

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 (the "Governmental Unit"), met in regular session in full conformity with the law and the rules and regulations of the Governing Body at the Santa Fe Municipal Offices, 200 Lincoln Avenue, Santa Fe, New Mexico on the 29th day of July, 2009, at the hour of 7:00 p.m. Upon roll call, the following members were found to be present:

Present: _____

Absent: _____

Also Present: _____

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

CITY OF SANTA FE, NEW MEXICO
COUNCIL BILL NO. 2009-36
ORDINANCE NO. 2009-__

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND AMONG THE CITY OF SANTA FE AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000, FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING LAND, BUILDINGS AND OTHER PROPERTY FROM THE COLLEGE OF SANTA FE; PROVIDING FOR THE PAYMENT OF THE LOAN AGREEMENT FROM LEASE AND INSTALLMENT PAYMENTS MADE BY THE LESSEE/PURCHASER OF THE PROJECT AND CERTAIN GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; PROVIDING FOR THE DISTRIBUTIONS OF GROSS RECEIPTS TAX REVENUES FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO AN INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT; PROVIDING FOR THE FUNDING OF LOAN AGREEMENT RESERVE ACCOUNT; APPROVING THE FORM OF THE LOAN AGREEMENT AND RELATED DETAILS; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in Section 1 of the Ordinance unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing charter municipality under the general laws of the State of New Mexico; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interests of the Governmental Unit and its residents that the Loan Agreement be executed and delivered and that the financing of the acquisition of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, pursuant to Section 7-1-6.4 NMSA 1978, the Governmental Unit receives monthly distributions of State-Shared Gross Receipts Tax revenues from the New Mexico Department of Taxation and Revenue equal to one and two hundred twenty-

five thousandths percent (1.225%) of the gross receipts of persons engaging in business within the Governmental Unit, as determined and adjusted under the Gross Receipts and Compensating Tax Act, Chapter 7, Article 9 NMSA 1978 (the "State-Shared Gross Receipts Tax"); and

WHEREAS, pursuant to the Municipal Local Option Gross Receipts Taxes Act, Sections 7-19D-1 through 7-19D-12, NMSA 1978 and City Ordinance No. 1981-45, the Governmental Unit has imposed a municipal gross receipts tax in the amount of one-half of one percent (.50%) of the gross receipts of persons engaging in business within the Governmental Unit, as determined and adjusted under the Municipal Local Option Gross Receipts Taxes Act (the "Local Option Gross Receipts Tax"); and

WHEREAS, pursuant to Municipal Local Option Gross Receipts Taxes Act, Section 7-19D-11 NMSA 1978 and City Ordinance No. 1993-21, the Governmental Unit has imposed an infrastructure gross receipts tax in the amount of one-sixteenth of one percent (.0625%) of the gross receipts of persons engaging in business within the Governmental Unit, as determined and adjusted under the Municipal Local Option Gross Receipts Taxes Act and the Tax Administration Act (the "Infrastructure Gross Receipts Tax"); and

WHEREAS, the Governing Body has determined that it may lawfully pledge the State-Shared Gross Receipts Tax, the Local Option Gross Receipts Tax and the Infrastructure Gross Receipts Tax (collectively, the "Pledged Tax Revenues," as further defined in Section 1 of this Ordinance) for the payment of amounts due under the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the lease and installments payments received from the lessee/purchaser of the Project (the "Pledged Lease Revenues," and referred to collectively with the Pledged Tax Revenues, as the "Pledged Revenues" as such terms are defined in Section 1 of this Ordinance) for the payment of amounts due under the Loan Agreement; and

WHEREAS, the Governing Body desires to provide that, under the circumstances specified in Section 5.2 of the Loan Agreement, a portion of the distributions of the Pledged Tax Revenues will be redirected to the NMFA or its assigns pursuant to an Intercept Agreement between the Governmental Unit and the NMFA (the "Intercept Agreement") for the payment of amounts due under the Loan Agreement; and

WHEREAS, the Loan Agreement shall be executed and delivered with a subordinate lien (but not an exclusive subordinate lien) on the Pledged Tax Revenues; and

WHEREAS, other than as described in Exhibit "A" to the Loan Agreement, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation; and

WHEREAS, the Loan Agreement shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues and shall not constitute a general obligation of the Governmental Unit, or a debt or pledge of the faith and credit of the Governmental Unit or the State; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the City Clerk this Ordinance and the forms of the Loan Agreement and Intercept Agreement; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the NMFA (or its assigns) for the payment of the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Related Documents which are required to have been obtained by the date of this Ordinance, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. Definitions. As used in this Ordinance, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

"Act" means the general laws of the State, including Sections 3-31-1 through 3-31-12, Section 6-21-1 through 6-21-31, Section 7-1-6.4, and Sections 7-19D-1 through 7-19D-12, NMSA 1978, as amended, and enactments of the Governing Body relating to the Loan Agreement, including this Ordinance.

"Aggregate Annual Debt Service Requirement" means the total principal and interest due and payable pursuant to the Loan Agreement and on all Parity Tax Obligations secured by a pledge of the Pledged Tax Revenues, for any one Fiscal Year.

"Authorized Officers" means, in the case of the City, the Mayor, Manager, Finance Director & Treasurer, and Clerk, and in the case of the NMFA, the Chairman, Vice-Chairman, Secretary and Chief Executive Officer.

"Bonds" means public project revolving fund revenue bonds, if any, issued hereafter by the NMFA and specifically related to the Loan Agreement and the Loan Agreement Payments.

"Capitalized Interest" means the portion, if any, of the proceeds of the Loan to be used to pay interest on the Loan, as described in Exhibit "A" to the Loan Agreement.

"Capitalized Interest Account" means the account in the name of the City held by the NMFA, funded by a portion of the proceeds of the Loan to pay interest on the Loan, as described in Exhibit "A" to the Loan Agreement.

"Closing Date" means the date of execution, delivery and funding of the Loan Agreement.

"Completion Date" means the date of final payment of the cost of the Project.

"Debt Service Account" means the account in the name of the Governmental Unit within the Debt Service Fund established under the Indenture and held by NMFA to pay principal and interest on the Loan Agreement as the same become due.

"Distributing State Agency" means the Taxation and Revenue Department of the State of New Mexico.

"Expense Fund" means the Expense Fund created pursuant to the Indenture, to be held and administered by the Trustee to pay costs of issuance of the Loan Agreement and the Bonds, if any, and the periodic and regular fees and expenses incurred by the NMFA and the Trustee in administering the Loan Agreement, including legal fees.

"Fiscal Year" means the period commencing on July 1 in each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

"Governing Body" means the City Council of the City of Santa Fe, New Mexico, or any future successor governing body of the Governmental Unit.

"Governmental Unit" or "City" means the City of Santa Fe, New Mexico.

"Herein," "hereby," "hereunder," "hereof," "hereinabove" and "hereafter" refer to the entire Ordinance and not solely to the particular section or paragraph of the Ordinance in which such word is used.

"Indenture" means the General Indenture of Trust and Pledge dated June 1, 1995, as amended and supplemented by and between the NMFA and the Trustee, or the Subordinated General Indenture of Trust dated as of March 1, 2005, as supplemented, by and between the NMFA and the Trustee, as determined by the NMFA pursuant to a pledge notification or supplemental indenture.

"Independent Accountant" means (i) an accountant employed by the State and under the supervision of the State Auditor, or (ii) any certified public accountant, registered accountant, or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Governmental Unit who (a)

is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an officer or employee of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

"Intercept Agreement" means the Intercept Agreement between the Governmental Unit and NMFA providing for the direct payment of Pledged Tax Revenues in amounts sufficient to pay principal, and interest due on the Loan Agreement.

"Loan" means the funds to be loaned to the Governmental Unit by the NMFA pursuant to the Loan Agreement.

"Loan Agreement" means the Loan Agreement dated the Closing Date between the NMFA and the Governmental Unit which provides for the financing of the Project and requires payments by or on behalf of the Governmental Unit to the NMFA and/or the Trustee.

"Loan Agreement Balance" means, as of the date of calculation, the Loan Agreement Principal Amount less the aggregate principal amount paid or prepaid pursuant to the provisions of the Loan Agreement.

"Loan Agreement Payment" means, collectively, the Principal Component and the Interest Component to be paid by the Governmental Unit as the payment of the Loan Agreement, as shown on Exhibit "B" to the Loan Agreement.

"Loan Agreement Principal Amount" means an amount not to exceed \$30,000,000.

"Loan Agreement Reserve Account" means the loan agreement reserve account established in connection with the Loan Agreement in the name of the Governmental Unit and administered by the Trustee pursuant to the Indenture.

"Loan Agreement Reserve Requirement" means an amount not to exceed \$3,000,000.

"NMFA" means the New Mexico Finance Authority.

"NMSA" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

"Ordinance" means this ordinance as supplemented or amended from time to time.

"Parity Tax Obligations" means:

(i) the City of Santa Fe Gross Receipts Tax (Subordinate Lien)/Waste Water System Variable Rate Revenue Bonds, Series 1997B, issued pursuant to City Ordinance No. 1997-30 adopted on October 29, 1997;

(ii) the 2004 NMFA Tax Exempt Loan Agreement and the 2004 NMFA Taxable Loan Agreement, each dated September 24, 2004 and each executed and delivered pursuant to City Ordinance No. 2004-48 adopted on July 14, 2004;

(iii) the City of Santa Fe Municipal Recreation Complex Net Revenue/Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2005A, issued pursuant to Ordinance No. 2005-30 adopted on July 25, 2005;

(iv) the 2006 NMFA Parking Structure Loan Agreement dated March 28, 2006, executed and delivered pursuant to City Ordinance No. 2006-11 adopted on February 22, 2006;

(v) the City of Santa Fe Subordinate Lien Wastewater System Gross Receipts Tax Revenue Bonds, Series 2006C, issued pursuant to City Ordinance No. 2006-51, to be delivered on September 29, 2006; and

(vi) the 2006 NMFA Railyard Loan Agreement dated October 20, 2006, issued pursuant to City Ordinance No. 2006-54 adopted on September 13th, 2006; and

(vii) the 2008 NMFA Land Acquisition Loan Agreement dated August 1, 2008, issued pursuant to City Ordinance No. 2008-35, adopted on June 25, 2008; and

(viii) any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of Pledged Tax Revenues and issued with a lien on the Pledged Tax Revenues on a parity with the lien thereon of this Loan Agreement.

"Pledged Lease Revenues" means the lease and installment payments made by the lessee/purchaser of the Project to the Governmental Unit.

"Pledged Revenues" means, collectively, the Pledged Lease Revenues and the Pledged Tax Revenues.

"Pledged Tax Revenues" means:

(i) the revenues of the State-Shared Gross Receipts Tax distributed monthly to the Governmental Unit pursuant to Section 7-1-6.4 NMSA 1978 from the New Mexico Department of Taxation and Revenue equal to one and two

hundred twenty-five thousandths percent (1.225%) of the gross receipts of persons engaging in business within the Governmental Unit, as determined and adjusted under the Gross Receipts and Compensating Tax Act, Chapter 7, Article 9 NMSA 1978;

(ii) the revenues of the Municipal Gross Receipts Tax imposed by the Governmental Unit pursuant to Sections 7-19D-1 through 7-19D-12, NMSA 1978 and City Ordinance No. 1981-45, in the amount of one-half of one percent (.50%) of the gross receipts of persons engaging in business within the Governmental Unit, as determined and adjusted under the Municipal Local Option Gross Receipts Taxes Act;

(iii) the revenues of the Municipal Infrastructure Gross Receipts Tax imposed by the Governmental Unit pursuant to Section 7-19D-11 NMSA 1978 and City Ordinance No. 1993-21, in the amount of one-sixteenth of one percent (.0625%) of the gross receipts of persons engaging in business within the Governmental Unit, as determined and adjusted under the Municipal Local Option Gross Receipts Taxes Act and the Tax Administration Act;

(iv) the portion of the gross receipts tax distribution to the City made pursuant to Section 7-1-6.46 NMSA 1978, which represents the amount of State-Shared Gross Receipts Tax Revenues, one-half percent Municipal Gross Receipts Tax revenues, and one-sixteenth percent Municipal Infrastructure Gross Receipts Tax revenues that would have been remitted to the City but for the deductions (effective January 1, 2005) provided by Section 7-9-92 and 7-9-93 NMSA 1978 and any similar distributions made to the City in lieu of State-Shared Gross Receipts Tax Revenues, one-half percent Municipal Gross Receipts Tax revenues and one-sixteenth percent Municipal Infrastructure Gross Receipts Tax Revenues pursuant to law; and

(v) any other gross receipts tax revenues received by the City, whether from distribution by the State or pursuant to gross receipts taxes imposed by the City, and hereafter (i.e. after the adoption of this ordinance) pledged to the payment of the Loan Agreement by affirmative act of the Council.

"Processing Fee" means the processing fee, if any, to be paid on the Closing Date by the Governmental Unit to the NMFA for the costs of originating and servicing the Loan, as shown on Exhibit "A" to the Loan Agreement.

"Program Account" means the account in the name of the Governmental Unit established under the Indenture and held by the Trustee for deposit of a portion of the proceeds of the Loan Agreement for disbursement to the Governmental Unit for payment of the costs of the Project.

"Project" means the acquisition of land, buildings and other property from the College of Santa Fe, payment of the Processing Fee to the NMFA and payment of related professional fees.

"Related Documents" means the Loan Agreement and the Intercept Agreement and any other document or agreement containing an obligation of the Governmental Unit as may be required in connection with the execution and delivery of the Loan Agreement.

"State" means the State of New Mexico.

"Superior Tax Obligations" means:

(i) the City of Santa Fe Gross Receipts Tax Improvement Revenue Bonds, Series 2002, issued pursuant to City Ordinance No. 2002-01 adopted on January 16, 2002;

(ii) the City of Santa Fe Gross Receipts Tax Improvement Revenue Bonds, Series 2004, issued pursuant to City Ordinance No. 2004-1 adopted January 14, 2004;

(iii) the City of Santa Fe Gross Receipts Tax Refunding Revenue Bonds, Series 2004B, issued pursuant to City Ordinance No. 2004-30 adopted August 29, 2004;

(iv) the City of Santa Fe Gross Receipts Tax Improvement Revenue Bonds, Series 2006, issued pursuant to City Ordinance No. 2006-04 adopted January 11, 2006 and City Resolution No. 2006-19 adopted January 25, 2006;

(v) the City of Santa Fe Gross Receipts Tax Refunding Revenue Bonds, Series 2006B, issued pursuant to Ordinance No. 2006-27 adopted on June 26, 2006; and

(vi) the City of Santa Fe Gross Receipts Tax Revenue Bonds, Series 2008, issued pursuant to City Ordinance No. 2008-11, adopted on February 27, 2008; and

(vii) the City of Santa Fe Gross Receipts Tax Refunding Revenue Bonds, Series 2008B, issued pursuant to City Ordinance No. 2008-49, adopted on November 12, 2008; and

(viii) any other obligations, hereafter issued or incurred, payable from or secured by a lien or pledge of Pledged Tax Revenues and issued with a lien on the Pledged Tax Revenues which is superior to the lien thereon of the Loan Agreement.

"Trustee" means the trust company or national or state banking association or financial institution at the time appointed Trustee by the NMFA.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the acquisition of the Project and the execution and delivery of the Loan Agreement, be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and Related Documents. The acquisition of the Project and the method of financing the Project through execution and delivery of the Related Documents are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

Section 4. Findings. The Governmental Unit hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. Moneys available and on hand for the Project from all sources other than the Loan are not sufficient to defray the cost of acquiring the Project.

B. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

C. It is economically feasible to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

D. The Project and the execution and delivery of the Related Documents pursuant to the Act to provide funds for the financing of the Project are necessary and in the interest of the residents of the Governmental Unit.

F. The Governmental Unit will acquire the Project, in whole or in part, with the net proceeds of the Loan.

G. Other than as described in Exhibit "A" to the Loan Agreement, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement.

Section 5. Related Documents - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a three-fourths majority of all of the members of the Governing Body. For the purpose of conserving the property, protecting the general welfare and prosperity of the citizens of the Governmental Unit and acquiring the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the Act, execute and deliver the Loan Agreement evidencing a special, limited obligation of the Governmental Unit to pay a principal amount not to exceed \$30,000,000, and the

execution and delivery of the Related Documents are hereby authorized. The Governmental Unit shall use the proceeds of the Loan to (i) finance the acquisition of the Project, (ii) fund the Capitalized Interest Account and (iii) to pay the Processing Fee to the NMFA and costs of related professional fees. The Project will be owned by the Governmental Unit.

B. Detail. The Related Documents shall be in substantially the forms presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be payable in installments of principal due on June 1 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on June 1 and December 1 of each year, commencing on December 1, 2009, at the rates designated in Exhibit "B" to the Loan Agreement.

Section 6. Approval of Related Documents. The forms of the Related Documents as presented at the meeting of the Governing Body at which this Ordinance was adopted are hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Related Documents with such changes, insertions and omissions that are consistent with this Ordinance and the Supplemental Resolution as may be approved by such individual Authorized Officers, and the Clerk is hereby authorized to affix the seal of the Governmental Unit on the Related Documents and attest the same. The execution of the Related Documents by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligations. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in this Ordinance and the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be special, limited obligations of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Ordinance, the Loan Agreement and the Related Documents and shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other Related Documents or instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues), as incurring a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other Related Document or instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement and Related Documents shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds: Completion of Acquisition of the Project.

A. Program Account, Debt Service Account, Capitalized Interest Account and Loan Agreement Reserve Account.

(i) Loan Agreement Account. The Governmental Unit hereby consents to creation of the Debt Service Account and the Capitalized Interest Account to be held and maintained by the NMFA and to the Program Account and the Loan Agreement Reserve Account by the Trustee pursuant to the Indenture, each in connection with the Loan. The Governmental Unit hereby approves of the deposit of a portion of the proceeds of the Loan Agreement in the Program Account, the Capitalized Interest Account and the Loan Agreement Reserve Account.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Program Account, the Capitalized Interest Account and the Loan Agreement Reserve Account, as provided in the Loan Agreement and the Indenture.

Until the Completion Date, the money in the Program Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan Agreement and the Indenture.

The Governmental Unit will acquire the Project with all due diligence.

B. Loan Agreement Reserve Requirement. [On the Closing Date, the City shall transfer proceeds of the Loan, in an amount equal to the Loan Agreement Reserve Requirement to the Trustee or to the NMFA for deposit in the Loan Agreement Reserve Account.]

C. Completion of Acquisition of the Project. Upon the Completion Date, the Governmental Unit shall execute a certificate stating that acquisition of the Project has been completed. As soon as practicable, and, in any event, not more than 60 days from the Completion Date, any balance remaining in the Program Account shall be transferred and deposited into the Debt Service Account, as provided in the Loan Agreement and the Indenture.

D. NMFA and Trustee Not Responsible. The NMFA and the Trustee shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues, Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Except as otherwise provided in Section 5.2 of the Loan Agreement and the Intercept Agreement, Pledged Revenues shall

be paid to the NMFA for deposit in the Debt Service Account in an amount sufficient to pay principal, interest and other amounts due under the Loan Agreement.

B. Termination on Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount to become due as to principal and interest, on, and any other amounts due under, the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided in Subsection C below.

C. Use of Surplus Revenues. After making all the payments hereinabove required to be made by this Section and any payments required by outstanding Superior Tax Obligations and Parity Tax Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and shall be applied to any other lawful purpose authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. The Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the Governmental Unit grants a security interest therein for, the payment of the principal, interest and any other amounts due under the Loan Agreement. The Loan Agreement constitutes an irrevocable lien subordinate to the lien of the Superior Tax Obligations on the Pledged Tax Revenues, and a parity lien, but not necessarily an exclusive parity lien with the lien of the Parity Tax Obligations, on the Pledged Tax Revenues as set forth herein and therein.

Section 11.

Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement, and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Loan Agreement, including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement and the publication of the summary of this Ordinance set out in Section 17 of this Ordinance (with such changes, additions and deletions as they may determine).

Section 12. Supplement and Amendment of Ordinance. Prior to the date of the initial delivery of the Loan Agreement to the NMFA, the provisions of this Ordinance may be supplemented by resolution of the Governing Body with respect to any changes

which are not inconsistent with the substantive provisions of this Ordinance. This Ordinance may be amended by ordinance of the Governing Body without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the NMFA.

Section 13. Ordinance Irrepealable. After the Related Documents have been executed and delivered, this Ordinance shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 15. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Mayor and Clerk of the Governmental Unit, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which maintains an office and is of general circulation in the Governmental Unit, or posted in accordance with law, and such Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

City of Santa Fe, New Mexico
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 2009-__, duly adopted and approved by the Governing Body of the City of Santa Fe, New Mexico (the "City"), on July 8, 2009. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk, 200 Lincoln Avenue, Santa Fe, NM.

The title of the Ordinance is:

CITY OF SANTA FE, NEW MEXICO
COUNCIL BILL NO. 2009-36

ORDINANCE NO. 2009-__

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND AMONG THE CITY OF SANTA FE AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000, FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING LAND, BUILDINGS AND OTHER PROPERTY FROM THE COLLEGE OF SANTA FE; PROVIDING FOR THE PAYMENT OF THE LOAN AGREEMENT FROM LEASE AND INSTALLMENT PAYMENTS MADE BY THE LESSEE/PURCHASER OF THE PROJECT AND CERTAIN GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; PROVIDING FOR THE DISTRIBUTIONS OF GROSS RECEIPTS TAX REVENUES FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO AN INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT; PROVIDING FOR THE FUNDING OF LOAN AGREEMENT RESERVE ACCOUNT; APPROVING THE FORM OF THE LOAN AGREEMENT AND RELATED DETAILS; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT.

A summary of the subject matter of the Ordinance is contained in its title.

This notice constitutes compliance with Section 6-14-6 NMSA 1978.

(End of Form of Summary for Publication)

PASSED, APPROVED AND ADOPTED THIS 29TH DAY OF JULY, 2009.

CITY OF SANTA FE, NEW MEXICO

By _____
Mayor

[SEAL]

ATTEST:

By _____
Clerk

Councilor _____ then moved adoption of the foregoing Ordinance, duly seconded by Councilor _____.

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

Those Voting Aye:

Those Voting Nay:

Those Absent:

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

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

CITY OF SANTA FE, NEW MEXICO

By _____
Mayor

[SEAL]

ATTEST:

By _____
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 "City"), 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 City, had and taken at a duly called regular meeting held at the Santa Fe Municipal Offices, 200 Lincoln Avenue, Santa Fe, New Mexico, 87501, on July 29, 2009 at the hour of 7:00 p.m., insofar as the same relate to the execution and delivery of 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. Such proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at such meeting, as therein shown.

3. Notice of the July 29, 2009, meeting of the Governing Body was duly given as required by the Open Meetings Act, Sections 10-15-1 through 4, NMSA 1978 and Resolution No. 2009-1 which is the current Resolution of the City which establishes the reasonable notice policy of the City as required by the Open Meetings Act.

IN WITNESS WHEREOF, I have hereunto set my hand this __ day of _____, 2009.

CITY OF SANTA FE, NEW MEXICO

(SEAL)

By _____
Clerk

EXHIBIT "A"

Notice of Meeting