

CITY of ALBUQUERQUE

TWENTY SEVENTH COUNCIL

COUNCIL BILL NO. R-26-54

ENACTMENT NO. _____

SPONSORED BY: Joaquín Baca

1 RESOLUTION

2 A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER
3 PROJECT FUND GRANT AGREEMENT BY AND BETWEEN THE NEW MEXICO
4 FINANCE AUTHORITY (“NMFA”) AND THE CITY OF ALBUQUERQUE (THE
5 “GRANTEE”), IN THE TOTAL AMOUNT OF \$6,160,000, EVIDENCING AN
6 OBLIGATION OF THE GRANTEE TO UTILIZE THE GRANT AMOUNT SOLELY FOR
7 THE PURPOSE OF FINANCING THE COSTS OF DESIGN AND CONSTRUCTION OF
8 JOHN ST. PUMP STATION AND GRAVITY POND, DIVERSION OF WILLIAMS ST.
9 72-INCH STORM DRAIN AND BROADWAY BLVD. 66-INCH STORM DRAIN AND
10 UPSIZING STORM DRAIN IN BARELAS DITCH TO A 30-INCH PIPE; AND SOLELY
11 IN THE MANNER DESCRIBED IN THE GRANT AGREEMENT; CERTIFYING THAT
12 THE GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE
13 GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE
14 FORM OF AND OTHER DETAILS CONCERNING THE GRANT AGREEMENT;
15 RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION
16 INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF
17 OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF
18 THE GRANT AGREEMENT.

19 Capitalized terms used in the following preambles have the same meaning as
20 defined in this Resolution unless the context requires otherwise.

21 WHEREAS, the Grantee is a legally and regularly created, established, duly
22 organized and existing municipal corporation under and pursuant to the laws of the
23 State and more specifically, Article 10 Section 6 of the New Mexico Constitution,
24 Municipal Home Rule, and the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11,
25 as amended, is a qualifying entity under the Water Project Finance Act, and is qualified

for financial assistance as determined by the NMFA and approved by the Water Trust Board pursuant to the Board Rules, the Policies and the Act; and

WHEREAS, pursuant to the Board Rules, the Water Trust Board has recommended the Project for funding as a Qualifying Project to the Legislature; and

WHEREAS, Chapter 35, Laws 2025, being House Bill 206, of the 2025 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Water Trust Board has recommended that the NMFA enter into and administer the Grant Agreement in order to finance the Project; and

WHEREAS, the NMFA approved on May 22, 2025 that the Grantee receive financial assistance in the form of the Grant; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts granted pursuant to the Grant Agreement, that the Grant Amount, together with the Additional Funding Amount and other moneys available to the Grantee, is sufficient to complete the Project, and that it is in the best interest of the Grantee and the constituent public it serves that the Grant Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Grant Agreement; and

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

WHEREAS, the Grant Agreement shall not constitute a general obligation of the Grantee, the Water Trust Board or the NMFA or a debt or pledge of the full faith and credit of the Grantee, the Water Trust Board, the NMFA or the State; and

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

WHEREAS, the Governing Body hereby determines that the Additional Funding Amount is now available to the Grantee to complete the Project; and

WHEREAS, the Grantee has met or will meet prior to the first disbursement of any portion of the Grant Amount, the Conditions and readiness to proceed requirements established for the portion of the Grant Amount disbursed or caused to be disbursed by

the NMFA, including but not limited to the requirements of Executive Order 2013-006;
and

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

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

SECTION 1. DEFINITIONS. 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); and, any term not defined herein shall have the definition given it by the Grant Agreement:

“Act” means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-11, and enactments of the Governing Body relating to the Grant Agreement, including this Resolution, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 4.2 of the Policies) which, in combination with the Grant Amount and other moneys available to the Grantee, is sufficient to complete the Project and to provide matching funds required to complete the Project. The Additional Funding Amount is \$2,099,943 from the General Obligation Bonds Fund or other legally available funds of the Grantee.

“Authorized Officers” means any one or more of the Mayor, Chief Administrative Officer, Chief Financial Advisor, Director of Department of Finance and Administrative Services, Treasurer and City Clerk of the Grantee.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

1 “Closing Date” means the date of execution and delivery of the Grant Agreement
2 by the Grantee and the NMFA.

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

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

5 “Eligible Items” means eligible Project costs for which grants and loans may be
6 made pursuant to NMSA 1978, § 72-4A-7(C), as amended, of the Act, the Board Rules
7 and applicable Policies, and includes, without limitation, Eligible Legal Costs.

8 “Eligible Legal Costs” has the meaning given to that term in the Grant
9 Agreement.

10 “Generally Accepted Accounting Principles” means the officially established
11 accounting principles applicable to the Grantee consisting of the statements,
12 determinations and other official pronouncements of the Government Accounting
13 Standards Board, Financial Accounting Standards Board, Federal Accounting
14 Standards Board or other principle-setting body acceptable to the NMFA establishing
15 accounting principles applicable to the Grantee.

16 “Governing Body” means the duly organized City Council of the Grantee, or any
17 successor governing body of the Grantee.

18 “Grant Agreement” means the Water Project Fund Grant Agreement entered into
19 by and between the Grantee and the NMFA as authorized by this Resolution.

20 “Grant” or “Grant Amount” means the amount provided to the Grantee as a grant
21 pursuant to the Grant Agreement for the purpose of funding the Project and shall not
22 equal more than \$6,160,000.

23 “Grantee” means the City of Albuquerque in Bernalillo County, New Mexico.

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

27 “NMAC” means the New Mexico Administrative Code.

28 “NMFA” means the New Mexico Finance Authority.

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

31 “Project” means the project(s) described on the Term Sheet.

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

5 “Qualifying Water Project” means a water project for (i) storage, conveyance or
6 delivery of water to end-users; (ii) implementation of the federal Endangered Species
7 Act of 1973 collaborative programs; (iii) wastewater conveyance and treatment; (iv)
8 restoration and management of watersheds; (v) flood prevention; or, (vi) water
9 conservation or recycling, treatment or reuse of water as provided by law; and which
10 has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B), as
11 amended.

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

14 “State” means the State of New Mexico.

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

16 “Useful Life” means the structural and material design life of the Project, including
17 planning and design features as required by the Act and the Board Rules.

18 “Water Project Fund” means the fund of the same name created pursuant to the
19 Act and held and administered by the NMFA.

20 “Water Trust Board” or “WTB” means the water trust board created and
21 established pursuant to the Act.

22 SECTION 2. RATIFICATION. All action heretofore taken (not inconsistent with
23 the provisions of this Resolution) by the Grantee and officers of the Grantee directed
24 toward the acquisition and completion of the Project, and the execution and delivery of
25 the Grant Agreement shall be, and the same hereby is, ratified, approved and
26 confirmed.

27 SECTION 3. AUTHORIZATION OF THE PROJECT AND THE GRANT
28 AGREEMENT. The acquisition and completion of the Project and the method of funding
29 the Project through execution and delivery of the Grant Agreement and the other
30 documents related to the transaction are hereby authorized and ordered. The Project is
31 for the benefit and use of the Grantee and the public whom it serves.

1 SECTION 4. FINDINGS. The Governing Body hereby declares that it has
2 considered all relevant information and data and hereby makes the following findings:

3 A. The Project is needed to meet the needs of the Grantee and the
4 public whom it serves.

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

8 C. The Project and the execution and delivery of the Grant Agreement
9 pursuant to the Act to provide funds for the financing of the Project are necessary,
10 convenient and in furtherance of the governmental purposes of the Grantee, and in the
11 interest of the public health, safety, and welfare of the constituent public served by the
12 Grantee.

13 D. The Grantee will acquire and complete the Project with the
14 proceeds of the Grant, the Additional Funding Amount and other amounts available to
15 the Grantee, and except as otherwise expressly provided by the Grant Agreement, will
16 utilize, operate and maintain the Project for the duration of its Useful Life, as required by
17 NMSA 1978, § 72-4A-7(A)(1), as amended.

18 E. Together with the Grant Amount, and other amounts available to
19 the Grantee, the Additional Funding Amount is now available to the Grantee, and in
20 combination with the Grant Amount, will be sufficient to complete the Project.

21 F. The NMFA shall maintain on behalf of the Grantee a separate
22 Project Account as a book account only on behalf of the Grantee and financial records
23 in accordance with Generally Accepted Accounting Principles during the construction or
24 implementation of the Project.

25 G. The Grantee has acquired title to or easements or rights of way on
26 the real property upon which the Project is being constructed or located as provided in
27 the Grant Agreement.

28 SECTION 5. GRANT AGREEMENT—AUTHORIZATION AND DETAIL.

29 A. AUTHORIZATION. This Resolution has been adopted by the
30 affirmative vote of at least a majority of all of the members of the Governing Body. For
31 the purpose of protecting the public health, conserving the property, and protecting the
32 general welfare and prosperity of the constituent public served by the Grantee and

1 acquiring and completing the Project, it is hereby declared necessary that the Grantee
2 execute and deliver the Grant Agreement evidencing the Grantee's acceptance of the
3 Grant Amount of \$6,160,000 to be utilized solely for Eligible Items necessary to
4 complete the Project, and solely in the manner and according to the restrictions set forth
5 in the Grant Agreement, the execution and delivery of which is hereby authorized. The
6 Grantee shall use the Grant Amount to finance the acquisition and completion of the
7 Project.

8 B. DETAIL. The Grant Agreement shall be in substantially the form of
9 the Grant Agreement presented at the meeting of the Governing Body at which this
10 Resolution was adopted. The Grant shall be in the amount of \$6,160,000.

11 SECTION 6. APPROVAL OF GRANT AGREEMENT. The form of the Grant
12 Agreement as presented at the meeting of the Governing Body at which this Resolution
13 was adopted, is hereby approved. Authorized Officers are hereby individually
14 authorized to execute, acknowledge and deliver the Grant Agreement with such
15 changes, insertions and omissions as may be approved by such individual Authorized
16 Officers, and the City Clerk is hereby authorized to attest the Grant Agreement. The
17 execution of the Grant Agreement shall be conclusive evidence of such approval.

18 SECTION 7. DISPOSITION OF PROCEEDS: COMPLETION OF THE
19 PROJECT.

20 A. PROJECT ACCOUNT. The Grantee hereby consents to creation of
21 the Project Account by the NMFA. Until the Completion Date, the amount of the Grant
22 credited to the Project Account shall be used and paid out solely for Eligible Items
23 necessary to acquire and complete the Project in compliance with applicable law and
24 the provisions of the Grant Agreement.

25 B. COMPLETION OF THE PROJECT. The Grantee shall proceed to
26 complete the Project with all due diligence. Upon the Completion Date, the Grantee
27 shall execute a certificate stating that completion of and payment for the Project has
28 been completed. Following the Completion Date or the earlier expiration of the time
29 allowed for disbursement of Grant funds as provided in the Grant Agreement, any
30 balance remaining in the Project Account shall be transferred and deposited into the
31 Water Project Fund or otherwise distributed as provided in the Grant Agreement.

1 C. NMFA NOT RESPONSIBLE. Grantee shall apply the funds derived
2 from the Grant Agreement as provided therein, and in particular Article VII of the Grant
3 Agreement. The NMFA shall not in any manner be responsible for the application or
4 disposal by the Grantee or by its officers of the funds derived from the Grant Agreement
5 or of any other funds held by or made available to the Grantee in connection with the
6 Project. NMFA shall not be liable for the refusal or failure of any other agency of the
7 State to transfer any portion of the Grant Amount in its possession, custody and control
8 to the NMFA for disbursement to the Grantee, or to honor any request for such transfer
9 or disbursement of the Grant Amount.

10 SECTION 8. AUTHORIZED OFFICERS. Authorized Officers are hereby
11 individually authorized and directed to execute and deliver any and all papers,
12 instruments, opinions, affidavits and other documents and to do and cause to be done
13 any and all acts and things necessary or proper for carrying out this Resolution, the
14 Grant Agreement and all other transactions contemplated hereby and thereby.
15 Authorized Officers are hereby individually authorized to do all acts and things required
16 of them by this Resolution and the Grant Agreement for the full, punctual and complete
17 performance of all the terms, covenants and agreements contained in this Resolution
18 and the Grant Agreement including but not limited to, the execution and delivery of
19 closing documents in connection with the execution and delivery of the Grant
20 Agreement.

21 SECTION 9. AMENDMENT OF RESOLUTION. This Resolution after its
22 adoption may be amended without receipt by the Grantee of any additional
23 consideration, but only with the prior written consent of the NMFA.

24 SECTION 10. RESOLUTION IRREPEALABLE. After the Grant Agreement has
25 been executed and delivered, this Resolution shall be and remain irrevocable until all
26 obligations due under the Grant Agreement shall be fully discharged, as herein
27 provided.

28 SECTION 11. SEVERABILITY CLAUSE. If any section, paragraph, clause or
29 provision of this Resolution shall for any reason be held to be invalid or unenforceable,
30 the invalidity or unenforceability of such section, paragraph, clause or provision shall not
31 affect any of the remaining provisions of this Resolution.

1 SECTION 12. REPEALER CLAUSE. All bylaws, orders, ordinances, resolutions,
2 or parts thereof, inconsistent herewith are hereby repealed to the extent only of such
3 inconsistency. This repealer shall not be construed to revive any bylaw, order,
4 resolution or ordinance, or part thereof, heretofore repealed.

5 SECTION 13. EFFECTIVE DATE. Upon due adoption of this Resolution, it shall
6 be recorded in the book of the Grantee kept for that purpose, authenticated by the
7 signatures of the Mayor and City Clerk of the Grantee, and this Resolution shall be in
8 full force and effect thereafter, in accordance with law; provided, however, that if
9 recording is not required for the effectiveness of this Resolution, this Resolution shall be
10 effective upon adoption of this Resolution by the Governing Body.

\$6,160,000

WATER PROJECT FUND
GRANT AGREEMENT

dated

September 25, 2026

by and between the

NEW MEXICO FINANCE AUTHORITY,
as Grantor,

and the

CITY OF ALBUQUERQUE, BERNALILLO COUNTY, NEW MEXICO,
as Grantee.

WATER PROJECT FUND GRANT AGREEMENT

THIS GRANT AGREEMENT (the “Agreement” or “Grant Agreement”) dated September 25, 2026, is entered into by and between the **NEW MEXICO FINANCE AUTHORITY** (the “NMFA” or “Grantor”), and the **CITY OF ALBUQUERQUE** in BERNALILLO COUNTY, NEW MEXICO (the “Grantee”).

W I T N E S S E T H:

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

WHEREAS, the NMFA Act provides that the NMFA may make loans and grants from the Water Project Fund to qualifying entities for Qualifying Water Projects; and

WHEREAS, pursuant to the Act, the Water Trust Board has established the Board Rules governing the terms and conditions of loans and grants made from the Water Project Fund, as set out in Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC, pursuant to the Board Rules for Qualifying Water Projects; and

WHEREAS, the Grantee is a legally and regularly created, established, duly organized and existing municipal corporation under and pursuant to the laws of the State and more specifically, Article 10 Section 6 of the New Mexico Constitution, Municipal Home Rule, and the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended, is a qualifying entity under the Water Project Finance Act and is qualified for financial assistance as determined by the NMFA and approved by the Water Trust Board pursuant to the Board Rules, the Policies and the Act; and

WHEREAS, the Grantee has determined that it is in the best interests of the Grantee and the constituent public it serves that the Grantee enter into this Agreement with the Grantor to accept a grant in the amount of \$6,160,000 from the Grantor to finance the costs of the Project, this Project being more particularly described in the Term Sheet; and

WHEREAS, the Grantee submitted an Application dated September 10, 2024 and January 3, 2025 for the Project; and

WHEREAS, pursuant to the Board Rules the Water Trust Board recommended the Project for funding as a Qualifying Water Project to the Legislature; and

WHEREAS, Chapter 35, Laws 2025, being House Bill 206 of the 2025 Regular New Mexico Legislative Session, authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Water Trust Board has recommended that the NMFA enter into and administer this Agreement in order to finance the Project; and

WHEREAS, the NMFA approved on May 22, 2025 that the Grantee receive financial assistance in the form of the Grant; and

WHEREAS, the plans and specifications for the Project will be approved by the NMFA (or by the New Mexico Environment Department or other appropriate agency or entity on behalf of the NMFA, pursuant to an agreement between such agency or entity and the NMFA), prior to the commencement of construction, and plans and specifications for the Project incorporate available technologies and operational design for water use efficiency; and

WHEREAS, the execution and performance of this Agreement have been authorized, approved, and directed by all necessary and appropriate action of the Water Trust Board and the NMFA, and their respective officers.

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

ARTICLE I DEFINITIONS

Capitalized terms defined in the foregoing recitals shall have the same meaning when used in this Agreement, unless the context clearly requires otherwise. Capitalized terms not defined in the recitals and defined in this Article I shall have the same meaning when used in this Agreement including the foregoing recitals, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined).

“Act” means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-11, and enactments of the Governing Body relating to this Agreement, including the Resolution, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Grantee which includes the total value of the Soft Match or Hard Match (each as defined in Section 4.2 of the Policies) which, in combination with the Grant Amount and other moneys available to the Grantee, is sufficient to complete the Project and to provide matching funds required to complete the Project. The Additional Funding Amount is \$2,099,943 from the General Obligation Bonds Fund or other legally available funds of the Grantee.

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

“Application” means the New Mexico Water Trust Board Application dated September 10, 2024 and the New Mexico Water Trust Board Readiness Application dated January 3, 2025 of the Grantee and pursuant to which the Grantee requested funding for the Project.

“Authorized Officers” means, with respect to the Grantee, any one or more of the Mayor, Chief Administrative Officer, Chief Financial Advisor, Director of Department of Finance and Administrative Services, Treasurer and City Clerk thereof; with respect to the NMFA, the Chairman, Vice-Chairman and Secretary of the Board of Directors and the Chief Executive Officer or any other officer or employee of the NMFA designated in writing by an Authorized Officer.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

“Closing Date” means the date of execution and delivery of this Agreement by the Grantee and the NMFA.

“Conditions” means the conditions to be satisfied prior to the submission of a request for payment, or the disbursement of the Grant Amount, or any portion thereof, from the Water Project Fund, or which otherwise apply to the performance of this Agreement, including those set forth in the Term Sheet.

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

“Eligible Items” means eligible Project costs for which grants and loans may be made pursuant to NMSA 1978, § 72-4A-7(C), as amended, of the Act, the Board Rules and applicable Policies, and includes, without limitation, Eligible Legal Costs.

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

“Event of Default” means one or more events of default as defined in Section 10.1 of this Agreement.

“Final Requisition” means the final requisition of moneys to be submitted by the Grantee, which shall be submitted by the Grantee on or before the expiration of the Interim Period as provided in Section 5.3 of this Agreement.

“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 of the Grantee may hereafter establish for the Grantee as its fiscal year.

“Force Majeure” means acts of God and natural disasters; strikes or labor disputes; war, civil strife or other violence; an order of any kind of the Government of the United States or of the State or civil or military authority or any court of competent jurisdiction; or any other act or condition that was beyond the reasonable control of, without fault or negligence of, or not reasonably foreseeable by the party claiming the Force Majeure event; except for (i) general economic conditions; or (ii) an inability of a party claiming the Force Majeure event to pay any debts when due.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the 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 Grantor, establishing accounting principles applicable to the Grantee.

“Governing Body” means the duly organized City Council of the Grantee, or any successor governing body of the Grantee.

“Grant” or “Grant Amount” means the amount provided to the Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and shall not equal more than \$6,160,000.

“Grantor” means the New Mexico Finance Authority.

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

“Interim Period” means the period no greater than twenty-four (24) months, unless a longer period is approved by the NMFA as provided in Section 5.3 of this Agreement, beginning on the Closing Date, during which the NMFA will disburse moneys to the Grantee to pay costs of the Project.

“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.

“Policies” means the Water Trust Board Water Project Fund Project Management Policies approved by the Water Trust Board and the NMFA, as amended and supplemented from time to time.

“Project” means the project(s) described on the Term Sheet.

“Project Account” means the book account established by the NMFA in the name of the Grantee for purposes of tracking expenditure of the Grant Amount by the 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 NMFA.

“Qualifying Water Project” means a water project for (i) storage, conveyance or delivery of water to end-users; (ii) implementation of the federal Endangered Species Act of 1973 collaborative programs; (iii) wastewater conveyance and treatment; (iv) restoration and management of watersheds; (v) flood prevention; or, (vi) water conservation or recycling, treatment or reuse of water as provided by law; and which has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B), as amended.

“Resolution” means the Grantee’s Resolution No. _____, adopted by the Governing Body on August 17, 2026, authorizing the acceptance of the Grant and approving this Agreement.

“Severance Tax Bond Funds” means that portion of the proceeds of the severance tax bonds issued annually by the State Board of Finance pursuant to NMSA 1978, § 7-27-10.1, as amended, and which are appropriated to the Water Project Fund.

“State” means the State of New Mexico.

“State Board of Finance” means the State board of finance created pursuant to NMSA 1978, §§ 6-1-1 through 6-1-13, as amended.

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

“Useful Life” means the structural and material design life of the Project including planning and design features as required by the Act and the Board Rules.

“Water Project Fund” means the fund of the same name created pursuant to the Act and held and administered by the NMFA.

“Water Trust Board” or “WTB” means the water trust board created and established pursuant to the Act.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Grantee: The Grantee represents, covenants and warrants for the benefit of the NMFA as follows:

(a) Binding Nature of Covenants; Enforceability. All representations, covenants, stipulations, obligations, and agreements of the Grantee contained in this Grant Agreement shall be deemed to be the representations, covenants, stipulations, obligations and agreements of the Grantee to the full extent authorized or permitted by law, and such representations, covenants, stipulations, obligations, and agreements shall be binding upon the Grantee and its successors, and enforceable in accordance with their terms, and upon any board or body to which any powers or duties affecting such representations, covenants, stipulations, obligations, and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Agreement, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Grantee by the provisions of this Agreement and the Resolution shall be exercised or performed by the Grantee or by such members, officers, or officials of the Grantee as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of Agreement. The Grantee is a qualifying entity as defined in the Act and the Board 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 Grantee is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Grantee has duly authorized and approved its acceptance of the Grant and the execution and delivery of this Agreement and the other documents related to the transaction described in this Agreement, and this Agreement and the other documents related to the transaction to which the Grantee is a party constitute legal, valid and binding special obligations of the Grantee enforceable against the Grantee in accordance with their respective terms.

(c) Nature and Use of Agreement Proceeds. The Grantee shall apply the proceeds of the Grant solely to Eligible Items that will facilitate the completion of the Project, and shall not use the Grant proceeds for any other purpose. The Grant Amount, together with the Additional Funding Amount and other moneys reasonably expected to be available to the Grantee, is sufficient to complete the Project in its entirety.

(d) (Reserved)

(e) Scope of Project; Completion of Project; Compliance with Laws. The Project is for flood prevention. The Grant Amount will be used only for Eligible Items necessary to complete the Project. The Project is more particularly described in the Term Sheet. The Project will be completed with all practical dispatch and will be completed, operated and maintained so as to comply with all applicable federal, state and local laws, ordinances, resolutions and regulations and all current and future orders of all courts having jurisdiction over the Grantee relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Grant proceeds.

(f) 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 Grantee and are in the best interest of the Grantee and the public it serves.

(g) (Reserved)

(h) Agreement Term Not Less than Useful Life. The Agreement Term is not less than the Useful Life of the Project as required by NMSA 1978, § 72-4A-7, as amended, of the Act.

(i) Amount of Agreement. The sum of the Grant Amount and the Additional Funding Amount (and as set forth on the Term Sheet) does not exceed the cost of the Project.

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

(k) Irrevocable Enactments. While this Agreement remains outstanding, any ordinance, resolution or other enactment of the Governing Body accepting the terms hereof, 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 in a manner not permitted or contemplated by the terms hereof.

(l) No Litigation. To the knowledge of the Grantee, no litigation or proceeding is pending or threatened against the Grantee or any other person affecting the right of the Grantee to execute or deliver this Agreement and the other documents related to the transaction or to comply with its obligations under this Agreement and the other documents related to the transaction. Neither the execution and delivery of this Agreement and the other documents related to the transaction by the Grantee nor compliance by the Grantee with the obligations under this Agreement and the other documents related to the transaction, requires the approval of any

regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(m) No Event of Default. No event has occurred and no condition exists which, with the giving of notice or the passage of time or upon the execution and delivery of this Agreement and the other documents related to the transaction, would constitute an Event of Default on the part of the Grantee under this Agreement and the other documents related to the transaction.

(n) (Reserved)

(o) (Reserved)

(p) Right to Inspect. The NMFA shall have the right to inspect at all reasonable times all records, accounts and data relating to the Project and to inspect the Project and all properties comprising the Project, and the Grantee shall supply such records, accounts, and data as are requested by the NMFA, within thirty (30) days of receipt of such request, written or oral.

(q) (Reserved)

(r) (Reserved)

(s) Grantee's Existence. The Grantee will maintain its legal identity and existence so long as this Agreement remains outstanding unless another political subdivision, State agency or other entity by operation of law succeeds to the liabilities, rights and duties of the Grantee under this Agreement without adversely affecting to any substantial degree the privileges and rights of the Grantor.

(t) Use of Project; Continuing Covenant. During the Agreement Term, the Grantee will at all times use the Project for the benefit of the Grantee and the public it serves. The Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project, or any part of the Project so long as this Agreement is outstanding; provided, however, that if the Project is a joint project of the Grantee and other qualifying entities (as defined by the Act), the Grantee and the other qualifying entities may, with the express written approval of the Grantor and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during the term of the Agreement. Any such agreement shall provide that the Grantor, or either of them, shall have the power to enforce the terms of this Agreement, without qualification, as to each and every qualifying entity (as defined by the Act) other than the Grantee, owning or operating any portion of the Project during the term of the Agreement. The Grantee will operate and maintain the Project, so that it will function properly over its Useful Life.

(u) Title and Rights of Way. The Grantee has obtained title to, easements, rights of way or use permits on the real property upon which the Project is being designed, constructed, located, completed or extended, and if any portion of the Project will be designed, constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Grantee, such other qualifying entity has title to such real property. As required by NMSA 1978, § 72-4A-7(A)(3), as amended, of the Act and the Board Rules as a Condition of Closing, the Grantee shall provide written assurance signed by an attorney

or provide a title insurance policy ensuring that the Grantee has proper title to, easements, rights of way or use permits on the real property upon or through which the Project is to be designed, constructed, located, completed or extended. If any portion of the Project will be designed, constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Grantee, the Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that such other qualifying entity has proper title to such real property.

(v) Additional Funding Amount. Together with the Grant Amount and other amounts available to the Grantee, the Additional Funding Amount is now available to the Grantee, and in combination with the Grant Amount, will be sufficient to complete the Project. If any other additional expenses are incurred, the Grantee shall be responsible for payment of such expenses.

(w) Audit Requirement. During the Agreement Term the Grantee shall comply with the requirements of the State Audit Act, NMSA 1978, §§ 12-6-1 through 12-6-15, as amended. Upon request by the NMFA, the Grantee shall provide the NMFA a copy of any audit prepared pursuant to the State Audit Act.

(x) Reserved.

(y) Efficient Operation. The Grantee will operate the Project so long as this Agreement is outstanding, will maintain the Project in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the Project as may be necessary or advisable for its economical and efficient operation at all times and sufficient to supply reasonable demands for Project services.

(z) Records. So long as the Agreement remains outstanding, proper books of record and account will be kept by the Grantee in accordance with Generally Accepted Accounting Principles, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the Project. Such books shall include, but not necessarily be limited to, monthly records showing: (i) the number of customers for the Project; (ii) the revenues separately received from charges by classes of customers, including but not necessarily limited to classification by facilities; and (iii) a detailed statement of the expenses of the Project.

(aa) (Reserved)

(bb) Competent Management. The Grantee shall employ or contract for experienced and competent personnel to manage the Project.

(cc) Readiness Requirements. The Grantee has met the requirements of Executive Order 2013-006 and it has met or will meet prior to the first disbursement of any portion of the Grant Amount, the Conditions and the readiness to proceed requirements established for the Grant by the NMFA and the Water Trust Board; and

Section 2.2 Representations and Warranties of the NMFA. The NMFA represents as follows:

(a) Authorization of Agreement. The NMFA is a public body politic and corporate separate and apart from the State, constituting a governmental instrumentality, and has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

(b) Legal, Valid and Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the NMFA enforceable in accordance with its terms.

ARTICLE III AGREEMENT TERM

The Agreement Term shall commence on the Closing Date and shall terminate at the end of the Useful Life of the Project as required by NMSA 1978, § 72-4A-7, as amended, of the Act.

ARTICLE IV GRANT AGREEMENT CONDITIONS

Section 4.1 Conditions Precedent to Closing of the Grant. Prior to the Closing Date, the following Conditions and readiness to proceed items shall be satisfied:

(a) The NMFA, on behalf of the Water Trust Board, shall have determined that the Grantee has met the Conditions and readiness to proceed requirements established for the Grant by the NMFA and the Water Trust Board including any Conditions set out in the Term Sheet; and

(b) The Grantee shall have provided written assurance addressed to the NMFA and signed by an attorney (or shall have provided a title insurance policy) that the Grantee has proper title to or easements, rights of way, or permits on the real property upon or through which the Project is being constructed, located, completed or extended; and

(c) 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 Grantee, the Grantee shall have provided written assurance addressed to the NMFA and signed by an attorney (or shall have provided a title insurance policy) that such other qualifying entity has proper title to such real property; and

(d) Prior to the disbursement of any portion of the Grant Amount for purposes of construction of the Project, the plans and specifications funded with the proceeds of this Agreement will be approved on behalf of the NMFA as required by NMSA 1978, § 72-4A-7(B), as amended, by the New Mexico Environment Department, and the Grantee shall have provided written evidence of such approval to the NMFA; and

(e) Except as otherwise expressly provided in the Conditions, the Grantee shall have certified to the Grantor that the Additional Funding Amount is available for the Project, and, in addition, shall have provided additional evidence reasonably acceptable to the Grantor of the availability of the Additional Funding Amount; and

(f) The Grantee shall be in compliance with the provisions of this Agreement.

Section 4.2 Determination of Eligibility Is Condition Precedent to Disbursement. No request for payment shall be made, nor shall any disbursement be made from the Water Project Fund, for any requisition of any portion of the Grant Amount, except upon a determination by the NMFA in its sole and absolute discretion that such disbursement is for payment of Eligible Items, and that the request for payment or disbursement does not exceed any limitation upon the amount payable for any Eligible Item pursuant to the Act, the Board Rules, and the Policies governing the Water Project Fund. The NMFA, as a condition precedent to submitting any request for payment to the State Board of Finance or making any requested disbursement from the Water Project Fund, may require submittal of such documentation as the NMFA deems necessary, in its sole and absolute discretion, for a determination whether any requested disbursement is for payment of Eligible Items and is fully consistent with the Act, the Board Rules, and the Policies, as applicable.

Section 4.3 Condition to Closing. Notwithstanding anything in this Agreement to the contrary, the NMFA shall not be obligated to execute the Agreement and may not make the Grant until the Grantee has provided to the NMFA the documents listed on Exhibit "E" attached hereto, all of which must be in form and content acceptable to the NMFA.

ARTICLE V

GRANT TO THE GRANTEE; APPLICATION OF MONEYS

Section 5.1 Grant to the Grantee.

- (a) (Reserved)
- (b) Grant and Acceptance. The Grantor hereby grants to the Grantee and the Grantee hereby accepts from the Grantor an amount equal to the Grant Amount.
- (c) Project Account. The NMFA shall establish and maintain the Project Account as a book account only, on behalf of the Grantee, which account shall be kept separate and apart from all other accounts of the NMFA.
- (d) 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 Water Trust Board, the NMFA, the State or the Grantee within the meaning of any constitutional or statutory debt limitation.

Section 5.2 Application of Grant Amount. Following the determination by the NMFA in its sole and absolute discretion that the Conditions to the disbursement of the Grant Amount have been satisfied, the NMFA shall:

- (a) make an entry in its accounts, and in particular in the Project Account, reflecting the proceeds of the Grant Amount made available for disbursement from the Water Project Fund to the Grantee at its request, and as needed by it to acquire and complete the Project, as provided in Section 7.1 of this Agreement.

Section 5.3 Final Requisition. The Final Requisition shall be submitted by the Grantee within the Interim Period. The Interim Period may be extended only as approved in writing by an Authorized Officer of the NMFA, based on the Grantee's demonstration, to the reasonable

satisfaction of the Authorized Officer of the NMFA, that unanticipated circumstances beyond the control of the Grantee resulted in delaying the acquisition and completion of the Project, and submission of the Grantee's Final Requisition.

Section 5.4 Investment of Monies. Money in the Water Project Fund, representing proceeds of this Agreement, held and administered by the NMFA, may be invested by the NMFA for the credit of the Water Project Fund.

ARTICLE VI (RESERVED)

ARTICLE VII THE PROJECT

Section 7.1 Agreement to Acquire, Complete and Maintain the Project.

(a) The 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. The Project shall be designed so as to incorporate the available technologies and operational design for water use efficiency. The plans and specifications shall be approved on behalf of the NMFA by the New Mexico Environment Department prior to the disbursement of any part of the Grant Amount for construction of the Project, and the Project shall be constructed and completed substantially in accordance with the approved plans and specifications. No Grant funds shall be used for items not constituting Eligible Items.

(b) As provided by NMSA 1978, § 72-4A-7(A)(1), as amended, of the Act, the 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, located, completed, installed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Grantee, the Grantee may, prior to any use of the Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to perform these obligations 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 be subject to approval by the Grantor and shall include an express statement by such other qualifying entity that the Grantor is a third party beneficiary of such written agreement.

Section 7.2 Accounting for Amounts Credited to the Project Account. So long as no Event of Default shall occur and provided that all Conditions to the disbursement of the Grant Amount have been satisfied (including approval of the plans and specifications, if applicable), upon receipt by the NMFA of a requisition substantially in the form of Exhibit "B" attached hereto signed by an Authorized Officer of the Grantee, supported by certification by the Grantee's project architect, engineer, or such other authorized representative of the Grantee that the amount of the disbursement request represents the progress of design, construction, acquisition or other Project-related activities accomplished as of the date of the disbursement request, the NMFA shall, in its sole and absolute discretion: (1) submit a request for payment to the State Board of Finance for

payment; and/or (2) disburse from the Water Project Fund, amounts which together are sufficient to pay the requisition in full. The NMFA shall make the appropriate entry in the Project Account reflecting the amount of the payment. The certification provided pursuant to this Section 7.2 in support of the requisition must be acceptable in form and substance to the NMFA and, at its request, the Water Trust Board. The Grantee shall provide such records or access to the Project as the NMFA, and, at its request, the Water Trust Board, in the discretion of each, may request in connection with the approval of the Grantee's requisition requests made hereunder.

Section 7.3 No Disbursement for Prior Expenditures Except upon Approval. No disbursement shall be made from the Water Project Fund, of the Grant Amount, or any portion thereof, without the written approval of the NMFA and, at its request, the Water Trust Board, to reimburse any expenditure made prior to the Closing Date.

Section 7.4 Grantee Reporting to Grantor. During the acquisition implementation, installation and construction of the Project, the Grantee shall provide the Grantor with a quarterly written report executed by an Authorized Officer of the Grantee, in the form attached as Exhibit "C" hereto or in another form reasonably acceptable to the Grantor, describing the status of the Project as of the report date, uses of Grant funds during the quarterly period ending on the report date, and requests for distributions of Grant funds anticipated to occur during the quarterly period immediately following the report date. The first quarterly report shall be due on December 31, 2026, 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 Grant funds. No reports shall be required after the report date next following final distribution of the Grant Funds, unless specifically required by the NMFA or the Water Trust Board. 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 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, (c) a description of the percentage of completion of the Project; and (d) a timeline of projected milestones.

Section 7.5 Completion of Disbursement of Grant Funds. Upon completion of the Project an Authorized Officer of the Grantee shall deliver a certificate to the NMFA substantially in the form of Exhibit "D" attached hereto, stating that, to his or her knowledge, either (1) the Project has been completed, or (2) that the portion of the Grant Amount needed to complete the Project has been disbursed in accordance with the terms of this Agreement. No portion of the Grant Amount shall be disbursed after expiration of the Interim Period.

Section 7.6 Application of Project Account Subsequent to Disbursement of Grant Funds.

(a) Upon the completion of the Project as signified by delivery of the completion certificate required by Section 7.5 hereof, the NMFA shall determine, by reference to the Project Account, whether any portion of the authorized Grant Amount remains unexpended and shall dispose of such unexpended proceeds in accordance with law.

(b) In the event that a portion of the Grant Amount remains unexpended after the expiration of the Interim Period, the NMFA shall dispose of such funds in accordance with law.

Upon the occurrence of either event described in (a) or (b) above, the NMFA shall make the appropriate entry in the Project Account and, upon such entry, the pledge of the Grant Amount established in this Agreement shall terminate.

ARTICLE VIII COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 8.1 Further Assurances and Corrective Instruments. The Grantor and the 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 and for carrying out the intention hereof.

Section 8.2 Representatives of Grantor or of Grantee. Whenever under the provisions hereof the approval of the Grantor, or the Grantee is required, or the Grantee, or the Grantor, is required to take some action at the request of either of them, such approval or such request shall be given for the Grantor, or for the Grantee, by an Authorized Officer of the Grantor, or the Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 8.3 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 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 Grantee.

Section 8.4 Non-Discrimination in Employment. Except as otherwise specifically provided in the laws, statutes, ordinances or regulations of the Grantee, the Grantee shall require in any contract or subcontract executed in connection with the Project to which the Grantee is a party that 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.

Section 8.5 Little Miller Act. To the extent NMSA 1978, § 13-4-1 et seq., (the “Little Miller Act”) is applicable to the Project, the Grantee shall comply with the requirements of the “Little Miller Act”. If bonding requirements of the Little Miller Act are not applicable to the Project, the Grantee will require that the contractor to whom is given any contract for construction appertaining to the Project supply a performance bond or bonds satisfactory to the Grantee. Any sum or sums derived from said performance bond or bonds shall be used within six (6) months after such receipt for the completion of said construction, and if not so used within such period, shall be treated as Gross Revenues.

Section 8.6 Required Contract Provisions. The Grantee shall require the following provisions in any contract or subcontract executed in connection with the Project to which the 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.

(c) Any contractor or subcontractor providing construction services in connection with the Project shall comply with the prevailing wage laws in accordance with the requirements of NMSA 1978, § 13-4-11, as amended.

Section 8.7 Application of Act and Board Rules. While this Agreement is outstanding, the Grantor and the Grantee expressly acknowledge that this Agreement is governed by provisions and requirements of the Act and the Board Rules, as amended and supplemented, and all applicable provisions and requirements of the Act and Board Rules are incorporated into this Agreement by reference.

Section 8.8 Continuing Disclosure. The Grantee shall provide continuing disclosure to the NMFA, as the NMFA may require, that shall include, but not be limited to: annual audits and notification of any event deemed material by the NMFA, including but not limited to the default of the Grantee in performance or observance of any covenant, term, or condition contained in any other grant agreement or any loan agreement to which the Grantee is a party.

ARTICLE IX INSURANCE; NON-LIABILITY OF GRANTOR

Section 9.1 Insurance. The 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 Grantor as an additional insured 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 Grantee, the Grantee may obtain the written agreement of such other qualifying entity to perform these insurance/risk-management program requirements for 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 Grantor is a third party beneficiary of such written agreement.

Section 9.2 Non-Liability of Grantor.

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

(b) Grantor shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Grant Amount in its possession, custody and control to the NMFA for disbursement to the Grantee, or to honor any request for such transfer or disbursement of the Grant Amount.

(c) From and to the extent permitted by law, the Grantee shall and hereby agrees to indemnify and save the NMFA 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 Grantee, or breach of any covenant or warranty by the 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 Grant Agreement proceeds and interest on the investment thereof. The Grantee shall indemnify and save the NMFA harmless, 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 NMFA, shall defend the NMFA in any such action or proceeding.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an "Event of Default" under this Agreement:

(a) Failure by the 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 Grantee by the Grantor, unless the Grantor 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 Grantor but cannot be cured within the applicable thirty (30) day period, the Grantor, will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Grantee within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Grantee is unable to carry out the agreements on its part herein contained, the Grantee shall not be deemed in default under this paragraph 10.1(a) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(b) Any warranty, representation or other statement by or on behalf of the Grantee contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect.

(c) A petition is filed against the 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 NMFA shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests;

(d) The 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

(e) The Grantee admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts 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 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 NMFA shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests.

(f) Default by the Grantee in performance or observance of any covenant contained in any other grant agreement or loan agreement, document or instrument of any type whatsoever evidencing or securing obligations of the Grantee to the NMFA.

Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, the Grantors may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any obligations of the Grantee in this Agreement:

(a) File a mandamus proceeding or other action or proceeding or suit at law or in equity to compel the 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 Agreement;

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

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

(e) File a suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Grantor; or

(f) Intervene in judicial proceedings that affect this Grant Agreement; or

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

(h) The Grantee shall be responsible for reimbursing the Grantor for any and all fees and costs incurred in enforcing the terms of this Agreement.

Section 10.3 Limitations on Remedies. A judgment requiring payment of money entered against the Grantee shall not exceed the Grant Amount, and the amount of fees and costs incurred in enforcing the terms of this Agreement.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Grantor, 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 Grantee or the Grantor to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Grantor may, in its sole discretion, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Grantor 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 NMFA. In case of any such waiver or rescission, or in case any proceeding taken by the Grantor, on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Grantor shall be restored to its former position 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 10.6 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 10.7 Agreement to Pay Attorneys' Fees and Expenses. In the event that the Grantee shall default under any of the provisions hereof, and the NMFA 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 Grantee herein contained, the Grantee agrees that it shall, on demand therefor, pay to the NMFA, 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 Grantee under this Section shall be limited to expenditures from and to the extent of available funds of the Grantee.

ARTICLE XI MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Grantee, to:

City of Albuquerque
Attn.: Mayor
PO Box 1293
Albuquerque, New Mexico 87103

If to the NMFA, then to:

New Mexico Finance Authority
Attn.: Chief Executive Officer
810 W. San Mateo Road
Santa Fe, New Mexico 87505

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

Section 11.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Grantor and the Grantee and their respective successors and assigns, if any.

Section 11.3 Integration. This Agreement and any other agreements, certifications and commitments entered into between the Grantor and the Grantee on the Closing Date constitute the entire agreement of the parties regarding the Grant and the funding of the Project through the Grant as of the Closing Date, and the terms of this Agreement supersede any prior applications, discussions, understandings or agreements between or among the parties in connection with the Grant, to the extent such prior applications, discussions, understandings or agreements are inconsistent with this Agreement.

Section 11.4 Amendments. This Agreement may be amended only with the written consent of both of the parties hereto. The consent of the NMFA for amendments not affecting the use of proceeds of the Grant may be given by an Authorized Officer of the NMFA. The execution of any such consent by an Authorized Officer of the NMFA shall constitute his or her determination that such amendment does not affect the use of proceeds of the Grant.

Section 11.5 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 Grantor, either directly or through the NMFA, or against any officer, employee, director or member of the 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 Grantee or of the NMFA is hereby expressly waived and released by the Grantee and by the NMFA as a condition of and in consideration for the execution of this Agreement.

Section 11.6 Severability. In the event that any provision of this Agreement, 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 11.7 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 11.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.9 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 11.10 Further Assurances and Corrective Instruments. The NMFA and the Grantee 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 for otherwise carrying out the intention hereof.

Section 11.11 NMFA and Grantee Representatives. Whenever under the provisions hereof the approval of the NMFA or the Grantee is required, or the Grantee or the NMFA is required to take some action at the request of the other, such approval or such request shall be given for the NMFA or for the Grantee by an Authorized Officer of the NMFA or the Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 11.12 CONSENT TO JURISDICTION. THE GRANTEE IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE DOCUMENTS SIGNED IN CONNECTION WITH THIS TRANSACTION WILL BE LITIGATED IN THE FIRST JUDICIAL DISTRICT COURT, SANTA FE COUNTY, NEW MEXICO, PURSUANT TO NMSA 1978, § 6-21-26.

[Signature pages follow.]

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the NMFA, on behalf of itself, has executed this Agreement, which was approved by the Water Trust Board on April 22, 2025 and by the NMFA's Board of Directors on May 22, 2025, in its corporate name by its duly authorized officer; and the Grantee has caused this Agreement to be executed in its corporate name and the seal of the Grantee affixed and attested by its duly authorized officers. All of the above are effective as of the date first above written.

GRANTOR:

NEW MEXICO FINANCE AUTHORITY

By _____
Marquita D. Russel, Chief Executive Officer

PREPARED FOR EXECUTION BY OFFICERS OF
THE NEW MEXICO FINANCE AUTHORITY:

SUTIN, THAYER & BROWNE
A PROFESSIONAL CORPORATION
As Grant Counsel

By _____
Eduardo A. Duffy

APPROVED FOR EXECUTION BY OFFICERS OF
THE NEW MEXICO FINANCE AUTHORITY:

By _____
Mark Chaiken, General Counsel

GRANTEE:

CITY OF ALBUQUERQUE, BERNALILLO
COUNTY, NEW MEXICO

By _____
Timothy Keller, Mayor

[SEAL]

ATTEST:

By _____
Ethan Watson, City Clerk

7758438

EXHIBIT “A”

TERM SHEET

**\$6,160,000 WATER PROJECT FUND GRANT TO THE CITY OF ALBUQUERQUE,
BERNALILLO COUNTY, NEW MEXICO**

Project Description: The Project is for flood prevention. The Grant Amount will be used only for Eligible Items necessary to complete the Project. In particular, the Project will consist of design and construction of John St. pump station and gravity pond, diversion of Williams St. 72-inch storm drain and Broadway Blvd. 66-inch storm drain and upsizing storm drain in Barelás Ditch to a 30-inch pipe, and shall include such other related work and revisions necessary to complete the Project. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Water Trust Board and the NMFA as provided by this Agreement. However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.

Grant Amount: \$6,160,000

Authorizing Legislation: Grantee Resolution No. _____, adopted August 17, 2026

Additional Funding Amount: \$2,099,943

Closing Date: September 25, 2026

Project Account Amount: \$6,160,000

Expense Account Deposit: \$0.00

Conditions to be satisfied prior to first disbursement of Grant funds: Delivery to NMFA 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 Grant documents were authorized by the Governing Body (the “Meeting”), certified as a true and correct copy by the City Clerk of the Grantee, (ii) a copy of the minutes or record of proceedings of the Meeting, approved and signed by the Mayor and attested to by the City Clerk of the Grantee, and (iii) a copy of the notice of meeting for the Meeting evidencing compliance with the Grantee’s Open Meetings standards in effect on the date of the Meeting.

Other Conditions applicable to the Grant: All Conditions defined in the Agreement.

EXHIBIT “B”

**FORM OF REQUISITION
(Water Project Fund)**

RE: \$6,160,000 Grant Agreement by and between the New Mexico Finance Authority, as Grantor, and the City of Albuquerque, New Mexico, as Grantee (the “Agreement” or “Grant Agreement”)

Grant No. WPF-6543

Closing Date: September 25, 2026

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account with regard to the above-referenced Grant Agreement, the following:

I. PAYMENT INFORMATION

REQUISITION NO. _____ PAYMENT AMOUNT: \$ _____

PAYEE’S NAME: _____

PAYEE’S ADDRESS: _____

II. REQUISITION INFORMATION (complete for all payments)

- *Attach proof of expenditures (cancelled check, wire transfer receipt, bank ledger, etc.).*
- *List all Vendors, Payment Purposes, or Eligible Item Categories below or attach separate page or spreadsheet if needed.*

Vendor Name _____

Total Amount \$ _____ Invoice No.(s) _____

Purpose of Payment _____

Eligible Item Category _____

Vendor Name _____

Total Amount \$ _____ Invoice No.(s) _____

Purpose of Payment _____

Eligible Item Category _____

Vendor Name _____

Total Amount \$ _____ Invoice No.(s) _____

Purpose of Payment _____

Eligible Item Category _____

III. WIRING INFORMATION:

BANK NAME:	
ABA ROUTING NUMBER:	
ACCOUNT NUMBER:	

IV. MATCH INFORMATION

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

Attach proof of expenditures for hard match (detailed invoices, cancelled checks, wire transfer receipt, bank statement, etc.) and written certification of type and value of any soft match.

AMOUNT OF LOCAL MATCH EXPENDED TO DATE: \$_____

TOTAL REQUIRED MATCH: \$2,099,943

V. VERIFICATION AND AUTHORIZATION

Each obligation, item of cost or expense mentioned herein is for a grant made by the Grantor pursuant to the Water Project Finance Act to the 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. All representations contained in the Agreement and the related closing documents remain true and correct, and the Grantee is not in breach of any of the covenants contained therein.

The proceeds of the Grant are to be used to pay the costs of Eligible Items, as defined in the 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, easements or rights of way; (7) eligible legal costs associated with development of Qualified Projects, within limits set forth in the Grant Agreement.

All construction and all installation of equipment with proceeds of the Grant has or will be used in accordance with plans and/or specifications approved on behalf of the New Mexico Finance Authority by the New Mexico Environment Department and/or the Office of the State Engineer, 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 Grant Agreement.

DATE: _____

AUTHORIZED OFFICER

(As Provided in the Grant Agreement)

Print Name: _____

Print Title: _____

EXHIBIT "C"

**WATER TRUST BOARD PROJECT STATUS REPORT PREPARED FOR THE
NEW MEXICO FINANCE AUTHORITY**

Fund Recipient: City of Albuquerque Contact Name: Title: Email Address:	Project Number: WPF-6543 Project Name: John St. Pond & Drainage Improvements Project Type: Design & Construction
Reporting Period: From _____ To _____ ☐ Quarterly Project Report: ☐ 1 st ☐ 2 nd ☐ 3 rd ☐ 4 th ☐ Final Project Report ☐ Other _____	
WPF Funding Expiration: _____ Total WPF Award: \$6,160,000 Current Balance: \$ _____ Loan 0% Grant 100% Match \$2,099,943 Expected WPF Award Expenditure Next Quarter: \$ _____ Local Match Expenditure: To Date \$ _____ Next Quarter \$ _____	
Project Phase: ☐ Planning ☐ Design ☐ Construction	
PROJECT COMPLETION: Original Date _____ Current Date _____ _____ % Complete Days Remaining to Complete _____ On Schedule? ☐ Yes ☐ No	
Briefly Describe Project Progress During This Reporting Period: 	
Issues Addressed During This Reporting Period, including any current or anticipated issues that remain unresolved: 	
Goals/Milestones, With Timeline or Dates, For The Next Reporting Period: 	
Authorized Officer PRINT NAME: _____ PRINT TITLE: _____	
SIGNATURE: _____	Date: _____

****All fields must be completed.***

EXHIBIT "D"

FORM OF CERTIFICATE OF COMPLETION

RE: \$6,160,000 Grant Agreement by and between the NMFA, as Grantor, and the City of Albuquerque, New Mexico, as Grantee (the "Agreement" or "Grant Agreement")

Grant No. WPF-6543

Closing Date: September 25, 2026

TO: NEW MEXICO FINANCE AUTHORITY

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

Grantee, hereby certify as follows:

1. The project described in the 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 Grant Amount was \$ _____.

4. The Cost of the Project paid from the Additional Funding Amount was \$ _____.

5. The portion of the Grant Amount unexpended for the Project is \$ _____.

6. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the 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.

CITY OF ALBUQUERQUE, BERNALILLO COUNTY,
NEW MEXICO

By: _____

Its: _____

EXHIBIT “E”

DOCUMENTS

1. Open Meetings Act Resolution No. R-25-191 adopted by the Grantee on October 6, 2025
2. Resolution No. _____, adopted August 17, 2026, Notice of Meeting, Meeting Agenda, and Minutes
3. Grant Agreement
4. General and No Litigation Certificate of the Grantee
5. Delivery, Deposit and Cross-Receipt Certificate
6. Right of Way Certificate of the Grantee
7. Final Opinion of Counsel for the Grantee
8. Approving Opinion of Sutin, Thayer & Browne A Professional Corporation, Grant Counsel to the NMFA
9. NMFA Application and Project Approval (informational only)