

GRANT COUNTY, NEW MEXICO
RESOLUTION NO. R-15-43

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT AND AN INTERCEPT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD ("CIB") AND THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY," AND COLLECTIVELY WITH THE CIB, THE "LENDERS/GRANTORS") AND GRANT COUNTY (THE "BORROWER/GRANTEE"), FOR THE BENEFIT OF THE COLONIA OF THE COMMUNITY OF NORTH HURLEY, IN THE TOTAL AMOUNT OF SIX HUNDRED TWENTY-NINE THOUSAND SIX HUNDRED EIGHT DOLLARS (\$629,608), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF NORTH HURLEY-PHASE 1 DRAINAGE AND INFRASTRUCTURE IMPROVEMENTS AT THE MAIN INTERSECTION OF US HIGHWAY 180 AND NORTH HURLEY ROAD, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF FIVE HUNDRED SIXTY-SIX THOUSAND SIX HUNDRED FORTY-SEVEN DOLLARS (\$566,647) AND PAYMENT OF THE LOAN AMOUNT OF SIXTY-TWO THOUSAND NINE HUNDRED SIXTY-ONE DOLLARS (\$62,961) SOLELY FROM THE REVENUES OF THE FIRST ONE-EIGHTH (1/8) OF ONE-PERCENT (.125%) INCREMENT OF THE COUNTY GROSS RECEIPTS TAX OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT AND THE INTERCEPT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN/GRANT AGREEMENT AND THE INTERCEPT AGREEMENT.

Capitalized terms used in the following preambles and not defined in the preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

WHEREAS, the CIB is a public body duly organized and created pursuant to the laws of the State of New Mexico (the "State"), particularly the Colonias Infrastructure Act, NMSA 1978, §§ 6-30-1 through 6-30-8, as amended (the "Colonias Infrastructure Act" or the "Act"); and

WHEREAS, the Finance Authority is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality, duly organized and created

pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1, through 6-21-31, as amended (the "Finance Authority Act"); and

WHEREAS, the Borrower/Grantee is a Political Subdivision of the State, being a legally and regularly created, established, organized and existing county under the general laws of the State and more specifically, NMSA 1978, §§ 4-9-1 and 4-9-2, as amended; and

WHEREAS, the Act creates the Colonias Infrastructure Project Fund (the "Fund") in the Finance Authority, to be administered by the Finance Authority to originate grants or loans and grants to Qualified Entities for Qualified Projects recommended by the CIB; and

WHEREAS, there exists within the boundaries of the Borrower/Grantee, the Colonia, a community that has been designated as a Colonia within the meaning of the Act; and

WHEREAS, the Borrower/Grantee will be receiving the Loan/Grant for the benefit of the Colonia and the constituent public the Borrower/Grantee serves; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the Colonia that the Borrower/Grantee enter into the Agreement and the Intercept Agreement with the Lenders/Grantors to borrow sixty-two thousand nine hundred sixty-one dollars (\$62,961) from the Lenders/Grantors and to accept a grant in the amount of five hundred sixty-six thousand six hundred forty-seven dollars (\$566,647) from the Lenders/Grantors to finance the costs of the Project, this project being more particularly described in the Term Sheet; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts granted and loaned pursuant to the Loan/Grant Agreement and the Intercept Agreement, that the Loan/Grant Amount, together with the Local Match and other monies available to the Borrower/Grantee, is sufficient to complete the Project, and that it is in the best interest of the Borrower/Grantee and the Colonia and the constituent public the Borrower/Grantee serves that the Loan/Grant Agreement and the Intercept Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Loan/Grant Agreement and the Intercept Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully enter into the Loan/Grant Agreement, accept the Loan/Grant Amount and be bound to the obligations and by the restrictions thereunder; and

WHEREAS, the Loan/Grant Agreement shall not constitute a general obligation of the Borrower/Grantee, the CIB or the Finance Authority or a debt or pledge of the full faith and credit of the Borrower/Grantee, the CIB, the Finance Authority or the State; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the County Clerk this Resolution and the form of the Loan/Grant Agreement which is incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that (i) the Local Match is now available to the Borrower/Grantee to complete the Project; or (ii) that the Governing Body will take such steps as are necessary to obtain the Local Match within six (6) months after the Closing Date; and

WHEREAS, the Borrower/Grantee acknowledges that, in the event that it is unable to provide the Local Match within six (6) months after the Closing Date, the Loan/Grant Agreement shall, at the option of the CIB and the Finance Authority, terminate and be of no further force or effect; and

WHEREAS, the Borrower/Grantee has met the requirements of Executive Order 2013-006 and has or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Loan/Grant Amount disbursed or caused to be disbursed by the Finance Authority and the CIB; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use of the Loan/Grant Amount for the purposes described, and according to the restrictions set forth, in the Loan/Grant Agreement; (ii) the availability of other monies necessary and sufficient, together with the Loan/Grant Amount, to complete the Project; and (iii) the authorization, execution and delivery of the Loan/Grant Agreement and the Intercept Agreement which are required to have been obtained by the date of this Resolution, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF GRANT COUNTY, NEW MEXICO:

Section 1. Definitions. Capitalized terms defined in the foregoing preambles, if not defined in this Section 1, shall have the same meaning as stated in the preambles, unless the context clearly requires otherwise. As used in this Resolution, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Agreement” or “Loan/Grant Agreement” means the Loan/Grant Agreement and any amendments or supplements thereto, including the exhibits attached thereto.

“Authorized Officers” means, any one or more of the Chairman of the Governing Body, County Manager, County Treasurer, and County Clerk thereof.

“Colonia” or “Colonias” means a Colonia as defined in the Act, and more particularly in NMSA 1978, § 6-30-3(C), as amended, and particularly the Colonia of the community of North Hurley.

“Conditions” has the meaning given to that term in the Loan/Grant Agreement.

“Completion Date” means the date of final payment of the cost of the Project.

“Distributing State Agency” means the Department of Taxation and Revenue or any other department or agency of the State, authorized to distribute the Pledged Revenues to or on behalf of the Borrower/Grantee.

“Effective Date” or “Closing Date” means the date of execution of the Loan/Grant Agreement by the Borrower/Grantee, the CIB and the Finance Authority.

“Eligible Architectural, Engineering and Construction Management Fees” means the fees and costs associated with the architectural, engineering and construction project management costs for services rendered to the Borrower/Grantee for the transaction of the Project and those directly associated with the Project, in an amount up to twelve percent (12%) of the Loan/Grant Amount.

“Eligible Fees for Other Professional Services” means the fees and costs incurred for other professional services necessary to the completion of the Project including, but not limited to, services provided by accounting and auditing firms, hydrologists and surveyors. Such fees may not exceed five percent (5%) of the Loan/Grant Amount.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by the Agreement, in an amount not exceeding five percent (5%) of the Loan/Grant Amount.

“Eligible Items” has the meaning given to that term in the Loan/Grant Agreement.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project and those directly associated with the Qualified Project, in an amount not exceeding ten percent (10%) of the Loan/Grant Amount, but does not include adjudication services.

“Expenses” means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, and includes Borrower/Grantee’s Eligible Architectural, Engineering and Construction Management Fees, Eligible Fees for Other Professional Services, Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Rules, other applicable statutes and rules, and applicable Policies.

“Finance Authority” means the New Mexico Finance Authority.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Borrower/Grantee as its fiscal year.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting

body acceptable to the Lenders/Grantors establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the Board of County Commissioners of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals five hundred sixty-six thousand six hundred forty-seven dollars (\$566,647).

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Resolution and not solely to the particular section or paragraph of this Resolution in which such word is used.

“Intercept Agreement” means the Intercept Agreement dated as of the Closing Date, between the Borrower/Grantee and the Finance Authority, providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Payments under the circumstances specified in Article VI of the Loan Agreement, and any amendments or supplements to the Intercept Agreement.

“Lenders/Grantors” means the CIB and the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and equals sixty-two thousand nine hundred sixty-one dollars (\$62,961).

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Agreement for the purpose of funding the Project. The value of the Loan/Grant equals six hundred twenty-nine thousand six hundred eight dollars (\$629,608).

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which includes the total value of the soft or hard match (each as defined in the Policies) which, in combination with the Loan/Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project. The Local Match is sixty-two thousand nine hundred sixty-one dollars (\$62,961).

“NMAC” means the New Mexico Administrative Code.

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

“Pledged Revenues” means the revenues of the Tax Ordinance of the Borrower/Grantee pledged to the payment of the Loan Amount pursuant to this Resolution, the Loan/Grant Agreement, and the Intercept Agreement and described in the Term Sheet.

“Policies” means the Colonias Infrastructure Project Fund Project Selection and Management Policies, approved by the CIB.

“Political Subdivision of the State” means a municipality, a county, water and sanitation district, an association organized and existing pursuant to the Sanitary Projects Act, NMSA 1978, § 3-29-1 through § 3-29-21, as amended, or any other entity recognized by statute as a political subdivision of the State.

“Project” means the project described in the Term Sheet.

“Project Account” means the book account established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, as shown in the Term Sheet, which account shall be kept separate and apart from all other accounts of the Finance Authority.

“Qualified Entity” means a county, municipality, or other entity recognized as a Political Subdivision of the State pursuant to NMSA 1978, § 6-30-3(F), as amended.

“Qualified Project” means a project selected by the CIB for financial assistance that is primarily intended to develop Colonias infrastructure. A Qualified Project may include a water system, a wastewater system, solid waste disposal facilities, flood and drainage control, roads or housing infrastructure pursuant to NMSA 1978, § 6-30-3(G), as amended, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies.

“Resolution” means this Resolution as it may be supplemented or amended from time to time, pursuant to Section 12.

“Rules” means Review and Selection of Colonias Infrastructure Projects, New Mexico Colonias Infrastructure Board, Sections 2.91.2.1 through 2.91.2.18 NMAC.

“State” means the State of New Mexico.

“Tax Ordinance” means Ordinance Bk. 204, passed and approved by the Borrower/Grantee pursuant to NMSA 1978, §7-20E-9, as amended, on June 23, 1987, with an effective date of January 1, 1988, and which imposes a county local option gross receipts tax known as the first one-eighth (1/8) of one-percent (.125%) increment of the county gross receipts tax on the gross receipts of all persons engaging in business within the boundaries of the Borrower/Grantee.

“Term Sheet” means Exhibit “A” attached to the Loan/Grant Agreement.

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired and constructed.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Borrower/Grantee and officers of the Borrower/Grantee directed toward the acquisition and completion of the Project, the pledge of the Pledged Revenues to payment of amounts due under the Loan/Grant Agreement and the Intercept Agreement, and the execution and delivery of the Loan/Grant Agreement and the Intercept Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan/Grant Agreement and Intercept Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan/Grant Agreement and the Intercept Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the Colonia and the constituent public the Borrower/Grantee serves.

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

A. The Project is needed to meet the needs of the Borrower/Grantee and the Colonia and the constituent public the Borrower/Grantee serves.

B. Moneys available and on hand for the Project from all sources other than the Loan/Grant are not sufficient to defray the cost of acquiring and completing the Project but, together with the Loan/Grant Amount, are sufficient to complete the Project.

C. The Project and the execution and delivery of the Loan/Grant Agreement pursuant to the Act to provide funds for the financing of the Project are necessary and in the interest of the public health, safety, and welfare of the constituent public served by the Borrower/Grantee.

D. The Borrower/Grantee will acquire and complete the Project with the proceeds of the Loan/Grant, the Local Match and other amounts available to the Borrower/Grantee, and except as otherwise expressly provided by the Loan/Grant Agreement, will utilize, operate and maintain the Project for the duration of its Useful Life.

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Local Match is now available to the Borrower/Grantee, and, in combination with the Loan/Grant Amount, the Local Match and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project and pay Expenses.

F. The Lenders/Grantors shall maintain on behalf of the Borrower/Grantee a separate Project Account as a book account only on behalf of the Borrower/Grantee and financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

G. The Borrower/Grantee and the other Qualified Entities that are participants in the Project has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located.

Section 5. Loan/Grant Agreement—Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the constituent public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of five hundred sixty-six thousand six hundred forty-seven dollars (\$566,647) and borrowing the Loan Amount of sixty-two thousand nine hundred sixty-one dollars (\$62,961) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement. The execution and delivery of the Loan/Grant Agreement and Intercept Agreement is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement and the Intercept Agreement shall be in substantially the form of the Loan/Grant Agreement and the Intercept Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of five hundred sixty-six thousand six hundred forty-seven dollars (\$566,647) and the Loan shall be in the amount of sixty-two thousand nine hundred sixty-one dollars (\$62,961). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount.

Section 6. Approval of Loan/Grant Agreement and the Intercept Agreement. The form of the Loan/Grant Agreement and the Intercept Agreement as presented at the meeting of the Governing Body, at which this Resolution was adopted, is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan/Grant Agreement and the Intercept Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the County Clerk is hereby authorized to attest the Loan/Grant Agreement. The execution of the Loan/Grant Agreement and the Intercept Agreement shall be conclusive evidence of such approval.

Section 7. Security. The Loan Amount shall be solely secured by the pledge of the Pledged Revenues herein made and as set forth in the Loan/Grant Agreement and the Intercept Agreement.

Section 8. Disposition of Proceeds: Completion of the Project.

A. Project Account and Expenses. The Borrower/Grantee hereby consents to creation of the Project Account and the payment of Expenses by the Finance Authority and further approves of the deposit or crediting of a portion of the Loan/Grant Amount to pay Expenses. Until the Completion Date, the amount of the Loan/Grant credited to the Project Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement or the Intercept Agreement or to pay Expenses.

B. Completion of the Project. The Borrower/Grantee shall proceed to complete the Project with all due diligence. Upon the Completion Date, the Borrower/Grantee shall execute a certificate stating that completion of and payment for the Project has been completed. Following the Completion Date or the earlier expiration of the time allowed for disbursement of the Loan/Grant Amount as provided in the Loan/Grant Agreement, any balance remaining in the Project Account shall be transferred and deposited into the Colonias Infrastructure Project Fund or otherwise distributed as provided in the Loan/Grant Agreement.

C. CIB and Finance Authority Not Responsible. Borrower/Grantee shall apply the funds derived from the Loan/Grant Agreement and the Intercept Agreement as provided therein and in particular Article V of the Loan/Grant Agreement. Neither the CIB nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

Section 9. Payment of Loan Amount. Pursuant to the Loan/Grant Agreement and the Intercept Agreement, the Borrower/Grantee shall pay the Loan Amount directly from the Pledged Revenues to the Finance Authority as provided in the Loan/Grant Agreement and the Intercept Agreement in an amount sufficient to pay principal and other amounts due under the Loan/Grant Agreement and to cure any deficiencies in the payment of the Loan Amount or other amounts due under the Loan/Grant Agreement.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount, which lien shall be subordinate to any lien on the Pledged Revenues existing on the Closing Date and, further, shall be subordinate to all other indebtedness secured or that may in the future be secured by the Pledged Revenues, except, however, that the lien shall be on parity with any other lien, present or future, for the repayment of any other loan provided to the Borrower/Grantee by the Lenders/Grantors pursuant to the Colonias Infrastructure Act or the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Loan/Grant Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Resolution and the Loan/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan/Grant Agreement including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan/Grant Agreement.

Section 12. Amendment of Resolution. This Resolution after its adoption may be amended without receipt by the Borrower/Grantee of any additional consideration, but only with the prior written consent of the CIB and the Finance Authority.

Section 13. Resolution Irrepealable. After the Loan/Grant Agreement has been executed and delivered, this Resolution shall be and remain irrepealable until all obligations due under the Loan/Grant Agreement shall be fully discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 15. Repealer Clause. All bylaws, orders, ordinances, resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Resolution, it shall be recorded in the book of the Borrower/Grantee kept for that purpose, authenticated by the signatures of the Chairman of the Governing Body and County Clerk of the Borrower/Grantee, and this Resolution shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution by the Governing Body.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Resolution shall be published in substantially the following form:

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[Form of Notice of Adoption of Resolution for Publication]

GRANT COUNTY, NEW MEXICO
Notice of Adoption of Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. R-15-43, duly adopted and approved by the Board of County Commissioners of Grant County on December 10, 2015. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the County Clerk, at 1400 Highway 180 East, Silver City, New Mexico 88061.

The title of the Resolution is:

GRANT COUNTY, NEW MEXICO
RESOLUTION NO. R-15-43

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT AGREEMENT AND AN INTERCEPT AGREEMENT BY AND AMONG THE NEW MEXICO COLONIAS INFRASTRUCTURE BOARD ("CIB") AND THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY," AND COLLECTIVELY WITH THE CIB, THE "LENDERS/GRANTORS") AND GRANT COUNTY (THE "BORROWER/GRANTEE"), FOR THE BENEFIT OF THE COLONIA OF THE COMMUNITY OF NORTH HURLEY, IN THE TOTAL AMOUNT OF SIX HUNDRED TWENTY-NINE THOUSAND SIX HUNDRED EIGHT DOLLARS (\$629,608), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTION OF NORTH HURLEY-PHASE 1 DRAINAGE AND INFRASTRUCTURE IMPROVEMENTS AT THE MAIN INTERSECTION OF US HIGHWAY 180 AND NORTH HURLEY ROAD, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR ACCEPTANCE OF A GRANT AMOUNT OF FIVE HUNDRED SIXTY-SIX THOUSAND SIX HUNDRED FORTY-SEVEN DOLLARS (\$566,647) AND PAYMENT OF THE LOAN AMOUNT OF SIXTY-TWO THOUSAND NINE HUNDRED SIXTY-ONE DOLLARS (\$62,961) SOLELY FROM THE REVENUES OF THE FIRST ONE-EIGHTH (1/8) OF ONE-PERCENT (.125%) INCREMENT OF THE COUNTY GROSS RECEIPTS TAX OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT AND THE INTERCEPT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION


AND DELIVERY OF THE LOAN/GRANT AGREEMENT AND THE
INTERCEPT AGREEMENT.

A general summary of the subject matter of the Resolution is contained in its title.
This notice constitutes compliance with NMSA 1978, § 6-14-6, as amended.

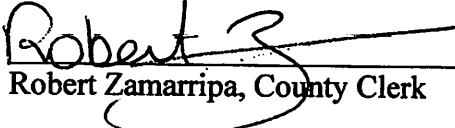
[End of Form of Notice of Adoption for Publication]

PASSED, APPROVED AND ADOPTED THIS 10TH DAY OF DECEMBER, 2015.

GRANT COUNTY, NEW MEXICO

By 
Brett Kasten, Chairman,
Board of County Commissioners

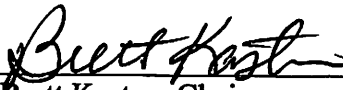
ATTEST:


Robert Zamarripa, County Clerk


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PASSED, APPROVED AND ADOPTED THIS 10TH DAY OF DECEMBER, 2015.

GRANT COUNTY, NEW MEXICO

By 
Brett Kasten, Chairman,
Board of County Commissioners

ATTEST:


Robert Zamarripa, County Clerk

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Governing Body Member Ron Hall then moved adoption of the foregoing Resolution, duly seconded by Governing Body Member Brett Kasten.

The motion to adopt the Resolution, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye:

Ron Hall

Brett Kasten

Those Voting Nay:



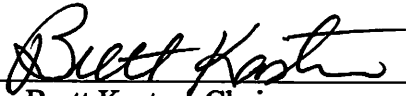
Those Absent:

Gabriel Ramos

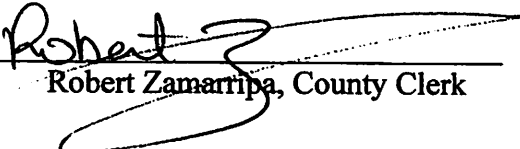
Two (2) Members of the Governing Body having voted in favor of the motion, the Chairman of the Governing Body declared the motion carried and the Resolution adopted, whereupon the Chairman of the Governing Body and County Clerk signed the Resolution upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Resolution, the meeting upon motion duly made, seconded and carried, was adjourned.

GRANT COUNTY, NEW MEXICO

By 
Brett Kasten, Chairman,
Board of County Commissioners

ATTEST:

By 
Robert Zamarripa, County Clerk

[Remainder of page intentionally left blank.]

After consideration of matters not relating to the Resolution, the meeting upon motion duly made, seconded and carried, was adjourned.

GRANT COUNTY, NEW MEXICO

By Brett Kasten
Brett Kasten, Chairman,
Board of County Commissioners

ATTEST:

By Robert Zamarripa
Robert Zamarripa, County Clerk

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STATE OF NEW MEXICO

)

) ss.

COUNTY OF GRANT

)

I, Robert Zamarripa, the duly qualified and acting County Clerk of Grant County (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of County Commissioners of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting held at the Grant County Administration Center, located at 1400 Highway 180 East, Silver City, New Mexico, on December 10, 2015 at the hour of 9:00 a.m., insofar as the same relate to the adoption of Resolution No. R-15-43 and the execution and delivery of the proposed Loan/Grant Agreement and Intercept Agreement, copies of which are set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. The proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1, as amended, including the Borrower/Grantee's open meetings Resolution No. R-15-01, adopted and approved on January 8, 2015 in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of January, 2016.

GRANT COUNTY, NEW MEXICO

By


Robert Zamarripa, County Clerk

STATE OF NEW MEXICO

COUNTY OF GRANT

)
) ss.
)

I, Robert Zamarripa, the duly qualified and acting County Clerk of Grant County (the "Borrower/Grantee"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of County Commissioners of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting held at the Grant County Administration Center, located at 1400 Highway 180 East, Silver City, New Mexico, on December 10, 2015 at the hour of 9:00 a.m., insofar as the same relate to the adoption of Resolution No. R-15-43 and the execution and delivery of the proposed Loan/Grant Agreement and Intercept Agreement, copies of which are set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of January, 2016.

GRANT COUNTY, NEW MEXICO

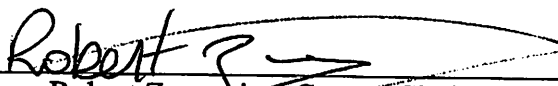
By 
Robert Zamarripa, County Clerk

EXHIBIT "A"

Notice of Meeting, Meeting Agenda and Minutes

**OFFICE OF THE GRANT COUNTY COMMISSIONERS
OFFICE OF THE GRANT COUNTY MANAGER**

1400 Highway 180 East – Silver City, NM 88061

Phone: 575-574-0008 Fax: 575-574-0073

www.grantcountynm.com

NOTICE TRANSMITTAL SHEET

Date: December 3, 2015

To Be Published:	To Be Posted:	To Be Notified:
Silver City Daily Press Attn: Legal Notices <u>Publication Date:</u> Friday, December 4, 2015	Grant County Administration Center 1400 Hwy. 180 E. Silver City, NM www.grantcountynm.com <u>Post Date:</u> Thursday, December 3, 2015	Board of County Commissioners Elected Officials & Department Heads Silver City Daily Press Silver City Sun-News Grant County Beat Community Access Television of Silver Gila Sustainable Community Grant County Community Health Council

LEGAL NOTICE

Work Session/Regular Meeting

The Grant County Board of Commissioners will convene in a Work Session on Tuesday, December 8, 2015, at 9:00 a.m. The meeting will take place in the Commissioner Meeting Room at the Grant County Administration Center located at 1400 Highway 180 East, Silver City, New Mexico. The tentative agenda is as follows:

AGENDA

- I. Call to Order**
- II. Pledge of Allegiance & Salute to State Flag**
- III. Approval of Work Session Agenda**
- IV. Purpose**

The general purpose of the county Work Session is to inform the Grant County Board of Commissioner of the agenda items that will be addressed at the next Regular Meeting, and for the Department Heads and other Elected Officials to communicate with the Commissioners in regard to matters in their respective departments. In accordance with Grant County Resolution No. 15-01, we welcome the public to attend the county Work Session, but there will be no public input permitted at this meeting.

- V. Review December 10, 2015, Regular Meeting Agenda**

- VI. County Reports**

- VII. Adjournment**

The Grant County Board of Commissioners will convene in a Regular Meeting on Thursday, December 10, 2015, at 9:00 a.m. The meeting will take place in the Commission Meeting Room at the Grant County Administration Center located at 1400 Highway 180 East, Silver City, New Mexico. The tentative agenda is as follows:

AGENDA

- I. Call to Order**
- II. Pledge of Allegiance and Salute to State Flag**

III. Approval of Regular Meeting Agenda

IV. Public Input

- During this portion of our meeting we welcome your suggestions and want to hear your concerns. This is not a question and answer period; speakers will be limited to five (5) minutes. Any individual who would like to discuss an item in more depth may request to be placed on a future agenda. Request forms are available in the County Manager's Office.

V. Minutes

- a. Approve/Disapprove November 12, 2015, Regular Meeting Minutes.

VI. Financial Reports

- b. Approve/Disapprove December 7, 2015; Expenditure Report.

VII. New Business

- c. Approve/Disapprove **one (1) Board Member** to Gila Regional Medical Center Board of Trustees:
 - Rudy Martinez
- d. Honor of DARE graduates from the Cobre School District.
Sheriff Raul Villanueva
- e. Approve/Disapprove Vehicle Transfer 2010 Dodge Ram ST 4x4, from Fire Management to Public Works Department. **Randy Villa**
- f. Approve/Disapprove Santa Rita Volunteer Fire Department PERA Enrollment Form. The following Volunteer Fire Fighters are:
 - Randy Teague
 - Lonnie Ballernfeind
 - Mark Standard
 - Judith Standard
- g. Approve/Disapprove Pinos Altos Volunteer Fire Department PERA Adjusted Qualification Report and Record Form. The following Volunteer Fire Fighters are:
 - Susan Austin
 - Ernest Booth
 - Philip Clark
 - Ellen Cline
 - Ryan Coleman
 - Linda Davila
 - Amos England
 - Art Falkler
 - Robert Gosney
 - James Kane
 - Tyrell Lane
 - David Montz

- Michael Moorman
 - Pamela Moorman
 - Donald Perkins
 - Stephen White
 - Lucy Whitmarsh
- h. Approve/Disapprove Application to New Mexico Finance Authority for Construction of LS Mesa Sub-Station. **Lucy Whitmarsh.**

VIII. Contracts and Agreements

- i. Approve/Disapprove Agreement **A-15-43**; State of New Mexico Department of Finance and Administration for Capital Appropriation Grant Agreement 15-0782 Grant County Gila Regional Medical Center.
- j. Approve/Disapprove Agreement **A-15-44**; State of New Mexico Department of Finance and Administration for DWI Grant Agreement Amendments No. 1 for the Project 16-D-J-G-10.
- k. Approve/Disapprove Agreement **A-15-45**; Amendment to Juvenile Detention Center Contract with McKinley County Juvenile Detention Center.
- l. Approve/Disapprove Agreement **A-15-46**; New Mexico Department of Transportation Aviation Grant Agreement for the Grant County Airport.

IX. Bids

- m. Approve/Disapprove **Bid: IFB B-15-04**; Grant County Courthouse Electrical Upgrade.

X. Resolution

- n. Approve/Disapprove Resolution **R-15-42**; Support the 2016 Legislative Priorities of the New Mexico Association of Counties.
- o. Approve/Disapprove Resolution **R-15-43**; A Resolution Authorizing the Execution and Delivery of a Colonia's Infrastructure Project No. 3352-CIF Fund Loan/Grant Agreement and an Intercept Agreement for the Community of North Hurly by and Among the New Mexico Colonia's Infrastructure Board and the New Mexico Finance Authority and Grant County.
- p. Approve/Disapprove Resolution **R-15-44**; A Resolution Authorizing the Execution and Delivery of a Colonia's Infrastructure Project No. 3352-CIF Fund Loan/Grant Agreement and Intercept Agreement for the Community of Tyrone by and Among the new Mexico Finance Authority and Grant County.
- q. Approve/Disapprove Resolution **R-15-45**; to Adopt the Grant County Airport Action Plan Including the draft Airport Layout Plan updated to be submitted to the FAA.
- r. Approve/Disapprove Resolution **R-15-46**; Notice of Intent to Consider an Ordinance Amending the Dedication of a County local Option Gross Receipts Tax.

XI. Recess as the Grant County Board of Commissioners and Convene as the Grant County Indigent and Health Plan Claims Board.

s. Approve/Disapprove Health Plan Claims (Indigent Fund) for October 2015.

t. Approve/Disapprove Health Plan Claims (Indigent Fund) for November 2015.

XII. Recess as the Grant County Indigent and Health Plan Claims Board and Convene as the Grant County Board of Commissioners.

XIII. Commissioner Comments

XIV. Adjournment

The agendas for these meetings may be altered up to thirty-six (36) hours prior to the meetings; copies can be obtained from the County Manager's Office or viewed online at www.grantcountynm.com. If you are an individual with a disability in need of a reader, amplifier, qualified sign language interpreter or any other form of auxiliary aide or service to attend or participate in the meetings or hearings, please contact the Grant County Manager at 1400 Highway 180 East, Silver City, New Mexico or Denisha Lucero at 575-574-0006, one (1) week prior to the meetings or as soon as possible.

Brett Kasten, Chairman By(s) Denisha Lucero, Administrative Assistant

GRANT COUNTY

COMMISSIONERS

GABRIEL J. RAMOS
DISTRICT 1

BRETT A. KASTEN
DISTRICT 2

RON HALL
DISTRICT 3



COUNTY MANAGER
CHARLENE WEBB

Telephone: (575) 574-0008
Fax: (575) 574-0073

BOARD OF COUNTY COMMISSIONERS REGULAR MEETING DECEMBER 10, 2015 – 9:00 A.M.

AGENDA

- I. **Call to Order**
- II. **Pledge of Allegiance and Salute to State Flag**
- III. **Approval of Regular Meeting Agenda**
- IV. **Public Input**
 - During this portion of our meeting we welcome your suggestions and want to hear your concerns. This is not a question and answer period; speakers will be limited to five (5) minutes. Any individual who would like to discuss an item in more depth may request to be placed on a future agenda. Request forms are available in the County Manager's Office.
- V. **Minutes**
 - a. Approve/Disapprove November 12, 2015, Regular Meeting Minutes.
- VI. **Financial Reports**
 - b. Approve/Disapprove December 7, 2015; Expenditure Report.
- VII. **New Business**
 - c. Approve/Disapprove **one (1) Board Member** to Gila Regional Medical Center Board of Trustees:
 - Rudy Martinez
 - d. Honor of DARE graduates from the Cobre School District.
Sheriff Raul Villanueva

- e. Approve/Disapprove Vehicle Transfer 2010 Dodge Ram ST 4x4, from Fire Management Office to Public Works Department. **Randy Villa**
- f. Approve/Disapprove Santa Rita Volunteer Fire Department PERA Adjusted Qualification Report and Record Form. The following Volunteer Fire Fighters are:
 - Randy Teague
 - Lonnie Bauernfeind
 - Mark Standard
 - Judith Standard
- g. Approve/Disapprove Pinos Altos Volunteer Fire Department PERA Adjusted Qualification Report and Record Form. The following Volunteer Fire Fighters are:
 - Susan Austin
 - Ernest Booth
 - Philip Clark
 - Ellen Cline
 - Ryan Coleman
 - Linda Davila
 - Amos England
 - Art Falkler
 - Robert Gosney
 - James Kane
 - Tyrell Lane
 - David Montz
 - Michael Moorman
 - Pamela Moorman
 - Donald Perkins
 - Stephen White
 - Lucy Whitmarsh
- h. Approve/Disapprove 2016 County Commission Meeting Dates:
 - Option A
 - Option B

VIII. Contracts and Agreements

- i. Approve/Disapprove Agreement A-15-43; State of New Mexico Department of Finance and Administration for Capital Appropriation Grant Agreement 15-0782 Grant County Gila Regional Medical Center.

- j. Approve/Disapprove Agreement **A-15-44**; State of New Mexico Department of Finance and Administration for DWI Grant Agreement Amendments No. 1 for the Project 16-D-J-G-10.
- k. Approve/Disapprove Agreement **A-15-45**; Amendment to Juvenile Detention Center Contract with McKinley County Juvenile Detention Center.
- l. Approve/Disapprove Agreement **A-15-46**; New Mexico Department of Transportation Aviation Grant Agreement for the Grant County Airport.

IX. Bids

- m. Approve/Disapprove **Bid: IFB B-15-04**; Grant County Courthouse Electrical Upgrade.

X. Resolution

- n. Approve/Disapprove Resolution **R-15-42**; Support the 2016 Legislative Priorities of the New Mexico Association of Counties.
- o. Approve/Disapprove Resolution **R-15-43**; A Resolution Authorizing the Execution and Delivery of a Colonia's Infrastructure Project No. 3351-CIF Fund Loan/Grant Agreement and an Intercept Agreement for the Community of North Hurly by and Among the New Mexico Colonia's Infrastructure Board and the New Mexico Finance Authority and Grant County.
- p. Approve/Disapprove Resolution **R-15-44**; A Resolution Authorizing the Execution and Delivery of a Colonia's Infrastructure Project No. 3352-CIF Fund Loan/Grant Agreement and Intercept Agreement for the Community of Tyrone by and Among the new Mexico Finance Authority and Grant County.
- q. Approve/Disapprove Resolution **R-15-45**; to Adopt the Grant County Airport Action Plan Including the draft Airport Layout Plan updated to be submitted to the FAA.
- r. Approve/Disapprove Resolution **R-15-46**; Notice of Intent to Consider an Ordinance Amending the Dedication of a County local Option Gross Receipts Tax.
- s. Approve/Disapprove Resolution **R-15-47**; A Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for the Santa Rita Fire Station.
- t. Approve/Disapprove Resolution **R-15-48**; A Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and

Project Approval to the New Mexico Finance Authority for the Loma Verde Subdivision Assessment District.

- u. Approve/Disapprove Resolution **R-15-49**; A Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority for Purchase of a Brush Truck for the Fort Bayard Volunteer Fire Department.
- v. Approve/Disapprove Resolution **R-15-50**; A Resolution Setting Assessment Roll Hearing for Loma Verde Subdivision.

XI. Recess as the Grant County Board of Commissioners and Convene as the Grant County Indigent and Health Plan Claims Board.

w. Approve/Disapprove Health Plan Claims (Indigent Fund) for October 2015.

x. Approve/Disapprove Health Plan Claims (Indigent Fund) for November 2015.

XII. Recess as the Grant County Indigent and Health Plan Claims Board and Convene as the Grant County Board of Commissioners.

XIII. Commissioner Comments

XIV. Adjournment

\$629,608

**COLONIAS INFRASTRUCTURE PROJECT FUND
LOAN/GRANT AGREEMENT**

Dated

January 15, 2016

By and Among the

**COLONIAS INFRASTRUCTURE BOARD
and the
NEW MEXICO FINANCE AUTHORITY,
as Lenders/Grantors,**

and

**GRANT COUNTY,
New Mexico,
as Borrower/Grantee.**

**COLONIAS INFRASTRUCTURE PROJECT FUND
LOAN/GRANT AGREEMENT**

THIS LOAN/GRANT AGREEMENT (the "Agreement") dated January 15, 2016, is entered into by and among the **COLONIAS INFRASTRUCTURE BOARD** (the "CIB") and the **NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority") (collectively, the "Lenders/Grantors"), and **GRANT COUNTY**, New Mexico, (the "Borrower/Grantee") for the benefit of the Colonia of the community of North Hurley (the "Colonia").

WITNESSETH:

Capitalized terms used in the following preambles of this Agreement and not defined above or in the preambles have the same meaning as defined in Article I of this Agreement unless the context requires otherwise.

WHEREAS, the CIB is a public body duly organized and created pursuant to the laws of the State of New Mexico (the "State"), particularly the Colonias Infrastructure Act, NMSA 1978, §§ 6-30-1 through 6-30-8, as amended (the "Colonias Infrastructure Act" or the "Act"); and

WHEREAS, the Finance Authority is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality, duly organized and created pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1 through 6-21-31, as amended (the "Finance Authority Act"); and

WHEREAS, the Act creates the Colonias Infrastructure Project Fund (the "Fund") in the Finance Authority, to be administered by the Finance Authority to originate grants or loans and grants to Qualified Entities for Qualified Projects recommended by the CIB; and

WHEREAS, the Borrower/Grantee is a Political Subdivision of the State, being a legally and regularly created, established, organized and existing county under the general laws of the State and more specifically, NMSA 1978, §§ 4-9-1 and 4-9-2, as amended; and

WHEREAS, there exists within the boundaries of the Borrower/Grantee, the Colonia, a community that has been designated as a Colonia within the meaning of the Act; and

WHEREAS, the Borrower/Grantee will be receiving the Loan/Grant for the benefit of the Colonia and the constituent public the Borrower/Grantee serves; and

WHEREAS, pursuant to the Act, Rules and the Policies, the CIB and the Finance Authority are authorized to make loans/grants to Qualified Entities from the Fund for Qualified Projects; and

WHEREAS, the Borrower/Grantee applied to the CIB and the Finance Authority for a Qualified Project to receive funding pursuant to the Act, the Rules and the Policies, is a Qualified Entity under the Act and has determined that it is in the best interests of the Borrower/Grantee and the Colonia and the constituent public the Borrower/Grantee serves that the

Borrower/Grantee enter into this Agreement and the Intercept Agreement with the Lenders/Grantors to accept a Loan/Grant in the amount of six hundred twenty-nine thousand six hundred eight dollars (\$629,608) from the Lenders/Grantors to finance the costs of the Project, this Project being more particularly described in the Term Sheet; and

WHEREAS, the CIB on June 4, 2015 recommended to the Finance Authority that the Borrower/Grantee receive financial assistance from the Fund in the form of the Loan/Grant, for the benefit of the Colonia and the CIB has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Finance Authority approved the Loan/Grant Amount from the Fund to the Borrower/Grantee on June 25, 2015; and

WHEREAS, pursuant to the CIB Rules and the Policies, the Borrower/Grantee will receive at least ten percent (10%) of its funding as a loan, in order to ensure the long-term solvency of the Fund by providing annual streams of revenue available to fund additional Qualified Projects; and

WHEREAS, the Borrower/Grantee is willing to pledge the Pledged Revenues to the payment of the Loan and grant a lien to the Lenders/Grantors on the Pledged Revenues subordinate to all other liens thereon present and future, except that any present and future loans from the Lenders/Grantors to the Borrower/Grantee pursuant to the Colonias Infrastructure Act or the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended, shall be on a parity with this Loan/Grant; and

WHEREAS, the obligation of the Borrower/Grantee under this Agreement and the Intercept Agreement shall constitute a special, limited obligation of the Borrower/Grantee, limited to the Pledged Revenues, and shall not constitute a general obligation or other indebtedness of the Borrower/Grantee or a charge upon the general credit or ad valorem taxing power of the Borrower/Grantee, or the State; and

WHEREAS, the Borrower/Grantee has met the requirements of Executive Order 2013-006 and has represented that it has met or will meet prior to the first disbursement of any portion of the Loan/Grant Amount, the Conditions and the readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the CIB; and

WHEREAS, the execution, performance, and delivery of this Agreement have been authorized, approved, and directed by the Governing Body pursuant to the Resolution; and

WHEREAS, the execution and performance of this Agreement have been authorized, approved, and directed by all necessary and appropriate action of the CIB and the Finance Authority and their respective officers.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree:

ARTICLE I DEFINITIONS

The capitalized terms defined in this Article I where used in this Loan/Grant Agreement, including the foregoing preambles shall have the meanings assigned in this Article I, unless the context clearly requires otherwise. Capitalized terms defined in the foregoing preambles, if not defined in this Article I, shall have the same meaning as stated in the preambles, unless the context clearly requires otherwise.

“Agreement” or “Loan/Grant Agreement” means this Loan/Grant Agreement and any amendments or supplements hereto, including the exhibits attached hereto.

“Agreement Term” means the term of this Agreement as provided under Article III of this Agreement.

“Application” means the Colonias Infrastructure Project Fund Application for Funding dated January 12, 2015 of the Borrower/Grantee and pursuant to which the Borrower/Grantee requested funding for the Project.

“Authorized Officers” means, with respect to the Borrower/Grantee, any one or more of the Chairman of the Governing Body, County Manager, County Treasurer and County Clerk thereof; with respect to the Finance Authority, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer of the Finance Authority; and with respect to the CIB, any one or more of the Chairperson or the Vice-Chairperson, Secretary and the Treasurer thereof, and any other officer or employee of the Finance Authority or of the CIB designated in writing by an Authorized Officer thereof.

“Colonia” or “Colonias” means a Colonia as defined in the Act, and more particularly in NMSA 1978, § 6-30-3(C), as amended, and particularly the Colonia of the community of North Hurley.

“Conditions” means (1) all readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the CIB; (2) all requirements set forth in the Term Sheet; (3) all requirements outlined in Article II, Paragraph (p) and Section 5.1; (4) a determination that the disbursement applied for does not exceed any limitation upon the amount payable for any Eligible Item pursuant to the Act, the Rules, and the Policies governing the Fund; and (5) the plans and specifications for the Project have been approved by all entities required by the CIB or the Finance Authority in their sole discretion to approve such plans and specifications.

“Department of Finance and Administration” or “DFA” means the department of finance and administration of the State.

“Distributing State Agency” means the Department of Taxation and Revenue or any other department or agency of the State, authorized to distribute the Pledged Revenues to or on behalf of the Borrower/Grantee.

“Effective Date” or “Closing Date” means the date of execution of this Agreement by the Borrower/Grantee, the CIB, and the Finance Authority.

“Eligible Architectural, Engineering and Construction Management Fees” means the fees and costs associated with the architectural, engineering and construction project management costs for services rendered to the Borrower/Grantee for the transaction of the Project and those directly associated with the Project, in an amount up to twelve percent (12%) of the Loan/Grant Amount.

“Eligible Fees for Other Professional Services” means the fees and costs incurred for other professional services necessary to the completion of the Project including, but not limited to, services provided by accounting and auditing firms, hydrologists and surveyors. Such fees may not exceed five percent (5%) of the Loan/Grant Amount.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by this Agreement, in an amount not exceeding five percent (5%) of the Loan/Grant Amount.

“Eligible Items” means eligible Project costs for which loans/grants may be made pursuant to Title 2, Chapter 91, Part 2 NMAC and includes costs of acquiring and constructing the Project, plus Expenses.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project and those directly associated with the Qualified Project, in an amount not exceeding ten percent (10%) of the Loan/Grant Amount, but does not include adjudication services.

“Event of Default” means one or more events of default as defined in Section 9.1 of this Agreement.

“Expenses” means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, and includes Borrower/Grantee’s Eligible Architectural, Engineering and Construction Management Fees, Eligible Fees for Other Professional Services, Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Rules, other applicable statutes and rules, and applicable Policies.

“Fiscal Year” means the period commencing on July 1 of each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Borrower/Grantee as its fiscal year.

“Force Majeure” means any act of God, fire, floods, storms, explosions, accidents, epidemics, war, civil disorder, strikes, lockouts or other labor difficulties, or any law, rule, regulation, order or other action adopted or taken by any federal, state or local government authority, or any other cause not reasonably within such party’s control.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Lenders/Grantors establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the Board of County Commissioners of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and equals five hundred sixty-six thousand six hundred forty-seven dollars (\$566,647).

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Loan/Grant Agreement and not solely to the particular section or paragraph of this Loan/Grant Agreement in which such word is used.

“Intercept Agreement” means the Intercept Agreement dated as of the Closing Date, between the Borrower/Grantee and the Finance Authority, providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Payments under the circumstances specified in Article VI of this Loan Agreement, and any amendments or supplements to the Intercept Agreement.

“Lenders/Grantors” means the CIB and the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to this Agreement for the purpose of funding the Project and equals sixty-two thousand nine hundred sixty-one dollars (\$62,961).

“Loan/Grant” or “Loan/Grant Amount” means the amount provided to the Borrower/Grantee as the Grant Amount and borrowed by the Borrower/Grantee as the Loan Amount pursuant to this Agreement for the purpose of funding the Project. The value of the Loan/Grant equals six hundred twenty-nine thousand six hundred eight dollars (\$629,608).

“Loan Payments” means, collectively, the Principal Component to be paid by the Borrower/Grantee as payment of this Loan/Grant Agreement as shown on Exhibit “C” hereto.

“Local Match” means the amount determined pursuant to the Policies to be provided by the Borrower/Grantee which includes the total value of the soft or hard match (each as defined in the Policies) which, in combination with the Loan/Grant Amount and other monies available to the Borrower/Grantee, is sufficient to complete the Project. The Local Match is sixty-two thousand nine hundred sixty-one dollars (\$62,961).

“NMAC” means the New Mexico Administrative Code.

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

“Pledged Revenues” means the revenues of the Tax Ordinance of the Borrower/Grantee pledged to the payment of the Loan Amount pursuant to the Resolution, this Loan/Grant Agreement, and the Intercept Agreement and described in the Term Sheet.

“Policies” means the Colonias Infrastructure Project Fund Project Selection and Management Policies, approved by the CIB.

“Political Subdivision of the State” means a municipality, a county, water and sanitation district, an association organized and existing pursuant to the Sanitary Projects Act, NMSA 1978, § 3-29-1 through § 3-29-21, as amended, or any other entity recognized by statute as a political subdivision of the State.

“Principal Component” means the portion of each Loan Payment paid as principal on this Loan/Grant Agreement as shown on Exhibit “C” attached hereto.

“Project” means infrastructure development in accordance with the Act consisting of improvements to flood and drainage control and roads infrastructure, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies and is more specifically described on the Term Sheet and shall include such other related work and revisions necessary to complete the Project.

“Project Account” means the book account established by the Finance Authority in the name of the Borrower/Grantee for purposes of tracking expenditure of the Loan/Grant Amount by the Borrower/Grantee to pay for the costs of the Project, which shall be kept separate and apart from all other accounts of the Finance Authority.

“Qualified Entity” means a county, municipality, or other entity recognized as a Political Subdivision of the State pursuant to NMSA 1978, § 6-30-3(F), as amended.

“Qualified Project” means a project selected by the CIB for financial assistance that is primarily intended to develop Colonias infrastructure. A Qualified Project may include a water system, a wastewater system, solid waste disposal facilities, flood and drainage control, roads or housing infrastructure pursuant to NMSA 1978, § 6-30-3(G), as amended, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies.

“Resolution” means the Borrower/Grantee’s Resolution No. R-15-43, adopted on December 10, 2015, authorizing the acceptance of the Loan/Grant and the execution of this Agreement and pledging the Pledged Revenues.

“Rules” means Review and Selection of Colonias Infrastructure Projects, New Mexico Colonias Infrastructure Board, Sections 2.91.2.1 through 2.91.2.18 NMAC.

“State” means the State of New Mexico.

“Tax Ordinance” means Ordinance Bk. 204, passed and approved by the Borrower/Grantee pursuant to NMSA 1978, §7-20E-9, as amended, on June 23, 1987, with an effective date of January 1, 1988, and which imposes a county local option gross receipts tax known as the first one-eighth (1/8) of one-percent (.125%) increment of the county gross receipts tax on the gross receipts of all persons engaging in business within the boundaries of the Borrower/Grantee.

“Term Sheet” means Exhibit “A” attached to this Agreement.

“Useful Life” means the period during which the Project is expected to be usable for the purpose for which it was acquired and constructed.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE BORROWER/GRANTEE

The Borrower/Grantee represents, covenants and warrants as follows:

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Borrower/Grantee contained in this Loan/Grant Agreement, the Intercept Agreement and the Resolution shall be binding upon the Borrower/Grantee and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations, and agreements shall be transferred by or in accordance with law.

(b) Authorization of Agreement and Intercept Agreement. The Borrower/Grantee is a Qualified Entity as defined in the Act and the Rules. Pursuant to the laws of the State and in particular, the laws governing its creation and existence, as amended and supplemented from time to time, the Borrower/Grantee is authorized to enter into the transactions contemplated by this Agreement and the Intercept Agreement and to carry out its obligations hereunder. The Borrower/Grantee has duly authorized and approved its acceptance of the Loan/Grant and the Intercept Agreement and the execution and delivery of those agreements and the other documents related to the transaction described in this Agreement, and no other approval is required that has not been obtained.

(c) Necessity of Project. The completion and operation of the Project under the terms and Conditions provided in this Agreement are necessary, convenient, and in furtherance of the governmental purposes of the Borrower/Grantee and are in the best interest of the Borrower/Grantee and the Colonia and the constituent public the Borrower/Grantee serves.

(d) Useful Life. The Agreement Term is not greater than the Useful Life of the Project, and in any event shall not exceed thirty (30) years.

(e) Benefit to Borrower/Grantee; Operation Over Useful Life. During the Agreement Term, the Project will at all times be used for the purpose of benefiting the Borrower/Grantee and in particular the Colonia and the constituent public the Borrower/Grantee

serves. The Borrower/Grantee will operate and maintain the Project, so that it will function properly over its Useful Life.

(f) Nature and Use of Agreement Proceeds. The Borrower/Grantee acknowledges that the distribution of the proceeds of the Loan/Grant Amount shall be deemed to be a distribution to the Borrower/Grantee first of the Loan Amount and then, once an amount equal to the Loan Amount has been distributed, of the Grant Amount. The Borrower/Grantee shall apply the proceeds of the Loan/Grant solely to the completion of the Project and the payment of the Expenses, and shall not use the Loan/Grant proceeds for any other purpose. The Loan/Grant Amount, together with the Local Match that will be available to the Borrower/Grantee, is sufficient to complete the Project in its entirety and to pay the Expenses.

(g) Payment of Loan Amount. The Borrower/Grantee shall promptly make the Loan Payments as provided in this Agreement and the Intercept Agreement. The Loan shall be payable solely from Pledged Revenues and nothing in this Agreement shall be construed as obligating the Borrower/Grantee to pay the Loan from any general or other fund of the Borrower/Grantee other than the Pledged Revenues; however, nothing in this Agreement or the Intercept Agreement shall be construed as prohibiting the Borrower/Grantee in its sole and absolute discretion, from making such payments from any monies which may be lawfully used, and which are legally available, for that purpose.

(h) No Breach or Default Caused by Agreement or Intercept Agreement. Neither the execution and delivery of this Agreement or the Intercept Agreement, nor the fulfillment of or compliance with the terms and Conditions in this Agreement and the Intercept Agreement, nor the consummation of the transactions contemplated herein, conflicts with or results in a breach of terms, conditions or provisions of any restriction or any agreement or instrument to which the Borrower/Grantee is a party or by which the Borrower/Grantee is bound, or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower/Grantee or its properties are subject, or constitutes a default under any of the foregoing.

(i) Irrevocability of Enactments. While this Agreement and the Intercept Agreement remain outstanding, any ordinance, resolution or other enactment of the Governing Body accepting the terms hereof, pledging the Pledged Revenues, or in any way relating to the Loan/Grant or this Agreement or the Intercept Agreement, including the Resolution, shall be irrevocable until the Project has been fully acquired and completed, and shall not be subject to amendment or modification in any manner which would result in any use of the proceeds of this Agreement and the Intercept Agreement in a manner not permitted or contemplated by the terms hereof.

(j) No Litigation. To the knowledge of the Borrower/Grantee after due investigation, no litigation or proceeding is pending or threatened against the Borrower/Grantee or any other person affecting the right of the Borrower/Grantee to execute this Agreement or to comply with its obligations hereunder.

(k) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Agreement and the Intercept Agreement, would constitute an Event of Default on the part of the Borrower/Grantee hereunder.

(l) Borrower/Grantee's Existence. The Borrower/Grantee will maintain its legal identity and existence so long as this Agreement remains outstanding unless another Political Subdivision of the State, State agency, or other entity by operation of law succeeds to the liabilities, rights and duties of the Borrower/Grantee under this Agreement without adversely affecting to any substantial degree the privileges and rights of the Lenders/Grantors, and that entity is a Qualified Entity.

(m) Budgeting of Pledged Revenues; Approval by Department of Finance and Administration. The Borrower/Grantee anticipates that the Pledged Revenues will be sufficient to make the Loan Payments, as and when due. The Borrower/Grantee will adequately budget for the Loan Payments and other amounts payable by the Borrower/Grantee under this Agreement and the Intercept Agreement and will submit such budget on an annual basis to the Department of Finance and Administration for review and verification of compliance with this requirement.

(n) Use of Project; Continuing Covenant. Other than as outlined in subparagraph (l) above, the Borrower/Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project or any part of the Project during the Useful Life; provided, however, that if the Project is a joint project of the Borrower/Grantee and other Qualified Entities (as defined by the Act), the Borrower/Grantee and the other Qualified Entities may, with the express written approval of the Lenders/Grantors and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during its Useful Life. Any such agreement shall provide that the Lenders/Grantors, or either of them, shall have the power to enforce the terms of this Agreement, without qualification, as to each and every Qualified Entity owning or operating any portion of the Project during its Useful Life.

(o) Expected Coverage Ratio. The Pledged Revenues from the Fiscal Year in which the Closing Date occurs are reasonably expected to equal or exceed and, on an ongoing basis during each Fiscal Year during the Agreement Term, are reasonably expected to equal or exceed one hundred percent (100%) of the maximum annual principal and interest due on all outstanding debt of the Borrower/Grantee payable from the Pledged Revenues.

(p) Pledged Tax Revenues Covenants; Release upon Application and Approval. Pursuant to NMSA 1978, § 7-1-6.13, as amended and NMSA 1978, § 7-1-6.15, as amended, the Distributing State Agency collects and transfers to the Borrower/Grantee a local option gross receipts tax imposed by the Borrower/Grantee in an amount, subject to any increase or decrease made pursuant to NMSA 1978, Sec. 7-1-6.15, as amended, equal to the net receipts attributable to the first one-eighth (1/8) of one-percent (.125%) increment known as the county gross receipts tax on the gross receipts of all persons engaging in business within the boundaries of the Borrower/Grantee, which transfers the Borrower/Grantee pledges to the payment of and covenants for the performance of its obligations under this Loan/Grant Agreement.

(q) Records and Reporting. The Borrower/Grantee shall maintain financial records in accordance with Generally Accepted Accounting Principles throughout the Agreement Term, conduct an audit of the Project's financial records if requested by the CIB or the Finance Authority and provide any and all other information and access to the Project as requested by the CIB or the Finance Authority.

(r) Acquisition and Completion. The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire, complete, operate and maintain the Project lawfully and efficiently in accord with all applicable laws, ordinances, resolutions and regulations relating to the acquisition, operation, maintenance and completion of the Project and use of the Loan/Grant proceeds. The Project shall be constructed, installed and completed substantially in accordance with the approved plans and specifications, and shall fully incorporate the available technologies and operational design for water use efficiency described in the approved plans and specifications. No Loan/Grant funds shall be used for items not constituting Eligible Items.

(s) Use of Grant Proceeds for Construction; Other Qualified Entities. The Borrower/Grantee shall operate and maintain the Project in good operating condition and repair at all times during the Useful Life of the Project, so that the Project will function properly over the Useful Life of the Project; provided, that if any portion of the Project will be constructed, installed, located, completed or extended on real property owned by a Qualified Entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other Qualified Entity to perform these obligations with respect to such real property (and the portion of the Project to be constructed, installed, located, completed or extended on such real property), which written agreement shall be subject to approval by the Lenders/Grantors and shall include an express statement by such other Qualified Entity that the Lenders/Grantors are third party beneficiaries of such written agreement.

(t) Local Match. The Local Match is legally available for the Project, has been applied or set aside by the Borrower/Grantee solely for the purposes of the Project and sufficient evidence of the Local Match has been provided and will be continued to be provided as part of the Borrower/Grantee's quarterly reporting as outlined in Section 7.1 and as otherwise requested by the Finance Authority. The Borrower/Grantee hereby covenants that the value of labor and/or equipment at fair market rates is sufficient to meet the required Local Match and the labor and/or equipment has been or will be donated for the scope of work on the proposed Project, as described on the Term Sheet.

(u) Audit Requirement. During the Agreement Term the Borrower/Grantee shall comply with the requirements of the State Audit Act, NMSA 1978, §§ 12-6-1 through 12-6-14, as amended, and provide the CIB and Finance Authority with a copy of any audit prepared pursuant to the State Audit Act.

ARTICLE III AGREEMENT TERM

The Agreement Term shall commence on the Effective Date and shall terminate upon the earliest of the following events: a determination by the CIB or Finance Authority, in its sole discretion, that (a) the Borrower/Grantee is unable to proceed with the Project for the foreseeable future; (b) the Borrower/Grantee has failed to commence the Project in a reasonably timely manner as determined by the CIB or Finance Authority, each in its sole discretion; (c) the Loan/Grant or any portion thereof is not necessary for the Project (in which case the Loan/Grant Amount may be modified by the Finance Authority); (d) the Borrower/Grantee has not expended the funds within three (3) years of the Closing Date; or (e) the Useful Life of the Project has ended, which in any event shall not exceed thirty (30) years.

ARTICLE IV LOAN/GRANT TO THE BORROWER/GRANTEE; INVESTMENT OF MONEYS

Section 4.1 Loan and Grant to the Borrower/Grantee.

(a) Loan to the Borrower/Grantee. The Lenders/Grantors hereby lend to the Borrower/Grantee and the Borrower/Grantee hereby borrows from and agrees to pay to the order of the Lenders/Grantors, without interest, an amount equal to the Loan Amount, with the principal amount of the Loan Amount being payable as provided by Exhibit "C" of this Agreement. The Loan Amount shall be pre-payable by the Borrower/Grantee at any time without penalty.

(i) Subordinate Nature of Loan Amount Obligation. The obligation of the Borrower/Grantee to make the Loan Payments shall be subordinate to all other indebtedness secured by the Pledged Revenues existing on the Closing Date and, further, that may in the future be secured by the Pledged Revenues; except, however, that the obligation of the Borrower/Grantee to make the Loan Payments shall be on parity with any other obligation, present or future, of the Borrower/Grantee to repay a loan provided by the Lenders/Grantors pursuant to the Colonias Infrastructure Act or the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, as amended.

(ii) Hardship Waivers of Payment. Each year while any portion of the Loan Amount remains outstanding, if a Borrower/Grantee has encountered an unforeseeable hardship, no later than April 1 of each such year, the Borrower/Grantee may apply in writing to the Finance Authority and the DFA for a determination of whether the annual principal payment on the Loan Amount otherwise due on the upcoming June 1 of such year should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the constituent public the Borrower/Grantee serves. Although such determination shall be made by the Finance Authority and the DFA, the Borrower/Grantee shall submit such application to DFA through the Finance Authority for determination by both the Finance Authority and the DFA and shall submit with such application sufficient documentation of the existence of such undue hardship as is reasonably required by the Finance Authority and DFA (as determined by the Finance Authority and DFA) to make such determination, and the Borrower/Grantee shall promptly

respond to additional requests for information from DFA or the Finance Authority. Such application shall be executed by the Authorized Officers of the Borrower/Grantee. For purposes of this Agreement and that determination, an "undue hardship" may be deemed to exist if the Finance Authority and the DFA determines that the Borrower/Grantee demonstrates economic need and the inability to pay on a timely basis such annual payment on the Loan Amount. The Finance Authority shall communicate the decision to the Borrower/Grantee in writing of the results of such determination. Upon receipt of written notice of such determination, either the principal payment otherwise due on June 1 of such year shall be forgiven (in the event of a determination of undue hardship) or such principal payment shall remain outstanding and due and payable on such date (in the event no undue hardship is determined to exist).

(iii) Loans made on planning projects may be converted to grants if the Borrower/Grantee agrees to and completes technical assistance for managerial, technical, and financial capacity as provided by the Policies.

(iv) Constitutional and Statutory Debt Limitations. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the CIB, the Finance Authority, the State or the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation.

(b) Grant to the Borrower/Grantee. The Lenders/Grantors hereby grant to the Borrower/Grantee and the Borrower/Grantee hereby accepts from the Lenders/Grantors an amount equal to the Grant Amount subject to the terms of this Loan/Grant Agreement.

(c) Project Account. The Finance Authority shall establish and maintain the Project Account as a book account only, on behalf of the Borrower/Grantee, which account shall be kept separate and apart from all other accounts of the Finance Authority. The Borrower/Grantee hereby pledges to the Lenders/Grantors all its rights, title and interest in the Loan/Grant Amount including the Project Account, and the Expenses for the purpose of securing the Borrower/Grantee's obligations under this Agreement.

Section 4.2 Investment of Borrower/Grantee's Accounts. Money on deposit in the Borrower/Grantee's accounts created hereunder and held by the Finance Authority may be invested by the Finance Authority for the credit of the Fund.

Section 4.3 Loan/Grant Amount Does Not Exceed Total Cost. The sum of the Loan/Grant Amount and the Local Match (and as set forth on the Term Sheet) does not exceed the cost of the Project and the Expenses, which sum, along with other monies reasonably expected to be available to the Borrower/Grantee, is sufficient to complete the Project and pay the Expenses.

ARTICLE V

LOAN/GRANT AMOUNT DISBURSEMENT CONDITIONS

Section 5.1 Conditions Precedent to Disbursement of Loan/Grant Amount. Prior to the disbursement of the Loan/Grant Amount or any portion thereof by the Finance Authority from the Fund, the following conditions shall be satisfied:

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(a) The Finance Authority, on behalf of the CIB, shall have determined that the Borrower/Grantee has met the Conditions established for the Loan/Grant by the Finance Authority and the CIB; and

(b) Prior to disbursement of any portion of the Loan/Grant Amount for installation or construction, the plans and specifications for the Project shall have been approved by all entities required by the CIB or the Finance Authority in their sole discretion to approve such plans and specifications and the Borrower/Grantee shall have provided written assurance addressed to the CIB and the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that the Borrower/Grantee has proper title to or easements, rights of way, or permits on the real property upon or through which the Project is to be installed, constructed, located, completed or extended; and

(c) If any portion of the Project will be installed, constructed, located, completed or extended on real property owned by a Qualified Entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall have provided written assurance addressed to the CIB and the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that such other Qualified Entity has proper title to such real property; and

(d) The Borrower/Grantee shall be in compliance with the provisions of this Agreement; and

(e) No Event of Default has occurred; and

(f) The Borrower/Grantee shall have provided any other information requested by the Finance Authority or CIB in its absolute discretion including documentation sufficient to make a determination whether any requested disbursement is for payment of Eligible Items and is fully consistent with the Act, the Rules, and the Policies, as applicable.

Section 5.2 Accounting for Amounts Credited to the Project Account. So long as Section 5.1 has been complied with and all Conditions to the disbursement of the Loan/Grant Amount have been satisfied (including approval of all plans and specifications), upon receipt by the Finance Authority of a requisition substantially in the form of Exhibit "B" attached hereto signed by an Authorized Officer of the Borrower/Grantee, supported by certification by the Borrower/Grantee's project architect, engineer, or such other authorized representative of the Borrower/Grantee that the amount of the disbursement request represents the progress of design, installation, construction, acquisition or other Project-related activities accomplished as of the date of the disbursement request, the Finance Authority shall seek funds sufficient to satisfy the request and, upon receipt of those funds disburse from the Fund, amounts which together are sufficient to pay the requisition in full or that portion approved by the Finance Authority or CIB in their sole discretion. The certification provided pursuant to this Section 5.2 in support of the requisition must be acceptable in form and substance to the Finance Authority and, at its request, the CIB. The Borrower/Grantee shall provide such records or access to the Project as the Finance Authority, and, at its request, the CIB, in the discretion of each, may request in connection with the approval of the Borrower/Grantee's requisition requests made hereunder.

Section 5.3 Acknowledgment and Non-liability for Funding Interruption. The Borrower/Grantee hereby acknowledges that the Finance Authority may be required to seek or request funds to satisfy the request outlined in Section 5.2 from an agency, instrumentality or other Political Subdivision of the State and that the Lenders/Grantors may have no control or authority over those entities. The Borrower/Grantee hereby agrees to waive on behalf of itself and indemnify and hold the Lenders/Grantors harmless from any and all third party claims, liability or damage that may or could be caused as a result of a delay or denial of funds related to or arising from the procedure described above or any other mechanism necessary or required to request, secure or process funds.

Section 5.4 No Disbursement for Prior Expenditures Except upon Approval. No disbursement shall be made from the Fund, of the Loan/Grant Amount, or any portion thereof, without the approval of the Finance Authority and, at its request, the CIB, to reimburse any expenditure made prior to the Closing Date.

Section 5.5 Completion of Disbursement of Loan/Grant Funds. Upon the earlier of (1) the completion of the Project, or (2) the expenditure of the whole Loan/Grant Amount, an Authorized Officer of the Borrower/Grantee shall deliver a certificate to the Finance Authority and the CIB, substantially in the form of Exhibit "E" attached hereto, stating that, to his or her knowledge, either (1) the Project has been completed, or (2) that the portion of the Loan/Grant Amount needed to complete the Project has been disbursed in accordance with the terms of this Agreement. No portion of the Loan/Grant Amount shall be disbursed after the date which is three (3) years from the Closing Date, unless a later date is approved in writing by an Authorized Officer of the CIB and an Authorized Officer of the Finance Authority.

Section 5.6 Application of Project Account Subsequent to Disbursement of Loan/Grant Amount; Termination of Pledge. Upon the first to occur of either (a) completion of the disbursement of the Loan/Grant Amount as signified by delivery of the completion certificate contemplated in Section 5.5 hereof; or (b) the earlier expiration of the time allowed for disbursements of Loan/Grant funds as provided in Section 5.5 hereof, the Finance Authority shall transfer the amounts remaining on deposit in the Project Account in the Colonias Infrastructure Fund, to such other fund permitted by law. Upon such entry, the pledge of the Project Account established in this Loan/Grant Agreement shall terminate.

ARTICLE VI LOAN PAYMENTS BY THE BORROWER/GRANTEE

Section 6.1 Payment Obligations Limited to Pledged Revenues; Pledge of the Pledged Revenues. The Borrower/Grantee promises to make the Loan Payments, and other amounts owed by the Borrower/Grantee as provided by the Intercept Agreement and herein.

The Borrower/Grantee does hereby convey, assign and pledge unto the Finance Authority and grants a lien and security interest in and unto its successors in trust forever all right, title and interest of the Borrower/Grantee in and to (i) the Pledged Revenues to the extent required to make the Loan Payments, and other amounts owed by the Borrower/Grantee as herein provided subject to and subordinate to all other pledges of the Pledged Revenues existing on the Closing

Date and, further, that may exist in the future (except only that the pledge of the Pledged Revenues herein shall be on a parity with any other pledge of the Pledged Revenues by the Borrower/Grantee to repay any obligations provided by the Lenders/Grantors pursuant to the Colonias Infrastructure Act and/or the Water Project Finance Act), and (ii) all other rights hereinafter granted, for securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Amount, and other amounts owed by the Borrower/Grantee as herein provided, provided, however that if the Borrower/Grantee, its successors or assigns, shall well and truly pay, or cause to be paid the Loan Amount at the time and in the manner contemplated by this Agreement and the Intercept Agreement, according to the true intent and meaning hereof, and all other amounts due, or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment or provision for payment by the Borrower/Grantee, the provisions of this Agreement and the Intercept Agreement and the rights created thereby with respect to the Loan Amount shall terminate and the Lenders/Grantors shall give a written release or such other confirmation as may be necessary to remove any encumbrances upon the Pledged Revenues; otherwise, such provisions of this Agreement and the Intercept Agreement shall remain in full force and effect.

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Borrower/Grantee and the Finance Authority, and the CIB acknowledge and agree that the obligations of the Borrower/Grantee under this Agreement and the Intercept Agreement are limited to the Pledged Revenues; and that this Agreement with respect to the Loan Amount and other amounts owed by the Borrower/Grantee as herein provided shall constitute a special, limited obligation of the Borrower/Grantee. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of Borrower/Grantee's monies other than the Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Borrower/Grantee's monies including the Pledged Revenues. In addition, the Pledged Revenues not required to meet the obligation of the Borrower/Grantee under this Agreement may be utilized by the Borrower/Grantee for any other purposes permitted by law.

Section 6.2 Deposit of Payments of Loan Amount to Colonias Infrastructure Project Fund. All payments made by the Borrower/Grantee to the Finance Authority to make the Loan Payments shall be deposited into the Colonias Infrastructure Project Fund.

Section 6.3 Manner of Payment. The Loan Amount shall be payable by the Borrower/Grantee to the Lenders/Grantors in annual installments of principal payable on June 1 beginning in the year 2016 and continuing through the year 2035 as set forth more fully in Exhibit "C" to this Agreement. All payments of the Borrower/Grantee or payments made by the Distributing State Agency pursuant to the Intercept Agreement shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 10.1 of this Agreement. The obligation of the Borrower/Grantee or the Distributing State Agency pursuant to the Intercept Agreement to make payments hereunder or thereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through

accident or unforeseen circumstances. Notwithstanding any dispute between the Borrower/Grantee or the Distributing State Agency pursuant to the Intercept Agreement and the Finance Authority, any vendor or any other person, the Borrower/Grantee shall make all deposits hereunder or thereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Borrower/Grantee or the Distributing State Agency pursuant to the Intercept Agreement assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder or thereunder.

Section 6.4 Borrower/Grantee May Budget for Payments. The Borrower/Grantee may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to make the Loan Payments and other amounts owed by the Borrower/Grantee hereunder; provided, however, the Borrower/Grantee has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

Section 6.5 Lenders/Grantors' Release of Lien and Further Assurances. Upon payment in full of the Loan Amount, and other amounts owed by the Borrower/Grantee as herein provided in this Agreement the Lenders/Grantors agree to execute a release of lien and to give such further assurances as are reasonably necessary to ensure that the Lenders/Grantors no longer hold or maintain any lien or claim against the Pledged Revenues.

ARTICLE VII ADMINISTRATION

Section 7.1 Borrower/Grantee Reporting to Lenders/Grantors. The Borrower/Grantee shall provide the Lenders/Grantors with a quarterly written report substantially in the form of Exhibit "D" attached hereto, or other report format as designated by the Finance Authority, and signed by an Authorized Officer of the Borrower/Grantee. The first quarterly report shall be due on March 31, 2016, and subsequent reports shall be due on each March 31, June 30, September 30 and December 31 thereafter until the report date next following final distribution of the Loan/Grant funds. The description of the status of the Project in each quarterly report shall include, among other information, (a) a comparison of actual and anticipated requests for distributions of Loan/Grant funds as of the report date with those anticipated as of the Closing Date, (b) a description of actual and anticipated changes in the cost estimates for the Project as of the report date compared with those anticipated as of the Closing Date, and (c) a description of the percentage of completion of the Project.

Section 7.2 Application of Project Account Subsequent to Disbursement of Loan/Grant Funds. Upon the completion of the Project as signified by delivery of the completion certificate required by Section 5.5 hereof, the Finance Authority shall determine, by reference to the Project Account, whether any portion of the authorized Loan/Grant Amount remains unexpended. If any of the Loan/Grant Amount remains unexpended, the funds shall be transferred by the Finance Authority to the appropriate account or fund in accordance with applicable law and the Borrower/Grantee shall have no right to access the funds. The Finance Authority shall further determine, in its sole discretion, whether any portion of such unexpended

Loan/Grant Amount consists of severance tax bond funds and, if so, shall, within six (6) months of receipt of the completion certificate required by Section 5.5 hereof, cause such portion of the unexpended Loan/Grant Amount to be returned to the severance tax bond fund pursuant to NMSA 1978, § 7-27-10.1, as amended.

Section 7.3 Further Assurances and Corrective Instruments. The Lenders/Grantors and the Borrower/Grantee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues and carrying out the intention hereof.

Section 7.4 Representatives of Lenders/Grantors or of Borrower/Grantee. Whenever under the provisions hereof the approval of the Lenders/Grantors, collectively or individually, or the Borrower/Grantee is required, or the Borrower/Grantee, or the Lenders/Grantors, collectively or individually, are required to take some action at the request of any of them, such approval or such request shall be given for the Lenders/Grantors, collectively or individually, or for the Borrower/Grantee, by an Authorized Officer of the Lenders/Grantors, collectively or individually, or the Borrower/Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 7.5 Selection of Contractors. All contractors providing services or materials in connection with the Project shall be selected in accordance with applicable provisions of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or, if the Borrower/Grantee is not subject to the New Mexico Procurement Code, shall be selected in accordance with a documented procurement process duly authorized and established pursuant to laws and regulations applicable to the Borrower/Grantee.

Section 7.6 Required Contract Provisions. The Borrower/Grantee shall require the following provisions in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party:

(a) There shall be no discrimination against any employee or applicant for employment because of race, color, creed, sex, religion, sexual preference, ancestry or national origin; and

(b) Any contractor or subcontractor providing construction services in connection with the Project shall post a performance and payment bond in accordance with the requirements of NMSA 1978, § 13-4-18, as amended.

ARTICLE VIII INSURANCE; NON-LIABILITY OF LENDERS/GRANTORS

Section 8.1 Insurance. The Borrower/Grantee shall carry general liability insurance or participate in the State's risk-management program and, to the extent allowed by the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-30, as amended, shall and hereby agrees to name the Lenders/Grantors as additional insureds with respect to all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition,

completion or implementation of the Project or otherwise during the Agreement Term; provided, that if any portion of the Project will be constructed, located, completed or extended on real property owned by a Qualifying Entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may obtain the written agreement of such other Qualifying Entity to perform these insurance/risk-management program requirements for Borrower/Grantee with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other Qualifying Entity that the Lenders/Grantors are third party beneficiaries of such written agreement.

Section 8.2 Non-Liability of Lenders/Grantors.

(a) Lenders/Grantors shall not be liable in any manner for the Project, Borrower/Grantee's use of the Loan/Grant, the acquisition, implementation, construction, installation, ownership, operation or maintenance of the Project, or any failure to act properly by the Borrower/Grantee or any other owner or operator of the Project.

(b) Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

(c) To the extent permitted by law, the Borrower/Grantee shall and hereby agrees to indemnify and save the Finance Authority and the CIB harmless against and from all claims, by or on behalf of any person, firm, corporation, or other legal entity, arising from the acquisition or operation of the Project during the Agreement Term, from: (i) any act of negligence or other misconduct of the Borrower/Grantee, or breach of any covenant or warranty by the Borrower/Grantee hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan/Grant Agreement proceeds and interest on the investment thereof. The Borrower/Grantee shall indemnify and save the Finance Authority and the CIB harmless, from and to the extent of the available Pledged Revenues, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Finance Authority or the CIB, shall defend the Finance Authority or the CIB, as applicable, in any such action or proceeding.

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. Any one of the following shall be an "Event of Default" under this Agreement:

(a) Failure by the Borrower/Grantee to pay any amount required to be paid under this Agreement on the date on which it is due and payable; or

(b) Failure by the Borrower/Grantee to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower/Grantee by the Lenders/Grantors, collectively or individually, unless the Lenders/Grantors, collectively or individually shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Lenders/Grantors but cannot be cured within the applicable thirty (30) day period, the Lenders/Grantors, collectively or individually, will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower/Grantee within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of Force Majeure the Borrower/Grantee is unable to carry out the agreements on its part herein contained, the Borrower/Grantee shall not be deemed in default under this paragraph 9.1(b) during the continuance of such inability (but Force Majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Borrower/Grantee contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is determined to be false or misleading in any material respect in the sole discretion of the Finance Authority or CIB; or

(d) A petition is filed against the Borrower/Grantee under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests; or

(e) The Borrower/Grantee files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or

(f) The Borrower/Grantee admits insolvency or bankruptcy or its inability to pay its debt as they become due or is generally not paying its debt as such debt become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Borrower/Grantee for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests.

Section 9.2 Limitations on Remedies. A judgment requiring payment of money entered against the Borrower/Grantee shall be paid only from available Pledged Revenues unless the Borrower/Grantee in its sole discretion pays the judgment from other available funds.

Section 9.3 Remedies on Default. Whenever any Event of Default has occurred and is continuing, and subject to Section 9.4 hereof, the Lenders/Grantors, collectively or individually, may take whatever of the following actions may appear necessary or desirable to enforce performance of any agreement of the Borrower/Grantee in this Loan/Grant Agreement:

(a) File a mandamus proceeding or other action or proceeding or suit at law or in equity to compel the Borrower/Grantee to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein;

(b) Terminate this Loan/Grant Agreement;

(c) Cease disbursing any further amounts from the Project Account;

(d) Demand that the Borrower/Grantee immediately repay the Loan/Grant Amount or any portion thereof if such funds were not utilized in accordance with this Loan/Grant Agreement;

(e) File a suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Lenders/Grantors, collectively or individually; or

(f) By intervention in judicial proceedings that affect this Loan/Grant Agreement or the Pledged Revenues; or

(g) Take whatever other action at law or in equity may appear necessary or desirable to enforce any other of their rights hereunder.

The Borrower/Grantee shall be responsible for reimbursing the Lenders/Grantors for any and all fees and costs incurred in enforcing the terms of this Loan/Grant Agreement.

Section 9.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lenders/Grantors, collectively or individually, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Borrower/Grantee or the Lenders/Grantors to exercise any remedy reserved in this Article IX, it shall not be necessary to give any notice, other than such notice as may be required in this Article IX.

Section 9.5 Waivers of Events of Default. The Lenders/Grantors, collectively or individually, may, in the respective discretion of each, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Lenders/Grantors, collectively or individually, in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by a written statement of waiver issued by the Finance Authority and the CIB. In case of any such waiver or rescission, or in case any proceeding taken by the Lenders/Grantors, collectively or individually,

on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Lenders/Grantors shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 9.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.7 Agreement to Pay Attorneys' Fees and Expenses. In the event that the Borrower/Grantee shall default under any of the provisions hereof, and the Finance Authority or the CIB shall employ attorneys or incur other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower/Grantee herein contained, the Borrower/Grantee agrees that it shall, on demand therefor, pay to the Finance Authority or the CIB, as applicable, the fees of such attorneys and such other expenses so incurred, to the extent such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Borrower/Grantee under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE X MISCELLANEOUS

Section 10.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Borrower/Grantee, to:

Grant County
Attn.: County Clerk
1400 Highway 180 East
Silver City, New Mexico 88061

If to the CIB or to the Finance Authority, to:

New Mexico Finance Authority
Attn.: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

The Borrower/Grantee or the Lenders/Grantors may, by notice given hereunder, designate any further or different addresses to which subsequent notices; certificates or other communications shall be sent.

Section 10.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lenders/Grantors and the Borrower/Grantee and their respective successors and assigns, if any.

Section 10.3 Integration. This Agreement, the Intercept Agreement and any other agreements, certifications and commitments entered into between the Lenders/Grantors and the Borrower/Grantee on the Effective Date constitute the entire agreement of the parties regarding the Loan/Grant and the funding of the Project through the Loan/Grant as of the Effective Date, and the terms of this Agreement supersede any prior applications, discussions, understandings or agreements between or among the parties in connection with the Loan/Grant, to the extent such prior applications, discussions, understandings or agreements are inconsistent with this Agreement.

Section 10.4 Amendments. This Agreement and the Intercept Agreement may be amended only with the written consent of all of the parties to this Agreement. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this Agreement may be given by an Authorized Officer of the Finance Authority. The execution of any such consent by an Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Agreement or the Intercept Agreement.

Section 10.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Lenders/Grantors, either directly or through the Finance Authority or the CIB, or against any officer, employee, director or member of the Borrower/Grantee, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Borrower/Grantee, the CIB or of the Finance Authority is hereby expressly waived and released by the Borrower/Grantee, the CIB and the Finance Authority as a condition of and in consideration for the execution of this Agreement.

Section 10.6 Severability. In the event that any provision of this Agreement, other than the obligation of the Borrower/Grantee to make the Loan Payments, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.7 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico. Pursuant to NMSA 1978, § 6-21-26, as amended, the venue for any proceedings or any other action or procedure against the Finance Authority shall be in Santa Fe County.

Section 10.9 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 10.10 Application of Act and Rules. The Lenders/Grantors and the Borrower/Grantee expressly acknowledge that this Agreement is governed by provisions and requirements of the Act and the Rules, as amended and supplemented, and all applicable provisions and requirements of the Act and the Rules are incorporated into this Agreement by reference.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, and the CIB, on behalf of itself, each have executed this Agreement, which was approved by the CIB on June 4, 2015, and by the Finance Authority's Board of Directors on June 25, 2015, in their respective corporate names with their corporate seals affixed hereto and attested by their duly Authorized Officers; and the Borrower/Grantee has caused this Agreement to be executed and attested by duly Authorized Officers thereof. All of the above are effective as of the date first above written.

LENDERS/GRANTORS:

NEW MEXICO FINANCE AUTHORITY

By _____
Chief Executive Officer or Designee

ATTEST:

By _____

COLONIAS INFRASTRUCTURE BOARD

By _____
Chairperson or Vice-Chairperson

Prepared for Execution by Officers of the
New Mexico Finance Authority and the
Colonias Infrastructure Board:

VIRTUE & NAJJAR, PC

By _____
Jonas M. Nahoum

Approved for Execution by Officers of the
New Mexico Finance Authority and the
Colonias Infrastructure Board:


By _____
Daniel C. Opperman,
Finance Authority General Counsel

BORROWER/GRANTEE:

GRANT COUNTY, NEW MEXICO


By 
Brett Kasten, Chairman,
Board of County Commissioners

ATTEST:

By 
Robert Zamarripa, County Clerk

BORROWER/GRANTEE:

GRANT COUNTY, NEW MEXICO

By 
Brett Kasten, Chairman,
Board of County Commissioners

ATTEST:


By 
Robert Zamarripa, County Clerk

EXHIBIT "A"

TERM SHEET

**\$629,608 COLONIAS INFRASTRUCTURE PROJECT LOAN/GRANT TO
GRANT COUNTY, NEW MEXICO**

Project Description:	The Project is infrastructure development in accordance with the Act consisting of improvements to flood and drainage control and roads infrastructure, but does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies and is more specifically described as construction of North Hurley-phase 1 drainage and infrastructure improvements at the main intersection of US Highway 180 and North Hurley Road, and shall include such other related work and revisions necessary to complete the Project.
Grant Amount:	\$566,647
Loan Amount:	\$62,961
Pledged Revenues:	The revenues pledged pursuant to Ordinance Bk. 204, passed and approved by the Borrower/Grantee pursuant to NMSA 1978, §7-20E-9, as amended, on June 23, 1987, with an effective date of January 1, 1988, and which imposes a county local option gross receipts tax known as the first one-eighth (1/8) of one-percent (.125%) increment of the county gross receipts tax on the gross receipts of all persons engaging in business within the boundaries of the Borrower/Grantee.
Outstanding Senior Obligations for Pledged Revenues:	NMFA Loan 3209-PP, Matures 2024; and NMFA Loan 2888-PP, Matures 2020.
Outstanding Parity Obligations:	NMFA Loan 3352-CIF, Matures 2035.
Authorizing Legislation:	Borrower/Grantee Resolution No. R-15-43, adopted December 10, 2015
Local Match:	\$62,961 provided by the Grant County Road Fund as Professional Services and Full Time Salaries as calculated pursuant to Section 2.5 of the Policies

Closing Date: January 15, 2016

Project Account Deposit: \$629,608

Conditions to be satisfied prior to first disbursement of the Loan/Grant Amount:

Delivery to Finance Authority of (i) a copy of the agenda of the meeting of the Governing Body at which the Resolution was adopted and at which this Agreement, the Resolution and all other Loan/Grant documents were authorized by the Governing Body (the "Meeting"), certified as a true and correct copy by the County Clerk of the Borrower/Grantee, (ii) a copy of the minutes or record of proceedings of the Meeting, approved and signed by the Chairman of the Governing Body and attested to by the County Clerk of the Borrower/Grantee, and (iii) a copy of the notice of meeting for the Meeting evidencing compliance with the Borrower/Grantee's Open Meetings standards in effect on the date of the Meeting.

Other Conditions applicable to the Loan/Grant:

All Conditions defined in the Loan/Grant Agreement.

EXHIBIT "B"

FORM OF REQUISITION

RE: \$629,608 Loan/Grant Agreement by and between the Colonias Infrastructure Board and the Finance Authority, as Lenders/Grantors, and Grant County, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 3351-CIF

Closing Date: January 15, 2016

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – Grant County with regard to the above-referenced Loan/Grant Agreement the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

AMOUNT OF PAYMENT: \$ _____

PURPOSE OF PAYMENT: _____

ELIGIBLE ITEM CATEGORY (See below): _____

AMOUNT OF LOCAL MATCH EXPENDED SINCE LAST REQUISITION: \$_____

Attach proof of expenditures for hard match (cancelled check, wire transfer receipt, and written certification of type and value of any soft match)

AMOUNT OF LOCAL MATCH EXPENDED TO DATE: \$_____

TOTAL: \$_____

DATED: _____

By: _____
Authorized Officer

Title: _____

Each obligation, item of cost or expense mentioned herein is for a Loan/Grant made by the Lenders/Grantors pursuant to the Act to the Borrower/Grantee within the State of New Mexico, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Project Account – Grant County. All representations contained in the Loan/Grant Agreement and the related closing documents remain true and correct and the Borrower/Grantee is not in breach of any of the covenants contained therein.

The proceeds of the Loan/Grant are to be used to pay the costs of Eligible Items, as defined in the Loan/Grant Agreement. Eligible Items include (1) planning, designing, construction, improving or expanding a qualified project; (2) developing engineering feasibility reports for Qualified Projects; (3) inspecting construction of Qualified Projects; (4) providing professional services; (5) completing environmental assessments or archeological clearances and other surveys for Qualified Projects; (6) acquiring land, water rights, easements or rights of way; (7) paying legal costs and fiscal agent fees associated with development of Qualified Projects, within limits set by the Board.

All construction and all installation of equipment with proceeds of the Loan/Grant has or will be used in accordance with plans and/or specifications approved by all entities required by the CIB and the Finance Authority in their sole discretion to approve such plans and specifications, has or will be acquired in compliance with applicable procurement laws and regulations and has or will be inspected and approved in accordance with applicable laws and regulations.

Capitalized terms used herein, are used as defined or used in the Loan/Grant Agreement.

EXHIBIT "C"

PAYMENT PROVISIONS OF THE LOAN

The Loan Amount shall be payable by the Borrower/Grantee to the Lenders/Grantors in twenty (20) annual installments of principal pursuant to the attached debt service schedule, beginning June 1, 2016 and ending June 1, 2035. The Loan Amount shall be pre-payable at any time without penalty.

SOURCES AND USES OF FUNDS**Grant County
3351-CIF, Drainage Project****Sources:**

Bond Proceeds:	
Par Amount	62,961.00
Other Sources of Funds:	
Colonias Grant Award	566,647.00
	<hr/>
	629,608.00

Uses:

Project Fund Deposits:	
Project Fund	62,961.00
Other Uses of Funds:	
Colonias Grant Award	566,647.00
	<hr/>
	629,608.00

BOND SUMMARY STATISTICS

Grant County
3351-CIF, Drainage Project

Dated Date	01/15/2016
Delivery Date	01/15/2016
Last Maturity	06/01/2035

Arbitrage Yield	
True Interest Cost (TIC)	
Net Interest Cost (NIC)	
All-In TIC	
Average Coupon	

Average Life (years)	10.183
Duration of Issue (years)	10.183

Par Amount	62,961.00
Bond Proceeds	62,961.00
Total Interest	
Net Interest	
Total Debt Service	62,961.00
Maximum Annual Debt Service	3,250.00
Average Annual Debt Service	3,249.13

Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
------------------------------	--

Bid Price	100.000000
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Bond Component	Par Value	Price	Average Coupon	Average Life
Loan Component	62,961.00	100.000		10.183
	62,961.00			10.183

	TIC	All-In TIC	Arbitrage Yield
Par Value	62,961.00	62,961.00	62,961.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	62,961.00	62,961.00	62,961.00
Target Date	01/15/2016	01/15/2016	01/15/2016
Yield			

DETAILED BOND DEBT SERVICE

Grant County
3351-CIF, Drainage Project

Loan Component (LOAN)

Period Ending	Principal	Interest	Debt Service
06/01/2016	1,228		1,228
06/01/2017	3,250		3,250
06/01/2018	3,249		3,249
06/01/2019	3,249		3,249
06/01/2020	3,249		3,249
06/01/2021	3,249		3,249
06/01/2022	3,249		3,249
06/01/2023	3,249		3,249
06/01/2024	3,249		3,249
06/01/2025	3,249		3,249
06/01/2026	3,249		3,249
06/01/2027	3,249		3,249
06/01/2028	3,249		3,249
06/01/2029	3,249		3,249
06/01/2030	3,249		3,249
06/01/2031	3,249		3,249
06/01/2032	3,249		3,249
06/01/2033	3,249		3,249
06/01/2034	3,249		3,249
06/01/2035	3,250		3,250
	62,961	0	62,961

BOND SOLUTION

Grant County
3351-CIF, Drainage Project

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/01/2016	1,228	1,228	113,851	115,079	588,754	473,676	511.61106%
06/01/2017	3,250	3,250	113,850	117,100	588,754	471,654	502.77842%
06/01/2018	3,249	3,249	113,851	117,100	588,754	471,655	502.78091%
06/01/2019	3,249	3,249	113,850	117,099	588,754	471,655	502.78271%
06/01/2020	3,249	3,249	113,850	117,099	588,754	471,655	502.78323%
06/01/2021	3,249	3,249	5,496	8,745	588,754	580,010	6732.83759%
06/01/2022	3,249	3,249	5,495	8,744	588,754	580,010	6732.94539%
06/01/2023	3,249	3,249	5,496	8,745	588,754	580,010	6732.80680%
06/01/2024	3,249	3,249	5,495	8,744	588,754	580,010	6733.29960%
06/01/2025	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2026	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2027	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2028	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2029	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2030	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2031	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2032	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2033	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2034	3,249	3,249		3,249	588,754	585,505	18121.0936%
06/01/2035	3,250	3,250		3,250	588,754	585,504	18115.5178%
	62,961	62,961	591,233	654,194	11,775,087	11,120,893	

EXHIBIT "D"

**COLONIAS INFRASTRUCTURE PROJECT FUND STATUS REPORT
PREPARED FOR THE
NEW MEXICO FINANCE AUTHORITY**

Fund Recipient Names: Grant County Recipient Contact: County Clerk Phone Number: (575) 574-0001	CIF Project Number: 3351-CIF CIF Project Name: Phase 1 construction main intersection from US 180 with North Hurley Road Project Type: Roads/Drainage
Quarterly Project Report <input type="checkbox"/> Final <input type="checkbox"/> Other <input type="checkbox"/> _____ Report Period: From - ____ / ____ / ____ To - ____ / ____ / ____	
Contract Expiration: _____ Total CIB Award: \$ _____ Current Balance: \$ _____ Loan % 10 Grant % 90 Local Match % 10 Expected CIF Award Expenditure Next Quarter: \$ _____ Value of In-Kind Match Expended to Date: \$ _____ List* of In-Kind Services, Equipment, Labor Expended to Date: _____	
Project Phase: Planning <input type="checkbox"/> Design <input type="checkbox"/> Construction <input type="checkbox"/>	
PROJECT TIME: Original Completion Date: _____ Current Completion Date: _____ Days Remaining for Completion _____ Percent Project is Complete _____% On Schedule? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Briefly Describe Project Progress During This Reporting Period: 	

Issues Addressed During This Period (Indicate any current and/or anticipated issues that remain unresolved):	
Goals/Milestones With Timeline or Dates For The Next Reporting Period:	
Name and Title of Authorized Representative: <i>(Print)</i>	Authorized Representative Signature:
 Date: _____	

* Attach invoices or work order showing in-kind services, equipment or labor expended.

EXHIBIT "E"

FORM OF CERTIFICATE OF COMPLETION

RE: \$629,608 Loan/Grant Agreement by and between the Colonias Infrastructure Board and the Finance Authority, as Lenders/Grantors, and Grant County, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 3351-CIF

Closing Date: January 15, 2016

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of the
[Name] [Title or position]

Borrower/Grantee, hereby certify as follows:

1. The project described in the Loan/Grant Agreement (the "Project"), or the applicable phase of the project if funding was for a phased Project, was completed and placed in service on _____, 20____.

2. The total cost of the Project was \$ _____.

3. Cost of the Project paid from the Loan/Grant Amount was \$ _____.

4. The portion of the Loan/Grant Amount unexpended for the Project is \$ _____.

5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan/Grant Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

GRANT COUNTY, NEW MEXICO

By: _____

Its: _____

INTERCEPT AGREEMENT

THIS INTERCEPT AGREEMENT is made and entered into this 15th day of January, 2016, by and between the **NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority"), a public body politic and corporate constituting of a governmental instrumentality separate and apart from the State of New Mexico (the "State"), (the "Lender/Grantor") under the laws of the State, and **GRANT COUNTY** a duly created, organized and existing county under the laws of the State (the "Borrower/Grantee").

W I T N E S S E T H:

Capitalized terms used in the following preambles of this Intercept Agreement have the same meaning as defined in the Loan/Grant Agreement unless the context requires otherwise.

WHEREAS, the Finance Authority is authorized to assist in financing the cost of Qualified Projects to Qualified Entities under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1 through 6-21-31, as amended, (the "Finance Authority Act"); and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee that the Borrower/Grantee enter into the Loan/Grant Agreement and this Intercept Agreement with the Lender/Grantor to borrow sixty-two thousand nine hundred sixty-one dollars (\$62,961) from the Lender/Grantor and to accept a grant in the amount of five hundred sixty-six thousand six hundred forty-seven dollars (\$566,647) from the Lender/Grantor to finance the costs of construction of North Hurley-phase 1 drainage and infrastructure improvements at the main intersection of US Highway 180 and North Hurley Rd for the benefit of the Borrower/Grantee and the public that it serves; and

WHEREAS, the Borrower/Grantee desires to complete the Project which is permitted under the Act; and

WHEREAS, the Borrower/Grantee is a community that is a Colonia within the meaning of the Act; and

WHEREAS, the Borrower/Grantee desires to borrow sixty-two thousand nine hundred sixty-one dollars (\$62,961) from the Lender/Grantor to complete the Project (the "Loan" or "Loan Amount"), which Loan is to be governed by this Intercept Agreement and by the Loan/Grant Agreement, respectively; and

WHEREAS, the Borrower/Grantee desires to pledge the revenues of the first one-eighth (1/8) of one-percent (.125%) increment of the Borrower/Grantee's county gross receipts tax enacted by the Tax Ordinance under and pursuant to the laws of the State, particularly NMSA 1978, §§ 4-62-1 through 4-62-4, as amended; and

WHEREAS, the Borrower/Grantee is authorized by the laws of the State and in particular, NMSA 1978, § 7-1-6.15(F), as amended, to direct the secretary of the State Taxation and Revenue Department (the "Distributing State Agency") to intercept and redistribute to the

Finance Authority or its assignee pursuant to the Loan/Grant Agreement and this Intercept Agreement a portion of its county gross receipts tax imposed by the Tax Ordinance and pursuant to NMSA 1978, § 7-20E-9, as amended, to secure payments under the Loan/Grant Agreement.

NOW THEREFORE, the parties hereto agree:

Unless otherwise defined in this Intercept Agreement and except, where the context by clear implication requires otherwise, capitalized terms used in this Intercept Agreement shall have for all purposes of this Intercept Agreement the meanings assigned in the Loan/Grant Agreement.

Section 1. Authorization to the Finance Authority. The Borrower/Grantee hereby recognizes that the Lender/Grantor have made a Loan to the Borrower/Grantee in the amount of sixty-two thousand nine hundred sixty-one dollars (\$62,961) to finance and complete the Project. Pursuant to Section 6.3 of the Loan/Grant Agreement and this Intercept Agreement, the Borrower/Grantee shall make timely payments of all Loan/Grant Agreement Payments on the Loan made by or on behalf of the Borrower/Grantee to the Finance Authority. Pursuant to this Intercept Agreement, all payments due on the Loan from the Pledged Revenues shall be paid by the Distributing State Agency to the Finance Authority or its designee, on behalf of the Borrower/Grantee, from scheduled distributions of the Pledged Revenues in accordance with the Intercept Schedule attached hereto as Exhibit "A" (the "Intercept Schedule").

This Intercept Agreement shall be deemed a written certification, authorization and request by the Borrower/Grantee to the Distributing State Agency, to pay to the Finance Authority, on behalf of the Borrower/Grantee, sums shown on the Intercept Schedule from monthly distributions of Pledged Revenues pursuant to NMSA 1978, § 7-1-6.13 and § 7-1-6.15(F), as amended, to insure compliance with the Loan/Grant Agreement and repayment of the Loan. Upon written notice to the Distributing State Agency from the Finance Authority, the amount of the Pledged Revenues to be paid to the Finance Authority shall be increased from the amounts shown on Exhibit "A" to defray any delinquencies in the payment of Loan Payments established by the Loan/Grant Agreement. Any accumulation of the Pledged Revenues in an amount in excess of the next Loan/Grant Agreement Payment shall be redirected by the Finance Authority to the benefit of the Borrower/Grantee on a timely basis as provided in Section 6.1 of the Loan/Grant Agreement.

To the extent that the Pledged Revenues are insufficient to meet the debt service requirements due on the Loan and other parity obligations now or hereafter issued or incurred, the amounts intercepted under this Intercept Agreement shall be applied to allow partial payment on a pro-rata basis of the debt service due and owing on the Loan/Grant Agreement and other parity obligations.

Section 2. Term; Amendments. This Intercept Agreement will remain in full force and effect from its effective date as herein provided until such time as the Loan made pursuant to the Loan/Grant Agreement and this Intercept Agreement has been paid in full. Nothing herein shall be deemed in any way to limit or restrict the Borrower/Grantee from issuing its own obligations, providing its own program or participating in any other program for the financing of

public projects which the Borrower/Grantee may choose to finance. This Intercept Agreement may be amended only by written instrument signed by the parties hereto.

Section 3. Authorization. The execution and performance of the terms of this Intercept Agreement have been authorized and approved by Resolution No. R-15-43 passed and adopted on December 10, 2015 by the Governing Body of the Borrower/Grantee, which Resolution is in full force and effect on the date hereof.

Section 4. Severability of Invalid Provisions. If any one or more of the provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such provision shall be null and void and shall be deemed separable from the remaining provisions and shall in no way affect the validity of any of the other provisions hereof.

Section 5. Counterparts. This Intercept Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6. Further Authorization. The Borrower/Grantee agrees that the Finance Authority shall do all things necessary or convenient to the implementation of the Program to facilitate the Loan to the Borrower/Grantee.

Section 7. Effective Date. This Intercept Agreement shall take effect on the Closing Date of the Loan.

Section 8. Initial Intercept Date. As indicated on the Intercept Schedule, the first distribution of the Pledged Revenues that is subject to being intercepted by the Distributing State Agency under the terms of this Intercept Agreement consists of Pledged Revenues due to be distributed to the Borrower/Grantee as indicated in the Intercept Schedule.

Section 9. Final Intercept Date. Once the Loan has been fully paid off and satisfied, the Finance Authority shall provide written notice to the Distributing State Agency to discontinue the interception of the Borrower/Grantee's Pledged Revenues.

IN WITNESS WHEREOF, the parties to this Intercept Agreement have caused their names to be affixed hereto by the proper officers thereof as of the date first above written.

[Signature page follows.]

NEW MEXICO FINANCE AUTHORITY

By _____
Chief Executive Officer or Designee

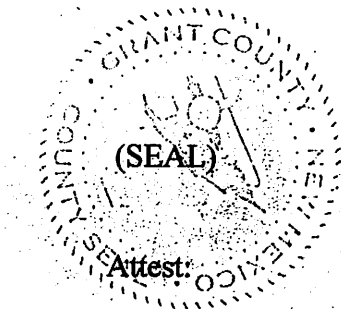
(SEAL)

Attest:

By _____

GRANT COUNTY, NEW MEXICO

By Brett Kasten
Brett Kasten, Chairman,
Board of County Commissioners



By Robert Zamarripa
Robert Zamarripa, County Clerk

Acknowledged:

By _____
State Taxation and Revenue Department

Date: _____

NEW MEXICO FINANCE AUTHORITY

By _____
Chief Executive Officer or Designee

(SEAL)

Attest:

By _____

GRANT COUNTY, NEW MEXICO

By Brett Kasten
Brett Kasten, Chairman,
Board of County Commissioners



Attest:

By Robert Zamarripa
Robert Zamarripa, County Clerk

Acknowledged:

By _____
State Taxation and Revenue Department

Date: _____

EXHIBIT "A"

INTERCEPT SCHEDULE

GRANT COUNTY, NEW MEXICO

Month	Pledged Revenues	Amount
Monthly, beginning on June 1, 2016 until the Loan shall be paid in full.	The distribution of the first one-eighth (1/8) of one-percent (.125%) increment of the county gross receipts tax to Grant County, pursuant to NMSA 1978, § 7-20E-9, as amended, and Ordinance Bk. 204 adopted on June 23, 1987 with an effective date of January 1, 1988, which distributions are made monthly by the State Taxation and Revenue Department.	0*

* Except in the event that the Borrower/Grantee fails to make timely payments of the Loan Amount, as provided in Section 6.3 of the Loan/Grant Agreement, in which case a monthly collection schedule will be prepared by the Finance Authority and provided to the Borrower/Grantee and the Distributing State Agency.

\$629,608
GRANT COUNTY, NEW MEXICO
COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT
No. 3351-CIF

STATE OF NEW MEXICO)	<u>GENERAL AND</u>
) ss.	<u>NO LITIGATION</u>
COUNTY OF GRANT)	<u>CERTIFICATE</u>

IT IS HEREBY CERTIFIED by the undersigned, the duly chosen, qualified and acting Chairman of the Governing Body and County Clerk for Grant County (the "Borrower/Grantee") in the State of New Mexico (the "State"):

Capitalized terms used in this Certificate have the same meaning as defined in Resolution No. R-15-43 adopted by the Governing Body of the Borrower/Grantee on December 10, 2015 (the "Resolution") unless otherwise defined in this Certificate or the context requires otherwise.

1. The Borrower/Grantee is a duly organized and existing county under the laws of the State of New Mexico.

2. There exists within the boundaries of the Borrower/Grantee, the Colonia of the community of North Hurley, a community that has been designated by the Borrower/Grantee as a Colonia within the meaning of the Colonias Infrastructure Act, and the Borrower/Grantee will be receiving the Loan/Grant for the benefit of the Colonia and the constituent public served by the Borrower/Grantee.

3. From at least June 25, 2015 to and including the date of this Certificate, the following were and now are the duly chosen, qualified and acting officers of the Borrower/Grantee:

Chairman:	Brett Kasten (District 2)
Commissioners:	Gabriel Ramos (District 1) Ron Hall (District 3)
County Treasurer:	Steve Armendariz
County Manager:	Charlene Webb
County Clerk:	Robert Zamarripa

4. Based on data collected during the 2010 Census, the population of Grant County is less than seventy-five percent (75%) English speaking and less than seventy-five percent (75%) Spanish speaking.

5. Notice of adoption of the Resolution was published in English in the *Silver City Daily Press*, a newspaper qualified to publish legal notices that is of general circulation in Grant County.

6. There is no reason within our knowledge and belief after due investigation, why the Borrower/Grantee may not enter into the Loan/Grant Agreement and the Intercept Agreement with the New Mexico Finance Authority and the Colonias Infrastructure Board, as authorized by the Resolution.

7. No material adverse change has occurred, nor has any development occurred involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects, or properties of the Borrower/Grantee since the date of the Resolution.

8. To the best of our knowledge and belief after due investigation, none of the events of default referred to in Article IX of the Loan/Grant Agreement has occurred.

9. There is no threatened action, suit, proceeding, inquiry or investigation against the Borrower/Grantee, at law or in equity, by or before any court, public board or body, nor to our knowledge is there any basis therefor, affecting the existence of the Borrower/Grantee or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of the Pledged Revenues to pay the principal, interest or administrative fees on the Loan/Grant Agreement, or in any way materially adversely affecting or questioning (a) the use of the proceeds of the Loan/Grant Agreement for the Project and to pay certain expenses as described therein, (b) the validity or enforceability of the Loan/Grant Agreement, the Intercept Agreement or any proceedings of the Borrower/Grantee taken with respect to the Resolution, the Loan/Grant Agreement or the Intercept Agreement, (c) the execution and delivery of the Loan/Grant Agreement or the Intercept Agreement, or (d) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution, the Loan/Grant Agreement and the Intercept Agreement.

10. The Borrower/Grantee has complied with all the covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof, and the representations and warranties of the Borrower/Grantee contained in the Loan/Grant Agreement, the Intercept Agreement and in the Resolution are true and correct as of the date hereof.

11. The Borrower/Grantee is not in default, and has not been in default within the ten (10) years immediately preceding the date of this Certificate, in the payment of principal of, premium, if any, or interest on any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

12. To our knowledge and belief after due investigation, neither the Chairman of the Governing Body, the County Clerk, any member of the Governing Body of the Borrower/Grantee, nor any other officer, employee or other agent of the Borrower/Grantee is interested (except in the performance of his or her official rights, privileges, powers and duties),

directly or indirectly, in the profits of any contract, or job for work, or services to be performed and appertaining to the Project.

13. Regular meetings of the Borrower/Grantee's Governing Body and the meeting at which the Resolution was adopted have been held at the Grant County Administration Center, located at 1400 Highway 180 East, Silver City, New Mexico, the principal meeting place of the Borrower/Grantee.

14. The Borrower/Grantee's Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Borrower/Grantee's Governing Body in connection with the Loan/Grant Agreement or the Intercept Agreement. The Open Meetings Act Resolution adopted and approved by the Governing Body on January 8, 2015 establishes notice standards for meetings of the Governing Body. The Open Meetings Act Resolution has not been amended or repealed. All action of the Governing Body with respect to the Resolution, the Loan/Grant Agreement and the Intercept Agreement was taken at meetings held in compliance with the Open Meetings Act Resolution No. R-15-01, which resolution was effective on December 10, 2015 and has not been amended, repealed or rescinded.

15. The Chairman of the Governing Body and the County Clerk, on the date of the signing of the Loan/Grant Agreement and the Intercept Agreement and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Borrower/Grantee authorized to execute the Loan/Grant Agreement and the Intercept Agreement.

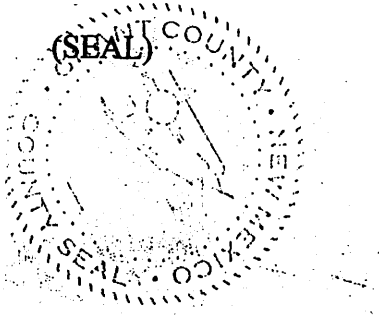
16. This Certificate is for the benefit of the Finance Authority and the Colonias Infrastructure Board.

17. This Certificate may be executed in counterparts.

[Signature page follows.]

WITNESS our signatures and the seal of the Borrower/Grantee this 15th day of January, 2016.

GRANT COUNTY, NEW MEXICO



By Brett Kasten
Brett Kasten, Chairman,
Board of County Commissioners

By Robert Zamarripa
Robert Zamarripa, County Clerk

\$629,608
GRANT COUNTY, NEW MEXICO
COLONIAS INFRASTRUCTURE PROJECT FUND LOAN/GRANT
No. 3351-CIF

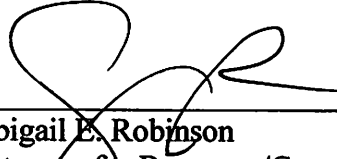
RIGHT-OF-WAY CERTIFICATE

The undersigned on behalf of Grant County (the "Borrower/Grantee"), a county in the State of New Mexico, hereby certifies:

1. That the Borrower/Grantee is the owner in fee simple of the lands needed for the construction, operation, and maintenance of the facilities to be constructed, installed, repaired, or enlarged with the proceeds of the above-referenced Loan/Grant made by the New Mexico Finance Authority and the New Mexico Colonias Infrastructure Board (the "Project"), or that the Borrower/Grantee has acquired and presently holds continuous and adequate rights-of-way on lands owned by others that are needed for the Project, whether public or private, and such omissions, defects, or restrictions as may exist will in no substantial way or manner endanger the value or the operation of the Project.
2. That the Borrower/Grantee has acquired all necessary permits, franchises, and authorizations or other instruments by whatsoever name designated, from public utilities and public bodies, commissions, or agencies authorizing the construction, operation, and maintenance of the facilities upon, along or across streets, roads, highways, and utility corridors.
3. That the attached maps show the location of all lands and rights-of-way needed for the Project, which lands and rights-of-way the Borrower/Grantee has acquired and now holds by purchase or dedication, by right of use or adverse possession, or by legal conveyances such as right-of-way or easement deeds, permits, or other instruments.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of Grant County as of this 15th day of January, 2016.

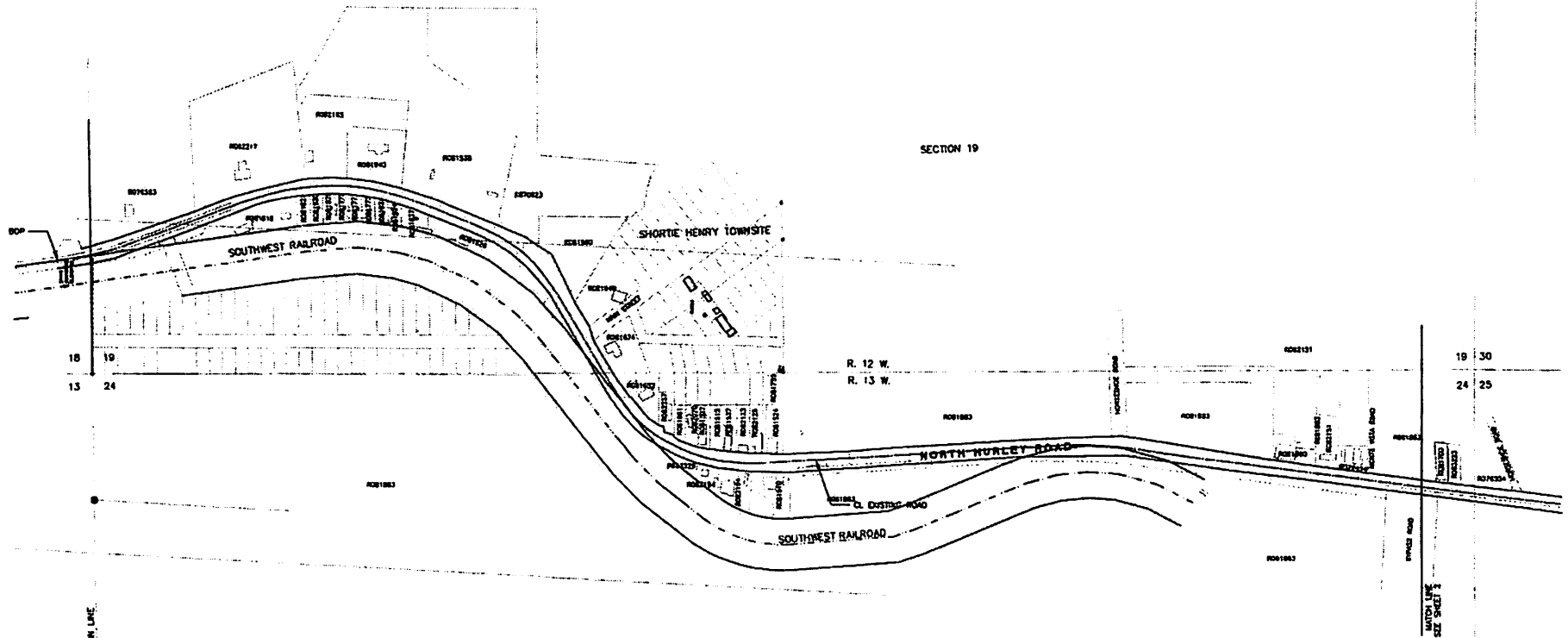
A handwritten signature in black ink, appearing to read 'A. Robinson', is written over a horizontal line.

Abigail E. Robinson
Attorney for Borrower/Grantee,
Grant County, New Mexico
P.O. Box 898
Silver City, New Mexico 88622

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of Grant County as of this 15th day of January, 2016.



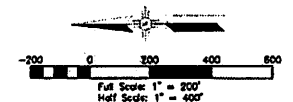
Abigail E. Robinson
Attorney for Borrower/Grantee,
Grant County, New Mexico
P.O. Box 898
Silver City, New Mexico 88622



ACCOUNT#	NAME	ADDRESS	CITY	STATE	ZIPCODE
8076343	CHINO MINES COMPANY	PO BOX 10	BAYARD	NM	88023
8081818	CHAVEZ ARTHUR ALTAMERANO	137 NORTH HURLEY RD	HURLEY	NM	88043
8081821	CHAVEZ ARTHUR ALTAMERANO	139 N HURLEY RD	HURLEY	NM	88043
8081820	LOZANO MICHAEL J CHAVEZ BRANDY R	139 N HURLEY RD	HURLEY	NM	88043
8081829	LOZANO MICHAEL J CHAVEZ BRANDY R	139 N HURLEY RD	HURLEY	NM	88043
8081772	RODRIGUEZ RAYMOND H RODRIGUEZ SANDRA C	183 NORTH HURLEY ROAD	HURLEY	NM	88043
8081771	RODRIGUEZ RAYMOND H RODRIGUEZ SANDRA C	183 NORTH HURLEY ROAD	HURLEY	NM	88043
8081779	RODRIGUEZ RAYMOND H & RODRIGUEZ SANDRA C	183 NORTH HURLEY ROAD	HURLEY	NM	88043
8081804	CHAVEZ MAXE	PO BOX 569	BAYARD	NM	88023
8081807	RODRIGUEZ RAYMOND H & RODRIGUEZ SANDRA C	183 NORTH HURLEY RD	HURLEY	NM	88043
8081806	RODRIGUEZ RAYMOND H & RODRIGUEZ SANDRA C	183 NORTH HURLEY RD	HURLEY	NM	88043
8081805	RODRIGUEZ RAYMOND H & RODRIGUEZ SANDRA C	183 NORTH HURLEY RD	HURLEY	NM	88043
8082217	SOLANO SHIRLEY	PO BOX 304	HURLEY	NM	88043
8082165	ROBINSON BELLAR D & DEARING R MOHR JAMES R & PAMELA K C/O	PO BOX 238	BAYARD	NM	88023
8081840	CHACON GINA A RODRIGUEZ GARY P	190 NORTH HURLEY ROAD	HURLEY	NM	88043
8081838	MOHR PAMELA K	PO BOX 238	BAYARD	NM	88023
8070823	SALCIDO RAUL E JR	PO BOX 851	HURLEY	NM	88043
8081860	SALCIDO RAUL E JR	PO BOX 851	HURLEY	NM	88043
8081949	RODRIGUEZ CHRISTINA P RODRIGUEZ ROBERT F JR	9 MAIN STREET	HURLEY	NM	88043
8081874	PENA MARQUEL S PENA DESHE L	RT 1 BOX 155	HURLEY	NM	88043
8081883	RODRIGUEZ JESUS & RODRIGUEZ FELIPA	2534 JACINTO AVE	MESA	AZ	85204
8082257	RODRIGUEZ JESUS & RODRIGUEZ FELIPA	2534 JACINTO AVE	MESA	AZ	85204

SECTION 24

8081881	CHAVEZ ARTHUR A	139 NORTH HURLEY ROAD	HURLEY	NM	88043
8082070	GALINDO RUBEN B	1302 ALABAMA STREET	SILVER CITY	NM	88081
8081827	DOMINGUEZ PRISCILLA M & DOMINGUEZ RANDALL J	RR 1 BOX 100	HURLEY	NM	88043
8081815	DOMINGUEZ PRISCILLA M DOMINGUEZ RANDY J	RR 1 BOX 100	HURLEY	NM	88043
8081837	LARA FELIX T ET AL	PO BOX 1294	BAYARD	NM	88023
8082125	FERNANDEZ MIKE D FERNANDEZ BEATRICE P	4730 COUNTRY CLUB RD SE	DEMING	NM	88030
8081883	PENA ARTHUR C PENA SUSIE C	RT 1 BOX 110	HURLEY	NM	88043
8081824	CHAVEZ RUTHA ETAL	RT 1 BOX 159 A	HURLEY	NM	88043
8082329	MIRANDA JOHN	69 N HURLEY ROAD	HURLEY	NM	88043
8082154	MIRANDA JOHN	69 N HURLEY ROAD	HURLEY	NM	88043
8082194	DOMINGUEZ RANDALL JOE DOMINGUEZ PRISCILLA M	RR 1 BOX 100	HURLEY	NM	88043
8077715	CASTILLO YVONNE	PO BOX 585	HURLEY	NM	88043
8081810	SEDILLOS CELIA P	RR 1 BOX 95	HURLEY	NM	88043
8081819	SEDILLOS CELIA P	RR 1 BOX 95	HURLEY	NM	88043
8081883	CHINO MINES COMPANY	PO BOX 10	BAYARD	NM	88023
8081860	MYERS ROBERT PROUDFOOT NICOLETTE	823 N.J.	LAWRENCE	KS	66044
8081824	SAENZ FIDEL T & SAENZ KONITE	PO BOX 987	DEMING	NM	88021
8082151	MORONES GILBERT O MORONES JUAN M	7 MAIN STREET	HURLEY	NM	88043
8076454	SABORIO KATALIA G	PO BOX 216	HURLEY	NM	88043



2	NO.	DESCRIPTION	DATE	BY
1		REVISIONS (OR CHANGE NOTICES)		
ENGINEERS INC <small>3400 KENWAY RD EAST, SUITE 100 SILVER CITY, NM 88060</small>				
NORTH HURLEY ROAD PROPERTY OWNERSHIP MAP				

LINDA SHERIDAN, D.P.L., J. SHERIDAN
 PHONE: (505) 535-3275
 FAX: (505) 535-3275

DATE: 7/21/2014

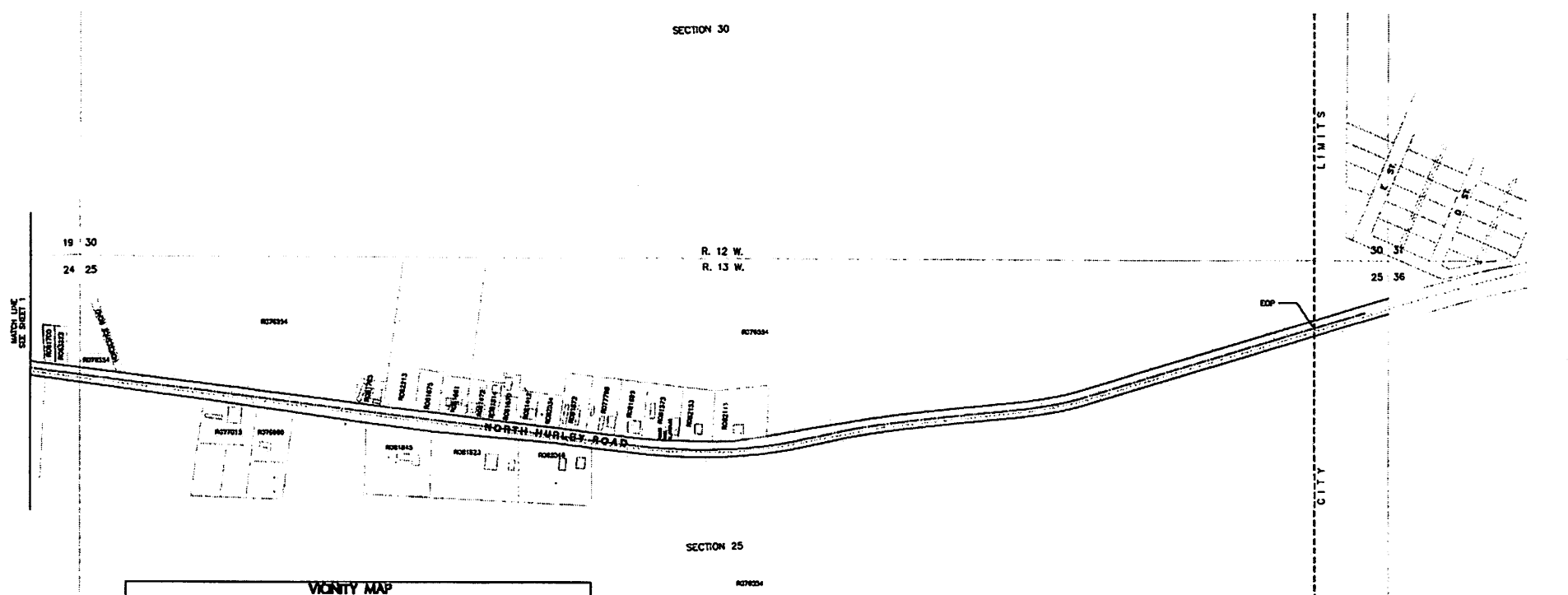
DESIGN FILE:

DWG: 675-505A

PROJECT NO: 0114012

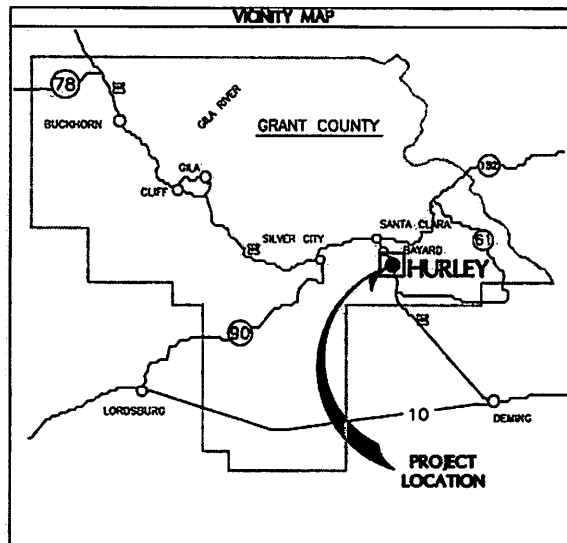
SHEET NO: 10/3

SECTION 30

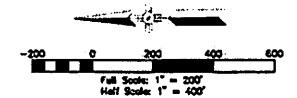


SECTION 25

R076254



ACCOUNT #	NAME	ADDRESS	CITY	STATE	ZIP CODE
R081700	RIVERA STELLA & RIVERA TERESO T	61 PETERSON DRIVE	SILVER CITY	NM	88061
R083225	RIVERA STELLA P RIVERA TERESO T	61 PETERSON DRIVE	SILVER CITY	NM	88061
R081785	MARTINEZ RODOLFO S MARTINEZ GONCHA	RT 1 BOX 50	HURLEY	NM	88043
R082219	SIERRA SANTOS L SIERRA DORA C	PO BOX 279	HURLEY	NM	88043
R081675	SIERRA SANTOS L SIERRA DORA C	PO BOX 279	HURLEY	NM	88043
R081661	TORRES HENRY P TORRES CECILIA L	PO BOX 653	BAYARD	NM	88023
R081472	MARTINEZ LUCARTHA V	RR 1 BOX 25	HURLEY	NM	88043
R081314	LOPEZ KIANITA C	RR 1 BOX 25	HURLEY	NM	88043
R081670	PEREZ IRDINI PEREZ RICHARD	PO BOX 792	BAYARD	NM	88023
R083412	DE LA TORRE LORENZA	PO BOX 724	BAYARD	NM	88023
R080034	GOMEZ EVA A	2382 BARKLEY CT	LAS CRUCES	NM	88001
R081672	PENA EDWARDS S	56 NORTH HURLEY ROAD	HURLEY	NM	
R077799	BACA JIMMY C BACA DELLA P				
R081699	RAMIREZ TERESA	PO BOX 262	HURLEY	NM	88043
R081573	HERRERA CARLOS	BOX 783	HURLEY	NM	88043
R082153	RAMADADO VELAZQUEZ DIAZ RAUL V & DIAZ MICHELLE A	800 E LORI PLACE	SILVER CITY	NM	88061
R082113	MURTADO ALFREDO	PO BOX 456	HURLEY	NM	88043
R076554	CHINO MENES COMPANY	PO BOX 10	BAYARD	NM	88023
R077015	GRAMADINO AMELIA P GRAMADINO FRANK P JR				
R076560	CHAVEZ JOSEPH E & CHAVEZ JOSEPH E JR & CHAVEZ LUIS A	PO BOX 94	SANTA CLARA	NM	88026
R081845	MEDRANO MARY S & MEDRANO RICARDO S	PO BOX 936	BAYARD	NM	88023
R081823	LINSLEY L WOLF R MARANCA JOHNNY & E C/O	68 NORTH HURLEY ROAD	HURLEY	NM	88043
R082046	VICK BETTY M & VICK JENNINGS S III	PO BOX 483	HURLEY	NM	88043



NO.	DESCRIPTION	DATE	BY
1	REVISIONS (OR CHANGE NOTICES)		
ENGINEERS INC. <small>3400 HIGHWAY 99 EAST, SUITE 200 SILVER CITY, NEW MEXICO 88061</small> <small>(703) 444-4444 (OFFICE) (505) 436-6410 (FAX)</small>			
SHEET TITLE:			
NORTH HURLEY ROAD PROPERTY OWNERSHIP MAP			

LINDA SUBRATOR, CIVIL ENGINEER, PROJECT NO. 0703-348-3385, EMAIL: LSUBRATOR@ENGINEERSINC.COM

DATE: 3/17/2014

DESIGN FILE: C:\Users\linda\Documents\0703-348-3385\0703-348-3385.dwg

DWG: 0703-30504A

PROJECT NO: 0703-348-3385

SHEET NO: 0093

NEW MEXICO FINANCE AUTHORITY

FINAL OPINION OF COUNSEL

To: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501

Re: Grant County, New Mexico
\$629,608 Loan/Grant No. 3351-CIF

Ladies and Gentlemen:

I am an attorney representing Grant County (the "Borrower/Grantee") in connection with the above-referenced Loan/Grant. I am licensed to practice law and in good standing in the State of New Mexico. I provide this opinion in my role as counsel to the Borrower/Grantee, understanding that the New Mexico Finance Authority and the New Mexico Colonias Infrastructure Board (the "Lenders/Grantors") are relying on all representations herein made by me on behalf of my client and but for these representations, the Loan/Grant would not be approved.

Capitalized terms used in this opinion have the same meaning as defined in Resolution No. R-15-43 adopted by the Governing Body of the Borrower/Grantee on December 10, 2015 (the "Resolution") unless otherwise defined in this opinion or the context requires otherwise.

I hereby certify that I have examined:

- (1) The Grant County Colonias Infrastructure Project Fund Application dated January 12, 2015 (the "Application") and the New Mexico Colonias Infrastructure Board approval dated June 4, 2015 and the New Mexico Finance Authority approval dated June 25, 2015 for Loan/Grant No. 3351-CIF, relating to the Project.
- (2) The statutes creating the Borrower/Grantee.
- (3) The Annual Open Meetings Act Resolution or resolutions of the Borrower/Grantee in effect on December 10, 2015 and on January 15, 2016.
- (4) The proceedings of the Governing Body (including all agendas, minutes, resolutions, ordinances and publications) which authorize the Loan/Grant application, the Project development, the budget for the Project, and the contracts with the various Project professionals including but not limited to architects, engineers, planners and contractors.
- (5) Proceedings of the Borrower/Grantee from the date of the Application to the date of this opinion, including, without limiting the generality of the foregoing, the action of the Borrower/Grantee relating to (a) the selection of its Chairman of the

Governing Body, Board of County Commissioners, and County Clerk; (b) the adoption of the Borrower/Grantee's Annual Open Meetings Act Resolution or resolutions; (c) the adoption of ordinances or resolutions governing the operation of the Project; (d) the plans and specifications for the Project; (e) cost estimates for the Project; (f) the adoption of ordinances, resolutions and regulations for the furnishing of service to customers; (g) the proposed operating budget for services to be provided, in whole or in part, by means of the Project; (h) the proposal to finance the Project, in whole or in part, with a Loan/Grant made by the CIB, acting through the Finance Authority; (i) the Resolution authorizing the Chairman of the Governing Body to execute necessary documents to obtain the Loan/Grant for the Project; (j) all necessary approvals for the Project from federal, State or local authorities; and (k) the execution and delivery of the Loan/Grant Agreement and the Intercept Agreement evidencing such Loan/Grant.

- (6) The Resolution and the Loan/Grant Agreement providing that the Lenders/Grantors on behalf of the Borrower/Grantee shall maintain a book Project Account on behalf of the Borrower/Grantee and shall cause the disbursement of the Loan/Grant Amount as provided in Article IV of the Loan/Grant Agreement.
- (7) The records and files of all offices in which there might be recorded, filed, or indexed, any liens of any nature whatsoever, affecting the title to any real property to be acquired with the Loan/Grant proceeds, or on which will be located any Project property to be acquired with the Loan/Grant proceeds.

To the best of my knowledge based upon my examination of the foregoing and information provided to me by the Borrower/Grantee, it is my opinion that:

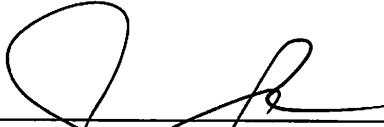
- A. The Borrower/Grantee is a duly organized and existing county under the laws of the State of New Mexico.
- B. There exists within the boundaries of the Borrower/Grantee, the Colonia of the community of North Hurley, a community that has been designated by the Borrower/Grantee as a Colonia within the meaning of the Colonias Infrastructure Act and the Borrower/Grantee will be receiving the Loan/Grant for the benefit of the Colonia and the constituent public served by the Borrower/Grantee.
- C. The ordinances, resolutions, rules and regulations governing the operation of the Project have been duly adopted and are now in full force and effect.
- D. The Authorized Officers of the Borrower/Grantee were duly and validly elected or appointed and are empowered to act for the Borrower/Grantee.
- E. The Borrower/Grantee has the power:
 - (1) to construct, install and complete the Project;
 - (2) to execute and deliver Loan/Grant documents including those identified above;

- (3) to perform all acts required by such Loan/Grant documents to be done by it; and
 - (4) to own, operate and maintain the Project during its Useful Life.
- F. All proceedings of the Borrower/Grantee, its elected and appointed officers, and employees, required or necessary to be taken in connection with the authorization of the actions specified above have been duly taken and all such authorizations are presently in full force and effect.
- G. The Resolution has been duly signed and adopted in accordance with all applicable laws and has not been repealed, rescinded, revoked, modified, amended or supplemented in any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Borrower/Grantee to carry out and enforce the provisions of the Loan/Grant Agreement and the Intercept Agreement.
- H. No event will result from the execution and delivery of the Loan/Grant Agreement that constitutes a default or an event of default under either the Loan/Grant Agreement, the Resolution or the Intercept Agreement, and no event of default and no default under the Loan/Grant Agreement or the Resolution has occurred and is continuing on the date of this opinion.
- I. The Borrower/Grantee has duly authorized and approved the consummation by it of all transactions, and has complied with all requirements and satisfied all Conditions, which are required by the Loan/Grant Agreement to have been authorized, approved, performed or consummated by the Borrower/Grantee at or prior to the date of this opinion. The Borrower/Grantee has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution, the Loan/Grant Agreement and the Intercept Agreement.
- J. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Loan/Grant Agreement and the Intercept Agreement or any of the actions required to be taken by the Resolution or the Loan/Grant Agreement to the date of this opinion have been obtained and are in full force and effect.
- K. Neither the Borrower/Grantee's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution, the Loan/Grant Agreement or the Intercept Agreement does or will conflict with, or constitutes a breach by the Borrower/Grantee of, or default by the Borrower/Grantee under any law, court decree or order, governmental regulation, rule or order, ordinance, resolution, agreement, indenture, mortgage or other instrument to which the Borrower/Grantee is subject or by which it is bound.
- L. There is no actual or threatened action, suit, proceeding, inquiry or investigation against the Borrower/Grantee, at law or in equity, by or before any court, public board or body, nor to my knowledge, is there any basis therefore, affecting the existence of the Borrower/Grantee or the titles of its officials to their respective offices, or in any way

materially adversely affecting or questioning (a) the territorial jurisdiction of the Borrower/Grantee, (b) the use of the proceeds of the Loan/Grant Agreement for the Project and to pay certain costs of the Finance Authority and the CIB associated with the administration of the Colonias Infrastructure Project Fund, (c) the validity or enforceability of the Loan/Grant Agreement or any proceedings of the Borrower/Grantee with respect to the Resolution, the Loan/Grant Agreement or the Intercept Agreement, (d) the execution and delivery of the Loan/Grant Agreement and the Intercept Agreement, (e) the authority of the Borrower/Grantee to repay the Loan Amount, or (f) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution, the Loan/Grant Agreement and the Intercept Agreement.

- M. Based upon my inspection of the maps and supporting documentation associated with the project location, there are no apparent liens of any nature whatsoever affecting the title to any real property upon which the Project will be located.
- N. No legal proceedings have been instituted or are pending, and to my knowledge none are threatened, whether or not the Borrower/Grantee is named as a party in such proceedings, which would affect the Borrower/Grantee's interest in the real property upon which the Project will be located, and there are no judgments against the Borrower/Grantee or liens against any property of the Borrower/Grantee that would impair the Borrower/Grantee's ability to complete the Project.
- O. The Borrower/Grantee has acquired as legally bound to acquire pursuant to the Loan/Grant Agreement all of the necessary land rights, easements and rights-of-way for the Project and the Borrower/Grantee now has sufficient, adequate and continuous rights-of-way to permit the construction, installation, operation and maintenance of the Project.
- P. The Borrower/Grantee has complied with all of the requirements of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, applicable to the Project on or prior to the date of this opinion letter.

Dated this 15th day of January, 2016.




Abigail E. Robinson
Attorney for Borrower/Grantee,
Grant County, New Mexico
P.O. Box 898
Silver City, New Mexico 88622

materially adversely affecting or questioning (a) the territorial jurisdiction of the Borrower/Grantee, (b) the use of the proceeds of the Loan/Grant Agreement for the Project and to pay certain costs of the Finance Authority and the CIB associated with the administration of the Colonias Infrastructure Project Fund, (c) the validity or enforceability of the Loan/Grant Agreement or any proceedings of the Borrower/Grantee with respect to the Resolution, the Loan/Grant Agreement or the Intercept Agreement, (d) the execution and delivery of the Loan/Grant Agreement and the Intercept Agreement, (e) the authority of the Borrower/Grantee to repay the Loan Amount, or (f) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution, the Loan/Grant Agreement and the Intercept Agreement.

- M. Based upon my inspection of the maps and supporting documentation associated with the project location, there are no apparent liens of any nature whatsoever affecting the title to any real property upon which the Project will be located.
- N. No legal proceedings have been instituted or are pending, and to my knowledge none are threatened, whether or not the Borrower/Grantee is named as a party in such proceedings, which would affect the Borrower/Grantee's interest in the real property upon which the Project will be located, and there are no judgments against the Borrower/Grantee or liens against any property of the Borrower/Grantee that would impair the Borrower/Grantee's ability to complete the Project.
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- P. The Borrower/Grantee has complied with all of the requirements of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, applicable to the Project on or prior to the date of this opinion letter.

Dated this 15th day of January, 2016.



Abigail B. Robinson
Attorney for Borrower/Grantee,
Grant County, New Mexico
P.O. Box 898
Silver City, New Mexico 88622

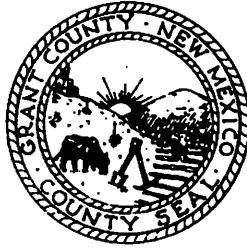
GRANT COUNTY

COMMISSIONERS

GABRIEL J. RAMOS
DISTRICT 1

BRETT A. KASTEN
DISTRICT 2

RON HALL
DISTRICT 3



COUNTY MANAGER
CHARLENE WEBB

Telephone: (575) 574-0008
Fax: (575) 574-0073

December 14, 2015

Virtue & Najjar, PC
Attn: Pamela Ortiz
PO Box 22249
Santa Fe, NM 87502-2249

Re: Resolution R-15-43; Authorizing the Execution and Delivery of a Colonia's Infrastructure Project No. 3351.

To: Ms. Ortiz,

Enclosed you will find one (1) original document of the above mentioned item. The request was presented to the Grant County Board of Commissioners on December 10, 2015 and was approved.

Once the documents have been fully executed please return a copy to the County for our files.

If you should have any further questions or need additional information, please contact the County Manager's Office at 575-574-0006.

Sincerely,

Denisha Lucero
Administrative Assistant

Cc: Linda Vasquez, Finance Director
Anthony Gutierrez, Planning Director
File

NOVEMBER 2015						
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JANUARY 2016						
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**NEW MEXICO FINANCE AUTHORITY
and
COLONIAS INFRASTRUCTURE BOARD**

FINANCING SCHEDULE & DISTRIBUTION LIST

**\$629,608 Colonias Infrastructure Project Fund Loan/Grant
(\$566,647 Grant/\$62,961 Loan)
Grant County, New Mexico**

Project No. 3351-CIF

Prepared: November 10, 2015

DATE	ACTION	PARTIES
Monday, January 12, 2015	Application received by Finance Authority	Borrower/Grantee
Wednesday June 4, 2015	Colonias Infrastructure Board approval	CIB
Thursday June 25, 2015	Finance Authority Board Approval	Finance Authority
Tuesday, November 10, 2015	Distribute draft Financing Schedule, Loan/Grant Agreement, Resolution and draft closing documents for review and comment by Finance Authority, Borrower/Grantee and Borrower/Grantee's counsel	VN
Tuesday, November 17, 2015	Comments received on Loan/Grant Agreement, Resolution and draft closing documents from Finance Authority Borrower/Grantee and Borrower/Grantee's counsel	Finance Authority, Borrower/Grantee, Borrower/Grantee's counsel
Tuesday, November 17, 2015	Final Debt Service Schedule Due with confirmation that no additional outstanding debt has been incurred other than shown in Staff Report	Finance Authority

DATE	ACTION	PARTIES
Thursday, December 3, 2015	Closing documents in final form distributed to Borrower/Grantee for signature with a copy to the Finance Authority	VN
Thursday, December 10, 2015	Governing Body adopts Resolution	Borrower/Grantee
Friday, December 11, 2015	Submit notice of adoption to the <i>Silver City Daily Press</i> , before noon	VN
Saturday, December 12, 2015	Publication of notice of adoption in the <i>Silver City Daily Press</i>	Legal newspaper for Borrower/Grantee,
Thursday, December 17, 2015	Closing documents signed by Borrower/Grantee and delivered to closing counsel	Borrower/Grantee
Monday, January 11, 2016	Thirty-day limitations period ends	
Monday, January 11, 2016	Delivery of closing documents forwarded to Finance Authority in paper and electronic form for signature	VN
Wednesday, January 13, 2016	Finance Authority signs Loan/Grant Agreement	Finance Authority
Friday, January 15, 2016	Send ready to close email to working group	VN
Friday, January 15, 2016	Closing	All
Two weeks after receipt of all transcript documents	Transcript distributed	VN

DISTRIBUTION LIST

BORROWER/GRANTEE

Grant County
PO Box 898
Silver City, New Mexico 88062

Contact(s):

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Anthony Gutierrez, Planning Director
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NEW MEXICO FINANCE AUTHORITY

(Finance Authority)
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Santa Fe, New Mexico 87501

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Mark Chaiken, Assistant General Counsel
Email: mchaiken@nmfa.net

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NEWSPAPER:

Silver City Daily Press
3130 AB Highway 180 East
P.O. Box 740
Silver City, New Mexico 88061
Phone: (575) 388-1576
Contact: Tauna Gallagher
Email: tgallagher@silvercitydailypress.net

Publication deadline: Published daily Monday through Friday and Saturday; deadline 12:00 p.m. one day prior to publication for Monday – Friday publications and Friday by 12:00 p.m. for Saturday. Please submit notices in Word format.