COUNTY UTILITY LINE EXTENSION AND DELIVERY AGREEMENT
Water Service Only

LA VIDA ESTATES

This Utility Line Extension and Delivery Agreement ("Agreement") is between Santa Fe County ("County"), a political subdivision of the State of New Mexico, and Ron Sebesta, P.O. Box 22100, Santa Fe, NM 87505, referred to in this Agreement as "Developer." The County and Developer are collectively referred to as the "Parties."

Recitals

A. This Agreement governs the terms and conditions under which the County Utility ("Utility") will make water service available to the La Vida Estates Subdivision development ("Development"). The Development will occupy approximately 125 acres located in Santa Fe County, New Mexico, and further described as legal description:___ [A TRACT OF LAND LYING AND SITUATE WITHIN SECTION 30, TOWNSHIP 17 NORTH, R 9 EAST, NEW MEXICO PRINCIPAL MERIDIAN, SANTA FE COUNTY, NEW MEXICO, COMPRISING OF LOTS 1, LOTS 2-A, 2-B, 2-C & 2-D LAS LOMITAS ESTATES, AND LOT 3 FOR 599 LOS SUENOS, LLC AS SHOWN AND DESIGNATED IN THE PLAT OF RECORD FILED IN THE OFFICE OF THE COUNTY CLERK OF SANTA FE COUNTY, NEW MEXICO IN PLAT BOOK 903, PAGES 13-17 ON 6/15/2023 INSTRUMENT NUMBER 2013807. AS THE SAME IS SHOWN AND DESIGNATED ON THE PLAT THEREOF FILED IN THE OFFICE OF THE COUNTY CLERK OF SANTA FE COUNTY, NEW MEXICO ON _____TBD_____, IN BOOK ___TBD___, PAGE __TBD___ ("Property"), filed as Instrument No. _____TBD_____ in the property records of the County Clerk. The Development will have a total of __24__ Residential Lots __ that Developer will build out in ____1___ phase.

B. Developer is the Subdivider of the Property within the meaning of the County Sustainable Land Development Code ("SLDC").

C. Through its _____**, 2026, BCC Approval**, Order in Case No._____the Board of County Commissioners ("Board") authorized Developer to proceed with a final plat of the Development. The Board approved/will consider the preliminary and final plat of the Development on _____**2026**

D. The total water budget of the Development is 10.4acre-feet per year ("AFY"), consisting of – 0.50 __ AFY for affordable lots and _-9.90 _ AFY for market rate lots, inclusive of the additional 20% required under Resolution 2006-057, and is hereinafter referred to as the "Development Water Budget:"

Phase	Water Budget
1	10.4AFY

ANNUAL DOMESTIC WATER BUDGET

- Primary Residences (22 units x 0.25 AFY): 22 x 0.25 = 5.50 AFY
- Affordable Housing Units (2 Units x 0.25 AFY): 2 x 0.25 = 0.50 AFY
- Accessory Dwelling Units (22 units x 0.125 AFY): 22 x 0.125 = 2.75 AFY
- Subtotal (Domestic Use): 5.50 +2.75 = 8.25AFY
- Line Loss Contingency (20%): 8.25 x 0.20 = 165 AFY

TOTAL ANNUAL WATER BUDGET: 8.25+ 1.65+0.5 = 10.40 AFY

E. The Santa Fe County Utility ("Utility") has agreed to provide water service to the Development in accordance with the terms and conditions set out in this Agreement, which shall among other things govern the dedication of any necessary utility easements, improvements, and water rights to the County and the design, construction, and approval of any water line extensions.

F. Incorporated into this agreement are the Ready, Willing, and Able Letter for Water Service from Santa Fe County and Technical Memo, dated October 29, 2024; and disclaiming service for wastewater. In the event of a conflict between a provision in the RWA and a provision in this agreement, the more restrictive provision will apply. Also incorporated into and made a part of this Agreement by reference are all Utility Customer Service Policies ("Utility Policies") adopted by the County, including but not limited to those established by Resolution Nos. 2012-88, 2006-57, 2011-79 and 2018-12, and Ordinances 1998-16, 2010-16 and 2014-11 as amended and as the same may be hereafter amended, superseded, or replaced from time to time; *provided*, however, that in the event of a conflict between Sections 1 through 5 of this Agreement and any change in the Utility Policies after execution of this Agreement, this Agreement will prevail; and *provided* further that in the event of a direct and irreconcilable conflict between this Agreement and a requirement of the SLDC in effect on the effective date of this Agreement, the SLDC shall prevail unless this Agreement imposes a more stringent requirement, in which case this Agreement shall prevail. Further incorporated into and made a part of this Agreement by reference are all prior commitments and obligations of the County or the utility that bear on provision of service.

G. The Developer is not requesting wastewater service from the Utility. The Development proposes that each lot will have private septic systems approved by NMED upon submittal of a building permit for the proposed homes within the subdivision.

H. The Property has existing waterline infrastructure , and the Developer is asking the County to accept the Developer's dedication of the infrastructure. The County is willing to accept dedication of the infrastructure only if it satisfies County closeout requirements and if

Developer corrects any deficiencies or re-constructs the infrastructure to meet County standards.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the County and Developer agree as follows:

1. Water Line Extension.

1.1 General. The water extension required under this Agreement shall be designed, engineered, constructed, installed, and tested by Developer in compliance with this Agreement, the construction plans submitted to the Administrator under the SLDC ("Construction Plans"), to assure safe and reliable water services to the Development. Developer shall submit Construction Plans for the final plat approved by the Board. Developer shall obtain the Utility Director's ("Director") written approval of the Construction Plans prior to submitting its final Plans to the Administrator for approval. Calculations, certified by a licensed Professional Engineer licensed in the State of New Mexico, shall be required for the water line extension.

1.2 Developer Responsibility and Standards. Developer shall, at Developer's sole expense, complete all aspects of the water line extension in accordance with the standards and requirements, as applicable, of the American Water Works Association (AWWA), the New Mexico Standard Specifications for Public Works Construction (NMAPWA 2006 Edition or subsequent revisions), the New Mexico Environment Department, and the Utility.

1.2.1 Master Meter Vault. Developer shall be responsible for installing and constructing a master meter vault to specifications approved by the Utility Director and BDD project manager. Following construction of the master meter vault and approval by the Utility Director and BDD project manager, the Developer shall be responsible for dedicating and transferring the master meter vault and any associated easements and other rights and infrastructure to the County or BDD Board, as applicable.

1.3 Professional and Personnel Qualifications. The Developer shall assure that the water line extension is designed, constructed, installed, and tested by qualified personnel and, where required by law or applicable professional codes, by New Mexico licensed professionals. A New Mexico licensed professional engineer (or engineers) shall serve as Project Engineer and perform, supervise, or oversee all work, as required by the New Mexico Engineering and Surveying Practice Act, including design, fabrication, construction, inspections, installation, and testing of the water line extension, and such Project Engineer (or engineers) shall certify and stamp all drawings, plans and specifications. A New Mexico licensed surveyor shall perform or supervise all construction surveying and shall certify all survey plats.

1.4 Project Designs and Specifications; Oversight and Review. The Project Engineer shall formally submit to the Director for review and approval the designs and project specifications

for the water line extension. The Director's approval shall not be unreasonably withheld. The Director will provide written comments to the Project Engineer. After any comments have been addressed to the Director's satisfaction, the Director shall indicate his or her approval by signing the final Construction Plans prepared by the Project Engineer in accordance with this Agreement and the SLDC. To ensure that the Utility is fully informed at all stages of the water line extensions, the Project Engineer shall meet and confer with the Utility on a regular basis.

1.5 Cost Estimate and Financial Guaranty. The Project Engineer shall certify the cost estimate submitted to the Administrator under Section 7.22.3 of the SLDC, which shall include an itemized estimate of the cost of constructing, installing, and testing all water line extensions, the cost of reclamation, the cost of providing final certified documentation of the as-built conditions of the water line extensions, and such other improvement costs as the Administrator reasonably determines should be included in the estimate under the SLDC. The financial guaranty shall be provided in accordance with the standard County template pursuant to SLDC Section 7.22.4., provided that the portion of financial guaranty provided to the Administrator that pertains to the water line extensions under this Agreement shall be 100% of the cost estimate approved by the Director plus a 20% contingency unless the Administrator requires a 25% contingency. The Director may authorize the Project Engineer to exclude from its cost estimate the cost of constructing any portion of the water line extensions that have been constructed, inspected, and approved in accordance with this Agreement and the SLDC before Developer submits its cost estimate to the Administrator.

1.6 Construction.

1.6.1. General. All construction shall be supervised and completed by a bonded professional contractor who possesses a current New Mexico Utility Contractor's license.

1.6.2. Commencement. Construction of the water line extension shall not commence until after: (i) the Administrator and Director have signed off on the final Construction Plans and approved the amount of financial guaranty; (ii) the project review and inspection fees required under Sections 6.4.3 and 6.4.4 of this Agreement have been paid; (iii) Developer has acquired any necessary utility easements and temporary construction easements; and (iv) Developer has received a development permit from the Administrator and complied with all provisions of the SLDC applicable to commencement of construction.

1.6.3. Inspections. In accordance with Section 5.10.2 of the SLDC, no segment of the water and wastewater line extensions shall be buried permanently until they have been inspected and approved by the Utility inspector, whose inspection shall not be unreasonably delayed. The Project Engineer shall provide the construction schedule to the Utility and notify the Director of the commencement of construction at the same time Developer notifies the Administrator under Section 5.10.2 of the SLDC. Also upon commencement of construction, the Project Engineer shall provide an Inspection Plan and Checklist to the Utility for approval showing each feature and phase of the construction that will require inspection. The Project Engineer, at Developer's expense, shall serve as inspector on behalf of the Utility and shall have the

professional responsibility to conduct an inspection and certification of each feature and phase as required by the Inspection Plan and Checklist. After each inspection the Project Engineer shall prepare a written certification of inspection that approves, disapproves or partially approves the feature inspected and states the basis for certification and, when not fully approved, states the basis for disapproval and what corrective actions are required. Within 2 business days of each inspection, the Project Engineer shall provide a copy of the certification of inspection to the Utility, including certification that all improvements were installed according to the Construction Plans and providing copies of all testing reports. In accordance with Section 5.10.2 of the SLDC, no segment of the water line extensions shall be buried permanently until they have been inspected and approved by the inspector.

1.6.4. Change Orders. Changes to the Construction Plans necessitated during construction by unforeseen conditions or other factors may be proposed to the Administrator by either Developer or the Director for consideration in accordance with Section 5.9.4 of the SLDC. However, no change order shall be implemented until it is reviewed and approved, in writing, by the Project Engineer and the Director.

1.6.5. Supervision. The Project Engineer shall supervise all construction.

1.6.6. Testing.

1.6.6.1. General. After the water line extension, or portions thereof, are constructed and operational, Developer shall conduct necessary or appropriate tests using a certified testing laboratory, the specifications or regulatory agency requirements or standards (as applicable) to assure that the extension systems meet the requirements of this Agreement and are functioning as designed. The test results shall be issued under the seal of the Project Engineer. Tests shall be performed and reported in accordance with applicable standards and using forms approved by the Utility, where applicable, and promptly reported to the Utility. All testing results and video must be reviewed and approved by the Utility. The Utility shall have the right, in its discretion, to require additional testing that it deems reasonably necessary or reasonably advisable based on observed conditions before, during, or after construction. Developer shall be responsible for the cost of all testing, including any required additional testing.

1.6.6.2. Specific Tests. Developer shall hydro-pressure test all new water mains installed as part of the water line extension and any existing water mains that Developer modified or disturbed as part of the extension.

1.6.6.3. Correction of Defects. Developer shall promptly correct to the Director's satisfaction any defects discovered in testing the water line extensions.

1.6.7. As-Builts. The Project Engineer shall provide the Director with complete, final, and certified record (as-built) drawings, along with a letter of certification stating that all line extension improvements to the County have been completed in accordance with the approved Construction Plans, specifications, and all pre-approved change orders. In addition, the following

documentation shall be submitted for the water line extensions (as applicable): disinfection results, hydrostatic pressure test results, bacteriological test result, backfill compaction densities, and concrete strength test results. All as-built data shall be provided in the Utility's digital GIS format, hard copy (24" x 36"), and in digital PDF formats, with index and cover map. The as-built provided to the Director must be reviewed, approved, incorporated into the Utility GIS, and are in addition to those provided to the Administrator under Sections 5.9.5 and 7.22.11 of the SLDC.

1.6.8. Release of Financial Guaranty. After completion of all construction, inspection, testing, correction of any discovered defects, and documentation of the water line extensions, or portions thereof, required under this Agreement, Developer may seek complete or partial release of its financial guaranty (as appropriate) from the Administrator in accordance with the SLDC.

1.6.9. Copies. Developer shall provide contemporaneous copies to the Director of all of its written communications with the Administrator regarding the water line extensions.

1.7 Prior Developer Reimbursement for Water Line Connection. If applicable, upon connection to a water line constructed by another developer within the meaning Section 5.I of Ordinance 1998-16 (as amended, most recently by Ordinance No. 2018-3), Developer shall reimburse the other developer the *pro rata* construction costs as required by such Section.

2. Utility Easements; Recordation.

2.1 General. The water line extensions shall be constructed within the rights-of-way and utility easements indicated on the final subdivision plat. To the extent that the water line extensions must be constructed beyond the platted area, Developer shall acquire at its sole expense such offsite easements, licenses, and permits (collectively, "Offsite Utility Easements") as may be required to complete the water line extensions required under this Agreement. The Offsite Utility Easements shall comport with SLDC, the Construction Plans, and Utility Policies, as applicable, and authorize the operation, maintenance, repair, and replacement of the water lines extensions (as applicable) in perpetuity; *provided*, however, that the Director may approve finite terms in cases where a governmental entity does not allow perpetual terms. If Developer is unable to obtain all necessary Offsite Utility Easements for the location of the extensions, Developer may request the County to obtain such remaining Offsite Utility Easements as are required through condemnation. The final purchase price, as determined by negotiation or by court judgment, shall be paid by Developer, or shall be immediately reimbursed to the County, at the time they are incurred. Developer shall coordinate with the County on negotiations, however all official correspondence to condemnees shall be made by the County.

2.2 Recordation. Developer shall, at its expense, record all Offsite Utility Easements and such other documents, grants, assignments, plats, and approvals as may be necessary or required under this Agreement or the SLDC.

3. Offers and Acceptance of Dedications; Warranties.

3.1 Dedication and Acceptance. Pursuant to the SLDC, the final subdivision plat shall include Developer's offer to dedicate the rights-of-way and utility easements containing the water improvements. If Developer must construct any portion of the water line extension improvements within an Offsite Utility Easement, Developer shall offer to dedicate/transfer these Easements along with the water improvements on instruments approved by the County Attorney. No offer of dedication shall be accepted by the Board unless and until the Administrator and the Director certify to the Board that all improvements comprising the water line extension have been constructed in accordance with the SLDC, the Construction Plans, and this Agreement and that Developer has complied with Sections 3.2 and 3.4 below.

3.1.1 Dedication and Acceptance of Existing System. Prior to Developer's dedication and the County's acceptance of the existing water system serving the Property, Developer shall: (i) complete to the County's satisfaction the testing requirements set forth in Section 1.6.6, as well as any other inspection and testing requirements deemed necessary by the County to assure the system is in good working condition and satisfies County utility standards; (ii) provide as-built drawings acceptable to the County as described in Section 1.6.7; and (iii) offer to dedicate the rights-of-way and utility easements containing the water system and to convey the system on instruments approved by the County Attorney. In the event the water system or portion of the water system is not acceptable to the County for dedication, Developer shall correct any deficiencies and re-construct the system as necessary to satisfy County utility standards, in compliance with Section 1.6. No offer of dedication shall be accepted by the Board unless and until the Administrator and the Director certify to the Board that all improvements comprising the water system have been constructed in accordance with the SLDC, the County utility standards, and this Agreement. At the time of dedication, Developer shall warrant to the County that all dedicated easements and improvements are free and clear of any mortgage, lien, or other encumbrance and that Developer is conveying good and marketable title along with sufficient rights, title, and interest to operate, maintain, and replace the dedicated improvements located in perpetuity or for such other term as the approved instrument of dedication provides.

3.2 Post-Acceptance Warranty and Warranty Bond. Commencing at the time the County accepts the offers of dedication required under this Agreement, Developer shall warrant to the County that all public water line improvements are and shall remain free from defects in materials and workmanship for a period of one year after the date that the County accepts the improvements. To financially guaranty the warranty, Developer shall provide a warranty bond or other financial assurance in a form approved by the County Attorney and in an amount equal to 10% of the cost estimate for construction of the water line improvements.

3.3 End-of-Warranty Inspections; Release of Warranty Bond. Within 90 days prior to expiration of the one-year warranty under Section 3.2 above, Developer shall perform an end-of-warranty inspection of the public water improvements and report the results to the Director. Utility staff must be present during all inspections. The Director may exercise its rights under the warranty bond if Developer fails to correct or repair any discovered defects to the Director's satisfaction within 30 days after discovering the same or within such other time as the parties may mutually agree. The warranty bond shall be released at the end of the warranty period or after the Director

provides written notice to Developer stating that all warranty work to cure any discovered defects has been satisfactorily completed, whichever is last.

3.4 Title Warranty. At the time of dedication, Developer shall warrant to the County that the Offsite Utility Easements and improvements are free and clear of any mortgage, lien, or other encumbrance and that Developer is conveying good and marketable title along with sufficient rights, title, and interest to operate, maintain, and replace the dedicated improvements located in perpetuity or for such other term as the approved instrument of dedication provides.

4. Water Budget and Water Rights.

4.1 General. As a condition of water service, the Developer is responsible for assuring that the Utility has sufficient water rights, either through a water rights transfer or payment of a fee in lieu of providing water rights ("In-Lieu Fee"), to support the maximum water demand of the Development, plus 20% for reserve and loss ("Water Budget"). The Water Budget for the Development approved under this Agreement is 10.4 acre-feet per year ("AFY"), consisting of 0.50 AFY for affordable lots and 9.90 AFY for market rate lots, which the County will set aside for the Development under Resolution No. _____. The approved Water Budget for the Development shall not be exceeded, unless: (a) the Development's increased water use complies with Utility Policies and applicable County ordinances and resolutions; (b) the Utility Director approves the increased maximum water budget, in writing; and (c) the Developer and the County enter into an amendment of this Agreement under which the Developer shall provide either water rights or pay an In-Lieu Fee, pursuant to Section 4.2, to support the increased use. As used in this Section 4.0, "water rights" may include contractual rights conveying a perpetual right to receive water.

4.2 In-Lieu Fee. Developer shall pay or cause to be paid an In-Lieu Fee to cover the Water Budget, as shown in Recital D to this Agreement, prior to recordation of the final plat for the Development. Unless the Board changes the amount of the In-Lieu Fee by adopting a generally applicable resolution or ordinance, the In-Lieu Fee shall be calculated based on $36,000.00 per AFY in accordance with Resolution 2018-12. If the Board adopts a generally applicable resolution or ordinance that changes the basis of the In-Lieu Fee prior to recordation of the final plat, Developer shall pay (or cause to be paid) the Fee on the new basis established by such resolution or ordinance.).

4.3 Reduction of Water Budget to Utilized Amount. On the fifth anniversary of this Agreement, if the maximum Water Budget for the Development approved under this Agreement is not fully utilized, the Development's Water Budget and the County's corresponding delivery obligation shall automatically be reduced to the utilized amount (plus 20%) unless the Utility Director approves, in writing, an extension of time in which to fully utilize the original water budget. The Director shall not unreasonably withhold such approval. If Developer has already paid the applicable In-Lieu Fee but the Utility's current fee per acre foot is greater at the time Developer requests an extension of time, the Developer shall pay the difference between the prior and then current fee as a condition of receiving the extension of time. The Utility Director may

approve extensions of time in up to three-year increments. If, on the fifth anniversary of this agreement, or, if extended, upon completion of the last extension of time, the Development's Water Budget and the County's corresponding delivery obligation shall automatically be reduced to the utilized amount (plus 20%)

4.4 Failure to Obtain Final Plat Approval; Failure to Record Final Plat; Vacation of Final Plat.

4.4.1 If the Board denies Developer's application for final plat approval, this Agreement shall be void and of no effect.

4.4.2 If Developer does not record a final plat of the Development within the time required under the SLDC, including any extensions, this Agreement shall terminate. If Developer does not timely record a final plat, the County shall have no obligation to provide water service to the Property.

4.4.3 If the Board approves the vacation of the entire final plat of the Development pursuant to NMSA 1978, Section 47-6-7 and Section 5.11.2 of the SLDC, this Agreement shall terminate in accordance with Section 6.5 below and the County shall have no obligation to Developer to provide water service to the Development or to refund payment of the In-Lieu Fee. As a condition of approving vacation of the final plat, the Board may accept, retain, or require dedication of any easements and improvements as the Board reasonably deems necessary to avoid adversely affecting the interests of third parties. The County shall re-convey to Developer, and Developer shall accept, any dedicated easements or improvements that the Board previously accepted but decides not to retain after plat vacation pursuant to this Section.

5. Developer Improvements.

5.1 Definition and Developer Responsibility. "Developer Improvements" mean those improvements and components comprising the water line extensions that are not dedicated to the County under this Agreement. Developer shall be responsible for all costs associated with constructing all Developer Improvements to the Utility's satisfaction in accordance with applicable laws, codes, and Utility Policies, including the service lines, valves, and any other plumbing needed to connect the meter boxes to each building constructed as part of the Development.

5.2 Cross Contamination. The Developer shall assure that there is no cross-connection between any other source of water, such as a water well, and the service lines within the Development, and shall include backflow devices where appropriate.

5.3 Inspection. Developer shall notify the Utility when the Developer Improvements are being constructed and installed. The Utility shall have the right but not the obligation to inspect the Developer Improvements for compliance with this Agreement.

6. Customer Accounts.

6.1 Application. After the County has accepted all offers of dedication required under this Agreement and all required infrastructure has been constructed and approved by the County, separate water customer accounts shall be established for each lot. Developer or subsequent lot owners may file applications to establish such accounts. The applications shall be on forms acceptable to the Utility and shall conform to Utility Policies. All fees required under Section 6.4 below shall be paid before or at the time the application is filed. Applications shall be submitted at least sixty (60) days prior to the date of the requested service.

6.2 Water Delivery. Within 60 days after receiving a complete application for service for a given lot pursuant to Section 6.1, including all fees due, delivery of water shall commence and no further scheduling of new water deliveries shall be required; *provided*, however, that water service shall not commence until the meter has been installed.

6.3 Account Transfer. The customer account for a given lot shall be transferred to subsequent lot owners and any lessees in accordance with Utility Policies.

6.4 Additional Fees and Charges. For each separate account, the customer under the account shall pay when due all fees and charges as required under this Agreement and Utility Policies, including the following:

6.4.1 Water Meter Installation Fee. Unless Developer has already installed the meter in accordance with this Agreement, meter installation fees for water service shall be paid in accordance with Utility Policies at the time of application is made under Section 6.1.

6.4.2 Standby Fees and Service Charges. After water service is available to the Development (*i.e.*; once the infrastructure is operational and the County has accepted the required dedications), the Developer or each lot owner after initial sale by Developer shall pay standby fees and service charges (*e.g.*, fire service line charges), as billed and as applicable, in accordance with Utility Policies.

6.4.3 Project Review Fee. Developer shall pay a project review fee to the County equal to 0.5% of the Project Engineer's cost at the 100% design stage for the water line extensions pursuant to Section 1.5 above. The fee shall be paid to the County within 30 days after the Utility's approval of the 100% design stage completion drawings.

6.4.4 Project Inspection Fee. The Developer shall pay an inspection fee to the County equal to 1.5% of Project Engineer's cost estimate of the water line extensions submitted at the 100% design stage pursuant to Section 1.5 above. The fee shall be paid to the County prior to the Administrator's approval of the Construction Plans. A "true up" fee may be required if the actual final construction cost, including change orders, exceed the Project Engineer's original 100% cost estimate. Prior to acceptance any improvements offered for dedication under this Agreement, the Engineer shall submit documentation, in a form acceptable to the County, setting forth the final construction cost of such improvements.

6.5 Termination.

6.5.1 Automatic Termination. This Agreement shall terminate automatically if the final plat is not recorded within the time required under the SLDC, including any extensions, or the entire recorded final plat is vacated in accordance with law.

6.5.2 Material Breach. This Agreement may be terminated for an uncured material breach. In the event of an alleged material breach, the non-breaching party shall give the other party written notice of breach, and such other party shall have 90 days thereafter to cure the breach. If the breach is not cured within 90 days, or in the case of a breach that cannot be cured within 90 days, the non-breaching party may terminate this Agreement by providing the other party written notice of termination.

6.5.3 Mutual Agreement. This Agreement may be terminated by a written agreement between the Parties.

6. Miscellaneous Provisions.

7.1 Water Wells. Developer represents that there is an old agricultural well not currently in use located on Lot 19 (not declared with the OSE or OSE RG number not known). Developer shall not use any water well on the Property, including the known existing well, and shall not drill any new water well to serve the Development so long as water service from the Utility is available. In accordance with Resolution 2006-57, Section XI (E), once deliveries of water pursuant to this Agreement begin, use of any domestic well associated with the Property shall cease and the well plugged and abandoned. Prior to the delivery of water by the Utility to the Property, the Developer shall provide to the Utility proof of compliance with the requirement of plugging and abandoning the existing well described above. Any water rights associated with the wells shall, at the County's request and to the extent permitted by the Office of the State Engineer, be conveyed and transferred to the County. Developer shall comply with all requirements of the State Engineer regarding the existing abandoned well on the Property.

7.2 Assignment. This Agreement shall not be assignable except to a subsequent owner or owners of the Development. The Developer shall notify the County in writing within 30 days of any assignment made under this Agreement.

7.3 Amendment. This Agreement may be amended only by a written amendment executed by and between the County and the Developer.

7.4 Indemnity. Developer shall indemnify, defend, and hold the County harmless, including its commissioners, officers, employees, contractors, and agents, from and against any and all loss, attorneys' fees, costs, claims, causes of action, and any and all other liability relating to or arising out of Developer's alleged tortious acts or omissions, including the alleged tortious acts or omissions of Developer's officers, employees, contractors, or agents.

7.5 Insurance. From the commencement of the water line extensions until the term of the warranty under Section 3.2 of the Agreement expires, Developer shall maintain a general liability insurance policy that, at a minimum, covers bodily injury and property damage arising out of or relating to the extensions. The policy shall have a liability limit in the amount of not less than $1,000,000 per occurrence and name the County as an additional insured. The Developer shall provide proof of such general liability insurance acceptable to the County.

7.6 Effective Date. This Agreement shall become effective, if ever, upon the Board's entry of an order approving the final plat of the Development.

7.7 Survival. The obligations of the Parties under this Agreement that the Parties have expressly agreed shall survive termination of this Agreement, or that, by their nature, would continue beyond termination of this Agreement, shall survive the termination of this Agreement. Without limiting the generality of the foregoing, the Parties intend that Sections 7.4 and 7.5 shall survive termination of this Agreement.

7.8 Appropriations. The County's obligation to expend money under this Agreement, if any, are contingent upon sufficient appropriations being made by the Board, and the County is not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered and approved for expenditure.

7.9 Integration. This Agreement sets out the complete Agreement between the County and Developer regarding the Utility's provision of water service to the Development, and all prior agreements and understandings between the County and Developer, whether written or oral, are incorporated into or superseded by this Agreement; *provided*, however, that the Parties do not intend to merge into this Agreement or modify any prior written agreements that may exist between the Parties' predecessors in interest concerning the Development or the Property. Nothing in this Agreement shall be deemed an admission regarding the applicability of any such prior agreements, nor do the Parties waive any defense or interpretation they may have regarding such prior agreements. All such prior agreements speak for themselves.

7.10 Limitation on County Liability. As a political subdivision of the State of New Mexico, any potential liability of the County under this Agreement is limited by state law, including the Bateman Act, NMSA 1978, Section 6-6-11, Article IX, Section 10 [County indebtedness] of the New Mexico Constitution, the New Mexico Tort Claims Act, NMSA 1978, Sections 41-4-1 through 41-4-30, the Anti-Donation Clause of the New Mexico Constitution, N.M. Const. Article IX, Section 14, and NMSA 1978, Section 37-1-23. The County's obligation under this Agreement to make future expenditures of money, if any, shall be absolutely contingent on the Board in its sole discretion appropriating sufficient funds to cover such future expenditures.

7.11 Binding Effect. This Agreement shall be binding on and inure to the benefit of any subsequent owner(s) of the Development and any successor or assignee of the Utility.

7.12 Venue and Applicable Law. In the event of any dispute between the parties regarding this Agreement, the exclusive venue shall be New Mexico State District Court, First Judicial District, Santa Fe County, New Mexico. The laws of the State of New Mexico shall govern this Agreement.

7.13 No Third-Party Beneficiaries. This Agreement may only be relied upon and enforced by the County and the Developer. There are no third-party beneficiaries to this Agreement.

7.14 Incorporation of Recitals. The Recitals set out above are hereby incorporated into and made a part of this Agreement by reference.

7.15 No Waiver. The Utility's or Developer's failure or delay in exercising any right, power or privilege under this Agreement shall not operate as a waiver; nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof.

7.16 Duplicate Originals. This Agreement shall be executed in duplicate originals.

7.17 Compliance with Law. Developer shall assure that it, including its employees, contractors and agents, complies with all applicable federal, state, and local laws, regulations, and ordinances in performing this Agreement. Nothing in this Agreement relieves Developer of its duty to comply with all such applicable law, including the SLDC.

7.18 Notice. - Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier or by U.S. mail, either first class or certified, return receipt requested, postage prepaid as follow:

To the Utility:	Santa Fe County Public Works Utility Division Attn: Utility Director 424 NM SR 599 Frontage Rd, Santa Fe, NM 87507
With a copy to:	Santa Fe County Attorney 102 Grant Ave., 2nd Floor PO Box 276 Santa Fe, NM 87504-0276
To the Developer:	Carlos Garcia – Agent (President of Garsa Group) La Vida Estates LLC. 418 Cerrillos Road Ste. 11 Santa Fe, New Mexico. M:505-473-3434 E: carlos@garsagroup.com

With a copy to:

Karl Sommer – Attorney of Law
Sommer-Karnes & Associates LLP.
125 Lincoln Ave Suite 221
Santa Fe NM, 87501
M:505-989-3800
E: karls@sommerkarnes.com

Nathan Manzanares – Principal (Agent)
Integrity Land Planning LLC.
P.O. Box 2536
Santa Fe NM 87504
M: 505-690-8603
E:nathan@integritylandplanning.com

7.19 Counterparts. The Parties may execute this Agreement in counterparts.

17.20 Covenant Running with the Land. The provisions of and covenants contained in this Agreement shall run with the land and shall bind and inure to the benefit of the Parties and their respective successors, heirs and/or assigns as their interests may appear.

SANTA FE COUNTY

By: _____ Date: 10/27/26
Justin S. Greene, Chair
Board of County Commissioners

ATTESTATION:

_____ Date: 10/29/26
Katharine E. Clark
County Clerk

Approved as to form:

_____ Date: 10/22/26
for James Walker Boyd

Santa Fe County Attorney

APPROVED:

Yvonne S. Herrera
Santa Fe County Finance Director

Date: 10/21/2026

DEVELOPER: La Vida Estates LLC

Date: 10/13/2026

Mark Sulieman – (President) La Vida Estates LLC.
3025 Governor Mechem Road, Santa Fe, New Mexico.

STATE OF NEW MEXICO)
)ss
COUNTY OF SANTA FE)

The foregoing County Utility Line Extension and Delivery Agreement was acknowledged before me on this 13 day of October 2026, by Mark Sulieman, as CEO of La Vida Estates, for and on behalf of said corporation.

Notary Public

My commission expires: 9/19/26

ETHAN CHOUINARD
Notary Public
State of New Mexico
Comm. # 2007454
My Comm. Exp. Sep 19, 2029