

March 3, 2023

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

Re: \$1,138,320 Colonias Infrastructure Project Fund Loan/Grant to the Town of Silver City, Grant County, New Mexico, CIF-5790

Ladies and Gentlemen:

We have acted as Loan/Grant Counsel to the New Mexico Finance Authority in connection with the \$1,138,320 Colonias Infrastructure Project Fund Loan/Grant Agreement dated March 3, 2023 (the "Loan/Grant Agreement") by and between the Town of Silver City, Grant County, New Mexico (the "Borrower/Grantee") and the New Mexico Finance Authority (the "Lender/Grantor"). The Loan/Grant Agreement is executed and delivered by the Borrower/Grantee pursuant to Sections 3-1-1 through 3-66-11, and 6-30-1 through 6-30-8, NMSA 1978, as amended, and the Borrower/Grantee's Resolution No. 2023-03, adopted on January 24, 2023 (the "Resolution"). The Loan/Grant Agreement has been executed and delivered to provide funds to construct a new raw water storage tank at Franks wellfield replacing an existing water storage tank, as described in the Loan/Grant Agreement.

We have examined the Resolution and such other law and certified proceedings and other documents as we deem necessary to deliver this opinion. As to questions of fact material to the opinions set forth herein, we have relied upon representations of the Borrower/Grantee contained in the Resolution and certified proceedings and other documents furnished to us, without undertaking to verify the same by independent investigation. In addition, we have relied upon statements of law made by the Borrower/Grantee's legal counsel in the certified proceedings.

Based on our examination, we are of the opinion that, under existing laws, regulations, rulings and judicial decisions as of the date hereof, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to the exercise of judicial discretion in accordance with general principles of equity and the assumptions, qualifications and limitations contained in this opinion:

1. The Resolution is a valid and binding special limited obligation of the Borrower/Grantee enforceable in accordance with its terms and creates the pledge of Municipal Local Option Gross Receipts Tax of the Borrower/Grantee, as described in the Loan/Grant Agreement (the "Pledged Revenues") which it purports to create.

2. The Loan/Grant Agreement is a valid and binding special, limited obligation of the Borrower/Grantee, enforceable in accordance with its terms and provisions and the terms and provisions of the Resolution.

3. The Loan/Grant Agreement is payable solely from and such payment is secured by a valid and binding lien on the Pledged Revenues as set forth in the Loan/Grant Agreement. The Lender/Grantor has no right to have taxes levied by the Borrower/Grantee for the payment of principal of or interest on

the Loan/Grant Agreement and the Loan/Grant Agreement does not represent or constitute a debt or a pledge of, or a charge against, the general credit of the Borrower/Grantee.

4. The Loan/Grant Agreement is a valid and binding obligation of the Lender/Grantor and is enforceable in accordance with its terms and provisions.

We express no opinion with respect to the provisions of the Loan/Grant Agreement and the Resolution with respect to indemnification provisions requiring that amendments be in writing or payment of attorneys' fees. This opinion letter is limited to matters expressly stated in this opinion letter and no opinion is inferred or may be implied beyond the matters expressly stated in this opinion letter.

We express no opinion as to, or the effect or applicability of, any laws other than the laws of the State of New Mexico. The opinions expressed herein are based only on the laws in effect as of the date hereof, and in all respects are subject to and may be limited by future legislation, as well as developing case law. We undertake no obligation to update or modify this opinion for any future events or occurrences, including, but not limited to, determining or confirming continuing compliance by the Lender/Grantor and the Borrower/Grantee with the terms of the Loan/Grant Agreement.

The foregoing opinion represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

We understand that this opinion is being relied upon by the addressees hereof, and we consent to such reliance, but this opinion may not be delivered to or relied upon by any other person or entity without our written consent.

Very truly yours,

SUTIN, THAYER & BROWNE  
A Professional Corporation

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