



Control Number: 20310



Item Number: 1581

Addendum StartPage: 0

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

2020 OCT 23 AM 9:39

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest  
event reported)

October 28, 2020  
(October 26, 2020)

Commission File Number	Name of Registrants, State of Incorporation, Address Of Principal Executive Offices and Telephone Number	I.R.S. Employer Identification No.
001-32462	<b>PNM Resources, Inc.</b> (A New Mexico Corporation) 414 Silver Ave. SW Albuquerque, New Mexico 87102-3289 (505) 241-2700	85-0468296
002-97230	<b>Texas-New Mexico Power Company</b> (A Texas Corporation) 577 N. Garden Ridge Blvd. Lewisville, Texas 75067 (972)420-4189	75-0204070

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 40.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 40.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act.

Registrant	Title of each class	Trading Symbol(s)	Name of exchange on which registered
PNM Resources, Inc.	Common Stock, no par value	PNM	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

1581

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**Item 1.01 Entry into a Material Definitive Agreement.****Amendments to PNMR Credit Agreements**

On October 26, 2020, PNM Resources, Inc., a New Mexico corporation (“PNMR”) entered into the Eighth Amendment to Credit Agreement (“PNMR Revolver Amendment”) amending its \$300.0 million revolving credit agreement (“PNMR Revolver”), among PNMR, the lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent. The PNMR Revolver Amendment is effective October 26, 2020 and amends (i) the definition of “Change of Control” in the PNMR Revolver such that the entry by PNMR into the Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and PNMR (the “Merger Agreement”) will not be a Change of Control for purposes of the PNMR Revolver, and (ii) the merger negative covenant to replace “enter into any transaction of merger” with “merge with or into any other person.” The PNMR Revolver Amendment also waives the Change of Control and any other event of default arising from PNMR’s entry into the Merger Agreement. Entering into the PNMR Revolver Amendment resulted in the acceleration of the maturity date under the \$300 million 364-day revolving credit facility among PNMR, the lenders party thereto, and MUFG Bank, Ltd., as administrative agent, which was filed as Exhibit 10.1 to PNMR’s Current Report on Form 8-K filed on October 21, 2020, and such facility is terminated as a result thereof.

On October 26, 2020, PNMR entered into the Second Amendment to Term Loan Agreement (“PNMR \$150 Million Term Loan Amendment”) amending its \$150.0 million term loan agreement (the “PNMR \$150 Million Term Loan”) among PNMR, the lenders party thereto, and MUFG Bank, Ltd., as administrative agent. The PNMR \$150 Million Term Loan Amendment is effective October 26, 2020 and amends (i) the definition of “Change of Control” in the PNMR \$150 Million Term Loan such that the entry by PNMR into the Merger Agreement will not be a Change of Control for purposes of the PNMR \$150 Million Term Loan, and (ii) the merger negative covenant to replace “enter into any transaction of merger” with “merge with or into any other person.” The PNMR \$150 Million Term Loan Amendment also waives the Change of Control and any other event of default arising from PNMR’s entry into the Merger Agreement.

On October 26, 2020, PNMR entered into the First Amendment to Term Loan Agreement (“PNMR \$50 Million Term Loan Amendment”) amending its \$50.0 million term loan agreement (“PNMR \$50 Million Term Loan”) between PNMR and Bank of America, N.A., as sole lender. The PNMR \$50 Million Term Loan Amendment is effective October 26, 2020 and amends (i) the definition of “Change of Control” in the PNMR \$50 Million Term Loan such that the entry by PNMR into the Merger Agreement will not be a Change of Control for purposes of the PNMR \$50 Million Term Loan, and (ii) the merger negative covenant to replace “enter into any transaction of merger” with “merge with or into any other person.” The PNMR \$50 Million Term Loan Amendment also waives the Change of Control and any other event of default arising from PNMR’s entry into the Merger Agreement.

On October 26, 2020, PNMR entered into a Waiver Agreement (the “PNMR LOC Waiver”) with respect to its \$30.3 million standby letter of credit facility with Wells Fargo Bank National Association. The PNMR LOC Waiver is effective as of October 26, 2020 and waives the change of control event of default arising from PNMR’s entry into the Merger Agreement.

On October 21, 2020, the \$30.3 million letter of credit facility between PNMR and JPMorgan Chase Bank N.A., expired in accordance with its terms.

The above descriptions of the PNMR Revolver Amendment, the PNMR \$150 Million Term Loan Amendment, the PNMR \$50 Million Term Loan Amendment and the PNMR LOC Waiver are not complete and are qualified in their entirety by reference to the entire PNMR Revolver Amendment, PNMR \$150 Million Term Loan Amendment, PNMR \$50 Million Term Loan Amendment and PNMR LOC Waiver, copies of which are attached hereto as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, and incorporated herein by reference.

**Amendment to TNMP Credit Agreement and No Bond Repurchase Event**

On October 26, 2020, Texas-New Mexico Power Company (“TNMP”) entered into the Second Amendment to Third Amended and Restated Credit Agreement (“TNMP Revolver Amendment”) amending its \$75 million revolving credit agreement (the “TNMP Revolver”), among TNMP, the lenders identified therein and KeyBank National Association, as administrative agent. The TNMP Revolver Amendment is effective October 26, 2020 and amends (i) the definition of “Change of Control” in the TNMP Revolver such that the entry by PNMR into the Merger Agreement will not be a Change of Control for purposes of the TNMP Revolver, and (ii) the merger negative covenant to replace “enter into any transaction of merger” with “merge with or into any other person.” The TNMP Revolver also waives the Change of Control and any other event of default arising from PNMR’s entry into the Merger Agreement.

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In addition, as previously disclosed in the Current Report on Form 8-K, dated as of October 20, 2020, filed by PNMR and TNMP, TNMP has \$750 million of outstanding First Mortgage Bonds (“TNMP FMBs”) that include a “Bond Repurchase Event” provision. The execution of the TNMP Revolver Amendment means that no Bond Repurchase Event will occur with respect to the TNMP FMBs.

The above description of the TNMP Revolver Amendment is not complete and is qualified in its entirety by reference to the entire TNMP Revolver Amendment, a copy of which is attached hereto as Exhibit 10.5 and incorporated herein by reference.

#### Amendments to PNMR Development Credit Agreements

On October 26, 2020, PNMR Development and Management Company (“PNMR Development”) entered into a Waiver Agreement (“PNMR Development Revolver Waiver”) with respect to its \$40 million revolving credit agreement, as amended (“PNMR Development Revolver”), among PNMR Development and Wells Fargo Bank National Association, as lender. The PNMR Development Revolver Waiver is effective as of October 26, 2020 and waives the cross-default event of default arising from PNMR’s entry into the Merger Agreement and the resulting event of default under the PNMR Revolver.

Also on October 26, 2020, PNMR Development entered into the First Amendment to Term Loan Credit Agreement (“PNMR Development Term Loan Amendment”) amending its \$90 million term loan agreement (“PNMR Development Term Loan”) among PNMR Development and KeyBank, N.A., as administrative agent and sole lender. The PNMR Development Term Loan Amendment is effective October 26, 2020 and amends (i) the definition of “Change of Control” in the PNMR Development Term Loan such that the entry by PNMR into the Merger Agreement will not be a Change of Control for purposes of the PNMR Development Term Loan, and (ii) the merger negative covenant to replace “enter into any transaction of merger” with “merge with or into any other person.” The PNMR Development Term Loan Amendment also waives the Change of Control and any other event of default arising from PNMR’s entry into the Merger Agreement.

The above descriptions of the PNMR Development Revolver Waiver and the PNMR Development Term Loan Amendment are not complete and are qualified in their entirety by reference to the entire PNMR Development Revolver Waiver and PNMR Development Term Loan Amendment, copies of which are attached hereto as Exhibits 10.6 and 10.7, respectively, and incorporated herein by reference.

#### **Item 2.03      Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information required by this item is included in Item 1.01 and incorporated herein by reference.

#### **Item 2.04      Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.**

The information required by this item is included in Item 1.01 and incorporated herein by reference.

#### **Item 9.01      Financial Statements and Exhibits.**

##### **(d) Exhibits.**

- 10.1 Eighth Amendment to Credit Agreement, dated as of October 26, 2020, among PNM Resources, Inc., the lenders party thereto, and Wells Fargo Bank, National Association, as administrative agent.
- 10.2 Second Amendment to Term Loan Agreement, dated as of October 26, 2020, among PNM Resources, Inc., the lenders party thereto, and MUFG Bank, Ltd., as administrative agent.
- 10.3 First Amendment to Term Loan Agreement, dated as of October 26, 2020, between PNM Resources, Inc. and Bank of America, N.A., as sole lender.
- 10.4 Waiver Agreement, dated as of October 26, 2020, between PNM Resources, Inc. and Wells Fargo Bank National Association.

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- 10.5 Second Amendment to Third Amended and Restated Credit Agreement, dated as of October 26, 2020, among Texas-New Mexico Power Company, the lenders identified therein and KeyBank National Association, as administrative agent.
  - 10.6 Waiver Agreement, dated as of October 26, 2020, among PNMR Development and Management Corporation and Wells Fargo Bank National Association.
  - 10.7 First Amendment to Term Loan Credit Agreement, dated as of October 26, 2020, among PNMR Development and Management Corporation and KeyBank, N.A., as administrative agent and sole lender.
  - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized

**PNM RESOURCES, INC.**  
**TEXAS-NEWMEXICO POWER COMPANY**  
(Registrants)

Date: October 28, 2020

By /s/ Henry E. Monroy  
Name: Henry E. Monroy  
Title Vice President and Corporate Controller

## EXECUTION VERSION

## EIGHTH AMENDMENT TO CREDIT AGREEMENT

THIS EIGHTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is effective as of October 26, 2020, among PNM RESOURCES, INC., a New Mexico corporation (the "Borrower"), the Lenders party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent"), with MUFG Bank, Ltd., as the sole bookrunner and lead arranger solely in connection with this Amendment (the "Lead Arranger") Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement (as defined below)

RECITALS

WHEREAS, the Borrower, the Lenders party thereto and the Administrative Agent are parties to that certain Sixth Amendment to and Restatement of Credit Agreement, dated as of July 30, 2018 (as amended by a Seventh Amendment to Credit Agreement dated December 19, 2018 and as further amended or modified from time to time, the "Credit Agreement"),

WHEREAS, the Borrower has requested certain modifications to the Credit Agreement as described below, and

WHEREAS, the Administrative Agent and the Lenders party hereto are willing to agree to such modifications and the other provisions contained herein, subject to the terms set forth herein as more fully set forth below

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENTI Amendment to Credit Agreement.

(a) The definition of "Change of Control" in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

*"Change of Control" means the occurrence of any of the following (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all Capital Stock that such person or group has the right to acquire (other than pursuant to the Merger Agreement) (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of twenty-five percent (25%) of the Capital Stock of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any*

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option right), or (b) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

(b) Section 1.1 of the Credit Agreement is hereby amended to insert the following new definition alphabetically therein.

*"Merger Agreement" means that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Borrower, as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent*

(c) Section 8.2 of the Credit Agreement is hereby amended to delete the phrase "enter into any transaction of merger" now appearing in clause (a) thereof and to substitute the following therefor. "merge with or into any other Person".

## 2 Merger Agreement, Waivers

(a) The Borrower has informed the Administrative Agent and the Lenders that (i) the Borrower has entered into that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Borrower (as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent, the "Merger Agreement") and (ii) the entering into of the Merger Agreement is not expressly permitted pursuant to the definition of "Change of Control" or Section 8.2(a) of the Credit Agreement and an Event of Default could be construed to have occurred and be continuing pursuant to Sections 9.1(c) and 9.1(i) of the Credit Agreement (the "Potential Covenant Defaults"). In addition, other Defaults or Events of Default may have occurred and be continuing pursuant to Section 9.1(f)(ii) as a result of any cross-default arising thereunder from the entering into of the Merger Agreement pursuant to the terms of any other Indebtedness (the "Potential Cross Defaults"), and together with the Potential Covenant Defaults, and any other Default or Event of Default which may have occurred solely as a result of the Borrower's entering into the Merger Agreement, the "Potential Specified Defaults").

(b) The Borrower has requested that the Administrative Agent and the Lenders waive each of the Potential Specified Defaults pursuant to Section 11.6 of the Credit Agreement. Effective as of the Effective Date (as defined below), and subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Administrative Agent and the Lenders hereby agree to (i) waive each of the Potential Specified Defaults and (ii) waive any interest or fees that may have accrued at the post-Default rate pursuant to Section 3.1(b) of the Credit Agreement prior to the date hereof solely in connection with each of the Potential Specified Defaults.

(c) The Borrower acknowledges and agrees that the closing of the transactions described in the Merger Agreement shall constitute a "Change of Control" under the Credit Agreement and shall be prohibited pursuant to the terms of Section 8.2(a) of the Credit Agreement, as amended by this Amendment, and nothing contained in this Section 2 or elsewhere in this Amendment is intended to waive or limit or should be construed as waiving or limiting the Lenders' rights and remedies relating to any Default or Event of Default resulting therefrom.



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(d) The waivers set forth above shall be limited precisely as written and relate solely to the Potential Specified Defaults in the manner and to the extent described above, and nothing in this Amendment shall be deemed to (i) constitute a waiver of compliance by the Borrower with respect to any other term, provision or condition of the Credit Agreement, any other Credit Document or any other instrument or agreement referred to therein or (ii) prejudice any right or remedy that the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement, any other Credit Document or any other instrument or agreement referred to therein. For the avoidance of doubt, none of the Administrative Agent or the Lenders is hereby waiving, or agreeing to waive in the future, any other Default or Event of Default under the Credit Agreement. Nothing herein shall be construed to require the Administrative Agent or the Lenders to grant (or consent to) any future or additional waiver of any event under or in connection with the Credit Agreement or the transactions contemplated thereby.

3. Effectiveness.

This Amendment shall be effective as of the date hereof (the "Effective Date") upon satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent and the Lead Arranger of copies of this Amendment duly executed by the Borrower and the Required Lenders.

(b) The Borrower shall have paid to the Administrative Agent and Lead Arranger, as applicable, all fees and expenses due and payable to the Administrative Agent, the Lenders and the Lead Arranger on the date hereof.

4 Ratification of Credit Agreement. The term "Credit Agreement" as used in each of the Credit Documents shall hereafter mean the Credit Agreement as amended and modified by this Amendment. Except as herein specifically agreed, the Credit Agreement, as amended by this Amendment, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each party hereto acknowledges and consents to the modifications set forth herein and agrees that, other than as explicitly set forth in Sections 1 and 2 above, this Amendment does not impair, reduce or limit any of its obligations under the Credit Documents (including, without limitation, the indemnity obligations set forth therein) and that, after the date hereof, this Amendment shall constitute a Credit Document. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Credit Documents or constitute a waiver of any provision of any of the Credit Documents.

5 Authority/Enforceability. The Borrower represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(b) This Amendment has been duly executed and delivered by the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

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(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by the Borrower of this Amendment, or, if required, any such consent, approval, authorization, order, filing, registration or qualification has been previously obtained or made.

6. Representations and Warranties. The Borrower represents and warrants to the Lenders that (a) the representations and warranties of the Borrower set forth in Section 6 of the Credit Agreement are true and correct in all material respects (except to the extent that any such representation and warranty that is qualified by materiality, Material Adverse Effect or Material Adverse Change shall be true and correct in all respects) as of the date hereof, unless they specifically refer to an earlier date, except that all references in Section 6.7 of the Credit Agreement to December 31, 2017 shall be changed to December 31, 2019 for purposes hereof, (b) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Credit Documents, or to the extent it has any, they are hereby released in consideration of the Lenders party hereto entering into this Amendment

7. No Conflicts. The Borrower represents and warrants that the execution and delivery of this Amendment, the consummation of the transactions contemplated herein and in the Credit Agreement (before and after giving effect to this Amendment), and the performance of and compliance with the terms and provisions hereof by the Borrower will not (a) violate, contravene or conflict with any provision of its articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation (including, without limitation, Regulation U and Regulation X), order, writ, judgment, injunction, decree or permit applicable to the Borrower, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties may be bound, the violation of which would have or would reasonably be expected to have a Material Adverse Effect or (d) result in or require the creation of any Lien upon or with respect to the Borrower's properties.

8. Counterparts/Telecopy. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, including both paper and electronic counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. This Amendment may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper hereof which has been converted into electronic form (such as scanned into PDF format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time

9. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER

**PNM RESOURCES, INC.,**  
a New Mexico corporation

By: /s/ Michael P. Mertz  
Name: Michael P. Mertz  
Title: Vice President and Treasurer

PNM RESOURCES, INC

EIGHTH AMENDMENT

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ADMINISTRATIVE AGENT

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as Administrative Agent, as a Lender and as an L/C Issuer

By. /s/ Gregory R. Gredvig  
Name Gregory R. Gredvig  
Title Director

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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LENDERS:

MUFG UNION BANK, N.A. ,  
as a Lender and an L/C Issuer

By. /s/ Jeffrey P. Fesenmaier

Name: Jeffrey P. Fesenmaier

Title: Managing Director

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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CITIBANK, N.A.,  
as a Lender

By: /s/ Lei Zeng  
Name. Lei Zeng  
Title. Vice President

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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JPMORGAN CHASE BANK, N.A.,  
as a Lender

By: /s/ Nancy R. Barwig  
Name: Nancy R. Barwig  
Title: Executive Director

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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MORGAN STANLEY BANK, N A ,  
as a Lender

By /s/ Julie Hong  
Name. Julie Hong  
Title: Authorized Signatory

PNM RESOURCES, INC.

EIGHTH AMENDMENT



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ROYAL BANK OF CANADA,  
as a Lender

By: /s/ Justin Painter  
Name. Justin Painter  
Title: Authorized Signatory

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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KEYBANK NATIONAL ASSOCIATION,  
as a Lender

By /s/ Kevin D. Smith  
Name: Kevin D. Smith  
Title: Senior Vice President

PNM RESOURCES, INC

EIGHTH AMENDMENT

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BANK OF AMERICA, N.A.,  
as a Lender

By /s/ Scott Blackman  
Name: Scott Blackman  
Title: SVP

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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U.S. BANK, NATIONAL ASSOCIATION,  
as a Lender

By /s/ Joe Horrigan

Name: Joe Horrigan

Title Managing Director

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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THE BANK OF NEW YORK MELLON,  
as a Lender

By /s/ Molly H Ross  
Name: Molly H Ross  
Title: Vice President

PNM RESOURCES, INC.

EIGHTH AMENDMENT

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BOKF, NA d/b/a BANK OF ALBUQUERQUE,  
as a Lender

By. /s/ John Valentine  
Name: John Valentine  
Title: SVP

PNM RESOURCES, INC

EIGHTH AMENDMENT

## EXECUTION VERSION

## SECOND AMENDMENT TO TERM LOAN AGREEMENT

THIS SECOND AMENDMENT TO TERM LOAN AGREEMENT (this "Amendment") is dated as of October 26, 2020, among PNM RESOURCES, INC., a New Mexico corporation (the "Borrower"), the Lenders party hereto and MUFG BANK, LTD., as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent"), with MUFG Bank, Ltd., as the sole bookrunner and lead arranger solely in connection with this Amendment (the "Lead Arranger") Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Loan Agreement (as defined below)

RECITALS

WHEREAS, the Borrower, the Lenders party thereto and the Administrative Agent are parties to that certain Term Loan Agreement, dated as of December 14, 2018 (as amended by a First Amendment to Term Loan Agreement dated December 13, 2019, and as may be further amended or modified from time to time, the "Loan Agreement");

WHEREAS, the Borrower has requested certain modifications to the Loan Agreement as described below; and

WHEREAS, the Administrative Agent and the Lenders party hereto are willing to agree to such modifications and the other provisions contained herein, subject to the terms set forth herein as more fully set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT1. Amendment to Loan Agreement.

(a) The definition of "Change of Control" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows.

*"Change of Control" means the occurrence of any of the following (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all Capital Stock that such person or group has the right to acquire (other than pursuant to the Merger Agreement) (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of twenty-five percent (25%) of the Capital Stock of the Borrower entitled to vote for members of the board of*

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directors or equivalent governing body of the Borrower on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or (b) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

(b) Section 1.1 of the Loan Agreement is hereby amended to insert the following new definition alphabetically therein:

*"Merger Agreement" means that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Borrower, as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent*

(c) Section 8.2 of the Loan Agreement is hereby amended to delete the phrase "enter into any transaction of merger" now appearing in clause (a) thereof and to substitute the following therefor "merge with or into any other Person".

## 2. Merger Agreement; Waivers.

(a) The Borrower has informed the Administrative Agent and the Lenders that (i) the Borrower has entered into that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Borrower (as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent, the "Merger Agreement") and (ii) the entering into of the Merger Agreement is not expressly permitted pursuant to the definition of "Change of Control" or Section 8.2(a) of the Loan Agreement and an Event of Default could be construed to have occurred and be continuing pursuant to Sections 9.1(c) and 9.1(i) of the Loan Agreement (the "Potential Covenant Defaults"). In addition, other Defaults or Events of Default may have occurred and be continuing pursuant to Section 9.1(f)(ii) as a result of any cross-default arising thereunder from the entering into of the Merger Agreement pursuant to the terms of any other Indebtedness (the "Potential Cross Defaults"), and together with the Potential Covenant Defaults, and any other Default or Event of Default which may have occurred solely as a result of the Borrower's entering into the Merger Agreement, the "Potential Specified Defaults").



(b) The Borrower has requested that the Administrative Agent and the Lenders waive each of the Potential Specified Defaults pursuant to Section 11.6 of the Loan Agreement. Effective as of the Effective Date (as defined below), and subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Administrative Agent and the Lenders hereby agree to (i) waive each of the Potential Specified Defaults and (ii) waive any interest or fees that may have accrued at the post-Default rate pursuant to Section 3.1(b) of the Loan Agreement prior to the date hereof solely in connection with each of the Potential Specified Defaults.

(c) The Borrower acknowledges and agrees that the closing of the transactions described in the Merger Agreement shall constitute a "Change of Control" under the Loan Agreement and shall be prohibited pursuant to the terms of Section 8.2(a) of the Loan Agreement, as amended by this Amendment, and nothing contained in this Section 2 or elsewhere in this Amendment is intended to waive or limit or should be construed as waiving or limiting the Lenders' rights and remedies relating to any Default or Event of Default resulting therefrom.

(d) The waivers set forth above shall be limited precisely as written and relate solely to the Potential Specified Defaults in the manner and to the extent described above, and nothing in this Amendment shall be deemed to (i) constitute a waiver of compliance by the Borrower with respect to any other term, provision or condition of the Loan Agreement, any other Loan Document or any other instrument or agreement referred to therein or (ii) prejudice any right or remedy that the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Loan Agreement, any other Loan Document or any other instrument or agreement referred to therein. For the avoidance of doubt, none of the Administrative Agent or the Lenders is hereby waiving, or agreeing to waive in the future, any other Default or Event of Default under the Loan Agreement. Nothing herein shall be construed to require the Administrative Agent or the Lenders to grant (or consent to) any future or additional waiver of any event under or in connection with the Loan Agreement or the transactions contemplated thereby.

3. Effectiveness This Amendment shall be effective as of the date hereof (the "Effective Date"); provided that on or before such date the Administrative Agent and the Lead Arranger shall have received

- (a) copies of this Amendment duly executed by the Borrower, the Administrative Agent and the Required Lenders; and
- (b) payment of the fees and expenses of counsel for the Administrative Agent and Lead Arranger in connection with this Amendment.

4. Ratification of Loan Agreement. The term "Loan Agreement" as used in each of the Loan Documents shall hereafter mean the Loan Agreement as amended and modified by this Amendment and as amended and modified from time to time hereafter. Except as herein specifically agreed, the Loan Agreement, as amended by this Amendment, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each party hereto acknowledges and consents to the modifications set forth herein and agrees that, other than as explicitly set forth in Sections 1 and 2 above, this Amendment does not impair, reduce or limit any of its obligations under the Loan Documents (including, without limitation, the indemnity obligations set forth therein) and that, after the date hereof, this Amendment shall constitute a Loan Document.

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5. Authority/Enforceability. The Borrower represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment

(b) This Amendment has been duly executed and delivered by the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws or similar laws affecting creditors' rights generally or by general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance by the Borrower of this Amendment that has not been obtained or completed.

6. Representations and Warranties. The Borrower represents and warrants to the Administrative Agent and the Lenders that (a) the representations and warranties of the Borrower set forth in Section 6 of the Loan Agreement, as amended by this Amendment, are true and correct in all material respects (except to the extent that any such representation and warranty that is qualified by materiality, Material Adverse Effect or Material Adverse Change shall be true and correct in all respects) as of the date hereof, unless they specifically refer to an earlier date, except that all references in Section 6.7 of the Loan Agreement to December 31, 2017 shall be changed to December 31, 2019 for purposes hereof, (b) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Loan Documents, or to the extent it has any, they are hereby released in consideration of the Administrative Agent and the Lenders party hereto entering into this Amendment

7 No Conflicts. The Borrower represents and warrants that the execution and delivery of this Amendment, the consummation of the transactions contemplated herein and in the Loan Agreement (before and after giving effect to this Amendment), and the performance of and compliance with the terms and provisions hereof by the Borrower will not (a) violate, contravene or conflict with any provision of its articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation (including, without limitation, Regulation U and Regulation X), order, writ, judgment, injunction, decree or permit applicable to the Borrower, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties may be bound, the violation of which would have or would be reasonably expected to have a Material Adverse Effect or (d) result in or require the creation of any Lien upon or with respect to the Borrower's properties.

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8. Counterparts/Telecopy. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, including both paper and electronic counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. This Amendment may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper hereof which has been converted into electronic form (such as scanned into PDF format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time.

9. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

**BORROWER:**

**PNM RESOURCES, INC.,**  
a New Mexico corporation

By. /s/ Michael P. Mertz  
Name: Michael P. Mertz  
Title: Vice President and Treasurer

*Signature Page to Second Amendment to Term Loan Agreement*

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**LENDERS:**

**MUFG BANK, LTD.,**

individually in its capacity as a Lender and in its capacity  
as Administrative Agent

By: /s/ Jeffrey P. Fesenmaier

Name: Jeffrey P. Fesenmaier

Title: Managing Director

*Signature Page to Second Amendment to Term Loan Agreement*

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**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as a Lender

By: /s/ Gregory R. Gredvig  
Name Gregory R. Gredvig  
Title Director

*Signature Page to Second Amendment to Term Loan Agreement*

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**THE BANK OF NEW YORK MELLON,**  
as a Lender

By /s/ Molly H. Ross  
Name: Molly H. Ross  
Title: Vice President

*Signature Page to Second Amendment to Term Loan Agreement*

## EXECUTION VERSION

## FIRST AMENDMENT TO TERM LOAN AGREEMENT

THIS FIRST AMENDMENT TO TERM LOAN AGREEMENT (this "Amendment") is dated as of October 26, 2020, between PNM RESOURCES, INC., a New Mexico corporation (the "Borrower") and BANK OF AMERICA, N. A. (the "Lender") Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Loan Agreement (as defined below)

RECITALS

WHEREAS, the Borrower and the Lender are parties to that certain Term Loan Agreement, dated as of December 21, 2018 (as amended or modified from time to time, the "Loan Agreement");

WHEREAS, the Borrower has requested certain modifications to the Loan Agreement as described below; and

WHEREAS, the Lender is willing to agree to such modifications and the other provisions contained herein, subject to the terms set forth herein as more fully set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

AGREEMENT1. Amendment to Loan Agreement.

(a) The definition of "Change of Control" in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety to read as follows

*"Change of Control" means the occurrence of any of the following (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group shall be deemed to have "beneficial ownership" of all Capital Stock that such person or group has the right to acquire (other than pursuant to the Merger Agreement) (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of twenty-five percent (25%) of the Capital Stock of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), or (b) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of*



the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body

(b) Section 1.1 of the Loan Agreement is hereby amended to insert the following new definition alphabetically therein:

*“Merger Agreement” means that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Borrower, as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent*

(c) Section 8.2 of the Loan Agreement is hereby amended to delete the phrase “enter into any transaction of merger” now appearing in clause (a) thereof and to substitute the following therefor “merge with or into any other Person”.

## 2. Merger Agreement; Waivers.

(a) The Borrower has informed the Lender that (i) the Borrower has entered into that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Borrower (as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lender in its capacity as such, the “Merger Agreement”) and (ii) the entering into of the Merger Agreement is not expressly permitted pursuant to the definition of “Change of Control” or Section 8.2(a) of the Loan Agreement and an Event of Default could be construed to have occurred and be continuing pursuant to Sections 9.1(c) and 9.1(i) of the Loan Agreement, (the “Potential Covenant Defaults”). In addition, other Defaults or Events of Default may have occurred and be continuing pursuant to Section 9.1(f)(ii) as a result of any cross-default arising thereunder from the entering into of the Merger Agreement pursuant to the terms of any other Indebtedness (the “Potential Cross Defaults”; and together with the Potential Covenant Defaults, and any other Default or Event of Default which may have occurred solely as a result of the Borrower’s entering into the Merger Agreement, the “Potential Specified Defaults”)

(b) The Borrower has requested that the Lender waives each of the Potential Specified Defaults pursuant to Section 11.6 of the Loan Agreement. Effective as of the Effective Date (as defined below), and subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Lender hereby agrees to (i) waive each of the Potential Specified Defaults and (ii) waive any interest or fees that may have accrued at the post-Default rate pursuant to Section 3.1(b) of the Loan Agreement prior to the date hereof solely in connection with each of the Potential Specified Defaults

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(c) The Borrower acknowledges and agrees that the closing of the transactions described in the Merger Agreement shall constitute a "Change of Control" under the Loan Agreement and shall be prohibited pursuant to the terms of Section 8.2(a) of the Loan Agreement, as amended by this Amendment, and nothing contained in this Section 2 or elsewhere in this Amendment is intended to waive or limit or should be construed as waiving or limiting the Lender's rights and remedies relating to any Default or Event of Default resulting therefrom

(d) The waivers set forth above shall be limited precisely as written and relate solely to the Potential Specified Defaults in the manner and to the extent described above, and nothing in this Amendment shall be deemed to (i) constitute a waiver of compliance by the Borrower with respect to any other term, provision or condition of the Loan Agreement, any other Loan Document or any other instrument or agreement referred to therein or (ii) prejudice any right or remedy that the Lender may now have or may have in the future under or in connection with the Loan Agreement, any other Loan Document or any other instrument or agreement referred to therein. For the avoidance of doubt, the Lender is not hereby waiving, or agreeing to waive in the future, any other Default or Event of Default under the Loan Agreement. Nothing herein shall be construed to require the Lender to grant (or consent to) any future or additional waiver of any event under or in connection with the Loan Agreement or the transactions contemplated thereby

3. Effectiveness. This Amendment shall be effective as of the date hereof (the "Effective Date"); provided that on or before such date the Lender shall have received

- (a) copies of this Amendment duly executed by the Borrower and the Lender; and
- (b) payment of the fees and expenses of counsel for the Lender in connection with this Amendment.

4. Ratification of Loan Agreement. The term "Loan Agreement" as used in each of the Loan Documents shall hereafter mean the Loan Agreement as amended and modified by this Amendment and as amended and modified from time to time hereafter. Except as herein specifically agreed, the Loan Agreement, as amended by this Amendment, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each party hereto acknowledges and consents to the modifications set forth herein and agrees that, other than as explicitly set forth in Sections 1 and 2 above, this Amendment does not impair, reduce or limit any of its obligations under the Loan Documents (including, without limitation, the indemnity obligations set forth therein) and that, after the date hereof, this Amendment shall constitute a Loan Document.

5. Authority/Enforceability. The Borrower represents and warrants as follows

- (a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment
- (b) This Amendment has been duly executed and delivered by the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws or similar laws affecting creditors' rights generally or by general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity)

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance by the Borrower of this Amendment that has not been obtained or completed

6. Representations and Warranties. The Borrower represents and warrants to the Lender that (a) the representations and warranties of the Borrower set forth in Section 6 of the Loan Agreement, as amended by this Amendment, are true and correct in all material respects (except to the extent that any such representation and warranty that is qualified by materiality, Material Adverse Effect or Material Adverse Change shall be true and correct in all respects) as of the date hereof, unless they specifically refer to an earlier date, except that all references in Section 6 7 of the Loan Agreement to December 31, 2017 shall be changed to December 31, 2019 for purposes hereof, (b) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Loan Documents, or to the extent it has any, they are hereby released in consideration of the Lender entering into this Amendment.

7. No Conflicts. The Borrower represents and warrants that the execution and delivery of this Amendment, the consummation of the transactions contemplated herein and in the Loan Agreement (before and after giving effect to this Amendment), and the performance of and compliance with the terms and provisions hereof by the Borrower will not (a) violate, contravene or conflict with any provision of its articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation (including, without limitation, Regulation U and Regulation X), order, writ, judgment, injunction, decree or permit applicable to the Borrower, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties may be bound, the violation of which would have or would be reasonably expected to have a Material Adverse Effect or (d) result in or require the creation of any Lien upon or with respect to the Borrower's properties.

8. Counterparts/Telecopy. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, including both paper and electronic counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. This Amendment may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper hereof which has been converted into electronic form (such as scanned into PDF format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time.

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9 GOVERNING LAW THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

**PNM RESOURCES, INC.,**  
a New Mexico corporation

By. /s/ Michael P. Mertz  
Name: Michael P. Mertz  
Title: Vice President and Treasurer

*Signature Page to First Amendment to Term Loan Agreement*

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LENDER:

**BANK OF AMERICA, N. A.**

By. /s/ Scott Blackman

Name. Scott Blackman

Title SVP

*Signature Page to First Amendment to Term Loan Agreement*

## EXECUTION VERSION

## WAIVER AGREEMENT

THIS WAIVER AGREEMENT (this “Waiver”) is entered into as of October 26, 2020, between PNM RESOURCES, INC., a New Mexico corporation (“Applicant”) and WELLS FARGO BANK, NATIONAL ASSOCIATION (“Bank”) Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Standby Letter of Credit Agreement (as defined below).

RECITALS

WHEREAS, Applicant and Bank are parties to that certain Standby Letter of Credit Agreement (Standard Version) dated as of August 21, 2020 (as previously amended and as further amended or modified from time to time, the “Standby Letter of Credit Agreement”);

WHEREAS, Applicant has entered into the Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and Applicant (as amended, restated or otherwise modified from time to time, the “Merger Agreement”), which constitutes a “Change of Control” and therefore an Event of Default under Section 7(h) of the Standby Letter of Credit Agreement (the “Specified Event of Default”),

WHEREAS, Applicant has requested that Bank waive the Specified Event of Default, and

WHEREAS, Bank is willing to provide such a waiver, subject to the terms set forth herein as more fully set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1 Waiver of Specified Event of Default. Effective as of the date first written above and subject to the conditions set forth in Section 2 below, Bank hereby waives the Specified Event of Default and any other default under the Standby Letter of Credit Agreement or Event of Default resulting from Applicant’s entering into the Merger Agreement or the Change of Control resulting therefrom.

2 Effectiveness. This Waiver shall be effective on the date of receipt by Bank of (i) copies of this Waiver duly executed by Applicant and Bank and (ii) Bank’s fees and expenses (including reasonable fees and expenses of counsel for Bank) due and payable in connection with this Waiver

3 Ratification of Standby Letter of Credit Agreement. The term “Agreement” as used in the Standby Letter of Credit Agreement shall hereafter mean the Standby Letter of Credit Agreement, as amended and modified by this Waiver and as amended and modified from time to time hereafter. Except as herein specifically agreed, the Standby Letter of Credit Agreement as amended by this Waiver, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each party hereto acknowledges and consents to the waiver set forth herein and agrees that, other than as explicitly set forth in Section 1 above, this Waiver does not impair, reduce or limit any of its obligations under the Standby

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Letter of Credit Agreement (including, without limitation, the indemnity obligations set forth therein). The execution, delivery and effectiveness of this Waiver shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Bank under the Standby Letter of Credit Agreement or constitute a waiver of any provision of the Standby Letter of Credit Agreement

4. Authority/Enforceability. Applicant represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Waiver.

(b) This Waiver has been duly executed and delivered by Applicant and constitutes Applicant's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by Applicant of this Waiver, or, if required, any such consent, approval, authorization, order, filing, registration or qualification has been previously obtained or made.

5. Representations and Warranties Applicant represents and warrants to Bank that (a) the representations and warranties of Applicant set forth in the Standby Letter of Credit Agreement, as amended by this Waiver, are true and correct in all material respects (except to the extent that any representation and warranty that is qualified by materiality, Material Adverse Effect or Material Adverse Change shall be true and correct in all respects) as of the date hereof, unless they specifically refer to an earlier date, (b) after giving effect to this Waiver, no event has occurred and is continuing which constitutes a default under the Standby Letter of Credit Agreement or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Standby Letter of Credit Agreement, or to the extent it has any, they are hereby released in consideration of Bank entering into this Waiver

6. No Conflicts Applicant represents and warrants that the execution and delivery of this Waiver, the consummation of the transactions contemplated herein and in the Standby Letter of Credit Agreement (before and after giving effect to this Waiver), and the performance of and compliance with the terms and provisions hereof by Applicant will not (a) violate, contravene or conflict with any provision of its articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation (including, without limitation, Regulation U and Regulation X), order, writ, judgment, injunction, decree or permit applicable to Applicant, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which Applicant is a party or by which it or its properties may be bound, the violation of which would have or would be reasonably expected to have a material adverse effect on Applicant or (d) result in or require the creation of any lien upon or with respect to Applicant's properties.

7. Counterparts/Telecopy. This Waiver may be executed by one or more of the parties hereto on any number of separate counterparts, including both paper and electronic counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. This Waiver may be executed using Electronic Signatures (including, without limitation, facsimile and pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper



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record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by Bank of a manually signed paper hereof which has been converted into electronic form (such as scanned into PDF format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time.

8 GOVERNING LAW. THIS WAIVER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK

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Each of the parties hereto has caused a counterpart of this Waiver to be duly executed and delivered as of the date first above written

**APPLICANT:**

**PNM RESOURCES, INC.,**  
a New Mexico corporation

By: /s/ Michael P. Mertz  
Name: Michael P. Mertz  
Title: Vice President and Treasurer

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**BANK:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By: /s/ Gregory R. Gredvig  
Name: Gregory R. Gredvig  
Title: Director

## EXECUTION VERSION

## SECOND AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into as of October 26, 2020, among TEXAS-NEW MEXICO POWER COMPANY, a Texas corporation (the "Borrower"), the Lenders party hereto and KEYBANK, NATIONAL ASSOCIATION, as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent"), with MUFG Bank, Ltd., as the sole bookrunner and lead arranger solely in connection with this Amendment (the "Lead Arranger") Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Lenders party thereto and the Administrative Agent are parties to that certain Third Amended and Restated Credit Agreement, dated as of September 25, 2017 (as amended by a First Amendment to Third Amended and Restated Credit Agreement dated April 19, 2019, and as further amended or modified from time to time, the "Credit Agreement"),

WHEREAS, the Borrower has requested certain modifications to the Credit Agreement as described below; and

WHEREAS, the Administrative Agent and the Lenders party hereto are willing to agree to such modifications and the other provisions contained herein, subject to the terms set forth herein as more fully set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1 Amendment to Credit Agreement. Effective as of the date first written above and subject to the conditions set forth in Section 3 below, the Credit Agreement is hereby amended as follows:

(a) The definition of "Change of Control" in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

*"Change of Control" means the occurrence of any of the following: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all Capital Stock that such person or group has the right to acquire (other than pursuant to the Merger Agreement) (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of twenty-five*

percent (25%) of the Capital Stock of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), (b) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (c) the Parent shall cease to own, directly or indirectly, and free and clear of all Liens or other encumbrances (other than any Lien in favor of the lenders under any Material Credit Agreement securing Indebtedness thereunder), at least 100% of the outstanding Voting Stock of the Borrower on a fully diluted basis

(b) Section 1.1 of the Credit Agreement is hereby amended to insert the following new definition alphabetically therein:

*“Merger Agreement” means that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Parent, as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent*

(a) Section 8.2 of the Credit Agreement is hereby amended to delete the phrase “enter into any transaction of merger” now appearing in clause (a) thereof and to substitute the following therefor: “merge with or into any other Person”.

## 2. Parent Merger Agreement; Waivers

(a) The Borrower has informed the Administrative Agent and the Lenders that (i) the Parent has entered into that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Parent (as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent, the “Merger Agreement”), and (ii) the entering into of the Merger Agreement is not expressly permitted pursuant to the definition of “Change of Control” or Section 8.2(a) of the Credit Agreement and an Event of Default could be construed to have occurred and be continuing pursuant to Sections 9.1(c) and 9.1(i) of the Credit Agreement (the “Potential Covenant Defaults”). In addition, other Defaults or Events of Default may have occurred and be continuing pursuant to Section 9.1(f)(ii) as a result of any cross-default arising thereunder from the entering into of the Merger Agreement pursuant to the terms of any other Indebtedness (the “Potential Cross Defaults”; and together with the Potential Covenant Defaults, and any other Default or Event of Default which may have occurred solely as a result of the Parent's entering into the Merger Agreement, the “Potential Specified Defaults”).

(b) The Borrower has requested that the Administrative Agent and the Lenders waive each of the Potential Specified Defaults pursuant to Section 11.6 of the Credit Agreement Effective as of the Effective Date (as defined below), and subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Administrative Agent and the Lenders hereby agree to (i) waive each of the Potential Specified Defaults and (ii) waive any interest or fees that may have accrued at the post-Default rate pursuant to Section 3.1(b) of the Credit Agreement prior to the date hereof solely in connection with each of the Potential Specified Defaults.

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(c) The Borrower acknowledges and agrees that the closing of the transactions described in the Merger Agreement shall constitute a "Change of Control" under the Credit Agreement and shall be prohibited pursuant to the terms of Section 8.2(a) of the Credit Agreement, as amended by this Amendment, and nothing contained in this Section 2 or elsewhere in this Amendment is intended to waive or limit or should be construed as waiving or limiting the Lenders' rights and remedies relating to any Default or Event of Default resulting therefrom.

(d) The waivers set forth above shall be limited precisely as written and relate solely to the Potential Specified Defaults in the manner and to the extent described above, and nothing in this Amendment shall be deemed to (i) constitute a waiver of compliance by the Borrower with respect to any other term, provision or condition of the Credit Agreement, any other Credit Document or any other instrument or agreement referred to therein or (ii) prejudice any right or remedy that the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement, any other Credit Document or any other instrument or agreement referred to therein. For the avoidance of doubt, none of the Administrative Agent or the Lenders is hereby waiving, or agreeing to waive in the future, any other Default or Event of Default under the Credit Agreement. Nothing herein shall be construed to require the Administrative Agent or the Lenders to grant (or consent to) any future or additional waiver of any event under or in connection with the Credit Agreement or the transactions contemplated thereby.

3. Effectiveness. This Amendment shall be effective on the date of receipt by the Administrative Agent and the Lead Arranger of (i) copies of this Amendment duly executed by the Borrower, the Administrative Agent and the Required Lenders and (ii) the Administrative Agent's and Lead Arranger's and their affiliates' fees and expenses (including fees and expenses of counsel for the Administrative Agent and the Lead Arranger) in connection with this Amendment (such date, the "Effective Date").

4. Ratification of Credit Agreement. The term "Credit Agreement" as used in each of the Credit Documents shall hereafter mean the Credit Agreement as amended and modified by this Amendment and as amended and modified from time to time hereafter. Except as herein specifically agreed, the Credit Agreement, as amended by this Amendment, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each party hereto acknowledges and consents to the modifications set forth herein and agrees that, other than as explicitly set forth in Sections 1 and 2 above, this Amendment does not impair, reduce or limit any of its obligations under the Credit Documents (including, without limitation, the indemnity obligations set forth therein) and that, after the date hereof, this Amendment shall constitute a Credit Document.

5. Authority/Enforceability. The Borrower represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(b) This Amendment has been duly executed and delivered by the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by the Borrower of this Amendment.

6. Representations and Warranties The Borrower represents and warrants to the Lenders that (a) the representations and warranties of the Borrower set forth in Section 6 of the Credit Agreement are true and correct in all material respects (except to the extent that any such representation and warranty that is qualified by materiality, Material Adverse Effect or Material Adverse Change shall be true and correct in all respects) as of the date hereof, unless they specifically refer to an earlier date, except that all references in Section 6.7 of the Credit Agreement to December 31, 2016 shall be changed to December 31, 2019 for purposes hereof, (b) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Credit Documents, or to the extent it has any, they are hereby released in consideration of the Lenders party hereto entering into this Amendment.

7. No Conflicts. The Borrower represents and warrants that the execution and delivery of this Amendment, the consummation of the transactions contemplated herein and in the Credit Agreement (before and after giving effect to this Amendment), and the performance of and compliance with the terms and provisions hereof by the Borrower will not (a) violate, contravene or conflict with any provision of its articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation (including, without limitation, Regulation U and Regulation X), order, writ, judgment, injunction, decree or permit applicable to the Borrower, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties may be bound, the violation of which would have or would be reasonably expected to have a Material Adverse Effect or (d) result in or require the creation of any Lien upon or with respect to the Borrower's properties (except the Lien of the FMB Mortgage Documents in favor of the First Mortgage Bond Trustee).

8. Counterparts/Telecopy This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, including both paper and electronic counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. This Amendment may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper hereof which has been converted into electronic form (such as scanned into PDF format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time.

9. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER.

**TEXAS-NEW MEXICO POWER COMPANY,**  
a Texas corporation

By. /s/ Michael P. Mertz  
Name: Michael P. Mertz  
Title: Vice President and Treasurer



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ADMINISTRATIVE AGENT:

**KEYBANK, NATIONAL ASSOCIATION,**  
as Administrative Agent and as a Lender

By: /s/ Kevin D. Smith  
Name Kevin D. Smith  
Title Senior Vice President

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LENDERS:

**JPMORGAN CHASE BANK, N.A.,**  
as a Lender

By: /s/ Nancy R. Barwig

Name: Nancy R Barwig

Title: Executive Director

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**MUFG UNION BANK, N.A.,**  
as a Lender

By: /s/ Jeffrey P. Fesenmaier  
Name: Jeffrey P. Fesenmaier  
Title: Managing Director

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**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as a Lender

By: /s/ Gregory R. Gredvig

Name: Gregory R. Gredvig

Title: Director

## EXECUTION VERSION

## WAIVER AGREEMENT

THIS WAIVER AGREEMENT (this "Waiver") is entered into as of October 26, 2020, between PNMR DEVELOPMENT AND MANAGEMENT CORPORATION, a New Mexico corporation (the "Borrower") and WELLS FARGO BANK, NATIONAL ASSOCIATION (the "Lender") Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower and the Lender are parties to that certain 364-Day Credit Agreement dated as of February 26, 2018 (as previously amended and as further amended or modified from time to time, the "Credit Agreement"),

WHEREAS, the Guarantor has entered into the Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Guarantor (as amended, restated or otherwise modified from time to time, the "Merger Agreement"), which constitutes a "Change of Control" under the PNM Resources Credit Agreement, and the resulting event of default under the PNM Resources Credit Agreement has been waived by the administrative agent and required lenders under the PNM Resources Credit Agreement,

WHEREAS, the Change of Control and resulting event of default under the PNM Resources Credit Agreement constitute an Event of Default under Section 9.1(c) of the Credit Agreement (the "Cross Default"), and the Borrower has requested that the Lender waive the Cross Default; and

WHEREAS, the Lender is willing to provide such a waiver, subject to the terms set forth herein as more fully set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

AGREEMENT

1. Waiver of Cross Default Effective as of the date first written above and subject to the conditions set forth in Section 2 below, the Lender hereby waives the Cross Default and any other Default or Event of Default resulting from the Guarantor's entering into the Merger Agreement or the Change of Control resulting therefrom.

2. Effectiveness. This Waiver shall be effective on the date of receipt by the Lender of (i) copies of this Waiver duly executed by the Borrower and the Lender and (ii) the Lender's fees and expenses (including reasonable fees and expenses of counsel for the Lender) due and payable in connection with this Waiver.

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3 Ratification of Credit Agreement The term "Credit Agreement" as used in each of the Credit Documents shall hereafter mean the Credit Agreement as amended and modified by this Waiver and as amended and modified from time to time hereafter. Except as herein specifically agreed, the Credit Agreement, as amended by this Waiver, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each party hereto acknowledges and consents to the waiver set forth herein and agrees that, other than as explicitly set forth in Section 1 above, this Waiver does not impair, reduce or limit any of its obligations under the Credit Documents (including, without limitation, the indemnity obligations set forth therein) and that, after the date hereof, this Waiver shall constitute a Credit Document. The execution, delivery and effectiveness of this Waiver shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lender under any of the Credit Documents or constitute a waiver of any provision of any of the Credit Documents.

4 Authority/Enforceability The Borrower represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Waiver.

(b) This Waiver has been duly executed and delivered by the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by the Borrower of this Waiver, or, if required, any such consent, approval, authorization, order, filing, registration or qualification has been previously obtained or made.

5 Representations and Warranties The Borrower represents and warrants to the Lender that (a) the representations and warranties of the Borrower set forth in any Credit Document (other than the representations and warranties incorporated from Section 6.7(a) of the PNM Resources Credit Agreement (but only with respect to clause (a) of the definition of Material Adverse Effect) and Section 6.9 of the PNM Resources Credit Agreement), as amended by this Waiver, are true and correct in all material respects (except to the extent that any representation and warranty that is qualified by materiality, Material Adverse Effect or Material Adverse Change shall be true and correct in all respects) as of the date hereof, unless they specifically refer to an earlier date, (b) after giving effect to this Waiver, no event has occurred and is continuing which constitutes a Default or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Credit Documents, or to the extent it has any, they are hereby released in consideration of the Lender entering into this Waiver.

6. No Conflicts The Borrower represents and warrants that the execution and delivery of this Waiver, the consummation of the transactions contemplated herein and in the Credit Agreement (before and after giving effect to this Waiver), and the performance of and compliance with the terms and provisions hereof by the Borrower will not (a) violate, contravene or conflict with any provision of its articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation (including, without limitation, Regulation U and Regulation X), order, writ, judgment, injunction, decree or permit applicable to the Borrower, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties may be bound, the violation of which would have or would be reasonably expected to have a Material Adverse Effect or (d) result in or require the creation of any Lien upon or with respect to the Borrower's properties.

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7. Acknowledgement of the Guarantor The Guarantor hereby acknowledges and agrees to the terms of this Waiver.

8. Counterparts/Telecopy This Waiver may be executed by one or more of the parties hereto on any number of separate counterparts, including both paper and electronic counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. This Waiver may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Lender of a manually signed paper hereof which has been converted into electronic form (such as scanned into PDF format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time.

9. GOVERNING LAW. THIS WAIVER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

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Each of the parties hereto has caused a counterpart of this Waiver to be duly executed and delivered as of the date first above written

**BORROWER.**

**PNMR DEVELOPMENT AND MANAGEMENT  
CORPORATION,**

a New Mexico corporation

By /s/ Joseph D. Tarry  
Name. Joseph D. Tarry  
Title President and Chief Executive Officer

**GUARANTOR.**

**PNM RESOURCES, INC.,**

a New Mexico corporation

By: /s/ Michael P. Mertz  
Name Michael P. Mertz  
Title Vice President and Treasurer



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**LENDER:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**

By. /s/ Gregory R. Gredvig  
Name. Gregory R. Gredvig  
Title Director

## EXECUTION VERSION

## FIRST AMENDMENT TO TERM LOAN CREDIT AGREEMENT

THIS FIRST AMENDMENT TO TERM LOAN CREDIT AGREEMENT (this "Amendment") is entered into as of October 26, 2020, among PNM DEVELOPMENT AND MANAGEMENT CORPORATION, a New Mexico corporation (the "Borrower"), the Lender party hereto and KEYBANK, NATIONAL ASSOCIATION, as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Lender party thereto and the Administrative Agent are parties to that certain Term Loan Credit Agreement, dated as of November 26, 2018 (as amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested a modification to the Credit Agreement as described below; and

WHEREAS, the Administrative Agent and the Lender party hereto are willing to agree to such modification and the other provisions contained herein, subject to the terms set forth herein as more fully set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Amendment to Credit Agreement Effective as of the date first written above and subject to the conditions set forth in Section 3 below, the Credit Agreement is hereby amended as follows:

(a) The definition of "Change of Control" in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

*"Change of Control" means the occurrence of any of the following (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all Capital Stock that such person or group has the right to acquire (other than pursuant to the Merger Agreement) (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of twenty-five percent (25%) of the Capital Stock of the Parent Guarantor entitled to vote for members of the*

board of directors or equivalent governing body of the Parent Guarantor on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), (b) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent Guarantor cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body, or (c) the Parent Guarantor shall cease to own, directly or indirectly, and free and clear of all Liens or other encumbrances, at least 100% of the outstanding Voting Stock of the Borrower on a fully diluted basis

(b) Section 1.1 of the Credit Agreement is hereby amended to insert the following new definition alphabetically therein

*“Merger Agreement” means that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Parent Guarantor, as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent*

(c) Section 8.2 of the Credit Agreement is hereby amended to delete the phrase “enter into any transaction of merger” now appearing in clause (a) thereof and to substitute the following therefor “merge with or into any other Person”.

## 2. Parent Guarantor Merger Agreement, Waivers.

(a) The Borrower has informed the Administrative Agent and the Lender that (i) the Parent Guarantor has entered into that certain Agreement and Plan of Merger dated October 20, 2020, among Avangrid, Inc., NM Green Holdings, Inc. and the Parent Guarantor (as amended, restated or otherwise modified from time to time, but without giving effect to any amendment, waiver or consent that is materially adverse to the interests of the Lenders in their respective capacities as such without the consent of the Administrative Agent, the “Merger Agreement”) and (ii) the entering into of the Merger Agreement is not expressly permitted pursuant to the definition of “Change of Control” or Section 8.2(a) of the Credit Agreement and an Event of Default could be construed to have occurred and be continuing pursuant to Sections 9.1(c) and 9.1(i) of the Credit Agreement (the “Potential Covenant Defaults”). In addition, other Defaults or Events of Default may have occurred and be continuing pursuant to Section 9.1(f)(ii) as a result of any cross-default arising thereunder from the entering into of the Merger Agreement pursuant to the terms of any other Indebtedness (the “Potential Cross Defaults”, and together with the Potential Covenant Defaults, and any other Default or Event of Default which may have occurred solely as a result of the Parent Guarantor's entering into the Merger Agreement, the “Potential Specified Defaults”)

(b) The Borrower has requested that the Administrative Agent and the Lender waive each of the Potential Specified Defaults pursuant to Section 11.6 of the Credit Agreement. Effective as of the Effective Date (as defined below), and subject to the satisfaction of the conditions precedent set forth in Section 3 below, the Administrative Agent and the Lender hereby agree to (i) waive each of the Potential Specified Defaults and (ii) waive any interest or fees that may have accrued at the post-Default rate pursuant to Section 3.1(b) of the Credit Agreement prior to the date hereof solely in connection with each of the Potential Specified Defaults.

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(c) The Borrower acknowledges and agrees that the closing of the transactions described in the Merger Agreement shall constitute a "Change of Control" under the Credit Agreement and shall be prohibited pursuant to the terms of Section 8.2(a) of the Credit Agreement, as amended by this Amendment, and nothing contained in this Section 2 or elsewhere in this Amendment is intended to waive or limit or should be construed as waiving or limiting the Lender's rights and remedies relating to any Default or Event of Default resulting therefrom.

(d) The waivers set forth above shall be limited precisely as written and relate solely to the Potential Specified Defaults in the manner and to the extent described above, and nothing in this Amendment shall be deemed to (i) constitute a waiver of compliance by the Borrower with respect to any other term, provision or condition of the Credit Agreement, any other Credit Document or any other instrument or agreement referred to therein or (ii) prejudice any right or remedy that the Administrative Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement, any other Credit Document or any other instrument or agreement referred to therein. For the avoidance of doubt, none of the Administrative Agent or the Lenders is hereby waiving, or agreeing to waive in the future, any other Default or Event of Default under the Credit Agreement. Nothing herein shall be construed to require the Administrative Agent or the Lenders to grant (or consent to) any future or additional waiver of any event under or in connection with the Credit Agreement or the transactions contemplated thereby.

3. Effectiveness. This Amendment shall be effective on the date (the "Effective Date") of receipt by the Administrative Agent of (i) copies of this Amendment duly executed by the Borrower, the Administrative Agent and the Required Lenders and (ii) the Administrative Agent's and its affiliates' fees and expenses (including reasonable fees and expenses of counsel for the Administrative Agent) due and payable in connection with this Amendment.

4. Ratification of Credit Agreement. The term "Credit Agreement" as used in each of the Credit Documents shall hereafter mean the Credit Agreement as amended and modified by this Amendment and as amended and modified from time to time hereafter. Except as herein specifically agreed, the Credit Agreement, as amended by this Amendment, is hereby ratified and confirmed and shall remain in full force and effect according to its terms. Each party hereto acknowledges and consents to the modifications set forth herein and agrees that, other than as explicitly set forth in Sections 1 and 2 above, this Amendment does not impair, reduce or limit any of its obligations under the Credit Documents (including, without limitation, the indemnity obligations set forth therein) and that, after the date hereof, this Amendment shall constitute a Credit Document.

5. Authority/Enforceability. The Borrower represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(b) This Amendment has been duly executed and delivered by the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

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(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by the Borrower of this Amendment.

6. Representations and Warranties. The Borrower represents and warrants to the Lenders that (a) the representations and warranties of the Borrower set forth in Section 6 of the Credit Agreement are true and correct in all material respects (except to the extent that any such representation and warranty that is qualified by materiality, Material Adverse Effect or Material Adverse Change shall be true and correct in all respects) as of the date hereof, unless they specifically refer to an earlier date, except that all references in Section 6.7 of the Credit Agreement to December 31, 2017 shall be changed to December 31, 2019 for purposes hereof, (b) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default, and (c) it has no claims, counterclaims, offsets, credits or defenses to its obligations under the Credit Documents, or to the extent it has any, they are hereby released in consideration of the Lender party hereto entering into this Amendment

7. No Conflicts. The Borrower represents and warrants that the execution and delivery of this Amendment, the consummation of the transactions contemplated herein and in the Credit Agreement (before and after giving effect to this Amendment), and the performance of and compliance with the terms and provisions hereof by the Borrower will not (a) violate, contravene or conflict with any provision of its articles or certificate of incorporation, bylaws or other organizational or governing document, (b) violate, contravene or conflict with any law, rule, regulation (including, without limitation, Regulation U and Regulation X), order, writ, judgment, injunction, decree or permit applicable to the Borrower, (c) violate, contravene or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, deed of trust, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties may be bound, the violation of which would have or would be reasonably expected to have a Material Adverse Effect or (d) result in or require the creation of any Lien upon or with respect to the Borrower's properties.

8. Acknowledgement of the Parent Guarantor. The Parent Guarantor hereby acknowledges and agrees to the terms of this Amendment

9. Counterparts/Telecopy. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, including both paper and electronic counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile or PDF shall have the same force and effect as manual signatures delivered in person. This Amendment may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed paper hereof which has been converted into electronic form (such as scanned into PDF format), or an electronically signed communication converted into another format, for transmission, delivery and/or retention. For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time.

10. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK

[remainder of page intentionally left blank]

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Each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

**BORROWER:**

**PNMR DEVELOPMENT AND MANAGEMENT  
CORPORATION,**

a New Mexico corporation

By: /s/ Joseph D. Tarry  
Name: Joseph D. Tarry  
Title: President and Chief Executive Officer

**PARENT GUARANTOR:**

**PNM RESOURCES, INC.,**

a New Mexico corporation

By: /s/ Michael P. Mertz  
Name: Michael P. Mertz  
Title: Vice President and Treasurer

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**LENDER:**

**KEYBANK NATIONAL ASSOCIATION**

as a Lender and as Administrative Agent

By: /s/ Kevin D. Smith

Name: Kevin D. Smith

Title: Senior Vice President