1-1 through 11-1-7 NMSA 1978 (the “Act”), to create a joint powers authority for the purpose of exercising powers common to the Members, including home-rule powers; and

WHEREAS, the Secretary of the Department of Finance and Administration has approved a joint powers agreement, effective as of June 19, 2008, as amended effective September 30, 2008 (the “Joint Powers Agreement”), as required by the Act for the formation of the Authority; and

WHEREAS, the common home-rule powers of the Members include (i) entering into agreements for the financing and acquisition of long-term energy supplies as described above for sale to the gas distribution utility systems owned by the City of Las Cruces and the Incorporated County of Los Alamos, New Mexico, to the electric utility system owned by the City of Farmington, New Mexico, and to other municipally owned gas or electric utility systems, and (ii) the issuance of revenue bonds the proceeds of which will be used to acquire a specified quantity of natural gas pursuant to a prepaid natural gas supply agreement, which powers are common powers that may be exercised through a joint powers authority as contemplated by the Act; and

WHEREAS, in 2009 the Authority entered into a Prepaid Gas Supply Agreement (the “Prepaid Gas Agreement”), under which the Authority made a one-time lump sum payment to Royal Bank of Canada (“Royal Bank”), in its capacity as gas supplier (the “Gas Supplier”), for the purchase of a specified quantity of natural gas (the “Gas Supply”) to be delivered by the Gas Supplier to the Authority, which Gas Supply the Authority has been selling to the City of Las Cruces, the City of Farmington and the Incorporated County of Los Alamos (each, a “Gas Purchaser” and together, the “Gas Purchasers”) pursuant to Gas Supply Agreements by and between the Authority and the Gas Purchasers; and

WHEREAS, the Gas Supply Agreements provide for the sale by the Authority to the Gas Purchasers of a portion of the Gas Supply each month at a price

equal to the first-of-the-month index price (the “Index Price”) for gas deliveries on the pipeline specified in the relevant Gas Supply Agreement, less a discount if and to the extent available from the revenues and other amounts available under an Indenture of Trust dated as of November 1, 2009 by and between the Authority and Wells Fargo Bank, National Association, as Trustee (the “2009 Indenture”); and

WHEREAS, for the purpose of funding the lump-sum payment to Royal Bank under the Prepaid Agreement, the Authority issued its New Mexico Municipal Energy Acquisition Authority Gas Supply Variable Rate Revenue Bonds, Series 2009 in an original aggregate principal amount of \$780,965,000 on November 19, 2009 (the “Series 2009 Bonds”); and

WHEREAS, the issuance of revenue bonds, the interest on which is excludable from gross income under the Internal Revenue Code of 1986 (the “Code”), to finance the acquisition of the Gas Supply is authorized pursuant to Treasury Regulations §1.148-1(e); and

WHEREAS, in connection with the issuance of the Series 2009 Bonds, the Authority entered into, among other agreements, two interest rate exchange agreements with Royal Bank as swap counterparty for the purpose of hedging the Authority's exposure to variable interest rate risk (the “2009 Interest Rate Swaps”); and

WHEREAS, Royal Bank provided written notice to the Authority by letter dated October 1, 2013 (the “Royal Bank Notice”) that, as a result of new minimum standards for measuring capital adequacy imposed by the Office of Superintendent of Financial Institutions Canada, Royal Bank had determined that it would be required to allocate additional capital in connection with the Interest Rate Swaps, and that the additional capital required to be allocated would materially and adversely affect the transactions contemplated by the Prepaid Gas Agreement and the terms of the Prepaid Gas Agreement permit Royal Bank, as seller, to terminate the Prepaid Gas Agreement as a result of those regulatory changes; and

WHEREAS, following the delivery of the Royal Bank Notice, Royal Bank presented to the Authority a proposal for refunding the Series 2009 Bonds with proceeds of a series of variable rate refunding bonds to be issued by the Authority under a new trust indenture (the “2014 Indenture”) with mandatory tender features and without optional tender features (the “Restructuring” as further described herein); and

WHEREAS, under the Restructuring, the 2009 Interest Rate Swaps were terminated without penalty, the Authority entered into a new interest rate swap with Royal Bank as swap counterparty, and the Prepaid Gas Agreement, the Gas Supply Agreements, the Calculation Agent Agreement and certain other agreements initially entered into in connection with the Prepaid Gas Agreement were amended to conform with provisions of the 2014 Indenture; and

WHEREAS, the Series 2014 Bonds (as defined below) were issued under the 2014 Indenture and secured by a pledge of the Trust Estate, which includes amounts received by the Authority from the Gas Purchasers pursuant to the Gas Supply Agreements, and certain other Revenues as are described in the 2014 Indenture; and

WHEREAS, the Series 2014 Bonds were issued as Sub-Series 2014A in an original aggregate principal amount of \$175,000,000 with an annual interest rate of 5.000% (the “Sub-Series 2014A Bonds”), and Variable Rate Sub-Series 2014B in an original aggregate principal amount of \$551,995,000, which variable rates are established by reference to the index as specified in the 2014 Indenture (the “Sub-Series 2014B Bonds” and together with the Sub-Series 2014B Bonds, the “Series 2014 Bonds”); and

WHEREAS, the Series 2014 Bonds were subject to mandatory tender but not optional tender in accordance with the 2014 Indenture on July 31, 2019; and

WHEREAS, in order to permit the refunding or remarketing of the bonds for subsequent periods following mandatory tender of the Series 2014 Bonds, the Authority, the Gas Supplier and the Trustee entered into a repricing agreement (the “2019 Repricing Agreement”); and

WHEREAS, in order to continue to receive deliveries of natural gas at a discount under the Gas Supply Agreements, the Authority issued its Gas Supply Revenue Refunding and Acquisition Bonds, Series 2019 (the “Series 2019 Bonds”) for the purpose of financing the acquisition of Additional Gas to be sold to the Gas Purchasers, and to refund and redeem the Series 2014 Bonds (the “2019 Transaction”) pursuant to and in compliance with the terms of a supplement to the 2014 Indenture (the “2019 Supplemental Indenture”) and the 2019 Repricing Agreement; and

WHEREAS, the Series 2019 Bonds are scheduled to be redeemed in accordance with the 2019 Supplemental Indenture on May 1, 2025; and

WHEREAS, in order to permit the refunding or remarketing of the bonds for subsequent periods following redemption of the Series 2019 Bonds, the Authority, the Gas Supplier and the Trustee intend to enter into an amended and restated repricing agreement, which amends and restates in its entirety the 2019 Repricing Agreement (the “Repricing Agreement”); and

WHEREAS, in order to continue to purchase natural gas at a discount under the Prepaid Natural Gas Purchase and Sale Agreement, as amended (the “Prepaid Gas Agreement”) between Royal Bank, as Gas Supplier, and the Authority, as Purchaser, for the purpose of selling gas to each Gas Purchaser pursuant to the Natural Gas Supply Agreements between the Authority and each Gas Purchaser, the Authority desires to issue the Series 2025 Bonds for the purpose of refunding and redeeming the Series 2019 Bonds (the “2025 Transaction”), pursuant to and in compliance with the terms of an Amended and Restated Indenture, amending and restating the terms of the 2009 Indenture, the 2014 Indenture, and the 2019 Supplemental Indenture (the “Indenture”); and

WHEREAS, the governing body of each of the Gas Purchasers has delegated or is expected to delegate authority to its respective utility director or other authorized officer to take such action as necessary or advisable to continue to effect the 2025 Transaction; and

WHEREAS, the Authority expects to receive an offer to purchase the Series 2025 Bonds from RBC Capital Markets LLC, as the underwriter (the “Underwriter”) pursuant to a bond purchase agreement (the “Bond Purchase Agreement”); and

WHEREAS, the Authority desires to authorize the distribution and use by the Underwriter of a Preliminary Official Statement and an Official Statement in connection with the offering of the Series 2025 Bonds; and

WHEREAS, in connection with the sale and issuance of the Series 2025 Bonds, the Authority will enter into an agreement for the benefit of the Underwriter (the “Continuing Disclosure Agreement”) providing for the disclosure of certain annual financial information with respect to the Series 2025 Bonds for the purpose of enabling the Underwriter to comply with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934; and

WHEREAS, the Authority has received the commitment of Royal Bank, in its capacity as settlement facility provider (the “Settlement Facility Provider”) to provide a settlement facility for the Series 2025 Bonds (the “Settlement Facility”), which shall replace the liquidity facility provided by Royal Bank in connection with the Series 2019 Bonds; and

WHEREAS, in connection with the execution and delivery of the original Prepaid Gas Agreement, the Gas Supply Agreements and the issuance of the Series 2009 Bonds, and to manage the risk of fluctuations in the price of the Gas Supply to be delivered pursuant to the Prepaid Gas Agreement and Gas Supply Agreements, the Authority entered into a commodity swap with BP Corporation North America (“BP”), which was subsequently amended, novated and assigned by BP to JPMorgan Chase Bank by a Novation and Assignment Agreement made effective as of July 1, 2010 (as amended, novated and assigned, the “Commodity Swap”), which Commodity Swap remained effective in connection with the Series 2019 Bonds and will remain effective, as amended by an amended and restated Confirmation, in connection with the 2025 Transaction; and

WHEREAS, under the Commodity Swap, payments made by each of the Gas Purchasers to the Authority pursuant to each respective Gas Supply Agreement are supported by a Receivables Purchase Agreement dated as of October 1, 2009 by and among the Authority, the Trustee and JPMorgan Chase Bank, National Association (the “Commodity Credit Instrument”) for the benefit of the Commodity Swap Counterparty; and

WHEREAS, in connection with the issuance of the Series 2025 Bonds, the Authority, the Trustee and Royal Bank, in its capacity as funding provider (the “Funding Provider”), expect to enter into a Funding and Assignment Agreement (the “2025 Funding and Assignment Agreement”), pursuant to which the Funding Provider may advance funds to cure a deficiency in the amount on deposit in any of the funds and accounts created under the Indenture; and

WHEREAS, a portion of the proceeds of the Series 2025 Bonds will be used to deposit funds in the Debt Service Reserve Fund pursuant to the Indenture, and under the terms of the Indenture the Trustee is required to draw upon the Debt Service Reserve Fund if amounts on deposit in the Revenue Fund are insufficient to make certain required transfers of funds pursuant to the Indenture; and

WHEREAS, under circumstances set forth in the Amended Prepaid Gas Agreement, the Gas Supplier shall be obligated to make a payment to the Trustee, as assignee of the Authority under the Indenture, in an amount sufficient to restore the

required balance in the Debt Service Reserve Fund not later than the Business Day prior to the last day of the Term (as defined in the Amended Prepaid Gas Agreement) of the Amended Prepaid Gas Agreement; and

WHEREAS, pursuant to the Commodity Credit Instrument, the 2025 Funding and Assignment Agreement, the Amended Prepaid Gas Agreement and any Debt Service Credit Instrument, the Authority will subrogate its rights and assign any claims against the Gas Purchasers under the Amended Gas Supply Agreements to the Commodity Credit Provider, the Funding Provider and the Gas Supplier, in each case to the extent of their respective rights therein and subject to an intercreditor agreement (the “Intercreditor Agreement”), which provides for the allocation of amounts recovered from the Gas Purchasers and the respective rights and remedies of such parties with respect to such amounts; and

WHEREAS, forms of the Indenture, Preliminary Official Statement, the Settlement Facility, the 2025 Funding and Assignment Agreement, the Bond Purchase Agreement, the Repricing Agreement, the Calculation Agent Agreement, the Second Amended and Restated Custodial Agreement, the Amended Prepaid Gas Agreement, and amendments to each Gas Supply Agreement have been presented to the Authority in connection with this Ordinance; and

WHEREAS, the Authority desires to authorize or ratify the preparation of the Continuing Disclosure Undertaking, the Intercreditor Agreement, and such other documents and instruments as are necessary to carry out the 2025 Transaction; and

WHEREAS, pursuant to Section 6-14-10.2 NMSA 1978, the Authority intends to delegate authority to each of the Chair and Vice-Chair of Authority to approve the final terms of the Series 2025 Bonds, including the rates on the Series 2025 Bonds, and the final form of the Indenture, the Settlement Facility, the 2025 Funding and Assignment Agreement, the Preliminary Official Statement, the Continuing Disclosure Agreement, the Bond Purchase Agreement, the Amended Prepaid Gas Agreement, the amendments to the Gas Supply Agreements, and the other documents and instruments contemplated therein, which shall be as confirmed on behalf of the Authority in a Pricing Certificate executed and delivered by the Chair or Vice Chair of the Authority prior to the issuance and delivery of the Series 2025 Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE NEW MEXICO MUNICIPAL ENERGY ACQUISITION AUTHORITY:

Section 1. Defined Terms. Capitalized terms defined in the preambles of this Ordinance shall have the meanings assigned to such terms therein, and capitalized terms in this Section shall have the meanings assigned herein. In addition, certain capitalized terms used in this Ordinance which are not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

“Act” shall have the meaning assigned to such term in the preambles this Ordinance.

“Amended Gas Supply Agreement” means as applicable, the Natural Gas Supply Agreement, as amended by the First Amendment, Second Amendment and Third



Amendment, by and between the Authority and the City of Farmington, New Mexico, the Incorporated County of Los Alamos, New Mexico, and Board of Commissioners of Las Cruces Utilities on Behalf of the City of Las Cruces.

“Amended Prepaid Gas Agreement” means the Prepaid Gas Agreement, as amended by the First Amendment, Second Amendment and Third Amendment thereto.

“Authority” or “NMMEAA” means the New Mexico Municipal Energy Acquisition Authority, a New Mexico joint powers authority formed and duly existing pursuant to the Joint Powers Agreements Act, Sections II-1-1 through II-1-7 NMSA 1978, as amended.

“Board” means the Board of Directors of the Authority, which serves as its governing body.

“Bond Purchase Agreement” means the contract providing for the sale of the Series 2025 Bonds by the Authority to the Underwriter and the purchase of the Series 2025 Bonds by the Underwriter.

“Business Day” shall have the meaning assigned in Section 1.01 of the Indenture.

“Calculation Agreement” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Code” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Commodity Credit Instrument” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Commodity Swap” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Commodity Swap Counterparty” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Continuing Disclosure Agreement” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Costs of Issuance” shall have the meaning assigned in Section 1.01 of the Indenture.

“Debt Service Required Reserve” means, an amount equal to the highest amount of two consecutive months of the fixed payments of the Commodity Swap Counterparty shown in the Schedule attached to the Commodity Swap to be paid in any future year, subject to recalculation as described in the Indenture.

“Debt Service Reserve Fund” means the fund with such name established pursuant to the Indenture.

“Escrow Agent” means Computershare Trust Company, National Association, or such other entity as the Authority may designate in the Escrow Agreement executed and delivered by the Authority.

“Escrow Agreement” means the agreement by and between the Authority and the Escrow Agent, providing for deposit, investment and disbursement of the proceeds of the Series 2025 Bonds allocated to the Refunding Project.

“Exchange Act” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Funding Provider” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Gas Purchaser” or “Gas Purchasers” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Gas Supplier” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Gas Supply” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Gas Supply Agreements” means, collectively, the separate Gas Supply Agreements dated as of October 1, 2009, between the Authority and each of the initial Gas Purchasers.

“Indenture” means the amended and restated indenture of trust to be entered into in connection with the issuance and delivery of the Series 2025 Bonds by and between the Authority and ComputerShare Trust Company, National Association (as successor to Wells Fargo Bank, National Association,) dated as of February 1, 2025 (or as may be otherwise dated as of the time that the Series 2025 Bonds are issued or delivered).

“Joint Powers Agreement” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Members” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Minimum Discount” means \$0.37 discount (or such lower amount as each of the Gas Purchasers shall have authorized) specified in the Gas Supply Agreements, as amended, or otherwise as specified in the Pricing Certificate.

“Moody's” means Moody's Investors Service, Inc., its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Secretary.



“Net Effective Interest Rate” means that interest rate, compounded annually, necessary to discount the scheduled debt service payments of principal and interest on the Series 2025 Bonds to the date of the Series 2025 Bonds and to the price paid to Authority for the Series 2025 Bonds, excluding any interest accrued to the date of delivery of the Series 2025 Bonds and based on a year with the same number of days for which interest is computed on the Series 2025 Bonds.

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

“Official Statement” means the final disclosure document to be used in connection with the sale of the Series 2025 Bonds.

“Preliminary Official Statement” means the preliminary disclosure document to be used in connection with the sale of the Series 2025 Bonds, in substantially the form presented to the Board at this meeting.

“Prepaid Gas Agreement” means the Prepaid Natural Gas Purchase and Sale Agreement, dated as of October 1, 2009, between the Authority and the Gas Supplier.

“Pricing Certificate” means one or more certificates executed by the Chair or Vice Chair of the Authority, pursuant to and as authorized by Section 6-14-10.2 NMSA 1978, dated on or before the date of delivery of the Series 2025 Bonds, setting forth the following final terms of the Series 2025 Bonds: (i) the interest and principal payment dates; (ii) the principal amounts, denominations, and maturity amortization; (iii) the sale prices; (iv) the interest rate or rates; (v) the interest payment periods; (vi) the redemption and tender provisions; (vii) the creation of any capitalized interest fund, including the size and funding of such fund(s); (viii) the amount of underwriting discount, if any; (ix) the final terms of agreements, if any, with agents or service providers required for the purchase, sale, issuance and delivery of the Series 2025 Bonds; (x) modification of the Minimum Discount, if applicable; and (xi) approving forms of such additional documents as may be necessary or advisable to complete the 2025 Transaction; all of which shall be subject to the parameters and conditions contained in this Bond Ordinance.

“Project Management Committee” means the 3 members of the NMMEAA Board or alternates, each representing one of the Gas Purchasers.

“Rating Agency” means Moody's.

“Refunding Project” means the refunding and redemption of the Series 2019 Bonds on May 1, 2025, and payment of costs of issuance of the Series 2025 Bonds allocated to the refunding and redemption of the Series 2019 Bonds.

“Repricing Agreement” means the Amended and Restated Repricing Agreement dated as of February 1, 2025 (or as may be otherwise dated as of the time that the Series 2025 Bonds are issued or delivered) entered into by and among the Authority, Royal Bank and the Trustee.

“Revenue Fund” means the fund with such name established and maintained in accordance with the Indenture.

“Revenues” has the meaning assigned in Section 1.01 of the Indenture.

“Series 2025 Bonds” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Settlement Facility” means the Settlement Agreement, to be dated the date of issuance of the Series 2025 Bonds, among Royal Bank of Canada, as Settlement Facility Provider, the Authority and the Trustee, providing for the purchase by the Settlement Facility Provider of Bonds tendered for purchase in accordance with the terms of the Indenture, as amended from time to time.

“Settlement Facility Provider” shall have the meaning assigned to such term in the preambles of this Ordinance.

“State” shall have the meaning assigned to such term in the preambles of this Ordinance.

“Transaction Documents” means, collectively, the Indenture, the Third Amendment to the Prepaid Gas Agreement, the Third Amendment to each of the Gas Supply Agreements, the Preliminary Official Statement, the Official Statement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Settlement Facility, the 2025 Funding and Assignment Agreement, the Repricing Agreement and such other related agreements, amendments, instruments and certificates as are necessary or appropriate to carry out the 2025 Transaction.

“Trustee” means Computershare Trust Company, National Association (as successor to Wells Fargo Bank, N.A.), and any successor trustee appointed pursuant to the Indenture.

“Trust Estate” has the meaning assigned in Section 1.01 of the Indenture.

“Underwriter” shall have the meaning assigned to such term in the preambles of this Ordinance.

“2025 Funding and Assignment Agreement” means the Funding and Assignment Agreement by and among Royal Bank of Canada, the Authority and the Trustee, as amended to the extent necessary to conform with the Indenture.

Section 2. Ratification. The actions heretofore taken by the Authority and by the officers, employees, agents, attorneys and advisors of the Authority directed toward the issuance and sale of the Series 2025 Bonds, including, without limitation, submittal of a request for rating of the Series 2025 Bonds by the Rating Agency, are hereby acknowledged, ratified and approved.

Section 3. Authorization of Refunding Project. The Refunding Project and the method of financing the Refunding Project is hereby authorized and approved for the purpose of (i) redeeming the Series 2019 Bonds on May 1, 2025, and (ii) enabling the Authority to continue to acquire gas pursuant to the Amended Prepaid Gas Agreement for sale and purchase to the Gas Purchasers pursuant the Amended Gas Supply Agreements,

at a discount to the price at which gas would otherwise be available to the Gas Purchasers, resulting in savings and economic benefits to each of the Gas Purchasers.

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

A. The refunding of the Series 2019 Bonds is necessary and an appropriate method of preserving the Minimum Discount under the Gas Supply Agreements, as amended, for the benefit of the customers of the municipal utilities owned by the Gas Purchasers.

B. Moneys available for the Refunding Project from all sources other than proceeds of the Series 2025 Bonds are not sufficient to defray the cost of refunding the Series 2019 Bonds.

C. The Pledged Revenues may lawfully be pledged to secure the payment and redemption of the Series 2025 Bonds.

D. It is economically feasible to defray, in part, the cost of the Refunding Project by the issuance of the Series 2025 Bonds.

E. The issuance of the Series 2025 Bonds pursuant to the Act, to provide funds for the financing of the Refunding Project will provide debt service restructuring for the Authority which will enable the Authority to continue to acquire natural gas at a discounted cost for delivery to the Gas Purchasers at the discounted cost, and is necessary and in the interest of the public health, safety and welfare of the residents of each of the Gas Purchasers.

Section 5. Bonds - Authorization and Detail; Parameters; Delegation of Authority.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a three-fourths majority of all of the members of the Board. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the citizens of the Authority and the Gas Purchasers, it is hereby declared necessary that the Authority, pursuant to the Act, issue its negotiable, fully registered, revenue bonds to be designated "New Mexico Municipal Energy Acquisition Authority Gas Supply Revenue Refunding Bonds, Series 2025 in an aggregate principal amount not to exceed \$895,000,000, and the issuance, sale and delivery of the Series 2025 Bonds is hereby authorized; provided, that the Minimum Discount shall be available under the Gas Supply Agreements, as amended, unless otherwise provided in the Pricing Certificate.

B. Details of Bonds; Parameters. There is hereby authorized and created a series of bonds designated as the "New Mexico Municipal Energy Acquisition Authority Gas Supply Revenue Refunding Bonds, Series 2025."

The Series 2025 Bonds shall be issued in an aggregate principal not to exceed \$895,000,000 for the Refunding Project. The forms, terms, and provisions of the Series 2025 Bonds in the form set forth in Exhibit A to the Indenture are hereby approved with only such changes therein as are not inconsistent with this Bond Ordinance and the Pricing Certificate.

The Series 2025 Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, in such numbers and denominations as may be requested by the Underwriter, but exchangeable for other fully registered Series 2025 Bonds of any denominations which are multiples of \$5,000. The Series 2025 Bonds shall be numbered separately and consecutively and shall be dated the date of their delivery to the Underwriter. The Series 2025 Bonds shall bear the rates of interest, shall pay interest semi-annually, and shall mature as provided in the Pricing Certificate and Bond Purchase Agreement, within the following parameters:

(1) The maximum par amount of the Series 2025 Bonds shall not be more than \$895,000,000 (excluding any premium paid in connection with the original purchase of the Series 2025 Bonds).

(2) The final maturity of the Series 2025 Bonds shall be no later than June 1, 2039.

(3) The net effective interest rate on the Series 2025 Bonds shall not exceed the statutory maximum of twelve percent (12%).

(4) The Series 2025 Bonds shall be payable solely from Pledged Revenues and other revenues identified in the Indenture as security for the Series 2025 Bonds.

(5) The Series 2025 Bonds shall be sold at a negotiated sale to the Underwriter pursuant to the Bond Purchase Agreement, the final terms of which shall be within the parameters established in this Section, and shall be as set forth in the Pricing Certificate and the Bond Purchase Agreement.

(6) The Purchasers' discount shall not exceed 1% of the aggregate principal amount of the Series 2025 Bonds.

(7) The Series 2025 Bonds shall be in substantially the form set forth in this Ordinance.

(8) The Authority hereby appoints ComputerShare Trust Company, National Association, as the paying agent and registrar for the Series 2025 Bonds.

C. Delegation of Authority. Each of the Board Chair and Treasurer are hereby authorized pursuant to this Ordinance to approve the final terms of the Series 2025 Bonds as permitted by Section 6-14-10.2 NMSA 1978, and to execute and deliver the Bond Purchase Agreement and Pricing Certificate.

Section 6. Approval of Indenture. The Indenture, in substantially the form presented at this meeting, is hereby in all respects authorized, approved and confirmed. The Chair or Vice Chair of the Authority are hereby authorized to execute and deliver the Indenture, which shall be attested by the Secretary, in substantially the form presented at this meeting for and on behalf of the Authority, with such alterations, changes or additions as may be authorized herein or as may be approved in the Pricing Certificate. As provided in the Indenture, proceeds of the Series 2025 Bonds shall be (i) used to refund, redeem and

pay the Series 2019 Bonds on May 1, 2025 (ii) if authorized by a separate ordinance of the Authority, to acquire additional gas volumes at a discount, (iii) pay the Costs of Issuance, and (iv) fund the Debt Service Reserve Fund as provided in the Indenture, and for the other purposes described in the Indenture.

Section 7. Approval of Other Transaction Documents.

The Third Amendment to the Prepaid Gas Agreement, the Third Amendment to each Gas Supply Agreement, the Settlement Facility, the 2025 Funding and Assignment Agreement, the Bond Purchase Agreement, the Repricing Agreement, the Calculation Agent Agreement, the Second Amended and Restated Custodial Agreement, the Escrow Agreement and the Continuing Disclosure Agreement, each in substantially the form presented at this meeting, are hereby in all respects authorized, approved and confirmed and the Chair or Vice Chair of the Authority are hereby authorized to execute and deliver those said agreements, which shall be attested by the Secretary, in substantially the forms presented at this meeting for and on behalf of the Authority, with such alterations, changes or additions as necessary or advisable to carry out the purposes of this Ordinance, or as may be approved in the Pricing Certificate, provided that such agreements shall be consistent with the provisions of this Ordinance.

Section 8. Approval of Preliminary Official Statement. The Preliminary Official Statement, in substantially the form presented at this meeting, is hereby in all respects authorized, approved and confirmed. The Chair or Vice Chair and the Secretary of the Authority are hereby authorized to execute, attest and deliver the Official Statement, after appropriate review by the members of the Board.

Section 9. Additional Action Authorized.

A. In General. The appropriate officers of the Authority, including without limitation the Chair, the Vice Chair and the Secretary are authorized to make any changes, alterations or additions in and to the Transaction Documents which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to the provisions of one another or to the provisions of the Pricing Certificate, or any other resolution adopted by the Authority, or to the provisions of the laws of the State or the United States. In addition, the above officers are authorized to execute all such agreements, documents and certificates (including but not limited to the Pricing Certificate, a certificate dealing with certain tax matters, investment agreements for proceeds of the Series 2025 Bonds, and a certificate establishing and directing the payment of Costs of Issuance), and to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions as contemplated by this Ordinance and the Transaction Documents, in conformity with the Act, the Joint Powers Agreement and the Code with respect to the issuance, sale and delivery of the Series 2025 Bonds.

B. Execution and Attestation of the Bonds. The Series 2025 Bonds may be executed by the Chair, Vice Chair or Treasurer, and may be attested by any other Member of the Board, as provided in Section 13.1 of the Amended and Restated Bylaws of the Authority.

Section 10. Supplementation of Ordinance. In the event that any Gas Purchaser determines not to participate in the 2025 Transaction, this Ordinance and the

Transaction Documents shall be supplemented or amended by resolution of the Authority so as to reflect the withdrawal of participation by the Gas Purchaser(s)

Section 11. Severability. If any provision of this Ordinance should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this Ordinance.

Section 12. Disinterest of Authority Board Members and Employees. No Board Member or employee of any Gas Purchaser has any interest, direct or indirect, in the transactions contemplated by the Authority in this Ordinance or the Transaction Documents.

Section 13. Repealer. All ordinances or resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 14. Effective Date. This Ordinance shall become effective five (5) days following publication of a notice of adoption of the Ordinance.

Section 15. Notice of Adoption of Ordinance. A notice of the adoption of this Ordinance shall be published one time in the Albuquerque Journal, the Tri-City Record, the Las Cruces Sun-News and the Los Alamos Daily Post. The notice shall be substantially as follows:

(Form of Summary of Ordinance for  
Publication)

Notice is hereby given of the title and of a general summary of the subject matter contained in an Ordinance, duly adopted and approved by the New Mexico Municipal Energy Acquisition Authority ("NMMEA") on December 30, 2024. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of Modrall, Sperling, Roehl, Harris & Sisk, P.A., bond counsel to the Authority, at 500 Fourth Street N.W., Suite 1000, Albuquerque, New Mexico, and from the Secretary of the Authority.

The Title of the Ordinance is:

ORDINANCE NO. 2024-01

AN ORDINANCE OF THE NEW MEXICO MUNICIPAL ENERGY ACQUISITION AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS GAS SUPPLY REVENUE REFUNDING BONDS, SERIES 2025 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$895,000,000 (THE "SERIES 2025 BONDS") TO PAY COSTS OF REFUNDING THE AUTHORITY'S GAS SUPPLY REVENUE REFUNDING AND ACQUISITION BONDS, SERIES 2019, AND TO PAY COSTS OF ISSUANCE OF THE SERIES 2025 BONDS; PROVIDING FOR THE ISSUANCE OF THE SERIES 2025 BONDS PURSUANT TO AN AMENDED AND RESTATED TRUST INDENTURE BETWEEN THE AUTHORITY AND COMPUTERSHARE TRUST COMPANY, NATIONAL



ASSOCIATION, AS SUCCESSOR TO WELLS FARGO BANK, NATIONAL ASSOCIATION, AS TRUSTEE (THE "INDENTURE"); PROVIDING FOR THE PAYMENT OF THE SERIES 2025 BONDS FROM THE REVENUES DERIVED FROM AMENDED GAS SUPPLY AGREEMENTS BETWEEN THE AUTHORITY AND THE LAS CRUCES UTILITY BOARD ON BEHALF OF THE CITY OF LAS CRUCES, THE CITY OF FARMINGTON AND THE INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO (EACH A "GAS PURCHASER"), AND SUCH OTHER REVENUES AND FUNDS AS ARE PLEDGED TO SUCH PAYMENT UNDER THE INDENTURE; AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE PREPAID NATURAL GAS SUPPLY AGREEMENT AND AMENDMENTS TO THE GAS PURCHASE AND SALE AGREEMENTS BETWEEN THE AUTHORITY AND THE GAS PURCHASERS; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTATION PREVIOUSLY ENTERED INTO BY THE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT FOR THE REFUNDING PROJECT; DELEGATING AUTHORITY TO CERTAIN OFFICERS OF THE AUTHORITY TO DETERMINE THE FINAL TERMS OF THE SERIES 2025 BONDS AND FEATURES OF THE TRANSACTION DOCUMENTS PURSUANT TO A PRICING CERTIFICATE AND BOND PURCHASE AGREEMENT TO BE EXECUTED AND DELIVERED BY SUCH OFFICERS; APPROVING THE PREPARATION, DISTRIBUTION AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE SERIES 2025 BONDS; MAKING FINDINGS RELATED TO THE FOREGOING; PROVIDING THAT, IF ONE OR MORE OF THE GAS PURCHASERS DETERMINES NOT TO PARTICIPATE IN THE 2025 TRANSACTION, THIS ORDINANCE AND THE RELEVANT TRANSACTION DOCUMENTS WILL BE AMENDED OR MODIFIED BY A SUPPLEMENTAL RESOLUTION TO REFLECT THE PARTICIPATION OF THE PARTICIPATING GAS PURCHASERS; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE AND THE ISSUANCE OF THE SERIES 2025 BONDS AND RELATED MATTERS.

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 of Ordinance for Publication)

ADOPTED:

Aye	Adrienne Widmer Brandon Hill Ben Olbrich Laura Holguin Jennifer Breakell Charles Nourse
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Abstain	None
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Nay	None
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Absent	Patricia Holland
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PASSED, ADOPTED AND APPROVED THIS 30<sup>th</sup> DAY OF DECEMBER,  
2024.

NEW MEXICO MUNICIPAL  
ENERGY ACQUISITION AUTHORITY

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Patricia Holland, Chair

ATTEST:

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Ben Olbrich, Secretary