CITY of ALBUQUERQUE
TWENTY SEVENTH COUNCIL

COUNCIL BILL NO. ___O-26-38_____ ENACTMENT NO. ____________________________

SPONSORED BY: Joaquín Baca, by request

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ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (DREAMCATCHER SAWMILL HOTEL PROJECT), SERIES 2026 IN THE MAXIMUM PRINCIPAL AMOUNT OF $40,520,267 TO PROVIDE FUNDS TO ACQUIRE, CONSTRUCT, EQUIP, AND IMPROVE THE DREAMCATCHER SAWMILL HOTEL, A DUAL BRANDED HAMPTON INN and HOME2 SUITES WITH AN ANTICIPATED 135 GUESTROOMS, AND ASSOCIATED SITE IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE AGREEMENT, BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH THE BONDS; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

WHEREAS, the City of Albuquerque (the "City") is a legally and regularly created, established, organized, and existing municipal corporation of the State of New Mexico (the "State"); and

WHEREAS, pursuant to Sections 3-32-1 through 3-32-16, New Mexico Statutes Annotated, 1978 Compilation, as amended (the "Act"), the City is authorized to acquire industrial revenue projects located within the corporate limits of the municipality for the purpose of promoting industry and trade by inducing commercial enterprises to locate or expand in the State of New Mexico; and

WHEREAS, pursuant to the Act, the City is authorized to issue revenue bonds for the purpose of defraying the cost of acquiring any project and to secure the payment of such bonds, all as provided in the Act; and

WHEREAS, Dreamcatcher Sawmill, LLC (together with its successors, assigns and affiliates, the "Company") is a limited liability company formed under the laws of the State of New Mexico and is authorized to do business in New Mexico; and

WHEREAS, the Company has requested that the City issue its industrial revenue bonds pursuant to the Act in an aggregate amount of $40,520,267 for the purpose of providing funds to acquire, construct, equip, and improve an Dreamcatcher Sawmill Hotel, a dual branded Hampton Inn and Home2 Suites, providing a combination of traditional select-service and all-suite hospitality accommodations designed to serve business travelers, tourists, and project-based visitors, with an anticipated 135 guestrooms, totaling 86,000 square feet of building area, and associated site improvements including parking, landscaping, guest amenities, and supporting infrastructure (the "Project"); and

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

WHEREAS, the Company has presented to the City and the Commission a proposal (the "Project Plan") whereby the Company shall, pursuant to the Act, acquire, construct and improve the Project to be located in the City at 1010 18th Street NW (the "Project Property"), and pursuant to which the City would issue its taxable industrial revenue bonds in order to finance the Project; and

WHEREAS, the Company requests the issuance of the Bonds (defined below) in one series; and

WHEREAS, the Commission has reviewed the Project Plan, and on May 21, 2026, has determined that the Company has complied with City Resolution No.

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16-1985, and has recommended approval of the Project Plan by the Council; and

WHEREAS, under the Company's Project Plan, the City would enter into an Indenture for the Bonds (the "Indenture") between the City and BOKF, NA, or other corporate depositary satisfactory to the City to be designated at a later date, as depositary (the "Depositary"), pursuant to which, together with this ordinance (the "Bond Ordinance"), the City would issue its bonds designated as the City of Albuquerque, New Mexico Taxable Industrial Revenue Bond (Dreamcatcher Sawmill Hotel Project) (the "Bonds"); and

WHEREAS, under the Company's Project Plan, the City and the Company would enter into a Lease Agreement the Bonds (the "Lease"), pursuant to which the Company will lease the Project Property from the City and will make payments to the Depositary sufficient to pay the principal of, redemption premium, if any, and interest on the outstanding Bonds, and to pay all other obligations incurred pursuant to the provisions of the Lease and this Bond Ordinance; and

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

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

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

WHEREAS, the Bonds in an aggregate principal amount not to exceed $40,520,267 will be issued, sold and delivered by the City in private sales to an affiliate of the Company (the "Purchaser") pursuant to a bond purchase agreement (the "Bond Purchase Agreement") among the City, the Company, and the Purchaser; and

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

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

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

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

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

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

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

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

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Section 2. THE PROJECT PLAN. The Project to be financed with the Bonds is comprised of the acquisition, construction, equipping, and improvement of the Dreamcatcher Sawmill Hotel, a dual branded Hampton Inn and Home2 Suites, providing a combination of traditional select-service and all-suite hospitality accommodations designed to serve business travelers, tourists, and project-based visitors, with an anticipated 135 guestrooms, totaling 86,000 square feet of building area, and associated site improvements including parking, landscaping, guest amenities, and supporting infrastructure. The Company may use additional available money to accomplish the Project. The Project Plan is hereby approved in all respects.

Section 3. FINDINGS.

(A) General. The Council hereby declares that it has considered all relevant information presented to it relating to the Bonds and the Project and hereby finds and determines that the issuance of the Bonds pursuant to this Bond Ordinance and the Act to provide funds 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 City and the residents of the City.

(B) The Council finds that:

(1) The Bonds will be issued for the purpose of financing the Project;

(2) The aggregate face amount of obligations to be issued for the purpose of financing the Project is $40,520,267;

(3) The developer and operator of the Project is the Company;

(4) The Project Property is located in the City at 1010 18th Street NW.

Section 4. AUTHORIZATION AND APPROVAL OF THE BONDS. To finance the cost of acquiring, constructing, equipping and improving the Project Property, the City hereby authorizes and approves the issuance and sale of its industrial revenue bonds to be designated “City of Albuquerque, New Mexico Taxable Industrial Revenue Bond (Dreamcatcher Sawmill Hotel Project), Series 2026” in the aggregate principal amount of $40,520,267 and the use of the

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proceeds of the Bonds to finance the cost of the Project and to pay expenses relating thereto.

[Section 5. PREVAILING WAGES. The approval of these Industrial Revenue Bonds is contingent on the developer paying prevailing wages as defined in NMSA 1978, § 13-4-11.]

Section ~~[5.]~~[6.] SALE OF THE BONDS. The sale of the Bonds to the Purchaser at a purchase price equal to the par amount of the Bonds is hereby authorized and approved.

Section ~~[6.]~~[7.] FORM AND TERM OF THE BONDS. Subject to the limitations set forth in this Bond Ordinance, the Bonds shall be: (i) in the form and shall be numbered and dated all as set forth in the Indenture; (ii) payable as to principal and interest, and subject to optional and mandatory redemption and defeasance in the amounts, upon the conditions and at the times and prices set forth in the Indenture; and, (iii) issued in the aggregate principal amount of $40,520,267, bearing interest at the rates and maturing on the dates set forth in the Indenture. The interest rate on the Bond shall not exceed 12% per annum. The Mayor or the Chief Administrative Officer of the City shall sign the Bond.

Section ~~[7.]~~[8.] AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS. The form, terms, and provisions of the Bond Documents in the form on deposit in the office of the City Clerk are in all respects approved, authorized, and confirmed, and the City shall enter into such Bond Documents substantially in the form of each such document on deposit with the City Clerk, with only such changes as are not inconsistent with this Bond Ordinance or such other changes as may be approved by supplemental resolution of the Council.

(A) The Council authorizes the Mayor or the Chief Administrative Officer of the City to execute and deliver the Bond Documents in the name and on behalf of the City, and the Council authorizes the City Clerk or Deputy City Clerk to attest to, as necessary, the Bond Documents and the Bonds with: (i) such changes therein as are not inconsistent with this Bond Ordinance; (ii) such changes as shall be approved by the Mayor or the Chief Administrative

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Officer upon consultation with the City's special finance counsel, with the execution of such document by the Mayor or the Chief Administrative Officer constituting conclusive evidence of such approval; or (iii) such other changes as may be approved by supplemental resolution of the Council.

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

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

Section ~~[8.]~~[9.] DELIVERY OF THE BONDS. Upon the execution of the Bond Documents and the satisfaction of the conditions set forth in the Bond Documents, the Bonds shall be executed, authenticated, and delivered to the Purchaser. No Bonds shall be valid for any purpose until such Bonds have been properly authenticated as set forth in the Indenture.

Section ~~[9.]~~[10.] FINDINGS REGARDING PAYMENT OF PRINCIPAL AND INTEREST AND OTHER MATTERS. The Council makes the following determinations and findings in accordance with the Act:

(A) The maximum amount necessary in each year to pay the principal of and interest on the Bonds, assuming issuance of the Bond as of August 1, 2026, in the amount of $40,520,267 and bearing interest at the rate of 4% and the first Bond payment occurring on August 1, 2027, is as follows:

Year Ended	Maturing Principal	Interest Amount	Total Debt Service
8/1/27	-$0-	$1,620,811	$1,620,811

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8/1/28	-$0-	$1,620,811	$1,620,811
8/1/29	-$0-	$1,620,811	$1,620,811
8/1/30	-$0-	$1,620,811	$1,620,811
8/1/31	-$0-	$1,620,811	$1,620,811
8/1/32	-$0-	$1,620,811	$1,620,811
8/1/33	-$0-	$1,620,811	$1,620,811
8/1/34	-$0-	$1,620,811	$1,620,811
8/1/35	-$0-	$1,620,811	$1,620,811
8/1/36	-$0-	$1,620,811	$1,620,811
8/1/37	-$0-	$1,620,811	$1,620,811
8/1/38	-$0-	$1,620,811	$1,620,811
8/1/39	-$0-	$1,620,811	$1,620,811
8/1/40	-$0-	$1,620,811	$1,620,811
8/1/41	-$0-	$1,620,811	$1,620,811
8/1/42	-$0-	$1,620,811	$1,620,811
8/1/43	-$0-	$1,620,811	$1,620,811
8/1/44	-$0-	$1,620,811	$1,620,811
8/1/45	-$0-	$1,620,811	$1,620,811
8/1/46	$40,520,267	$1,620,811	$42,141,078

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

(C) The lease rentals payable under the Lease shall be at least sufficient to pay the principal and interest payments on the Bonds set forth in this Section 9 when due and otherwise render the financing of the acquisition, construction, equipping and improvement of the Project Property entirely self-liquidating. There shall be no payments to any reserve fund or sinking fund installment payments.

Section ~~[10.]~~[11.] NON TAXABLE TRANSACTION CERTIFICATES. The Company, as agent for the City, will acquire the Project. The City will cooperate with the Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates ("Certificates") that have been properly executed for

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acquisition of tangible personal property relating to the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. The Company shall not use the Certificates other than for such things as may be permitted by law, if any, nor shall the Company use such Certificates after the completion of the Project. No costs, expenses or other monetary relief will be recoverable from the City by vendors of equipment.

Section ~~[11.]~~[12.] LIMITED OBLIGATIONS. The Bonds shall be special limited obligations of the City payable solely from the revenues derived from the Lease and payable by the Company as described in the Indenture, and shall never constitute a debt or indebtedness of the City or the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution, statutes, or home-rule charter of the City, and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. Nothing contained in this Bond Ordinance or the Bond Documents, or any other instrument, shall be construed as obligating the City (except with respect to the Project Property and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or charge upon the general credit of the City or against its taxing power, nor shall the breach of any agreement contained in this Bond Ordinance, the Bond Documents, the Bonds, or any other instrument be construed as obligating the City (except with respect to the Project Property and the application of revenues therefrom and the proceeds of the Bonds all as provided in the Bond Documents) nor as incurring a pecuniary liability or a charge upon the general credit of the City or against its taxing power, the City having no power to pay out of its general funds, or otherwise contribute any part of the costs of acquiring the Project Property, nor power to operate the Project as a business or in any manner except as lessor and seller of the Project Property.

Section ~~[12.]~~[13.] APPROVAL OF INDEMNIFICATION. The Council specifically approves the provisions of the Lease relating to indemnification which provide that the Company shall indemnify and hold harmless the City and its City Councilors, officials, members, officers, employees, and agents

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against liability to the Company or to any third parties that may be asserted against the City, its City Councilors, officials, members, officers, employees, and agents with respect to the City's ownership of the Project Property or the issuance of the Bonds and arising from the condition of the Project Property or the acquisition or operation of the Project Property by the Company, except to the extent that Section 56-7-1, New Mexico Statutes Annotated, 1978 Compilation, as amended, applies, and except claims for any loss or damage arising out of or resulting from the gross negligence or willful misconduct of the City or any official, member, officer, employee, or agent of the City.

Section ~~[13.]~~[14.] BOND ORDINANCE IRREPEALABLE. After any Bond is issued, this Bond Ordinance shall be and remain irrepealable until the outstanding Bonds, including all interest thereon, is fully paid, cancelled, and discharged, or until there has been defeasance of the Bonds in accordance with the Indenture.

Section ~~[14.]~~[15.] SEVERABILITY. If any section, paragraph, clause or provision of this Bond Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Bond Ordinance.

Section ~~[15.]~~[16.] REPEALER. All by-laws, ordinances, resolutions, and orders, or parts thereof, inconsistent with this Bond Ordinance are repealed by this Bond Ordinance but only to the extent of that inconsistency. This repealer shall not be construed to revive any by-law, ordinance, resolution, or order, or part thereof, previously repealed.

Section ~~[16.]~~[17.] RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE DATE. This Bond Ordinance, immediately upon its final passage and approval, shall be recorded in the ordinance book of the City, kept for that purpose, and shall be there authenticated by the signature of the Mayor and the presiding officer of the City Council, and by the signature of the City Clerk or any Deputy City Clerk, and notice of adoption thereof shall be published once in a newspaper that maintains an office in, and is of general circulation

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in, the City, and shall be in full force and effect five (5) days following such publication.

Section ~~[17.]~~[18.] GENERAL SUMMARY FOR PUBLICATION. The title and general summary of the subject contained in this Bond Ordinance shall be published in substantially the following form:

CITY OF ALBUQUERQUE, 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 a City Ordinance (the "Ordinance"), duly adopted and approved by the City Council of the City of Albuquerque, New Mexico, on __________, 2026. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk City Clerk in the office of the City Clerk, Albuquerque, New Mexico.

The title of the Ordinance is:

AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (DREAMCATCHER SAWMILL HOTEL PROJECT), SERIES 2026 IN THE MAXIMUM PRINCIPAL AMOUNT OF $40,520,267 TO PROVIDE FUNDS TO ACQUIRE, CONSTRUCT, EQUIP, AND IMPROVE THE DREAMCATCHER SAWMILL HOTEL, A DUAL BRANDED HAMPTON INN and HOME2 SUITES WITH AN ANTICIPATED 135 GUESTROOMS, AND ASSOCIATED SITE IMPROVEMENTS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE AGREEMENT, BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH THE BONDS; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

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

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