



Michael J. Garcia, Mayor

Date: May 6, 2026

To: Brian J. Moya, Interim City Manager

Via: Andrea K. Phillips, Deputy City Manager

From: Terry Lease, Manager, Asset Development
Nina A. Nguyen, Project Manager, Asset Development

Subject: Lease Agreement Between City of Santa Fe and Santa Fe Southern Railway, Inc.

AP
ANDREA PHILLIPS

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ITEM AND ISSUE:

Asset Development respectfully requests your review and approval of the Lease Agreement between City of Santa Fe (“City” or “Lessor”) and Santa Fe Southern Railway, Inc. (“Lessee”) to operate a ticket counter and provide other services in support of Lessee’s excursion train; (Terry Lease, tjlease@santafenm.gov, (505) 629-2206, Nina A. Nguyen, nanguyen@santafenm.gov, (505) 819-1870)

BACKGROUND AND SUMMARY:

City owns the historic Depot Building (“Depot”) in the Railyard. Lessee owns and operated Sky Railway, and excursion train (“Excursion Train”) that operates out of the Railyard and features events, entertainers, music, food and drink. City and Lessee had entered into Lease Item #23-0683 to allow Lessee to lease space within the terminal to operate a ticket counter and offer other services in support of the Excursion Train. The lease terminated in December of 2025, and Lessee has continued to occupy the Depot Premises under the hold-over provision. City desires to continue leasing a portion of the Depot to Lessee to support the operations of the Excursion Train. The initial term is two (2) years with two (2) “Option Terms” of one (1) year each. First year rent is \$2,320.50 and will increase by two and one half percent (2 1/2%) annually.

PRIOR APPROVALS AND SUPPORTING INFORMATION:

FUNDING SOURCE:

\$\$\$\$\$ SOURCE/REVENUE: Expense Revenue

Munis Org Name/Number: 5156001

Munis Object Name/Number: 460150

Budget Officer / Designee: Andy Hopkins **Date:** 05/19/2026

Budget Officer Comment/Exceptions: _____

City Council

Alma G. Castro, District 1
Patricia Feghali, District 1

Elizabeth “Liz” Barrett, District 2
Paul C. Bustamante, District 2

Lee Garcia, Mayor Pro Tem, District 3
Pilar F.H. Faulkner, District 3

Jamie Cassutt, District 4
Amanda Chavez, District 4

PROCUREMENT METHOD:

The procurement method used was NMSA 1978, Section 13-1-98, Exempt

Real Property is exempt from Procurement

Chief Procurement Officer (CPO) / Designee: N/A - Exempt Date: _____

CPO Comment/Exceptions: _____

ASSOCIATED APPROVALS:

IT Components included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Vehicles included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Construction to City Facilities, Furniture, and/or Fixtures included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Is this an externally funded purchase? Yes | No

If yes, what is the issuing agency: _____

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Is this a Capital Asset or Project? Yes | No

Project Ledger Number: _____

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

ATTACHMENTS:

Lease Agreement

Certificate of Insurance

Real Property Determination

**LEASE AGREEMENT BETWEEN
THE CITY OF SANTA FE AND SANTA FE SOUTHERN RAILWAY, INC.**

This LEASE AGREEMENT (“Lease Agreement”) is made and entered into as of the date of the last signature (“Effective Date”), by and between the CITY OF SANTA FE, a municipal corporation (“City” or “Lessor”) and SANTA FE SOUTHERN RAILWAY, INC., a New Mexico corporation (“Lessee”), collectively the “Parties.”

WHEREAS, the City owns property and railroad facilities commonly known as North Santa Fe Railyard and Baca Railyard Properties (“Railyard Property”) within the City of Santa Fe; and

WHEREAS, in May 2002 the City commissioned the Santa Fe Railyard Master Plan and Design Guidelines (“Master Plan”) to guide the redevelopment of the Railyard site as a unique district within the City; and

WHEREAS, the Master Plan was intended to honor the rich history of the Railyard and to bring back the Railyard’s importance as a transportation center; and

WHEREAS, the City owns the historic Depot Building (“Depot”) in the Railyard that is designated as a significant historic building and Multi-Modal Center in the Master Plan; and

WHEREAS, the Depot was built in 1909 and recently completed a \$1.6 million renovation project to restore both the interior and exterior of the building; and

WHEREAS, within the Master Plan the vision of the Depot includes development of an excursion train; and

WHEREAS, Lessee owns and operates Sky Railway, an excursion train that operates out of the Railyard and features events, entertainers, music, food and drink; and

WHEREAS, in 2023 the City and Lessee entered into Lease Item #23-0683 to allow Lessee to lease space within the terminal to operate an excursion train ticket counter and offer other services in support of Lessee’s excursion train business; and

WHEREAS, Lease Item #23-0683 terminated in December of 2025 and Lessee has continued to occupy the Depot Premises under the hold over provision; and

WHEREAS, the City desires to continue leasing a portion of the Depot to Lessee to support the operations of the Sky Railway excursion train.

WITNESSETH:

In consideration of the Lessee's promises herein, Lessor hereby gives Lessee a Lease Agreement, revocable and terminable as hereinafter provided, to enter on, make use of, (and develop) the real property of Lessor as follows:

1. PREMISES

Lessor allows Lessee to use, occupy, and develop, subject to the terms and conditions of this Lease Agreement, certain areas within the Depot measuring a total of **105 square feet** (the "Premises"). The Premises is shown in blue on **Exhibit A1** and the general location of the Depot building is outlined in red on **Exhibit A2**, both attached to this Lease Agreement.

The Premises consists of a 7'x15' area in the lobby, and non-exclusive use of the lobby and restrooms. There are no parking spaces or parking areas included within the Premises, and Lessee's employees, patrons, and invitees will be required to secure parking with the Railyard parking garage.

Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises.

2. LEASE TERM

- a. Initial Term. The initial term of this Lease Agreement shall commence at 12:00 a.m. on the Effective Date. The term of this Lease Agreement shall consist of an "Initial Term" of two (2) years with two (2) "Option Terms" of one (1) year each.
- b. Option Term. Lessee's exercise of any Option Term is contingent upon proper written notice by Lessee to Lessor at least ninety (90) days prior to the expiration of the Initial Term. Approval or denial of any Option Term shall be at the sole discretion of Lessor's City Manager or a person designated in writing by the City Manager ("City Manager"). The City Manager shall consider factors including Lessee's compliance with this Lease Agreement, the use of the Premises defined above, and Lessee's adherence to that purpose. All terms, covenants and conditions of this Lease Agreement, excepting the amount of rent to be paid, shall remain in full force and effect during any extension of the term.
- c. Hold Over. In the event Lessee remains in possession of the Premises after the expiration of the Term of this Lease Agreement, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy, and such tenancy shall continue until terminated by City or Lessee with at least a 30-day prior written notice of intent to terminate such tenancy. During any such month-to-month tenancy, the Rent due shall be prorated and payable monthly, and the terms and conditions of the Lease Agreement shall be otherwise applicable.

3. RENT

- a. Base Rent. Lessee shall pay first year **Monthly rent** of 193.38, which is due on the Effective Date and thereafter due in full on the first day of each month during the Term without notice or demand and without deduction or offset for any cause whatsoever; the total first year annual rent is \$2,320.50. Lessee shall make payments to City of Santa Fe, Finance Department, Accounts Payable Division, 200 Lincoln Ave., Room 114, Santa Fe, NM, 87504. ***Please include the Item # at the top of the first page of this Agreement on all payments. The Item # can be found on the top right corner of the first page of this Lease Agreement.***

- b. Option Term. Lessee's exercise of any Option Term is contingent upon compliance with this Lease Agreement and with proper written notice by Lessee to Lessor at least ninety (90) days prior to the expiration of the Initial Term and approval or denial of any Option Term shall be at Lessor's sole discretion. All terms, covenants and conditions of this Lease Agreement, excepting the amount of rent to be paid, shall remain in full force and effect during any extension of the term.
- c. Penalty for Late Rent Payment. If money payable to Lessor as a condition of this Lease Agreement is not paid in full when due, a penalty of 10% of the amount due and unpaid shall be added to the amount due, and the total sum of the then-due rental payment plus penalty shall become immediately due and payable to Lessor. A further penalty of 10% of the amount due and unpaid, including previously assessed penalties, shall be added for each additional month that said amount remains unpaid. The assessment and collection of the 10% penalty is in addition to any other rights of Lessor, if Lessee does not faithfully perform the terms, covenants and conditions of this Lease Agreement. No purported or actual breach of this Agreement by Lessor shall constitute reason to withhold payment under this Article prior to termination of this Agreement pursuant to Article 13 (Termination).
- d. Increase in Rent. Rent shall be increased annually, effective on the first anniversary of the Effective Date and annually thereafter. Annual increases in Rent shall be based on the attached Rent Schedule.
- e. Rent Schedule. In consideration of this Lease Agreement, City and Lessee agree to the Rent Schedule attached as **Exhibit B**.

4. USE OF PREMISES

- a. Conditions of Use. Lessee shall use the Premises solely for the purpose of operating a ticket counter and other services in support of Lessee's excursion train. Other services in support of Lessee's excursion train include and are not limited to: storage and the sale of souvenirs, food, snacks, and non-alcoholic beverages. If the access opening to the ticket counter is located at the doorway to the adjoining premises, Lessee shall construct a gate or barrier that opens inward so as not to block the doorway access. The gate or barrier, if constructed at this location, shall be constructed in such a manner as to block the view of the operations of the counter.
- b. Improvement of the Premises. Lessee may, with the prior written consent of Lessor and at no cost to Lessor, make improvements to the Premises which are required to comply with the State of New Mexico Construction Industries Division, the City of Santa Fe Land Use Code (SFCC 1987, Chapter XIV), which includes the Historic District Development Rules , and other applicable local, state and federal regulations. Lessee shall upon Lessor's request, remove all such improvements made to the Premises at the termination of this Lease Agreement.
- c. Trade Fixtures. All trade fixtures installed by Lessee after the Effective Date of this Lease Agreement shall remain the property of Lessee, who may remove the same upon termination of this Lease Agreement, provided that removal shall be done in such a manner as not to injure or damage the Premises. In the event that Lessee fails to remove said trade fixtures after receipt of notice from Lessor to do so, Lessor may remove and dispose of the same as it sees fit and Lessee agrees to sell, assign, transfer and set over to Lessor all of Lessee's right, title and interest in and to said trade fixtures and any personal property not removed by Lessee. Lessee

further agrees that should Lessor remove said trade fixtures pursuant to this paragraph. that Lessee shall pay Lessor upon demand the cost of such removal, plus the cost of transportation and disposal thereof.

- d. Compliance with Laws. Lessee's use of the Premises shall at all times be in compliance with the City of Santa Fe Municipal Code and other applicable local, state and federal regulations including but not limited to compliance with the City of Santa Fe Integrated Pest Management Policy (§ 10-7 SFCC 1987) (the Pest Management Policy).

5. REPAIRS & MAINTENANCE

- a. During the term of this Lease and any extension or renewal thereof, Lessee shall not cause or permit any waste, damage or injury to the Premises or to any improvements made to the Premises.
- b. Lessor shall be responsible for replacement as necessary of the building structure, roof, exterior facade and service equipment (utility meters, electrical switchgear, panels and equipment, and HVAC equipment). Notwithstanding the foregoing, Lessee is responsible for maintenance of those items as well as maintenance and replacement of all interior structure and fixtures and provisioning for Internet access as detailed below. Lessee shall not install or replace interior utility services, including plumbing, electrical wiring, and low-voltage wiring including Internet access and distribution, without written approval of Lessor's Facilities Director.
- c. During the term of this Lease and any extension or renewal thereof, Lessee shall, at its sole expense, keep and maintain the Premises in good and clean condition at all times and shall be responsible for the costs of any and all required repairs, replacements, and capital improvements that arise during the Term of this Lease Agreement.
- d. Repairs and replacements required to be made by the Lessee shall be made promptly as and when necessary and shall be at least equal in quality of materials and workmanship to that originally existing in the Premises.
- e. Lessee shall at all times During the term of this Lease and any extension or renewal thereof, and in a timely manner, provide a safe Premises by eliminating conditions caused by, including and not limited to, snow, ice, debris, mold and standing water.
- f. Lessor reserves the right to inspect the Premises at any time during the Term of this Lease Agreement to verify Lessee's compliance with this Section 5. In the event Lessee fails to maintain the Premises at a standard acceptable to Lessor, as determined in Lessor's sole discretion, Lessor may terminate this Lease Agreement in accordance with Section 13 herein.
- g. Repair and maintenance shall be to the sole satisfaction of Lessor, and if Lessee fails to fulfill any duty imposed under this Section 5 within a reasonable period of time, City may, but is not required to, perform those duties at Lessee's sole cost. Lessee shall promptly cooperate with Lessor if Lessor undertakes to perform such duties. No action by Lessor taken pursuant to this Section 5 shall constitute a waiver of Lessee's obligations. Lessee's obligations under this Section 5 shall survive the expiration or termination of this Lease Agreement.
- h. Lessee shall require any contractor performing repairs or maintenance to comply with the insurance requirements in Article 9 (Insurance), below.

6. UTILITIES & SERVICES

Lessee, at Lessee's sole cost and expense, agrees to provide the following to the Leased Premise:

- a. All refuse disposal services; and
- b. Janitorial supplies and services.
- c. Pest control services.

Beginning on the Effective Date and until the termination of this Lease Agreement, the responsibility and costs for providing utilities and services to the Premises shall be the responsibility of the Parties as specified below:

- a. Responsibility of Lessor. All natural gas, electricity, domestic water, landscaping and sanitary sewer service shall be provided to the Premises by Lessor.
- b. Responsibility of Lessee. All telephone, cable or satellite television, wired or wireless internet, security alarm services, security video services, security monitoring services, solid waste collection services, repair services and janitorial, janitorial supplies and cleaning. Any utilities or services not specified herein shall be the responsibility of the Lessee.

7. TAXES

Lessee shall pay all taxes levied and assessed, if any, upon any personal property, fixtures and improvements belonging to Lessee and located upon the demised Premises, and all leasehold and possessory interest taxes levied or assessed by any proper taxing authority.

8. SUBLEASE, ASSIGNMENT OR TRANSFER

Lessee shall not sublet, assign or otherwise transfer this Lease Agreement, without the prior written consent of Lessor's City Manager, which the City Manager may withhold for any or no reason. Any such actions taken by Lessee without the City Manager's consent shall result in the immediate termination of this Lease Agreement without notice or application of Article 13 (Termination).

9. INSURANCE

Lessee shall at all times maintain and provide adequate insurance coverage which includes, without limitation, each of the following:

- a. Property Insurance. Lessee shall carry and maintain in full force and effect during the term of this Lease Agreement a Commercial Property policy with special form causes of loss (all-risks) coverage, including equipment breakdown causes of loss, with a limit of insurance sufficient to cover one hundred percent (100%) of the replacement cost of all of Lessee's Property and Business Income and Extra Expense coverage for a minimum of (12) months' loss of income. Lessee's Property includes, but is not limited to, their business personal property and trade fixtures. Coverage shall include any Lessee improvements and betterments, regardless of ownership. Lessee shall cause the City of Santa Fe to be named as a loss payee on such policy, as their interests may appear.
- b. Commercial General Liability Insurance which shall be written on an occurrence basis and be at least as broad ISO form CG 00 01 with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for claims against bodily injury, personal and advertising injury, and property damage. Such policy shall include Broad Form Contractual Liability coverage and shall be endorsed to include the City, its, directors, officials, officers, employees,

agents, and volunteers as additional insureds on all primary and excess policies for ongoing and completed operations performed by, or behalf of Contractor. Such additional insured coverage shall be as broad as that provided by ISO form CG 2010 (ongoing operations) and CG 20 37 (completed operations). The policy shall contain an endorsement that the policy is primary on behalf of the additional insureds and any insurance or self-insurance maintained by the additional insureds shall not contribute with it.

- c. Workers' Compensation Insurance with statutory limits, and Employer's Liability insurance with limits of not less than \$1,000,000 per accident, \$1,000,000 each employee bodily injury by disease, and \$1,000,000 policy limit bodily injury by disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City, its directors, officials, officers, employees, agents, and volunteers.
- d. Umbrella or Excess Liability insurance with limits not less than \$1,000,000 excess over the Commercial General Liability, Employer's Liability, and Automobile Liability policies. The City, its directors, officials, officers, employees, agents, and volunteers shall be included as additional insureds and a waiver of subrogation endorsement shall be provided in favor of the additional insureds.
- e. Additional Requirements
 - i. Certificates of Insurance. Prior to the Effective Date of this Lease Agreement, and thereafter at any time during the Term of this Lease Agreement that Lessor requests, Lessee shall provide Lessor with certificates of insurance for each policy evidencing that the coverage required hereunder is current. The policies of insurance required hereunder shall not be cancelled, non-renewed or materially altered in coverage without thirty (30) days prior written notice to the Lessor. A certificate or policy which states that failure to give such notice imposes no obligation on the part of the insurer shall be unacceptable to Lessor, and Lessee shall be responsible for removing such language from such certificate or policy.
- f. Lessee shall cause the General Contractor to maintain the following insurance coverages written through insurance companies that are either admitted or approved in the applicable jurisdiction of the Premises. Such insurance carriers shall have a rating of at least A- VII in the latest edition of A. M. Best Company. Such insurance must be maintained by the General Contractor until the end of the statute of repose in the applicable jurisdiction of the property. The required insurance must be evidenced by submitting a Certificate of Liability Insurance on ACORD Form 25, with all required endorsements attached thereto prior to start of any work at the Premises and annually thereafter.

In addition to the above requirements the General Contractor shall cause all Subcontractors and Sub-subcontractors to evidence to the General Contractor all of the insurance requirements listed in subparagraphs i through iii below.

- i. Commercial General Liability Insurance which shall be written on an occurrence basis and be at least as broad as ISO form CG 00 01 with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for claims against bodily injury, personal and advertising injury, and property damage. Such policy shall include Broad Form Contractual Liability coverage and shall be endorsed to include the City, its directors, officials, officers, employees, agents, and volunteers as additional insureds on all primary

and excess policies for ongoing and completed operations performed by, or behalf of Contractor. Such additional insured coverage shall be as broad as that provided by ISO form CG 2010 (ongoing operations) and CG 20 37 (completed operations). The policy shall contain an endorsement that the policy is primary on behalf of the additional insureds and any insurance or self-insurance maintained by the additional insureds shall not contribute with it.

- ii. Automobile Liability Insurance with combined limits of not less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or property damage covering all owned, non-owned and hired vehicles. The policy shall include the include the City, its directors, officials, officers, employees, agents, and volunteers as additional insureds using ISO endorsement CA 20 48 or such other equivalent form as may be reasonably approved by Lessor. The policy shall contain an endorsement that the policy is primary on behalf of the additional insureds and shall not contribute with and shall be unaffected by any insurance or self-insurance that the additional insureds may carry. The policy shall include a waiver of subrogation endorsement in favor of the additional insureds.
- iii. Workers' Compensation Insurance in amounts required by applicable governmental authority and a policy of Employer's Liability insurance with limits of liability not less than One Million Dollars (\$1,000,000.00), each accident, disease and aggregate. The policy shall include a waiver of subrogation endorsement in favor of the City, its directors, officials, officers, employees, agents.
- iv. Umbrella or Excess Liability Insurance with limits not less than \$1,000,000 excess over the Commercial General Liability, Employer's Liability, and Automobile Liability policies. The City, its directors, officials, officers, employees, agents, and volunteers shall be included as additional insureds and a waiver of subrogation shall be provided in favor of the additional insureds.

If any operations involve the use of materials or supplies that any regulatory agency, whether federal or state, has recognized as pollutants, or contaminants that will or can cause harm to persons or to the environment and will be brought to the Premises, Lessee shall cause the General Contractor to provide Environmental Liability insurance in addition to the insurance policies listed above.

- v. Environmental Liability insurance covering liability for bodily injury, personal injury, and property damage as well as remediation of the Premises. The policy must contain limits of liability in amounts not less than a combined limit of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00). The policy shall include the include the City, its directors, officials, officers, employees, agents, and volunteers as additional insureds. The policy shall contain an endorsement that the policy is primary on behalf of the additional insureds and shall not contribute with and shall be unaffected by any insurance or self-insurance that the additional insureds may carry. The policy shall include a waiver of subrogation endorsement in favor of the additional insureds.

10. INDEMNIFICATION

Lessee shall cause any and all agreements that Lessee enters into with any of the above parties to contain language indemnifying Lessor as provided in this Section.

11. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by Lessor in connection with the Lease Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et seq. NMSA 1978, as amended. The City and its “public employees” as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense, and do not waive any limitation of liability pursuant to law. No provision of this License modifies or waives any provision of the New Mexico Tort Claims Act.

12. EASEMENTS

Lessor reserves the exclusive right to grant access, utility or other easements on or through the Premises. Lessor shall notify Lessee in writing prior to Lessor's grant of any easement through the Premises.

13. TERMINATION

- a. Either party may terminate this Lease Agreement upon the failure of a party (“Breaching Party”) to comply with any provisions contained herein. Prior to termination, The party asserting a breach has occurred (“Non-Breaching Party”) shall hand deliver or mail notice to the Breaching Party via certified or registered mail specifying:
 - i. the breach;
 - ii. the action required to cure the breach;
 - iii. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to the Breaching Party, by which such breach must be cured; and
 - iv. that failure to cure such breach on or before the date specified in the notice will result in termination of the Lease Agreement.

The Non-Breaching Party may, at its discretion, permit a reasonable period to cure longer than provided for in the letter, so long as the Breaching Party is working diligently to cure the breach. The Non-Breaching Party may demand proof such as communications with the Breaching Party’s contractor(s) explaining the delay, and revoke the extension and terminate this Lease Agreement at the Non-Breaching Party’s sole discretion. For the purposes of this paragraph, all exercise of discretion by Lessor shall be by Lessor’s City Manager.

- b. Lessee may terminate this Lease Agreement with written notice to Lessor at least thirty (30) days prior to the termination date.
- c. At the termination of this Lease Agreement Lessee shall surrender the Premises in the condition in which they were at the inception of this Lease Agreement, excepting:
 - i. Deterioration caused through reasonable use and ordinary wear and tear;
 - ii. Alterations, improvements or conditions made with Lessor’s written approval.
- d. Any personal property of Lessee left on the premises shall, at the discretion of Lessor’s City Manager, become property of Lessor. Lessor may charge actual costs or a reasonable fee to Lessee for removal of such personal property at the discretion of Lessor’s City Manager.

14. NOTICE

Any required notice will be deemed delivered, given and received (i) when personally hand delivered, or (ii) by United States Postal Service, certified mail, return receipt, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor:	City of Santa Fe Attn. City Manager P.O. Box 909 Santa Fe, NM 87504	To Lessee:	Santa Fe Southern, LLC Attn. Eddie Peck, CEO.. 418 Montezuma, Suite 16 Santa Fe, NM 87501
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With a copy to: City of Santa Fe
Attn. Asset Development Manager
P.O. Box 909
Santa Fe, New Mexico 87504

15. NO WAIVER

No waiver of a breach of any of the provisions contained in this Lease Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provisions.

16. SEVERABILITY

In the event that one or more of the provisions contained in this Lease Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

17. ENTIRE AGREEMENT

The foregoing constitutes the entire Lease Agreement between the Parties, represents their entire understanding, and defines all of their respective rights, title, and interests as well as all of their duties, responsibilities and obligations. Any and all prior lease agreements and understandings between the Parties related to the Premises, if any, are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the Parties.

18. BINDING EFFECT

This Lease Agreement shall be binding upon and insure to the benefit of the Parties hereto and their respective successors and permitted assigns.

19. LITIGATION EXPENSE

In the event of litigation between the Parties, Lessee shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which Lessor shall incur in enforcing this Lease Agreement or in recovering any and all damages caused to the Premises by Lessee, or Lessee's contractors, agents, employees or permitted assigns.

20. HEADINGS

The section headings contained in this Lease Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Lease Agreement.

21. APPLICABLE LAW; VENUE

In any action, suit or legal dispute arising from this Lease Agreement, Lessee agrees that the laws of the State of New Mexico shall govern. The Parties agree that any action or suit arising from this Lease Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

22. AMENDMENT

This Lease Agreement shall not be altered, changed or modified except by an amendment in writing executed by the Parties hereto.

23. SECURITY DEPOSIT

Lessee shall deposit with Lessor, upon execution hereof, the Security Deposit of one month's rent as security for Lessee's faithful performance of its obligations under this Lease Agreement. If Lessee fails to pay Rent, or otherwise defaults under this Lease Agreement, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due to Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within ten (10) days after written request therefor from the City Manager deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease Agreement. If the Base Rent increases during the term of this Lease Agreement, Lessee shall within ten (10) days after written request from Lessor's City Manager, deposit additional monies with Lessor so that the total amount of the Security Deposit shall always bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease Agreement and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 30 days after the expiration or termination of this Lease Agreement, if Lessor elects to apply the Security Deposit only to unpaid Rent, and otherwise within 60 days after the Premises have been vacated, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease Agreement.

24. CONSTRUCTION OF IMPROVEMENTS

Lessee shall construct structures or change interior divisions on the Premises only after written approval by Lessor's Facilities Director *and* City Manager. Approval shall be at the sole discretion of Lessor's Facilities Director and City Manager.

- a. Construction Assurance. Prior to the commencement of any construction or work of improvement on the Premises ("Improvements"), Lessee shall furnish to Lessor a full set of stamped architectural and engineered drawing for Lessor's review and approval which shall not be unreasonably withheld by Lessor. evidence that sufficient monies will be available to complete the Improvements. Such evidence shall represent at least the total estimated cost of construction and such evidence may take on of the following forms:
 - i. Performance Bond - To be supplied by Lessee's contractor(s) and issued jointly to Lessee and Lessor as Obligee; or
 - ii. Irrevocable Letter of Credit – or other form of banker's assurance issued to Lessor from a financial institution licensed to do business in the State of New Mexico and covered by Federal Depository Insurance which shall remain in effect until Lessor's Facilities Director acknowledges satisfactory completion of construction of Improvements.
- b. Turnover or Removal of Improvements.
 - i. Turnover of Improvements – If Lessor's City Manager directs that the Improvements be turned over to Lessor at the expiration of this Lease Agreement, they shall be turned over in a state of good condition and repair.
 - ii. Removal of Improvements – If Lessor's City Manager directs that the Improvements be removed, all or in part, prior to the expiration or termination of this Lease Agreement, Lessee shall remove all Improvements from the Premises at Lessee's sole cost. If structures are removed in part or in whole, Lessee shall restore the portions of the Premises from which it removes any Improvements, as nearly as reasonably possible, to a level graded condition at Lessee's sole cost. If Lessee has not removed the Improvements in a reasonable amount of time after the expiration or termination of this Lease Agreement, then Lessor may, at its option, declare the Improvements to be Lessor-owned real property, use or dispose of the remaining personal property pursuant to applicable law, and otherwise restore the Premises at Lessee's sole cost.
 - iii. Removal of Hazardous Materials – All hazardous on the Premises used or stored by Lessee must be removed prior to the expiration or termination of this Lease Agreement, whether or not the Improvements remain on the Premises.

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of this _____ day of _____, 20__.

LESSOR: CITY OF SANTA FE

LESSEE: SANTA FE SOUTHERN, INC.

BRIAN MOYA

Eddie Peck

BRIAN MOYA, INTERIM CITY MANAGER

EDDIE PECK, CEO

DATE: 05/26/2026

DATE: May 1, 2026

ATTEST:

[Signature]



GERALYN F. CARDENAS, CITY CLERK

APPROVED AS TO FORM FOR LEGAL SUFFICIENCY:

Ruby Crews

Ruby Crews (May 1, 2026 10:52:53 MDT)

RUBY A. CREWS, ASSISTANT CITY ATTORNEY

APPROVED AS TO FINANCE:

[Signature]

ANDREA PHILLIPS (May 26, 2026 13:14:12 MDT)

ANDREA K. PHILLIPS, INTERIM FINANCE DIRECTOR
Business Unit/Line Item 5156001/460150

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EXHIBIT A2 – Depot Building Outlined in Red

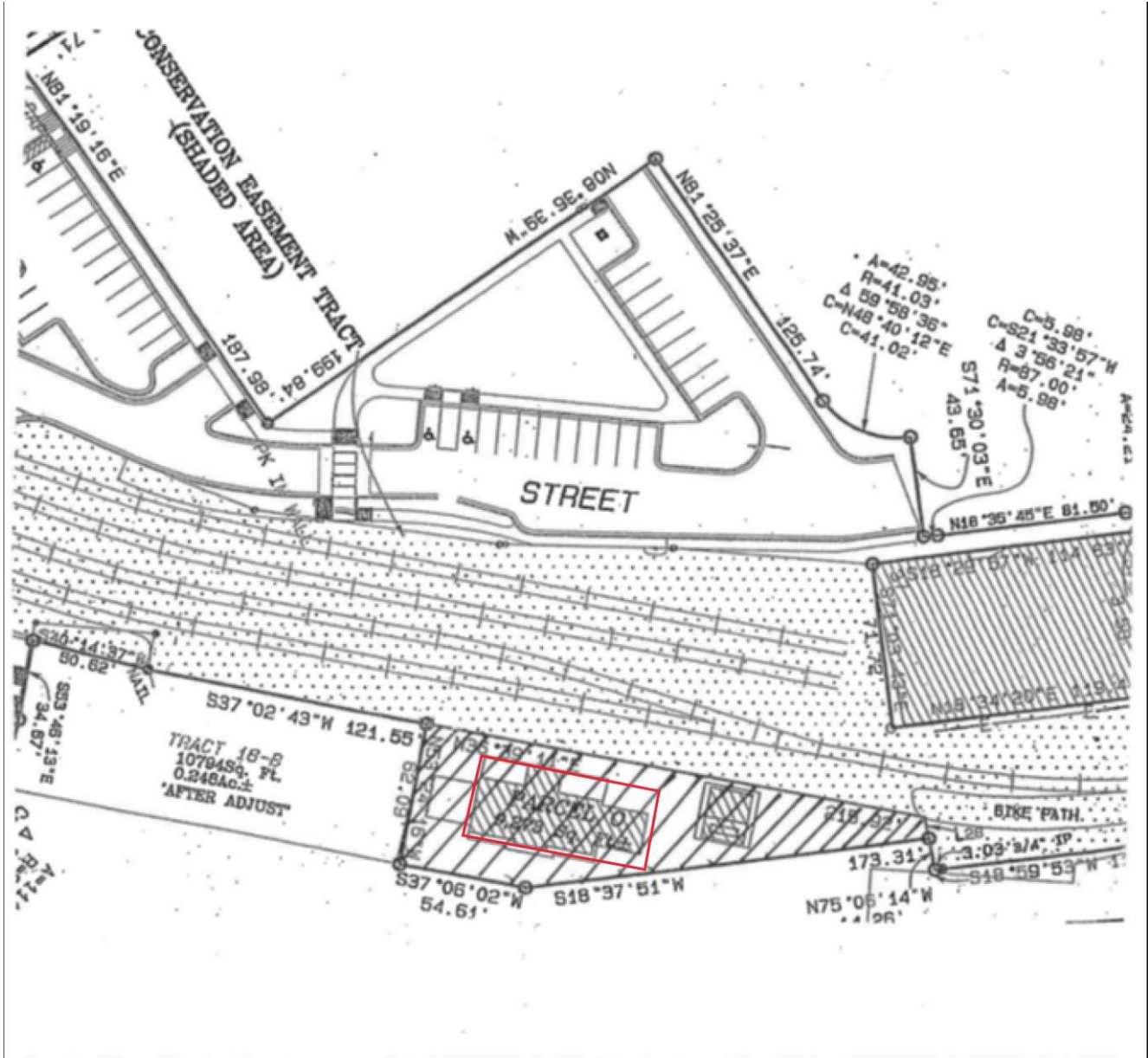


Exhibit B – Rent Schedule

Option Years	Year	Term Dates		LSF	Total Annual Rent	Escalation	Monthly Rent	Annual Cost per LSF
	1	5/1/2026	4/30/2027	105.00	\$2,320.50	2.50%	\$193.38	\$22.10
	2	5/1/2027	4/30/2028	105.00	\$2,378.51	2.50%	\$198.21	\$22.65
*	3	5/1/2028	4/30/2029	105.00	\$2,437.98	2.50%	\$203.16	\$23.22
*	4	5/1/2029	4/30/2030	105.00	\$2,498.92	2.50%	\$208.24	\$23.80

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DESIGNATED ADDITIONAL INSURED
ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL RAILROAD LIABILITY POLICY

In consideration of the premium charged, it is agreed that **SECTION III – WHO IS AN INSURED**, is amended to include the person or organization set forth in the Schedule below, but only with respect to liability arising out of your operations or premises owned by or rented to you.

SCHEDULE

Additional Insured: State of New Mexico
Rio Metro Regional Transit District/NMRX
National Passenger Rail Corporation
New Mexico Department of Transportation (NMDOT)
BNSF Railway
500 Market, LLC, a New Mexico Limited Liability Company
City of Santa Fe, NM, Santa Fe Conservation Trust, Santa Fe Railyard Community Corporation, its directors, officials, officers, employees and agents
Landseer Management 613 Old Santa Fe Trail Santa Fe, NM 87505
North Central Railcorp 2003 Southern Blvd. SE, Ste . 102-14 Rio Rancho, NM 87124
Rocky Mountain Connections, LLC and its subsidiaries and clients. 110 Midland Ave. Basalt, CO 81621

One10 LLC
100 North Sixth Street, Suite 700B
Minneapolis, MN 55403

Maritz Holdings Inc. and its subsidiaries and client
1395 N. Highways Drive
Fenton, MO 63099

Acoma Railway LLC
2984 Camino Piedra Lumbre
Santa Fe, NM 87505

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL RAILROAD LIABILITY POLICY

In consideration of the premium charged, it is agreed that **SECTION V – CONDITIONS**, Paragraph 7. **Transfer of Rights of Recovery Against Others to Us**, is amended to include the following:

We waive any right of recovery we may have against the person or organization set forth in the Schedule below because of payments we make for injury or damage arising out of your ongoing operations or **your work** done under a contract with that person or organization. This waiver applies only to the person or organization shown in the schedule below.

SCHEDULE

Name of Person or Organization: As Required by Written Contract Executed prior to the loss

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909

www.santafenm.gov

Alan Webber, Mayor

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1

Alma G. Castro, District 1

Michael J. Garcia, District 2

Carol Romero-Wirth, District 2

Lee Garcia, District 3

Pilar F.H. Faulkner, District 3

Jamie Cassutt, District 4

Amanda Chavez, District 4

Dear City Staff,

In accordance with State Statute and City Ordinances, this document serves as a blanket services' determination and is valid until June 30, 2026, for the types of general, professional, and construction services that are clearly one of the types pre-established and approved by the State Purchasing Agent and City CPO.

Please continue to obtain determinations for services that do not clearly and fully fit within the types listed below. For mixed or hybrid services, unclear scopes of work, and design-build projects, specific determinations will be required. In these cases, please email purchasing_det@santafenm.gov to obtain the necessary CPO determinations for your procurement needs.

Should you have any questions or require clarification on a particular service, feel free to contact CPD.

The following are General Services:

- Air/bus, vehicle charter/rental service
- Animal/k9 boarding - basic
- Auctioneers
- Audio-visual equipment setup and routine maintenance for events and presentations (including projectors, microphones, and speakers)
- Automotive mechanical services – all - including vehicle inspection, diagnostics, repair labor, parts replacement, and routine maintenance (e.g., oil changes, brake service, tune-ups, etc.)
- Banking Services (routine, transaction-based)
- Boiler testing/water treatment service
- Bookkeeping service (routine, transaction-based)
- Biohazard clean-up and disinfection services for crime scenes, homicides, suicides, unattended deaths, car accidents, deadly car crashes and cleanup of police units, along with any other biohazard situations. Building alarm systems, service and repair
- Check collection service
- Clothing, textile fabrication repair service

General Services (continued):

- Commercial laundry service, dry cleaning, etc.
- Communications systems installation, servicing, and repair
- Conference and trade show coordination
- Debt collection service
- Delivery/courier service
- Document storage, duplication, retrieval, review, and destruction service
- Drug testing and screening (standard tests)
- Engraving service
- Equipment installation, preventive maintenance, inspection, calibration, and repair
- Equipment rental services
- Exams administration and scoring service
- Executive recruitment
- Firefighting/suppression service
- Food preparation, vending, and catering services
- Health screening, basic diagnostic (wellness, blood pressure monitoring, blood draw, etc.)
- Herbicide application service
- Household goods packing, storage, transportation service
- HVAC system maintenance service - Includes filter changes, inspections, cleaning, minor repairs, and system diagnostics.
- Information Technology - Hosting only
- Information Technology Help Desk Services
- Information Technology Services requiring software or equipment
- Information Technology Software and Hardware Support Services
- Interpretive services: written/oral/sign language
- Inventory service
- Janitorial service, carpet cleaning, window washing
- Laboratory testing and analysis (standard tests only)
- Land clearing/debris removal service
- Landscaping—tree planting, grooming service, lawn mowing, etc. (but not landscape architects)
- Language translation service
- Linen rental service

General Services (continued):

- Marine equipment inspection, certification, and repair
- Medical equipment rental or repair service (wheelchairs, walkers, etc.), including measurements, adjustments, and modifications to meet patient needs
- Metal/pipe/wiring detection service
- Office furnishings installation, refurbishment, and repair service
- Package inspection and crating
- Painting service
- Paper shredding
- Parking lot sweeping/snow removal service
- Pest/weed control service
- Photographic/micrographic processing and delivery, includes aerial and ground photography (if analysis is included, then personal service)
- Printing/duplicating service
- Process serving
- **Property management (rent collection, property maintenance, etc.)**
- Recycling/disposal/litter pickup service
- Retreat and workshop planning, conduct, coordination, etc.
- Security/armored car services
- Shop welding/metal fabrication service
- Software as a Service
- Steam cleaning, high pressure washing, parts cleaning service
- Studio photography service (does not include portrait painting)
- Telephone interview service (conduct of survey using prescribed survey instrument)
- Towing service
- Traffic control services – including certified flaggers, barricade setup/removal, temporary signage, and traffic control plans (not involving permanent installations or design engineering)
- Training – when offered as a regular course by an institution (such as a college or university)
- Travel service — air, surface, water
- Videotaping and recording service
- Warehouse dry/cold storage rental service
- Weather information service

The following are Professional Services:

- Accountants (certified public accountants and registered public accountants)
- Actuaries
- Analysts of processes, programs, fiscal impact, and compliance
- Appraisers
- Archeologists
- Architects
- Artwork, original (services creating the artwork)
- Audio/video media productions (design, development, and/or oversight of)
- Auditors
- Broadband
- Business process re-engineering
- Counselors
- Consultants (including IT Consultants)
- Curriculum/Examination development
- Data Backup Services
- Data Storage and Management Services
- Design
- Economists
- Engineers
- Environmental monitoring: noise level, safety, hazardous gas detection, radiation monitoring service, etc.
- Financial Advisors
- Grant writing
- Graphic designers (creative or original in nature)
- Hearing officer services
- Independent Verification and Validation
- Information Technology Hosting when it includes Maintenance and Support
- Information Technology Maintenance
- Information Technology Management
- Information Technology Programming
- Information Technology Risk Assessment

Professional Services (Continued):

- Insurance Adjusters/Brokers
- Investigators (personnel-related, etc.)
- Investment advisors and management
- Labor negotiators
- Landscape Architects
- Lawyers
- Lobbyists
- Managed Network Services
- Management and system analysts
- Management consultants
- Marketing consultants (including identifying market opportunities, conduct of marketing programs, planning, promotion, market research surveys, etc.)
- Medical arts practitioners
- Medical – doctors, immunizations, etc.
- Mental health support – Therapists, Counselors, etc.
- Network Cybersecurity Services
- Network Installation
- Physicals
- Planners
- Policy Advisors
- Polygraph services
- Product Development Services
- Program/Project Managers
- Psychologists
- Public relations advisors/Publicists
- Publication development (creation of audio/video productions, brochures, pamphlets, maps, signs, posters, annual reports, etc.)
- Researchers
- Scientists (Bio/Chem/Env/Geo/Hydro/Mech, etc.)
- Social and Human Services - Includes case management, outreach, crisis intervention, supportive housing assistance, and other services intended to support vulnerable or at-risk populations. Services may be delivered by licensed or trained professionals in coordination with public or nonprofit systems.

Professional Services (Continued):

- Speech writers
- Statisticians
- Surveyors
- Trade developers
- Training – when it is specifically designed for an agency as opposed to established courses (such as out of the box training offered to all at a training company, university, or college)
- Veterinarian services
- Web design and development

The following are Construction Services:

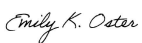
- Bid-Build (Standard)
- Construction Managers
- New Construction (including buildings, roads, bridges, utilities)
- Remodeling and Renovations (interior and exterior work)
- Demolition (including site clearance)
- Excavation and Earthwork
- Electrical Work (installation, repair, upgrades)
- Permanent installation or upgrades of audio-visual systems (including wiring and structural modifications)
- Plumbing (installation, repair, maintenance)
- Masonry and Concrete Work
- Roofing (installation, repair, maintenance)
- Structural Repair and Reinforcement
- Stucco installation, repair, and finishing
- Painting and Finishing (for construction purposes)
- Mechanical Work (HVAC systems, etc.)
- Site Preparation and Land Grading
- Utility Installation and Repair (water, sewer, gas lines)

Travis Dutton-Leyda, Chief Procurement Officer



Date: 06/30/2025

Emily Oster, Finance Director



Date: 06/30/2025

Signature: Terry Lease
Terry Lease (May 7, 2026 09:39:45 MDT)
Email: tjlease@santafenm.gov

Signature: ANDREA PHILLIPS
ANDREA PHILLIPS (May 19, 2026 10:34:48 MDT)
Email: akphillips@santafenm.gov

Signature: *Erika Quintana*

Email: efquintana@santafenm.gov