AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
THE PUEBLO OF ZUNI
FOR
DESIGN AND CONSTRUCTION
ASSISTANCE
FOR THE
PUEBLO OF ZUNI CONSTRUCTED WETLANDS WASTEWATER
TREATMENT LAGOONS

THIS AGREEMENT is entered into this 13 day of August, 2008 by and
between the Department of the Army (hereinafter the “Government”), represented by the US
Army Engineer, Albuquerque District and the Pueblo of Zuni (hereinafter the “Non-Federal
Sponsor”), represented by the Governor, Pueblo of Zuni.

WITNESSETH, THAT:

WHEREAS, the Secretary of the Army is authorized to provide design and construction
assistance, which may be in the form of grants or reimbursements of the Federal share of project
costs, for water-related environmental infrastructure and resource protection and development
projects in Idaho, Montana, rural Nevada, New Mexico, and rural Utah (hereinafter the “Section
595 Program”) pursuant to Section 595 of the Water Resources Development Act of 1999, Public
Law 106-53, as amended (hereinafter “Section 595”);

WHEREAS, Section 595 provides that the Secretary of the Army may provide assistance
for a water-related environmental infrastructure and resource protection and development project
only if the project is publicly owned;

WHEREAS, Section 595 provides that $25,000,000 in Federal funds are authorized to be
appropriated for design and construction assistance for the New Mexico portion of the Section
595 Program;

WHEREAS, the U.S. Army Engineer, Albuquerque District (hereinafter the “District
Engineer”) has determined that the Pueblo of Zuni Constructed Wetlands Wastewater Treatment
Lagoons in Zuni, McKinley County, New Mexico (hereinafter the “Project”, as defined in Article
I.A. of this Agreement) is eligible for implementation under Section 595;

WHEREAS, Section 595 provides that the Secretary of the Army shall not provide
assistance for any water-related environmental infrastructure and resource protection and
development projects until each non-Federal sponsor has entered into a written agreement to
furnish its required cooperation for the project;

WHEREAS, the Government and the Non-Federal Sponsor desire to enter into an
agreement (hereinafter the “Agreement”) for the provision of design and construction assistance for the Project;

WHEREAS, Section 595 specifies the cost-sharing requirements applicable to the Project including that the Secretary of the Army shall afford credit for the reasonable costs of design completed by the non-Federal interest before entering into a written agreement with the Secretary;

WHEREAS, the Non-Federal Sponsor desires to perform certain work (hereinafter the “non-Federal design and construction work” as defined in Article I.N. of this Agreement) which is a part of the Project;

WHEREAS, Section 102 of the Energy and Water Development Appropriations Act, 2006, Public Law 109-103, provides that credits and reimbursements afforded for all applicable general authorities and under specific project authority shall not exceed $100,000,000 for all applicable programs and projects in each fiscal year;

WHEREAS, the Government and the Non-Federal Sponsor have the full authority and capability to perform as hereinafter set forth and intend to cooperate in cost-sharing and financing of the Project in accordance with the terms of this Agreement; and

WHEREAS, the Government and the Non-Federal Sponsor, in connection with this Agreement, desire to foster a partnering strategy and a working relationship between the Government and the Non-Federal Sponsor through a mutually developed formal strategy of commitment and communication embodied herein, which creates an environment where trust and teamwork prevent disputes, foster a cooperative bond between the Government and the Non-Federal Sponsor, and facilitate the successful implementation of the Project.

NOW, THEREFORE, the Government and the Non-Federal Sponsor agree as follows:

ARTICLE I - DEFINITIONS

A. The term “Project” shall mean Pueblo of Zuni Constructed Wetlands Wastewater Treatment Lagoons in Zuni, McKinley County, New Mexico as generally described in the Pueblo of Zuni Constructed Wetlands Wastewater Treatment Lagoons Scope of Work, dated September, 2006 and approved by District Engineer on 27 May, 2008. The Project includes the non-Federal design and construction work described in paragraph N. of this Article.

B. The term “total project costs” shall mean the sum of all costs incurred by the Non-Federal Sponsor and the Government in accordance with the terms of this Agreement directly related to design and construction of the Project. Subject to the provisions of this Agreement, the term shall include, but is not necessarily limited to: the costs of the Non-Federal Sponsor’s pre-Agreement design work determined in accordance with Article II.B.4. of this Agreement; the Government’s design costs not incurred pursuant to any other agreement for the Project; the
Government’s costs of preparation of environmental compliance documentation in accordance with Article II.A.2. of this Agreement; the Government’s engineering and design costs during construction; the Non-Federal Sponsor’s and the Government’s costs of investigations to identify the existence and extent of hazardous substances in accordance with Article XIV.A. of this Agreement; the Government’s costs of historic preservation activities in accordance with Article XVII.A. and Article XVII.C.1. of this Agreement; the Government’s actual construction costs; the costs of the non-Federal design and construction work determined in accordance with Article II.B.6. of this Agreement; the Government’s supervision and administration costs; the Non-Federal Sponsor’s costs of identification of legal and institutional structures in accordance with Article II.H. of this Agreement not incurred pursuant to any other agreement for the Project; the Non-Federal Sponsor’s and the Government’s costs of participation in the Project Coordination Team in accordance with Article V of this Agreement; the Government’s costs of contract dispute settlements or awards; the value of lands, easements, rights-of-way, relocations, and permit costs for which the Government affords credit in accordance with Article IV of this Agreement but not to exceed 25 percent of total project costs; and the Non-Federal Sponsor’s and the Government’s costs of audit in accordance with Article X.B. and Article X.C. of this Agreement. The term does not include any costs for operation, maintenance, repair, rehabilitation, or replacement of the Project; any costs of establishment and maintenance of legal and institutional structures in accordance with Article II.H. of this Agreement; any costs of betterments under Article II.J.2. of this Agreement; any costs of dispute resolution under Article VII of this Agreement; the Government’s costs for data recovery activities associated with historic preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement; or the Non-Federal Sponsor’s costs of negotiating this Agreement.

C. The term “period of design and construction” shall mean the time from the effective date of this Agreement to the date that construction of the Project is complete, as determined by the Government, or the date that this Agreement is terminated in accordance with Article II.C. or Article XIII or Article XIV.C. of this Agreement, whichever is earlier.

D. The term “financial obligations for design and construction” shall mean the financial obligations of the Government and the costs for the pre-Agreement design work and the costs for the non-Federal design and construction work, as determined by the Government, that result or would result in costs that are or would be included in total project costs except for obligations pertaining to the provision of lands, easements, and rights-of-way; the performance of relocations; and obtaining permits necessary for construction, operation, and maintenance of the Project on publicly owned or controlled land.

E. The term “non-Federal proportionate share” shall mean the ratio of the sum of the costs included in total project costs for the pre-Agreement design work and the non-Federal design and construction work, as determined by the Government, and the Non-Federal Sponsor’s contribution of funds required by Article II.B.2. of this Agreement to financial obligations for design and construction, as projected by the Government.

F. The term “highway” shall mean any highway, roadway, street, or way, including any bridge thereof, that is owned by a public entity.
G. The term “relocation” shall mean providing a functionally equivalent facility to the owner of a utility, cemetery, highway, railroad, or public facility when such action is authorized in accordance with applicable legal principles of just compensation. Providing a functionally equivalent facility may take the form of alteration, lowering, raising, or replacement and attendant demolition of the affected facility or part thereof.

H. The term “betterment” shall mean a difference in the design or construction of an element of the Project that results from the application of standards that the Government determines exceed those that the Government would otherwise apply to the design or construction of that element. The term does not include any design or construction for features not included in the Project as defined in paragraph A. of this Article.

I. The term “Federal program funds” shall mean funds provided by a Federal agency, other than the Department of the Army, plus any non-Federal contribution required as a matching share therefor.

J. The term “Section 595 Program Limit” shall mean the amount of Federal funds authorized to be appropriated for the New Mexico portion of the Section 595 Program. As of the effective date of this Agreement, such amount is $25,000,000.

K. The term “fiscal year” shall mean one year beginning on October 1 and ending on September 30.

L. The term “pre-Agreement design work” shall mean the work performed prior to the effective date of this Agreement by the Non-Federal Sponsor that is directly related to design of the Project and that was not performed pursuant to any other agreement for the Project.

M. The term “Section 102 Limit” shall mean the annual limit on credits and reimbursements imposed by Section 102 of the Energy and Water Development Appropriations Act, 2006, Public Law 109-103.

N. The term “non-Federal design and construction work” shall mean design, construction, supervision and administration, and other activities associated with design and construction of the Project that are performed by the Non-Federal Sponsor after the effective date of this Agreement and after written approval by the District Engineer. The term does not include the design or construction of betterments or the provision of lands, easements, rights-of-way, relocations, or permits obtained for construction, operation, and maintenance of the Project on publicly owned or controlled lands that are associated with the non-Federal design and construction work.

ARTICLE II - OBLIGATIONS OF THE GOVERNMENT AND THE NON-FEDERAL SPONSOR
A. The Government, subject to receiving funds appropriated by the Congress of the United States (hereinafter the "Congress") and using those funds and funds provided by the Non-Federal Sponsor, expeditiously shall design and construct the Project, except for the pre-Agreement design work and the non-Federal design and construction work, applying those procedures usually applied to Federal projects, in accordance with Federal laws, regulations, and policies. The Non-Federal Sponsor expeditiously shall perform the non-Federal design and construction work in accordance with applicable Federal laws, regulations, and policies.

1. The Government shall not issue the solicitation for the first contract for design of the Project, commence design of the Project using the Government’s own forces, or commence review of the pre-Agreement design work provided by the Non-Federal Sponsor, until the Non-Federal Sponsor has confirmed in writing its willingness to proceed with the Project.

2. The Government shall develop and coordinate as required, an Environmental Assessment and Finding of No Significant Impact or an Environmental Impact Statement and Record of Decision, as necessary, to inform the public regarding the environmental impacts of the Project in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4347; hereinafter “NEPA”). However, neither the Government nor the Non-Federal Sponsor shall issue the solicitation for the first construction contract for the Project or commence construction of the Project using its own forces until all applicable environmental laws and regulations have been complied with, including, but not limited to NEPA and Section 401 of the Federal Water Pollution Control Act (33 U.S.C. 1341).

3. The Government shall afford the Non-Federal Sponsor the opportunity to review and comment on the solicitations for all Government contracts, including relevant plans and specifications, prior to the Government’s issuance of such solicitations. To the extent possible, the Government shall afford the Non-Federal Sponsor the opportunity to review and comment on all proposed contract modifications, including change orders. In any instance where providing the Non-Federal Sponsor with notification of a contract modification is not possible prior to execution of the contract modification, the Government shall provide such notification in writing at the earliest date possible. To the extent possible, the Government also shall afford the Non-Federal Sponsor the opportunity to review and comment on all contract claims prior to resolution thereof. The Government shall consider in good faith the comments of the Non-Federal Sponsor, but the contents of solicitations, award of contracts or commencement of design or construction using the Government’s own forces, execution of contract modifications, resolution of contract claims, and performance of all work on the Project, except for the pre-Agreement design work and the non-Federal design and construction work, shall be exclusively within the control of the Government.

4. At the time the District Engineer furnishes the contractor with the Government’s Written Notice of Acceptance of Completed Work for each contract awarded by the Government for the Project, the District Engineer shall furnish a copy thereof to the Non-Federal Sponsor.

5. The Non-Federal Sponsor shall afford the Government the opportunity to
review and comment on the solicitations for all contracts for the non-Federal design and construction work, including relevant plans and specifications, prior to the Non-Federal Sponsor’s issuance of such solicitations. To the extent possible, the Non-Federal Sponsor shall afford the Government the opportunity to review and comment on all proposed contract modifications, including change orders. In any instance where providing the Government with notification of a contract modification is not possible prior to execution of the contract modification, the Non-Federal Sponsor shall provide such notification in writing at the earliest date possible. To the extent possible, the Non-Federal Sponsor also shall afford the Government the opportunity to review and comment on all contract claims prior to resolution thereof. The Non-Federal Sponsor shall consider in good faith the comments of the Government but, except as otherwise required in paragraph B.6. of this Article, the contents of solicitations, award of contracts or commencement of design or construction using the Non-Federal Sponsor’s own forces, execution of contract modifications, resolution of contract claims, and performance of all work on the non-Federal design and construction work shall be exclusively within the control of the Non-Federal Sponsor.

6. At the time the Non-Federal Sponsor furnishes a contractor with a notice of acceptance of completed work for each contract awarded by the Non-Federal Sponsor for the non-Federal design and construction work, the Non-Federal Sponsor shall furnish a copy thereof to the Government.

B. The Non-Federal Sponsor shall contribute 25 percent of total project costs in accordance with the provisions of this paragraph.

1. In accordance with Article III of this Agreement, the Non-Federal Sponsor shall provide all lands, easements, and rights-of-way, including those required for relocations, the borrowing of material, and the disposal of dredged or excavated material, and shall perform or ensure performance of all relocations that the Government determines to be required or to be necessary for construction, operation, and maintenance of the Project. The Non-Federal Sponsor also shall obtain all permits necessary for construction, operation, and maintenance of the Project on publicly owned or controlled lands.

2. If the Government projects at any time that the collective value of the Non-Federal Sponsor’s contributions listed in the next sentence will be less than the Non-Federal Sponsor’s required share of 25 percent of total project costs, the Government shall determine the amount of funds that would be necessary to meet the Non-Federal Sponsor’s required share. The Government shall determine the amount of funds that would be necessary by subtracting from the Non-Federal Sponsor’s required share of 25 percent of total project costs the collective value of the following: (a) the value of the Non-Federal Sponsor’s contributions under paragraph B.1. of this Article that does not exceed 25 percent of total project costs as determined in accordance with Article IV of this Agreement; (b) the costs of the Non-Federal Sponsor’s pre-Agreement design work as determined in accordance with paragraph B.4. of this Article; (c) the costs of the non-Federal design and construction work as determined in accordance with paragraph B.6. of this Article; and (d) the value of the Non-Federal Sponsor’s contributions under paragraph H. of this Article and Article V, Article X, and Article XIV.A. of this Agreement. In accordance with
Article VI.B. of this Agreement, the Non-Federal Sponsor shall provide funds in the amount determined by the Government to be necessary to meet the Non-Federal Sponsor’s required share of 25 percent of total project costs.

3. The Government, subject to the conditions set forth below, shall refund or reimburse to the Non-Federal Sponsor any contributions in excess of 25 percent of total project costs if the Government determines at any time that the collective value of the following has exceeded 25 percent of total project costs: (a) the value of the Non-Federal Sponsor’s contributions under paragraph B.1. of this Article that does not exceed 25 percent of total project costs as determined in accordance with Article IV of this Agreement; (b) the Non-Federal Sponsor’s contribution of funds required by paragraph B.2. of this Article; (c) the costs of the Non-Federal Sponsor’s pre-Agreement design work as determined in accordance with paragraph B.4. of this Article; (d) the costs of the non-Federal design and construction work as determined in accordance with paragraph B.6. of this Article; and (e) the value of the Non-Federal Sponsor’s contributions under paragraph H. of this Article and Article V, Article X, and Article XIV.A. of this Agreement. Any refund or reimbursement by the Government shall be subject to the following conditions:

a. the Government, subject to the availability of funds and as limited by the Section 595 Program Limit, shall refund or reimburse to the Non-Federal Sponsor the portion of such excess contributions that are attributable to the Non-Federal Sponsor’s contributions under paragraph B.2. and paragraph H. of this Article and Article V, Article X, and Article XIV.A. of this Agreement; and

b. the Government, subject to the availability of funds and as limited by the Section 595 Program Limit and the Section 102 Limit, shall reimburse to the Non-Federal Sponsor the remaining portion of such excess contributions that are attributable to the pre-Agreement design work and the non-Federal design and construction work.

4. The Government shall determine and include in total project costs the reasonable costs incurred by the Non-Federal Sponsor for pre-Agreement design work for which credit will not be afforded pursuant to any other agreement for the Project, subject to the conditions and limitations of this paragraph. The Non-Federal Sponsor in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the amount of costs to be included in total project costs for pre-Agreement design work.

a. Acceptance by the Government of the pre-Agreement design work shall be subject to a review by the Government to verify that the work was accomplished in a satisfactory manner and in accordance with applicable Federal laws, regulations, and policies, and to verify that the pre-Agreement design work is necessary for the Project.

b. The Non-Federal Sponsor’s costs for pre-Agreement design work that may be eligible for inclusion in total project costs pursuant to this paragraph shall be subject to an audit in accordance with Article X.C. of this Agreement to determine the reasonableness,
allocability, and allowability of such costs.

c. The Non-Federal Sponsor's costs for pre-Agreement design work that may be eligible for inclusion in total project costs pursuant to this paragraph are not subject to interest charges, nor are they subject to adjustment to reflect changes in price levels between the time the pre-Agreement design work was completed and the time the costs are included in total project costs.

d. The Government shall not include in total project costs any costs for pre-Agreement design work paid by the Non-Federal Sponsor using Federal program funds unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law.

e. The Government shall not include in total project costs any costs for pre-Agreement design work in excess of the Government's estimate of the costs of the pre-Agreement design work had the work been accomplished by the Government.

5. The Government, in accordance with this paragraph, shall afford credit toward the Non-Federal Sponsor's required share of 25 percent of total project costs for the costs of the pre-Agreement design work determined in accordance with paragraph B.4. of this Article. Further, the Government, in accordance with paragraph B.3. of this Article, shall reimburse the Non-Federal Sponsor for any costs of the pre-Agreement design work determined in accordance with paragraph B.4. of this Article and included in total project costs that exceed the amount of credit afforded.

6. The Government shall determine and include in total project costs the costs incurred by the Non-Federal Sponsor for non-Federal design and construction work, subject to the conditions and limitations of this paragraph. The Non-Federal Sponsor in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the amount of costs to be included in total project costs for non-Federal design and construction work.

a. The Non-Federal Sponsor shall not commence construction of the non-Federal design and construction work until the designs, detailed plans and specifications, and arrangements for the prosecution of such work have been approved by the Government. Changes proposed by the Non-Federal Sponsor to approved designs and plans and specifications also must be approved by the Government in advance of the related construction. Upon completion of the non-Federal design and construction work, the Non-Federal Sponsor shall furnish to the Government a copy of all final as-built drawings for the construction portion of such work.

b. Non-Federal design and construction work shall be subject to an on-site inspection and certification by the Government that the work was accomplished in a satisfactory manner and in accordance with the provisions of this Agreement, and is suitable for inclusion in the Project.
c. The Non-Federal Sponsor’s costs for non-Federal design and construction work that may be eligible for inclusion in total project costs pursuant to this Agreement shall be subject to an audit in accordance with Article X.C. of this Agreement to determine the reasonableness, allocability, and allowability of such costs.

d. The Non-Federal Sponsor’s costs for non-Federal design and construction work that may be eligible for inclusion in total project costs pursuant to this Agreement are not subject to interest charges, nor are they subject to adjustment to reflect changes in price levels between the time the non-Federal design and construction work is completed and the time the costs are included in total project costs.

e. The Government shall not include in total project costs any costs for non-Federal design and construction work paid by the Non-Federal Sponsor using Federal program funds unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law.

f. The Government shall not include in total project costs any costs for non-Federal design and construction work in excess of the Government’s estimate of the costs of the non-Federal design and construction work had the work been accomplished by the Government.

g. In the performance of the construction portion of the non-Federal design and construction work, the Non-Federal Sponsor must comply with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.), and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). Costs for the construction portion of non-Federal design and construction work may be excluded from total project costs by the Government, in whole or in part, as a result of the Non-Federal Sponsor’s failure to comply with its obligations under these laws.

7. The Government, in accordance with this paragraph, shall afford credit toward the Non-Federal Sponsor’s required share of 25 percent of total project costs for the costs of the non-Federal design and construction work determined in accordance with paragraph B.6. of this Article. Further, the Government, in accordance with paragraph B.3. of this Article, shall reimburse the Non-Federal Sponsor for any costs of the non-Federal design and construction work determined in accordance with paragraph B.6. of this Article and included in total project costs that exceed the amount of credit afforded.

C. Notwithstanding any other provision of this Agreement, Federal financial participation in the Project is limited by the following provisions of this paragraph.

1. As of the effective date of this Agreement, $10,000,000 of Federal funds have been provided by Congress for the New Mexico portion of the Section 595 Program of which
$457,500 is currently projected to be available for the Project. The Government makes no commitment to request Congress to provide additional Federal funds for the Section 595 Program or the Project. Further, the Government’s financial participation in the Project is limited to the Federal funds that the Government makes available to the Project.

2. In the event the Government projects that the amount of Federal funds the Government will make available to the Project through the then-current fiscal year, or the amount of Federal funds the Government will make available for the Project through the upcoming fiscal year, is not sufficient to meet the Federal share of total project costs and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement that the Government projects will be incurred through the then-current or upcoming fiscal year, as applicable, the Government shall notify the Non-Federal Sponsor in writing of such insufficiency of funds and of the date the Government projects that the Federal funds that will have been made available to the Project will be exhausted. Upon the exhaustion of Federal funds made available by the Government to the Project, future performance under this Agreement shall be suspended and the parties shall proceed in accordance with Article XIII.B. of this Agreement.

3. If the Government determines that the total amount of Federal funds provided by Congress for all projects implemented in New Mexico pursuant to Section 595 has reached the Section 595 Program Limit, and the Government projects that the Federal funds the Government will make available to the Project within the Section 595 Program Limit will not be sufficient to meet the Federal share of total project costs and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement, the Government shall notify the Non-Federal Sponsor in writing of such insufficiency of funds and of the date the Government projects that the Federal funds that will have been made available to the Project will be exhausted. Upon the exhaustion of Federal funds made available by the Government to the Project within the Section 595 Program Limit, the parties shall terminate this Agreement and proceed in accordance with Article XIII.E. of this Agreement.

D. When the District Engineer determines that the entire Project, or a portion thereof, is complete, the District Engineer shall so notify the Non-Federal Sponsor in writing and furnish the Non-Federal Sponsor with a final Operation, Maintenance, Repair, Rehabilitation, and Replacement Manual (hereinafter the “OMRR&R Manual”) or, if the final OMRR&R Manual is not available, an interim OMRR&R Manual for the entire Project or such completed portion. Upon such notification, the Government also shall furnish to the Non-Federal Sponsor a copy of all final as-built drawings for the portion of the Project for which the Government awarded a construction contract, or the Government constructed using its own forces, if such drawings are available. Not later than 6 months after such notification by the Government that the entire Project is complete, the Government shall furnish the Non-Federal Sponsor with all final as-built drawings for the portion of the Project for which the Government awarded a construction contract, or the Government constructed using its own forces, and also shall furnish the Non-Federal Sponsor with the final OMRR&R Manual for the entire Project. In the event all final as-built drawings for the portion of the Project for which the Government awarded a construction
contract, or the Government constructed using its own forces, or the final OMRR&R Manual for the entire Project cannot be completed within the 6 month period, the Government shall provide written notice to the Non-Federal Sponsor, and the Government and the Non-Federal Sponsor shall negotiate an acceptable completion date for furnishing such documents. Further, after completion of all contracts for the Project, copies of all of the Government’s and Non-Federal Sponsor’s Written Notices of Acceptance of Completed Work for all contracts for the Project that have not been provided to the other party previously shall be provided to the Non-Federal Sponsor and/or the Government, as appropriate.

E. Upon notification from the District Engineer in accordance with paragraph D. of this Article, the Non-Federal Sponsor shall operate, maintain, repair, rehabilitate, and replace the entire Project, or the completed portion thereof as the case may be, in accordance with Article VIII of this Agreement.

F. Upon conclusion of the period of design and construction, the Government shall conduct an accounting, in accordance with Article VI.C. of this Agreement, and furnish the results to the Non-Federal Sponsor.

G. The Non-Federal Sponsor and the Government, in consultation with appropriate Federal and State officials, shall develop a facilities or resource protection and development plan. Such plan shall include necessary design, completion of all necessary environmental coordination and documentation, preparation of appropriate engineering plans and specifications, preparation of an OMRR&R Manual, and any other matters related to design and construction of the Project in accordance with this Agreement.

H. The Non-Federal Sponsor shall identify, establish, and maintain such legal and institutional structures as are necessary to ensure the effective long-term operation of the Project. The Non-Federal Sponsor shall provide to the Government a written description of such legal and institutional structures for inclusion in the OMRR&R Manual. The Non-Federal Sponsor’s costs of identification of such legal and institutional structures shall be included in total project costs and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. The Government shall have no obligation under this Agreement for any costs of establishment and maintenance of such legal and institutional structures.

I. The Non-Federal Sponsor shall not use Federal program funds to meet any of its obligations for the Project under this Agreement unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law.

J. The Non-Federal Sponsor may request the Government to perform or provide, on behalf of the Non-Federal Sponsor, one or more of the services (hereinafter the “additional work”) described in this paragraph. Such requests shall be in writing and shall describe the additional work requested to be performed or provided. If in its sole discretion the Government elects to perform or provide the requested additional work or any portion thereof, it shall so
notify the Non-Federal Sponsor in a writing that sets forth any applicable terms and conditions, which must be consistent with this Agreement. In the event of conflict between such a writing and this Agreement, this Agreement shall control. The Non-Federal Sponsor shall be solely responsible for all costs of the additional work performed or provided by the Government under this paragraph and shall pay all such costs in accordance with Article VI.D. of this Agreement.

1. Acquisition of lands, easements, and rights-of-way or performance of relocations for the Project. Notwithstanding acquisition of lands, easements, and rights-of-way or performance of relocations by the Government, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for any costs of cleanup and response in accordance with Article XIV.C. of this Agreement.

2. Inclusion of betterments in the design or construction of the Project. In the event the Government elects to include any such betterments, the Government shall allocate the costs of the Project features that include betterments between total project costs and the costs of the betterments.

ARTICLE III - LANDS, EASEMENTS, RIGHTS-OF-WAY, RELOCATIONS, AND COMPLIANCE WITH PUBLIC LAW 91-646, AS AMENDED

A. The Government, after consultation with the Non-Federal Sponsor, shall determine the lands, easements, and rights-of-way required for construction, operation, and maintenance of the Project, including those required for relocations, the borrowing of material, and the disposal of dredged or excavated material. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of the lands, easements, and rights-of-way that the Government determines the Non-Federal Sponsor must provide, in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with acquisition of such lands, easements, and rights-of-way. Prior to the issuance of the solicitation for each Government contract for construction of the Project, or prior to the Government initiating construction of a portion of the Project using the Government's own forces, the Non-Federal Sponsor shall acquire all lands, easements, and rights-of-way the Government determines the Non-Federal Sponsor must provide for that work and shall provide the Government with authorization for entry thereto. Furthermore, prior to the end of the period of design and construction, the Non-Federal Sponsor shall acquire all lands, easements, and rights-of-way required for construction, operation, and maintenance of the Project, as set forth in such descriptions, and shall provide the Government with authorization for entry thereto. The Non-Federal Sponsor shall ensure that lands, easements, and rights-of-way that the Government determines to be required for the Project and that were provided by the Non-Federal Sponsor are retained in public ownership for uses compatible with the authorized purposes of the Project.

B. The Government, after consultation with the Non-Federal Sponsor, shall determine the relocations necessary for construction, operation, and maintenance of the Project, including those necessary to enable the borrowing of material or the disposal of dredged or excavated
material. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of such relocations in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with such relocations. Prior to the issuance of the solicitation for each Government contract for construction of the Project, or prior to the Government initiating construction of a portion of the Project using the Government's own forces, the Non-Federal Sponsor shall prepare or ensure the preparation of plans and specifications for, and perform or ensure the performance of, all relocations the Government determines to be necessary for that work. Furthermore, prior to the end of the period of design and construction, the Non-Federal Sponsor shall perform or ensure performance of all relocations as set forth in such descriptions.

C. The Non-Federal Sponsor shall comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655), and the Uniform Regulations contained in 49 C.F.R. Part 24, in acquiring lands, easements, and rights-of-way required for construction, operation, and maintenance of the Project, including those required for relocations, the borrowing of material, or the disposal of dredged or excavated material, and shall inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

ARTICLE IV - CREDIT FOR VALUE OF LANDS, EASEMENTS, RIGHTS-OF-WAY, AND RELOCATIONS AND FOR COSTS OF PERMITS

A. The Government shall include in total project costs and afford credit toward the Non-Federal Sponsor's share of total project costs for the value of the lands, easements, and rights-of-way that the Non-Federal Sponsor must provide pursuant to Article III.A. of this Agreement and for the value of the relocations that the Non-Federal Sponsor must perform or for which it must ensure performance pursuant to Article III.B. of this Agreement. The Government also shall include in total project costs and afford credit toward the Non-Federal Sponsor's share of total project costs for the reasonable costs incurred by the Non-Federal Sponsor that are associated with obtaining permits pursuant to Article II.B.1. of this Agreement that are necessary for construction, operation, and maintenance of the Project on publicly owned or controlled lands. However, no amount shall be included in total project costs, no credit shall be afforded, and no reimbursement shall be provided for the value of any lands, easements, rights-of-way, or relocations that have been provided previously as an item of cooperation for another Federal project. In addition, no amount shall be included in total project costs, no credit shall be afforded, and no reimbursement shall be provided for the value of lands, easements, rights-of-way, or relocations that were acquired or performed using Federal program funds or the costs of obtaining permits paid using Federal program funds unless the Federal agency providing the Federal portion of such funds verifies in writing that affording credit for the value and costs of such items is expressly authorized by Federal law. Finally, no amount shall be included in total project costs, no credit shall be afforded pursuant to this Article, and no reimbursement shall be provided to the Non-Federal Sponsor, for any value or costs in excess of 25 percent of total project costs.
B. The Non-Federal Sponsor in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the value of any contribution provided pursuant to Article III.A. or Article III.B. of this Agreement and to determine the reasonable costs incurred by the Non-Federal Sponsor that are associated with obtaining permits pursuant to Article II.B.1. of this Agreement. Upon receipt of such documents, the Government in a timely manner shall determine the value of such contributions and the reasonable costs for obtaining such permits and include in total project costs the amount of such value and costs that does not exceed 25 percent of total project costs.

C. For the purposes of determining the value to be included in total project costs and the amount of credit to be afforded in accordance with this Article and except as otherwise provided in paragraph F. of this Article, the value of lands, easements, and rights-of-way, including those required for relocations, the borrowing of material, and the disposal of dredged or excavated material, shall be the fair market value of the real property interests, plus certain incidental costs of acquiring those interests, as determined in accordance with the provisions of this paragraph.

1. Date of Valuation. The fair market value of lands, easements, or rights-of-way owned by the Non-Federal Sponsor on the effective date of this Agreement shall be the fair market value of such real property interests as of the date the Non-Federal Sponsor provides the Government with authorization for entry thereto. However, for lands, easements, or rights-of-way owned by the Non-Federal Sponsor on the effective date of this Agreement that are required for the non-Federal design and construction work, fair market value shall be the value of such real property interests as of the date the Non-Federal Sponsor awarded the first construction contract for the non-Federal design and construction work, or, if the Non-Federal Sponsor performed the construction with its own forces, the date that the Non-Federal Sponsor began construction of the non-Federal design and construction work. The fair market value of lands, easements, or rights-of-way acquired by the Non-Federal Sponsor after the effective date of this Agreement shall be the fair market value of such real property interests at the time the interests are acquired.

2. General Valuation Procedure. Except as provided in paragraph C.3. or paragraph C.5. of this Article, the fair market value of lands, easements, or rights-of-way shall be determined in accordance with the provisions of this paragraph.

a. The Non-Federal Sponsor shall obtain, for each real property interest, an appraisal that is prepared by a qualified appraiser who is acceptable to the Non-Federal Sponsor and the Government. The Non-Federal Sponsor shall provide the Government with the appraisal no later than 6 months after the Non-Federal Sponsor provides the Government with an authorization for entry for such real property interest. The appraisal must be prepared in accordance with the applicable rules of just compensation, as specified by the Government. The fair market value shall be the amount set forth in the Non-Federal Sponsor’s appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor’s appraisal, the Non-Federal Sponsor may obtain a second appraisal, and the fair market value shall be the amount set forth in the Non-Federal Sponsor’s second appraisal.
appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor’s second appraisal, the Non-Federal Sponsor chooses not to obtain a second appraisal, or the Non-Federal Sponsor does not provide the first appraisal as required in this paragraph, the Government shall obtain an appraisal, and the fair market value shall be the amount set forth in the Government’s appraisal, if such appraisal is approved by the Non-Federal Sponsor. In the event the Non-Federal Sponsor does not approve the Government’s appraisal, the Government, after consultation with the Non-Federal Sponsor, shall consider the Government’s and the Non-Federal Sponsor’s appraisals and determine an amount based thereon, which shall be deemed to be the fair market value.

b. Where the amount paid or proposed to be paid by the Non-Federal Sponsor for the real property interest exceeds the amount determined pursuant to paragraph C.2.a. of this Article, the Government, at the request of the Non-Federal Sponsor, shall consider all factors relevant to determining fair market value and, in its sole discretion, after consultation with the Non-Federal Sponsor, may approve in writing an amount greater than the amount determined pursuant to paragraph C.2.a. of this Article, but not to exceed the amount actually paid or proposed to be paid. If the Government approves such an amount, the fair market value shall be the lesser of the approved amount or the amount paid by the Non-Federal Sponsor, but no less than the amount determined pursuant to paragraph C.2.a. of this Article.

3. Eminent Domain Valuation Procedure. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted after the effective date of this Agreement, the Non-Federal Sponsor, prior to instituting such proceedings, shall submit to the Government notification in writing of its intent to institute such proceedings and an appraisal of the specific real property interests to be acquired in such proceedings. The Government shall have 60 calendar days after receipt of such a notice and appraisal within which to review the appraisal, if not previously approved by the Government in writing.

a. If the Government previously has approved the appraisal in writing, or if the Government provides written approval of, or takes no action on, the appraisal within such 60 day period, the Non-Federal Sponsor shall use the amount set forth in such appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

b. If the Government provides written disapproval of the appraisal, including the reasons for disapproval, within such 60 day period, the Government and the Non-Federal Sponsor shall consult in good faith to promptly resolve the issues or areas of disagreement that are identified in the Government’s written disapproval. If, after such good faith consultation, the Government and the Non-Federal Sponsor agree as to an appropriate amount, then the Non-Federal Sponsor shall use that amount as the estimate of just compensation for the purpose of instituting the eminent domain proceeding. If, after such good faith consultation, the Government and the Non-Federal Sponsor cannot agree as to an appropriate amount, then the Non-Federal Sponsor may use the amount set forth in its appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

c. For lands, easements, or rights-of-way acquired by eminent domain
proceedings instituted in accordance with paragraph C.3. of this Article, fair market value shall be either the amount of the court award for the real property interests taken, to the extent the Government determined such interests are required for construction, operation, and maintenance of the Project, or the amount of any stipulated settlement or portion thereof that the Government approves in writing.

4. Incidental Costs. For lands, easements, or rights-of-way acquired by the Non-Federal Sponsor within a five year period preceding the effective date of this Agreement, or at any time after the effective date of this Agreement, the value of the interest shall include the documented incidental costs of acquiring the interest, as determined by the Government, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. In the event the Government modifies its determination made pursuant to Article III.A. of this Agreement, the Government shall afford credit for the documented incidental costs associated with preparing to acquire the lands, easements, or rights-of-way identified in the original determination, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. Such incidental costs shall include, but not necessarily be limited to, closing and title costs, appraisal costs, survey costs, attorney's fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits provided in accordance with Article III.C. of this Agreement, and other payments by the Non-Federal Sponsor for items that are generally recognized as compensable, and required to be paid, by applicable state law due to the acquisition of a real property interest in accordance with Article III of this Agreement. The value of the interests provided by the Non-Federal Sponsor in accordance with Article III.A. of this Agreement also shall include the documented costs of obtaining appraisals pursuant to paragraph C.2. of this Article, as determined by the Government, and subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

5. Waiver of Appraisal. Except as required by paragraph C.3. of this Article, the Government may waive the requirement for an appraisal pursuant to this paragraph if it determines that an appraisal is unnecessary because the valuation is uncomplicated and that the estimated fair market value of the real property interest is $10,000 or less based upon a review of available data. In such event, the Government and the Non-Federal Sponsor must agree in writing to the value of such real property interest in an amount not in excess of $10,000.

D. After consultation with the Non-Federal Sponsor, the Government shall determine the value of relocations in accordance with the provisions of this paragraph.

1. For a relocation other than a highway, the value shall be only that portion of relocation costs that the Government determines is necessary to provide a functionally equivalent facility, reduced by depreciation, as applicable, and by the salvage value of any removed items.

2. For a relocation of a highway, the value shall be only that portion of relocation costs that would be necessary to accomplish the relocation in accordance with the design standard that the State of New Mexico would apply under similar conditions of geography and
traffic load, reduced by the salvage value of any removed items.

3. **Relocation** costs shall include, but not necessarily be limited to, actual costs of performing the relocation; planning, engineering and design costs; supervision and administration costs; and documented incidental costs associated with performance of the relocation, as determined by the Government. **Relocation** costs shall not include any costs due to betterments, as determined by the Government, nor any additional cost of using new material when suitable used material is available. **Relocation** costs shall be subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

4. Any credit afforded under the terms of this Agreement for the value of **relocations** performed within the **Project** boundaries is subject to satisfactory compliance with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.), and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). Notwithstanding any other provision of this Agreement, credit may be withheld, in whole or in part, as a result of the Non-Federal Sponsor’s failure to comply with its obligations under these laws.

E. The costs to be included in **total project costs** and the amount of credit to be afforded in accordance with this Article for the reasonable costs incurred by the Non-Federal Sponsor pursuant to Article II.B.1. of this Agreement that are associated with obtaining permits necessary for construction, operation, and maintenance of the **Project** on publicly owned or controlled lands, shall be subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

F. Subject to the limitations described in paragraph A. of this Article, where the Government, on behalf of the Non-Federal Sponsor pursuant to Article II.J.1. of this Agreement, acquires lands, easements, or rights-of-way, or performs **relocations**, the value to be included in **total project costs** and the amount of credit to be afforded in accordance with this Article shall be the costs of such work performed or provided by the Government that are paid by the Non-Federal Sponsor in accordance with Article VI.D. of this Agreement. In addition, the value to be included in **total project costs** and the amount of such credit to be afforded in accordance with this Article shall include the documented costs incurred by the Non-Federal Sponsor in accordance with the terms and conditions agreed upon in writing pursuant to Article II.J.1. of this Agreement subject to the limitations described in paragraph A. of this Article and an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

ARTICLE V - PROJECT COORDINATION TEAM

A. To provide for consistent and effective communication, the Non-Federal Sponsor and
the Government, not later than 30 calendar days after the effective date of this Agreement, shall appoint named senior representatives to a Project Coordination Team. Thereafter, the Project Coordination Team shall meet regularly until the end of the period of design and construction. The Government’s Project Manager and a counterpart named by the Non-Federal Sponsor shall co-chair the Project Coordination Team.

B. The Government’s Project Manager and the Non-Federal Sponsor’s counterpart shall keep the Project Coordination Team informed of the progress of design and construction and of significant pending issues and actions, and shall seek the views of the Project Coordination Team on matters that the Project Coordination Team generally oversees.

C. Until the end of the period of design and construction, the Project Coordination Team shall generally oversee the Project, including matters related to: design; completion of all necessary environmental coordination and documentation; plans and specifications; scheduling; real property and relocation requirements; real property acquisition; contract awards and modifications; contract costs; the application of and compliance with 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.), and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)) for relocations and the construction portion of the non-Federal design and construction work; the investigations to identify the existence and extent of hazardous substances in accordance with Article XIV.A. of this Agreement; historic preservation activities in accordance with Article XVII of this Agreement; the Government’s cost projections; the performance of and scheduling for the non-Federal design and construction work; final inspection of the entire Project or completed portions thereof; preparation of the proposed OMRR&R Manual; anticipated requirements and needed capabilities for performance of operation, maintenance, repair, rehabilitation, and replacement of the Project including issuance of permits; and other matters related to the Project. This oversight of the Project shall be consistent with a project management plan developed by the Government after consultation with the Non-Federal Sponsor.

D. The Project Coordination Team may make recommendations to the District Engineer on matters related to the Project that the Project Coordination Team generally oversees, including suggestions to avoid potential sources of dispute. The Government in good faith shall consider the recommendations of the Project Coordination Team. The Government, having the legal authority and responsibility for design and construction of the Project except for the non-Federal design and construction work, has the discretion to accept or reject, in whole or in part, the Project Coordination Team’s recommendations. On matters related to the non-Federal design and construction work, that the Project Coordination Team generally oversees, the Project Coordination Team may make recommendations to the Non-Federal Sponsor including suggestions to avoid potential sources of dispute. The Non-Federal Sponsor in good faith shall consider the recommendations of the Project Coordination Team. The Non-Federal Sponsor, having the legal authority and responsibility for design and construction of the non-Federal design and construction work, has the discretion to accept or reject, in whole or in part, the Project Coordination Team’s recommendations except as otherwise required by the provisions of
this Agreement, including compliance with applicable Federal, State, or local laws or regulations.

E. The Non-Federal Sponsor’s costs of participation in the Project Coordination Team shall be included in total project costs and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs. The Government’s costs of participation in the Project Coordination Team shall be included in total project costs and shared in accordance with the provisions of this Agreement.

ARTICLE VI - METHOD OF PAYMENT

A. In accordance with the provisions of this paragraph, the Government shall maintain current records and provide to the Non-Federal Sponsor current projections of costs, financial obligations, contributions provided by the parties, the value included in total project costs for lands, easements, rights-of-way, relocations, and permit costs determined in accordance with Article IV of this Agreement, the costs included in total project costs for the pre-Agreement design work determined in accordance with Article II.B.4. of this Agreement, the credit to be afforded for the pre-Agreement design work pursuant to Article II.B.5. of this Agreement, the costs included in total project costs for the non-Federal design and construction work determined in accordance with Article II.B.6. of this Agreement, and the credit to be afforded for the non-Federal design and construction work pursuant to Article II.B.7. of this Agreement.

1. As of the effective date of this Agreement, total project costs are projected to be $607,500; the value included in total project costs for lands, easements, rights-of-way, relocations, and permit costs determined in accordance with Article IV of this Agreement is projected to be $10,000; the value of the Non-Federal Sponsor’s contributions under Article II.H., Article V, Article X, and Article XIV.A. of this Agreement is projected to be $0; the costs included in total project costs for the pre-Agreement design work determined in accordance with Article II.B.4. of this Agreement are projected to be $22,830; the credit to be afforded for the pre-Agreement design work pursuant to Article II.B.5. of this Agreement is projected to be $22,830; the costs included in total project costs for the non-Federal design and construction work determined in accordance with Article II.B.6. of this Agreement are projected to be $68,533; the credit to be afforded for the non-Federal design and construction work pursuant to Article II.B.7. of this Agreement is projected to be $68,533; the Non-Federal Sponsor’s contribution of funds required by Article II.B.2. of this Agreement is projected to be $50,512; the non-Federal proportionate share is projected to be 25 percent; the Non-Federal Sponsor’s contribution of funds required by Article XVII.C.4. of this Agreement is projected to be $0; and the Government’s financial obligations for the additional work to be incurred and the Non-Federal Sponsor’s contribution of funds for such costs required by Article II.J. of this Agreement are projected to be $0. These amounts and percentage are estimates subject to adjustment by the Government, after consultation with the Non-Federal Sponsor, and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor.

2. By October 2008 and by each quarterly anniversary thereof until the conclusion
of the *period of design and construction* and resolution of all relevant claims and appeals and eminent domain proceedings, the Government shall provide the Non-Federal Sponsor with a report setting forth all contributions provided to date and the current projections of the following: *total project costs*; the value included in *total project costs* for lands, easements, rights-of-way, *relocations*, and permit costs determined in accordance with Article IV of this Agreement; the value of the Non-Federal Sponsor’s contributions under Article II.H., Article V, Article X, and Article XIV.A. of this Agreement; the costs included in *total project costs* for the *pre-Agreement design work* determined in accordance with Article II.B.4. of this Agreement; the credit to be afforded for the *pre-Agreement design work* pursuant to Article II.B.5. of this Agreement; the costs included in *total project costs* for the *non-Federal design and construction work* determined in accordance with Article II.B.6. of this Agreement; the credit to be afforded for the *non-Federal design and construction work* pursuant to Article II.B.7. of this Agreement; the Non-Federal Sponsor’s contribution of funds required by Article II.B.2. of this Agreement; the *non-Federal proportionate share*; the Non-Federal Sponsor’s contribution of funds required by Article XVII.C.4. of this Agreement; and the Government’s financial obligations for additional work incurred and the Non-Federal Sponsor’s contribution of funds for such costs required by Article II.J. of this Agreement.

B. The Non-Federal Sponsor shall provide the contributions of funds required by Article II.B.2. and Article XVII.C.4. of this Agreement in accordance with the provisions of this paragraph.

1. Not less than 30 calendar days prior to the scheduled date for: (a) issuance of the solicitation for the first contract for review of the *pre-Agreement design work* provided by the Non-Federal Sponsor; (b) commencement of review of the *pre-Agreement design work* provided by the Non-Federal Sponsor using the Government’s own forces; (c) issuance of the solicitation for the first contract for design of the *Project*; or (d) commencement of design of the *Project* using the Government’s own forces, whichever is scheduled to first occur, the Government shall notify the Non-Federal Sponsor in writing of such scheduled date and the funds the Government determines to be required from the Non-Federal Sponsor to meet: (a) the *non-Federal proportionate share of financial obligations for design and construction* incurred prior to the commencement of the *period of design and construction*; (b) the *projected non-Federal proportionate share of financial obligations for design and construction* to be incurred for such contract; (c) the *projected non-Federal proportionate share of financial obligations for design and construction* using the Government’s own forces through the first *fiscal year*; (d) the Non-Federal Sponsor’s share of the projected financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.C.4. of this Agreement to be incurred for such contract; and (e) the Non-Federal Sponsor’s share of the projected financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.C.4. of this Agreement using the Government’s own forces through the first *fiscal year*. Not later than such scheduled date, the Non-Federal Sponsor shall provide the Government with the full amount of such required funds by delivering a check payable to “FAO, USAED, Albuquerque” to the District Engineer, or verifying to the satisfaction of the Government that the Non-Federal Sponsor has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsor, or by presenting the
Government with an irrevocable letter of credit acceptable to the Government for such required funds, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

2. Thereafter, until the construction of the Project is complete, the Government shall notify the Non-Federal Sponsor in writing of the funds the Government determines to be required from the Non-Federal Sponsor, and the Non-Federal Sponsor shall provide such funds in accordance with the provisions of this paragraph.

a. The Government shall notify the Non-Federal Sponsor in writing, no later than 60 calendar days prior to the scheduled date for issuance of the solicitation for each remaining contract for the Project, of the funds the Government determines to be required from the Non-Federal Sponsor to meet: (a) the projected non-Federal proportionate share of financial obligations for design and construction to be incurred for such contract and (b) the Non-Federal Sponsor’s share of the projected financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.C.4. of this Agreement to be incurred for such contract. No later than such scheduled date, the Non-Federal Sponsor shall make the full amount of such required funds available to the Government through any of the payment mechanisms specified in paragraph B.1. of this Article.

b. The Government shall notify the Non-Federal Sponsor in writing, no later than 60 calendar days prior to the beginning of each fiscal year in which the Government projects that it will make financial obligations for design and construction of the Project using the Government’s own forces or financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.C.4. of this Agreement using the Government’s own forces, of the funds the Government determines to be required from the Non-Federal Sponsor to meet: (a) the projected non-Federal proportionate share of financial obligations for design and construction using the Government’s own forces for that fiscal year and (b) the Non-Federal Sponsor’s share of the projected financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.C.4. of this Agreement using the Government’s own forces for that fiscal year. No later than 30 calendar days prior to the beginning of that fiscal year, the Non-Federal Sponsor shall make the full amount of such required funds for that fiscal year available to the Government through any of the payment mechanisms specified in paragraph B.1. of this Article.

3. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary, when considered with any credit the Government projects will be afforded for the pre-Agreement design work pursuant to Article II.B.5. of this Agreement and for the non-Federal design and construction work pursuant to Article II.B.7. of this Agreement, to cover: (a) the non-Federal proportionate share of financial obligations for design and construction incurred prior to the commencement of the period of design and construction; (b) the non-Federal proportionate share of financial obligations for design and construction as financial obligations for design and construction are incurred; and (c) the Non-Federal Sponsor’s share of financial obligations for data recovery activities associated with historic preservation pursuant to Article XVII.C.4. of this Agreement as those financial
obligations are incurred. If at any time the Government determines that additional funds will be needed from the Non-Federal Sponsor to cover the Non-Federal Sponsor’s share of such financial obligations for the current contract or to cover the Non-Federal Sponsor’s share of such financial obligations for work performed using the Government’s own forces in the current fiscal year, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within 60 calendar days from receipt of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional required funds through any of the payment mechanisms specified in paragraph B.1. of this Article.

C. Upon conclusion of the period of design and construction and resolution of all relevant claims and appeals and eminent domain proceedings, the Government shall conduct a final accounting and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. If outstanding relevant claims and appeals or eminent domain proceedings prevent a final accounting from being conducted in a timely manner, the Government shall conduct an interim accounting and furnish the Non-Federal Sponsor with written notice of the results of such interim accounting. Once all outstanding relevant claims and appeals and eminent domain proceedings are resolved, the Government shall amend the interim accounting to complete the final accounting and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. The interim or final accounting, as applicable, shall determine total project costs and the costs of any data recovery activities associated with historic preservation. In addition, for each set of costs, the interim or final accounting, as applicable, shall determine each party’s required share thereof, and each party’s total contributions thereto as of the date of such accounting.

1. Should the interim or final accounting, as applicable, show that the Non-Federal Sponsor’s total required shares of total project costs and the costs of any data recovery activities associated with historic preservation exceed the Non-Federal Sponsor’s total contributions provided thereto, the Non-Federal Sponsor, no later than 90 calendar days after receipt of written notice from the Government, shall make a payment to the Government in an amount equal to the difference by delivering a check payable to “FAO, USAED, ALBUQUERQUE DISTRICT” to the District Engineer or by providing an Electronic Funds Transfer in accordance with procedures established by the Government.

2. Should the interim or final accounting, as applicable, show that the total contributions provided by the Non-Federal Sponsor for total project costs and the costs of any data recovery activities associated with historic preservation exceed the Non-Federal Sponsor’s total required shares thereof, the Government, subject to the conditions set forth below, shall refund or reimburse the excess amount to the Non-Federal Sponsor within 90 calendar days of the date of completion of such accounting. In the event the Non-Federal Sponsor is due a refund or reimbursement and funds are not available to refund or reimburse the excess amount to the Non-Federal Sponsor, the Government shall seek such appropriations as are necessary to make the refund or reimbursement. Any refund or reimbursement by the Government shall be subject to the following conditions:
a. the Government, subject to the availability of funds and as limited by the Section 595 Program Limit, shall refund or reimburse to the Non-Federal Sponsor the portion of such excess amount contributed under Article II.B.2., Article II.H., Article V, Article X, Article XIV.A., and Article XVII.C.4. of this Agreement; and

b. the Government, subject to the availability of funds and as limited by the Section 595 Program Limit and the Section 102 Limit, shall reimburse to the Non-Federal Sponsor the remaining portion of such excess amount that is attributable to the pre-Agreement design work and the non-Federal design and construction work.

D. The Non-Federal Sponsor shall provide the contribution of funds required by Article II.J. of this Agreement for additional work in accordance with the provisions of this paragraph.

1. Not less than 30 calendar days prior to the scheduled date for the first financial obligation for additional work, the Government shall notify the Non-Federal Sponsor in writing of such scheduled date and of the full amount of funds the Government determines to be required from the Non-Federal Sponsor to cover the costs of the additional work. No later than 30 calendar days prior to the Government incurring any financial obligation for additional work, the Non-Federal Sponsor shall provide the Government with the full amount of the funds required to cover the costs of such additional work through any of the payment mechanisms specified in paragraph B.1. of this Article.

2. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary to cover the Government’s financial obligations for such additional work as they are incurred. If at any time the Government determines that the Non-Federal Sponsor must provide additional funds to pay for such additional work, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within 30 calendar days from receipt of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional required funds through any of the payment mechanisms specified in paragraph B.1. of this Article.

3. At the time the Government conducts the interim or final accounting, as applicable, the Government shall conduct an accounting of the Government’s financial obligations incurred for additional work and furnish the Non-Federal Sponsor with written notice of the results of such accounting. If outstanding relevant claims and appeals or eminent domain proceedings prevent a final accounting of such financial obligations for additional work from being conducted in a timely manner, the Government shall conduct an interim accounting of such financial obligations for additional work and furnish the Non-Federal Sponsor with written notice of the results of such interim accounting. Once all outstanding relevant claims and appeals and eminent domain proceedings are resolved, the Government shall amend the interim accounting of such financial obligations for additional work to complete the final accounting of such financial obligations for additional work and furnish the Non-Federal Sponsor with written notice of the results of such final accounting. Such interim or final accounting, as applicable, shall determine
the Government’s total financial obligations for additional work and the Non-Federal Sponsor’s contribution of funds provided thereto as of the date of such accounting.

a. Should the interim or final accounting, as applicable, show that the Government’s total financial obligations for additional work exceed the total contribution of funds provided by the Non-Federal Sponsor for such additional work, the Non-Federal Sponsor, no later than 90 calendar days after receipt of written notice from the Government, shall make a payment to the Government in an amount equal to the difference by delivering a check payable to “FAO, USAED, ALBUQUERQUE DISTRICT” to the District Engineer or by providing an Electronic Funds Transfer in accordance with procedures established by the Government.

b. Should the interim or final accounting, as applicable, show that the total contribution of funds provided by the Non-Federal Sponsor for additional work exceeds the Government’s total financial obligations for such additional work, the Government, subject to the availability of funds, shall refund the excess amount to the Non-Federal Sponsor within 90 calendar days of the date of completion of such accounting. In the event the Non-Federal Sponsor is due a refund and funds are not available to refund the excess amount to the Non-Federal Sponsor, the Government shall seek such appropriations as are necessary to make the refund.

ARTICLE VII - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VIII – OPERATION, MAINTENANCE, REPAIR, REHABILITATION, AND REPLACEMENT (OMRR&R)

A. Upon receipt of the notification from the District Engineer in accordance with Article II.D. of this Agreement, the Non-Federal Sponsor, pursuant to Article II.E. of this Agreement, shall operate, maintain, repair, rehabilitate, and replace the entire Project, or a completed portion thereof as the case may be, at no cost to the Government. The Non-Federal Sponsor shall conduct its operation, maintenance, repair, rehabilitation, and replacement responsibilities in a manner compatible with the Project’s authorized purposes and in accordance with specific directions prescribed by the Government in the interim or final OMRR&R Manual and any subsequent amendments thereto.
B. The Non-Federal Sponsor hereby gives the Government a right to enter, at reasonable times and in a reasonable manner, upon property that the Non-Federal Sponsor now or hereafter owns or controls for access to the Project for the purpose of inspection, if the Government determines an inspection to be necessary. If an inspection shows that the Non-Federal Sponsor for any reason is failing to perform its obligations under this Agreement, the Government shall send a written notice describing the non-performance to the Non-Federal Sponsor.

ARTICLE IX – HOLD AND SAVE

The Non-Federal Sponsor shall hold and save the Government free from all damages arising from design, construction, operation, maintenance, repair, rehabilitation, and replacement of the Project and any betterments, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE X - MAINTENANCE OF RECORDS AND AUDIT

A. Not later than 60 calendar days after the effective date of this Agreement, the Government and the Non-Federal Sponsor shall develop procedures for keeping books, records, documents, or other evidence pertaining to costs and expenses incurred pursuant to this Agreement. These procedures shall incorporate, and apply as appropriate, the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments at 32 C.F.R. Section 33.20. The Government and the Non-Federal Sponsor shall maintain such books, records, documents, or other evidence in accordance with these procedures and for a minimum of three years after completion of the accounting for which such books, records, documents, or other evidence were required. To the extent permitted under applicable Federal laws and regulations, the Government and the Non-Federal Sponsor shall each allow the other to inspect such books, records, documents, or other evidence.

B. In accordance with 32 C.F.R. Section 33.26, the Non-Federal Sponsor is responsible for complying with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), as implemented by Office of Management and Budget (OMB) Circular No. A-133 and Department of Defense Directive 7600.10. Upon request of the Non-Federal Sponsor and to the extent permitted under applicable Federal laws and regulations, the Government shall provide to the Non-Federal Sponsor and independent auditors any information necessary to enable an audit of the Non-Federal Sponsor’s activities under this Agreement. The costs of any non-Federal audits performed in accordance with this paragraph shall be allocated in accordance with the provisions of OMB Circulars A-87 and A-133, and such costs as are allocated to the Project shall be included in total project costs and shared in accordance with the provisions of this Agreement.

C. In accordance with 31 U.S.C. 7503, the Government may conduct audits in addition to any audit that the Non-Federal Sponsor is required to conduct under the Single Audit Act Amendments of 1996. Any such Government audits shall be conducted in accordance with
Government Auditing Standards and the cost principles in OMB Circular No. A-87 and other applicable cost principles and regulations. The costs of Government audits performed in accordance with this paragraph shall be included in total project costs and shared in accordance with the provisions of this Agreement.

ARTICLE XI - FEDERAL AND STATE LAWS

In the exercise of their respective rights and obligations under this Agreement, the Non-Federal Sponsor and the Government shall comply with all applicable Federal and State laws and regulations, including, but not limited to: Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d) and Department of Defense Directive 5500.11 issued pursuant thereto; Army Regulation 600-7, entitled “Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army”; and all applicable Federal labor standards requirements including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.), and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). Notwithstanding the foregoing, the nondiscrimination and civil rights laws shall be applicable to the activities of the Non-Federal Sponsor only to the extent that such laws are applicable and binding upon an Indian tribe.

ARTICLE XII - RELATIONSHIP OF PARTIES

A. In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other.

B. In the exercise of its rights and obligations under this Agreement, neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights the other party may have to seek relief or redress against that contractor either pursuant to any cause of action that the other party may have or for violation of any law.

ARTICLE XIII - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsor fails to fulfill its obligations under this Agreement, the Assistant Secretary of the Army (Civil Works) shall terminate this Agreement or suspend future performance under this Agreement unless he determines that continuation of work on the Project is in the interest of the United States.

B. In the event future performance under this Agreement is suspended pursuant to Article II.C.2. of this Agreement, such suspension shall remain in effect until such time that the
Government notifies the Non-Federal Sponsor in writing that sufficient Federal funds are available to meet the Federal share of total project costs and the Federal share of costs for data recovery activities associated with historic preservation in accordance with Article XVII.C.3. and Article XVII.C.4. of this Agreement the Government projects will be incurred through the then-current or upcoming fiscal year, or the Government or the Non-Federal Sponsor elects to terminate this Agreement.

C. In the event that the Government and the Non-Federal Sponsor determine to suspend future performance under this Agreement in accordance with Article XIV.C. of this Agreement, such suspension shall remain in effect until the Government and the Non-Federal Sponsor agree to proceed or to terminate this Agreement. In the event that the Government suspends future performance under this Agreement in accordance with Article XIV.C. of this Agreement due to failure to reach agreement with the Non-Federal Sponsor on whether to proceed or to terminate this Agreement, or the failure of the Non-Federal Sponsor to provide funds to pay for cleanup and response costs or to otherwise discharge the Non-Federal Sponsor’s responsibilities under Article XIV.C. of this Agreement, such suspension shall remain in effect until: 1) the Government and Non-Federal Sponsor reach agreement on how to proceed or to terminate this Agreement; 2) the Non-Federal Sponsor provides funds necessary to pay for cleanup and response costs and otherwise discharges its responsibilities under Article XIV.C. of this Agreement; 3) the Government continues work on the Project; or 4) the Government terminates this Agreement in accordance with the provisions of Article XIV.C. of this Agreement.

D. If after completion of the design portion of the Project the parties mutually agree in writing not to proceed with construction of the Project, the parties shall conclude their activities relating to the Project and conduct an accounting in accordance with Article VI.C. of this Agreement.

E. In the event that this Agreement is terminated pursuant to this Article or Article II.C. or Article XIV.C. of this Agreement, both parties shall conclude their activities relating to the Project and conduct an accounting in accordance with Article VI.C. of this Agreement. To provide for this eventuality, the Government may reserve a percentage of total Federal funds made available for the Project and an equal percentage of the total funds contributed by the Non-Federal Sponsor in accordance with Article II.B.2. and Article XVII.C.4. of this Agreement as a contingency to pay costs of termination, including any costs of resolution of contract claims and contract modifications.

F. Any termination of this Agreement or suspension of future performance under this Agreement in accordance with this Article or Article II.C. or Article XIV.C. of this Agreement shall not relieve the parties of liability for any obligation previously incurred. Any delinquent payment owed by the Non-Federal Sponsor shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.
ARTICLE XIV - HAZARDOUS SUBSTANCES

A. After execution of this Agreement and upon direction by the District Engineer, the Non-Federal Sponsor shall perform, or ensure performance of, any investigations for hazardous substances that the Government or the Non-Federal Sponsor determines to be necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601-9675; hereinafter "CERCLA"), that may exist in, on, or under lands, easements, and rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the Project. However, for lands, easements, and rights-of-way that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigations unless the District Engineer provides the Non-Federal Sponsor with prior specific written direction, in which case the Non-Federal Sponsor shall perform such investigations in accordance with such written direction.

1. All actual costs incurred by the Non-Federal Sponsor for such investigations for hazardous substances shall be included in total project costs and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

2. All actual costs incurred by the Government for such investigations for hazardous substances shall be included in total project costs and shared in accordance with the provisions of this Agreement.

B. In the event it is discovered through any investigation for hazardous substances or other means that hazardous substances regulated under CERCLA exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the Project, the Non-Federal Sponsor and the Government, in addition to providing any other notice required by applicable law, shall provide prompt written notice to each other, and the Non-Federal Sponsor shall not proceed with the acquisition of the real property interests until the parties agree that the Non-Federal Sponsor should proceed.

C. The Government and the Non-Federal Sponsor shall determine whether to initiate construction of the Project, or, if already in construction, whether to continue with construction of the Project, suspend future performance under this Agreement, or terminate this Agreement for the convenience of the Government, in any case where hazardous substances regulated under CERCLA are found to exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for construction, operation, and maintenance of the Project. Should the Government and the Non-Federal Sponsor determine to initiate or continue with construction of the Project after considering any liability that may arise under CERCLA, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for the costs of cleanup and response, including the costs of any studies and investigations necessary to determine an appropriate response to the contamination. Such costs shall not be considered a part of total
project costs. In the event the Non-Federal Sponsor does not reach agreement with the Government on whether to proceed or to terminate this Agreement under this paragraph, or fails to provide any funds necessary to pay for cleanup and response costs or to otherwise discharge the Non-Federal Sponsor’s responsibilities under this paragraph upon direction by the Government, the Government, in its sole discretion, may either terminate this Agreement for the convenience of the Government, suspend future performance under this Agreement, or continue work on the Project.

D. The Non-Federal Sponsor and the Government shall consult with each other in accordance with Article V of this Agreement in an effort to ensure that responsible parties bear any necessary cleanup and response costs as defined in CERCLA. Any decision made pursuant to paragraph C. of this Article shall not relieve any third party from any liability that may arise under CERCLA.

E. As between the Government and the Non-Federal Sponsor, the Non-Federal Sponsor shall be considered the operator of the Project for purposes of CERCLA liability. To the maximum extent practicable, the Non-Federal Sponsor shall operate, maintain, repair, rehabilitate, and replace the Project in a manner that will not cause liability to arise under CERCLA.

ARTICLE XV - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or sent by telegram or mailed by first-class, registered, or certified mail, as follows:

If to the Non-Federal Sponsor:
Zuni Tribe Office of Planning & Development
ATTN: Andrew Othole, Director
P.O. Box 339
D Avenue, Bldg 100 – Blackrock
Zuni, NM 87327

If to the Government:
US Army Corps of Engineers, Albuquerque District
ATTN: CESPA-PMC
4101 Jefferson Plaza NE
Albuquerque, NM 87109

B. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

C. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at the earlier of such time as it is actually
received or seven calendar days after it is mailed.

ARTICLE XVI - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

ARTICLE XVII - HISTORIC PRESERVATION

A. Except as provided in paragraph B. below, the Government shall perform any identification, survey, or evaluation of historic properties that it determines is necessary for the Project. Any costs incurred by the Government for such work shall be included in total project costs and shared in accordance with the provisions of this Agreement.

B. In the event that the Government determines that any identification, survey, or evaluation of historic properties is required for construction of the non-Federal design and construction work, and if the Government and the Non-Federal Sponsor agree in writing that the Non-Federal Sponsor should perform such identification, survey, or evaluation of historic properties, the Non-Federal Sponsor shall perform such identification, survey, or evaluation in accordance with this paragraph and other written directions of the Government.

1. The Non-Federal Sponsor shall ensure that its studies are conducted by qualified archaeologists, historians, architectural historians and historic architects, as appropriate, who meet, at a minimum, the Secretary of the Interior's Professional Qualifications Standards. The Non-Federal Sponsor shall submit study plans and reports to the Government for review and approval and the Non-Federal Sponsor shall be responsible for resolving any deficiencies identified by the Government.

2. Any costs of identification, survey, or evaluation of historic properties incurred by the Non-Federal Sponsor pursuant to this paragraph shall be included in the costs for non-Federal design and construction work subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of such costs.

C. Except as provided in paragraph C.2. below, the Government, as it determines necessary for the Project, shall perform or ensure the performance of any mitigation activities or actions for historic properties or that are otherwise associated with historic preservation including data recovery activities.

1. Any costs incurred by the Government for such mitigation activities, except for data recovery activities associated with historic preservation, shall be included in total project costs and shared in accordance with the provisions of this Agreement.

2. In the event that the Government determines that mitigation activities or
actions other than data recovery activities associated with historic preservation are required for
collection of the non-Federal design and construction work, and if the Government and the
Non-Federal Sponsor agree in writing that the Non-Federal Sponsor should perform such
activities or actions, the Non-Federal Sponsor shall perform such activities or actions in
accordance with the written directions of the Government. The Non-Federal Sponsor shall
perform the agreed upon activities or actions prior to construction of the non-Federal design and
construction work. Any costs incurred by the Non-Federal Sponsor in accordance with the
provisions of this paragraph shall be included in the costs for non-Federal design and
construction work subject to an audit in accordance with Article X.C. of this Agreement to
determine reasonable, allocability, and allowability of such costs.

3. As specified in Section 7(a) of Public Law 86-523, as amended by Public Law
93-291 (16 U.S.C. 469c(a)), the costs of data recovery activities associated with historic
preservation for this Project and all other projects implemented in New Mexico pursuant to
Section 595 shall be borne entirely by the Government up to the statutory limit of one percent of
the total amount authorized to be appropriated to the Government for implementation of projects
in New Mexico pursuant to Section 595. None of the costs of data recovery activities associated
with historic preservation up to such one percent limit shall be included in total project costs.

4. The Government shall not incur costs for data recovery activities associated
with historic preservation that exceed the statutory one percent limit specified in paragraph C.3.
of this Article unless and until the Assistant Secretary of the Army (Civil Works) has waived that
limit and the Secretary of the Interior has concurred in the waiver in accordance with Section
208(3) of Public Law 96-515, as amended (16 U.S.C. 469c-2(3)). Any costs of data recovery
activities associated with historic preservation that exceed the one percent limit shall not be
included in total project costs but shall be shared between the Non-Federal Sponsor and the
Government consistent with the cost sharing requirements for Section 595, as follows: 25 percent
will be borne by the Non-Federal Sponsor and 75 percent will be borne by the Government.

D. If, during its performance of relocations in accordance with Article III of this
Agreement or performance of the non-Federal design and construction work, the Non-Federal
Sponsor discovers historic properties or other cultural resources that have not been evaluated in
accordance with this Article, the Non-Federal Sponsor shall provide prompt written notice to the
Government of such discovery. The Non-Federal Sponsor shall not proceed with performance of
the relocation or performance of the non-Federal design and construction work that is related to
such discovery until the Government provides written notice to the Non-Federal Sponsor that it
should proceed with such work.

ARTICLE XVIII - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer
any benefits, or relieve any liability, of any kind whatsoever in any third person not party to this
Agreement.
ARTICLE XIX – TRIBAL SOVEREIGN IMMUNITY

By Tribal Council Resolution # M70-2008-C-040, dated August 6, 2008, the Non-Federal Sponsor waived any sovereign immunity that it may possess from suit by the United States in an appropriate Federal Court related to the provisions, terms, and conditions contained in this Agreement. Further, such Resolution authorized the Pueblo of Zuni to include such waiver as part of this Agreement. Accordingly, the Non-Federal Sponsor hereby waives any sovereign immunity that it may possess from suit by the United States in an appropriate Federal Court to: (1) enforce the terms and conditions of this Agreement; (2) recover damages for any breach of the terms and conditions of this Agreement; and (3) seek indemnification or contribution based on the Non-Federal Sponsor’s obligations under Article IX of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Engineer, Albuquerque District.

DEPARTMENT OF THE ARMY

BY: 

Kimberly M. Colloton
Lieutenant Colonel, US Army
District Engineer

DATE: 8/6/08

PUEBLO OF ZUNI

BY:

Norman J. Cooeyate
Governor, Pueblo of Zuni

DATE: 8/6/08
CERTIFICATE OF LEGAL AUTHORITY

I, George Hesse, do hereby certify that I serve as legal counsel for the Pueblo of Zuni, that the Pueblo of Zuni is a federally recognized Indian tribe, and that based upon my review of the Agreement and Tribal Council Resolution # M70-2008-C-040, dated August 6, 2008, I am of the opinion that the Agreement has been duly executed by the appropriate representatives of the Tribe, and that the Tribe has full authority and legal capability to perform the terms of the Agreement between the Department of the Army and the Pueblo of Zuni in connection with the Pueblo of Zuni Constructed Wetlands Wastewater Treatment Lagoons, Zuni, McKinley County, New Mexico, and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Agreement and that the persons who have executed this Agreement on behalf of the Pueblo of Zuni have acted within their lawful authority.

IN WITNESS WHEREOF, I have made and executed this certification this __ day of August 20__

[Signature]
George Hesse
Attorney at Law
CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

[Signature]

Norman J. Cooeyate
Governor, Pueblo of Zuni

DATE: 08/01/06
ZUNI TRIBAL COUNCIL
ZUNI TRIBE

RESOLUTION NO. M70-2008-C 040

PROJECT CONSTRUCTION AGREEMENT BETWEEN THE PUEBLO OF ZUNI AND THE US ARMY CORPS OF ENGINEERS REGARDING THE CONSTRUCTED WETLANDS WASTEWATER TREATMENT LAGOONS

WHEREAS, the Zuni Tribe is a federally recognized and sovereign Indian tribe; and

WHEREAS, the Zuni Tribal Council consisting of the Governor, Lieutenant Governor, and six Tenientes is declared to be the legislative authority of the Pueblo of Zuni by Article V, Section 1 of the Constitution of the Zuni Tribe and is empowered to act on all matters that concern the welfare of the tribe; and,

WHEREAS, the Tribe, through the Office of Planning & Development, has negotiated a Project Construction Agreement (the “Agreement”) with the Department of the Army-U.S. Army Corps of Engineers to provide funding for the design and construction of two wetland wastewater treatment lagoons (the “Project”); and

WHEREAS, the Project will be in conformity with the Pueblo’s wetlands wastewater treatment master plan, completed in 2000; and

WHEREAS, under the Agreement, 75% of the Project cost is provided by the Corps of Engineers, and 25% of the Project costs is provided by the Tribe, which can be provided through in-kind contributions and credits; and

WHEREAS, the Agreement requires that the Tribe agree to waive its sovereign immunity to suit in federal court by the United States, if needed to, 1) enforce the terms, 2) recover damages for any breach of the terms, or 3) seek indemnification or contribution by the Tribe pursuant to the Agreement conditions; and

WHEREAS, the Tribal Council has determined that the Project is in the best interests of the Tribe and that the Agreement terms are consistent with the provisions of Tribal law and within the scope of the authority of the Tribal Council.

NOW, THEREFORE, BE IT RESOLVED, that the Zuni Tribal Council hereby approves and authorizes the Project Construction Agreement between the Zuni Tribe and the Department of the Army/U.S. Army Corps of Engineers for the Project and for that purpose, directs the Governor or his designee, on behalf of the Tribe, to execute and deliver the Agreement to the Corps of Engineers.
BE IT FURTHER RESOLVED, that the Zuni Tribal Council hereby agrees to waive its sovereign immunity to the limited extent as set forth above and in the Agreement, and for the benefit of the Department of Defense only, and no third party, and only as needed for enforcement of the terms of the Agreement, provided that the Tribe does consent to suit in any jurisdiction except as expressly provided in the Agreement, and further that the Tribe affirms and maintains jurisdiction over its lands and activities.

ZUNI TRIBAL COUNCIL:

Norman J. Cooneyate, Governor
Shelly C. Chimoni, Head Councilwoman
Carleton P. Albert Sr., Councilman
Winona S. Peynetsa, Councilwoman

Dacey Simplicio, Lt. Governor
Dixie J. Tsabetsaye, Councilman
Arden Kucate, Councilman
Charlotte T. Bradley, Councilwoman

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered at an official meeting of the Zuni Tribal Council at which a quorum was present, and that the same was approved by a vote of 7 in favor, and 0 opposed on this day August 6th, 2008.

Winona S. Peynetsa, Councilwoman
Tribal Council Secretary

APPROVED/DISAPPROVED

Norman J. Cooneyate, Governor
Date 8/6/08