

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

The City Council (the "Governing Body") of the City of Santa Fe, New Mexico, met in regular session in full conformity with law and the rules and regulations of the Governing Body at Santa Fe Municipal Offices, 200 Lincoln Avenue, Santa Fe, New Mexico, being the regular meeting place of the Governing Body on the 26<sup>th</sup> day of August, 2009, at the hour of 5:00 p.m. Upon roll call, the following members were found to be present:

- Present: Patti Bushee
- Chris Calvert
- Rebecca Wurzbarger
- Miguel Chavez
- Carmichael Dominguez
- Matthew E. Ortiz
- Ronald S. Trujillo
  
- Absent: Rosemary Romero
  
- Also Present: Gallen Buller
- Yolanda Vigil
- David Millican

Thereupon, there was officially filed with the Clerk a copy of a proposed resolution in final form.

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2009-85

SUPPLEMENTING ORDINANCE NO. 2009-35 WHICH AUTHORIZED THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY IN A PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000; ESTABLISHING THE EXACT AGGREGATE PRINCIPAL AMOUNT, THE INITIAL NET EFFECTIVE INTEREST RATE AND OTHER MATTERS WITH RESPECT TO THE LOAN AGREEMENT; AND RATIFYING ACTIONS PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

WHEREAS, unless otherwise defined in this First Supplemental Resolution or if the context requires otherwise, capitalized terms in this First Supplemental Resolution have the same meaning assigned to those terms in Section 1 of Ordinance No. 2009-35 ("the Parameters Ordinance") adopted by the City Council of the Governmental Unit (the "Governing Body") on July 29, 2009; and

WHEREAS, the First Supplemental Resolution is adopted pursuant to the Parameters Ordinance in order to approve the initial terms and interim terms, as required, the exact aggregate principal amount, the initial net effective interest rate and the interim interest rate, as required and other matters with the respect to the Loan Agreement; and

WHEREAS, the Governing Body adopted the Parameters Ordinance on July 29, 2009, which: (i) authorizes the execution and delivery of the Loan Agreement; (ii) established certain parameters for the final terms of the Loan Agreement; and (iii) provides for the adoption of this First Supplemental Resolution by the Governing Body to approve specific details of the Loan Agreement, and this First Supplemental Resolution is adopted by the Governing Body for that purpose; and

WHEREAS, pursuant to a Second Supplemental Resolution, the Governing Body will approve the final terms, the final interest rates, the final maturity schedule and other matters with respect to the Loan Agreement in accordance with the parameters established in the Parameters Ordinance; and

WHEREAS, the Second Supplemental Resolution will be approved prior to the date which the New Mexico Finance Authority ("NMFA") closes its bond transaction securing permanent financing for the Loan Agreement; and

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

WHEREAS, all required authorizations, consents and approvals of any governmental body, agency or authority in connection with (i) the use and pledge of the Pledged Revenues for

the payment of the Loan Agreement, and (ii) the authorization, execution and delivery of the Loan Agreement, which are required to have been obtained by the date on which the First Supplemental Resolution is adopted have been obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE GOVERNMENTAL UNIT:

Section 1. Ratification of Prior Actions. All action previously taken (not inconsistent with the provisions of this First Supplemental Resolution or the Parameters Ordinance) by the Governing Body and the officers of the Governmental Unit, directed toward the authorization, pledge, collection and distribution of the Pledged Revenues and the authorization, execution and delivery of the Loan Agreement is ratified, approved and confirmed.

Section 2. Second Supplemental Resolution. The final terms of the Loan Agreement, the final interest rates, the final maturity schedule and other matters with respect to the Loan Agreement will be set forth in a Second Supplemental Resolution to be adopted prior to the date which the NMFA closes its bond transaction securing permanent financing for the Loan Agreement. All of the terms and conditions relating to the Loan Agreement set forth in the Second Supplemental Resolution shall be within the parameters established by the Parameters Ordinance.

Section 3. Parameters Satisfied. All terms and conditions relating to the Loan Agreement set forth in this First Supplemental Resolution are within the parameters established by the Parameters Ordinance.

A. The Loan Agreement shall be for the aggregate principal amount of \$29,615,000 to provide funds to defray the cost of acquiring and improving land, buildings and other property owned by the College of Santa Fe (i.e. the "Project" as defined in the Term Sheet). Such amount does not exceed the maximum aggregate principal amount of \$30,000,000 permitted under the Parameters Ordinance.

B. The initial net effective interest rate (to remain in effect until permanent financing for the Loan Agreement is obtained by the NMFA and the final interest rates are approved in the Second Supplemental Resolution) on the Loan Agreement is 1.2719%. Such amount equals the ninety (90) day London Interbank Offered Rate (LIBOR) as reported by Bloomberg for the date of August 26, 2009, plus 0.90% and does not exceed the maximum rate of 12% per annum permitted under the Parameters Ordinance.

C. The interim interest rate (to be in effect from December 15, if the NMFA does not close its bond transaction securing permanent financing for the Loan Agreement prior to that date, until such time as that permanent financing is obtained by the NMFA and the final interest rates are approved in the Second Supplemental Resolution) on the Loan Agreement will be equal to the interest rate on the 10-year U.S. Treasury Note on December 15, 2009 plus 250 basis points, as recalculated on the 15<sup>th</sup> day of each month that the interim interest rate is in effect, except that the interim interest rate shall never exceed the maximum rate of 12% per

anum permitted under the Parameters Ordinance. With respect to the application of the interim interest rate, as described above, the Governing Body hereby finds that:

- 1) the issuance of the Loan Agreement under the Public Securities Short-Term Interest Rate Act (6-18-1 to 6-18-16 NMSA 1978) will result in a savings in interest cost to the Governmental Unit; and
- 2) the issuance by the Governing Body of the Loan Agreement under the Public Securities Short-Term Interest Rate Act (6-18-1 to 6-18-16 NMSA 1978) is necessary and in the interest of public health, safety and welfare of the residents of the Governmental Unit; and
- 3) the interim interest rate, and the method of determining such interim rate, is reasonable under existing or anticipated market conditions and necessary and advisable for the execution and delivery of the Loan; and
- 4) the Governing Body has considered all relevant information and data in finding that the application of the interim interest rate is permissible under the circumstances described above.

Section 4. Accounts and Funds. The Governmental Unit shall establish such Funds and Accounts as required by the Parameters Ordinance and the principal amount of the Loan Agreement of \$29,615,000 shall be deposited into the Program Account for the acquisition, construction and completion of the Project as defined in the Term Sheet.

Section 5. Further Authorization. Authorized Officers are hereby authorized to take all necessary action to effect the execution and delivery of the Loan Agreement.

Section 6. Parameters Ordinance. Except with respect to the terms set forth in this First Supplemental Resolution, the Loan Agreement is governed by the Parameters Ordinance. In the event of any conflict in the terms of this First Supplemental Resolution and the Parameters Ordinance, the terms of the Parameters Ordinance shall prevail. The adoption of this First Supplemental Resolution, and all procedures undertaken incident thereto, are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Constitution and laws of the State of New Mexico.

Section 7. Repealer Clause. All bylaws, orders and resolutions, or parts thereof, inconsistent with this First Supplemental Resolution are repealed to the extent of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, previously repealed.

Section 8. Effective Date and Publication. This First Supplemental Resolution shall be in full force and effect immediately upon adoption and approval by the Governing Body and its execution and approval by the Mayor of the Governmental Unit. A title and general summary of the subject matter contained in this First Supplemental Resolution shall be published in substantially the following form after adoption of this First Supplemental Resolution.

[Form of Summary of First Supplemental Resolution for Publication]

City of Santa Fe, New Mexico  
Notice of Adoption of First Supplemental Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in a Resolution duly adopted and approved by the City Council of the City of Santa Fe, New Mexico on August 26, 2009, relating to the details of the Loan Agreement by and between the City of Santa Fe, New Mexico and the New Mexico Finance Authority as authorized pursuant to its Parameters Ordinance No. 2009-35 duly adopted by the City Council on July 29, 2009. Complete copies of the First Supplemental Resolution are available for public inspection during the normal and regular business hours of the City Clerk/Secretary, at 200 Lincoln Avenue, Santa Fe, New Mexico.

The title of the Resolution is:

CITY OF SANTA FE, NEW MEXICO  
RESOLUTION NO. 2009-85

SUPPLEMENTING ORDINANCE NO. 2009-35 WHICH AUTHORIZED THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY IN A PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000; ESTABLISHING THE EXACT AGGREGATE PRINCIPAL AMOUNT, THE INITIAL NET EFFECTIVE INTEREST RATE AND OTHER MATTERS WITH RESPECT TO THE LOAN AGREEMENT; AND RATIFYING ACTIONS PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

The title sets forth a general summary of the subject matter contained in the First Supplemental Resolution.

[End of Form of Summary for Publication]

PASSED, APPROVED AND ADOPTED THIS 26<sup>th</sup> DAY OF AUGUST, 2009.

CITY OF SANTA FE, NEW MEXICO

By: David Coss  
Mayor

[SEAL]

ATTEST:

By: Yolanda y. Lopez  
Clerk

Councilor Wurzburger then moved adoption of the foregoing Resolution, duly seconded by Councilor Calvert.

The motion to adopt said Resolution, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye: Patti Bushee

Chris Calvert

Rebecca Wurzburger

Miguel Chavez

Carmichael Dominguez

Matthew E. Ortiz

Ronald S. Trujillo

Those Voting Nay: None

Those Absent: Rosemary Romero

Seven (7) members of the Governing Body having voted in favor of said motion, the Mayor declared said motion carried and said Resolution adopted, whereupon the Mayor and the City Clerk signed the Resolution upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Resolution, the meeting on the motion duly made, seconded and unanimously carried, was adjourned.

CITY OF SANTA FE, NEW MEXICO

By: David Cross  
Mayor

[SEAL]

ATTEST:

By: Yolanda y. Nigri  
Clerk



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

I, Yolanda Y. Vigil, the duly acting and qualified Clerk of the City of Santa Fe, New Mexico (the "Governmental Unit"), do hereby certify:

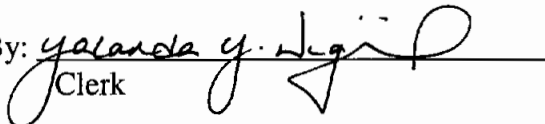
1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Council (the "Governing Body"), constituting the governing body of the Governmental Unit had and taken at a duly called regular meeting held at the Santa Fe Municipal Offices, 200 Lincoln Avenue, Santa Fe, New Mexico, on August 26, 2009, at the hour of 5:00 p.m., insofar as the same relate to the determination of the final loan amount and interest rates for the proposed Loan Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. The proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of regular meetings of the Governing Body as required by the Governmental Unit's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of August, 2009.

CITY OF SANTA FE, NEW MEXICO

By:   
Clerk

[SEAL]