



CITY OF LAS VEGAS

1700 N. GRAND AVE. • LAS VEGAS, NEW MEXICO 87701-4731 • 505-454-1401 • FAX: 505-425-7335

ALFONSO E. ORTIZ, JR.
Mayor

**CITY OF LAS VEGAS
WORK SESSION CITY COUNCIL AGENDA
May 14, 2014–Wednesday– 5:30 p.m.
City Council Chambers
1700 N. Grand Ave**

(The City Council shall act as the Housing Authority Board of Commissioners on any matters on the Agenda concerning the Housing Department.)

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **PLEDGE OF ALLEGIANCE**
- IV. **MOMENT OF SILENCE**
- V. **APPROVAL OF AGENDA**
- VI. **MAYOR'S APPOINTMENTS**
- VII. **MAYOR'S RECOGNITIONS/PROCLAMATIONS**
- VIII. **PUBLIC INPUT (not to exceed 3 minutes per person)**
- IX. **CITY MANAGER'S INFORMATIONAL REPORT**
- X. **DISCUSSION ITEMS**

1. Resolution 14-26 to approve decommissioning of a Police Officer's primary duty weapon (side arm) upon retirement and transferring to the officer upon approval of the Chief of Police.

Christian Montano, Police Chief As an honor for serving the City of Las Vegas, the Las Vegas Police Department would like to transfer the weapon to the officer upon retirement who has served 20 years consecutively and continuously upon the Chief of Police's approval and if the officer is in good standing

2. Resolution 14-31 to approve for submission of Application for financial assistance from the New Mexico Finance Authority.

Chris Cavazos, Transportation Manager Application for planning grant funding for a Drainage Master Plan.

3. Reject Bid #2014-23 for the E-Romero Fire Station Renovation Phase 2 and Re-Bid.

Chris Cavazos, Transportation Manager All bids received for Bid #2014-23 were over budget.

4. Consideration to award Bid #2014-22 Solid Waste containers to Wastequip and enter into agreement for the purchase of 6 and 8 cubic yard bins.

Ken Garcia, Utilities Director The City of Las Vegas Solid Waste Division received a grant through the New Mexico Environment Department in the amount of \$11,200 for the purchase of solid waste consisting of 6 and 8 cubic yard bins.

5. Resolution 14-27 to submit an application for funding assistance to the New Mexico Water Trust Board for the Bradner Reservoir Enlargement Project and all related appurtenances.

Ken Garcia, Utilities Director This resolution will allow the City of Las Vegas to submit their application to the NM Water Trust Board for funding for the Bradner Reservoir Enlargement project and all related appurtenances (inlet/outlet piping). This project will assist the City in increasing its water supply, water supply storage and improve the dam structure.

6. Resolution 14-28 authorizing the execution and delivery of a water project fund loan/grant agreement with the New Mexico Finance Authority for the Water Storage Tank Rehabilitation and Inspection project.

Ken Garcia, Utilities Director This grant/loan is to rehabilitate and inspect 3 water storage tanks: Cabin site tank-vacuum floor for precise inspection, re-coat interior, replace rafter bolts and re-paint exterior of tank and replacement of cathodic protection and clean tank floor; this tank will require yard piping improvements in order to provide service while tank is being rehabilitated. Valencia tank-tank inspection, replace cathodic protection and pumping water from lower pressure zones to higher ones. This is a 75/25 grant loan.

7. Resolution 14-29 authorizing the execution and delivery of a water project fund loan/grant agreement with the New Mexico Finance Authority for the Water Treatment Plant repair project.

Ken Garcia, Utilities Director This grant/loan is to make necessary repairs to the Water Treatment Plant Building: replace leaky roof on filter building; stabilize filter building foundation; repair cracked masonry walls, improve sludge withdrawal from west side sludge lagoon and add sun roof over outdoor liquid alum tank. This is a 75/25 grant loan.

XI. EXECUTIVE SESSION

THE COUNCIL MAY CONVENE INTO EXECUTIVE SESSION IF SUBJECT MATTER OF ISSUES ARE EXEMPT FROM THE OPEN MEETINGS REQUIREMENT UNDER § (H) OF THE OPEN MEETINGS ACT.

- A. Personnel matters, as permitted by Section 10-15-1 (H) (2) of the New Mexico Open Meetings Act, NMSA 1978.**
- B. Matters subject to the attorney client privilege pertaining to threatened or pending litigation in which the City of Las Vegas is or may become a participant, as permitted by Section 10-15-1 (H) (7) of the New Mexico Open Meetings Act, NMSA 1978.**
- C. Matters pertaining to the discussion of the sale and acquisition of real property, as permitted by Section 10-15-1 (H) (8) of the Open Meetings Act, NMSA 1978.**

XII. ADJOURN

ATTENTION PERSONS WITH DISABILITES: The meeting room and facilities are accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office prior to the meeting so that arrangements may be made.

ATTENTION PERSONS ATTENDING COUNCIL MEETING: By entering the City Chambers, you consent to photography, audio recording, video recording and its/their use for inclusion on the City of Las Vegas Web-site, and to be televised on Comcast.

NOTE: A final agenda will be posted 72 hours prior to the meeting. Copies of the Agenda may be obtained from City Hall, Office of the City Clerk, 1700 N. Grand Avenue, Las Vegas, N.M 87701

Work Session

CITY COUNCIL MEETING AGENDA REQUEST

DATE: Apr. 24, 14 **DEPT:** Police **MEETING DATE:** May 14, 2014

DISCUSSION ITEM/TOPIC: Resolution No 14-26 for approval on decommissioning of a Police Officer's primary duty weapon (side arm) upon retirement and transferring to the officer upon approval of the Chief of Police. who has served 20 years consecutively and continuously

BACKGROUND/RATIONALE:

As an honor for serving the City of Las Vegas and the Community the Las Vegas Police Department would like to transfer the weapon to the officer upon retirement who has served 20 years consecutively and continuously. Upon Chief's approval and if the officer is in good standing.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

Christian Montaña
Chief of Police

REVIEWED AND APPROVED BY:

ALFONSO E. ORTIZ, JR.
MAYOR

Ann Marie Gallegos
FINANCE DIRECTOR

TIMOTHY P. DODGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY

Approved as to Legal Sufficiency Only

CITY OF LAS VEGAS
Duty Weapon Decommission Retirement Transaction

RESOLUTION NO. 14-26

WHEREAS, the City of Las Vegas and the Las Vegas Police Department in recognition of an honorable and arduous career enforcing the laws and protecting the streets of our city will decommission a Police Officer's primary duty weapon (side arm) upon his retirement and transfer it to him providing that the requirements mentioned herein are satisfied

WHEREAS, said officer shall qualify by serving the Las Vegas Police Department and City of Las Vegas consecutively and continuously for twenty years (20) years or for the eligible time for retirement from law enforcement as per PERA requirements;

WHEREAS, Upon the Police Chief's approval that the officer is in good standing with the Department and the Officer falls within the State and Federal laws to own such weapon;

WHEREAS, only if the Department can manage to relinquish such weapon;

WHEREAS, the Officer may choose to reject this transaction;

NOW, THEREFORE, The Governing Body of the City of Las Vegas passes this resolution to decommission and conduct this transfer **PASSED, APPROVED AND ADOPTED** this _____ day of _____, 2014.

Alfonso E. Ortiz Jr. Mayor

ATTEST:

Casandra Fresquez, City Clerk

REVIEWED AND APPROVED AS TO LEGAL SUFFICIENCY ONLY:

Dave Romero, City Attorney

Work Session

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 5/2/14 DEPT: Transportation MEETING DATE: 5/14/14

DISCUSSION ITEM/TOPIC: Consideration of Approval/Disapproval of Resolution # 14-31, for Submission of Application for Financial Assistance from the New Mexico Finance Authority.

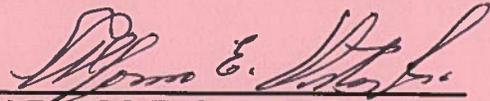
BACKGROUND/RATIONALE: Planning Grant Funding for Drainage Master Plan.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

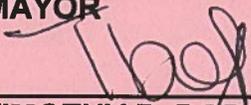


SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:



ALFONSO E. ORTIZ, JR.
MAYOR



TIMOTHY P. DODGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

ANN MARIE GALLEGOS
FINANCE DIRECTOR

DAVE ROMERO
CITY ATTORNEY

Approved as to Legal Sufficiency Only

(If Box is Initialed by City Mngr., Review and Sign)

RESOLUTION NO. 14-3/

AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY

WHEREAS, City of Las Vegas (the "Governmental Unit") is a duly organized [name of type of entity] created and formed pursuant to [name of act, and citation to act, authorizing creation of, or creating, the Governmental Unit] and is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 ("Act"); and

WHEREAS, the New Mexico Finance Authority ("Finance Authority") is authorized pursuant to the Act, particularly Section 6-21-6.4 of the Act, to make grants from the local government planning fund (the "Fund") to qualified entities to evaluate and estimate the costs of implementing feasible alternatives for meeting water and wastewater public project needs or to develop water conservation plans, long-term master plans or economic development plans; and

WHEREAS, pursuant to the Act the Finance Authority has developed an application procedure whereby the Governing Body may submit an application ("Application") to the Finance Authority for planning grant financial assistance from the Fund; and

WHEREAS, the City Council of the Governmental Unit (the "Governing Body") desires to submit an Application for financial assistance from the Fund for a Planning Document, as defined in the Rules Governing the Local Government Planning Fund currently in effect and as specifically identified below, for the benefit of the Governmental Unit; and

WHEREAS, the Governing Body intends to submit the Planning Document to [evaluate and estimate the costs of implementing feasible alternatives for meeting water and wastewater public project needs] [develop a water conservation plan] [develop a long-term master plan] [develop an economic development plan] of Drainage Master Plan ("Project") for the benefit of the Governmental Unit and its citizens; and

WHEREAS, the application prescribed by the Finance Authority to finance the Planning Document [in whole/in part] with financial assistance from the Fund has been completed, submitted to, and reviewed by the Governing Body, and this Resolution approving submission of the completed Application to the Finance Authority for its consideration and review is required as part of the Application.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY:

Section 1. That all lawful actions previously taken by the Governing Body and the Governmental Unit and their respective officers and employees in connection with the Application and the Project are hereby ratified, approved and confirmed.

Section 2. That the completed Application submitted to the Governing Body is hereby approved and confirmed.

Section 3. That the officers and employees of the Governmental Unit are hereby directed and requested to submit the completed Application to the Finance Authority, and are further authorized to take such other action as may be requested by the Finance Authority in connection with the Application and to proceed with arrangements for financing the Project.

Section 4. All acts and resolutions in conflict with this Resolution are hereby rescinded, annulled and repealed.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSES APPROVED AND ADOPTED this _____ day of _____, 20__.

City of Las Vegas

By _____
Authorized Officer

(Seal)

ATTEST:

Authorized Officer

Work Session

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 5/2/14 DEPT: Transportation MEETING DATE: 5/14/14

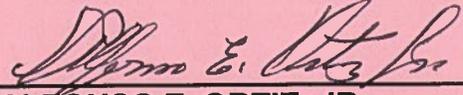
DISCUSSION ITEM/TOPIC: Reject Bid # 2014-23 for the E. Romero Fire Station Renovation Phase -2 and Re-Bid.

BACKGROUND/RATIONALE: Bids received were over budget.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.


SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:



ALFONSO E. ORTIZ, JR.
MAYOR

ANN MARIE GALLEGOS
FINANCE DIRECTOR



TIMOTHY P. DODGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY

Approved as to Legal Sufficiency Only

(If Box is Initialed by City Mngr., Review and Sign)

Approved to form 9-25-12

May 2, 2014

Re: E. Romero Fire Station Renovation
Bid Recommendation

Mr. Chris Cavazos
City of Las Vegas
1700 N. Grand Avenue
Las Vegas, New Mexico 87701

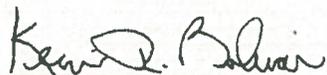
Dear Mr. Cavazos:

We received two bids for the E. Romero Fire Station Renovation on May 1.
The results are as follows, (none of the bids include tax):

Bidder	Base Bid	Alternate #1 Glass Doors	Alternate #2 Overhead Door
Lumar	\$132,000	\$21,000	\$7,500
Northeastern	\$163,560	\$24,960	\$9,800

All of the bids exceed the funds available for the project. I recommend that all bids be rejected and the project re-bid.

Please call me with any concerns regarding this letter.



Kevin R. Balciar, AIA

Work Session

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 05/07/14

DEPT: Utilities Dept.

MEETING DATE: 05/14/14

DISCUSSION ITEM/TOPIC: Award Bid 2014-22 – Solid Waste containers to Wastequip and enter into agreement for the purchase of 6 and 8 cubic yard bins.

BACKGROUND/RATIONALE: The City of Las Vegas Solid Waste division received a grant through the New Mexico Environment Department in the amount of \$11,200 for the purchase of solid waste containers consisting of 6 and 8 cubic yard bins. The amount of this award does not require Council approval but it is being brought to Council for approval in case it is required by the funding agency.

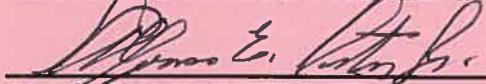
Advertised: 04/12/14; Albuquerque Journal and City Website.
Bid Opening: April 29, 2014
Number of Bidders: 2; Wastequip & MCT Industries
Lowest Bid: Wastequip – 6 cubic yard: \$834.22 each
8 cubic yard: \$1,037.38 each
Funding Source: 630-5600-650-8004

**THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE
NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO
THE CITY COUNCIL MEETING.**

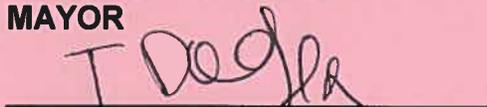


SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:



ALFONSO E. ORTIZ, JR.
MAYOR



TIMOTHY P. DODGE
CITY MANAGER

ANN MARIE GALLEGOS
FINANCE DIRECTOR

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY

Approved as to Legal Sufficiency Only

(If Box is Initialed by City Mngr., Review and Sign)

**CITY OF LAS VEGAS
PROPOSAL/BID OPENING**

DATE: 29-Apr-2014

OPENING NO.: 2014-22

TIME: 2:00 PM

DEPARTMENT: SOLID WASTE DEPT

LOCATION: City Council Chambers
1700 N. Grand Ave.
Las Vegas, NM 87701

ITEM(S): **SOLID WASTE CONTAINERS**

	RECEIVED FROM:	AMOUNT	PER ITEM:	BID BOND:	AFFIDAVIT NOTARIZED	CAMPAIGN CONTRIBUTION
1	MCT Industries, inc.	6 CUBIC 915.00			✓	✓
2	Waste Mct ind.	8 CUBIC 1,137.00				
3	Waste Equip	6 CUBIC 834.22			✓	✓
4	Wastequip	8 CUBIC 1,037.38				
5		6 CUBIC				
6		8 CUBIC				
7		6 CUBIC				
8		8 CUBIC				

	COMPANY REPRESENTATIVE	COMPANY NAME
1	Francisca Solano	City of Las Vegas
2	June Jayaya	CLV Purchasing
3		
4		
5		
6		
7		
8		
9		
10		

(use other side of form when full)

ORIGINAL PROPOSALS TAKEN BY: [Signature]
DATE: _____

OPENED BY: FINANCE DEPARTMENT
[Signature]
DATE: 4-29-14

COPIES TAKEN BY: [Signature]
DATE: 5-2-14

CALL FOR BIDS

The City of Las Vegas, New Mexico will open Sealed Bids at 2:00 p.m., April 29, 2014, at the City Council Chambers, 1700 North Grand Avenue, Las Vegas, New Mexico, or other designated area at the City Offices; ON THE FOLLOWING:

SOLID WASTE CONTAINERS

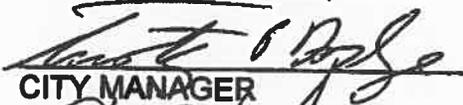
The BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be examined at the following location: 1700 North Grand Ave., Las Vegas, NM 87701

Copies of the BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be obtained at the office of: 1700 North Grand Ave., Las Vegas, NM 87701

Mailed Bids should be addressed to the City Clerk, 1700 North Grand Avenue, Las Vegas, New Mexico 87701; with the envelope marked: "Solid Waste Containers". Opening No. 2014-22; on the lower left-hand corner of the submitted envelope. It shall be the responsibility of the bidder to see that their bid is delivered to the City Clerk by the date and time set for the bid request. If the mail or delivery of bid request is delayed beyond the opening date and time, bid thus delayed will not be considered. A public opening will be held and any bidder or their authorized representative is invited to attend.

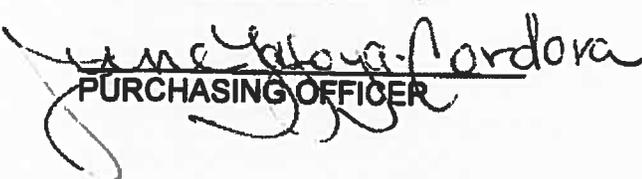
The City of Las Vegas reserves the right to reject any/or all bids submitted.

CITY OF LAS VEGAS,


CITY MANAGER


CITY CLERK


FINANCE DIRECTOR


PURCHASING OFFICER

Opening No. 2014-22

Date Issued: April 9, 2014

Published: Albuquerque Journal, April 12, 2014
www.lasvegasnm.gov

STANDARD BID CLAUSES

AWARDED BID

Awarding of Bid shall be made to the responsible Bidder whose Bid meets the required specifications. The City of Las Vegas (City) reserves the right to reject or accept any of all Bid specifications and to waive any insubstantial irregularity in the form of the Bid.

The City of Las Vegas may make multiple awards of the bid, to those bidding in law enforcement related services. The City Reserves the right to award the bid to the most advantageous Bidder to the City.

TIMETABLE

Bids pursuant to this request must be received at the City Clerk's Office at 1700 North Grand Avenue, Las Vegas, New Mexico, on or before April 29, 2014 at which time all bids received will be opened. An opening will occur at the City's Council Chambers or other designated area at the City Offices. Awarding of Bid is projected for May, 2014. The successful Bidder will be notified by mail.

ENVELOPES

Sealed Bid envelopes shall be clearly marked on the lower left-hand corner, identified by the Bid Name and Opening Number. Failure to comply with this requirement may result in the rejection of your submitted Bid. Enclose one (1) original and (2) copies of Bid.

BRIBERY AND KICKBACK

The Procurement Code of New Mexico; (Section 13-1-28 through 13-1-99 N.M.S.A. 1978), impose a third degree felony penalty for bribery of a public official or public employee. In addition the New Mexico Criminal Statutes (Section 30-4-1, N.M.S.A. 1978): state that it is a third degree felony to commit the offense of demanding or receiving a bribe by a public official of public employee. And (Section 30-24-2, N.M.S.A. 1978): it is a fourth degree felony to commit the offense of soliciting or receiving illegal kickbacks. Also (Section 30-41-1 through 30-41-3, N.M.S.A. 1978): states that it is a fourth degree felony to commit the offense of offering or paying illegal kickbacks.

NON-COLLUSION

In signing their Bid and Affidavit, the Bidder certifies that he/she has not, either directly or indirectly entered into action of restraint of free competition, in the connection with the submitted bid.

RESPONSIBILITY OF BIDDER

At all times it shall be the responsibility of the Bidder to see their bid is delivered to the City Clerk by the Date and Time scheduled for opening. If the mail or delivery of said Bid is delayed beyond the scheduled opening date and time set, bid this delayed will not be considered.

CLARIFICATION OF BID

Bidder requiring clarification or interpretation of Bid specifications shall make a written request to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Any interpretation, corrections or changes of said Bid Specifications, Opening Date, or Time Change will be made by Addendum only. Interpretations, Corrections or changes of said bid made in any other manner will not be binding and the Bidder shall not rely upon such interpretation, corrections and changes.

MODIFICATION OF BID

Bids may be withdrawn upon receipt of written request prior to the scheduled bid opening for the purpose of making any corrections or changes. Such corrections must be properly identified and signed or initialed by the Bidder. Resubmission must be prior to the scheduled bid opening time in order to be considered. After bid opening, no price modifications of submitted bids or other provisions shall be permitted.

WITHDRAWAL OF BID

A low Bidder alleging a material mistake of fact, after bids have been opened may request their bid be withdrawn upon receipt of a written request to the Finance Department prior to the scheduled awarding date.

INSPECTION

Final inspection and acceptance will be made at the City's destination. Products rejected for nonconformance with the specifications shall be removed by the Bidder; at his/her risk and expense promptly after notice of rejection.

FEDERAL TAX IDENTIFICATION NUMBER

Pursuant to IRS requirements, Bidder shall provide their Federal Tax ID Number if Bidder is incorporated. If Bidder is a sole proprietorship or partnership then they shall provide their Social Security Number.

FEDERAL TAX ID NUMBER: _____
SOCIAL SECURITY NUMBER: _____

NEW MEXICO TAX IDENTIFICATION NUMBER

Payment may be withheld under (Section 7-10-5, N.M.S.A. 1978) if you are subject to New Mexico Gross Receipts Tax and have not registered for a New Mexico (CRS) Tax Identification Number. Contact the New Mexico Taxation & Revenue Department at (505) 827-0700 for registering instructions.

NEW MEXICO TAX IDENTIFICATION NO. (CRS): _____

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

The Bidder shall submit a completed Campaign Contribution Disclosure Form Pursuant to Chapter 81, Laws of 2006.

COMMERCIAL WARRANTY

The Bidder agrees that the products or services furnished under a Purchase Order shall be covered by the most favorable commercial warranties that the Bidder gives to any customer for such products or services. And that the rights and remedies provided therein shall extend to the City and are in addition to and do not limit any rights afforded to the City by any other clause of its Purchase Order. Bidder agrees not to disclaim warranties of fitness for any particular purpose or merchantability.

Furthermore, Bidder agrees that its warranty for all products furnished under a Purchase Order pursuant to this Call for Bids shall be for a period of one year following the installation of said products by others. Also a receipt of a notice by the City's Engineer the products have been installed correctly and have been demonstrated to be capable of performing their intended function.

SPECIAL NOTICE

To preclude possible errors and/or misinterpretations, bid prices must be affixed in ink or typewritten legibly. Enclose one (1) original and two (2) copies of Bid documents.

DEFAULT

The City reserves the right to cancel all or any part of an order without cost to the City if the Bidder fails to meet the provisions of the City's Purchase Order or the product specifications and to hold the Bidder liable for any excess costs occasioned due to the Bidder's default. The Bidder shall not be liable for any excess costs if failure to perform on an order arises out of cause beyond the control and without fault or negligence of the Bidder. Such causes include, but are not restricted to, acts of God or public enemy; acts of State or Federal Government; fires, floods, epidemics, quarantine restrictions, strikes, embargoes, unusually severe weather, or defaults of subcontractors. Due to any of the above unless the City shall determine that the supplies or services to be furnished by the subcontractor are obtainable from other sources in the City in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law.

BID PROTESTS

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least twelve (12) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Bid protests will not be considered from parties which do not also furnish satisfactory documentation with their protest that their proposed system fully meets the functional intent of the TECHNICAL SPECIFICATIONS which accompany a Call for Bids.

NON-EXCLUSION

Specifications of the bid request are not meant to exclude any Bidder or Manufacturer. Where a brand name or equal is indicated, it is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to restrict competition. "No Substitute" specifications may be authorized, only if required to match existing equipment.

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date; with a copy forwarded to the Finance Department.

Brand names and numbers are for reference only and equivalents will be considered. If bidding "EQUIVALENT" Bidder must be prepared to furnish complete data upon request, preferably with the bid to avoid awarding delay.

CONTRACT

When the City issues a Purchase Order in response to an awarded Bid a binding contract is created (unless a specified contract has been created).

TERMINATION

This Price Agreement may be terminated by either party upon signing a written notice to the other party at least thirty (30) days in advance of the date of termination. Notice of termination of this Price Agreement shall not affect any outstanding orders.

TAXES

Bidder must pay all applicable taxes.

NOTE:

If bidder is from outside the City of Las Vegas, the successful bidder must pay Gross Receipts in the City of Las Vegas.

BIDDER INFORMATION

BIDDER: _____

AUTHORIZED AGENT: _____

ADDRESS: _____

TELEPHONE NUMBER (____) _____

FAX NUMBER (____) _____

DELIVERY: _____

STATE PURCHASING RESIDENT CERTIFICATION NO.: _____

NEW MEXICO CONTRACTORS LICENSE NO.: _____

BID ITEM (S): Solid Waste Containers

ITEM (S) UNDER THIS BID ARE TO BE F.O.B. LAS VEGAS, NEW MEXICO 87701. THE CITY OF LAS VEGAS RESERVES THE RIGHT REJECT ANY OR ALL BIDS AND TO WAIVE ANY TECHINCAL IRREGULARITY IN THE FORM OF THE BID.

AFFIDAVIT FOR FILING WITH COMPETITIVE BID

STATE OF _____ }

COUNTY OF _____ }

I _____, of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the bidder to submit the attached bid. Affiant further states that the bidder has not been a party to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding; or with any city official or employee as to the terms of said prospective contract, or any other terms of said prospective contract; or in any discussion between bidders with any city official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

Subscribed and sworn to before me, this _____ day of _____, 20____.

Signature

(SEAL)

Notary Public Signature
My Commission Expires: _____

**CITY OF LAS VEGAS
BID FORM**

BID ITEM (S): Solid Waste Containers

A. <u>6 cubic yard bins (See Specs Attached)</u>	\$ _____
B. <u>8 cubic yard bins (See Specs Attached)</u>	\$ _____
C. _____	\$ _____
D. _____	\$ _____
E. _____	\$ _____
F. _____	\$ _____
G. _____	\$ _____
F. _____	\$ _____
G. _____	\$ _____
H. _____	\$ _____
I. _____	\$ _____
J. _____	\$ _____
K. _____	\$ _____
L. _____	\$ _____
M. _____	\$ _____
N. _____	\$ _____
O. _____	\$ _____
P. _____	\$ _____
Q. _____	\$ _____
R. _____	\$ _____
S. _____	\$ _____
TOTAL	\$ _____

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"Contract" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Person" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

"Prospective contractor" means a person who is subject to the competitive sealed

proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(The above fields are unlimited in size) _____

Signature

Date

Title (position)

-OR-

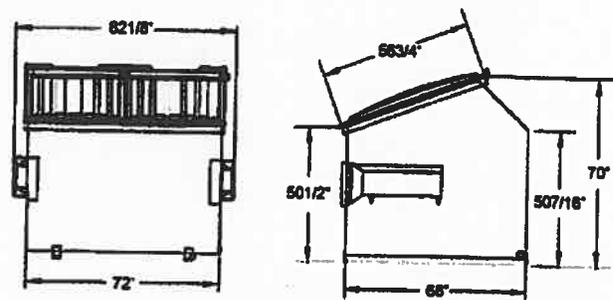
NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature

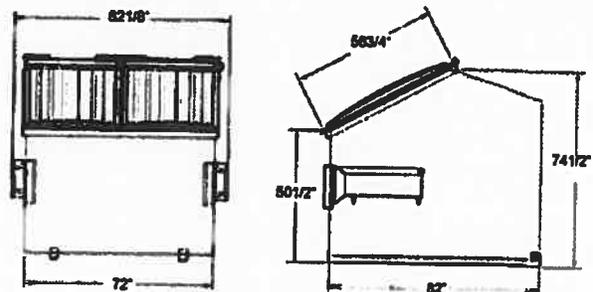
Date

Title (Position)

6YARDSLANT



8YARDSLANT



12ga wall / 10ga floor fully welded in-seams

Fork pockets:

- 3-way flared fork pockets protect from damage by the trucks forks and easily guides forks into the pockets
- Taco gussets welded to the bottom of the fork pockets help extend pocket life by providing added strength to the bottom of the pockets
- Fully welded pockets at critical stress points reduce fork damage and ensure long service life

Construction:

- Rounded bumper pads help prevent damage to the front of the container
- Floor channels are capped at both ends to prevent debris from getting inside and extend up the front and back walls to create extra support
- Fully welded no-step gusset across the top of the fork pocket provides added safety and support
- Top edges are rounded and smooth for added safety during customer loading
- Interlocking top channel frame provides added strength
- Primed inside and outside to reduce corrosion
- Painted in one of several standard colors

Lids:

- Single wall, double lip lids ensure durability

Proposal Submitted By:



WASTEQUIP

Toter

E-Ibreath

Accurate



CUSCO



For:

Las Vegas, New Mexico

Bid No.: 2014-22

Solid Waste Containers

Bid Due: April 29, 2014

Bid Opening Time: 2:00 pm

Bid Contact Information:

Bid Contact: Marya Jenkins, Bid/Contract Specialist

Address: 841 Meacham Road, Statesville, NC 28677

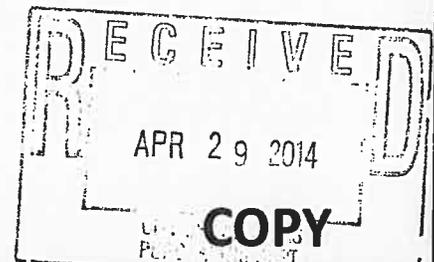
Phone/Fax: 800-255-4126 Ext. 244/704-878-0734

Email: MJenkins@wastequip.com

Website: www.wastequip.com

ALVIN
602-810
0782
YOLANDA

Fed Ex Date: April 22, 2014



CALL FOR BIDS

The City of Las Vegas, New Mexico will open Sealed Bids at 2:00 p.m., April 29, 2014, at the City Council Chambers, 1700 North Grand Avenue, Las Vegas, New Mexico, or other designated area at the City Offices; **ON THE FOLLOWING:**

SOLID WASTE CONTAINERS

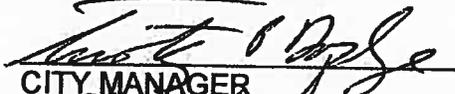
The BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be examined at the following location: 1700 North Grand Ave., Las Vegas, NM 87701

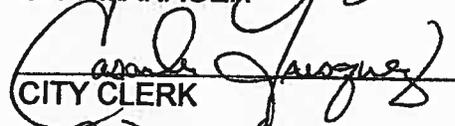
Copies of the BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be obtained at the office of: 1700 North Grand Ave., Las Vegas, NM 87701

Mailed Bids should be addressed to the City Clerk, 1700 North Grand Avenue, Las Vegas, New Mexico 87701; with the envelope marked: "Solid Waste Containers". Opening No. 2014-22; on the lower left-hand corner of the submitted envelope. It shall be the responsibility of the bidder to see that their bid is delivered to the City Clerk by the date and time set for the bid request. If the mail or delivery of bid request is delayed beyond the opening date and time, bid thus delayed will not be considered. A public opening will be held and any bidder or their authorized representative is invited to attend.

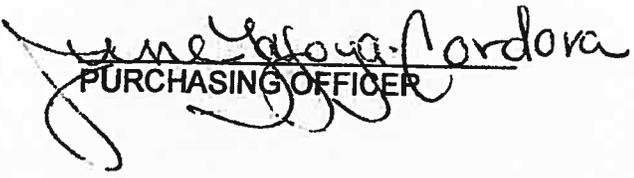
The City of Las Vegas reserves the right to reject any/or all bids submitted.

CITY OF LAS VEGAS,


CITY MANAGER


CITY CLERK


FINANCE DIRECTOR


PURCHASING OFFICER

Opening No. 2014-22

Date Issued: April 9, 2014

Published: Albuquerque Journal, April 12, 2014
www.lasvegasnm.gov

STANDARD BID CLAUSES

AWARDED BID

Awarding of Bid shall be made to the responsible Bidder whose Bid meets the required specifications. The City of Las Vegas (City) reserves the right to reject or accept any of all Bid specifications and to waive any insubstantial irregularity in the form of the Bid.

The City of Las Vegas may make multiple awards of the bid, to those bidding in law enforcement related services. The City Reserves the right to award the bid to the most advantageous Bidder to the City.

TIMETABLE

Bids pursuant to this request must be received at the City Clerk's Office at 1700 North Grand Avenue, Las Vegas, New Mexico, on or before April 29, 2014 at which time all bids received will be opened. An opening will occur at the City's Council Chambers or other designated area at the City Offices. Awarding of Bid is projected for May, 2014. The successful Bidder will be notified by mail.

ENVELOPES

Sealed Bid envelopes shall be clearly marked on the lower left-hand corner, identified by the Bid Name and Opening Number. Failure to comply with this requirement may result in the rejection of your submitted Bid. Enclose one (1) original and (2) copies of Bid.

BRIBERY AND KICKBACK

The Procurement Code of New Mexico; (Section 13-1-28 through 13-1-99 N.M.S.A. 1978), impose a third degree felony penalty for bribery of a public official or public employee. In addition the New Mexico Criminal Statutes (Section 30-4-1, N.M.S.A. 1978): state that it is a third degree felony to commit the offense of demanding or receiving a bribe by a public official of public employee. And (Section 30-24-2, N.M.S.A. 1978): it is a fourth degree felony to commit the offense of soliciting or receiving illegal kickbacks. Also (Section 30-41-1 through 30-41-3, N.M.S.A. 1978): states that it is a fourth degree felony to commit the offense of offering or paying illegal kickbacks.

NON-COLLUSION

In signing their Bid and Affidavit, the Bidder certifies that he/she has not, either directly or indirectly entered into action of restraint of free competition, in the connection with the submitted bid.

RESPONSIBILITY OF BIDDER

At all times it shall be the responsibility of the Bidder to see their bid is delivered to the City Clerk by the Date and Time scheduled for opening. If the mail or delivery of said Bid is delayed beyond the scheduled opening date and time set, bid this delayed will not be considered.

CLARIFICATION OF BID

Bidder requiring clarification or interpretation of Bid specifications shall make a written request to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Any interpretation, corrections or changes of said Bid Specifications, Opening Date, or Time Change will be made by Addendum only. Interpretations, Corrections or changes of said bid made in any other manner will not be binding and the Bidder shall not rely upon such interpretation, corrections and changes.

MODIFICATION OF BID

Bids may be withdrawn upon receipt of written request prior to the scheduled bid opening for the purpose of making any corrections or changes. Such corrections must be properly identified and signed or initialed by the Bidder. Resubmission must be prior to the scheduled bid opening time in order to be considered. After bid opening, no price modifications of submitted bids or other provisions shall be permitted.

WITHDRAWAL OF BID

A low Bidder alleging a material mistake of fact, after bids have been opened may request their bid be withdrawn upon receipt of a written request to the Finance Department prior to the scheduled awarding date.

INSPECTION

Final inspection and acceptance will be made at the City's destination. Products rejected for nonconformance with the specifications shall be removed by the Bidder; at his/her risk and expense promptly after notice of rejection.

FEDERAL TAX IDENTIFICATION NUMBER

Pursuant to IRS requirements, Bidder shall provide their Federal Tax ID Number if Bidder is incorporated. If Bidder is a sole proprietorship or partnership then they shall provide their Social Security Number.

FEDERAL TAX ID NUMBER: 22-3191624

SOCIAL SECURITY NUMBER: Not applicable

NEW MEXICO TAX IDENTIFICATION NUMBER

Payment may be withheld under (Section 7-10-5, N.M.S.A. 1978) if you are subject to New Mexico Gross Receipts Tax and have not registered for a New Mexico (CRS) Tax Identification Number. Contact the New Mexico Taxation & Revenue Department at (505) 827-0700 for registering instructions.

NEW MEXICO TAX IDENTIFICATION NO. (CRS): Not applicable

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

The Bidder shall submit a completed Campaign Contribution Disclosure Form Pursuant to Chapter 81, Laws of 2006.

COMMERCIAL WARRANTY

The Bidder agrees that the products or services furnished under a Purchase Order shall be covered by the most favorable commercial warranties that the Bidder gives to any customer for such products or services. And that the rights and remedies provided therein shall extend to the City and are in addition to and do not limit any rights afforded to the City by any other clause of its Purchase Order. Bidder agrees not to disclaim warranties of fitness for any particular purpose or merchantability.

Furthermore, Bidder agrees that its warranty for all products furnished under a Purchase Order pursuant to this Call for Bids shall be for a period of one year following the installation of said products by others. Also a receipt of a notice by the City's Engineer the products have been installed correctly and have been demonstrated to be capable of performing their intended function.

SPECIAL NOTICE

To preclude possible errors and/or misinterpretations, bid prices must be affixed in ink or typewritten legibly. Enclose one (1) original and two (2) copies of Bid documents.

DEFAULT

The City reserves the right to cancel all or any part of an order without cost to the City if the Bidder fails to meet the provisions of the City's Purchase Order or the product specifications and to hold the Bidder liable for any excess costs occasioned due to the Bidder's default. The Bidder shall not be liable for any excess costs if failure to perform on an order arises out of cause beyond the control and without fault or negligence of the Bidder. Such causes include, but are not restricted to, acts of God or public enemy; acts of State or Federal Government; fires, floods, epidemics, quarantine restrictions, strikes, embargoes, unusually severe weather, or defaults of subcontractors. Due to any of the above unless the City shall determine that the supplies or services to be furnished by the subcontractor are obtainable from other sources in the City in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law.

BID PROTESTS

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least twelve (12) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Bid protests will not be considered from parties which do not also furnish satisfactory documentation with their protest that their proposed system fully meets the functional intent of the TECHNICAL SPECIFICATIONS which accompany a Call for Bids.

NON-EXCLUSION

Specifications of the bid request are not meant to exclude any Bidder or Manufacturer. Where a brand name or equal is indicated, it is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to restrict competition. "No Substitute" specifications may be authorized, only if required to match existing equipment.

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date; with a copy forwarded to the Finance Department.

Brand names and numbers are for reference only and equivalents will be considered. If bidding "EQUIVALENT" Bidder must be prepared to furnish complete data upon request, preferably with the bid to avoid awarding delay.

CONTRACT

When the City issues a Purchase Order in response to an awarded Bid a binding contract is created (unless a specified contract has been created).

TERMINATION

This Price Agreement may be terminated by either party upon signing a written notice to the other party at least thirty (30) days in advance of the date of termination. Notice of termination of this Price Agreement shall not affect any outstanding orders.

TAXES

Bidder must pay all applicable taxes.

NOTE:

If bidder is from outside the City of Las Vegas, the successful bidder must pay Gross Receipts in the City of Las Vegas.

BIDDER INFORMATION

BIDDER: Wastequip Mfg. Co. LLC

AUTHORIZED AGENT: Stephen Svetik, CFO

ADDRESS: (Bid Location) 841 Meacham Road, Statesville, NC 28677

TELEPHONE NUMBER (800) 255-4126 Ext. 244

FAX NUMBER (704) 878-0734

DELIVERY: 45 days ARO

STATE PURCHASING RESIDENT CERTIFICATION NO.: Not applicable

NEW MEXICO CONTRACTORS LICENSE NO.: Not applicable

BID ITEM (S): Solid Waste Containers

ITEM (S) UNDER THIS BID ARE TO BE F.O.B. LAS VEGAS, NEW MEXICO 87701. THE CITY OF LAS VEGAS RESERVES THE RIGHT REJECT ANY OR ALL BIDS AND TO WAIVE ANY TECHNICAL IRREGULARITY IN THE FORM OF THE BID.

AFFIDAVIT FOR FILING WITH COMPETITIVE BID

STATE OF North Carolina }

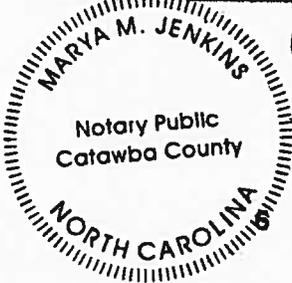
COUNTY OF Iredell }

I Stephen Svetik, of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the bidder to submit the attached bid. Affiant further states that the bidder has not been a party to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding; or with any city official or employee as to the terms of said prospective contract, or any other terms of said prospective contract; or in any discussion between bidders with any city official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

[Signature]
Signature Stephen Svetik, CFO
day of April, 2014

Subscribed and sworn to before me, this 22

(SEAL)



[Signature]
Notary Public Signature Marya M. Jenkins
My Commission Expires: June 16, 2016

CITY OF LAS VEGAS
BID FORM

BID ITEM (S): Solid Waste Containers

*PLEASE SEE ATTACHED NOTES TO PRICING

A. <u>6 cubic yard bins (See Specs Attached)</u>	<u>\$ 834.22 each*</u>
B. <u>8 cubic yard bins (See Specs Attached)</u>	<u>\$ 1,037.38 each*</u>
C. _____	<u>\$ _____</u>
D. _____	<u>\$ _____</u>
E. _____	<u>\$ _____</u>
F. _____	<u>\$ _____</u>
G. _____	<u>\$ _____</u>
F. _____	<u>\$ _____</u>
G. _____	<u>\$ _____</u>
H. _____	<u>\$ _____</u>
I. _____	<u>\$ _____</u>
J. _____	<u>\$ _____</u>
K. _____	<u>\$ _____</u>
L. _____	<u>\$ _____</u>
M. _____	<u>\$ _____</u>
N. _____	<u>\$ _____</u>
O. _____	<u>\$ _____</u>
P. _____	<u>\$ _____</u>
Q. _____	<u>\$ _____</u>
R. _____	<u>\$ _____</u>
S. _____	<u>\$ _____</u>
TOTAL	<u>\$ *PLEASE SEE ATTACHED</u>

NOTES TO PRICING

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

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The following definitions apply:

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DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(The above fields are unlimited in size) _____

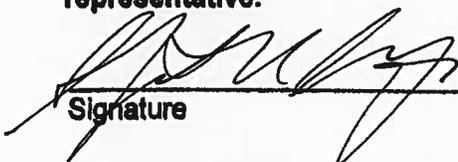
Signature

Date

Title (position)

-OR-

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.



Signature

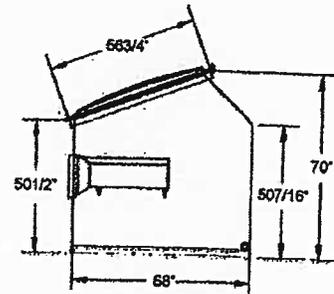
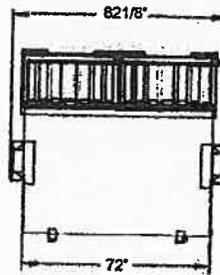
4/22/14

Date

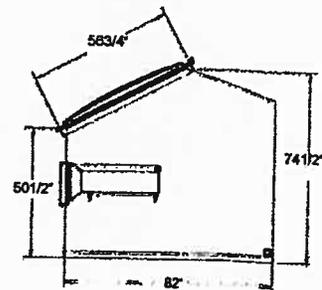
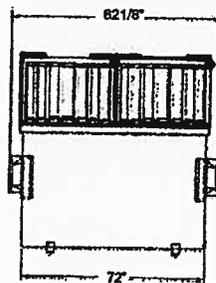
Stephen Svetik, CFO

Title (Position)

6YARDSLANT



8YARDSLANT



12ga wall / 10ga floor fully welded in-seams

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Construction:

- Rounded bumper pads help prevent damage to the front of the container
- Floor channels are capped at both ends to prevent debris from getting inside and extend up the front and back walls to create extra support
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- Top edges are rounded and smooth for added safety during customer loading
- Interlocking top channel frame provides added strength
- Primed inside and outside to reduce corrosion
- Painted in one of several standard colors

Lids:

- Single wall, double lip lids ensure durability



NOTES TO PRICING

for Las Vegas, NM

Bid No.: Solid Waste Containers

Bid Date: April 29, 2014

Wastequip meets or exceeds all listed product specifications.

All products meet ANSI Accredited Standards that address safety, performance and design compatibility requirements as well as compatibility dimensions for manufacturers so that containers can be safely used with refuse vehicles, and operational safety requirements.

Pricing:

Pricing listed on page 7 of the bid documents is based on orders placed for TRUCKLOAD quantities. Orders placed for other than these stated quantities may be subject to additional freight. Pricing listed in bid documents includes freight charges and sales tax at a rate of 8.06%.

Product # Containers per Truckload

6 Cubic Yard 16

8 Cubic Yard 8

PRICING WILL BE HELD FOR 90 DAYS AFTER BID OPENING. At which time, if award is not made, pricing will be based on the AMM Index as described in the attached Long Term Price Modifier.

Terms: Net 30 Days

Delivery:

Delivery: 45 Days After Receipt of Written Purchase Order or fully executed contract or receipt of fully executed approved drawings and order acknowledgement, whichever is later



WASTEQUIP®

Statement of Qualifications

COMPANY NAME: WASTEQUIP MANUFACTURING COMPANY LLC
CORPORATE HEADQUARTERS: 6525 Morrison Blvd, Suite 300
Charlotte, NC 28211
POINT OF CONTACT: Marya M. Jenkins, Bid/Contract Specialist
Phone: 1-800-255-4126 Ext 244
Email: MJenkins@wastequip.com
FEDERAL TAX I.D. NO.: 22-3191624
DUNS NO.: 84-923-9041

WASTEQUIP is headquartered in Charlotte, NC and is a portfolio company of Patriot Container Acquisition Corp. Founded in 1988, WASTEQUIP is a leading manufacturer, designer, and marketer of waste handling equipment used to collect, contain, handle and transport solid and liquid waste. WASTEQUIP designs, develops, manufactures, assembles, and distributes its products from a network of 24 manufacturing facilities, totaling approximately 1.2 million square feet. Our products encompass seven (7) brand lines, all of which can be viewed by visiting our company website at www.wastequip.com.

WASTEQUIP is committed to manufacturing quality products, providing outstanding customer service and timely delivery of goods. WASTEQUIP has a strong focus on innovation and new product/service development initiatives focused on organics, waste-to-energy and environmental waste collection and handling.

WASTEQUIP is a current member of WASTEC. In 2012, WASTEQUIP was awarded as the Solid Waste Vendor/Business of the Year by the SWANA Grand Canyon Chapter in Arizona. Our facilities are either ISO compliant or follow ISO processes, ensuring consistent quality. WASTEQUIP utilizes LEAN/Six Sigma practices to boost efficiency and drive down costs. We have three Black Belt and twelve Green Belts on staff.

WASTEQUIP's investment in personnel offers the following benefits our customers:

- Dedicated account management team and field support of 32 sales representatives and 30 inside sales/service representatives; all of whom can provide product expertise, assist with technical questions and provide information including product specifications and drawings, order support and determine the shortest lead times for deliveries.
- Dedicated transportation team bids all loads to ensure our customers pay the lowest freight cost.
- Engineering team available to assist with project-specific designs and are continually working to find new product opportunities that can be co-developed or private labeled for customers.
- WASTEQUIP customers have access to product management team as well as our marketing personnel.



Points of Contact for the State of New Mexico

Bid Information: Marya M. Jenkins, Bid/Contract Specialist
841 Meacham Road
Statesville, NC 28677
Direct: 800-255-4126 Ext 244
Fax: 704-878-0734
Email: MJenkins@wastequip.com

Account Rep: Yolanda Garcia, Regional Sales Manager
Direct: 602-810-0782
Email: YGarcia@wastequip.com

P.O. Remit: Wastequip
5400 Marshall
Arvada, CO 80002
Direct: 800-292-7968
Fax: 303-423-6213

Invoice Remit: Wastequip (Accurate)
PO Box 71246
Cincinnati, OH 45271
Attn: Stephanie Looney
Direct: 800-242-0122
Email: SLooney@wastequip.com



CERTIFICATE OF LIABILITY INSURANCE

4/1/2014

DATE (MM/DD/YYYY)

4/4/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies, LLC NE 1185 Avenue of the Americas, Suite 2010 New York 10036 646-572-7300	CONTACT NAME:	
	PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: First Specialty Insurance Corporation		34916
INSURER B: Liberty Mutual Fire Insurance Company		23035
INSURER C: St. Paul Fire and Marine Insurance Company		24767
INSURER D: Liberty Insurance Corporation		42404
INSURER E:		
INSURER F:		

COVERAGES WASQU01 **CERTIFICATE NUMBER:** 11958423 **REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$100,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER. <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	N	N	IRG 200101200	4/1/2013	4/1/2014	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	N	N	AS2-681-053630-063	4/1/2013	4/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	N	N	ZUP-10N82720-13-NF	4/1/2013	4/1/2014	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ XXXXXXXX
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N	N/A	WC7-681-053630-043	4/1/2013	4/1/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

11958423

EVIDENCE OF INSURANCE
TX

AUTHORIZED REPRESENTATIVE

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type
See Specific instructions on page 2.

Name (as shown on your income tax return) Wastequip Manufacturing Company, LLC	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ C..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.) 6525 Morrison Blvd., Suite 300	Requester's name and address (optional)
City, state, and ZIP code Charlotte, NC 28211	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number	
OR	
Employer identification number	
22	3191624

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Date ▶ 04-01-2014

Stephen Svetik, CFO

General Instructions
Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form
A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,



Fixed Pricing and Commodity Index Price Adjustments

1. **Fixed Pricing:** The steel container pricing contained herein shall remain fixed and be effective for three (3) months beginning on the effective date of an executed agreement between the parties. Price reviews and adjustments may only occur in the case of movements in the market price of A36 Hot Rolled Steel as reported by the American Metals Markets ("AMM"), and then, only as prescribed below.

2. **Commodity Index Price Adjustments:**
 - a. Reviews will occur at the end of each calendar month (i.e. January, April, July, and October). Any price adjustment will be effective on the 15th day of the next month. Price adjustment will be effective on the 15th day of the next month.

 - b. **Triggers** to affect a price adjustment will be an increase or decrease of 5% or more of the previous five (5) week average price in the market price of A36 Hot Rolled Steel from the then current index baseline, rounded to the nearest one-half of one percent (0.005).

 - c. **Setting the Baseline**
 - i. Price Source: American Metals Markets (<http://amm.com>)
 - ii. Commodity: A36 Hot Rolled Steel
 - iii. Initial Index Baseline: **\$32.0/cwt**
 - iv. Trigger: Increase/Decrease of 5%
 - v. Product Price Impact: Based on # pounds of steel in container
 - vi. First Review Date: Upon Execution of Agreement, TBD
 - vii. Comparisons: On each review date, the previous five (5) week averaged price of A36 Hot Rolled Steel will be compared to the then applicable index baseline.
 - viii. Price Change Date: Any price adjustment calculated using this schedule will be effective on the 15th day of the next month of the review date.

 - d. **Initial Index Baseline** for purposes of the 2011 Sourcing Event shall be **\$32.0/cwt (adjust to actual at time of event)**. Prior to executing an agreement, pricing will be adjusted as prescribed by the triggers and formulas discussed herein, if it is warranted.



3. **Commodity Index Price Adjustment Formula:** The steel container price adjustment is equal to the weight of each respective container multiplied by the price change in the AMM, depicted by the following formula:

$$\text{Product Weight} \times [(\text{Current AMM Index} - \text{Baseline AMM Index}) \times (1 \text{ lb./100 cwt})] = \text{Product Price Adjustment}$$

4. **Commodity Index Price Adjustment Examples:** The following examples show the calculation of the purchase price adjustment as a result of moving from a \$28.0 cwt baseline AMM Index down to \$26.6 cwt and up to \$29.4cwt AMM Index.

a. **Example # 1 Decrease Assumptions:** 6 yard slant container weights 900 pounds and costs \$600 when the baseline price was based on \$28.0 AMM.

i. If previous five (5) week average AMM Index moved to \$23.0/cwt (17.85% decrease > 5% Band), then:

ii. $(900 \text{ lbs.}) \times [(\$23.0 \text{ cwt} - \$28.0 \text{ cwt}) \times (1 \text{ lb./100 cwt})] = -(\$45.00)$

iii. $\text{New Price} = \$600 - \$45 = \$555$

iv. $\text{New (future) Baseline} = \$23.0/\text{cwt}$

b. **Example # 1 Increase Assumptions:** 6 yard slant container weights 900 pounds and costs \$600 when the baseline price was based on \$28.0 AMM.

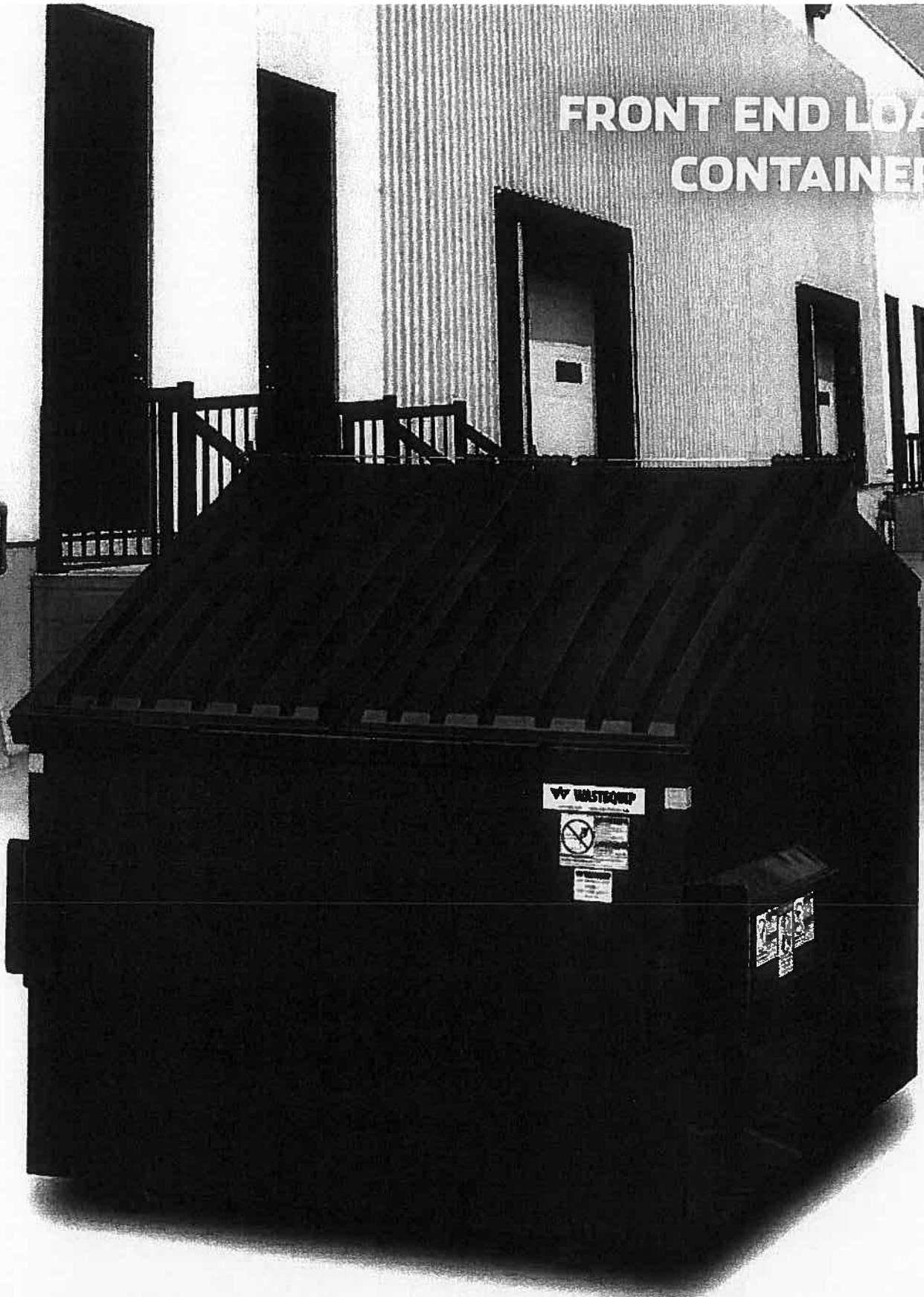
i. If previous five (5) week average AMM Index moved to \$33.0/cwt (17.85% increase > 5% Band), then:

ii. $(900 \text{ lbs.}) \times [(\$33.0 \text{ cwt} - \$28.0 \text{ cwt}) \times (1 \text{ lb. /100 cwt})] = \45.00

iii. $\text{New Price} = \$600 + \$45 = \$645$

iv. $\text{New (future) Baseline} = \$33.0/\text{cwt}$

FRONT END LOAD CONTAINERS



 **WASTEQUIP**

Toter

Galbreath

 **Accurate**


**MOUNTAIN TARP
PIONEER**

CUSCO

**PARTS
PLACE**

Steel Front End Load (FEL) Containers

Wastequip Front End Load Containers (FELs) are engineered using heavy gauge steel to withstand the stress of continued use. Standard models feature 12 gauge sides and 10 gauge bottoms, high density polyethylene lids and fully welded in-seams. Our heavy duty models have 10 gauge sides and 7 gauge bottoms for added strength and durability. Containers are primed inside and outside to reduce corrosion. Wastequip containers meet ANSI safety specifications and dimensional standards for haulers. With locations throughout North America, Wastequip can meet your container needs quickly.



Styles: Flat, slant, hatchback and nestable (slant and flat)
Sizes: 2, 3, 4, 6, 8, and 10 cubic yards

Wastequip's standard steel FEL models feature 12 gauge sides and 10 gauge bottoms, high density polyethylene lids and fully welded in-seams.

FEATURES

1) FORK POCKETS:

- 3-way flared fork pockets protect from damage by the trucks forks and easily guides forks into the pockets
- Taco gussets welded to the bottom of the fork pockets help extend pocket life by providing added strength to the bottom of the pockets
- Fully welded pockets at critical stress points reduce fork damage and ensure long service life

2) CONSTRUCTION:

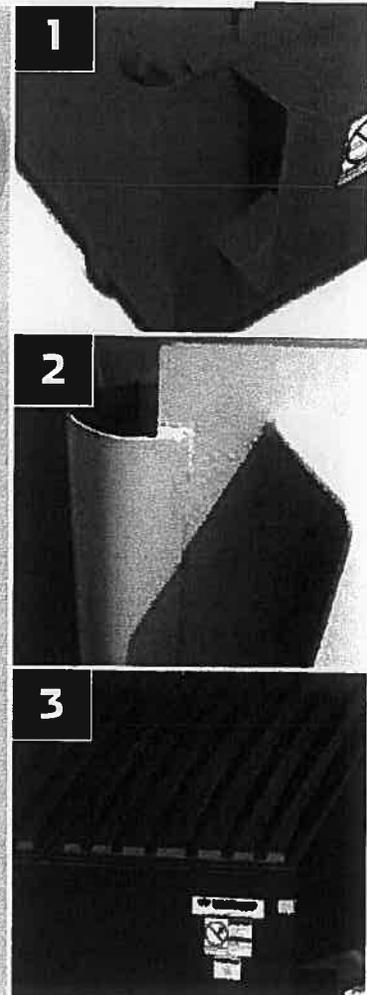
- Rounded bumper pads help prevent damage to the front of the container
- Floor channels are capped at both ends to prevent debris from getting inside and extend up the front and back walls to create extra support

2) CONSTRUCTION (CONT'D):

- Fully welded no-step gusset across the top of the fork pocket provides added safety and support
- Top edges are rounded and smooth for added safety during customer loading
- Interlocking top channel frame provides added strength
- Primed inside and outside to reduce corrosion
- Painted in one of several standard colors
- Nestable 2, 3 & 4 yard containers reduce shipping costs and required storage space

3) LIDS:

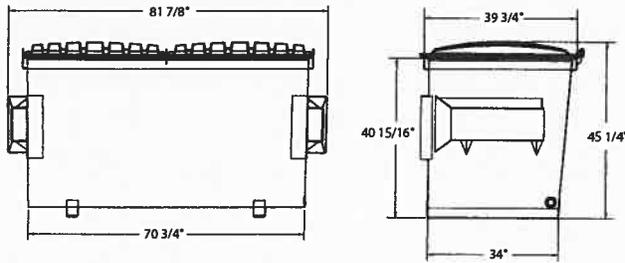
- Single wall, double lip lids ensure durability
- Optional lids upon request



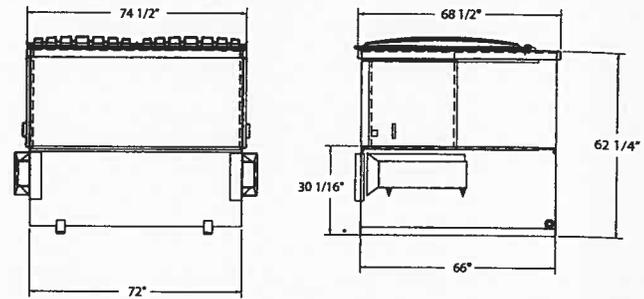
FRONT END LOAD CONTAINERS

FLAT TOP

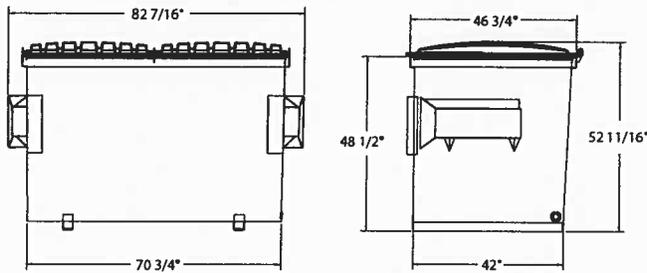
2 YARD FLAT NESTABLE



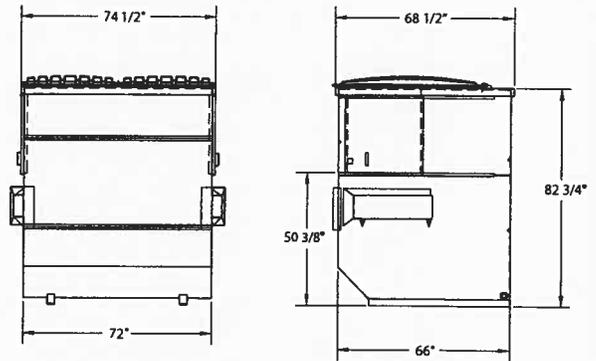
6 YARD FLAT



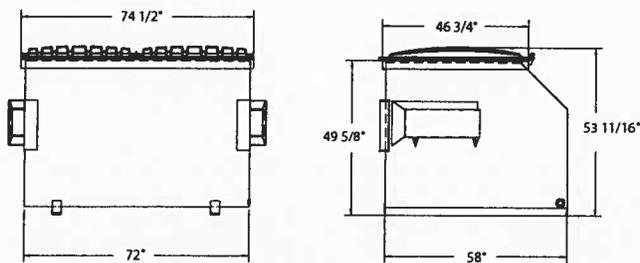
3 YARD FLAT NESTABLE



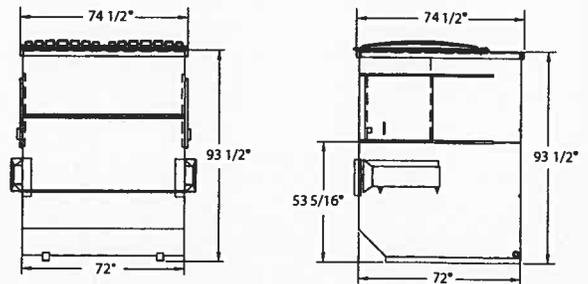
8 YARD FLAT



4 YARD FLAT



10 YARD FLAT



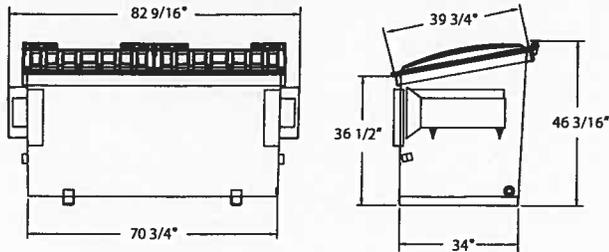
	2 YARD*	3 YARD*	4 YARD	6 YARD	8 YARD	10 YARD
48 ft. trailer flat / drop	42 / 52	28 / 36	18 / 18	8 / 14	8 / 8	7 / 7
53 ft. trailer flat / drop	45 / 57	32 / 42	20 / 20	9 / 16	9 / 9	8 / 8
Plastic lid standard	37" x 41" single wall	37" x 48" single wall	37" x 48" single wall	37" x 58" single wall	37" x 58" single wall	37" x 58" single wall
Sides	12 gauge					
Bottom	10 gauge					
Weight	505 lbs.	602 lbs.	732 lbs.	971 lbs.	1,110 lbs.	1,543 lbs.

* Nestable

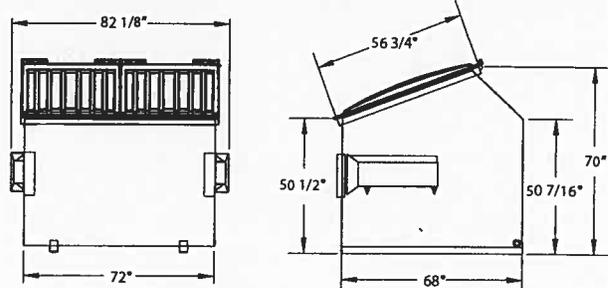
FRONT END LOAD CONTAINERS

SLANT TOP

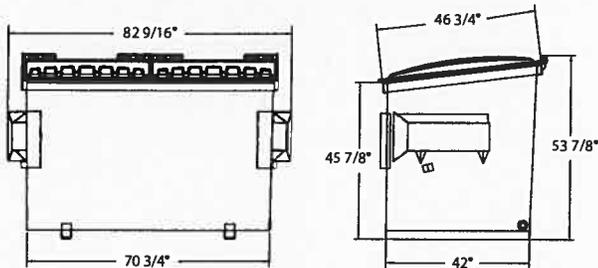
2 YARD SLANT NESTABLE



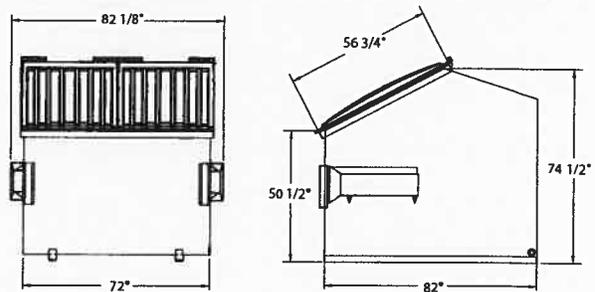
6 YARD SLANT



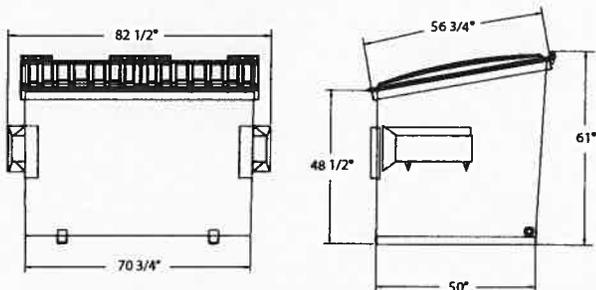
3 YARD SLANT NESTABLE



8 YARD SLANT



4 YARD SLANT NESTABLE



	2 YARD*	3 YARD*	4 YARD*	6 YARD	8 YARD
48 ft. trailer flat / drop	42 / 52	24 / 33	20 / 28	8 / 14	7 / 7
53 ft. trailer flat / drop	48 / 60	26 / 36	22 / 31	9 / 16	8 / 8
Plastic lid standard	37" x 41" single wall	37" x 48" single wall	37" x 58" single wall	37" x 58" single wall	37" x 58" single wall
Sides	12 gauge				
Bottom	10 gauge				
Weight	504 lbs.	608 lbs.	709 lbs.	971 lbs.	1,103 lbs.

* Nestable



877-468-9278 | wastequip.com



WASTEQUIP[®]

CONTAINER LIMITED WARRANTY

WASTEQUIP warrants all other products of its manufacture against operational failure caused by defective material or workmanship, which occurs during normal use within twelve (12) months from date of shipment from our factory.

WASTEQUIP will replace all parts of our manufacture free of charge that our inspection at our factory shows to us to be defective in accordance with the above paragraph. **Written permission must be obtained from authorized Wastequip personnel for any repairs performed other than in our factory.** All claims for reimbursement must be filed with proper documentation no later than forty-five (45) days after occurrence to be allowed.

All products purchased by WASTEQUIP from an outside vendor shall be covered by the warranty of that respective vendor only, and WASTEQUIP does not participate in or obligate itself to any such warranty.

No freight, travel cost, meals, lodging, or loss of hydraulic oil shall be covered by this warranty, all labor costs allowed shall be in accordance with WASTEQUIP'S established rate; in case of alleged defect, product shall be returned to WASTEQUIP with transportation charges prepaid. No freight collect shipment will be accepted.

WASTEQUIP makes no warranty on any of its equipment used in any way except as it was designed, intended, and sold to perform.

DISCLAIMER OF WARRANTIES: THE LIMITED AND CONDITIONAL WARRANTY AND REMEDIES SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ANY AND ALL REPRESENTATIONS, SPECIFICATIONS, WARRANTIES AND REMEDIES, EITHER EXPRESS OR IMPLIED, HEREIN OR ELSEWHERE, OR WHICH MIGHT ARISE UNDER LAW OR EQUITY, OR PURSUANT TO ANY COURSE OF DEALING OR CUSTOM OR USAGE OF TRADE, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR ANY SPECIFIED OR INTENDED PURPOSE.

LIMITATION OF REMEDIES AND LIABILITY: PURCHASER'S SOLE AND EXCLUSIVE REMEDY AGAINST WASTEQUIP SHALL BE THE REMEDY OF DEFECTS IN PRODUCTS DELIVERED HEREUNDER AS PROVIDED BY, AND WITHIN THE TIME PERIOD SPECIFIED IN, WASTEQUIP'S LIMITED WARRANTY SET FORTH ABOVE. WASTEQUIP'S LIMITED WARRANTY CONSTITUTES THE SOLE REMEDY WITH RESPECT TO OR ARISING OUT OF THE EQUIPMENT, PRODUCTS OR SERVICES OF WASTEQUIP. NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF, IN NO EVENT SHALL WASTEQUIP BE LIABLE IN CONTRACT, TORT OR EQUITY FOR ANY LOSS OF ANTICIPATED PROFITS, LOST SALES, INJURY TO PERSONS OR PROPERTY, LOSS BY REASON OF PLANT SHUTDOWN, NON-OPERATION OR INCREASED EXPENSE OF OPERATION, SERVICE INTERRUPTIONS, CLAIMS OF CUSTOMERS, COST OF MONEY, LOSS OF USE OF CAPITAL OR REVENUE, OR FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND WHATSOEVER.

All claims shall be processed through the WASTEQUIP Service Department or your authorized WASTEQUIP dealer.

CALL FOR BIDS

The City of Las Vegas, New Mexico will open Sealed Bids at 2:00 p.m., April 29, 2014, at the City Council Chambers, 1700 North Grand Avenue, Las Vegas, New Mexico, or other designated area at the City Offices; ON THE FOLLOWING:

SOLID WASTE CONTAINERS

The BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be examined at the following location: 1700 North Grand Ave., Las Vegas, NM 87701

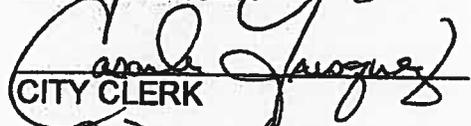
Copies of the BIDDING FORMS AND TECHNICAL SPECIFICATIONS may be obtained at the office of: 1700 North Grand Ave., Las Vegas, NM 87701

Mailed Bids should be addressed to the City Clerk, 1700 North Grand Avenue, Las Vegas, New Mexico 87701; with the envelope marked: "Solid Waste Containers", Opening No. 2014-22; on the lower left-hand corner of the submitted envelope. It shall be the responsibility of the bidder to see that their bid is delivered to the City Clerk by the date and time set for the bid request. If the mail or delivery of bid request is delayed beyond the opening date and time, bid thus delayed will not be considered. A public opening will be held and any bidder or their authorized representative is invited to attend.

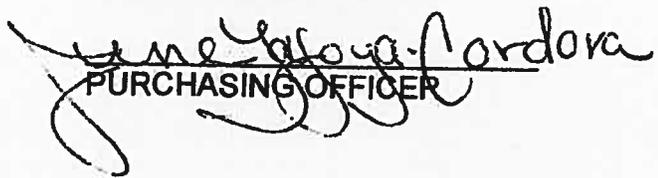
The City of Las Vegas reserves the right to reject any/or all bids submitted.

CITY OF LAS VEGAS,


CITY MANAGER


CITY CLERK

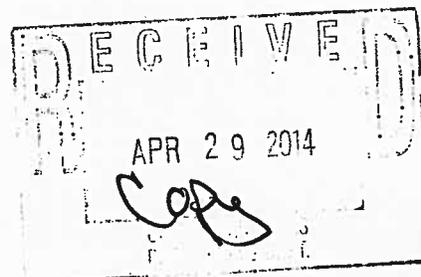

FINANCE DIRECTOR


PURCHASING OFFICER

Opening No. 2014-22

Date Issued: April 9, 2014

Published: Albuquerque Journal, April 12, 2014
www.lasvegasnm.gov



STANDARD BID CLAUSES

AWARDED BID

Awarding of Bid shall be made to the responsible Bidder whose Bid meets the required specifications. The City of Las Vegas (City) reserves the right to reject or accept any of all Bid specifications and to waive any insubstantial irregularity in the form of the Bid.

The City of Las Vegas may make multiple awards of the bid, to those bidding in law enforcement related services. The City Reserves the right to award the bid to the most advantageous Bidder to the City.

TIMETABLE

Bids pursuant to this request must be received at the City Clerk's Office at 1700 North Grand Avenue, Las Vegas, New Mexico, on or before April 29, 2014 at which time all bids received will be opened. An opening will occur at the City's Council Chambers or other designated area at the City Offices. Awarding of Bid is projected for May, 2014. The successful Bidder will be notified by mail.

ENVELOPES

Sealed Bid envelopes shall be clearly marked on the lower left-hand corner, identified by the Bid Name and Opening Number. Failure to comply with this requirement may result in the rejection of your submitted Bid. Enclose one (1) original and (2) copies of Bid.

BRIBERY AND KICKBACK

The Procurement Code of New Mexico; (Section 13-1-28 through 13-1-99 N.M.S.A. 1978), impose a third degree felony penalty for bribery of a public official or public employee. In addition the New Mexico Criminal Statutes (Section 30-4-1, N.M.S.A. 1978): state that it is a third degree felony to commit the offense of demanding or receiving a bribe by a public official of public employee. And (Section 30-24-2, N.M.S.A. 1978): it is a fourth degree felony to commit the offense of soliciting or receiving illegal kickbacks. Also (Section 30-41-1 through 30-41-3, N.M.S.A. 1978): states that it is a fourth degree felony to commit the offense of offering or paying illegal kickbacks.

NON-COLLUSION

In signing their Bid and Affidavit, the Bidder certifies that he/she has not, either directly or indirectly entered into action of restraint of free competition, in the connection with the submitted bid.

RESPONSIBILITY OF BIDDER

At all times it shall be the responsibility of the Bidder to see their bid is delivered to the City Clerk by the Date and Time scheduled for opening. If the mail or delivery of said Bid is delayed beyond the scheduled opening date and time set, bid this delayed will not be considered.

CLARIFICATION OF BID

Bidder requiring clarification or interpretation of Bid specifications shall make a written request to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Any interpretation, corrections or changes of said Bid Specifications, Opening Date, or Time Change will be made by Addendum only. Interpretations, Corrections or changes of said bid made in any other manner will not be binding and the Bidder shall not rely upon such interpretation, corrections and changes.

MODIFICATION OF BID

Bids may be withdrawn upon receipt of written request prior to the scheduled bid opening for the purpose of making any corrections or changes. Such corrections must be properly identified and signed or initialed by the Bidder. Resubmission must be prior to the scheduled bid opening time in order to be considered. After bid opening, no price modifications of submitted bids or other provisions shall be permitted.

WITHDRAWAL OF BID

A low Bidder alleging a material mistake of fact, after bids have been opened may request their bid be withdrawn upon receipt of a written request to the Finance Department prior to the scheduled awarding date.

INSPECTION

Final inspection and acceptance will be made at the City's destination. Products rejected for nonconformance with the specifications shall be removed by the Bidder; at his/her risk and expense promptly after notice of rejection.

FEDERAL TAX IDENTIFICATION NUMBER

Pursuant to IRS requirements, Bidder shall provide their Federal Tax ID Number if Bidder is incorporated. If Bidder is a sole proprietorship or partnership then they shall provide their Social Security Number.

FEDERAL TAX ID NUMBER: 85-0233093
SOCIAL SECURITY NUMBER: n/a

NEW MEXICO TAX IDENTIFICATION NUMBER

Payment may be withheld under (Section 7-10-5, N.M.S.A. 1978) if you are subject to New Mexico Gross Receipts Tax and have not registered for a New Mexico (CRS) Tax Identification Number. Contact the New Mexico Taxation & Revenue Department at (505) 827-0700 for registering instructions.

NEW MEXICO TAX IDENTIFICATION NO. (CRS): 01-792940-007

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

The Bidder shall submit a completed Campaign Contribution Disclosure Form Pursuant to Chapter 81, Laws of 2006.

COMMERCIAL WARRANTY

The Bidder agrees that the products or services furnished under a Purchase Order shall be covered by the most favorable commercial warranties that the Bidder gives to any customer for such products or services. And that the rights and remedies provided therein shall extend to the City and are in addition to and do not limit any rights afforded to the City by any other clause of its Purchase Order. Bidder agrees not to disclaim warranties of fitness for any particular purpose or merchantability.

Furthermore, Bidder agrees that its warranty for all products furnished under a Purchase Order pursuant to this Call for Bids shall be for a period of one year following the installation of said products by others. Also a receipt of a notice by the City's Engineer the products have been installed correctly and have been demonstrated to be capable of performing their intended function.

SPECIAL NOTICE

To preclude possible errors and/or misinterpretations, bid prices must be affixed in ink or typewritten legibly. Enclose one (1) original and two (2) copies of Bid documents.

DEFAULT

The City reserves the right to cancel all or any part of an order without cost to the City if the Bidder fails to meet the provisions of the City's Purchase Order or the product specifications and to hold the Bidder liable for any excess costs occasioned due to the Bidder's default. The Bidder shall not be liable for any excess costs if failure to perform on an order arises out of cause beyond the control and without fault or negligence of the Bidder. Such causes include, but are not restricted to, acts of God or public enemy; acts of State or Federal Government; fires, floods, epidemics, quarantine restrictions, strikes, embargoes, unusually severe weather, or defaults of subcontractors. Due to any of the above unless the City shall determine that the supplies or services to be furnished by the subcontractor are obtainable from other sources in the City in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law.

BID PROTESTS

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least twelve (12) days prior to the scheduled bid opening date with a copy forwarded to the Finance Department. Bid protests will not be considered from parties which do not also furnish satisfactory documentation with their protest that their proposed system fully meets the functional intent of the TECHNICAL SPECIFICATIONS which accompany a Call for Bids.

NON-EXCLUSION

Specifications of the bid request are not meant to exclude any Bidder or Manufacturer. Where a brand name or equal is indicated, it is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to restrict competition. "No Substitute" specifications may be authorized, only if required to match existing equipment.

If any Bidder is of the opinion that the specifications as written preclude him/her from submitting a bid. His/her opinion should be made known to the Department involved in this bid request at least five (5) days prior to the scheduled bid opening date; with a copy forwarded to the Finance Department.

Brand names and numbers are for reference only and equivalents will be considered. If bidding "EQUIVALENT" Bidder must be prepared to furnish complete data upon request, preferably with the bid to avoid awarding delay.

CONTRACT

When the City issues a Purchase Order in response to an awarded Bid a binding contract is created (unless a specified contract has been created).

TERMINATION

This Price Agreement may be terminated by either party upon signing a written notice to the other party at least thirty (30) days in advance of the date of termination. Notice of termination of this Price Agreement shall not affect any outstanding orders.

TAXES

Bidder must pay all applicable taxes.

NOTE:

If bidder is from outside the City of Las Vegas, the successful bidder must pay Gross Receipts in the City of Las Vegas.

BIDDER INFORMATION

BIDDER: MCT Industries, Inc.
AUTHORIZED AGENT: Josh McEwen
ADDRESS: 7451 Pan American Frwy NE, Albuquerque, NM 87109
TELEPHONE NUMBER (505) 345-8651
FAX NUMBER (505) 345-2597
DELIVERY: On receipt of Purchase Order, Units in Stock
STATE PURCHASING RESIDENT CERTIFICATION NO.: L1858682176
NEW MEXICO CONTRACTORS LICENSE NO.: N/A
BID ITEM (S): Solid Waste Containers

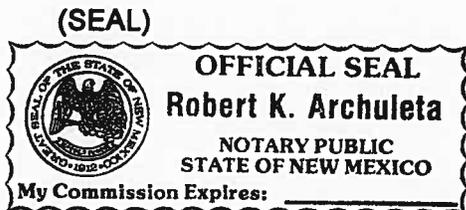
ITEM (S) UNDER THIS BID ARE TO BE F.O.B. LAS VEGAS, NEW MEXICO 87701. THE CITY OF LAS VEGAS RESERVES THE RIGHT REJECT ANY OR ALL BIDS AND TO WAIVE ANY TECHNICAL IRREGULARITY IN THE FORM OF THE BID.

AFFIDAVIT FOR FILING WITH COMPETITIVE BID

STATE OF New Mexico }
COUNTY OF Bernalillo }

I Josh McEwen, of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the bidder to submit the attached bid. Affiant further states that the bidder has not been a party to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding; or with any city official or employee as to the terms of said prospective contract, or any other terms of said prospective contract; or in any discussion between bidders with any city official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

Subscribed and sworn to before me, this 28th day of April, 2014.
Signature



[Signature]
Notary Public Signature
My Commission Expires: 4/22/17

CITY OF LAS VEGAS
BID FORM

BID ITEM (S): Solid Waste Containers

A.	6 cubic yard bins (See Specs Attached)	\$ 915. ⁰⁰ each
B.	8 cubic yard bins (See Specs Attached)	\$ 1,137. ⁰⁰ each
C.	Freight per Truckload	\$ 500. ⁰⁰ each
D.		\$
E.		\$
F.	*Please Note: Current Inventory	\$
G.	level is: 7 qty of 6 cu yd.	\$
F.	2 qty of 8 cu yd.	\$
G.		\$
H.		\$
I.		\$
J.		\$
K.		\$
L.		\$
M.		\$
N.		\$
O.		\$
P.		\$
Q.		\$
R.		\$
S.		\$
	TOTAL	\$

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"Contract" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Person" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

"Prospective contractor" means a person who is subject to the competitive sealed

proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(The above fields are unlimited in size) _____

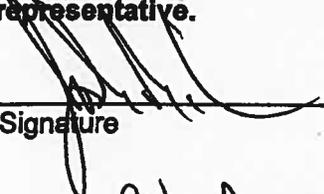
Signature

Date

Title (position)

-OR-

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.



Signature

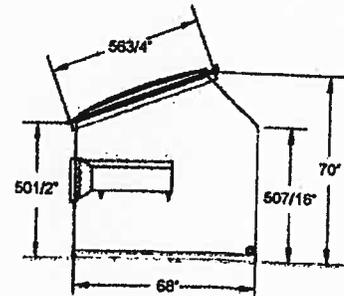
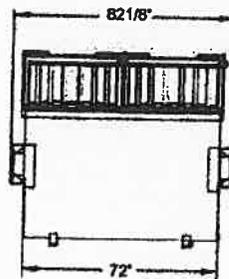
4/28/14

Date

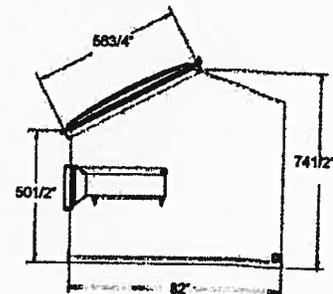
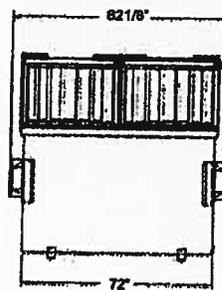
Sales Associate

Title (Position)

6YARDSLANT



8YARDSLANT



12ga wall / 10ga floor fully welded in-seams

Fork pockets:

- 3-way flared fork pockets protect from damage by the trucks forks and easily guides forks into the pockets
- Taco gussets welded to the bottom of the fork pockets help extend pocket life by providing added strength to the bottom of the pockets
- Fully welded pockets at critical stress points reduce fork damage and ensure long service life

Construction:

- Rounded bumper pads help prevent damage to the front of the container
- Floor channels are capped at both ends to prevent debris from getting inside and extend up the front and back walls to create extra support
- Fully welded no-step gusset across the top of the fork pocket provides added safety and support
- Top edges are rounded and smooth for added safety during customer loading
- Interlocking top channel frame provides added strength
- Primed inside and outside to reduce corrosion
- Painted in one of several standard colors

Lids:

- Single wall, double lip lids ensure durability

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 03/7/14

DEPT: Utilities Dept.

MEETING DATE: 03/19/14

ITEM/TOPIC: Resolution No. 14-13 assigning official representatives and signatory authority for the Clean Water State Revolving Fund agreement 016.

ACTION REQUESTED OF COUNCIL: Approval/Disapproval of Resolution No. 14-13.

BACKGROUND/RATIONALE: This resolution is required by the funding agency to assign representatives and signatory authority for the grant when the agreement is drafted.

STAFF RECOMMENDATION: Approval of Resolution No. 14-13.

COMMITTEE RECOMMENDATION: The Utility Advisory Committee will discuss this item at their regular meeting on March 11, 2013. Their recommendation will be provided at the Council Meeting.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

ALFONSO E. ORTIZ, JR.
MAYOR

TIMOTHY P. DODGE
CITY MANAGER

PAMELA MARRUJO
FINANCE DIRECTOR

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY
Approved as to Legal Sufficiency Only
(If Box is Initialed by City Mngr., Review and Sign)

Approved to form 9-25-12

**CITY OF LAS VEGAS
RESOLUTION NO. 14-13**

**A RESOLUTION AUTHORIZING THE ASSIGNMENT OF OFFICIAL
REPRESENTATIVES AND SIGNATORY AUTHORITIES**

WHEREAS, the Council of the City of Las Vegas of San Miguel County of the State of New Mexico shall enter into a loan agreement with the State of New Mexico Environment Department; and

WHEREAS, the Agreement is identified as CWSRF 016; and

NOW, THEREFORE, BE IT RESOLVED by the named applicant that:

Mayor Alfonso E. Ortiz, Jr. and Timothy P. Dodge, City Manager, or their successors are authorized to sign the agreement for this Project; and

Mayor Alfonso E. Ortiz, Jr. and Timothy P. Dodge, City Manager or their successors are the OFFICIAL BORROWER REPRESENTATIVE who are authorized to submit any documents pertaining to the project and act as the single points of contact; and

Mayor Alfonso E. Ortiz, Jr. and Timothy P. Dodge, City Manager or their successors are the SIGNATORY AUTHORITY who are authorized to sign reimbursement requests and other documents requiring a signature for submittal to the New Mexico Environment Department.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2014.

Mayor Alfonso E. Ortiz, Jr.

ATTEST:

Casandra Fresquez, City Clerk

APPROVED AS TO LEGAL SUFFICIENCY ONLY:

Dave Romero Jr., City Attorney

Project Name _____

Project No. CWSRF 016

Borrower Representative(s)	
Name	<u>Mayor Alfonso E. Ortiz, Jr.</u>
Title	_____
Signature	_____
Address	<u>1700 North Grand Ave.</u>
	<u>Las Vegas, NM 87701</u>
E-mail	_____
Phone	<u>505-454-1401</u>
Name	<u>Timothy P. Dodge, City Manager</u>
Title	_____
Signature	_____
Address	<u>1700 North Grand Ave.</u>
	<u>Las Vegas, NM 87701</u>
E-mail	_____
Phone	<u>505-454-1401</u>
Name	_____
Title	_____
Signature	_____
Address	_____

E-mail	_____
Phone	_____
Name	_____
Title	_____
Signature	_____
Address	_____

E-mail	_____
Phone	_____

Borrower Signatory Authority(ies)	
Name	<u>Mayor Alfonso E. Ortiz, Jr.</u>
Title	_____
Signature	_____
Address	<u>1700 North Grand Ave.</u>
	<u>Las Vegas, NM 87701</u>
E-mail	_____
Phone	<u>505-454-1401</u>
Name	<u>Timothy P. Dodge, City Manager</u>
Title	_____
Signature	_____
Address	<u>1700 North Grand Ave.</u>
	<u>Las Vegas, NM 87701</u>
E-mail	_____
Phone	<u>505-454-1401</u>
Name	_____
Title	_____
Signature	_____
Address	_____

E-mail	_____
Phone	_____
Name	_____
Title	_____
Signature	_____
Address	_____

E-mail	_____
Phone	_____

Work Session

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 05/02/14

DEPT: Utilities Dept.

MEETING DATE: 05/14/14

DISCUSSION ITEM/TOPIC: Resolution No. 14-27 to submit an application for funding assistance to the New Mexico Water Trust Board for the Bradner Reservoir Enlargement Project and all related appurtenances.

BACKGROUND/RATIONALE: This resolution will allow the City of Las Vegas to submit their application to the NM Water Trust Board for funding for the Bradner Reservoir Enlargement project and all related appurtenances (inlet/outlet piping). This project will assist the City in increasing its water supply, water supply storage and improve the dam structure. It will also help in meeting the water demand during times of drought and wildfire. The NMFA Water Trust Board has allowed us to submit our application for funding for this project.

The recommended improvements are included in the 2013 URS Bradner Preliminary Engineering Report update approved by Council through Resolution No. 13-56 on December 11, 2013 and in the updated ICIP approved by Council through Resolution No. 12-66 on December 19, 2012.

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.



SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:



ALFONSO E. ORTIZ, JR.
MAYOR



TIMOTHY P. DODGE
CITY MANAGER

ANN MARIE GALLEGOS
FINANCE DIRECTOR

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY

Approved as to Legal Sufficiency Only
(If Box is Initialed by City Mngr., Review and Sign)

**CITY OF LAS VEGAS
RESOLUTION NO. 14-27**

A RESOLUTION OF THE CITY OF LAS VEGAS, NEW MEXICO, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR FUNDING ASSISTANCE TO THE NEW MEXICO WATER TRUST BOARD.

WHEREAS, the City of Las Vegas desires to enlarge the Bradner Reservoir and all related appurtenances to assist in meeting the City of Las Vegas' water demand; and

WHEREAS, the City of Las Vegas desires funding assistance from the NM Water Trust Board to complete this project; and

WHEREAS, the NM Water Trust Board desires to assure full support of the governing body of each entity desiring to submit such applications for funding assistance; and

WHEREAS, it is in the public interest to give complete and full public notice of the support;

NOW THEREFORE, be it resolved that the governing body of the City of Las Vegas does hereby authorize the submittal of a funding application to the NM Water Trust Board for the aforementioned project.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2014.

Mayor Alfonso E. Ortiz, Jr.

ATTEST:

Casandra Fresquez, City Clerk

REVIEWED AND APPROVED AS TO LEGAL SUFFICIENCY ONLY:

Dave Romero Jr., City Attorney



**EMERGENCY EXECUTIVE ORDER 2014-1
WATER TRUST BOARD APPLICATION SUBMITTAL
BRADNER RESERVOIR PROJECT**

WHEREAS, as the Chief Executive Officer of the City of Las Vegas, I hereby exercise executive powers in issuing this Executive Order; and

WHEREAS, the City of Las Vegas desires to enlarge the Bradner Reservoir and all related appurtenances to assist in meeting the City of Las Vegas' water demand; and

WHEREAS, the City of Las Vegas has been notified by the New Mexico Finance Authority that it is still able to apply to the Water Trust Board for funding for the Bradner Reservoir Enlargement project and all related appurtenances; and

WHEREAS, the City of Las Vegas desires funding assistance from the NM Water Trust Board to complete this project; and

WHEREAS, the NM Water Trust Board desires to assure full support of the governing body of each entity desiring to submit such applications for funding assistance; and

WHEREAS, this project will assist in meeting the City of Las Vegas' water demand and storage during times of extreme drought and wildfire and allow the City to significantly increase its critical water supply while improving the dam structure, thereby increasing the safety of its citizens; and

WHEREAS, this project is listed in the 2011 City of Las Vegas Preliminary Engineering Report; and

WHEREAS, this project has already received funding from other sources and is scheduled to begin in August of 2014; and

WHEREAS, it is in the public interest to give complete and full public notice of the support; and

WHEREAS, Resolution 14-27 will be taken to the Governing Body at our May 2014 Council Meeting for approval of this application;

NOW THEREFORE, I, Alfonso E. Ortiz, Jr., Mayor of the City of Las Vegas, New Mexico, do hereby direct staff to proceed in processing the Water Trust Board application to request additional funding to complete this project. This order shall take effect immediately and shall remain in effect until such time

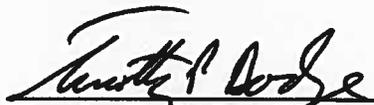
Project is completed.



Mayor Alfonso E. Ortiz, Jr.

4-30-14
Date

Recommended by:



Timothy P. Dodge, City Manager



Kenneth L. Garcia Utilities Director

**CITY OF LAS VEGAS
RESOLUTION NO. 13-56**

A RESOLUTION OF THE CITY OF LAS VEGAS, NEW MEXICO, ADOPTING THE RECOMMENDED ALTERNATIVES BY URS FOR BRADNER RESERVOIR AND INCLUDE THESE ALTERNATIVES IN THE CITY'S PRELIMINARY ENGINEERING REPORT.

WHEREAS, the City completed several studies on water demands and availability for present and future conditions; and

WHEREAS, these studies found that the City is in need of additional raw water storage to meet its current and future water supply needs and to mitigate susceptibility to flooding, drought, wildfire, and the resulting effect of fire ash; and

WHEREAS, the City hired URS as the record engineer for the project and URS conducted a Preliminary Engineering Report analysis study; and

WHEREAS, URS has determined enlarging Peterson Reservoir that was the recommended alternative to meet the City's raw water needs is not suitable due to unfavorable geologic conditions at the site it is considered to be a cost prohibitive option at this time; and

WHEREAS, URS has recommended the change to enlarge Bradner Reservoir instead of Peterson Reservoir based on their consideration of the alternatives presented in the Preliminary Engineering Report analysis dated September 2011; and

WHEREAS, URS produced a number of different alternatives for enlarging Bradner Reservoir and has recommended an alternative to the City; and

WHEREAS, the recommended alternative of the Bradner Reservoir enlargement project would include the following:

- The existing main and auxiliary dams would be demolished.
- A new 120-foot high main embankment dam approximately 400 feet upstream of the existing main dam would be constructed.
- A new 40-foot high containment embankment dam approximately 2,800 feet upstream of the new main dam would also be constructed so the entire reservoir would be constructed on City property.
- The storage would be increased from about 300 acre-feet to 2,100 acre-feet.
- The new dams would be constructed using earthen fill and filler materials.

; and

WHEREAS, the engineering services include geotechnical investigations and other engineering studies conducted for Bradner Dam; and

WHEREAS, the environmental permitting services include obtaining the appropriate state and federal required environmental clearances; and

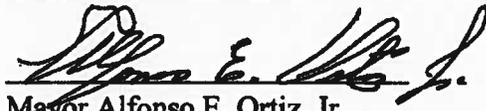
WHEREAS, the City must complete all requirements for the project including revision to the Preliminary Engineering Report to obtain loan funding and the applicable EPA waiver; and

WHEREAS, URS conducted a presentation on the project at the December 3, 2013 Council Work Session to obtain comments from the governing body and the public;

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE City of Las Vegas that the City adopts the recommended alternative for the Bradner Dam and Reservoir improvement and enlargement and include the revision in the City's PER.

PASSED, APPROVED, AND ADOPTED this 11th day of December, 2013.

CITY OF LAS VEGAS

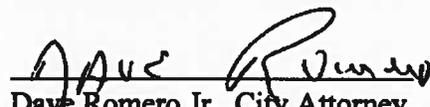

Mayor Alfonso E. Ortiz, Jr.

(Seal)

ATTEST:


Casandra Fresquez, City Clerk

REVIEWED AND APPROVED AS TO LEGAL SUFFICIENCY ONLY:


Dave Romero Jr., City Attorney

**CITY OF LAS VEGAS
RESOLUTION NO. 12-66**

A RESOLUTION AMENDING THE INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP) (RESOLUTION 12-45)

WHEREAS, the municipality of Las Vegas recognizes that the financing of public capital projects has become a major concern in New Mexico and nationally; and

WHEREAS, in time of scarce resources, it is necessary to find new financing mechanisms and maximize the use of existing resources; and

WHEREAS, systematic capital improvements planning is an effective tool for communities to define their development needs, establish priorities and pursue concrete actions and strategies to achieve necessary project development; and

WHEREAS, this process contributes to local and regional efforts in project identification and selection in short and long range capital planning efforts and;

WHEREAS, the City of Las Vegas submitted the 2014-2018 ICIP (Resolution 12-45) on October 4, 2012 and;

WHEREAS, the City of Las Vegas Council identified Peterson Dam Expansion and Dam Safety Improvements has its priority project and;

WHEREAS, URS, the record engineer for the Peterson Dam Expansion and Safety Improvements project, has recommended a change due to the results of the geotechnical investigation of Peterson Dam and;

WHEREAS, URS has recommended that the City of Las Vegas make improvements to Bradner Dam as well as Peterson Dam; and

WHEREAS, the City of Las Vegas is in need of amending its priority projects by shifting improvements to Bradner Dam to priority number 1 and improvements to Peterson Dam to priority number 2 and;

WHEREAS, the Bradner Dam improvements will be expansion of the dam to its maximum height and construction of a drainage system which consists of drainage lines, drainage gallery, and outlet piping. The total cost of the project will be \$28,000,000 and;

WHEREAS, the Peterson Dam improvements will be extension of the concrete base and installation of a geo membrane. The total cost of the project will be \$1,664,920.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF LAS VEGAS that:

1. The City of Las Vegas hereby amends Resolution 12-45 Infrastructure Capital Improvements Plan, and
2. It is intended that the Plan be a working document and is the first of many steps toward improving rational, long-range capital planning and budgeting for New Mexico's infrastructure, and
3. This Resolution supersedes Resolution No. 12-45
4. The City of Las Vegas adopts Resolution 12-66 amending the ICIP to include Bradner Reservoir as a priority project

PASSED, APPROVED AND ADOPTED this 19th day of December, 2012.



Alfonso E. Ortiz, Jr., Mayor

ATTEST:



Casandra Fresquez, City Clerk

Project Name: Bradner Enlargement and Inlet/Outlet

Project Type: Water Storage, Conveyance and Delivery

Water Trust Board Financial Assistance Requested (enter numbers only): \$ 4,000,000.00

Project Description 1000 character limit

The City of Las Vegas (City) developed a Bradner Reservoir Preliminary Engineering Report (PER) that was completed in January 2014. The PER analyzed the City's demographics and water supply system, and examined the current conditions of the Bradner Reservoir area and existing facilities, in addition to the Purpose and Need of the Bradner Enlargement and Raw Water Conveyance Project (Project), and the Project configuration.

The purpose of the Project identified in the PER is to assist in meeting the City's present water demand. Bradner Reservoir is a critical component of the City's water supply and treatment system and will provide approximately 60 percent of its raw water storage capacity once the enlargement is completed. Enlarging Bradner Reservoir will enable the City to store a total of 2,300 acre-feet (AF) of water, increasing its present storage from about 3 months to 12 months of critically needed storage under current demand conditions.

A new reservoir with a storage capacity of 2,300 AF and associated infrastructure are proposed to replace the existing 300 AF capacity Bradner Reservoir and associated infrastructure. The Project includes the construction of;

1) New rock filled dam (130 feet high) and rock filled containment dam (55 feet high), with appurtenant structures (i.e. spillway, intake tower, and outlet works), forming the new reservoir; and

2) 48-inch diameter raw water conveyance pipeline that will fill and drain the reservoir. The pipeline will more importantly supply raw water to the City's water treatment plant (WTP) located on the same property that the reservoir is located.

The raw water conveyance pipeline system that will fill and drain Bradner Reservoir, and supply water to the WTP is the downstream segment of the future 48-inch pipeline replacement of existing raw water conveyance pipeline. The existing and future replacement of the pipeline starts at the Gallinas River intake structure to the WTP. The pipeline will remain 48-inch through the WTP yard piping and into the Bradner Reservoir. The pipeline will be constructed with the Bradner Reservoir; in parallel with the Bradner Reservoir discharge piping and will be included in the same concrete encasement through the dam embankment. Beyond the tower, the pipeline will extend along the bottom of the reservoir to a submerged discharge point.

The City is funding the planning and design of the proposed facilities with SRF-2910 funds and City Water Rate revenues. The design of this project is approximately 60% complete. The City plans to go out to bid in August 2014 and begin construction in November 2014 upon award of WTB funds.

Type of entity: Municipality

County the Project is in: San Miguel County

Contacts: Primary, Secondary, Engineer, Legal

Name: Kenneth L Garcia
Company: City of Las Vegas
Email Address: KGarcia@ci.las-vegas.nm.us
Phone #: (505) 426-3314
Contact Type: Primary
Address: 1700 N. Grand Ave
City, State, Zip: Las Vegas, NM, 87701

Name: Don Cole
Company: City of Las Vegas
Email Address: doncole2000@msn.com
Phone #: (505) 429-6326
Contact Type: Secondary
Address: 1700 N. Grand Ave
City, State, Zip: Las Vegas, NM, 87701

Name: Ed Toms
Company: URS
Email Address: ed.toms@urs.com
Phone #: (303) 740-3949
Contact Type: Engineer
Address: 8181 East Tufts Avenue
City, State, Zip Denver, Colorado, 80237

Name: Rebecca Dempsey
Company: Cuddy & McCarthy, LLP
Email Address: rdempsey@cuddymccarthy.com
Phone #: (505) 988-4476
Contact Type: Legal
Address: 1701 Old Pecos Trail
City, State, Zip: Santa Fe, NM, 87505

Estimated project start date: August 2013
Estimated project completion date: December 2016

Project Information

Describe any scientific, hydrologic or biological studies that demonstrate the water project will accomplish its planned objectives. *1500 character limit*

Several studies were completed for the Project which included a Preliminary Engineering Report (PER), Geotechnical Baseline Report, NMFA Environmental Information Document (EID), and USACE 404 Permit Application with required wetland, biological, and cultural reports. These reports were developed in support and justification of the Project. The PER presents the project need and alternatives that met the goals and objectives of the Project. The report was used as the basis of the final project design. The Geotechnical

Baseline Report presents the characterization and suitability of the site to develop the required borrow material and to build the project. The EID was prepared in support the NEPA process required by the EPA funding requirements. The USACE 404 Permit Application was prepared to discuss potential environmental impacts caused by the Project related to wetlands, endangered species, and cultural.

List all of the "public benefits" from conducting this project (water quality, flood control, wildlife habitat, water quantity, water supply, public safety, etc.). 1500 character limit

The purpose of the Bradner Reservoir Enlargement Project is to assist in meeting the City's water demand. The general public benefit from this project will be public water supply and water quality. The City of Las Vegas relies primarily on surface water supply from the Gallinas River for its public water supply; however, under drought conditions, even with supplemental groundwater the City is unable to meet demand under drought conditions. With the expansion of its storage capacity, the City would be able to divert additional water from the Gallinas River without requiring additional water rights; all in an effort to help maintain the City's water supply and keep the City from being susceptible to drought. The City can currently only store approximately 3-months water supply in reserve. The project will allow the City to increase its water supply reserve to one-year. Increasing storage capacity will also enhance the functionality of the recently completed diversion headworks on the Gallinas River. The project will also improve system reliability in the event of catastrophic fire in the watershed; and under anticipated long-term climate change conditions.

Enlarging Bradner Reservoir will allow the City to significantly increase its critical water storage while improving the dam structure, thereby increasing the safety of its citizens. The public benefits resulting from enlarging Bradner Reservoir include;

- 1. Water Supply - Enhanced water supply needed to meet present demands.*
- 2. Water Quantity - The City will be able to divert and store more water flows during spring runoff and large summer rain runoff events. Existing raw water storage capacity is inadequate for meeting the needs of the community.*
- 3. Water Quality - The Project will also include the construction of new inlet and outlet pipelines and structures that will improve water circulation within the reservoir, thereby improving water quality and reducing treatment costs.*
- 4. Public Safety - Peterson Dam is in need of repair related to leakage and public safety requirements. Enlarging Bradner Reservoir would allow Peterson Dam to be drained so these dam safety repairs could be completed.*
- 5. Improved water system reliability – An enlarged Bradner Reservoir would create a more stable supply of water and improve the City's system reliability under drought conditions, in the event of catastrophic fire in the watershed, and under anticipated long-term climate change conditions.*
- 6. Wildlife - The enlarged reservoir would increase habitat (approximately 31 additional acres of open water) for fish, birds and other wildlife.*
- 7. Flood Control - The dam would be designed to withstand the potential maximum flood. The potential flood loss and flood impacts would be reduced from existing conditions. This would result in an overall beneficial effect to the floodplain.*

Describe any urgent needs of this project that affect human health, safety and welfare (i.e., public health, federal matching funds, ect.). 1500 character limit

The enlargement of Bradner Reservoir would address the following urgent needs:

Water Supply Shortfall

1. *The existing raw water surface storage system is not optimized to use available river flows, which are highly variable.*
2. *The City can only store about 22% of its total annual municipal water demand, which is insufficient to consistently satisfy municipal water demands during periods of limited water availability, drought, and/or wildfire ash effects (water contamination).*
3. *The City is unable to meet its demands even with supplemental groundwater supplies under drought conditions and/or catastrophic wildfire.*

Reliability

1. *Enlarging Bradner Reservoir will enable the City to store 2,300 acre-feet of water, adding 9 months of critically needed storage under current demand conditions.*
2. *The reservoir is a critical component of the City's water supply system, providing approximately 90% of its raw water storage capacity.*

Vulnerability

1. *The current dam structure needs to be modernized to meet New Mexico Office of the State Engineer (OSE) dam safety criteria.*

Bradner Dam is classified by the OSE as a high hazard dam in "fair" condition. The primary reasons for this classification include the dam's inadequate spillway capacity, which is 37 percent of the required flood, and as well as the presence of woody vegetation, erosion, and rodent damage. The proposed Project will include improving the dam structure, which will enhance the safety of the citizens of Las Vegas. The current dam structure does not meet state dam safety criteria and may potentially cause complications and/or damages if not modernized. The modernization and enlargement of Bradner Reservoir would enhance public safety. The City will also update its current Emergency Action Plan (EAP), to reflect the enlargement of the Bradner Dam and Reservoir.

Outline efforts toward wildlife and environmental compatibility. 1500 character limit

This project is environmentally compatible because the project entails enlarging an existing reservoir versus constructing a new one. Impacts will be minimal to wildlife during construction activities, and some forested habitat will be permanently converted to aquatic habitat. Construction activities are scheduled to overlap with breeding seasons; however, any birds that nest in the area during those times will choose to do so while noise and project activities are ongoing and are not expected to be impacted.

Enlargement of the reservoir will occur on an existing dam footprint and the net result would be that more aquatic habitat will be developed.

Due to the nature of the project, permanent impacts to wetlands and surface water features cannot be avoided. A wetland mitigation area will be created around the perimeter of the new reservoir boundary in order to replace permanently impacted wetlands.

USFWS did not have any concerns with the enlargement of the dam. Pro-active measures (e.g. cutting vegetation around reservoir before nesting) were conducted by the City.

The City has prepared a detailed Environmental Information Document (EID) that has been submitted to the Corps of Engineers (COE) for Review. The EID inventories the natural and cultural resources of the Project

area, identifies short and long-term project impacts and mitigation. These reports have concluded that no habitat for federal or state threatened or endangered species is present within the Project area. The City has also submitted a wetlands delineation report and Section 404 application to the COE. Impacts to wetlands will be mitigated through a program of replacement approved by the COE.

Describe how the project contributes to improved water quality and water conservation. 1500 character limit

Water Quality

The reservoir design will enhance the water quality of the water that will be conveyed to the water treatment. The inlet pipe discharge point in the reservoir will be located 75% of the reservoir distance upstream of the main dam which will allow a longer residence time in the reservoir. The location of the inlet pipe discharge will limit any potential of "short circuiting" of water from the reservoir inlet to the outlet. An intake tower will also have three levels of inlets which the City can use to make selective reservoir releases which will enhance the water quality discharges into the treatment plant.

Water Conservation

The City has developed a Water Shortage Action Plan that describes 10 stages of water restrictions for the City, as well as the steps to be taken to reduce consumption beyond the City's conservation ordinance in emergency situations, or Stages 5-10. The City has adopted a campaign to promote conservation programs and inform the public about the need for water conservation and includes a high efficiency toilet replacement rebate program, use of rain barrels, and providing low flow water savings kits that can conserve up to 750 gallons of water each month. To educate the public about these programs, the City holds monthly customer service meetings and disseminates information on City Council meetings through the website and the City Clerk's Office.

Improving the City's ability to divert and store the renewable surface water flows of the Gallinas River will reduce the City's need to deplete its limited groundwater resources.

List all identified or expected positive and negative impacts resulting from the project's development. If negative impacts may exist, please describe other alternatives that have been examined and/or efforts that have been or will be made to mitigate impact. 1500 character limit

Due to the nature of the project, permanent impacts to wetlands and surface water features cannot be avoided. A wetland mitigation area will be created around the perimeter of the new reservoir boundary in order to replace permanently impacted wetlands. Loss of aquatic habitats will be temporary from de-watering through construction to re-filling of the reservoir. Impacts will be minimal to wildlife during construction activities, and some forested habitat will be permanently converted to aquatic habitat. Surrounding pine forests are abundant and no mitigation for these habitats is necessary.

The No Action Alternative would be inadequate in supplying water to the City. The Preferred Alternative of enlarging Peterson Reservoir would be unsuitable due to the underlying karst topography at the project location.

The proposed Project would improve quality of life for the City's residents by addressing some of the critical problems and increasing the reliability and yield of the Las Vegas water system. The Project would also help relieve a major constraint on the growth of the City's economy and population; and would provide disproportionate positive benefits for this disadvantaged community, promoting environmental justice objectives. Positive impacts resulting from the project will also include: improved system reliability under drought conditions, improved system reliability under anticipated long-term climate change conditions, improved system reliability in event of catastrophic fire in the watershed.

Negative impacts resulting from the project are directly related to the construction activity. Construction activities will be limited to daylight hours to minimize impacts to nearby residences. To mitigate impacts the Project will comply with all Clean Water Act Section 404 permit special conditions to avoid and minimize impacts to wildlife, wetlands, cultural properties and other environmental resources. Bradner is a public water supply reservoir and fish and waterfowl occur incidentally and are not managed. Game fish will be salvaged as reservoir levels are lowered. After construction is complete, aquatic conditions would be similar to existing site conditions, with increased water volume. Vegetation clearing above the full pool of the new reservoir would be kept to the minimum amount necessary to construct the Project. BMPs will be implemented to reduce erosion.

Are there written operating procedures? Yes No

Are there written job descriptions for all staff and contractors? Yes No

Is there a written and implemented cross-connection control program? Yes No N/A

Is there an approved and implemented source-water protection plan? Yes No N/A

Is there a written emergency response plan? Yes No

Project Type Specific

Provide the water system's long-term (minimum 10 years) water plan if no plan exists, indicate when and how it will be developed. 1500 character limit

The Water System PER developed by Souder Miller in 2011 and the Bradner PER developed by URS in 2014 are the long term water plan for the City of Las Vegas, NM.

Outline the metering and measuring of all water diversion and uses in the water system; if the system is not fully metered, describe the plans to do so or the process for allocating water in the system. 1500 character limit

The City of Las Vegas water system is fully metered for both ground and surface water diversion and usage. The first and only water diversion operation for the City is located in the Gallinas Canyon where the surface water of Gallinas River is diverted. This diversion system includes a dam, sedimentation basin, 18-inch meter and inlet pipe where water is transported to the City's reservoirs. This 18-inch meter is read daily all year around when raw water from the Gallinas River is being diverted into the City Drinking Water system. At the City reservoirs (Bradner and Peterson), the water is stored and metered again before entering the City's Water Treatment Plant which typically treats and produces an average of 1.1 million gallons of drinking water per day for the City of Las Vegas Water Supply system. River and well diversions are reported to the State Engineer on a monthly basis. The City recently completed a project to replace all residential meters and to convert them for remote reading.

Is the system in compliance with Federal Safe Drinking Water and Clean Water Act regulations and applicable Department of Environment regulations? If not, please discuss major deficiencies. 1500 character limit

Yes, the City's water system is in compliance with Federal Safe Drinking water, Clean Water Act regulations, and applicable Department of Environment regulations. The City of Las Vegas' water and wastewater reuse systems are in compliance with Federal Safe Drinking Water, New Mexico groundwater protection regulations and Clean Water Act Regulations. There have been 21 exceedences of the Drinking Water Bureau maximum contaminate level (MCL) in the finished water distribution system for total trihalomethanes (TTHMS) in 2009 and five exceedences in 2010. The TTHM contaminant is a disinfection byproduct associated with the City's

surface water system. The disinfection byproduct is a hydrocarbon contaminant formed when chlorine is added for treatment/disinfection, and it reacts with organic carbon material in the raw water. The Project will contain a number of design elements that will address the causes of these exceedences.

Outline the billing system and it's functionality in terms of invoicing and collecting revenues. 1500 character limit

The City of Las Vegas currently has 5,769 residential water meters and 732 commercial water meters. The meters are read by two meter readers on a 19-cycle reading schedule which includes 57 routes. Currently all meters are read through the Automatic Meter Reading system. Once reading is completed at the end of each day, hand held devices are then uploaded into the City's building software (AMR Neptune/Tyler) program. The data entry is checked by the water inventory staff to ensure all data fields are completed correctly and to safeguard against irregular reporting. Once the uploads are verified, the City's Customer Service Supervisor reviews the data sheets and compares them against actual meter readings with past account history to determine any high usage activity (such as leaks or mis-reads). Once the data sheets are reviewed, water meter invoices are mailed out and are payable within 30 days. If no payment is received, the customer is then sent a 10-day shut off notice. If still no payment is received by then, the water meter is then shut off and removed (if tampering is discovered), until payment is received in full.

Explain how the rate structure is designed to cover operations and maintenance, including leak detection and repair, infrastructure and equipment replacement, technical staff, and other elements required to ensure self sufficiency in line with the long term plan. 1500 character limit

The Water rate structure of the City of Las Vegas produces annual water sales revenue of approximately \$4.5 million. The City also charges a ¼ of 1% tax, bringing in an additional \$750,000. The City uses this revenue to sustain a financially viable water utility. This revenue is used for operation and maintenance expenses, emergencies, repairs, routine replacement, and future capital improvements to existing water infrastructure. The water rate structure is designed to equitably recover costs from each customer class and provide incentives for water conservation, to fund the core activities of the utility. The rate structure is reviewed on an annual basis and is designed to encourage water conservation by incorporating higher rate charges tied to higher water usage.

Provide an adopted water conservation plan or any plans in progress, including hydrologic studies that show how the design of the project reduces consumptive use, carriage losses, or incidental losses. 1500 character limit

The City has been implementing water conservation measures since 2001 through a series of ordinances and policies ranging from water usage restrictions to fines and penalties for violators of the water conservation ordinance. The current Ordinance (09-18) was approved by the City of Las Vegas City Council on June 21, 2010. The Water Conservation Ordinance reduces consumptive use through a number of actions;

- 1) Billing reduction for individual, residential and commercial customers who utilize low consumption water usage.*
- 2) Billing increase for individual, residential and commercial customers who use excessive amounts of water based on a threshold of graduated user rates.*

- 3) *New fixture rebates and other means of working within the available water supply to achieve a 2.5% reduction goal (equating to a reduction of 75 gallons per capita per day for the next 20 years) until such time additional supply sources are brought on-line.*
- 4) *Reduce peak summer demands through on-going water usage restrictions, which reduce short & long-term operating costs.*
- 5) *Assess leaks in the distribution system on a continual basis, and*
- 6) *Meter inspection and replacement program to account for unaccounted water usage/loss.*

Provide the estimated water savings from the implementation of conservation measures and the expected extension of your presently available water supply for the first 10 years of the water system's long term plan. 1500 character limit

The City of Las Vegas has developed a conservation program that includes a water conservation ordinance, large multiyear projects to implement wastewater reuse and replace meters, and an active public education campaign. This will lead to more flexibility in management of the water supply with the conjunctive use of surface and groundwater resources combined. The City's water conservation measures and proposed water system improvements were designed to reduce water demand and system losses (nonrevenue water) by 13 gallons per capita per day (GPCD) for an annual saving of 275 acre-feet by 2015. This represents an overall reduction in system demand by approximately 12%.

The City has more than exceeded its stated water conservation goals. To date the City's implementation of its Drought Response and Water Conservation plans has succeeded in reducing demand from approximately 2.2 MGD in 2010 to approximately 1.5 MGD in 2013. At the end of 2013 the City implemented a leak detection and repair program that is anticipated to result in a permanent saving of 0.19 MGD, or approximately 200 acre-feet per year by the end of 2014. Additional savings are anticipated through the full implementation of the City's reclaimed wastewater use program.

Community Support

List all partners involved in this project and outline the responsibilities of each partner. Describe how the surrounding communities are involved and identify the number of water users affected by the project. 1500 character limit

There are no other partners associated with the project. Improving the reliability of the City's water supply system would also allow the City to extend services to other residents in the surrounding unincorporated communities. The following stakeholder groups will benefit from improved reliability of the City's water supply system;

- 1) *Las Vegas Public Schools;*
- 2) *West Las Vegas School District;*
- 3) *Highlands University;*
- 4) *Luna Community College;*
- 5) *New Mexico Behavioral Health Institute, and*
- 6) *El Creston Mutual Domestic Water Users Association.*

Does this project require a Joint Powers Agreement (JPA), Memorandum of Understanding (MOU) or Agency Agreement? If yes, attach a copy of the JPA or Agreement in the attachments section. 1500 character limit

No

Identify the regional collaboration, nature and history of stakeholder group involvement and provide documentation of collaboration, including how stakeholders participate both financially and programmatically. 1500 character limit

The project will be located on City owned land and it will remain under the sole ownership and operation of the City.

Please describe the water system's governance structure and its ability to provide adequate direction and oversight, (to be compliant with the Opening Meetings Act and the Inspection of Public Records Act, to hold regular Board elections and to train its board members). 1500 character limit

The City of Las Vegas is a municipality governed by a five member Mayor/Council form of government and is subject to the New Mexico Administrative Code. In addition, all planning reviews and approvals of water projects along with other city wide utility projects are heard at the City of Las Vegas Utility Advisory Committee (UAC) for approval. The UAC is a seven member committee made up of six community members and chaired by a member of the City Council. The City Council and the UAC are both held in accordance with the New Mexico Open Meetings Act and with the New Mexico Inspection of Public Records Act.

Provide a summary of the public involvement plan. 1500 character limit

Additional storage is recommended in the Preliminary Engineering Report (PER) completed by WH Pacific in September 2011. Bradner enlargement is the selected alternative recommended in the PER completed by URS in January of 2014. Bradner enlargement and raw water conveyance projects are ranked in the top five of the ICIP. Both of these plans were presented in preliminary and final form to the general public in a number of forums.

Financial Sustainability

Is a five-year financial plan in place that aligns projected revenues and expenses, including costs for regulatory compliance, debt, capital improvements, and needed reserves? If yes, please describe the elements of the plan. If no five-year financial plan is in place, please describe the estimated timeline of implementing a five-year plan. 1500 character limit

Yes. See October 2012 Rate Study - Attached

Describe the asset management plan; including how it was developed, if a resolution committed to implementing the plan is in place, how is the plan monitored and overseen. 1500 character limit

An Asset Management plan has been developed by the City Utilities Department. A copy of the current Asset Management plan is attached. City staff attends regular Asset Management training on best management

practices, policy planning and procedures. A resolution implementing the asset management plan will be developed by next funding cycle.

Does your system have a water accounting system and a water audit plan? Is your system fully metered? Describe the methodology to quantify use & loss, quantify the input & output water loss, outline supply & demand projections. 1500 character limit

The City of Las Vegas water system is fully metered for both ground and surface water diversions and usage. The City uses the AWWA water use auditing software and the OSE's recommended GPCD software package to track annual water usage by category and non-revenue water (NRW-water losses). The City also tracks raw water system losses (e.g. reservoir evaporation and seepage losses) and NRW in the finished water system using monthly water diversion, treatment plant production and water sales data. The results are used to monitor for system leaks and data errors. Water supply projections are made using snowpack, river runoff and groundwater level data collected on a daily basis. Demand projections to the year 2050 were incorporated into the Preliminary Engineering Report prepared by URS.

Yes. The City of Las Vegas currently has 5,769 residential water meters and 732 commercial water meters. The meters and AMR system are maintained by two meter readers on a 19-cycle reading schedule which includes 57 routes. Currently all meters are read through the Automatic Meter Reading system. Once reading is completed at the end of each day, hand held devices are then uploaded into the City's building software (AMR Neptune/Tyler) program. The data entry is checked by the water inventory staff to ensure all data fields are completed correctly and to safeguard against irregular reporting. Once the uploads are verified, the City's Customer Service Supervisor reviews the data sheets and compares them against actual meter readings with past account history to determine any high usage activity (such as leaks or mis-reads). Once the data sheets are reviewed, water meter invoices are mailed out and are payable within 30 days. If no payment is received, the customer is then sent a 10-day shut off notice. If still no payment is received by then, the water meter is then shut off and removed (if tampering is discovered), until payment is received in full.

Describe the long-term stewardship of this project, including a long-term project operations and maintenance plan that addresses stability of funding and overall project sustainability. 1500 character limit

URS recently completed an O&M manual and Emergency Action Plan for Peterson Dam. These plans will be reviewed by the OSE. These documents will be updated to address the improvement in the facilities. The City is a proactive steward of this critical facility. The dam is inspected annually by dam safety engineers working for the OSE. Quarterly water samples are collected from the reservoir by NMED staff. City staff visually inspect the dam and surrounding area on the daily basis. Vegetation around the dam and around critical access points are managed. The area around the dam and reservoir is fenced and posted to prevent public access and livestock incursion. Fencing and watershed conditions are inspected at least once per month.

Does the water system have a professional manager? 200 character limit

Yes, the operations for the water system are overseen by qualified/certified staff that report to a full-time, experienced Utility Director on a daily basis.

Describe how the estimates for project contingencies were derived. Has a Professional Engineering Report or an Engineering Report/Study or a Feasibility Study been completed? 1500 character limit

Estimates for project contingencies were derived from professional judgment based on market trends and URS' experience working on similar projects. A Preliminary Engineering Report (PER) was completed in January 2014.

Project Compliance

Is the water system in compliance with Office of the State Engineer regulations? Yes No

Is the project part of an Interstate Stream Commission-accepted regional water plan or part of such a plan under development? If yes, please explain how this project complies with such a plan. If no, please explain. 1000 character limit

The project is consistent with the findings and recommendations of the Mora-San Miguel-Guadalupe Regional Water Plan accepted by the Interstate Stream Commission in 2005. This plan identifies a specific need for the City of Las Vegas to develop additional raw water storage capacity.

Provide documentation of water rights' availability (i.e., willing seller/leaser and necessary permitting from the state engineer and show compliance with law 2003 N.M. Laws, ch. 135 (effective March 1, 2004) if water will be acquired from an Acequia. 1500 character limit

The enlargement of Bradner Reservoir will not require the City to obtain additional water rights. The City owns sufficient adjudicated (2,600 acre-feet) and permitted (173.39 acre-feet) water rights to fill and refill the enlarged reservoir. Hydrologic calculations referenced in the Raw Water System Technical Report component of the Water System Improvements PER demonstrate that there is sufficient flow in the Gallinas River and that the City has sufficient water rights to support the project.

File Number:	SP-2662
Application Number:	SP-2662
Number of Acre Feet Available:	2,773.39
Water Rights Type Available:	surface water

If water rights are not available, please explain why and outline a plan of action to obtain the necessary water rights. 200 character limit

Sufficient water rights are owned by the City for this project.

Does the water system supply, deliver, distribute or otherwise provide at least 500 acre-feet annually for domestic, commercial, industrial or government customers for non-agricultural purposes, and not include Indian tribes, pueblos, nations, chapters or any entity of a tribe, pueblo, nation or chapter? Yes No

Briefly list and describe any alternative to this project that was considered and the decision to reject or otherwise implement any alternative. 1500 character limit

Several alternatives were considered that would meet the Project purpose and need. They included 1) No Action Alternative, 2) Peterson Reservoir Enlargement, and 3) Bradner Reservoir Enlargement.

Under the No Action Alternative, enlargement of the City water supply from an increase in reservoir capacity would not occur. This alternative would endanger the public's wellbeing and health, since the City presently does not have adequate raw water storage during a normal water year let alone during times of drought.

The Peterson Reservoir Enlargement alternative included the enlargement of Peterson Reservoir's capacity. This alternative was eliminated when the karst formation along the north and west reservoir rim was identified during a geotechnical investigation of the site.

Fourteen sub alternatives were developed for the Bradner Reservoir Enlargement Project. The reservoir sizes ranged from 970 AF to 4,000 AF. Several embankment configurations were also considered. All reservoir enlargement alternatives considered assumed decommissioning of the existing reservoir and the demolition of the existing dam embankments, the spillway, and the intake and outlet works. The reservoir interconnect pipeline system was common to all the alternatives. The desired minimum target reservoir storage capacity specified by the City was 2,000 AF. The desired minimum target reservoir storage capacity to meet 12 months of water supply is 2,300 AF based on the City's annual supply requirements.

Of the 14 sub-alternatives, the Alternative 12 configuration consisting of a 2,300 AF reservoir was selected as the preferred alternative because it best met the City's purpose and need for the Project and would provide 12 months of raw water storage.

Describe the methodology used to measure the project's expected outcome and planned objectives. Outline the benchmarks for measuring project results. 1500 character limit

A detailed Operations Model of the Gallinas River and key components of the City's raw water supply system was developed for the purpose of evaluating the reliability of the existing surface water system. The model incorporates the 81-year historical daily discharge stream flow record for the Gallinas River and a number of criteria including; capacity of the diversion works, recoverable storage, reservoir losses, quantity & priority of the City's surface water rights, diversionary requirements of downstream water users, and the long-term availability of groundwater. When executed, the model assesses the system's ability to avoid failure during periods of drought. Model assumptions and operation are described in detail in the Raw Water System Technical Report component of the PER. The model was also used to evaluate alternative projects to improve the reliability of the water supply system through the year 2050. The model results found that increasing the City's raw water storage capacity is critical to the long-term reliability of the City's water supply system. Project results can be measured directly through daily monitoring of the volume of water stored in the expanded Bradner reservoir and through monthly reporting to the OSE.

Funding Detail

List Total Project Costs and Sources of Funds for Projects

<u>Type</u>	<u>WTB Funds</u>	<u>Local Funds</u>	<u>State Funds</u>	<u>Federal Funds</u>	<u>Total</u>
Feasibility Funds	\$	\$895,310	\$	\$	\$ 895,310
Planning and Design	\$	\$	\$1,200,000 (1) \$1,800,000 (2)	\$	\$3,000,000
Inspection of Construction	\$	\$	\$2,400,000 (6)	\$	\$2,400,000
Engineering Services	\$	\$	\$1,000,000 (6) \$ 700,000 (7)	\$	\$1,700,000
Environmental Surveys	\$	\$	\$ 230,000 (6)	\$	\$ 230,000

Archeological Surveys	\$	\$	\$ 50,000 (6)	\$	\$ 50,000
Construction	\$4,000,000	\$	\$10,000,000 (3) \$ 2,000,000 (4) \$ 2,000,000 (5) \$ 4,424,690 (6) \$4,980,000 (7)	\$	\$27,404,690
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Easements & Right of Way	\$0	\$0	\$0	\$0	\$0
Legal Costs*	\$0	\$0	\$0	\$0	\$0
Fiscal Agent Fees*	\$0	\$0	\$0	\$0	\$0
Total	\$4,000,000	\$ 895,310	\$30,784,690	\$0	\$35,680,000

- (1) SRF 2910
- (2) 2013 Legislative Appropriation
- (3) 2014 Legislative Appropriation
- (4) RIP FY 2014-application (to be submitted)
- (5) RIP FY 2015-application (to be submitted)
- (6) SRF Application (to be submitted)
- (7) Raw Water Conveyance
- (8) Water Trust Board

***Note: Policy Section 6.8 Legal and Fiscal Agent Fees**

A. Legal Fees. The Water Trust Board recognizes that adequate legal representation is an important component of managerial capacity and sets the following guidelines for funding from the Water Project Fund Financial Assistance under the following guidance: 1. The Water Trust Board defines legal fees as those services rendered by legal counsel on behalf of the entity for the transaction of the project and not for adjudication services; and 2. No more than 10% of the Water Project Fund financial assistance may be used for legal services. **B. Fiscal Agent Fees.** The Water Trust Board defines a fiscal agent as an eligible entity that administers the fiscal aspects of a project **on behalf of one or more eligible entities.** The fees incurred in the administration of funds, including the collection and reporting of project information as required by the Water Project Fund financial assistance agreements are considered appropriate fiscal agent fees and is considered an eligible cost under the following conditions: 1. That fiscal agent fees comprise no more than 5% of a project's costs; and 2. That appropriate documentation of hours spent reporting be submitted with funding requisitions. **C. The total amount of the combined fiscal agent and legal fees may not exceed 10% of the total Water Project Fund financial assistance.**

Are these costs certified by a resource specialist, engineer or architect? Yes No

If yes, please provide:

Date of Certification: April 29th 2014

Company Name: URS

Source, Terms and Status of State and Federal Funds:

Please specifically identify the source, terms and status of all State and Federal Funds:

<u>Source</u>	<u>Amount</u>	<u>Type</u>	<u>Term</u> <u>(# years)</u>	<u>Status</u>
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Outline evidence of existing debt in the form of debt documents, including loan agreements and summarize debt default and any pending litigation. *200 character limit*

List of Debt is attached

Outline the match component - identify form and source: (half of the required match component may be in-kind services in labor and/or equipment at fair market values; the second half of the match component may be in the form of a hard cash match.) Refer to Section 2.5 - Funding Match Obligation. *200 character limit*

The City will provide the match component from Engineering services and related expenditures paid for from city funds.

Outline the source of the local cost share. *200 character limit*

Water Rate Revenue

Enter any additional information regarding this application. If none, you can skip this section and go to the [Attachments](#) screen.

Comments

Attach any documents that are needed to support other sections of the application or that may be useful in reviewing this application.

Attachments

Be sure to specify the correct document type for any of the required [Readiness to Proceed Documents](#) (attached checklist)

Work Session

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 05/02/14

DEPT: Utilities Dept.

MEETING DATE: 05/14/14

DISCUSSION ITEM/TOPIC: Resolution No. 14-28 authorizing the execution and delivery of a water project fund loan/grant agreement with the New Mexico Finance Authority for the Water Storage Tank Rehabilitation and Inspection project.

BACKGROUND/RATIONALE: This grant/loan is to rehabilitate and inspect 3 water storage tanks: Cabin site tank-vacuum floor for precise inspection, re-coat interior, replace rafter bolts and re-paint exterior of tank and replacement of cathodic protection. Camp Luna tank- re-coat tank, replace rafter bolts, repair cathodic protection and clean tank floor; this tank will require yard piping improvements in order to provide service while the tank is being rehabilitated. Valencia tank-tank inspection, replace cathodic protection and pumping water from lower pressure zones to higher ones. This is a 75/25 grant loan.

Amount of funding received:	\$880,800
Grant Amount:	\$666,600
Loan Amount:	\$222,200

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

ALFONSO E. ORTIZ, JR.
MAYOR

ANN MARIE GALLEGOS
FINANCE DIRECTOR

TIMOTHY P. DOBGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

DAVE ROMERO
CITY ATTORNEY

Approved as to Legal Sufficiency Only
(If Box is Initialed by City Mngr., Review and Sign)



UTILITIES DEPARTMENT PROJECT SUMMARY SHEET

PROJECT NAME: Water Tank Rehabilitation

PROJECT NUMBER: UT-WFS-2013-1

PROJECT DESCRIPTION: Rehabilitation of the Cabin Site 5 million gallon tank, and the Camp Luna 2.5 million gallon tank. Both tanks are used to store finished water, and have never been rehabilitated. This project is listed in the 2011 Preliminary Engineering Report (PER).

PROJECT STATUS: The Project is at 90% design.

ACTION REQUESTED: Requesting Approval/Disapproval to enter into agreement the New Mexico Finance Authority and DW 3043.

ESTIMATED COST: **\$ 978,649.61**

BUDGETED AMOUNT: **\$1,009,700.00**

LINE ITEM NUMBER: 646-0000-650-8759

ACTION	DESCRIPTION	DATE
Loan/Grant	<u>2911-DW</u> Grant (75%): \$173,250.00 Loan (25%): \$57,750.00	6/21/13
Loan/Grant	<u>3043-DW</u> Grant (75%): \$666,600.00 Loan (25%): \$222,200.00	<u>2911-DW</u> 6/21/13
Engineer Services Agreements	Contract 2679-13 Task Order 2013-3 – Design Services \$ 42,329.20 Task Order 2013-3.1 – Construction Services \$ 19,451.25 Task Order 2013-3.2 – Construction Observation \$ 53,869.16 Engineering Total - \$115,649.61	12/16/13 10/03/13 01/15/14 01/15/14
Construction Estimate	Camp Luna Tank Rehabilitation - \$396,000.00 Cabin Site Tank Rehabilitation - \$467,000.00 City Contingency - \$ 31,050.39 Construction Estimate Total - \$894,050.39	10/03/13

MAY 2014						
M	T	W	T	F	S	S
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5	6	7	8	9	10	11
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JUNE 2014						
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23	24	25	26	27	28	29
30						

JULY 2014						
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NEW MEXICO FINANCE AUTHORITY
FINANCING SCHEDULE & DISTRIBUTION LIST
CITY OF LAS VEGAS, SAN MIGUEL COUNTY, NEW MEXICO
DRINKING WATER STATE REVOLVING LOAN FUND

Project Nos. 3043-DW & 3046-DW

Prepared: May 1, 2014

DATE	ACTION	PARTIES
Thursday, September 12, 2013	Financial Advisor presents to Credit Committee	Finance Authority
Wednesday, September 18, 2013	Finance and Loan Committee recommends approval	Finance Authority
Friday, September 27, 2013	Finance Authority Board meeting to approve loan requests	Finance Authority
Thursday, May 1, 2014	Distribute draft closing documents for review and comment by Finance Authority, Borrower and Borrower's counsel for both Loans	VN
Thursday, May 8, 2014	Comments due on draft closing documents from Finance Authority Borrower and Borrower's counsel for both Loans	Finance Authority, Borrower, Borrower's counsel
Thursday, May 8, 2014	Final Debt Service Schedules Due to VN	Finance Authority
Thursday, May 15, 2014	Closing documents in final form distributed to Borrower for signature with a copy to the Finance Authority for both Loans	VN
Wednesday, May 21, 2014	Governing Body adopts Resolutions	Borrower
Thursday, May 22, 2014	Submit notice of adoption of Resolutions to <i>The Las Vegas Optic</i> before 11:00 a.m.	VN or Borrower

DATE	ACTION	PARTIES
Monday, May 26, 2014	Publication of notice of adoption of Resolutions in <i>The Las Vegas Optic</i>	Legal newspaper for Borrower,
Wednesday, May 28, 2014	Delivery of fully executed documents to Loan Counsel	Borrower
Monday, June 23, 2014	Distribution of signed Resolution, Loan Documents and Closing Documents to the Finance Authority for signature with complete set copy to Gloria and LaRain for Accounting.	VN
Wednesday, June 25, 2014	Expiration of 30-day limitation of action period.	
Wednesday, June 25, 2014	Finance Authority signatures due	Finance Authority
Friday, June 27, 2014	Closing	All
Two weeks after receipt of all transcript documents	Transcripts distributed	VN

DISTRIBUTION LIST

BORROWER

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Phone: (505) 454-1401

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NEWSPAPER:

The Las Vegas Optic

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LOAN/GRANT COUNSEL

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(Deadline: Published Monday's, Wednesday's and Friday's. Deadline: for Monday publication, Notice must be received the Thursday prior before 11:00 a.m. for Wednesday publication, Notice must be received the Monday prior before 11:00 a.m. and for Friday publication, Notice must be received the Wednesday prior before 11:00 a.m.)

\$888,800 Maximum Principal Amount

**DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT**

dated

June 27, 2014

by and between the

NEW MEXICO FINANCE AUTHORITY

and the

**CITY OF LAS VEGAS,
NEW MEXICO**

**DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT**

This LOAN AND SUBSIDY AGREEMENT (the "Loan Agreement"), dated as of June 27, 2014, is entered into by and between the **NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority"), and the **CITY OF LAS VEGAS**, (the "Governmental Unit"), an incorporated municipality duly organized and existing under the laws of the State of New Mexico (the "State").

WITNESSETH:

Capitalized terms used in the following recitals of this Loan Agreement and not defined in the first Paragraph above or in these recitals shall have the same meaning as defined in Article I of this Loan Agreement, unless the context requires otherwise.

WHEREAS, the Finance Authority is a public body politic and corporate constituting a governmental instrumentality, separate and apart from the State, duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1 through 6-21-31, as amended, (the "Finance Authority Act"); and

WHEREAS, the Finance Authority is authorized, pursuant to the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended, (the "DWSRLF Act") to implement a program to permit qualified local authorities, such as the Governmental Unit, to enter into agreements with the Finance Authority to provide financial assistance in the acquisition, design, construction, improvement, expansion, repair and rehabilitation of drinking water facilities; and

WHEREAS, the Governmental Unit is an incorporated municipality organized and existing under the laws of the State, and in particular the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended, and is a qualified local authority under the DWSRLF Act; and

WHEREAS, a portion of the Loan funds made available under this Agreement pursuant to the DWSRLF Act and the Safe Drinking Water Act may be forgiven and, if forgiven, will not be required to be repaid; and

WHEREAS, the Governmental Unit is authorized by the laws of the State, and in particular NMSA 1978, §§ 3-31-1 through 3-31-12, as amended, to enter into this Loan Agreement and accept a loan for the purpose of financing the Project; and

WHEREAS, the Governing Body of the Governmental Unit has determined that it is in the best interests of the Governmental Unit and the public it serves that the Governmental Unit enter into this Loan Agreement with the Finance Authority and accept a loan from the Finance Authority to finance the costs of the Project, as more fully described on the Term Sheet attached hereto as Exhibit "A"; and

WHEREAS, the Project appears on the Drinking Water Fundable Priority List; and

WHEREAS, the New Mexico Environment Department (the "Department") shall have determined that the Governmental Unit's Project plans and specifications comply with the provisions of 42 U.S.C. Section 300j-12 and the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems prior to disbursement of any proceeds of the Loan for construction; and

WHEREAS, the Project has been planned and authorized in conformity with the Intended Use Plan; and

WHEREAS, pursuant to information provided by the Governmental Unit and environmental review by applicable State and federal agencies, and in accordance with 40 C.F.R. Sections 6.204, 6.300(c)(1), and 6.301(f), and pursuant to the environmental review process of the State, the Finance Authority has determined that the Project meets the requirements for a Categorical Exclusion as defined in the State Environmental Review Process (SERP) for the Drinking Water State Revolving Loan Fund); and

WHEREAS, the Finance Authority has found and determined that the Governmental Unit is a severely disadvantaged community under the Intended Use Plan in that its median annual household income is \$25,254, which is less than 90% of the State median annual household income of \$42,097, and it has an affordability ratio determined as provided in the Intended Use Plan of above 0.015; and

WHEREAS, except as described on the Term Sheet, the Pledged Revenues have not been pledged or hypothecated in any manner or for any purpose at the time of the execution and delivery of this Loan Agreement, and the Governmental Unit desires to pledge the Pledged Revenues toward the payment of this Loan Agreement on parity with any Parity Obligations, subordinate to any Senior Obligations and senior to any Subordinate Obligations; and

WHEREAS, the obligation of the Governmental Unit hereunder shall constitute a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues, and shall not constitute a general obligation or other indebtedness of the Governmental Unit or a charge against the general credit or ad valorem taxing power of the Governmental Unit or the State; and

WHEREAS, the New Mexico Environment Department Drinking Water Bureau has determined that the Governmental Unit has sufficient technical, managerial and financial capability to operate the Project for its useful life and ensure compliance with the requirements of the Safe Drinking Water Act; and

WHEREAS, the execution, performance and delivery of this Loan Agreement have been authorized, approved and directed by all necessary and appropriate action of the Governing Body pursuant to the Resolution; and

WHEREAS, the execution and performance of this Loan Agreement have been authorized, approved and directed by all necessary and appropriate action of the Finance Authority.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the Finance Authority and the Governmental Unit agree:

ARTICLE I

DEFINITIONS

Capitalized terms defined in this Article I shall have the meaning specified in this Article I wherever used in this Loan Agreement, including the foregoing recitals, unless the context clearly requires otherwise. Capitalized terms defined in the foregoing recitals, if not defined in this Article I, shall have the same meaning as therein stated when used in this Loan Agreement, unless the context clearly requires otherwise.

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan Agreement Principal Amount then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

“Aggregate Disbursements” means, at any time after the Closing Date, the sum of all Disbursements.

“Aggregate Forgiven Disbursements” means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

“Aggregate Program Amount” means, with respect to this Loan Agreement, the sum of eight hundred eighty thousand dollars (\$880,000) which amount shall be available for disbursement to the Governmental Unit to pay costs of the Project.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” to this Loan Agreement, together with the required supporting documentation set out in Exhibit “C” submitted to and approved by the Finance Authority pursuant to Section 4.2 of this Loan Agreement.

“Authorized Officers” means, with respect to the Governmental Unit, the Mayor, the Finance Manager, the City Manager and the City Clerk, the thereof; and with respect to the Finance Authority, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer of the Finance Authority, and any other officer or employee of the Finance Authority designated in writing by an Authorized Officer of the Finance Authority.

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

“Closing Date” means the date of execution and delivery of this Loan Agreement as shown on the Term Sheet.

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under this Loan Agreement as the same become due.

“Department” means the New Mexico Environment Department.

“Disbursement” means an amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component calculated on the basis of the amount of such Approved Requisition.

“Drinking Water Fundable Priority List” means the list of drinking water projects compiled by the Department pursuant to the Memorandum of Understanding and the Intended Use Plan.

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended, including NMSA 1978, §§ 3-31-1 through 3-31-12, as amended, and enactments of the Governing Body relating to this Loan Agreement including the Resolution.

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

“Environmental Protection Agency” means the United States Environmental Protection Agency.

“Event of Default” means one or more events of default as defined in Section 10.1 of this Loan Agreement.

“Expense Fund” means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

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

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

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of this Loan Agreement.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Finance Authority Act” means NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

“Fiscal Year” means the period commencing on July 1 of 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.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Governmental Unit consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Finance Authority establishing accounting principles applicable to the Governmental Unit.

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

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished to the constituent public served by the Governmental Unit.

Gross Revenues do not include:

- (a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;
- (b) Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and
- (c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

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

“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.

“Intended Use Plan” means the current plan prepared by the Finance Authority and the Department and approved by the Environmental Protection Agency pursuant to 42 U.S.C. Section 300j-12(b) which establishes criteria for extending drinking water improvements financial assistance to qualifying public drinking water utility systems.

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each disbursement.

“Interest Rate” means the rate of interest on this Loan Agreement as shown on the Term Sheet.

“Interim Period” means the period no greater than two (2) years, or a longer period as maybe approved by the Finance Authority as provided in Section 4.1(b) of the Agreement, beginning on the Closing Date, during which the Finance Authority will disburse moneys to the Governmental Unit to pay costs of the Project, unless extended pursuant to Section 4.1(b) of this Loan Agreement.

“Interim Loan Agreement Payment Schedule” means the anticipated schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, assuming disbursement of the entire Aggregate Program Amount within two (2) years of the Closing Date. The Interim Loan Agreement Payment Schedule is attached hereto as Exhibit ‘B’.

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to this Loan Agreement, up to the Maximum Principal Amount.

“Loan Agreement” means this loan and subsidy agreement and any amendments or supplements hereto, including the exhibits attached to this loan agreement.

“Loan Agreement Payment” means, collectively, the Principal Component, the Interest Component, cost of issuance, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under this Loan Agreement, as shown on Exhibit “B” hereto.

“Loan Agreement Payment Date” means each date a payment is due on this Loan Agreement as shown on the Interim Loan Agreement Payment Schedule, attached hereto as Exhibit “B”, or in the Final Loan Agreement Payment Schedule.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements then outstanding.

“Loan Agreement Term” means the term of this Loan Agreement as provided under Article III of this Loan Agreement.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to seventy-five percent (75%) of the Maximum Principal Amount. The Maximum Forgiven Principal is six hundred sixty-six thousand six hundred dollars (\$666,600).

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to this Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal, is two hundred twenty-two thousand two hundred dollars (\$222,200).

“Maximum Principal Amount” means eight hundred eighty-eight thousand eight hundred dollars (\$888,800).

“Memorandum of Understanding” means the current memorandum of understanding by and between the Finance Authority and the Department pursuant to the DWSRLF Act describing and allocating duties and responsibilities in connection with the Drinking Water State Revolving Loan Fund.

“Net Revenues” means the Gross Revenues of the water utility system owned and operated by the Governmental Unit minus Operation and Maintenance Expenses of the System, indirect charges, amounts expended for capital replacements and repairs of the System, required set asides for debt and replacement requirements and any other payments from the gross revenues reasonably required for operation of the water utility system.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 compilation, as amended and supplemented from time to time.

“Operating Agreement” means the operating agreement entered into between the Finance Authority and the Environmental Protection Agency, Region 6, for the Drinking Water State Revolving Loan Fund program.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Governmental Unit directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen’s compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit's general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Parity Obligations" means any obligations of the Governmental Unit under this 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 lien on the Pledged Revenues on a parity with this Loan Agreement, including any such obligations shown on the Term Sheet.

"Permitted Investments" means securities which are at the time legal investments of the Governmental Unit for the money to be invested, as applicable, including but not limited to the following if permitted by law: (i) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States, the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, federal home loan banks or the student loan marketing association or that are backed by the full faith and credit of the United States government; (ii) negotiable securities of the State; (iii) money market funds which invest solely in obligations described in clause (i) above which are rated in the highest rating category by Moody's Investors Service, Inc. or Standard & Poor's Ratings Services; and (iv) the State Treasurer's short-term investment fund created pursuant to NMSA 1978, § 6-10-10.1, as amended, and operated, maintained and invested by the office of the State Treasurer.

"Pledged Revenues" means the Net System Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments by the Resolution and this Loan Agreement and described in the Term Sheet.

“Principal Component” means the portion of each Loan Agreement Payment paid as principal on this Loan Agreement, based upon the Aggregate Repayable Disbursements, as shown on Exhibit “B” attached to this Loan Agreement.

“Project” means the project(s) described on the Term Sheet.

“Resolution” means Resolution No. _____ adopted by the Governing Body of the Governmental Unit on May 21, 2014, approving this Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet, as supplemented from time to time.

“Safe Drinking Water Act” means 42 U.S.C. §§ 300f et seq.

“Senior Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by this Loan Agreement, including any such obligations shown on the Term Sheet.

“Service Area” means the area served by the System, whether situated within or without the limits of the Governmental Unit.

“State Environmental Review Process” or “SERP” means the environmental review process adopted by the Finance Authority, as required by and approved by the Environmental Protection Agency, pursuant to the Operating Agreement.

“Subordinated Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by this Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“Subsidy” means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being seventy-five percent (75%) of such Disbursement.

“System” means the public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of this Loan Agreement.

“Term Sheet” means Exhibit “A” attached to this Loan Agreement.

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of this Loan Agreement.

“Utility Revenue Bonds” means all bonds and other similar indebtedness payable solely or primarily from the Pledged Revenues, including this Loan Agreement, and any Senior Obligations, Parity Obligations and Subordinated Obligations.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Governmental Unit.
The Governmental Unit represents, covenants and warrants as follows:

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Loan Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Loan Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Governmental Unit by the provisions of this Loan Agreement and the Resolution shall be exercised or performed by the Governmental Unit or by such members, officers, or officials of the Governmental Unit as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of Loan Agreement. The Governmental Unit is an incorporated municipality, a political subdivision of the State, and is duly organized and existing under the statutes and laws of the State, including specifically the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended. The Governmental Unit is a local authority as defined in the DWSRLF Act. The Governmental Unit is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder and thereunder. The Governmental Unit has duly authorized and approved the execution and delivery of this Loan Agreement and the other documents related to the transaction.

(c) Use of Loan Agreement Proceeds. The Governmental Unit shall proceed without delay in applying the Aggregate Program Amount, pursuant to Section 6.1 of this Loan Agreement to the acquisition and completion of the Project and to no other purpose, as follows:

(i) The Governmental Unit shall requisition moneys to pay for the costs of the Project not less frequently than quarterly following the Closing Date;

(ii) The Governmental Unit shall, within two (2) years after the Closing Date, have requisitioned the Aggregate Program Amount, or such portion thereof as shall be necessary to complete the Project, unless an extension is agreed to pursuant to Section 4.1(b) of this Loan Agreement.

(d) Payment of Loan Agreement Payments. The Governmental Unit shall promptly pay Loan Agreement Payments, as specified in the Interim Loan Agreement Payment Schedule or the Final Loan Agreement Payment Schedule, as applicable, according to the true intent and meaning of this Loan Agreement. Loan Agreement Payments are payable solely from Pledged Revenues or from the proceeds of refunding bonds or other refunding obligations which the Governmental Unit may hereafter issue in its sole discretion and which are payable from Pledged Revenues; and nothing in this Loan Agreement shall be construed as obligating the Governmental Unit to pay Loan Agreement Payments from any general or other fund of the Governmental Unit other than such special funds. Nothing contained in this Loan Agreement, however, shall be construed as prohibiting the Governmental Unit, in its sole and absolute discretion, from making such payments from any moneys which may be lawfully used, and which are legally available, for that purpose.

(e) Acquisition and Completion of Project; Compliance with Laws. The Project will be acquired and completed so as to comply with all applicable ordinances, resolutions and regulations, if any, and any and all applicable laws relating to the acquisition and completion of the Project and to the use of the Pledged Revenues

(f) Necessity of Project. The acquisition and completion of the Project under the terms and conditions provided for in this Loan Agreement is necessary, convenient and in furtherance of the governmental purposes of the Governmental Unit and is in the best interests of the Governmental Unit and the public it serves.

(g) Legal, Valid and Binding Obligation. The Governmental Unit has taken all required action necessary to authorize the execution and delivery of this Loan Agreement. This Loan Agreement constitutes a legal, valid and binding special obligation of the Governmental Unit enforceable in accordance with its terms.

(h) Loan Agreement Term. The Loan Agreement Term does not exceed the anticipated useful life of the Project.

(i) Use of Project. During the Loan Agreement Term, the Project will at all times be used for the purpose of benefiting the Governmental Unit and the public it serves.

(j) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions in this Loan Agreement, nor the consummation of the transactions contemplated herein, conflicts with or results in a breach of terms, conditions or provisions of any restriction or any agreement or instrument to which the Governmental Unit is a party or by which the Governmental Unit is bound or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Governmental Unit or its properties are subject, or constitutes a default under any of the foregoing.

(k) Irrevocable Enactments. While this Loan Agreement remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of this Loan Agreement shall be irrevocable until this Loan

Agreement has been paid in full as to both principal and interest, and shall not be subject to amendment or modification in any manner which would in any way jeopardize the timely payment of Loan Agreement Payments.

(l) Outstanding and Additional Debt. Except for any Senior Obligations, and any Parity Obligations described on the Term Sheet, there are currently no outstanding bonds, notes or other obligations of the Governmental Unit which are payable from and secured by a lien on the Pledged Revenues superior to or on a parity with the lien of this Loan Agreement. No additional indebtedness, bonds or notes of the Governmental Unit, payable on a priority ahead of the indebtedness herein authorized out of Pledged Revenues, shall be created or incurred while this Loan Agreement remains outstanding without the prior written approval of the Finance Authority.

(m) No Litigation. To the knowledge of the Governmental Unit, no litigation or proceeding is pending or threatened against the Governmental Unit or any other person affecting the right of the Governmental Unit to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. Neither the execution and delivery of this Loan Agreement by the Governmental Unit nor compliance by the Governmental Unit with the obligations under this Loan Agreement requires the approval of any regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(n) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Loan Agreement, would constitute an Event of Default on the part of the Governmental Unit under this Loan Agreement.

(o) Pledged Revenues Not Budgeted. The portion of the Pledged Revenues necessary to pay the Loan Agreement Payments, as and when due, is not needed or budgeted to pay current or anticipated operational or other expenses of the Governmental Unit.

(p) Expected Coverage Ratio. The projected Pledged Revenues from the Fiscal Year immediately preceding the Closing Date, calculated as provided in the Finance Authority's Drinking Water Revolving Fund Loan Management Policies, were equal to or exceeded and, on an ongoing basis during each year of the Loan Agreement Term are reasonably expected to equal or exceed, one hundred thirty percent (130%) of the maximum annual principal and interest due on all outstanding Parity Obligations of the Governmental Unit.

(q) Governmental Unit's Existence. The Governmental Unit will maintain its corporate identity and existence so long as this Loan Agreement is unpaid, unless another political subdivision by operation of law succeeds to the liabilities and rights of the Governmental Unit without adversely affecting to any substantial degree the privileges and rights of the Finance Authority.

(r) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the Finance Authority, as the Finance Authority may require, that shall include, but not be limited to: Project documents, annual audits, operational data

required to update information in any disclosure documents used in connection with assignment or securitizing the Loan Agreement or the Loan Agreement Payments by issuance of Bonds by the Finance Authority, and notification of any event deemed material by the Finance Authority. For the purposes of this Loan Agreement, a material event shall include, without limitation, any violation or alleged violation by a state or federal agency of appropriate jurisdiction, of federal law, regulation, or policy which governs or applies to participants in the Drinking Water State Revolving Loan Fund.

(s) Single Audit Act Requirement. The Governmental Unit acknowledges that the funding provided pursuant to this Loan Agreement is derived in large part from federal grants to the Drinking Water State Revolving Loan Fund program pursuant to the Operating Agreement. During the Loan Agreement Term, the Governmental Unit shall annually cause an audit of the books and accounts of its operations in their entirety, or in the alternative an audit of the books and accounts of each of its departments, agencies and other organizational units which expended or otherwise administered the Loan or any other funds derived from the government of the United States, to be completed by an Independent Accountant in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. Section 7501 et seq.), and applicable regulations thereunder. The audit will be available for inspection by the Finance Authority and by the Environmental Protection Agency.

(t) Construction Requirements. The Governmental Unit shall require any contractor hired by it in connection with the construction of the Project to post a performance and payment bond as provided by NMSA 1978, § 13-4-18, as amended.

Section 2.2 Protective Covenants Regarding Operation of the System. The Governmental Unit further represents, covenants and warrants as follows:

(a) Rate Covenant. The Governmental Unit covenants that it will at all times fix, charge and collect such rates and charges as shall be required in order that in each Fiscal Year in which the Loan is outstanding the Gross Revenues shall at least equal the Operation and Maintenance Expenses of the System for the Fiscal Year, plus one hundred thirty percent (130%) of the maximum annual principal and interest payments due on all outstanding Parity Obligations.

(b) Efficient Operation. The Governmental Unit will maintain the System in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the System as may be necessary or advisable for its economical and efficient operation at all times and to supply reasonable public and private demands for System services within the Service Area of the System.

(c) Records. So long as this Loan Agreement remains outstanding, proper books of record and account will be kept by the Governmental Unit, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the System. However, pursuant to NMSA 1978, § 6-14-10(E), as amended, records with regard to the ownership or pledge of Utility Revenue Bonds are not subject to inspection or copying.

(d) Right to Inspect. The Finance Authority, or its duly authorized agents, shall have the right to inspect at all reasonable times the Project and all records, accounts and data relating to the Project, the Pledged Revenues, and the System.

(e) Audits. Within two hundred seventy (270) days following the close of each Fiscal Year, the Governmental Unit will cause an audit of the books and accounts of the System and its separate systems to be made by an Independent Accountant and the audit to be made available for inspection by the Finance Authority. Each audit of the System shall comply with Generally Accepted Accounting Principles. The audit required by this section may, at the Governmental Unit's discretion, be performed as a part of or in conjunction with the audit required under the Single Audit Act as set forth in Section 2.1(s) of this Loan Agreement.

(f) Billing Procedure. Bills for water service or facilities, furnished by or through the System shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by the applicable ordinance of the Governmental Unit. To the extent permitted by law, if a bill is not paid within the period of time required by such ordinance, water service shall be discontinued as required by Governmental Unit regulation, policy or ordinance, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection. Water and sanitary sewer utility services may be billed jointly with each other, provided that each such joint bill shall show separately the water and sanitary sewer utility charges.

(g) Charges and Liens Upon System. The Governmental Unit will pay when due from Gross Revenues or other legally available funds all taxes and assessments or other municipal or governmental charges, lawfully levied or assessed upon the System and will observe and comply with all valid requirements of any municipal or governmental authority relating to the System. The Governmental Unit will not create or permit any lien or charge upon the System or the Gross Revenues or it will make adequate provisions to satisfy and discharge within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the System or the Gross Revenues. However, the Governmental Unit shall not be required to pay or cause to be discharged, or make provision for any tax assessment, lien or charge before the time when payment becomes due or so long as the validity thereof is contested in good faith by appropriate legal proceedings and there is no adverse effect on Finance Authority.

(h) Insurance. Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, in its operation of the System, the Governmental Unit will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the System and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Governing Body, prudent and reasonable taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by entities which operate systems such as the System. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund,

company or association in which the Governmental Unit may have a material interest and of which the Governmental Unit may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Governmental Unit determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance. In the event of property loss or damage to the System, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged and thereafter, and any remainder may be used to redeem Utility Revenue Bonds or be treated as Gross Revenues and used in any legally permissible manner.

(i) Competing Utility System. Unless contrary to any provision of, or required by, applicable law, as long as this Loan Agreement is outstanding, the Governmental Unit prior to granting any franchise or license to a competing utility system, or permitting any person, association, firm or corporation to sell similar utility services or facilities to any consumer, public or private, within the Service Area of the System, shall obtain a written report from an independent utility rate consultant stating that in the opinion of the consultant the use charges in effect immediately prior to the approval of the franchise or license by the Governmental Unit are sufficient to meet the requirement of section 2.1(p) (expected coverage ratio) for the first full calendar year after the approval of the franchise or license, based on the new Service Area of the System.

(j) Alienating System. While this Loan Agreement is outstanding, the Governmental Unit shall not transfer, sell or otherwise dispose of the System, except that the Governmental Unit may dispose of inadequate, obsolete or worn out property. For purposes of this Section, any transfer of an asset over which the Governmental Unit retains or regains substantial control shall, for so long as the Governmental Unit has such control, not be deemed a disposition of the System.

(k) Management of the System. If an event of default shall occur or if the Pledged Revenues in any Fiscal Year fail to equal principal and interest due on the Senior Obligations and the Parity Obligations, the Governmental Unit shall retain an independent consultant qualified in the management of water and wastewater utility systems to assist in the management of the System so long as such default continues.

(l) Competent Management. The Governmental Unit shall employ experienced and competent personnel to manage the System.

(m) Performing Duties. The Governmental Unit will faithfully and punctually perform all duties with respect to the System required by the Constitution and laws of the State and the regulations, policies or ordinances and resolutions of the Governmental Unit relating to the System and this Loan Agreement, including, but not limited to, making and collecting reasonable and sufficient rates and charges for services rendered or furnished by the System as required by this Loan Agreement and the proper segregation and application of the Gross Revenues.

(n) Other Liens. Except for any Senior Obligations and Parity Obligations listed in the Term Sheet, there are no liens or encumbrances of any nature whatsoever, on or against the System or the Gross Revenues or Net Revenues on parity with or senior to the lien of this Loan Agreement.

Section 2.3 Representations, Covenants and Warranties of the Finance Authority. The Finance Authority represents, covenants and warrants for the benefit of the Governmental Unit:

(a) Authorization of Loan Agreement. The Finance Authority has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Loan Agreement and has duly authorized the execution and delivery of this Loan Agreement.

(b) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, nor the consummation of the transactions contemplated in this Loan Agreement, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Finance Authority is a party or by which the Finance Authority is bound or constitutes a default under any of the foregoing and will not conflict with or constitute a violation of any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Finance Authority, or its property and which conflict or violation will have a material adverse effect on the Finance Authority or the financing of the Project.

(c) No Litigation. To the knowledge of the Finance Authority, there is no litigation or proceeding pending or threatened against the Finance Authority or any other person affecting the right of the Finance Authority to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. To the knowledge of the Finance Authority, neither the execution and delivery of this Loan Agreement by the Finance Authority, nor compliance by the Finance Authority with its obligations under this Loan Agreement, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

(d) Legal, Valid and Binding Obligations. This Loan Agreement constitutes a legal, valid and binding obligation of the Finance Authority enforceable in accordance with its terms.

ARTICLE III

LOAN AGREEMENT TERM

The Loan Agreement Term shall commence on the Closing Date and shall not terminate until the Governmental Unit's obligations under this Loan Agreement have been paid in full or provision for payment of this Loan Agreement has been made pursuant to Article VIII hereof.

ARTICLE IV

LOAN; APPLICATION OF MONEYS

Section 4.1 Application of Loan Agreement Proceeds.

(a) On the Closing Date, the amount shown on the Term Sheet as the Aggregate Program Amount shall be made available for disbursement by the Finance Authority to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement at the request of the Governmental Unit and as needed by the Governmental Unit to implement the Project.

(b) The Final Requisition shall be submitted by the Governmental Unit within two (2) years following the Closing Date, except only as otherwise approved in writing by an Authorized Officer of the Finance Authority, based on the Governmental Unit's demonstration, to the reasonable satisfaction of the Authorized Officer of the Finance Authority, that unanticipated circumstances beyond the control of the Governmental Unit resulted in delaying the acquisition and completion of the Project, and submission of the Governmental Unit's Final Requisition.

Section 4.2 Disbursements; Approval of Payment Requests. The Governmental Unit shall transmit payment requisitions in the form attached to this Loan Agreement as Exhibit "C" and the supporting documentation required pursuant to Exhibit "C" to the Finance Authority. The Finance Authority or its designee shall review each requisition for compliance with (i) the Project's construction plans and specifications and (ii) all applicable state and federal laws, rules and regulations, and shall approve or disapprove the requisition accordingly. The Finance Authority shall cause Approved Requisitions to be paid from the State Drinking Water Revolving Loan Fund.

Section 4.3 Expense Fund Deposit. The Finance Authority shall determine the amount of the Expense Fund Component at the time of each payment to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement and deposit such amount to the Expense Fund.

ARTICLE V

LOAN TO THE GOVERNMENTAL UNIT; PAYMENTS BY THE GOVERNMENTAL UNIT

Section 5.1 Loan to the Governmental Unit; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The Finance Authority hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the Finance Authority an amount not to exceed the Maximum Principal Amount. The Governmental Unit promises to pay, but solely from the sources pledged herein, the Loan Agreement Payments as herein provided. Subject to any outstanding Parity Obligations and Senior Obligations, the Governmental Unit does hereby grant a lien on and a security interest in and does hereby convey, assign and pledge unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Governmental Unit in and to (i) the Pledged Revenues to the extent required to pay the Loan

Agreement Payments on a parity with any Parity Obligations and subordinate to any Senior Obligations, (ii) the Debt Service Account, and (iii) all other rights hereinafter granted, for the securing of the Governmental Unit's obligations under this Loan Agreement, including payment of the Loan Agreement Payments, provided, however, that if the Governmental Unit, its successors or assigns, shall pay, or cause to be paid, all Loan Agreement Payments at the time and in the manner contemplated by this Loan Agreement, or shall provide as permitted by Article VIII of this Loan Agreement for the payment thereof, and shall pay all other amounts due or to become due under this Loan Agreement in accordance with its terms and provisions then, upon such final payment, this Loan Agreement and the rights created thereby shall terminate; otherwise, this Loan Agreement shall remain in full force and effect. The Loan Agreement Payments shall, in the aggregate, be sufficient to pay the Aggregate Repayable Disbursements, as set forth in the Final Loan Agreement Payment Schedule.

Within five (5) days after each payment of an Approved Requisition during the Interim Period, the Finance Authority shall recalculate on the basis of the Aggregate Repayable Disbursements to that date the Interest Component and Administrative Fee Component next coming due and shall provide written notice to the Governmental Unit of the recalculated Interest Component and Administrative Fee Component. Within thirty (30) days after the final disbursement, the Finance Authority shall provide a Final Loan Agreement Payment Schedule. The schedule of Loan Agreement Payments, assuming the disbursal of the entire Aggregate Program Amount within two (2) years after the Closing Date, identified as the Interim Loan Agreement Payment Schedule, is attached to this Loan Agreement as Exhibit "B". The Finance Authority shall provide a Final Loan Agreement Payment Schedule following the final disbursement which shall supersede the schedule attached as Exhibit "B".

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Governmental Unit and the Finance Authority acknowledge and agree that the sources of the Loan Agreement Payments of the Governmental Unit hereunder are limited to the Pledged Revenues, and that the Loan Agreement shall constitute a special, limited obligation of the Governmental Unit. No provision of this Loan Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Governmental Unit or the State within the meaning of any constitutional or statutory debt limitation. No provision of this Loan Agreement shall be construed to pledge or to create a lien on any class or source of Governmental Unit moneys other than the Pledged Revenues, nor shall any provision of this Loan Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Governmental Unit moneys other than the Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Governmental Unit hereunder, the Pledged Revenues may be utilized by the Governmental Unit for any other purposes permitted by law and the laws of the State.

Section 5.2 Payment Obligations of Governmental Unit. The Debt Service Account shall be established and held by the Finance Authority or its designee on behalf of the Governmental Unit. All Loan Agreement Payments received by the Finance Authority or its designee pursuant to this Loan Agreement, shall be accounted for and maintained by the Finance Authority or its designee in the Debt Service Account, which account shall be kept separate and apart from all other accounts of the Finance Authority. The amounts on deposit in the Debt

Service Account shall be expended and used by the Finance Authority only in the manner and order of priority specified herein.

(a) As a first charge and lien, but not an exclusive first charge and lien, on the Pledged Revenues (on a parity with the lien on the Pledged Revenues created by any outstanding Parity Obligations), the Government Unit shall remit to the Finance Authority and the Finance Authority shall collect and deposit into the Debt Service Account from the Government Unit the Pledged Revenues, in the manner specified herein.

(i) Payment of Interest Component and Administrative Fee Component during Interim Period.

(A) During the Interim Period, Interest and Administrative Fees shall accrue on the amount of Aggregate Repayable Disbursements, from the date of each Disbursement.

(B) During the Interim Period the Governmental Unit shall monthly, commencing on the first day of the month next following the first payment by the Finance Authority of an Approved Requisition, pay to the Finance Authority for deposit into the Debt Service Account such amount as is necessary, in monthly installments, to pay the Interest Component and Administrative Fee Component on the Aggregate Repayable Disbursements as of each Loan Agreement Payment Date.

(ii) Loan Agreement Payments Following the Interim Period. After the Interim Period, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account the following amounts:

(A) Interest and Administrative Fee Components. Monthly, commencing on the first day of the month next following the final disbursement, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Interest Component and Administrative Fee Component coming due on this Loan Agreement and monthly thereafter, commencing on each Loan Agreement Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing Interest Component and Administrative Fee Component on this Loan Agreement as described in the Final Loan Agreement Payment Schedule.

(B) Principal Payments. Monthly, commencing on the first day of the month next following the final disbursement, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Principal Component; and thereafter on the first day of each month thereafter, one-twelfth (1/12) of the amount which is necessary to pay the next maturing Principal Component on this Loan Agreement during the Loan Agreement Term, as described in the Final Loan Agreement Payment Schedule.

(iii) Method of Payment. The Governmental Unit shall transfer each month to the Finance Authority, from Pledged Revenues, the amounts set forth in Subsections (i)(C), (ii)(A) and (ii)(B) of this Section 5.2(a) during the time that this Loan Agreement is outstanding, provided, that in the event of any default in making the Loan Agreement Payments by the Governmental Unit, the Finance Authority shall be entitled to seek payment of the amounts due through any of the remedies provided in Article X of this Loan Agreement.

(b) In the event that the balance of payments held in the Debt Service Account should exceed the amount needed to cover Loan Agreement Payments then due, the Finance Authority shall use the balance of the Pledged Revenues received, at the request of the Governmental Unit (i) to credit against upcoming Loan Agreement Payments, or (ii) to distribute to the Governmental Unit for any other purpose permitted by law.

Section 5.3 Manner of Payment. All payments of the Governmental Unit hereunder shall be paid in lawful money of the United States of America to the Finance Authority or its designee at the address designated in Section 11.1 of this Loan Agreement. The obligation of the Governmental Unit to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Governmental Unit, the Finance Authority or its designee, any vendor or any other person, the Governmental Unit shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Governmental Unit assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 5.4. Additional Parity Obligations Payable From Pledged Revenues. No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Loan Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund Subordinated Obligations as provided in Section 5.5 hereof), it must be determined that:

(a) The Governmental Unit is then current in all of the accumulations required to be made into the Debt Service Account as provided in this Loan Agreement.

(b) No default shall exist in connection with any of the covenants or requirements of the Resolution or this Loan Agreement.

(c) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of issuance of such additional Parity Obligations (the "Historic Test Period") shall have been sufficient to pay an amount representing one hundred thirty percent (130%) of the combined maximum annual principal, interest requirement and the Administrative Fee

Component coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

(d) A written certification or opinion by the Governmental Unit's treasurer or chief financial officer or by an Independent Accountant that the Pledged Revenues for the Historic Test Period are sufficient to pay said amounts, shall be conclusively presumed to be accurate in determining the right of the Governmental Unit to authorize, issue, sell and deliver the Parity Obligations proposed to be issued.

(e) No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.5 hereof.

(f) The Governmental Unit shall not issue bonds or other obligations payable from the Pledged Revenues having a lien thereon prior or superior to this Loan Agreement, without the written approval of the Finance Authority.

Section 5.5 Refunding Obligations Payable from Pledged Revenues. The provisions of Section 5.4 hereof are subject to the following exceptions:

(a) If at any time after the Closing Date, while this Loan Agreement, or any part thereof, is outstanding, the Governmental Unit shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, this Loan Agreement, such bonds or other obligations, or any part thereof, may be refunded (but the holders of this Loan Agreement or bonds to be refunded may not be compelled to surrender this Loan Agreement or their bonds, unless this Loan Agreement, the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the Governmental Unit's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in subparagraph (f) of Section 5.4 hereof and in subparagraphs (b) and (c) of this Section 5.5.

(b) No refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity with this Loan Agreement unless:

(i) The outstanding obligations so refunded have a lien on the Pledged Revenues on a parity with the lien thereon of this Loan Agreement and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 of this Loan Agreement.

(c) The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of this Loan Agreement or any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of this Loan Agreement or the bonds or other obligations of this same issue refunded thereby. If only a part of this Loan Agreement or the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless:

(i) The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such last maturity date of such unrefunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 hereof; or

(iii) The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

(d) Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the Governmental Unit may provide by ordinance or resolution, but without any impairment of any contractual obligations imposed upon the Governmental Unit by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including, but not necessarily limited to, this Loan Agreement).

Section 5.6 Investment of Governmental Unit Funds. Money on deposit in the Debt Service Account created hereunder may be invested by the Finance Authority or its designee in Permitted Investments at the written direction of the Governmental Unit or, in the absence of such written direction of the Governmental Unit, at the discretion of the Finance Authority. Any earnings on Permitted Investments shall be held and administered in the Debt Service Account and utilized in the same manner as the other moneys on deposit therein for the benefit of the Governmental Unit.

Section 5.7 Governmental Unit May Budget for Payments. The Governmental Unit may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to defray any insufficiency of Pledged Revenues to pay Loan Agreement Payments; provided, however, the Governmental Unit has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

ARTICLE VI

THE PROJECT

Section 6.1 Agreement to Acquire and Complete the Project. The Governmental Unit hereby agrees that in order to effectuate the purposes of this Loan Agreement and to effectuate the acquisition and completion of the Project, it shall make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and, in general do all things which may be requisite or proper to acquire and complete the Project.

The Governmental Unit agrees to acquire and complete the Project through the application of moneys to be disbursed by the Finance Authority pursuant to Section 6.2 of this Loan Agreement.

Section 6.2 Disbursements. So long as no Event of Default shall occur, the Finance Authority or its designee shall disburse moneys to pay a requisition upon receipt and approval by the Finance Authority or its designee of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Governmental Unit, with required supporting documentation.

Section 6.3 Completion of the Acquisition of the Project. Upon completion of the acquisition of the Project, an Authorized Officer of the Governmental Unit shall deliver a certificate to the Finance Authority, substantially in the form of Exhibit "D" attached hereto, stating that, to his or her knowledge, the acquisition of the Project has been completed and the Project has been accepted by the Governmental Unit, and all costs have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 6.4 Unrequisitioned Amounts. In the event that, (1) at the time of the delivery of the certificate of completion required by Section 6.3 hereof, there remains an Unrequisitioned Principal Amount, or (2) the Finance Authority shall not have received a Final Requisition, by the date that is two (2) years from the Closing Date, unless an extension is approved pursuant to Section 4.1(b) of this Loan Agreement, then the Governmental Unit shall have no right or title to the Unrequisitioned Principal Amount, nor any right to pledge, encumber or draw upon such Unrequisitioned Principal Amount, and the Finance Authority will not approve, honor, or enforce any requisition upon such Unrequisitioned Principal Amount pursuant to this Loan Agreement.

ARTICLE VII

COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 7.1 Further Assurances and Corrective Instruments. The Finance Authority and the Governmental Unit agree that they will, from time to time, execute, acknowledge and

deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues, or for otherwise carrying out the intention hereof. Authorized Officers are authorized to execute, acknowledge and deliver any such supplements and further instruments.

Section 7.2 Finance Authority and Governmental Unit Representatives. Whenever under the provisions hereof the approval of the Finance Authority or the Governmental Unit is required, or the Governmental Unit or the Finance Authority is required to take some action at the request of the other, such approval or such request shall be given for the Finance Authority or for the Governmental Unit by an Authorized Officer of the Finance Authority or the Governmental Unit, as the case may be, and any party hereto shall be authorized to rely and act on any such approval or request.

Section 7.3 Compliance with Court Orders. During the Loan Agreement Term, the Governmental Unit and the Finance Authority shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the parties hereto, the Project or the Pledged Revenues.

Section 7.4 Compliance with Applicable State and Federal Laws. During the Loan Agreement Term, the Governmental Unit shall comply with all applicable State and federal laws, including, without limitation, the following:

(a) For all contracts, the Governmental Unit shall comply with the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or its local procurement ordinances and regulations, as applicable.

(b) For all construction contracts awarded in excess of \$10,000, the Governmental Unit shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 12, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapters 40 and 60). In addition, for all contracts, the Governmental Unit shall comply with all State laws and regulations and all executive orders of the Governor of the State pertaining to equal employment opportunity.

(c) For all contracts awarded for construction or repair, the Governmental Unit shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874) as supplemented in Department of Labor regulations (29 C.F.R. part 3).

(d) For all construction subcontracts, and subgrants of amounts in excess of \$100,000, the Governmental Unit shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 7606), Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. Part 15). In addition, for all contracts, the Contractor shall comply with all applicable State laws and regulations and with all executive orders of the Governor of the State pertaining to protection of the environment.

(e) For all contracts the Governmental Unit shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with section 362 of the Energy Policy and Conservation Act (42 U.S.C. § 6322).

(f) For all contracts in excess of \$2,000 the Governmental Unit shall comply with applicable standards of the Davis-Bacon Wage Act (40 U.S.C. § 3141 et seq.), as amended and supplemented, relating to wages paid to laborers and mechanics employed by contractors and sub-contractors on a Project funded directly by or assisted in whole or in part by and through the Governmental Unit.

(g) For all contracts, the Governmental Unit shall comply with the requirements of the Environmental Protection Agency's Program for Utilization of Minority and Women's Business Enterprises set out in Title 40, Chapter I, Subchapter B, Part 33 of the Code of Federal Regulations.

(h) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order 13502 on Use of Project Agreements for Federal Construction Projects.

(i) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order dated September 25, 2012 on Strengthening Protections Against Trafficking in Persons in Federal Contracts.

(j) For all contracts, the Governmental Unit shall comply with all federal requirements applicable to the Loan (including those imposed by the 2014 Appropriations Act and related SRF Policy Guidelines) which the Governmental Unit understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Governmental Unit has requested and obtained a waiver from the Finance Authority pertaining to the Project or (ii) the Finance Authority has otherwise advised the Governmental Unit in writing that the American Iron and Steel Requirement is not applicable to the Project.

(k) For all contracts, the Governmental Unit shall comply with all record keeping and reporting requirements under the Clean Water Act/Safe Drinking Water Act, including any reports required by a Federal agency or the Finance Authority such as performance indicators of program deliverables, information on costs and project progress. The Governmental Unit understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act/Safe Drinking Water Act and this Agreement may be a default under this Agreement.

(l) For all contracts, the Governmental Unit shall comply with Executive Order 12549 – Debarment and Suspension and all rules, regulations and guidelines issued pursuant to Executive Order 12549, including compliance with the requirement that each prospective participant in transactions related to the Loan execute a written certification that

neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in transactions related to the Loan.

The Finance Authority or its designee shall have the right to review all contracts, work orders and other documentation related to the Project that it deems necessary to assure compliance with applicable laws, rules and regulations, and may conduct such review as it deems appropriate prior to disbursing funds for payment of an Approved Requisition.

Section 7.5 First Lien Status. The Loan Agreement Payments constitute an irrevocable first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. The Governmental Unit covenants that the Loan Agreement Payments and any Parity Obligations herein authorized to be issued and from time to time outstanding shall be equitably and ratably secured by a first lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of such obligations, it being the intention of the Governmental Unit that there shall be no priority between the Loan Agreement Payments and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times.

Section 7.6 Expeditious Completion. The Governmental Unit shall complete the Project with all practical dispatch.

ARTICLE VIII

PREPAYMENT OF LOAN AGREEMENT PAYMENTS

The Governmental Unit is hereby granted the option to prepay the Principal Component of this Loan Agreement in whole or in part on any day without penalty or prepayment premium, beginning one (1) year after the Closing Date. The Governmental Unit may designate the due date or due dates of the Principal Component or portions thereof being prepaid in the event of a partial prepayment. Any such prepayment shall include accrued interest to the redemption date of the corresponding Bonds to be redeemed, if any, and notice of intent to make such prepayment shall be provided to the Finance Authority or its designee by the Governmental Unit no less than forty-five (45) days prior to the prepayment date. The Finance Authority or its designee shall recalculate the Loan Agreement Payments due under this Loan Agreement in the event of a partial prepayment in a manner which is consistent with the manner in which the Bonds, if any, are prepaid.

ARTICLE IX

INDEMNIFICATION

From and to the extent of the Pledged Revenues and to the extent permitted by law, the Governmental Unit shall and hereby agrees to indemnify and save the Finance Authority and its designee, if any, harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition or operation of the Project during the Loan Agreement Term, from: (i) any act of negligence of the Governmental Unit or breach of

any covenant or warranty by the Governmental Unit hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan Agreement proceeds and interest on the investment of the Loan Agreement proceeds. The Governmental Unit shall indemnify and save the Finance Authority and its designee, if any, harmless, from and to the extent of the available Pledged Revenues and to the extent permitted by law, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Finance Authority or its designee, shall defend the Finance Authority or its designee, if any, in any such action or proceeding.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an Event of Default under this Loan Agreement:

(a) Failure by the Governmental Unit to pay any amount required to be paid under this Loan Agreement on the date on which it is due and payable; or

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Unit by the Finance Authority or its designee, if any, unless the Finance Authority or its designee, as applicable, shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Finance Authority or its designee but cannot be cured within the applicable thirty (30) day period, the Finance Authority or its designee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Governmental Unit is unable to carry out the agreements on its part herein contained, the Governmental Unit shall not be deemed in default under this paragraph (b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Governmental Unit contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement is false or misleading in any material respect; or

(d) A petition is filed against the Governmental Unit under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the Finance Authority shall have the right to intervene in the proceedings to protect the Finance Authority's interests; or

(e) The Governmental Unit files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or,

(f) The Governmental Unit admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Governmental Unit for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings to protect its interests.

Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, the Finance Authority may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any agreement of the Governmental Unit in this Loan Agreement:

(a) By mandamus or other action or proceeding or suit at law or in equity to enforce the rights of the Finance Authority under this Loan Agreement against the Governmental Unit, and compel the Governmental Unit to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein; or

(b) By suit in equity enjoin any acts or things which are unlawful or violate the rights of the Finance Authority; or

(c) Intervene in judicial proceedings that affect this Loan Agreement or the Pledged Revenues; or

(d) Cause the Governmental Unit to account as if it were the trustee of an express trust for all of the Pledged Revenues and Aggregate Disbursements (except the Expense Fund Component); or,

(e) Take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Loan Agreement or enforce any other of its rights thereunder.

Section 10.3 Limitations on Remedies. A judgment requiring a payment of money entered against the Governmental Unit may reach only the available Pledged Revenues.

Section 10.4 No Remedy Exclusive. Subject to Section 10.3 of this Loan Agreement, no remedy herein conferred upon or reserved to the Finance Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or

shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Finance Authority to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Finance Authority may in its discretion waive any Event of Default hereunder and the consequences of an Event of Default by written waiver; provided, however, that there shall not be waived (i) any Event of Default in the payment of principal of this Loan Agreement at the date when due as specified in this Loan Agreement, or (ii) any default in the payment when due of the interest on this Loan Agreement, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by this Loan Agreement on all arrears of payment of principal and all expenses of the Finance Authority, in connection with such Event of Default shall have been paid or provided. Such waiver shall be effective only if made by written statement of waiver issued by the Finance Authority. In case of any such waiver or rescission, or in case any proceeding taken by the Finance Authority on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Finance Authority shall be restored to its former position and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses Related to Defaults. In the event that the Governmental Unit should default under any of the provisions hereof and the Finance Authority employs attorneys or incurs other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Governmental Unit contained in this Loan Agreement, the Governmental Unit agrees that it shall on demand therefor pay to the Finance Authority the fees of such attorneys and such other expenses so incurred, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Governmental Unit under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Governmental Unit, then to:

City of Las Vegas

Attn: City Manager
1700 North Grand Ave.
Las Vegas, New Mexico 87701

If to the Finance Authority, then to:
New Mexico Finance Authority
Attention: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

And if to Finance Authority's designated servicing agent for this Loan Agreement, if any, at the address to be provided by the servicing agent. The Governmental Unit and the Finance Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Finance Authority, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Amendments. This Loan Agreement may be amended only with the written consent of the Finance Authority and the Governmental Unit, except as provided in Section 4.1(b) of this Loan Agreement. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this Loan Agreement may be given by an Authorized Officer of the Finance Authority. The execution of any such consent by and Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Loan Agreement.

Section 11.4 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Finance Authority, either directly or through the Finance Authority or against any officer, employee, director or member of the Governing Body, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Governing Body or of the Finance Authority is hereby expressly waived and released by the Governmental Unit and by the Finance Authority as a condition of and in consideration for the execution of this Loan Agreement.

Section 11.5 Severability. In the event that any provision of this Loan Agreement, other than the requirement of the Governmental Unit to pay hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.6 Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Assignment by the Finance Authority. This Loan Agreement (except as to the Administrative Fee and Expense Fund Component) may be assigned and transferred by the Finance Authority to a trustee, which right to assign and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 11.8 Compliance with Governing Law. It is hereby declared by the Governing Body that it is the intention of the Governmental Unit by the execution of this Loan Agreement to comply in all respects with the provisions of the New Mexico Constitution and statutes as the same govern the pledge of the Pledged Revenues to payment of all amounts payable under this Loan Agreement.

Section 11.9 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.10 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself has executed this Loan Agreement, which was approved by the Finance Authority's Board of Directors on September 27, 2013, in its corporate name with its corporate seal affixed hereto and attested by its duly authorized officers; and the Governmental Unit has caused this Loan Agreement to be executed in its corporate name and the seal of the Governmental Unit affixed hereto and attested by duly authorized officers. All of the above are effective as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

[SEAL]

By _____
Chairperson or Vice-Chairperson

ATTEST:

By _____
Secretary

Prepared for Execution by Officers of the Finance Authority:

VIRTUE & NAJJAR, PC
As Loan Counsel to the Finance Authority

By _____
Richard L.C. Virtue

Approved for Execution by Officers of the Finance Authority:

By _____
Daniel C. Opperman, General Counsel

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

EXHIBIT "A"

TERM SHEET

**LOAN NO. 3043-DW
TO THE CITY OF LAS VEGAS, NEW MEXICO**

Governmental Unit: City of Las Vegas, New Mexico

Project Description: The Project will consist of the rehabilitation and inspection of three of the City's water tanks. The City's water system is dependent on water storage tanks to pressurize the system. The project includes the following: Cabin Site Tank - vacuum floor for precise inspection, re-coat interior, replace rafter bolts and re-paint exterior of tank and replacement of cathodic protection; Camp Luna Tank - re-coat tank, replace rafter bolts, repair cathodic protection, clean tank floor and installation of yard piping improvements in order to provide service while the tank is being rehabilitated; and the Valencia Tank - tank inspection, replacement of cathodic protection and pumping of water from lower pressure zones to higher ones.

Pledged Revenues: Net Revenues of the System as defined in this Loan Agreement and Resolution

Currently Outstanding Parity Obligations for Pledged Revenues: Series 1995A Revenue Bonds 111-PP, Matures in 2015; Series 1995B Revenue Bonds, Matures in 2015; 2727-DW, Matures in 2034; 2878-DW, Matures in 2034; 2910-DW, Matures in 2035; 2911-DW, Matures in 2035; 3046-DW, Matures 2035.

Currently Outstanding Senior Obligations: None.

Currently Outstanding Subordinate Obligations: 061-WTB Loan, Matures in 2027; 197-WTB Loan, Matures in 2030; 218-WTB Loan, Matures in 2030; 219-WTB Loan, Matures in 2030; 251-WTB Loan, Matures in 2032 and 286-WTB, Matures 2034.

Authorizing Legislation: Governmental Unit Resolution No. _____ adopted May 21, 2014.

Closing Date:	June 27, 2014
Interest Rate:	0.25% (which includes the Administrative Fee)
Maximum Principal Amount:	\$888,800
Aggregate Program Amount:	\$880,000
Maximum Expense Fund Component:	\$8,000
Maximum Forgiven Expense Fund Component:	\$6,600
Maximum Repayable Expense Fund Component:	\$2,200
Subsidy Percent:	75%
Maximum Forgiven Principal:	\$666,600
Maximum Repayable Principal:	\$222,200

EXHIBIT "B"

LOAN AGREEMENT PAYMENT SCHEDULE

[SEE ATTACHED]

[ATTACH DEBT SERVICE SCHEDULE]

EXHIBIT "C"

FORM OF REQUISITION

RE: \$888,800 Loan Agreement by and between the Finance Authority and the City of Las Vegas (the "Loan Agreement")

TO: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501
Attn: Loan Servicing

LOAN NO. 3043-DW

CLOSING DATE: June 27, 2014

You are hereby authorized to disburse to the City of Las Vegas or its payee with regard to the above-referenced Loan Agreement the following:

REQUISITION NUMBER:		<input type="checkbox"/> Interim Request <input type="checkbox"/> Final Request
AMOUNT OF PAYMENT:	\$	

PURPOSE OF PAYMENT:

This is a request of REIMBURSEMENT of incurred and paid project expenses. (Attach proof of payment, e.g. check stubs, and corresponding invoices)

This is a request of DIRECT PAYMENT to vendor or service provider of incurred project expenses. (Attach invoices)

PAYEE INFORMATION

NAME:	
CONTACT NAME:	
ADDRESS:	
PHONE NUMBER:	
FAX NUMBER:	
E-MAIL ADDRESS:	

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

Please indicate if this Business is considered a

<input type="checkbox"/> SBE (Small Business Entrepreneur)	<input type="checkbox"/> MBE (Minority Business Entrepreneur)	<input type="checkbox"/> WBE (Women owned business Entrepreneur)	<input type="checkbox"/> N/A
--	---	--	------------------------------

(Attach SBE/MBE/WBE Certification)

Each obligation, item of cost or expense mentioned herein is for costs of the Project, is due and payable, has not been the subject of any previous requisition and is a proper charge for requisition and payment.

Each obligation, item of cost or expense mentioned herein is not for costs related to the purchase of land or easement.

All representations contained in the Loan Agreement and the related closing documents remain true and correct and the City of Las Vegas is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Project is complete or, if not complete, the City of Las Vegas understands its obligation to complete the acquisition and installation of the Project and shall complete the acquisition and installation of the Project from other legally available funds.

Capitalized terms used herein, are used as defined or used in the Loan Agreement.

DATED: _____

By: _____
Authorized Officer

(Print name and title)

EXHIBIT "D"

FORM OF CERTIFICATE OF COMPLETION

RE: \$888,800 Loan Agreement by and between the Finance Authority and the City of Las Vegas (the "Loan Agreement")

Loan No. 3043-DW

Closing Date: June 27, 2014

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of the
[Name] [Title or position]

City of Las Vegas, hereby certify as follows:

1. The project described in the Loan Agreement (the "Project") was completed and placed in service on _____, 20__.
2. The total cost of the Project was \$ _____.
3. Cost of the Project paid from the Loan was \$ _____.
4. The portion of the Maximum Principal Amount unexpended for the Project is \$ _____.
5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

CITY OF LAS VEGAS, NEW MEXICO

By: _____

Its: _____

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

CITY OF LAS VEGAS, NEW MEXICO

RESOLUTION NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF LAS VEGAS, 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 \$222,200, TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$666,600, FOR THE PURPOSE OF FINANCING THE COSTS OF REHABILITATION AND INSPECTION OF THREE OF THE CITY'S WATER TANKS. THE CITY'S WATER SYSTEM IS DEPENDENT ON WATER STORAGE TANKS TO PRESSURIZE THE SYSTEM. THE PROJECT INCLUDES THE FOLLOWING: CABIN SITE TANK - VACUUM FLOOR FOR PRECISE INSPECTION, RE-COAT INTERIOR, REPLACE RAFTER BOLTS AND RE-PAINT EXTERIOR OF TANK AND REPLACEMENT OF CATHODIC PROTECTION; CAMP LUNA TANK - RE-COAT TANK, REPLACE RAFTER BOLTS, REPAIR CATHODIC PROTECTION, CLEAN TANK FLOOR AND INSTALLATION OF YARD PIPING IMPROVEMENTS IN ORDER TO PROVIDE SERVICE WHILE THE TANK IS BEING REHABILITATED; AND THE VALENCIA TANK - TANK INSPECTION, REPLACEMENT OF CATHODIC PROTECTION AND PUMPING OF WATER FROM LOWER PRESSURE ZONES TO HIGHER ONES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, AN EXPENSE FUND COMPONENT, AN ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; 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 in Section 1 of this Resolution, unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State; 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 interest of the Governmental Unit and the public that it serves that the Loan Agreement be executed and delivered and that the financing of the construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; 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 which is currently outstanding; 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, other than the Pledged Revenues, no revenues collected by the Governmental Unit shall be pledged to the Loan Agreement; and

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

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of amounts due under 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 Loan Agreement, which are required to have been obtained by the date of the Resolution have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAS VEGAS, NEW MEXICO:

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):

"Administrative Fee" or "Administrative Fee Component" means the 0.25% annual fee payable to the Finance Authority 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 all Disbursements.

“Aggregate Forgiven Disbursements” means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” together with supporting documentation (e.g. a payment request from the contractor or vendor) submitted to and approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

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

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

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

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

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

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

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended, including NMSA 1978, §§ 3-31-1 through 3-31-12, as amended, and enactments of the Governing Body relating to this Resolution including the Loan Agreement.

“Expense Fund” means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

“Expense Fund Component” means an amount equal to one percent (1%) of each disbursement for the Project, minus any amount forgiven under the Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

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

“Environmental Protection Agency” means the Environmental Protection Agency of the United States.

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of the Loan Agreement.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Finance Authority” means the New Mexico Finance Authority.

“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 Las Vegas, San Miguel County, New Mexico.

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished to the constituent public served by the Governmental Unit.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

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

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each disbursement.

“Interest Rate” means the rate of interest on the Loan Agreement as shown on the Term Sheet.

“Loan” or “Loan Amount” means the funds to be loaned by the Finance Authority to the Governmental Unit pursuant to the Loan Agreement, including funds repayable to the Finance Authority by the Governmental Unit and also including funds not repayable to the Finance Authority in accordance with the subsidization provisions of the Loan Agreement.

“Loan Agreement” means the loan and subsidy agreement dated the Closing Date between the Finance Authority 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 Finance Authority, 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 Expenses, to be paid by the Governmental Unit as payment on the Aggregate Repayable 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 Repayable Disbursements (including the Expense Fund Component), up to the Maximum Aggregate Repayable Amount.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to seventy-five percent (75%) of the Maximum Principal Amount. The Maximum Forgiven Principal is six hundred sixty-six thousand six hundred dollars (\$666,600).

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal, is two hundred twenty-two thousand two hundred dollars (\$222,200).

“Maximum Principal Amount” means eight hundred eighty-eight thousand eight hundred dollars (\$888,800).

“Net Revenues” means the Gross Revenues of the water utility system owned and operated by the Governmental Unit minus Operation and Maintenance Expenses of the System, indirect charges, amounts expended for capital replacements and repairs of the System, required set asides for debt and replacement requirements and any other payments from the gross revenues reasonably required for operation of the water utility system.

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

“Operating Agreement” means the operating agreement entered into between the Finance Authority and the Environmental Protection Agency, Region 6, for the Drinking Water State Revolving Loan Fund program.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Governmental Unit directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen’s compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit’s general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

“Parity 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 lien on the Pledged Revenues on a parity with the Loan Agreement, including any such obligations shown on the Term Sheet.

“Pledged Revenues” means the Net System Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments pursuant to this Resolution and described in Exhibit “A” to the Loan Agreement.

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

“Resolution” means this Resolution No. _____ adopted by the Governing Body of the Governmental Unit on May 21, 2014, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet and the Final Loan Agreement Payment Schedule, as supplemented from time to time in accordance with the provisions hereof.

“Senior Obligations” means all bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by the Loan Agreement, including any such obligations shown on the Term Sheet.

“State” means the State of New Mexico.

“Subordinated Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by the Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“Subsidy” means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being seventy-five percent (75%) of such Disbursement.

“System” means the public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of this Loan Agreement.

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

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of the Loan Agreement.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Governing Body and officers of the Governmental Unit

directed toward the acquisition and completion of the Project, and the execution and delivery of the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of financing the Project through execution and delivery of the Loan Agreement 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. The Project is needed to meet the needs of the Governmental Unit and the public that it serves, and the issuance and delivery of the Loan Agreement in the Maximum Principal Amount is necessary or advisable.

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

C. The Pledged Revenues may lawfully be pledged 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 DWSRLF 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 Governmental Unit will acquire and construct 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.

H. The net effective interest rate on the Maximum Aggregate Repayable Amount does not exceed the current market rate, which is the maximum rate permitted by federal law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all 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 public that is served by the Governmental Unit and acquiring and constructing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the DWSRLF Act, execute and deliver the Loan Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of two hundred twenty-two thousand two hundred dollars (\$222,200) and interest thereon, and to accept a loan subsidy in the amount of six hundred sixty-six thousand six hundred dollars (\$666,600) and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan and Subsidy (i) to finance the acquisition and completion of the Project and (ii) to pay the costs of issuance of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of eight hundred eighty-eight thousand eight hundred dollars (\$888,800). The Loan Agreement Principal Amount shall be payable in installments of principal due on May 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and November 1 of each of the years designated in the final Loan Agreement Payment Schedule, at the rates designated in the Loan Agreement, including Exhibit "A" thereto, which rates include the Administrative Fee.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this 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 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in 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 a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Resolution, and the Loan Agreement 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 Resolution nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues) or as imposing 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 Resolution, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement 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 and Completion of the Project.

A. Debt Service Account; Disbursements. The Governmental Unit hereby consents to creation of the Debt Service Account to be held and maintained by the Finance Authority as provided in the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be disbursed promptly upon receipt of an Approved Requisition (as defined in the Loan Agreement).

Until the Completion Date or the date of the Final Disbursement, the money disbursed pursuant to the Loan Agreement shall be used and paid out solely for the purpose of acquiring and constructing the Project in compliance with applicable law and the provisions of the Loan Agreement.

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

C. Certification of Completion of Project. Upon the Completion Date, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that the completion of and payment for the Project has been completed.

D. Finance Authority Not Responsible for Application of Loan Proceeds. The Finance Authority 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. Pledged Revenues shall be paid directly by the Governmental Unit to the Finance Authority in an amount sufficient to pay principal, interest, Administrative Fees and other amounts due under the Loan Agreement, as provided in Section 5.2 of 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 of Loan Agreement Payments to become due as to principal, interest on, Administrative Fees 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, interest and Administrative Fee 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 Section 9(C) of this Resolution.

C. Use of Surplus Revenues. After making all the payments required to be made by this Section and any payments required by outstanding Parity Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes 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. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged, and the Governmental Unit grants a lien on the Pledged Revenues and security interest therein, for the payment of the principal, interest, Administrative Fees, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Resolution. The Loan Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein, and, except for any Senior Obligations shown on the Term Sheet, the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement without the express approval of the Finance Authority.

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 Resolution, 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 Resolution and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan Agreement including, but not limited to, the execution and delivery of closing documents and reports in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Resolution set out in Section 17 of this Resolution (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Resolution. Prior to the date of the initial delivery of the Loan Agreement to the Finance Authority, the provisions of this Resolution may be supplemented or amended by ordinance of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Resolution. This Resolution may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Resolution Irrepealable. After the Loan Agreement has been executed and delivered, this Resolution 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 Resolution 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 Resolution.

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 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 Resolution (set out in Section 17 below) shall be published in a newspaper which is of general circulation in the Governmental Unit, and said Resolution 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 Resolution shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Summary of Resolution for Publication.]

City of Las Vegas, 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. _____, duly adopted and approved by the Governing Body of the City of Las Vegas, New Mexico (the "Governmental Unit"), on May 21, 2014. Complete copies of the Resolution are available for public inspection during normal and regular business hours in the office of the City Clerk, located at 1700 North Grand Ave., Las Vegas, New Mexico 87701.

The title of the Resolution is:

CITY OF LAS VEGAS, NEW MEXICO
RESOLUTION NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF LAS VEGAS, 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 \$222,200, TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$666,600, FOR THE PURPOSE OF FINANCING THE COSTS OF AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF LAS VEGAS, 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 \$222,200, TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$666,600, FOR THE PURPOSE OF FINANCING THE COSTS OF REHABILITATION AND INSPECTION OF THREE OF THE CITY'S WATER TANKS. THE CITY'S WATER SYSTEM IS DEPENDENT ON WATER STORAGE TANKS TO PRESSURIZE THE SYSTEM. THE PROJECT INCLUDES THE FOLLOWING: CABIN SITE TANK - VACUUM FLOOR FOR PRECISE INSPECTION, RE-COAT INTERIOR, REPLACE RAFTER BOLTS AND RE-PAINT EXTERIOR OF TANK AND REPLACEMENT OF CATHODIC PROTECTION; CAMP LUNA TANK - RE-COAT TANK, REPLACE RAFTER BOLTS, REPAIR CATHODIC PROTECTION, CLEAN TANK FLOOR AND INSTALLATION OF YARD PIPING IMPROVEMENTS IN ORDER TO PROVIDE SERVICE WHILE THE TANK IS BEING

REHABILITATED; AND THE VALENCIA TANK - TANK INSPECTION, REPLACEMENT OF CATHODIC PROTECTION AND PUMPING OF WATER FROM LOWER PRESSURE ZONES TO HIGHER ONES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, EXPENSE FUND COMPONENT, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; 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.; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, EXPENSE FUND COMPONENT, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; 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 NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication.]

Section 18. Execution of Agreements. The City of Las Vegas through its Governing Body agrees to authorize and execute all such agreements with the New Mexico Finance Authority as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Resolution.

PASSED, APPROVED AND ADOPTED THIS 21ST DAY OF MAY, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

[SEAL]

ATTEST:

By _____
Casandra Fresquez, City Clerk

[Remainder of page intentionally left blank.]

Governing Body Member _____ then moved adoption of the foregoing Resolution duly seconded by Governing Body Member _____.

The motion to adopt said Resolution, 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 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 LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

[SEAL]

ATTEST:

By _____
Casandra Fresquez, City Clerk

[Remainder of page intentionally left blank.]

EXHIBIT "A"

Notice of Meeting

NEW MEXICO FINANCE AUTHORITY

FINAL OPINION OF COUNSEL

To: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501

Re: City of Las Vegas, San Miguel County, New Mexico
\$888,800 Loan No. 3043-DW

I am the Attorney for the City of Las Vegas, New Mexico, with regard to the above-referenced Loan. I am licensed to practice law and in good standing in the State of New Mexico. I provide this opinion in my role as counsel to the Governmental Unit, City of Las Vegas (the "Governmental Unit"), understanding that the Lender, New Mexico Finance Authority (the "Finance Authority"), is relying on all representations by me on behalf of my client and but for these representations, the Loan would not be approved.

I hereby certify that I have examined:

- (1) The City of Las Vegas, Water Project, Drinking Water State Revolving Loan Fund Application, dated August 1, 2013, and the Finance Authority Board Approval, for Project No. 3043-DW, for the City of Las Vegas (San Miguel County), dated September 27, 2013, relating to the project (herein the "Project"), as more specifically defined in the Loan Agreement;
- (2) The incorporation documents creating the Governmental Unit;
- (3) The most recent Annual Open Meetings Resolution (as well as the underlying proceedings) adopted by the Governmental Unit;
- (4) The proceedings of the City Council, the governing body of the Governmental Unit (including all agendas, minutes, resolutions, ordinances and publications) which authorize the Loan Application, the Project development, the budget for the Project, and existing contracts (if any) with Project professionals including but not limited to architects, engineers, planners and contractors, whose work will be paid from the proceeds of the Loan;
- (5) Relevant corporate proceedings of the Governmental Unit from at least January 1, 2014 to the date hereof, including, without limiting the generality of the foregoing, the corporate action of the Governmental Unit relating to (a) the election or appointment of its Mayor, City Council, and City Clerk; (b) the adoption of ordinances and resolutions governing the operation of the Project; (c) cost estimates for the Project; (d) the proposed operating budget; (e) the proposal to finance the Project, in part, with a loan made by the New Mexico Finance Authority; (f) the

Resolution of the City Council dated May 21, 2014 (the "Resolution") authorizing the Mayor and City Clerk to execute necessary documents to obtain the loan for the Project; and (g) all necessary approvals for the Project from state or local authorities;

- (6) The Loan Agreement dated June 27, 2014 and attachments or exhibits thereto setting up a procedure whereby all loan funds will be disbursed to the Governmental Unit on written authorization of the Governmental Unit's Authorized Officers only after certification of completion of the work in a satisfactory manner by a licensed professional engineer, architect or other authorized representative contractually obligated to the Governmental Unit and only to pay eligible Project costs; and
- (7) The records and files of all offices in which there might be recorded, filed, or indexed, any liens of any nature whatsoever, affecting the title to any real or personal property upon which the Project will be constructed.

Based upon my examination of the foregoing, I am of the opinion that:

- A. The Governmental Unit is a duly organized and existing incorporated municipality in good standing under the laws of the State of New Mexico.
- B. The ordinances, resolutions, rules and regulations governing the operation of the Project have been duly adopted and are now in full force and effect.
- C. The officials and appointees of the Governmental Unit were duly and validly elected or appointed and are empowered to act for the Governmental Unit.
- D. The Governmental Unit has corporate power:
 - (1) to construct and install the Project proposed to be constructed and installed by the Governmental Unit;
 - (2) to execute and deliver Loan documents including, but not necessarily limited to, those identified above;
 - (3) to perform all acts required by such Loan documents to be done by it; and
 - (4) to own and operate and maintain the Project during its useful life.
- E. All proceedings of the Governmental Unit, its elected and appointed officers, and employees, required or necessary to be taken in connection with the authorization of the actions specified above have been duly taken and all such authorizations are presently in full force and effect.
- F. The Resolution has been duly signed and adopted in accordance with all applicable laws and has not been repealed, rescinded, revoked, modified, amended or supplemented in

any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Governmental Unit to carry out and enforce the provisions of the Loan Agreement. No referendum petition has been filed with respect to the Resolution under the provisions of the laws, bylaws or regulations of the Governmental Unit or the State.

- G. The Governmental Unit has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Governmental Unit in connection with the Loan Agreement. Resolution No. 14-01 (the "Open Meetings Act Resolution"), as adopted and approved by the Governmental Unit on January 15, 2014, establishes notice standards as required by NMSA 1978, § 10-15-1, as amended. The Open Meetings Act Resolution has not been amended or repealed. All action of the Governmental Unit with respect to the Loan Agreement, and the Resolution was taken at meetings held in compliance with the Open Meetings Act Resolution.
- H. To the best of my knowledge and belief after due investigation, no event will result from the execution and delivery of the Loan Agreement that constitutes a default or an event of default under either the Loan Agreement or the Resolution, and no event of default and no default under the Loan Agreement or the Resolution has occurred and is continuing on the date of this Certificate.
- I. The Governmental Unit has duly authorized and approved the consummation by it of all transactions, and has complied with all requirements and satisfied all conditions, which are required by the Loan Agreement to have been authorized, approved, performed or consummated by the Governmental Unit at or prior to the date of this Certificate. The Governmental Unit has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Loan Agreement.
- J. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Loan Agreement or any of the actions required to be taken by the Resolution or the Loan Agreement to the date of this Certificate have been obtained and are in full force and effect.
- K. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the financing of the project have been obtained and are in full force and effect.
- L. To the best of my knowledge and belief after due investigation, neither the Governmental Unit's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution or the Loan Agreement does or will conflict with, or constitute a breach by the Governmental Unit of, or default by the Governmental Unit under any law, court decree or order, governmental regulation, rule or order, resolution, agreement, indenture, mortgage or other instrument to which the Governmental Unit is subject or by which it is bound.

- M. There is no actual or threatened action, suit, proceeding, inquiry or investigation against the Governmental Unit, at law or in equity, by or before any court, public board or body, nor to my knowledge is there any basis therefore, affecting the existence of the Governmental Unit or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of revenues or assets of the Governmental Unit pledged or to be pledged to pay the principal, interest, and Administrative Fee on the Loan Agreement or in any way materially adversely affecting or questioning (a) the territorial jurisdiction of the Governmental Unit, (b) the use of the proceeds of the Loan Agreement for the Project and to pay certain costs of the New Mexico Finance Authority associated with the administration of its drinking water state revolving fund loan program, (c) the validity or enforceability of the Loan Agreement or any proceedings of the Governmental Unit taken with respect to the Loan Agreement or the Resolution, (d) the execution and delivery of the Loan Agreement, (e) the authority of the Governmental Unit to repay the amount of the loan or (f) the power of the Governmental Unit to carry out the transactions contemplated by the Loan Agreement or the Resolution.
- N. To the best of my knowledge and belief after due investigation, there are no recorded liens of any nature whatsoever affecting the title to any real or personal property that will be acquired with the proceeds of the Loan Agreement.
- O. No legal proceedings have been instituted or are pending, and to the best of my knowledge none are threatened, whether or not the Governmental Unit is named as a party in such proceedings, which would affect the Governmental Unit's interest in the property upon which the Project will be located, and there are no judgments against the Governmental Unit and no liens against any of the real or personal property of the Governmental Unit or other entity on which the Project will be located.
- P. The Governmental Unit has acquired all of the necessary land rights, easements and rights-of-way for the Project and the Governmental Unit now has sufficient, adequate and continuous rights-of-way to permit the construction, installation, operation and maintenance of the Project.
- Q. The Governmental Unit has complied with all of the requirements of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, applicable to the Project on or prior to the date of this opinion letter.

Dated this 27th day of June, 2014.

Dave Romero
Attorney for City of Las Vegas

published in English in the *Las Vegas Optic*, a newspaper qualified to publish legal notices that is of general circulation in the City of Las Vegas, New Mexico.

5. There is no reason within our knowledge and belief after due investigation, why the Governmental Unit may not enter into the Loan Agreement with the New Mexico Finance Authority (the "Finance Authority"), as authorized by the Resolution.

6. The Governmental Unit has duly authorized the execution, delivery and performance of its obligations under the Loan Agreement. The Loan Agreement has been duly authorized, executed and delivered by the Governmental Unit.

7. The Resolution has been duly signed and adopted in accordance with all applicable laws and has not been repealed, rescinded, revoked, modified, amended or supplemented in any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Governmental Unit to carry out and enforce the provisions of the Loan Agreement. No referendum petition has been filed with respect to the Resolution under the provisions of the laws, bylaws or regulations of the Governmental Unit or the State.

8. No event will result from the execution and delivery of the Loan Agreement that constitutes a default or an event of default under the Loan Agreement or the Resolution, and no event of default and no default under the Loan Agreement or the Resolution have occurred and are continuing on the date of this Certificate.

9. The Governmental Unit has duly authorized and approved the consummation by it of all transactions and has complied with all requirements and satisfied all conditions, which are required by the Loan Agreement to have been authorized, approved, performed or consummated by the Governmental Unit at or prior to the date of this Certificate. The Governmental Unit has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Loan Agreement.

10. A. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Loan Agreement or to any of the actions required to be taken by the Resolution or the Loan Agreement on or prior to the date of this Certificate have been obtained and are in full force and effect; and

B. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the financing of the Project have been obtained and are in full force and effect.

11. To the best of our knowledge and belief after due investigation, neither the Governmental Unit's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution or the Loan Agreement does or will conflict with, or constitute a breach by the Governmental Unit of, or default by the Governmental Unit under, any law, court decree or

order, governmental regulation, rule or order, resolution, agreement, indenture, mortgage or other instrument to which the Governmental Unit is subject or by which it is bound.

12. No material adverse change has occurred, nor has any development occurred involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects, properties of the Governmental Unit or the Pledged Revenues since the date of the Resolution.

13. To the best of our knowledge and belief after due investigation, none of the events of default referred to in Article X of the Loan Agreement has occurred.

14. Subsequent to the adoption of the Resolution, the Governmental Unit has not pledged or otherwise encumbered the Pledged Revenues. On the date of this Certificate, except as set forth in the Term Sheet, there are no other outstanding obligations with a lien or encumbrance against the Pledged Revenues senior to or on a parity with the lien of the Loan Agreement.

15. The Loan Agreement permits the Governmental Unit to issue additional bonds or other obligations with a lien on the Pledged Revenues, on parity with or subordinate to the lien of the Loan Agreement on the Pledged Revenues upon satisfaction of the conditions set forth in the Loan Agreement. The Loan Agreement prohibits the Governmental Unit from issuing additional bonds or other obligations with a lien on the Pledged Revenues senior to the lien of the Loan Agreement without the prior written approval of the Finance Authority.

16. There is no threatened action, suit, proceeding, inquiry or investigation against the Governmental Unit, at law or in equity, by or before any court, public board or body, nor to the Governmental Unit's knowledge is there any basis therefore, affecting the existence of the Governmental Unit or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of revenues or assets of the Governmental Unit pledged or to be pledged to pay the principal, interest, and Administrative Fee on the Loan Agreement, or in any way materially adversely affecting or questioning (a) the territorial jurisdiction of the Governmental Unit; (b) the use of the proceeds of the Loan Agreement for the Project and to pay certain costs of the Finance Authority associated with the administration of its drinking water state revolving fund loan program; (c) the validity or enforceability of the Loan Agreement or any proceedings of the Governmental Unit taken with respect to the Loan Agreement or the Resolution; (d) the execution and delivery of the Loan Agreement; or (e) the power of the Governmental Unit to carry out the transactions contemplated by the Loan Agreement or the Resolution.

17. The Governmental Unit has complied with all the covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof, and the representations and warranties of the Governmental Unit contained in the Loan Agreement and the Resolution are true and correct as of the date hereof.

18. The Governmental Unit is not in default, and has not been in default within the ten (10) years immediately preceding the date of this Certificate, in the payment of principal of,

premium, if any, or interest on any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest except that no representation is made with respect to industrial revenue bonds or conduit bonds payable solely from installment sale or lease payments, loan repayments or other amounts received by the Governmental Unit from private entities.

19. To the best of our knowledge and belief after due investigation, neither the Mayor, City Clerk, any member of the Governing Body, nor any other officer, employee or other agent of the Governmental Unit is interested (except in the performance of his or her official rights, privileges, powers and duties), directly or indirectly, in the profits of any contract, or job for work, or services to be performed and appertaining to the Project.

20. Regular meetings of the Governing Body have been held at 1700 North Grand Ave., Las Vegas, New Mexico, the principal meeting place of the Governing Body.

21. The Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Governing Body in connection with the Loan Agreement. The Open Meetings Act Resolution No. 14-01 adopted and approved by the Governing Body on January 15, 2014 establishes notice standards as required by NMSA 1978, § 10-15-1, as amended. The Open Meetings Act Resolution No. 14-01 has not been amended or repealed. All action of the Governing Body with respect to the Loan Agreement and the Resolution was taken at meetings held in compliance with the Open Meetings Act Resolution No. 14-01.

22. The Mayor and City Clerk, on the date of the signing of the Loan Agreement, and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Governmental Unit authorized to execute such agreements.

23. This Certificate is for the benefit of the Finance Authority.

24. This Certificate may be executed in counterparts.

[Remainder of page left intentionally blank]

[*Signature page follows.*]

WITNESS our signatures and the seal of the Governmental Unit this 27th day of June, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

[SEAL]

By _____
Casandra Fresquez, City Clerk

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

It is hereby certified by the undersigned, the duly qualified and acting Chief Executive Officer of the Finance Authority, that the Finance Authority has, on the date of this Certificate received from the City of Las Vegas, New Mexico, the Loan Agreement for Project No. 3043-DW.

NEW MEXICO FINANCE AUTHORITY

By _____
Robert P. Coalter
Chief Executive Officer
New Mexico Finance Authority

\$888,800
DRINKING WATER REVOLVING LOAN FUND LOAN
to the CITY OF LAS VEGAS, SAN MIGUEL COUNTY, NEW MEXICO
by the NEW MEXICO FINANCE AUTHORITY
Loan No. 3043-DW

RIGHT-OF-WAY CERTIFICATE

The undersigned on behalf of the City of Las Vegas (the "Governmental Unit"), a New Mexico incorporated municipality, in the County of San Miguel and the State of New Mexico, hereby certifies except as noted in item 4 below:

1. That the Governmental Unit has acquired and presently holds title to or continuous and adequate rights-of-way on public and private lands needed, if any, for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of the above-referenced Loan made by New Mexico Finance Authority (the "Project") and such omissions, defects, or restrictions as may exist will in no substantial way or manner endanger the value or the operation of the Project.
2. That the Governmental Unit has acquired the necessary permits, franchises, and authorizations or other instruments by whatsoever name designated, from public utilities and public bodies, commissions, or agencies authorizing the construction, operation, and maintenance of the facilities upon, along or across streets, roads, highways, and public utilities.
3. That the attached map shows the location and description of all land and rights-of-way needed for the Project, including all lands acquired for the Project by right of use or adverse possession and by legal conveyances such as right-of-way or easement deeds, permits, or other instruments.
4. Exceptions: _____

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the City of Las Vegas as of this 27th day of June, 2014.

Dave Romero
Counsel for the City of Las Vegas
1700 North Grande Ave.
Las Vegas, New Mexico 87701

Work Session

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 05/02/14

DEPT: Utilities Dept.

MEETING DATE: 05/14/14

DISCUSSION ITEM/TOPIC: Resolution No. 14-29 authorizing the execution and delivery of a water project fund loan/grant agreement with the New Mexico Finance Authority for the Water Treatment Plant repair project.

BACKGROUND/RATIONALE: This grant/loan is to make necessary repairs to the Water Treatment Plant Building: replace leaky roof on filter building; stabilize filter building foundation; repair cracked masonry walls, improve sludge withdrawal from west side sludge lagoon and add sun roof over outdoor liquid alum tank. This is a 75/25 grant loan.

Amount of funding received: \$174,730
Grant Amount: \$131,048
Loan Amount: \$ 43,682

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 10:00 A.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.


SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:


ALFONSO E. ORTIZ, JR.
MAYOR


TIMOTHY P. DODGE
CITY MANAGER

PURCHASING AGENT
(FOR BID AWARD ONLY)

ANN MARIE GALLEGOS
FINANCE DIRECTOR

DAVE ROMERO
CITY ATTORNEY

Approved as to Legal Sufficiency Only
(If Box is Initialed by City Mngr., Review and Sign)



UTILITIES DEPARTMENT PROJECT SUMMARY SHEET

PROJECT NAME: Water Treatment Plant Repairs

PROJECT NUMBER: 3046-DW

PROJECT DESCRIPTION: Stabilize filter building foundation, repair cracked masonry walls, repair leaky roof on filter building, improve sludge withdrawal from west sludge lagoon and add roof over outdoor liquid alum tank.

PROJECT STATUS: The Project is currently at 60% design. 100% design is scheduled for 7/02/14, with construction set for Fiscal Year 2015.

TOTAL PROJECT COST:

Phase	Cost	Tax	SRF Fund
Planning and Design	\$33,032.00	\$2,312.24	2911-DW
Estimate of Construction	\$123,110.00	\$9,925.74	3046-DW
Construction Phase Services	\$12,311.00	\$861.77	3046-DW
Totals	\$168,453.00	\$13,099.75	
Total with Tax	\$181,552.75		

PER Rank: 10

ACTION TIMELINE: Requesting Approval/Disapproval to enter into agreement the New Mexico Finance Authority and DW 3046.

LINE ITEM NUMBER: 646-0000-650-XXXX (not yet created)

ACTION	DESCRIPTION	DATE
Loan/Grant	From NMFA in the amount of \$1,222,757.00 Project #2911-DW Loan (25%): \$305,689.00 Grant (75%): \$917,068.00	6/21/13
Loan/Grant	From NMFA in the amount of \$174,730.00 Project #3046-DW Loan (25%): \$43,682.00 Grant (75%): \$131,048.00	8/02/13
Loan/Subsidy Agreement	City entered into binding commitment with NMFA	11/18/13
Committee Recommendation	Item discussed at Utility Advisory Committee- recommendation for approval.	08/05/13

MAY 2014						
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JUNE 2014						
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30						

JULY 2014						
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26	27	28	29	30	31	

NEW MEXICO FINANCE AUTHORITY

FINANCING SCHEDULE & DISTRIBUTION LIST

**CITY OF LAS VEGAS, SAN MIGUEL COUNTY, NEW MEXICO
DRINKING WATER STATE REVOLVING LOAN FUND**

Project Nos. 3043-DW & 3046-DW

Prepared: May 1, 2014

DATE	ACTION	PARTIES
Thursday, September 12, 2013	Financial Advisor presents to Credit Committee	Finance Authority
Wednesday, September 18, 2013	Finance and Loan Committee recommends approval	Finance Authority
Friday, September 27, 2013	Finance Authority Board meeting to approve loan requests	Finance Authority
Thursday, May 1, 2014	Distribute draft closing documents for review and comment by Finance Authority, Borrower and Borrower's counsel for both Loans	VN
Thursday, May 8, 2014	Comments due on draft closing documents from Finance Authority Borrower and Borrower's counsel for both Loans	Finance Authority, Borrower, Borrower's counsel
Thursday, May 8, 2014	Final Debt Service Schedules Due to VN	Finance Authority
Thursday, May 15, 2014	Closing documents in final form distributed to Borrower for signature with a copy to the Finance Authority for both Loans	VN
Wednesday, May 21, 2014	Governing Body adopts Resolutions	Borrower
Thursday, May 22, 2014	Submit notice of adoption of Resolutions to <i>The Las Vegas Optic</i> before 11:00 a.m.	VN or Borrower

DATE	ACTION	PARTIES
Monday, May 26, 2014	Publication of notice of adoption of Resolutions in <i>The Las Vegas Optic</i>	Legal newspaper for Borrower,
Wednesday, May 28, 2014	Delivery of fully executed documents to Loan Counsel	Borrower
Monday, June 23, 2014	Distribution of signed Resolution, Loan Documents and Closing Documents to the Finance Authority for signature with complete set copy to Gloria and LaRain for Accounting.	VN
Wednesday, June 25, 2014	Expiration of 30-day limitation of action period.	
Wednesday, June 25, 2014	Finance Authority signatures due	Finance Authority
Friday, June 27, 2014	Closing	All
Two weeks after receipt of all transcript documents	Transcripts distributed	VN

DISTRIBUTION LIST

BORROWER

City of Las Vegas
1700 North Grand Ave
Las Vegas, NM 87701
Phone: (505) 454-1401

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kgarcia@ci.las-vegas.nm.us

Shawni Muniz, Admin Aid II
shawnim@ci.las-vegas.nm.us

Anne Marie Gallegos, Finance Director
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BORROWER'S FINANCIAL ADVISOR

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BORROWER'S COUNSEL

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NEW MEXICO FINANCE AUTHORITY

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Gloria Castillo, Sr. Administrative Assistant
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David Mahooty, Financial Advisor
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NEWSPAPER:

The Las Vegas Optic

Victoria Lovato, Paralegal
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LOAN/GRANT COUNSEL

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Fax: (505) 983-8304

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(Deadline: Published Monday's, Wednesday's and Friday's. Deadline: for Monday publication, Notice must be received the Thursday prior before 11:00 a.m. for Wednesday publication, Notice must be received the Monday prior before 11:00 a.m. and for Friday publication, Notice must be received the Wednesday prior before 11:00 a.m.)

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

CITY OF LAS VEGAS, NEW MEXICO

RESOLUTION NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE CITY OF LAS VEGAS, 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 \$43,682, TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$131,048, FOR THE PURPOSE OF FINANCING THE COSTS OF REPAIRS TO THE GOVERNMENTAL UNIT’S WATER TREATMENT PLANT BUILDING, INCLUDING REPLACEMENT OF LEAKY ROOF ON FILTER BUILDING; STABILIZATION OF FILTER BUILDING FOUNDATION; REPAIR OF CRACKED MASONRY WALLS; IMPROVEMENT OF SLUDGE WITHDRAWAL FROM WEST SIDE SLUDGE LAGOON; AND ADDITION OF SUN ROOF OVER OUTDOOR LIQUID ALUM TANK; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, AN EXPENSE FUND COMPONENT, AN ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; 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 in Section 1 of this Resolution, unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State; 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 interest of the Governmental Unit and the public that it serves that the Loan Agreement be executed and delivered and that the financing of the construction of the Project take place by executing and delivering the Loan Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; 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 which is currently outstanding; 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, other than the Pledged Revenues, no revenues collected by the Governmental Unit shall be pledged to the Loan Agreement; and

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

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan Agreement is to be used for governmental purposes of the Governmental Unit; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of amounts due under 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 Loan Agreement, which are required to have been obtained by the date of the Resolution have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAS VEGAS, NEW MEXICO:

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):

"Administrative Fee" or "Administrative Fee Component" means the 0.25% annual fee payable to the Finance Authority 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 all Disbursements.

"Aggregate Forgiven Disbursements" means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

"Aggregate Repayable Disbursements" means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” to together with supporting documentation (e.g. a payment request from the contractor or vendor) submitted to and approved by the Finance Authority pursuant to Section 4.2 of the Loan Agreement.

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

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

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

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

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under the Loan Agreement as the same become due.

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

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended, including NMSA 1978, §§ 3-31-1 through 3-31-12, as amended, and enactments of the Governing Body relating to this Resolution including the Loan Agreement.

“Expense Fund” means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

“Expense Fund Component” means an amount equal to one percent (1%) of each disbursement for the Project, minus any amount forgiven under the Loan Agreement, simultaneously withdrawn and deposited in the Expense Fund to pay Expenses.

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

“Environmental Protection Agency” means the Environmental Protection Agency of the United States.

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of the Loan Agreement.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on the Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Finance Authority” means the New Mexico Finance Authority.

“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 Las Vegas, San Miguel County, New Mexico.

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished to the constituent public served by the Governmental Unit.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

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

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each disbursement.

“Interest Rate” means the rate of interest on the Loan Agreement as shown on the Term Sheet.

“Loan” or “Loan Amount” means the funds to be loaned by the Finance Authority to the Governmental Unit pursuant to the Loan Agreement, including funds repayable to the Finance Authority by the Governmental Unit and also including funds not repayable to the Finance Authority in accordance with the subsidization provisions of the Loan Agreement.

“Loan Agreement” means the loan and subsidy agreement dated the Closing Date between the Finance Authority 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 Finance Authority, 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 Expenses, to be paid by the Governmental Unit as payment on the Aggregate Repayable 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 Repayable Disbursements (including the Expense Fund Component), up to the Maximum Aggregate Repayable Amount.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to seventy-five percent (75%) of the Maximum Principal Amount. The Maximum Forgiven Principal is one hundred thirty-one thousand forty-eight dollars (\$131,048).

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to the Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal, is forty-three thousand six hundred eighty-two dollars (\$43,682).

“Maximum Principal Amount” means one hundred seventy-four thousand seven hundred thirty dollars (\$174,730).

“Net Revenues” means the Gross Revenues of the water utility system owned and operated by the Governmental Unit minus Operation and Maintenance Expenses of the System, indirect charges, amounts expended for capital replacements and repairs of the System, required set asides for debt and replacement requirements and any other payments from the gross revenues reasonably required for operation of the water utility system.

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

“Operating Agreement” means the operating agreement entered into between the Finance Authority and the Environmental Protection Agency, Region 6, for the Drinking Water State Revolving Loan Fund program.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Governmental Unit directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit's general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Parity 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 lien on the Pledged Revenues on a parity with the Loan Agreement, including any such obligations shown on the Term Sheet.

"Pledged Revenues" means the Net System Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments pursuant to this Resolution and described in Exhibit "A" to the Loan Agreement.

"Project" means the project described in the Term Sheet.

"Resolution" means this Resolution No. _____ adopted by the Governing Body of the Governmental Unit on May 21, 2014, approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet

and the Final Loan Agreement Payment Schedule, as supplemented from time to time in accordance with the provisions hereof.

“Senior Obligations” means all bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by the Loan Agreement, including any such obligations shown on the Term Sheet.

“State” means the State of New Mexico.

“Subordinated Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by the Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“Subsidy” means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being seventy-five percent (75%) of such Disbursement.

“System” means the public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of this Loan Agreement.

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

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of the Loan Agreement.

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

Section 3. Authorization of the Project and the Loan Agreement. The acquisition and completion of the Project and the method of financing the Project through execution and delivery of the Loan Agreement 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. The Project is needed to meet the needs of the Governmental Unit and the public that it serves, and the issuance and delivery of the Loan Agreement in the Maximum Principal Amount is necessary or advisable.

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

C. The Pledged Revenues may lawfully be pledged 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 DWSRLF 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 Governmental Unit will acquire and construct 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.

H. The net effective interest rate on the Maximum Aggregate Repayable Amount does not exceed the current market rate, which is the maximum rate permitted by federal law.

Section 5. Loan Agreement - Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all 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 public that is served by the Governmental Unit and acquiring and constructing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the DWSRLF Act, execute and deliver the Loan Agreement evidencing a special limited obligation of the Governmental Unit to pay a principal amount of forty-three thousand six hundred eighty-two dollars (\$43,682) and interest thereon, and to accept a loan subsidy in the amount of one hundred thirty-one thousand forty-eight dollars (\$131,048) and the execution and delivery of the Loan Agreement is hereby authorized. The Governmental Unit shall use the proceeds of the Loan and Subsidy (i) to finance the acquisition and completion of the Project and (ii) to pay the costs of issuance of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Loan shall be in an amount not to exceed the Maximum Principal Amount of one

hundred seventy-four thousand seven hundred thirty dollars (\$174,730). The Loan Agreement Principal Amount shall be payable in installments of principal due on May 1 of the years designated in the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and November 1 of each of the years designated in the final Loan Agreement Payment Schedule, at the rates designated in the Loan Agreement, including Exhibit "A" thereto, which rates include the Administrative Fee.

Section 6. Approval of Loan Agreement. The form of the Loan Agreement as presented at the meeting of the Governing Body at which this 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 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in 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 a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Resolution, and the Loan Agreement 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 Resolution nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues) or as imposing 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 Resolution, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement 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 and Completion of the Project.

A. Debt Service Account; Disbursements. The Governmental Unit hereby consents to creation of the Debt Service Account to be held and maintained by the Finance Authority as provided in the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be disbursed promptly upon receipt of an Approved Requisition (as defined in the Loan Agreement).

Until the Completion Date or the date of the Final Disbursement, the money disbursed pursuant to the Loan Agreement shall be used and paid out solely for the purpose of acquiring and constructing the Project in compliance with applicable law and the provisions of the Loan Agreement.

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

C. Certification of Completion of Project. Upon the Completion Date, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that the completion of and payment for the Project has been completed.

D. Finance Authority Not Responsible for Application of Loan Proceeds. The Finance Authority 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. Pledged Revenues shall be paid directly by the Governmental Unit to the Finance Authority in an amount sufficient to pay principal, interest, Administrative Fees and other amounts due under the Loan Agreement, as provided in Section 5.2 of 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 of Loan Agreement Payments to become due as to principal, interest on, Administrative Fees 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, interest and Administrative Fee 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 Section 9(C) of this Resolution.

C. Use of Surplus Revenues. After making all the payments required to be made by this Section and any payments required by outstanding Parity Obligations, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit on a timely basis and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes 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. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged, and the Governmental Unit grants a lien on the Pledged Revenues and security interest therein, for the payment of the

principal, interest, Administrative Fees, and any other amounts due under the Loan Agreement, subject to the uses thereof permitted by and the priorities set forth in this Resolution. The Loan Agreement constitutes an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein, and, except for any Senior Obligations shown on the Term Sheet, the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement without the express approval of the Finance Authority.

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 Resolution, 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 Resolution and the Loan Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan Agreement including, but not limited to, the execution and delivery of closing documents and reports in connection with the execution and delivery of the Loan Agreement, and the publication of the summary of this Resolution set out in Section 17 of this Resolution (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Resolution. Prior to the date of the initial delivery of the Loan Agreement to the Finance Authority, the provisions of this Resolution may be supplemented or amended by ordinance of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Resolution. This Resolution may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the Finance Authority.

Section 13. Resolution Irrepealable. After the Loan Agreement has been executed and delivered, this Resolution 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 Resolution 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 Resolution.

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 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 Resolution (set out in Section 17 below) shall be published in a newspaper which is of

general circulation in the Governmental Unit, and said Resolution 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 Resolution shall be published in substantially the following form:

[Remainder of page intentionally left blank.]

[Form of Summary of Resolution for Publication.]
City of Las Vegas, 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. _____, duly adopted and approved by the Governing Body of the City of Las Vegas, New Mexico (the "Governmental Unit"), on May 21, 2014. Complete copies of the Resolution are available for public inspection during normal and regular business hours in the office of the City Clerk, located at 1700 North Grand Ave., Las Vegas, New Mexico 87701.

The title of the Resolution is:

CITY OF LAS VEGAS, NEW MEXICO
RESOLUTION NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF LAS VEGAS, 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 \$43,682, TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN \$131,048, FOR THE PURPOSE OF FINANCING THE COSTS OF REPAIRS TO THE GOVERNMENTAL UNIT'S WATER TREATMENT PLANT BUILDING, INCLUDING REPLACEMENT OF LEAKY ROOF ON FILTER BUILDING; STABILIZATION OF FILTER BUILDING FOUNDATION; REPAIR OF CRACKED MASONRY WALLS; IMPROVEMENT OF SLUDGE WITHDRAWAL FROM WEST SIDE SLUDGE LAGOON; AND ADDITION OF SUN ROOF OVER OUTDOOR LIQUID ALUM TANK; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, EXPENSE FUND COMPONENT, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE WATER UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; 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 NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication.]

Section 18. Execution of Agreements. The City of Las Vegas through its Governing Body agrees to authorize and execute all such agreements with the New Mexico Finance Authority as are necessary to consummate the Loan contemplated herein and consistent with the terms and conditions of the Loan Agreement and this Resolution.

PASSED, APPROVED AND ADOPTED THIS 21ST DAY OF MAY, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

[SEAL]

ATTEST:

By _____
Casandra Fresquez, City Clerk

[Remainder of page intentionally left blank.]

Governing Body Member _____ then moved adoption of the foregoing Resolution duly seconded by Governing Body Member _____.

The motion to adopt said Resolution, 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 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 LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

[SEAL]

ATTEST:

By _____
Casandra Fresquez, City Clerk

[Remainder of page intentionally left blank.]

EXHIBIT "A"

Notice of Meeting

\$174,730 Maximum Principal Amount

**DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT**

dated

June 27, 2014

by and between the

NEW MEXICO FINANCE AUTHORITY

and the

**CITY OF LAS VEGAS,
NEW MEXICO**

**DRINKING WATER STATE REVOLVING LOAN FUND
LOAN AND SUBSIDY AGREEMENT**

This LOAN AND SUBSIDY AGREEMENT (the "Loan Agreement"), dated as of June 27, 2014, is entered into by and between the **NEW MEXICO FINANCE AUTHORITY** (the "Finance Authority"), and the **CITY OF LAS VEGAS**, (the "Governmental Unit"), an incorporated municipality duly organized and existing under the laws of the State of New Mexico (the "State").

WITNESSETH:

Capitalized terms used in the following recitals of this Loan Agreement and not defined in the first Paragraph above or in these recitals shall have the same meaning as defined in Article I of this Loan Agreement, unless the context requires otherwise.

WHEREAS, the Finance Authority is a public body politic and corporate constituting a governmental instrumentality, separate and apart from the State, duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1 through 6-21-31, as amended, (the "Finance Authority Act"); and

WHEREAS, the Finance Authority is authorized, pursuant to the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended, (the "DWSRLF Act") to implement a program to permit qualified local authorities, such as the Governmental Unit, to enter into agreements with the Finance Authority to provide financial assistance in the acquisition, design, construction, improvement, expansion, repair and rehabilitation of drinking water facilities; and

WHEREAS, the Governmental Unit is an incorporated municipality organized and existing under the laws of the State, and in particular the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended, and is a qualified local authority under the DWSRLF Act; and

WHEREAS, a portion of the Loan funds made available under this Agreement pursuant to the DWSRLF Act and the Safe Drinking Water Act may be forgiven and, if forgiven, will not be required to be repaid; and

WHEREAS, the Governmental Unit is authorized by the laws of the State, and in particular NMSA 1978, §§ 3-31-1 through 3-31-12, as amended, to enter into this Loan Agreement and accept a loan for the purpose of financing the Project; and

WHEREAS, the Governing Body of the Governmental Unit has determined that it is in the best interests of the Governmental Unit and the public it serves that the Governmental Unit enter into this Loan Agreement with the Finance Authority and accept a loan from the Finance Authority to finance the costs of the Project, as more fully described on the Term Sheet attached hereto as Exhibit "A"; and

WHEREAS, the Project appears on the Drinking Water Fundable Priority List; and

WHEREAS, the New Mexico Environment Department (the "Department") shall have determined that the Governmental Unit's Project plans and specifications comply with the provisions of 42 U.S.C. Section 300j-12 and the requirements of the laws and regulations of the State governing the construction and operation of drinking water systems prior to disbursement of any proceeds of the Loan for construction; and

WHEREAS, the Project has been planned and authorized in conformity with the Intended Use Plan; and

WHEREAS, pursuant to information provided by the Governmental Unit and environmental review by applicable State and federal agencies, and in accordance with 40 C.F.R. Sections 6.204, 6.300(c)(1), and 6.301(f), and pursuant to the environmental review process of the State, the Finance Authority has determined that the Project meets the requirements for a Categorical Exclusion as defined in the State Environmental Review Process (SERP) for the Drinking Water State Revolving Loan Fund); and

WHEREAS, the Finance Authority has found and determined that the Governmental Unit is a severely disadvantaged community under the Intended Use Plan in that its median annual household income is \$25,254, which is less than 90% of the State median annual household income of \$42,097, and it has an affordability ratio determined as provided in the Intended Use Plan of above 0.015; and

WHEREAS, except as described on the Term Sheet, the Pledged Revenues have not been pledged or hypothecated in any manner or for any purpose at the time of the execution and delivery of this Loan Agreement, and the Governmental Unit desires to pledge the Pledged Revenues toward the payment of this Loan Agreement on parity with any Parity Obligations, subordinate to any Senior Obligations and senior to any Subordinate Obligations; and

WHEREAS, the obligation of the Governmental Unit hereunder shall constitute a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues, and shall not constitute a general obligation or other indebtedness of the Governmental Unit or a charge against the general credit or ad valorem taxing power of the Governmental Unit or the State; and

WHEREAS, the New Mexico Environment Department Drinking Water Bureau has determined that the Governmental Unit has sufficient technical, managerial and financial capability to operate the Project for its useful life and ensure compliance with the requirements of the Safe Drinking Water Act; and

WHEREAS, the execution, performance and delivery of this Loan Agreement have been authorized, approved and directed by all necessary and appropriate action of the Governing Body pursuant to the Resolution; and

WHEREAS, the execution and performance of this Loan Agreement have been authorized, approved and directed by all necessary and appropriate action of the Finance Authority.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the Finance Authority and the Governmental Unit agree:

ARTICLE I

DEFINITIONS

Capitalized terms defined in this Article I shall have the meaning specified in this Article I wherever used in this Loan Agreement, including the foregoing recitals, unless the context clearly requires otherwise. Capitalized terms defined in the foregoing recitals, if not defined in this Article I, shall have the same meaning as therein stated when used in this Loan Agreement, unless the context clearly requires otherwise.

“Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee payable to the Finance Authority as 0.125% of the Loan Agreement Principal Amount then outstanding as a part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

“Aggregate Disbursements” means, at any time after the Closing Date, the sum of all Disbursements.

“Aggregate Forgiven Disbursements” means the amount of Subsidy provided in the form of principal forgiveness, and shall at any time after the Closing Date be equal to the product of the Subsidy times the Aggregate Disbursements, up to the Maximum Forgiven Principal.

“Aggregate Program Amount” means, with respect to this Loan Agreement, the sum of one hundred seventy-three thousand dollars (173,000) which amount shall be available for disbursement to the Governmental Unit to pay costs of the Project.

“Aggregate Repayable Disbursements” means, at any time after the Closing Date, the Aggregate Disbursements less the Aggregate Forgiven Disbursements.

“Approved Requisition” means a requisition in the form of Exhibit “C” to this Loan Agreement, together with the required supporting documentation set out in Exhibit “C” submitted to and approved by the Finance Authority pursuant to Section 4.2 of this Loan Agreement.

“Authorized Officers” means, with respect to the Governmental Unit, the Mayor, the Finance Manager, the City Manager and the City Clerk, the hereof; and with respect to the Finance Authority, any one or more of the Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer of the Finance Authority, and any other officer or employee of the Finance Authority designated in writing by an Authorized Officer of the Finance Authority.

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

“Closing Date” means the date of execution and delivery of this Loan Agreement as shown on the Term Sheet.

“Debt Service Account” means the debt service account established in the name of the Governmental Unit and administered by the Finance Authority to pay the Loan Agreement Payments under this Loan Agreement as the same become due.

“Department” means the New Mexico Environment Department.

“Disbursement” means an amount caused to be paid by the Finance Authority for an Approved Requisition for costs of the Project, including the Expense Fund Component calculated on the basis of the amount of such Approved Requisition.

“Drinking Water Fundable Priority List” means the list of drinking water projects compiled by the Department pursuant to the Memorandum of Understanding and the Intended Use Plan.

“DWSRLF Act” means the general laws of the State, particularly the Drinking Water State Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, as amended, including NMSA 1978, §§ 3-31-1 through 3-31-12, as amended, and enactments of the Governing Body relating to this Loan Agreement including the Resolution.

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

“Environmental Protection Agency” means the United States Environmental Protection Agency.

“Event of Default” means one or more events of default as defined in Section 10.1 of this Loan Agreement.

“Expense Fund” means the expense fund hereby created to be held and administered by the Finance Authority to pay Expenses.

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

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

“Final Requisition” means the final requisition of moneys to be submitted by the Governmental Unit, which shall be submitted by the Governmental Unit on or before the date provided for in Section 4.1(b) of this Loan Agreement.

“Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, as determined on the basis of the Aggregate Repayable Disbursements.

“Finance Authority Act” means NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

“Fiscal Year” means the period commencing on July 1 of 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.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Governmental Unit consisting of the statements, determinations and other official pronouncements of the Government Accounting Standards Board, Financial Accounting Standards Board, Federal Accounting Standards Board or other principle-setting body acceptable to the Finance Authority establishing accounting principles applicable to the Governmental Unit.

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

“Gross Revenues” means all income and revenues directly or indirectly derived by the Governmental Unit from the operation and use of the System, or any part of the System, and includes, without limitation, all revenues received by the Governmental Unit, or any municipal corporation or agency succeeding to the rights of the Governmental Unit, from the System and from the sale and use of water services or facilities, or any other service, commodity or facility or any combination thereof furnished to the constituent public served by the Governmental Unit.

Gross Revenues do not include:

(a) Any money received as (i) grants or gifts from the United States of America, the State or other sources or (ii) the proceeds of any charge or tax intended as a replacement therefore or other capital contributions from any source which are restricted as to use;

(b) Gross receipts taxes, other taxes and/or fees collected by the Governmental Unit and remitted to other governmental agencies; and

(c) Condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

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

“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.

“Intended Use Plan” means the current plan prepared by the Finance Authority and the Department and approved by the Environmental Protection Agency pursuant to 42 U.S.C. Section 300j-12(b) which establishes criteria for extending drinking water improvements financial assistance to qualifying public drinking water utility systems.

“Interest Component” means the portion of each Loan Agreement Payment paid as interest accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of each disbursement.

“Interest Rate” means the rate of interest on this Loan Agreement as shown on the Term Sheet.

“Interim Period” means the period no greater than two (2) years, or a longer period as maybe approved by the Finance Authority as provided in Section 4.1(b) of the Agreement, beginning on the Closing Date, during which the Finance Authority will disburse moneys to the Governmental Unit to pay costs of the Project, unless extended pursuant to Section 4.1(b) of this Loan Agreement.

“Interim Loan Agreement Payment Schedule” means the anticipated schedule of Loan Agreement Payments due on this Loan Agreement following the Final Requisition, assuming disbursement of the entire Aggregate Program Amount within two (2) years of the Closing Date. The Interim Loan Agreement Payment Schedule is attached hereto as Exhibit ‘B’.

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to this Loan Agreement, up to the Maximum Principal Amount.

“Loan Agreement” means this loan and subsidy agreement and any amendments or supplements hereto, including the exhibits attached to this loan agreement.

“Loan Agreement Payment” means, collectively, the Principal Component, the Interest Component, cost of issuance, and the Administrative Fee Component to be paid by the Governmental Unit as payment on the Aggregate Repayable Disbursements under this Loan Agreement, as shown on Exhibit “B” hereto.

“Loan Agreement Payment Date” means each date a payment is due on this Loan Agreement as shown on the Interim Loan Agreement Payment Schedule, attached hereto as Exhibit “B”, or in the Final Loan Agreement Payment Schedule.

“Loan Agreement Principal Amount” means, as of any date of calculation, the Aggregate Repayable Disbursements then outstanding.

“Loan Agreement Term” means the term of this Loan Agreement as provided under Article III of this Loan Agreement.

“Maximum Forgiven Principal” means the maximum amount of loan subsidy available in the form of principal forgiveness, which is equal to seventy-five percent (75%) of the Maximum Principal Amount. The Maximum Forgiven Principal is one hundred thirty-one thousand forty-eight dollars (\$131,048).

“Maximum Repayable Principal” means the maximum amount of Aggregate Repayable Disbursements repayable by the Governmental Unit pursuant to this Loan Agreement, and is equal to the Maximum Principal Amount less the Maximum Forgiven Principal. The Maximum Repayable Principal, is forty-three thousand six hundred eighty-two dollars (\$43,682).

“Maximum Principal Amount” means one hundred seventy-four thousand seven hundred thirty dollars (\$174,730).

“Memorandum of Understanding” means the current memorandum of understanding by and between the Finance Authority and the Department pursuant to the DWSRLF Act describing and allocating duties and responsibilities in connection with the Drinking Water State Revolving Loan Fund.

“Net Revenues” means the Gross Revenues of the water utility system owned and operated by the Governmental Unit minus Operation and Maintenance Expenses of the System, indirect charges, amounts expended for capital replacements and repairs of the System, required set asides for debt and replacement requirements and any other payments from the gross revenues reasonably required for operation of the water utility system.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 compilation, as amended and supplemented from time to time.

“Operating Agreement” means the operating agreement entered into between the Finance Authority and the Environmental Protection Agency, Region 6, for the Drinking Water State Revolving Loan Fund program.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the System, for any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the System, including, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the Governmental Unit directly related and reasonably allocable to the administration of the System;

(b) Insurance premiums for the System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(c) Premiums, expenses and other costs (other than required reimbursements of insurance proceeds and other amounts advanced to pay debt service requirements on System bonds) for credit facilities;

(d) Any expenses described in this definition other than expenses paid from the proceeds of System bonds;

(e) The costs of audits of the books and accounts of the System;

(f) Amounts required to be deposited in any rebate fund;

(g) Salaries, administrative expenses, labor costs, surety bonds and the cost of water, materials and supplies used for or in connection with the current operation of the System; and

(h) Any fees required to be paid under any operation, maintenance and/or management agreement with respect to the System.

Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, franchise fees payable or other transfers to the Governmental Unit's general fund, liabilities incurred by the Governmental Unit as a result of its negligence or other misconduct in the operation of the System, any charges for the accumulation of reserves for capital replacements or any Operation and Maintenance Expenses payable from moneys other than Gross Revenues.

"Parity Obligations" means any obligations of the Governmental Unit under this 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 lien on the Pledged Revenues on a parity with this Loan Agreement, including any such obligations shown on the Term Sheet.

"Permitted Investments" means securities which are at the time legal investments of the Governmental Unit for the money to be invested, as applicable, including but not limited to the following if permitted by law: (i) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States, the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, federal home loan banks or the student loan marketing association or that are backed by the full faith and credit of the United States government; (ii) negotiable securities of the State; (iii) money market funds which invest solely in obligations described in clause (i) above which are rated in the highest rating category by Moody's Investors Service, Inc. or Standard & Poor's Ratings Services; and (iv) the State Treasurer's short-term investment fund created pursuant to NMSA 1978, § 6-10-10.1, as amended, and operated, maintained and invested by the office of the State Treasurer.

“Pledged Revenues” means the Net System Revenues of the Governmental Unit pledged to payment of the Loan Agreement Payments by the Resolution and this Loan Agreement and described in the Term Sheet.

“Principal Component” means the portion of each Loan Agreement Payment paid as principal on this Loan Agreement, based upon the Aggregate Repayable Disbursements, as shown on Exhibit “B” attached to this Loan Agreement.

“Project” means the project(s) described on the Term Sheet.

“Resolution” means Resolution No. _____ adopted by the Governing Body of the Governmental Unit on May 21, 2014, approving this Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet, as supplemented from time to time.

“Safe Drinking Water Act” means 42 U.S.C. §§ 300f et seq.

“Senior Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues superior to the lien created by this Loan Agreement, including any such obligations shown on the Term Sheet.

“Service Area” means the area served by the System, whether situated within or without the limits of the Governmental Unit.

“State Environmental Review Process” or “SERP” means the environmental review process adopted by the Finance Authority, as required by and approved by the Environmental Protection Agency, pursuant to the Operating Agreement.

“Subordinated Obligations” means any bonds or other obligations of the Governmental Unit now outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the lien created by this Loan Agreement and subordinate to any other outstanding Parity Obligations having a lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

“Subsidy” means the subsidy in the form of principal forgiveness for the Governmental Unit, to be applied proportionally at the time of each Disbursement to the Governmental Unit, being seventy-five percent (75%) of such Disbursement.

“System” means the public utility designated as the Governmental Unit’s water system, and all improvements or additions thereto, including additions and improvements to be acquired or constructed with the proceeds of this Loan Agreement.

“Term Sheet” means Exhibit “A” attached to this Loan Agreement.

“Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum Principal Amount exceeds the Aggregate Disbursements at the time the Governmental Unit submits the certificate of completion required pursuant to Section 6.3 of this Loan Agreement.

“Utility Revenue Bonds” means all bonds and other similar indebtedness payable solely or primarily from the Pledged Revenues, including this Loan Agreement, and any Senior Obligations, Parity Obligations and Subordinated Obligations.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Governmental Unit.
The Governmental Unit represents, covenants and warrants as follows:

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Loan Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Loan Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Governmental Unit by the provisions of this Loan Agreement and the Resolution shall be exercised or performed by the Governmental Unit or by such members, officers, or officials of the Governmental Unit as may be required by law to exercise such powers and to perform such duties.

(b) Authorization of Loan Agreement. The Governmental Unit is an incorporated municipality, a political subdivision of the State, and is duly organized and existing under the statutes and laws of the State, including specifically the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11, as amended. The Governmental Unit is a local authority as defined in the DWSRLF Act. The Governmental Unit is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder and thereunder. The Governmental Unit has duly authorized and approved the execution and delivery of this Loan Agreement and the other documents related to the transaction.

(c) Use of Loan Agreement Proceeds. The Governmental Unit shall proceed without delay in applying the Aggregate Program Amount, pursuant to Section 6.1 of this Loan Agreement to the acquisition and completion of the Project and to no other purpose, as follows:

(i) The Governmental Unit shall requisition moneys to pay for the costs of the Project not less frequently than quarterly following the Closing Date;

(ii) The Governmental Unit shall, within two (2) years after the Closing Date, have requisitioned the Aggregate Program Amount, or such portion thereof as

shall be necessary to complete the Project, unless an extension is agreed to pursuant to Section 4.1(b) of this Loan Agreement.

(d) Payment of Loan Agreement Payments. The Governmental Unit shall promptly pay Loan Agreement Payments, as specified in the Interim Loan Agreement Payment Schedule or the Final Loan Agreement Payment Schedule, as applicable, according to the true intent and meaning of this Loan Agreement. Loan Agreement Payments are payable solely from Pledged Revenues or from the proceeds of refunding bonds or other refunding obligations which the Governmental Unit may hereafter issue in its sole discretion and which are payable from Pledged Revenues; and nothing in this Loan Agreement shall be construed as obligating the Governmental Unit to pay Loan Agreement Payments from any general or other fund of the Governmental Unit other than such special funds. Nothing contained in this Loan Agreement, however, shall be construed as prohibiting the Governmental Unit, in its sole and absolute discretion, from making such payments from any moneys which may be lawfully used, and which are legally available, for that purpose.

(e) Acquisition and Completion of Project; Compliance with Laws. The Project will be acquired and completed so as to comply with all applicable ordinances, resolutions and regulations, if any, and any and all applicable laws relating to the acquisition and completion of the Project and to the use of the Pledged Revenues

(f) Necessity of Project. The acquisition and completion of the Project under the terms and conditions provided for in this Loan Agreement is necessary, convenient and in furtherance of the governmental purposes of the Governmental Unit and is in the best interests of the Governmental Unit and the public it serves.

(g) Legal, Valid and Binding Obligation. The Governmental Unit has taken all required action necessary to authorize the execution and delivery of this Loan Agreement. This Loan Agreement constitutes a legal, valid and binding special obligation of the Governmental Unit enforceable in accordance with its terms.

(h) Loan Agreement Term. The Loan Agreement Term does not exceed the anticipated useful life of the Project.

(i) Use of Project. During the Loan Agreement Term, the Project will at all times be used for the purpose of benefiting the Governmental Unit and the public it serves.

(j) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions in this Loan Agreement, nor the consummation of the transactions contemplated herein, conflicts with or results in a breach of terms, conditions or provisions of any restriction or any agreement or instrument to which the Governmental Unit is a party or by which the Governmental Unit is bound or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Governmental Unit or its properties are subject, or constitutes a default under any of the foregoing.

(k) Irrevocable Enactments. While this Loan Agreement remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of this Loan Agreement shall be irrevocable until this Loan Agreement has been paid in full as to both principal and interest, and shall not be subject to amendment or modification in any manner which would in any way jeopardize the timely payment of Loan Agreement Payments.

(l) Outstanding and Additional Debt. Except for any Senior Obligations, and any Parity Obligations described on the Term Sheet, there are currently no outstanding bonds, notes or other obligations of the Governmental Unit which are payable from and secured by a lien on the Pledged Revenues superior to or on a parity with the lien of this Loan Agreement. No additional indebtedness, bonds or notes of the Governmental Unit, payable on a priority ahead of the indebtedness herein authorized out of Pledged Revenues, shall be created or incurred while this Loan Agreement remains outstanding without the prior written approval of the Finance Authority.

(m) No Litigation. To the knowledge of the Governmental Unit, no litigation or proceeding is pending or threatened against the Governmental Unit or any other person affecting the right of the Governmental Unit to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. Neither the execution and delivery of this Loan Agreement by the Governmental Unit nor compliance by the Governmental Unit with the obligations under this Loan Agreement requires the approval of any regulatory body, or any other entity, which approval has not been obtained or which is not reasonably expected to be obtained.

(n) No Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Loan Agreement, would constitute an Event of Default on the part of the Governmental Unit under this Loan Agreement.

(o) Pledged Revenues Not Budgeted. The portion of the Pledged Revenues necessary to pay the Loan Agreement Payments, as and when due, is not needed or budgeted to pay current or anticipated operational or other expenses of the Governmental Unit.

(p) Expected Coverage Ratio. The projected Pledged Revenues from the Fiscal Year immediately preceding the Closing Date, calculated as provided in the Finance Authority's Drinking Water Revolving Fund Loan Management Policies, were equal to or exceeded and, on an ongoing basis during each year of the Loan Agreement Term are reasonably expected to equal or exceed, one hundred thirty percent (130%) of the maximum annual principal and interest due on all outstanding Parity Obligations of the Governmental Unit.

(q) Governmental Unit's Existence. The Governmental Unit will maintain its corporate identity and existence so long as this Loan Agreement is unpaid, unless another political subdivision by operation of law succeeds to the liabilities and rights of the Governmental Unit without adversely affecting to any substantial degree the privileges and rights of the Finance Authority.

(r) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the Finance Authority, as the Finance Authority may require, that shall include, but not be limited to: Project documents, annual audits, operational data required to update information in any disclosure documents used in connection with assignment or securitizing the Loan Agreement or the Loan Agreement Payments by issuance of Bonds by the Finance Authority, and notification of any event deemed material by the Finance Authority. For the purposes of this Loan Agreement, a material event shall include, without limitation, any violation or alleged violation by a state or federal agency of appropriate jurisdiction, of federal law, regulation, or policy which governs or applies to participants in the Drinking Water State Revolving Loan Fund.

(s) Single Audit Act Requirement. The Governmental Unit acknowledges that the funding provided pursuant to this Loan Agreement is derived in large part from federal grants to the Drinking Water State Revolving Loan Fund program pursuant to the Operating Agreement. During the Loan Agreement Term, the Governmental Unit shall annually cause an audit of the books and accounts of its operations in their entirety, or in the alternative an audit of the books and accounts of each of its departments, agencies and other organizational units which expended or otherwise administered the Loan or any other funds derived from the government of the United States, to be completed by an Independent Accountant in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. Section 7501 et seq.), and applicable regulations thereunder. The audit will be available for inspection by the Finance Authority and by the Environmental Protection Agency.

(t) Construction Requirements. The Governmental Unit shall require any contractor hired by it in connection with the construction of the Project to post a performance and payment bond as provided by NMSA 1978, § 13-4-18, as amended.

Section 2.2 Protective Covenants Regarding Operation of the System. The Governmental Unit further represents, covenants and warrants as follows:

(a) Rate Covenant. The Governmental Unit covenants that it will at all times fix, charge and collect such rates and charges as shall be required in order that in each Fiscal Year in which the Loan is outstanding the Gross Revenues shall at least equal the Operation and Maintenance Expenses of the System for the Fiscal Year, plus one hundred thirty percent (130%) of the maximum annual principal and interest payments due on all outstanding Parity Obligations.

(b) Efficient Operation. The Governmental Unit will maintain the System in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the System as may be necessary or advisable for its economical and efficient operation at all times and to supply reasonable public and private demands for System services within the Service Area of the System.

(c) Records. So long as this Loan Agreement remains outstanding, proper books of record and account will be kept by the Governmental Unit, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the

System. However, pursuant to NMSA 1978, § 6-14-10(E) , as amended, records with regard to the ownership or pledge of Utility Revenue Bonds are not subject to inspection or copying.

(d) Right to Inspect. The Finance Authority, or its duly authorized agents, shall have the right to inspect at all reasonable times the Project and all records, accounts and data relating to the Project, the Pledged Revenues, and the System.

(e) Audits. Within two hundred seventy (270) days following the close of each Fiscal Year, the Governmental Unit will cause an audit of the books and accounts of the System and its separate systems to be made by an Independent Accountant and the audit to be made available for inspection by the Finance Authority. Each audit of the System shall comply with Generally Accepted Accounting Principles. The audit required by this section may, at the Governmental Unit's discretion, be performed as a part of or in conjunction with the audit required under the Single Audit Act as set forth in Section 2.1(s) of this Loan Agreement.

(f) Billing Procedure. Bills for water service or facilities, furnished by or through the System shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by the applicable ordinance of the Governmental Unit. To the extent permitted by law, if a bill is not paid within the period of time required by such ordinance, water service shall be discontinued as required by Governmental Unit regulation, policy or ordinance, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection. Water and sanitary sewer utility services may be billed jointly with each other, provided that each such joint bill shall show separately the water and sanitary sewer utility charges.

(g) Charges and Liens Upon System. The Governmental Unit will pay when due from Gross Revenues or other legally available funds all taxes and assessments or other municipal or governmental charges, lawfully levied or assessed upon the System and will observe and comply with all valid requirements of any municipal or governmental authority relating to the System. The Governmental Unit will not create or permit any lien or charge upon the System or the Gross Revenues or it will make adequate provisions to satisfy and discharge within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the System or the Gross Revenues. However, the Governmental Unit shall not be required to pay or cause to be discharged, or make provision for any tax assessment, lien or charge before the time when payment becomes due or so long as the validity thereof is contested in good faith by appropriate legal proceedings and there is no adverse effect on Finance Authority.

(h) Insurance. Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, in its operation of the System, the Governmental Unit will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the System and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the Governing Body, prudent and reasonable taking into account, but

not being controlled by, the amounts and types of insurance or self-insured programs provided by entities which operate systems such as the System. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the Governmental Unit may have a material interest and of which the Governmental Unit may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the Governmental Unit determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance. In the event of property loss or damage to the System, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged and thereafter, and any remainder may be used to redeem Utility Revenue Bonds or be treated as Gross Revenues and used in any legally permissible manner.

(i) Competing Utility System. Unless contrary to any provision of, or required by, applicable law, as long as this Loan Agreement is outstanding, the Governmental Unit prior to granting any franchise or license to a competing utility system, or permitting any person, association, firm or corporation to sell similar utility services or facilities to any consumer, public or private, within the Service Area of the System, shall obtain a written report from an independent utility rate consultant stating that in the opinion of the consultant the use charges in effect immediately prior to the approval of the franchise or license by the Governmental Unit are sufficient to meet the requirement of section 2.1(p) (expected coverage ratio) for the first full calendar year after the approval of the franchise or license, based on the new Service Area of the System.

(j) Alienating System. While this Loan Agreement is outstanding, the Governmental Unit shall not transfer, sell or otherwise dispose of the System, except that the Governmental Unit may dispose of inadequate, obsolete or worn out property. For purposes of this Section, any transfer of an asset over which the Governmental Unit retains or regains substantial control shall, for so long as the Governmental Unit has such control, not be deemed a disposition of the System.

(k) Management of the System. If an event of default shall occur or if the Pledged Revenues in any Fiscal Year fail to equal principal and interest due on the Senior Obligations and the Parity Obligations, the Governmental Unit shall retain an independent consultant qualified in the management of water and wastewater utility systems to assist in the management of the System so long as such default continues.

(l) Competent Management. The Governmental Unit shall employ experienced and competent personnel to manage the System.

(m) Performing Duties. The Governmental Unit will faithfully and punctually perform all duties with respect to the System required by the Constitution and laws of the State and the regulations, policies or ordinances and resolutions of the Governmental Unit relating to the System and this Loan Agreement, including, but not limited to, making and collecting reasonable and sufficient rates and charges for services rendered or furnished by the System as

required by this Loan Agreement and the proper segregation and application of the Gross Revenues.

(n) Other Liens. Except for any Senior Obligations and Parity Obligations listed in the Term Sheet, there are no liens or encumbrances of any nature whatsoever, on or against the System or the Gross Revenues or Net Revenues on parity with or senior to the lien of this Loan Agreement.

Section 2.3 Representations, Covenants and Warranties of the Finance Authority. The Finance Authority represents, covenants and warrants for the benefit of the Governmental Unit:

(a) Authorization of Loan Agreement. The Finance Authority has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Loan Agreement and has duly authorized the execution and delivery of this Loan Agreement.

(b) No Breach or Default Caused by Loan Agreement. Neither the execution and delivery of this Loan Agreement, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, nor the consummation of the transactions contemplated in this Loan Agreement, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Finance Authority is a party or by which the Finance Authority is bound or constitutes a default under any of the foregoing and will not conflict with or constitute a violation of any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Finance Authority, or its property and which conflict or violation will have a material adverse effect on the Finance Authority or the financing of the Project.

(c) No Litigation. To the knowledge of the Finance Authority, there is no litigation or proceeding pending or threatened against the Finance Authority or any other person affecting the right of the Finance Authority to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. To the knowledge of the Finance Authority, neither the execution and delivery of this Loan Agreement by the Finance Authority, nor compliance by the Finance Authority with its obligations under this Loan Agreement, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

(d) Legal, Valid and Binding Obligations. This Loan Agreement constitutes a legal, valid and binding obligation of the Finance Authority enforceable in accordance with its terms.

ARTICLE III

LOAN AGREEMENT TERM

The Loan Agreement Term shall commence on the Closing Date and shall not terminate until the Governmental Unit's obligations under this Loan Agreement have been paid in full or provision for payment of this Loan Agreement has been made pursuant to Article VIII hereof.

ARTICLE IV

LOAN; APPLICATION OF MONEYS

Section 4.1 Application of Loan Agreement Proceeds.

(a) On the Closing Date, the amount shown on the Term Sheet as the Aggregate Program Amount shall be made available for disbursement by the Finance Authority to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement at the request of the Governmental Unit and as needed by the Governmental Unit to implement the Project.

(b) The Final Requisition shall be submitted by the Governmental Unit within two (2) years following the Closing Date, except only as otherwise approved in writing by an Authorized Officer of the Finance Authority, based on the Governmental Unit's demonstration, to the reasonable satisfaction of the Authorized Officer of the Finance Authority, that unanticipated circumstances beyond the control of the Governmental Unit resulted in delaying the acquisition and completion of the Project, and submission of the Governmental Unit's Final Requisition.

Section 4.2 Disbursements; Approval of Payment Requests. The Governmental Unit shall transmit payment requisitions in the form attached to this Loan Agreement as Exhibit "C" and the supporting documentation required pursuant to Exhibit "C" to the Finance Authority. The Finance Authority or its designee shall review each requisition for compliance with (i) the Project's construction plans and specifications and (ii) all applicable state and federal laws, rules and regulations, and shall approve or disapprove the requisition accordingly. The Finance Authority shall cause Approved Requisitions to be paid from the State Drinking Water Revolving Loan Fund.

Section 4.3 Expense Fund Deposit. The Finance Authority shall determine the amount of the Expense Fund Component at the time of each payment to the Governmental Unit pursuant to Section 6.2 of this Loan Agreement and deposit such amount to the Expense Fund.

ARTICLE V

LOAN TO THE GOVERNMENTAL UNIT; PAYMENTS BY THE GOVERNMENTAL UNIT

Section 5.1 Loan to the Governmental Unit; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The Finance Authority hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the Finance Authority an amount not to exceed the Maximum Principal Amount. The Governmental Unit promises to pay, but solely from the sources pledged herein, the Loan Agreement Payments as herein provided. Subject to any outstanding Parity Obligations and Senior Obligations, the Governmental Unit does hereby grant a lien on and a security interest in and does hereby convey, assign and pledge unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Governmental Unit in and to (i) the Pledged Revenues to the extent required to pay the Loan

Agreement Payments on a parity with any Parity Obligations and subordinate to any Senior Obligations, (ii) the Debt Service Account, and (iii) all other rights hereinafter granted, for the securing of the Governmental Unit's obligations under this Loan Agreement, including payment of the Loan Agreement Payments, provided, however, that if the Governmental Unit, its successors or assigns, shall pay, or cause to be paid, all Loan Agreement Payments at the time and in the manner contemplated by this Loan Agreement, or shall provide as permitted by Article VIII of this Loan Agreement for the payment thereof, and shall pay all other amounts due or to become due under this Loan Agreement in accordance with its terms and provisions then, upon such final payment, this Loan Agreement and the rights created thereby shall terminate; otherwise, this Loan Agreement shall remain in full force and effect. The Loan Agreement Payments shall, in the aggregate, be sufficient to pay the Aggregate Repayable Disbursements, as set forth in the Final Loan Agreement Payment Schedule.

Within five (5) days after each payment of an Approved Requisition during the Interim Period, the Finance Authority shall recalculate on the basis of the Aggregate Repayable Disbursements to that date the Interest Component and Administrative Fee Component next coming due and shall provide written notice to the Governmental Unit of the recalculated Interest Component and Administrative Fee Component. Within thirty (30) days after the final disbursement, the Finance Authority shall provide a Final Loan Agreement Payment Schedule. The schedule of Loan Agreement Payments, assuming the disbursal of the entire Aggregate Program Amount within two (2) years after the Closing Date, identified as the Interim Loan Agreement Payment Schedule, is attached to this Loan Agreement as Exhibit "B". The Finance Authority shall provide a Final Loan Agreement Payment Schedule following the final disbursement which shall supersede the schedule attached as Exhibit "B".

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Governmental Unit and the Finance Authority acknowledge and agree that the sources of the Loan Agreement Payments of the Governmental Unit hereunder are limited to the Pledged Revenues, and that the Loan Agreement shall constitute a special, limited obligation of the Governmental Unit. No provision of this Loan Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Governmental Unit or the State within the meaning of any constitutional or statutory debt limitation. No provision of this Loan Agreement shall be construed to pledge or to create a lien on any class or source of Governmental Unit moneys other than the Pledged Revenues, nor shall any provision of this Loan Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Governmental Unit moneys other than the Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Governmental Unit hereunder, the Pledged Revenues may be utilized by the Governmental Unit for any other purposes permitted by law and the laws of the State.

Section 5.2 Payment Obligations of Governmental Unit. The Debt Service Account shall be established and held by the Finance Authority or its designee on behalf of the Governmental Unit. All Loan Agreement Payments received by the Finance Authority or its designee pursuant to this Loan Agreement, shall be accounted for and maintained by the Finance Authority or its designee in the Debt Service Account, which account shall be kept separate and apart from all other accounts of the Finance Authority. The amounts on deposit in the Debt

Service Account shall be expended and used by the Finance Authority only in the manner and order of priority specified herein.

(a) As a first charge and lien, but not an exclusive first charge and lien, on the Pledged Revenues (on a parity with the lien on the Pledged Revenues created by any outstanding Parity Obligations), the Government Unit shall remit to the Finance Authority and the Finance Authority shall collect and deposit into the Debt Service Account from the Government Unit the Pledged Revenues, in the manner specified herein.

(i) Payment of Interest Component and Administrative Fee Component during Interim Period.

(A) During the Interim Period, Interest and Administrative Fees shall accrue on the amount of Aggregate Repayable Disbursements, from the date of each Disbursement.

(B) During the Interim Period the Governmental Unit shall monthly, commencing on the first day of the month next following the first payment by the Finance Authority of an Approved Requisition, pay to the Finance Authority for deposit into the Debt Service Account such amount as is necessary, in monthly installments, to pay the Interest Component and Administrative Fee Component on the Aggregate Repayable Disbursements as of each Loan Agreement Payment Date.

(ii) Loan Agreement Payments Following the Interim Period. After the Interim Period, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account the following amounts:

(A) Interest and Administrative Fee Components. Monthly, commencing on the first day of the month next following the final disbursement, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Interest Component and Administrative Fee Component coming due on this Loan Agreement and monthly thereafter, commencing on each Loan Agreement Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing Interest Component and Administrative Fee Component on this Loan Agreement as described in the Final Loan Agreement Payment Schedule.

(B) Principal Payments. Monthly, commencing on the first day of the month next following the final disbursement, the Governmental Unit shall pay to the Finance Authority for deposit into the Debt Service Account an amount in equal monthly installments which is necessary to pay the first maturing Principal Component; and thereafter on the first day of each month thereafter, one-twelfth (1/12) of the amount which is necessary to pay the next maturing Principal Component on this Loan Agreement during the Loan Agreement Term, as described in the Final Loan Agreement Payment Schedule.

(iii) Method of Payment. The Governmental Unit shall transfer each month to the Finance Authority, from Pledged Revenues, the amounts set forth in Subsections (i)(C), (ii)(A) and (ii)(B) of this Section 5.2(a) during the time that this Loan Agreement is outstanding, provided, that in the event of any default in making the Loan Agreement Payments by the Governmental Unit, the Finance Authority shall be entitled to seek payment of the amounts due through any of the remedies provided in Article X of this Loan Agreement.

(b) In the event that the balance of payments held in the Debt Service Account should exceed the amount needed to cover Loan Agreement Payments then due, the Finance Authority shall use the balance of the Pledged Revenues received, at the request of the Governmental Unit (i) to credit against upcoming Loan Agreement Payments, or (ii) to distribute to the Governmental Unit for any other purpose permitted by law.

Section 5.3 Manner of Payment. All payments of the Governmental Unit hereunder shall be paid in lawful money of the United States of America to the Finance Authority or its designee at the address designated in Section 11.1 of this Loan Agreement. The obligation of the Governmental Unit to make payments hereunder, from and to the extent of the available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Governmental Unit, the Finance Authority or its designee, any vendor or any other person, the Governmental Unit shall make all deposits hereunder, from and to the extent of the available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Governmental Unit assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 5.4. Additional Parity Obligations Payable From Pledged Revenues. No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Loan Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund Subordinated Obligations as provided in Section 5.5 hereof), it must be determined that:

(a) The Governmental Unit is then current in all of the accumulations required to be made into the Debt Service Account as provided in this Loan Agreement.

(b) No default shall exist in connection with any of the covenants or requirements of the Resolution or this Loan Agreement.

(c) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any twelve (12) consecutive months out of the twenty-four (24) months preceding the date of issuance of such additional Parity Obligations (the "Historic Test Period") shall have been sufficient to pay an amount representing one hundred thirty percent (130%) of the combined maximum annual principal, interest requirement and the Administrative Fee

Component coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

(d) A written certification or opinion by the Governmental Unit's treasurer or chief financial officer or by an Independent Accountant that the Pledged Revenues for the Historic Test Period are sufficient to pay said amounts, shall be conclusively presumed to be accurate in determining the right of the Governmental Unit to authorize, issue, sell and deliver the Parity Obligations proposed to be issued.

(e) No provision of this Loan Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Loan Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Loan Agreement as permitted by Section 5.5 hereof.

(f) The Governmental Unit shall not issue bonds or other obligations payable from the Pledged Revenues having a lien thereon prior or superior to this Loan Agreement, without the written approval of the Finance Authority.

Section 5.5 Refunding Obligations Payable from Pledged Revenues. The provisions of Section 5.4 hereof are subject to the following exceptions:

(a) If at any time after the Closing Date, while this Loan Agreement, or any part thereof, is outstanding, the Governmental Unit shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, this Loan Agreement, such bonds or other obligations, or any part thereof, may be refunded (but the holders of this Loan Agreement or bonds to be refunded may not be compelled to surrender this Loan Agreement or their bonds, unless this Loan Agreement, the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the Governmental Unit's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in subparagraph (f) of Section 5.4 hereof and in subparagraphs (b) and (c) of this Section 5.5.

(b) No refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity with this Loan Agreement unless:

(i) The outstanding obligations so refunded have a lien on the Pledged Revenues on a parity with the lien thereon of this Loan Agreement and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 of this Loan Agreement.

(c) The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of this Loan Agreement or any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of this Loan Agreement or the bonds or other obligations of this same issue refunded thereby. If only a part of this Loan Agreement or the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless:

(i) The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such last maturity date of such unrefunded obligations; or

(ii) The refunding bonds or other refunding obligations are issued in compliance with subparagraphs (a) through (f) of Section 5.4 hereof; or

(iii) The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

(d) Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the Governmental Unit may provide by ordinance or resolution, but without any impairment of any contractual obligations imposed upon the Governmental Unit by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including, but not necessarily limited to, this Loan Agreement).

Section 5.6 Investment of Governmental Unit Funds. Money on deposit in the Debt Service Account created hereunder may be invested by the Finance Authority or its designee in Permitted Investments at the written direction of the Governmental Unit or, in the absence of such written direction of the Governmental Unit, at the discretion of the Finance Authority. Any earnings on Permitted Investments shall be held and administered in the Debt Service Account and utilized in the same manner as the other moneys on deposit therein for the benefit of the Governmental Unit.

Section 5.7 Governmental Unit May Budget for Payments. The Governmental Unit may, in its sole discretion, but without obligation and subject to the Constitution of the State, governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to defray any insufficiency of Pledged Revenues to pay Loan Agreement Payments; provided, however, the Governmental Unit has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

ARTICLE VI

THE PROJECT

Section 6.1 Agreement to Acquire and Complete the Project. The Governmental Unit hereby agrees that in order to effectuate the purposes of this Loan Agreement and to effectuate the acquisition and completion of the Project, it shall make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and, in general do all things which may be requisite or proper to acquire and complete the Project.

The Governmental Unit agrees to acquire and complete the Project through the application of moneys to be disbursed by the Finance Authority pursuant to Section 6.2 of this Loan Agreement.

Section 6.2 Disbursements. So long as no Event of Default shall occur, the Finance Authority or its designee shall disburse moneys to pay a requisition upon receipt and approval by the Finance Authority or its designee of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Governmental Unit, with required supporting documentation.

Section 6.3 Completion of the Acquisition of the Project. Upon completion of the acquisition of the Project, an Authorized Officer of the Governmental Unit shall deliver a certificate to the Finance Authority, substantially in the form of Exhibit "D" attached hereto, stating that, to his or her knowledge, the acquisition of the Project has been completed and the Project has been accepted by the Governmental Unit, and all costs have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 6.4 Unrequisitioned Amounts. In the event that, (1) at the time of the delivery of the certificate of completion required by Section 6.3 hereof, there remains an Unrequisitioned Principal Amount, or (2) the Finance Authority shall not have received a Final Requisition, by the date that is two (2) years from the Closing Date, unless an extension is approved pursuant to Section 4.1(b) of this Loan Agreement, then the Governmental Unit shall have no right or title to the Unrequisitioned Principal Amount, nor any right to pledge, encumber or draw upon such Unrequisitioned Principal Amount, and the Finance Authority will not approve, honor, or enforce any requisition upon such Unrequisitioned Principal Amount pursuant to this Loan Agreement.

ARTICLE VII

COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 7.1 Further Assurances and Corrective Instruments. The Finance Authority and the Governmental Unit agree that they will, from time to time, execute, acknowledge and

deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project or of the Pledged Revenues, or for otherwise carrying out the intention hereof. Authorized Officers are authorized to execute, acknowledge and deliver any such supplements and further instruments.

Section 7.2 Finance Authority and Governmental Unit Representatives. Whenever under the provisions hereof the approval of the Finance Authority or the Governmental Unit is required, or the Governmental Unit or the Finance Authority is required to take some action at the request of the other, such approval or such request shall be given for the Finance Authority or for the Governmental Unit by an Authorized Officer of the Finance Authority or the Governmental Unit, as the case may be, and any party hereto shall be authorized to rely and act on any such approval or request.

Section 7.3 Compliance with Court Orders. During the Loan Agreement Term, the Governmental Unit and the Finance Authority shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the parties hereto, the Project or the Pledged Revenues.

Section 7.4 Compliance with Applicable State and Federal Laws. During the Loan Agreement Term, the Governmental Unit shall comply with all applicable State and federal laws, including, without limitation, the following:

(a) For all contracts, the Governmental Unit shall comply with the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, or its local procurement ordinances and regulations, as applicable.

(b) For all construction contracts awarded in excess of \$10,000, the Governmental Unit shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 12, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapters 40 and 60). In addition, for all contracts, the Governmental Unit shall comply with all State laws and regulations and all executive orders of the Governor of the State pertaining to equal employment opportunity.

(c) For all contracts awarded for construction or repair, the Governmental Unit shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874) as supplemented in Department of Labor regulations (29 C.F.R. part 3).

(d) For all construction subcontracts, and subgrants of amounts in excess of \$100,000, the Governmental Unit shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 7606), Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. Part 15). In addition, for all contracts, the Contractor shall comply with all applicable State laws and regulations and with all executive orders of the Governor of the State pertaining to protection of the environment.

(e) For all contracts the Governmental Unit shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with section 362 of the Energy Policy and Conservation Act (42 U.S.C. § 6322).

(f) For all contracts in excess of \$2,000 the Governmental Unit shall comply with applicable standards of the Davis-Bacon Wage Act (40 U.S.C. § 3141 et seq.), as amended and supplemented, relating to wages paid to laborers and mechanics employed by contractors and sub-contractors on a Project funded directly by or assisted in whole or in part by and through the Governmental Unit.

(g) For all contracts, the Governmental Unit shall comply with the requirements of the Environmental Protection Agency's Program for Utilization of Minority and Women's Business Enterprises set out in Title 40, Chapter I, Subchapter B, Part 33 of the Code of Federal Regulations.

(h) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order 13502 on Use of Project Agreements for Federal Construction Projects.

(i) For all contracts, the Governmental Unit shall comply with the requirements of Executive Order dated September 25, 2012 on Strengthening Protections Against Trafficking in Persons in Federal Contracts.

(j) For all contracts, the Governmental Unit shall comply with all federal requirements applicable to the Loan (including those imposed by the 2014 Appropriations Act and related SRF Policy Guidelines) which the Governmental Unit understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Governmental Unit has requested and obtained a waiver from the Finance Authority pertaining to the Project or (ii) the Finance Authority has otherwise advised the Governmental Unit in writing that the American Iron and Steel Requirement is not applicable to the Project.

(k) For all contracts, the Governmental Unit shall comply with all record keeping and reporting requirements under the Clean Water Act/Safe Drinking Water Act, including any reports required by a Federal agency or the Finance Authority such as performance indicators of program deliverables, information on costs and project progress. The Governmental Unit understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act/Safe Drinking Water Act and this Agreement may be a default under this Agreement.

(l) For all contracts, the Governmental Unit shall comply with Executive Order 12549 – Debarment and Suspension and all rules, regulations and guidelines issued pursuant to Executive Order 12549, including compliance with the requirement that each prospective participant in transactions related to the Loan execute a written certification that

neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in transactions related to the Loan.

The Finance Authority or its designee shall have the right to review all contracts, work orders and other documentation related to the Project that it deems necessary to assure compliance with applicable laws, rules and regulations, and may conduct such review as it deems appropriate prior to disbursing funds for payment of an Approved Requisition.

Section 7.5 First Lien Status. The Loan Agreement Payments constitute an irrevocable first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. The Governmental Unit covenants that the Loan Agreement Payments and any Parity Obligations herein authorized to be issued and from time to time outstanding shall be equitably and ratably secured by a first lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of such obligations, it being the intention of the Governmental Unit that there shall be no priority between the Loan Agreement Payments and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times.

Section 7.6 Expeditious Completion. The Governmental Unit shall complete the Project with all practical dispatch.

ARTICLE VIII

PREPAYMENT OF LOAN AGREEMENT PAYMENTS

The Governmental Unit is hereby granted the option to prepay the Principal Component of this Loan Agreement in whole or in part on any day without penalty or prepayment premium, beginning one (1) year after the Closing Date. The Governmental Unit may designate the due date or due dates of the Principal Component or portions thereof being prepaid in the event of a partial prepayment. Any such prepayment shall include accrued interest to the redemption date of the corresponding Bonds to be redeemed, if any, and notice of intent to make such prepayment shall be provided to the Finance Authority or its designee by the Governmental Unit no less than forty-five (45) days prior to the prepayment date. The Finance Authority or its designee shall recalculate the Loan Agreement Payments due under this Loan Agreement in the event of a partial prepayment in a manner which is consistent with the manner in which the Bonds, if any, are prepaid.

ARTICLE IX

INDEMNIFICATION

From and to the extent of the Pledged Revenues and to the extent permitted by law, the Governmental Unit shall and hereby agrees to indemnify and save the Finance Authority and its designee, if any, harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition or operation of the Project during the Loan Agreement Term, from: (i) any act of negligence of the Governmental Unit or breach of

any covenant or warranty by the Governmental Unit hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition or operation of the Project in excess of the Loan Agreement proceeds and interest on the investment of the Loan Agreement proceeds. The Governmental Unit shall indemnify and save the Finance Authority and its designee, if any, harmless, from and to the extent of the available Pledged Revenues and to the extent permitted by law, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Finance Authority or its designee, shall defend the Finance Authority or its designee, if any, in any such action or proceeding.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an Event of Default under this Loan Agreement:

(a) Failure by the Governmental Unit to pay any amount required to be paid under this Loan Agreement on the date on which it is due and payable; or

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Unit by the Finance Authority or its designee, if any, unless the Finance Authority or its designee, as applicable, shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Finance Authority or its designee but cannot be cured within the applicable thirty (30) day period, the Finance Authority or its designee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Governmental Unit is unable to carry out the agreements on its part herein contained, the Governmental Unit shall not be deemed in default under this paragraph (b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default); or

(c) Any warranty, representation or other statement by or on behalf of the Governmental Unit contained in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement is false or misleading in any material respect; or

(d) A petition is filed against the Governmental Unit under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within thirty (30) days after such filing, but the Finance Authority shall have the right to intervene in the proceedings to protect the Finance Authority's interests; or

(e) The Governmental Unit files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or,

(f) The Governmental Unit admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Governmental Unit for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Finance Authority shall have the right to intervene in the proceedings to protect its interests.

Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, the Finance Authority may take any or all of the following actions as may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any agreement of the Governmental Unit in this Loan Agreement:

(a) By mandamus or other action or proceeding or suit at law or in equity to enforce the rights of the Finance Authority under this Loan Agreement against the Governmental Unit, and compel the Governmental Unit to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein; or

(b) By suit in equity enjoin any acts or things which are unlawful or violate the rights of the Finance Authority; or

(c) Intervene in judicial proceedings that affect this Loan Agreement or the Pledged Revenues; or

(d) Cause the Governmental Unit to account as if it were the trustee of an express trust for all of the Pledged Revenues and Aggregate Disbursements (except the Expense Fund Component); or,

(e) Take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Loan Agreement or enforce any other of its rights thereunder.

Section 10.3 Limitations on Remedies. A judgment requiring a payment of money entered against the Governmental Unit may reach only the available Pledged Revenues.

Section 10.4 No Remedy Exclusive. Subject to Section 10.3 of this Loan Agreement, no remedy herein conferred upon or reserved to the Finance Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or

shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Finance Authority to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. The Finance Authority may in its discretion waive any Event of Default hereunder and the consequences of an Event of Default by written waiver; provided, however, that there shall not be waived (i) any Event of Default in the payment of principal of this Loan Agreement at the date when due as specified in this Loan Agreement, or (ii) any default in the payment when due of the interest on this Loan Agreement, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by this Loan Agreement on all arrears of payment of principal and all expenses of the Finance Authority, in connection with such Event of Default shall have been paid or provided. Such waiver shall be effective only if made by written statement of waiver issued by the Finance Authority. In case of any such waiver or rescission, or in case any proceeding taken by the Finance Authority on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Finance Authority shall be restored to its former position and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be in writing and limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses Related to Defaults. In the event that the Governmental Unit should default under any of the provisions hereof and the Finance Authority employs attorneys or incurs other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Governmental Unit contained in this Loan Agreement, the Governmental Unit agrees that it shall on demand therefor pay to the Finance Authority the fees of such attorneys and such other expenses so incurred, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Governmental Unit under this Section shall be limited to expenditures from and to the extent of the available Pledged Revenues.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows:

If to the Governmental Unit, then to:

City of Las Vegas

Attn: City Manager
1700 North Grand Ave.
Las Vegas, New Mexico 87701

If to the Finance Authority, then to:
New Mexico Finance Authority
Attention: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

And if to Finance Authority's designated servicing agent for this Loan Agreement, if any, at the address to be provided by the servicing agent. The Governmental Unit and the Finance Authority may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Finance Authority, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Amendments. This Loan Agreement may be amended only with the written consent of the Finance Authority and the Governmental Unit, except as provided in Section 4.1(b) of this Loan Agreement. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this Loan Agreement may be given by an Authorized Officer of the Finance Authority. The execution of any such consent by and Authorized Officer of the Finance Authority shall constitute his or her determination that such amendment does not affect the terms of payment of the loan component of this Loan Agreement.

Section 11.4 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Finance Authority, either directly or through the Finance Authority or against any officer, employee, director or member of the Governing Body, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Governing Body or of the Finance Authority is hereby expressly waived and released by the Governmental Unit and by the Finance Authority as a condition of and in consideration for the execution of this Loan Agreement.

Section 11.5 Severability. In the event that any provision of this Loan Agreement, other than the requirement of the Governmental Unit to pay hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.6 Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Assignment by the Finance Authority. This Loan Agreement (except as to the Administrative Fee and Expense Fund Component) may be assigned and transferred by the Finance Authority to a trustee, which right to assign and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 11.8 Compliance with Governing Law. It is hereby declared by the Governing Body that it is the intention of the Governmental Unit by the execution of this Loan Agreement to comply in all respects with the provisions of the New Mexico Constitution and statutes as the same govern the pledge of the Pledged Revenues to payment of all amounts payable under this Loan Agreement.

Section 11.9 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.10 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself has executed this Loan Agreement, which was approved by the Finance Authority's Board of Directors on September 27, 2013, in its corporate name with its corporate seal affixed hereto and attested by its duly authorized officers; and the Governmental Unit has caused this Loan Agreement to be executed in its corporate name and the seal of the Governmental Unit affixed hereto and attested by duly authorized officers. All of the above are effective as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

[SEAL] By _____
Chairperson or Vice-Chairperson

ATTEST:

By _____
Secretary

Prepared for Execution by Officers of the Finance Authority:

VIRTUE & NAJJAR, PC
As Loan Counsel to the Finance Authority

By _____
Richard L.C. Virtue

Approved for Execution by Officers of the Finance Authority:

By _____
Daniel C. Opperman, General Counsel

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

ATTEST:

By _____
Casandra Fresquez, City Clerk

EXHIBIT "A"

TERM SHEET

**LOAN NO. 3046-DW
TO THE CITY OF LAS VEGAS, NEW MEXICO**

Governmental Unit: City of Las Vegas, New Mexico

Project Description: The Project will consist of repairs to the Governmental Unit's Water Treatment Plant Building, including replacement of leaky roof on filter building; stabilization of filter building foundation; repair of cracked masonry walls; improvement of sludge withdrawal from west side sludge lagoon; and addition of sun roof over outdoor liquid alum tank.

Pledged Revenues: Net Revenues of the System as defined in this Loan Agreement and Resolution

Currently Outstanding Parity Obligations for Pledged Revenues: Series 1995A Revenue Bonds 111-PP, Matures in 2015; Series 1995B Revenue Bonds, Matures in 2015; 2727-DW, Matures in 2034; 2878-DW, Matures in 2034; 2910-DW, Matures in 2035; 2911-DW, Matures in 2035; 3043-DW, Matures 2035.

Currently Outstanding Senior Obligations: None.

Currently Outstanding Subordinate Obligations: 061-WTB Loan, Matures in 2027; 197-WTB Loan, Matures in 2030; 218-WTB Loan, Matures in 2030; 219-WTB Loan, Matures in 2030; 251-WTB Loan, Matures in 2032 and 286-WTB, Matures 2034.

Authorizing Legislation: Governmental Unit Resolution No. _____ adopted May 21, 2014.

Closing Date: June 27, 2014

Interest Rate: 0.25% (which includes the Administrative Fee)

Maximum Principal Amount:	\$174,730
Aggregate Program Amount:	\$173,000
Maximum Expense Fund Component:	\$1,730
Maximum Forgiven Expense Fund Component:	\$1,298
Maximum Repayable Expense Fund Component:	\$432
Subsidy Percent:	75%
Maximum Forgiven Principal:	\$131,048
Maximum Repayable Principal:	\$43,682

EXHIBIT "B"

LOAN AGREEMENT PAYMENT SCHEDULE

[SEE ATTACHED]

[ATTACH DEBT SERVICE SCHEDULE]

EXHIBIT "C"

FORM OF REQUISITION

RE: \$174,730 Loan Agreement by and between the Finance Authority and the City of Las Vegas (the "Loan Agreement")

TO: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501
Attn: Loan Servicing

LOAN NO. 3046-DW

CLOSING DATE: June 27, 2014

You are hereby authorized to disburse to the City of Las Vegas or its payee with regard to the above-referenced Loan Agreement the following:

REQUISITION NUMBER:		<input type="checkbox"/> Interim Request <input type="checkbox"/> Final Request
AMOUNT OF PAYMENT:	\$	

PURPOSE OF PAYMENT:

This is a request of REIMBURSEMENT of incurred and paid project expenses. (Attach proof of payment, e.g. check stubs, and corresponding invoices)

This is a request of DIRECT PAYMENT to vendor or service provider of incurred project expenses. (Attach invoices)

PAYEE INFORMATION

NAME:	
CONTACT NAME:	
ADDRESS:	
PHONE NUMBER:	
FAX NUMBER:	
E-MAIL ADDRESS:	

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

Please indicate if this Business is considered a

<input type="checkbox"/> SBE (Small Business Entrepreneur)	<input type="checkbox"/> MBE (Minority Business Entrepreneur)	<input type="checkbox"/> WBE (Women owned business Entrepreneur)	<input type="checkbox"/> N/A
--	---	--	------------------------------

(Attach SBE/MBE/WBE Certification)

Each obligation, item of cost or expense mentioned herein is for costs of the Project, is due and payable, has not been the subject of any previous requisition and is a proper charge for requisition and payment.

Each obligation, item of cost or expense mentioned herein is not for costs related to the purchase of land or easement.

All representations contained in the Loan Agreement and the related closing documents remain true and correct and the City of Las Vegas is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Project is complete or, if not complete, the City of Las Vegas understands its obligation to complete the acquisition and installation of the Project and shall complete the acquisition and installation of the Project from other legally available funds.

Capitalized terms used herein, are used as defined or used in the Loan Agreement.

DATED: _____

By: _____
Authorized Officer

(Print name and title)

EXHIBIT "D"

FORM OF CERTIFICATE OF COMPLETION

RE: \$174,730 Loan Agreement by and between the Finance Authority and the City of Las Vegas (the "Loan Agreement")

Loan No. 3046-DW

Closing Date: June 27, 2014

TO: NEW MEXICO FINANCE AUTHORITY

I, _____, the _____ of the
[Name] [Title or position]

City of Las Vegas, hereby certify as follows:

1. The project described in the Loan Agreement (the "Project") was completed and placed in service on _____, 20__.
2. The total cost of the Project was \$ _____.
3. Cost of the Project paid from the Loan was \$ _____.
4. The portion of the Maximum Principal Amount unexpended for the Project is \$ _____.
5. The Project was completed and is and shall be used consistent with and subject to the covenants set forth in the Loan Agreement.

This certificate shall not be deemed to prejudice or affect any rights of or against third parties which exist at the date of this certificate or which may subsequently come into being.

CITY OF LAS VEGAS, NEW MEXICO

By: _____

Its: _____

NEW MEXICO FINANCE AUTHORITY

FINAL OPINION OF COUNSEL

To: New Mexico Finance Authority
207 Shelby Street
Santa Fe, New Mexico 87501

Re: City of Las Vegas, San Miguel County, New Mexico
\$174,730 Loan No. 3046-DW

I am the Attorney for the City of Las Vegas, New Mexico, with regard to the above-referenced Loan. I am licensed to practice law and in good standing in the State of New Mexico. I provide this opinion in my role as counsel to the Governmental Unit, City of Las Vegas (the "Governmental Unit"), understanding that the Lender, New Mexico Finance Authority (the "Finance Authority"), is relying on all representations by me on behalf of my client and but for these representations, the Loan would not be approved.

I hereby certify that I have examined:

- (1) The City of Las Vegas, Water Project, Drinking Water State Revolving Loan Fund Application, dated August 1, 2013, and the Finance Authority Board Approval, for Project No. 3046-DW, for the City of Las Vegas (San Miguel County), dated September 27, 2013, relating to the project (herein the "Project"), as more specifically defined in the Loan Agreement;
- (2) The incorporation documents creating the Governmental Unit;
- (3) The most recent Annual Open Meetings Resolution (as well as the underlying proceedings) adopted by the Governmental Unit;
- (4) The proceedings of the City Council, the governing body of the Governmental Unit (including all agendas, minutes, resolutions, ordinances and publications) which authorize the Loan Application, the Project development, the budget for the Project, and existing contracts (if any) with Project professionals including but not limited to architects, engineers, planners and contractors, whose work will be paid from the proceeds of the Loan;
- (5) Relevant corporate proceedings of the Governmental Unit from at least January 1, 2014 to the date hereof, including, without limiting the generality of the foregoing, the corporate action of the Governmental Unit relating to (a) the election or appointment of its Mayor, City Council, and City Clerk; (b) the adoption of ordinances and resolutions governing the operation of the Project; (c) cost estimates for the Project; (d) the proposed operating budget; (e) the proposal to finance the Project, in part, with a loan made by the New Mexico Finance Authority; (f) the

Resolution of the City Council dated May 21, 2014 (the "Resolution") authorizing the Mayor and City Clerk to execute necessary documents to obtain the loan for the Project; and (g) all necessary approvals for the Project from state or local authorities;

- (6) The Loan Agreement dated June 27, 2014 and attachments or exhibits thereto setting up a procedure whereby all loan funds will be disbursed to the Governmental Unit on written authorization of the Governmental Unit's Authorized Officers only after certification of completion of the work in a satisfactory manner by a licensed professional engineer, architect or other authorized representative contractually obligated to the Governmental Unit and only to pay eligible Project costs; and
- (7) The records and files of all offices in which there might be recorded, filed, or indexed, any liens of any nature whatsoever, affecting the title to any real or personal property upon which the Project will be constructed.

Based upon my examination of the foregoing, I am of the opinion that:

- A. The Governmental Unit is a duly organized and existing incorporated municipality in good standing under the laws of the State of New Mexico.
- B. The ordinances, resolutions, rules and regulations governing the operation of the Project have been duly adopted and are now in full force and effect.
- C. The officials and appointees of the Governmental Unit were duly and validly elected or appointed and are empowered to act for the Governmental Unit.
- D. The Governmental Unit has corporate power:
 - (1) to construct and install the Project proposed to be constructed and installed by the Governmental Unit;
 - (2) to execute and deliver Loan documents including, but not necessarily limited to, those identified above;
 - (3) to perform all acts required by such Loan documents to be done by it; and
 - (4) to own and operate and maintain the Project during its useful life.
- E. All proceedings of the Governmental Unit, its elected and appointed officers, and employees, required or necessary to be taken in connection with the authorization of the actions specified above have been duly taken and all such authorizations are presently in full force and effect.
- F. The Resolution has been duly signed and adopted in accordance with all applicable laws and has not been repealed, rescinded, revoked, modified, amended or supplemented in

any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Governmental Unit to carry out and enforce the provisions of the Loan Agreement. No referendum petition has been filed with respect to the Resolution under the provisions of the laws, bylaws or regulations of the Governmental Unit or the State.

- G. The Governmental Unit has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Governmental Unit in connection with the Loan Agreement. Resolution No. 14-01 (the "Open Meetings Act Resolution"), as adopted and approved by the Governmental Unit on January 15, 2014, establishes notice standards as required by NMSA 1978, § 10-15-1, as amended. The Open Meetings Act Resolution has not been amended or repealed. All action of the Governmental Unit with respect to the Loan Agreement, and the Resolution was taken at meetings held in compliance with the Open Meetings Act Resolution.
- H. To the best of my knowledge and belief after due investigation, no event will result from the execution and delivery of the Loan Agreement that constitutes a default or an event of default under either the Loan Agreement or the Resolution, and no event of default and no default under the Loan Agreement or the Resolution has occurred and is continuing on the date of this Certificate.
- I. The Governmental Unit has duly authorized and approved the consummation by it of all transactions, and has complied with all requirements and satisfied all conditions, which are required by the Loan Agreement to have been authorized, approved, performed or consummated by the Governmental Unit at or prior to the date of this Certificate. The Governmental Unit has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Loan Agreement.
- J. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Loan Agreement or any of the actions required to be taken by the Resolution or the Loan Agreement to the date of this Certificate have been obtained and are in full force and effect.
- K. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the financing of the project have been obtained and are in full force and effect.
- L. To the best of my knowledge and belief after due investigation, neither the Governmental Unit's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution or the Loan Agreement does or will conflict with, or constitute a breach by the Governmental Unit of, or default by the Governmental Unit under any law, court decree or order, governmental regulation, rule or order, resolution, agreement, indenture, mortgage or other instrument to which the Governmental Unit is subject or by which it is bound.

- M. There is no actual or threatened action, suit, proceeding, inquiry or investigation against the Governmental Unit, at law or in equity, by or before any court, public board or body, nor to my knowledge is there any basis therefore, affecting the existence of the Governmental Unit or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of revenues or assets of the Governmental Unit pledged or to be pledged to pay the principal, interest, and Administrative Fee on the Loan Agreement or in any way materially adversely affecting or questioning (a) the territorial jurisdiction of the Governmental Unit, (b) the use of the proceeds of the Loan Agreement for the Project and to pay certain costs of the New Mexico Finance Authority associated with the administration of its drinking water state revolving fund loan program, (c) the validity or enforceability of the Loan Agreement or any proceedings of the Governmental Unit taken with respect to the Loan Agreement or the Resolution, (d) the execution and delivery of the Loan Agreement, (e) the authority of the Governmental Unit to repay the amount of the loan or (f) the power of the Governmental Unit to carry out the transactions contemplated by the Loan Agreement or the Resolution.
- N. To the best of my knowledge and belief after due investigation, there are no recorded liens of any nature whatsoever affecting the title to any real or personal property that will be acquired with the proceeds of the Loan Agreement.
- O. No legal proceedings have been instituted or are pending, and to the best of my knowledge none are threatened, whether or not the Governmental Unit is named as a party in such proceedings, which would affect the Governmental Unit's interest in the property upon which the Project will be located, and there are no judgments against the Governmental Unit and no liens against any of the real or personal property of the Governmental Unit or other entity on which the Project will be located.
- P. The Governmental Unit has acquired all of the necessary land rights, easements and rights-of-way for the Project and the Governmental Unit now has sufficient, adequate and continuous rights-of-way to permit the construction, installation, operation and maintenance of the Project.
- Q. The Governmental Unit has complied with all of the requirements of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, as amended, applicable to the Project on or prior to the date of this opinion letter.

Dated this 27th day of June, 2014.

Dave Romero
Attorney for City of Las Vegas

5. There is no reason within our knowledge and belief after due investigation, why the Governmental Unit may not enter into the Loan Agreement with the New Mexico Finance Authority (the "Finance Authority"), as authorized by the Resolution.

6. The Governmental Unit has duly authorized the execution, delivery and performance of its obligations under the Loan Agreement. The Loan Agreement has been duly authorized, executed and delivered by the Governmental Unit.

7. The Resolution has been duly signed and adopted in accordance with all applicable laws and has not been repealed, rescinded, revoked, modified, amended or supplemented in any manner except as set forth in the Resolution. The Resolution constitutes valid and sufficient legal authority for the Governmental Unit to carry out and enforce the provisions of the Loan Agreement. No referendum petition has been filed with respect to the Resolution under the provisions of the laws, bylaws or regulations of the Governmental Unit or the State.

8. No event will result from the execution and delivery of the Loan Agreement that constitutes a default or an event of default under the Loan Agreement or the Resolution, and no event of default and no default under the Loan Agreement or the Resolution have occurred and are continuing on the date of this Certificate.

9. The Governmental Unit has duly authorized and approved the consummation by it of all transactions and has complied with all requirements and satisfied all conditions, which are required by the Loan Agreement to have been authorized, approved, performed or consummated by the Governmental Unit at or prior to the date of this Certificate. The Governmental Unit has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Loan Agreement.

10. A. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the enforceability of the Loan Agreement or to any of the actions required to be taken by the Resolution or the Loan Agreement on or prior to the date of this Certificate have been obtained and are in full force and effect; and

B. All approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to the financing of the Project have been obtained and are in full force and effect.

11. To the best of our knowledge and belief after due investigation, neither the Governmental Unit's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution or the Loan Agreement does or will conflict with, or constitute a breach by the Governmental Unit of, or default by the Governmental Unit under, any law, court decree or order, governmental regulation, rule or order, resolution, agreement, indenture, mortgage or other instrument to which the Governmental Unit is subject or by which it is bound.

12. No material adverse change has occurred, nor has any development occurred involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects, properties of the Governmental Unit or the Pledged Revenues since the date of the Resolution.

13. To the best of our knowledge and belief after due investigation, none of the events of default referred to in Article X of the Loan Agreement has occurred.

14. Subsequent to the adoption of the Resolution, the Governmental Unit has not pledged or otherwise encumbered the Pledged Revenues. On the date of this Certificate, except as set forth in the Term Sheet, there are no other outstanding obligations with a lien or encumbrance against the Pledged Revenues senior to or on a parity with the lien of the Loan Agreement.

15. The Loan Agreement permits the Governmental Unit to issue additional bonds or other obligations with a lien on the Pledged Revenues, on parity with or subordinate to the lien of the Loan Agreement on the Pledged Revenues upon satisfaction of the conditions set forth in the Loan Agreement. The Loan Agreement prohibits the Governmental Unit from issuing additional bonds or other obligations with a lien on the Pledged Revenues senior to the lien of the Loan Agreement without the prior written approval of the Finance Authority.

16. There is no threatened action, suit, proceeding, inquiry or investigation against the Governmental Unit, at law or in equity, by or before any court, public board or body, nor to the Governmental Unit's knowledge is there any basis therefore, affecting the existence of the Governmental Unit or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of revenues or assets of the Governmental Unit pledged or to be pledged to pay the principal, interest, and Administrative Fee on the Loan Agreement, or in any way materially adversely affecting or questioning (a) the territorial jurisdiction of the Governmental Unit; (b) the use of the proceeds of the Loan Agreement for the Project and to pay certain costs of the Finance Authority associated with the administration of its drinking water state revolving fund loan program; (c) the validity or enforceability of the Loan Agreement or any proceedings of the Governmental Unit taken with respect to the Loan Agreement or the Resolution; (d) the execution and delivery of the Loan Agreement; or (e) the power of the Governmental Unit to carry out the transactions contemplated by the Loan Agreement or the Resolution.

17. The Governmental Unit has complied with all the covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to the date hereof, and the representations and warranties of the Governmental Unit contained in the Loan Agreement and the Resolution are true and correct as of the date hereof.

18. The Governmental Unit is not in default, and has not been in default within the ten (10) years immediately preceding the date of this Certificate, in the payment of principal of, premium, if any, or interest on any bonds, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest except that no representation is made with respect to industrial revenue bonds or conduit bonds payable solely

from installment sale or lease payments, loan repayments or other amounts received by the Governmental Unit from private entities.

19. To the best of our knowledge and belief after due investigation, neither the Mayor, City Clerk, any member of the Governing Body, nor any other officer, employee or other agent of the Governmental Unit is interested (except in the performance of his or her official rights, privileges, powers and duties), directly or indirectly, in the profits of any contract, or job for work, or services to be performed and appertaining to the Project.

20. Regular meetings of the Governing Body have been held at 1700 North Grand Ave., Las Vegas, New Mexico, the principal meeting place of the Governing Body.

21. The Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Governing Body in connection with the Loan Agreement. The Open Meetings Act Resolution No. 14-01 adopted and approved by the Governing Body on January 15, 2014 establishes notice standards as required by NMSA 1978, § 10-15-1, as amended. The Open Meetings Act Resolution No. 14-01 has not been amended or repealed. All action of the Governing Body with respect to the Loan Agreement and the Resolution was taken at meetings held in compliance with the Open Meetings Act Resolution No. 14-01.

22. The Mayor and City Clerk, on the date of the signing of the Loan Agreement, and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Governmental Unit authorized to execute such agreements.

23. This Certificate is for the benefit of the Finance Authority.

24. This Certificate may be executed in counterparts.

[Remainder of page left intentionally blank]

[Signature page follows.]

WITNESS our signatures and the seal of the Governmental Unit this 27th day of June, 2014.

CITY OF LAS VEGAS, NEW MEXICO

By _____
Alfonso E. Ortiz, Jr., Mayor

[SEAL]

By _____
Casandra Fresquez, City Clerk

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

It is hereby certified by the undersigned, the duly qualified and acting Chief Executive Officer of the Finance Authority, that the Finance Authority has, on the date of this Certificate received from the City of Las Vegas, New Mexico, the Loan Agreement for Project No. 3046-DW.

NEW MEXICO FINANCE AUTHORITY

By _____
Robert P. Coalter
Chief Executive Officer
New Mexico Finance Authority

\$174,730
DRINKING WATER REVOLVING LOAN FUND LOAN
to the CITY OF LAS VEGAS, SAN MIGUEL COUNTY, NEW MEXICO
by the NEW MEXICO FINANCE AUTHORITY
Loan No. 3046-DW

RIGHT-OF-WAY CERTIFICATE

The undersigned on behalf of the City of Las Vegas (the "Governmental Unit"), a New Mexico incorporated municipality, in the County of San Miguel and the State of New Mexico, hereby certifies except as noted in item 4 below:

1. That the Governmental Unit has acquired and presently holds title to or continuous and adequate rights-of-way on public and private lands needed, if any, for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of the above-referenced Loan made by New Mexico Finance Authority (the "Project") and such omissions, defects, or restrictions as may exist will in no substantial way or manner endanger the value or the operation of the Project.
2. That the Governmental Unit has acquired the necessary permits, franchises, and authorizations or other instruments by whatsoever name designated, from public utilities and public bodies, commissions, or agencies authorizing the construction, operation, and maintenance of the facilities upon, along or across streets, roads, highways, and public utilities.
3. That the attached map shows the location and description of all land and rights-of-way needed for the Project, including all lands acquired for the Project by right of use or adverse possession and by legal conveyances such as right-of-way or easement deeds, permits, or other instruments. The Project is located on Parcel I as shown on the attached map, and is identified as "Filtration Plant".
4. Exceptions: _____

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the City of Las Vegas as of this 27th day of June, 2014.

Dave Romero
Counsel for the City of Las Vegas
1700 North Grande Ave.
Las Vegas, New Mexico 87701