

**RECORD OF PROCEEDINGS RELATING TO
THE ADOPTION OF RESOLUTION NO. 2010-2
OF THE CITY COUNCIL
OF THE CITY OF SANTA FE, JANUARY 13, 2010**

CITY OF SANTA FE, NEW MEXICO

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

The City Council (the "Governing Body") of the City of Santa Fe, New Mexico (the "Governmental Unit"), met in a regular session in full conformity with the law and the rules and regulations of the Governing Body at the City Council Chambers, 200 Lincoln Ave., Santa Fe, New Mexico 87501, being the regular meeting place of the Governing Body for the meeting held on the 13th day of January, 2010, at the hour of 5:00 p.m. Upon roll call, the following members were found to be present:

Present:

Mayor: David Coss

Councilors: Rebecca Wurzburger, Mayor Pro Tem

 Patti J. Bushee

 Chris Calvert

 Miguel M. Chavez

 Carmichael Dominguez

 Rosemary Romero

 Ronald S. Trujillo

Absent:

Matthew S. Ortiz

Also Present:

Thereupon, there was officially filed with the City Clerk a copy of a proposed Resolution in final form, as follows.

[Remainder of page intentionally left blank.]

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2010-2

A RESOLUTION AMENDING RESOLUTION NO. 2009-123, ADOPTED DECEMBER 9, 2009; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE “GOVERNMENTAL UNIT”) AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN ONE HUNDRED FORTY-ONE THOUSAND FOUR HUNDRED DOLLARS (\$141,400), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF MODIFICATION OF THE ELECTRICAL SYSTEM AT THE BUCKMAN DIRECT DIVERSION SURFACE WATER PROJECT TO PROVIDE FOR A PLANNED PHOTOVOLTAIC SYSTEM; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE PLEDGED REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined herein or in Section 1 of Resolution No. 2009-123 (the “Loan Approval Resolution”) as amended pursuant to this Amending Resolution, or, if not defined herein or in Section 1 of the Loan Approval Resolution as so amended, the same meaning as defined in Article I of Ordinance No. 2006-47 (the “Master Ordinance”) adopted by the Governing Body on August 9, 2006, unless the context requires otherwise.

WHEREAS, on December 9, 2009, the Governing Body on behalf of the Governmental Unit adopted the Loan Approval Resolution, authorizing the execution of a Loan and Subsidy Agreement with the New Mexico Finance Authority (“NMFA”) to finance the costs of the Project, as defined therein; and

WHEREAS, pursuant to the Loan Approval Resolution the Governing Body and the NMFA anticipated that the Project would meet all qualifications and requirements for funding with funds made available pursuant to the ARRA; and

WHEREAS, it has been determined that the Project does not meet all qualifications and requirements for funding pursuant to the ARRA, but meets all qualifications and requirements

for non-ARRA funding made available through the Drinking Water State Revolving Loan Fund; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement, as amended in accordance with this Amending Resolution, and that it is in the best interest of the Governmental Unit and its residents that the Loan Agreement as so amended be executed and delivered and that the financing of the Project take place by executing and delivering the Loan Agreement as so amended.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE, NEW MEXICO:

Section 1. Definitions. As used in this Resolution No. 2010-2, the following terms shall have the meaning herein specified, unless the context clearly requires otherwise:

“Amending Resolution” means this Resolution No. 2010-2 adopted by the Governing Body of the Governmental Unit on January 13, 2010.

“Drinking Water State Revolving Loan Fund” or “State Drinking Water Revolving Loan Fund” means the drinking water state revolving loan fund established by the Act.

Section 2. Amendment of Resolution No. 2009-123:

A. Section 1 of Resolution No. 2009-123, adopted December 9, 2009, is hereby amended to read, in its entirety, as follows:

Section 1. **Definitions.** Capitalized terms defined in this Section 1 shall, for all purposes, have the meaning 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). Capitalized terms not defined in this Section 1 shall have the same meanings as defined in the Master Ordinance.

“Act” means the Drinking Water State Revolving Loan Fund Act, Section 6-21A-1 et seq., NMSA 1978, as amended, and the general laws of the State, including Sections 3-31-1 through 3-31-12 and Sections 7-19D-12 and 7-1-6.15, NMSA 1978, as amended, the Charter, and enactments of the Governing Body relating to the Loan Agreement, including this Loan Approval Resolution and the Master Ordinance.

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the NMFA as 0.125% of the Loan Agreement Principal Amount then outstanding as a part of each semi-annual Loan Agreement Payment for the costs of originating and servicing the Loan, as shown in the Final Loan Agreement Payment Schedule.

“Aggregate Disbursements” means, at any time after the Closing Date, the sum of (i) the Expense Fund Component and (ii) the aggregate amounts disbursed to the Governmental Unit from the Program Account for payment of the incurred costs of the Project.

“Authorized Officers” means the Mayor, City Manager, Finance Director, and City Clerk of the Governmental Unit.

“Bonds” means drinking water state revolving loan fund revenue bonds, if any, issued hereafter by the NMFA and related to the Loan Agreement and the Loan Agreement Payments.

“Closing Date” means the date of execution and delivery of the Loan Agreement authorized by this Loan Approval Resolution.

“Completion Date” means the date of final payment of the cost of the Project.

“County” means Santa Fe County, New Mexico.

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the NMFA to pay principal and interest on the Loan Agreement as the same become due.

“Expense Fund” means the expense fund created in the Loan Agreement to be held and administered by the NMFA to pay Expenses.

“Expense Fund Component” means an additional amount equal to one percent (1%) of each disbursement from the Program Account for the Project, simultaneously withdrawn from the Program Account and deposited in the Expense Fund to pay Expenses.

“Expenses” means the costs of issuance of the Loan Agreement and the Bonds, if any, and periodic and regular fees and expenses incurred by the NMFA in administering the Loan Agreement, including legal fees.

“Final Disbursement” means the final disbursement of moneys from the Program Account to the Governmental Unit, which shall occur within two (2) years following the Closing Date, except as otherwise provided in the Loan Agreement.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Disbursement, as described in the Loan Agreement and attached as Exhibit “B” thereto.

“Governing Body” means the duly organized City Council of the Governmental Unit and any successor governing body of the Governmental Unit.

“Governmental Unit” means the City of Santa Fe, Santa Fe County, New Mexico.

“Herein”, “hereby”, “hereunder”, “hereof”, “hereinabove” and “hereafter” refer to this entire Loan Approval Resolution and not solely to the particular section or paragraph of this Loan Approval Resolution in which such word is used.

“Joint Powers Agreement” means the joint powers agreement between the City of Santa Fe and the County of Santa Fe governing the Buckman Direct Diversion Project, entered into by the City and the County on or about January 11, 2005 and effective on or about March 7, 2005, including any subsequent amendments thereto.

“Loan” or “Loan Amount” means the funds to be loaned by the NMFA to the Governmental Unit in the Loan Agreement Principal Amount 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 any amendments or supplements thereto, including the exhibits attached to the Loan Agreement.

“Loan Agreement Payment” means, collectively, all payments due under the Loan Agreement including principal, interest and Administrative Fees, to be paid by the Governmental Unit as payment on the Aggregate Disbursements under the Loan Agreement as shown on the Final Loan Agreement Payment Schedule.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Disbursements (including the Expense Fund Component), up to the Maximum Principal Amount.

“Loan Approval Resolution” means this Resolution No. 2009-123 adopted by the Governing Body of the Governmental Unit on December 9, 2009, as amended by Resolution No. 2010-2, adopted January 13, 2010, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet, as supplemented or amended from time to time in accordance with the provisions hereof.

“Master Ordinance” means the Governmental Unit’s Ordinance No. 2006-47, adopted August 9, 2006, as supplemented and amended from time to time.

“Maximum Principal Amount” means one hundred forty-one thousand four hundred dollars (\$141,400).

“NMFA” means the New Mexico Finance Authority.

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

“Pledged Revenues” means the revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments pursuant to this Loan Approval Resolution and described in the Term Sheet.

“Program Account” means the account in the name of the Governmental Unit established and held by the NMFA for deposit of the net proceeds of the Loan Agreement for disbursement to the Governmental Unit to pay the costs of the Project.

“Project” means the project described in the Term Sheet.

“Second Lien Obligations” means the obligations of the Governmental Unit under the Loan Agreement and any other obligations now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a second lien on the Pledged Revenues on a parity with the lien thereon of the Loan Agreement and subordinate to the lien thereon of the Senior Obligations, including any such obligations shown on the Term Sheet.

“Senior Obligations” means the City of Santa Fe Water Utility System/Capital Outlay Gross Receipts Tax Revenue Refunding Bonds, Series 2006D and the City of Santa Fe Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009A and 2009B, issued pursuant to the Master Ordinance, and any other obligations of the Governmental Unit hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues senior to the Loan Agreement, and issued in accordance with the Master Ordinance.

“State” means the State of New Mexico.

“Term Sheet” means Exhibit “A” to the Loan Agreement.

B. Section 4 of Resolution No. 2009-123, adopted December 9, 2009, is hereby amended to read, in its entirety, as follows:

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

A. The Project is needed to meet the needs of the Governmental Unit and its residents, and the execution and delivery of the Loan Agreement in the Maximum Principal Amount is necessary and advisable.

B. Moneys available and on hand for the Project from all sources other than the Loan Agreement are not sufficient to defray the costs of the Project.

C. The Pledged Revenues may lawfully be pledged under the Act and the Master Ordinance to secure the payment of amounts due under the Loan Agreement.

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

E. The Project and the execution and delivery of the Loan Agreement pursuant to the Act to provide funds for the financing of the Project are necessary in the interest of the public health, safety, and welfare of the residents and the public served by the Governmental Unit.

F. The Project is a joint project of the Governmental Unit and the County, will be acquired jointly by the Governmental Unit and the County pursuant to the Joint Powers Agreement, and will be funded jointly by the Governmental Unit and the County.

G. The Governmental Unit and the County will acquire and construct the Project, in whole or in part, with the net proceeds of the Loan.

H. Other than as described in the Term Sheet, 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.

I. The net effective interest rate on the Loan shall not exceed 12% per annum which is the maximum rate permitted by State law.

C. Section 5 of Resolution No. 2009-123, adopted December 9, 2009, is hereby amended to read, in its entirety, as follows:

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Loan Approval Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the residents of the Governmental Unit and acquiring and constructing 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 the Loan Agreement Principal Amount and interest and Administrative Fees thereon, and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan (i) to finance the acquisition and construction of the Project and (ii) to pay Expenses and related professional fees. The Project will be jointly owned by the Governmental Unit and the County, in accordance with the Joint Powers Agreement.

B. Detail. The Loan shall be in an amount not to exceed the Maximum Principal Amount of one hundred forty-one thousand four hundred dollars (\$141,400).

The Loan Agreement Principal Amount shall be payable in installments of principal due on June 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on June 1 and December 1 of each year, commencing on June 1, 2010, at the rate designated in the Loan Agreement, including the Term Sheet, which rate includes the Administrative Fee.

D. Section 8(B) of Resolution No. 2009-123, adopted December 9, 2009, is hereby amended to read, in its entirety, as follows:

B. Prompt Completion of the Project. The Governmental Unit will acquire, construct and complete the Project with all due diligence.

Section 3. Ratification. All action heretofore taken (not inconsistent with the provisions of this Amending Resolution) by the Governing Body and officers of the Governmental Unit directed toward the acquisition and construction of the Project, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed, except to the extent that such action is expressly amended or modified by this Amending Resolution, the Loan Approval Resolution or the Loan Agreement. Except only as and to the extent specifically amended by this Amending Resolution, the Loan Approval Resolution is hereby ratified, approved and confirmed.

Section 4. Approval of Loan Agreement. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Amending Resolution was adopted. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this Amending Resolution was adopted is hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the City Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and attest the same. The execution of the Loan Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 5. Amendment of Loan Approval Resolution. As required under Section 12 of the Loan Approval Resolution, the NMFA has provided its prior written consent to amend the Loan Approval Resolution as provided herein. The Loan Approval Resolution, as amended by this Amending Resolution, may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the NMFA.

Section 6. Severability Clause. If any section, paragraph, clause or provision of this Amending Resolution or of the Loan Approval Resolution as amended hereby 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 Amending Resolution or of the Loan Approval Resolution as so amended.

Section 7. 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 8. Effective Date. Upon due adoption of this Amending Resolution, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Mayor and City Clerk, and the title and general summary of the subject matter contained in this Amending Resolution (set out in Section 10 below) shall be published in a newspaper which maintains an office and is of general circulation in the Governmental Unit, and this Amending Resolution shall be in full force and effect thereafter, in accordance with law.

Section 9. Master Ordinance. The Governing Body finds that the terms of the Loan Agreement and of the Loan Approval Resolution, as amended by this Amending Resolution, are consistent with the terms and parameters established for the issuance of such debt by the Master Ordinance. This Loan Approval Resolution, as amended by this Amending Resolution and duly adopted as a resolution of the Governmental Unit, supplements the Master Ordinance in accordance with the provisions hereof and thereof. In the event of any inconsistency between the Loan Agreement and the Master Ordinance, as supplemented and amended by the Loan Approval Resolution as amended by this Amending Resolution, the provisions of the Master Ordinance shall control.

Section 10. 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 Amending Resolution shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Summary of Resolution for Publication.]

**City of Santa Fe, New Mexico
Notice of Adoption of Resolution**

Notice is hereby given of the title and of a general summary of the subject matter contained in Resolution No. 2010-2, duly adopted and approved by the Governing Body of the City of Santa Fe, New Mexico (the "Governmental Unit"), on January 13, 2010. Complete copies of the Resolution are available for public inspection during normal and regular business hours in the office of the City Clerk, 200 Lincoln Avenue, Santa Fe, New Mexico 87501.

The title of the Resolution is:

**CITY OF SANTA FE, NEW MEXICO
RESOLUTION NO. 2010-2**

A RESOLUTION AMENDING RESOLUTION NO. 2009-123, ADOPTED DECEMBER 9, 2009; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN ONE HUNDRED FORTY-ONE THOUSAND FOUR HUNDRED DOLLARS (\$141,400), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, FOR THE PURPOSE OF FINANCING THE COSTS OF MODIFICATION OF THE ELECTRICAL SYSTEM AT THE BUCKMAN DIRECT DIVERSION SURFACE WATER PROJECT TO PROVIDE FOR A PLANNED PHOTOVOLTAIC SYSTEM; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE PLEDGED REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

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

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

[End of Form of Summary for Publication.]

PASSED, APPROVED AND ADOPTED THIS 13TH DAY OF JANUARY, 2010.

CITY OF SANTA FE, NEW MEXICO

By David Coss
David Coss, Mayor

[SEAL]

ATTEST:

By Yolanda Y. Vigil
Yolanda Y. Vigil, City Clerk

APPROVED AS TO FORM:

Valley A. Brennan
City Attorney (ACTING)

[Remainder of page intentionally left blank.]

Councilor Patti J. Bushee then moved adoption of the foregoing Resolution, duly seconded by Councilor Chris 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: Rebecca Wurzburger
Patti J. Bushee
Chris Calvert
Miguel M. Chavez
Carmichael Dominguez
Rosemary Romero
Ronald S. Trujillo

Those Voting Nay: (None)

Those Absent: Matthew E. Ortiz

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 other matters not relating to the Resolution, the meeting on motion duly made, seconded and carried, was adjourned.

CITY OF SANTA FE, NEW MEXICO

By David Coss
David Coss, Mayor

[SEAL]

ATTEST:

By Yolanda Y. Vigil
Yolanda Y. Vigil, City Clerk

[Remainder of page intentionally left blank.]

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

I, Yolanda Y. Vigil, the duly appointed, qualified, and acting City 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 City Council Chambers, 200 Lincoln Ave., Santa Fe, New Mexico, on January 13, 2010, at the hour of 5:00 p.m., insofar as the same relate to the adoption of Resolution No. 2010-2 and the execution and delivery of the proposed Loan Agreement, copies of which are 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.

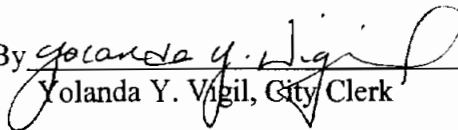
2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of the January 13, 2009 meeting was given by the City in compliance with the permitted methods of giving notice of regular meetings of the Governing Body as required by the City's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of January, 2010.

CITY OF SANTA FE, NEW MEXICO

[SEAL]

By  _____
Yolanda Y. Vigil, City Clerk