



AGENDA
March 12, 2013
Regular Meeting

Town Council Chambers - 120 Civic Plaza Drive
6:30 PM

- 1. CALL TO ORDER BY THE HONORABLE MAYOR DARREN M. CORDOVA**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. APPROVAL OF AGENDA**
- 5. APPROVAL OF MINUTES**
 - A. February 12, 2013 Joint Meeting Minutes
 - B. February 12, 2013 Regular Meeting Minutes
- 6. AWARDS AND RECOGNITIONS**
 - A. Appointment of Youth Councilmember
Council appointment and ratification of Michael P. Landgraf to serve as Town of Taos Youth Councilmember.
- 7. CITIZENS FORUM - Citizens wishing to speak shall limit their comments to 5 minutes or less at the Mayor's discretion. No action may be taken.**
- 8. MATTERS FROM STAFF**
 - A. Resolution 13-15 Hiring of an Immediate Family Member of a Current Town Employee
Consideration and possible approval of Resolution 13-15. The Town of Taos proposes to hire Jacob Montez as a Certified Police Officer within the Police Department. Jacob is the son of current Town employee Ronald Montez who is also a Certified Police Officer within the Police Department. The employment of Jacob Montez would not create a direct

or indirect supervisor/subordinate relationship.

B. Resolution 13-16 Salazar MAP

Consideration and possible approval of Resolution 13-16 authorizing the submission of an application to the New Mexico Department of Transportation's Municipal Arterial Program (MAP) for funding of the construction of the Salazar Road extension in the FY 2013-2014 funding cycle. Total project costs exclusive of gross receipts tax are estimated to be \$762,307, with the Town contributing \$190,576 or 25% of this amount.

C. Resolution 13-13 Water Project Fund Loan/Grant No. 260 Water Trust Board

Consideration and possible approval of Resolution 13-13; Authorizing the execution and delivery of a Water Project Fund Loan/Grant Agreement by and among the New Mexico Water Trust Board and the New Mexico Finance Authority and collectively with the Water Trust Board (The Lenders/Grantors) and the Town of Taos (The Borrower/Grantee) in the amount of \$1,973,903 (\$1,776,513 Grant/ \$197,903 Loan), solely for the purpose of financing the costs of design and construction of Water System Improvements in the Weimer Subdivision including extension of water services, interconnections, new well meters, pressure reducing valve upgrades, relocation of emergency generators, rehabilitation of an existing water tank and rehabilitation of certain wells.

D. Creation of an Additional Lieutenant Position

Consideration and possible approval of an additional Lieutenant position within the existing police department staffing levels. All required funding to support the creation of this position have been identified within the existing budget.

E. Settlement Agreement

Consideration and possible approval of Settlement Agreement and Release between Merchants Bonding Company and the Town of Taos.

F. Lease Agreement between Town of Taos and Kit Carson Electric

Consideration and possible approval of a lease agreement between the Town of Taos and Kit Carson Electric for property located at 1146 Gusdorf Road, in Taos, New Mexico 87571.

G. Library Department Review

Library Department Overview - PowerPoint presentation on the department's duties and responsibilities, the resources it manages to accomplish them, the service levels achieved, and the related issues.

9. PUBLIC HEARINGS

A. Martyr House Steak House Liquor License Transfer of Ownership and Location

Consideration and possible approval of Transfer of Ownership and Location of Liquor License 2629 to Martyr House Steak House located at

146 Paseo del Pueblo Norte.

B. Ordinance 13-01 Annexation of Taos Regional Airport

Consideration and possible approval of Ordinance 13-01 authorizing the voluntary annexation of Town-owned properties located on the south side of NM 64, approximately 6 ½ miles north and west of the Town of Taos, including the Taos Regional Airport, totaling 820 acres, and including ALL OR SOME PORTION OF the right-of-way of NM 64 from the north municipal boundary of the Town of Taos to the subject properties.

10. MATTERS FROM THE MAYOR AND COUNCIL/YOUTH COUNCILMEMBER

11. ADJOURNMENT

APPROVED:

Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

- *To request details on an agenda item please contact the Town Clerk at 400 Camino de la Placita, Taos New Mexico, 87571 (575) 751-2005.*
- *If you are an individual with a disability who is in need of aid or service to attend and/or participate in a meeting of the Town of Taos Council, please contact the office of the Town Clerk at 400 Camino de la Placita, Taos New Mexico, 87571 (575) 751-2005 at least 24 hours in advance.*
- *For copies of this agenda please pick-up at Town Hall.*



March 12, 2013

Title:

February 12, 2013 Joint Meeting Minutes

Summary:

Background:

Attachments:

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MINUTES

February 12, 2013

Special Meeting

**Joint Meeting Between Taos Town Council and Taos County
Commission**

**Taos County Commission Chambers - 105 Albright Street
9:00 AM**

1. CALL TO ORDER BY THE HONORABLE MAYOR DARREN M. CORDOVA

**The Regular Meeting of the Taos Town Council was called to order by the
Honorable Mayor Darren M. Cordova at 9:12 p.m.**

2. ROLL CALL

Ms. Renee Lucero, Town Clerk, called roll and a quorum was present.

Those present were:

Mayor, Darren M. Cordova
Mayor Pro Tem, Andrew T. Gonzales
Councilmember, Rudy C. Abeyta
Councilmember, Michael A. Silva
Councilmember, Frederick A. Peralta

Also present were:

Town Manager, Oscar Rodriguez
Assistant Town Manager, Abigail Adame
Town Attorney, C. Brian James
Town Clerk, Renee Lucero

Taos County representatives present:

Commission Chairman Dan Barrone
Commissioner Gabe Romero
Commissioner Tom Blankenhorn
Commissioner Joe Mike Duran

Commissioner Larry Sanchez
County Manager Stephen Archuleta
Deputy County Manager Rick Bellis
County Attorney Barbara Martinez
Assistant County Attorney Robert Malone

3. PLEDGE OF ALLEGIANCE

Mayor Cordova led the audience in the Pledge of Allegiance.

4. APPROVAL OF AGENDA

5. MATTERS FROM THE MAYOR AND COUNCIL/YOUTH COUNCILMEMBER

A. JOINT MATTERS

Discussion on E-911 Command Center

Ms. Adame gave a presentation outlining the responsibilities and duties of the current dispatch center. In addition, she outlined the threats dispatch is facing such as disintegrated partnerships with all stakeholders and a high rate of turnover in staff.

Ms. Adame also explained that dispatch employees are not certified or trained to provide medical dispatch and until recently there had been only one superintendent for a staff of twelve, resulting in no supervision during three shifts. However, the Town has now corrected that problem and one supervisor works during each shift. Unfortunately, she stated, dispatch still operates without a director.

Ms. Adame further explained the new institutional setting is that the Town can no longer provide dispatch services alone and emphasized that all stakeholders must get involved.

Mayor Cordova stated the current Joint Powers Agreement (JPA) for dispatch services is very outdated and cannot be approved by the state in its current condition. He further stated it is assumed that the Town owns dispatch because of the current state of the JPA. He explained dispatch needs the ability to take more emergency calls rather than non-emergency calls.

Commissioner Duran stated Ms. Adame's presentation indicated that the Town proposes to discontinue dispatch for Taos County Sheriff's Office after hour calls. He asked Ms. Adame for clarification. Ms. Adame stated dispatch for these types of calls would need to be through other means as dispatch should concentrate only on emergency calls.

Commissioner Romero asked which entities are currently involved in the JPA. Ms. Adame replied Town of Taos, Taos County, Village of Questa, and Village of Taos Ski Valley.

Commissioner Romero asked whether other entities have been invited to join the

JPA. Mr. Rodriguez stated he has had discussions with the Mayor of Red River and they are considering cooperating in the regional efforts; however they will wait to see what the County decides to do before they commit.

Ms. Adame continued with the presentation and reviewed the results of the assessment report and explained how the study was conducted. She stated the study concluded the current condition of dispatch is "less than adequate" and that the move to the Regional Command Center located on Gusdorf Road would bring dispatch conditions to "very well".

Mr. Bellis stated there are several issues that need to be discussed before the proposed JPA can be considered by the County. He does agree that dispatch services need to be improved. He stated the current JPA indicates there should be a Stakeholder Board, however, none of the members have ever been very active. He also explained that the stakeholders should discuss on a yearly basis how much will be paid, and indicated that no one has ever wanted the costs to go up. In addition, Mr. Bellis emphasized the proposed JPA will substantially increase the costs of each stakeholder, especially the County. He feels all stakeholders need to collaborate to determine what needs to be done to ensure that dispatch is being operated in compliance with E911 standards and state regulations. He also stated the Commission needs to provide direction to staff to evaluate whether the County can afford the terms in the proposed JPA.

A lengthy discussion ensued regarding the terms of both the current JPA and the proposed JPA and whether all entities will be able to afford the proposed increases in the JPA. The Council and Commission also discussed the issue that the United States Department of the Interior is considering consolidating dispatch services with Santa Fe, which will mean the relocation of all personnel in Taos currently associated with the Bureau of Land Management, Forest Service, and Parks Service dispatch operations. They will, however, consider keeping their dispatch services in Taos if all of the local public safety dispatch offices are located at the Regional Command Center on Gusdorf Road.

Mr. Archuleta stated there is still a great deal for the County to consider before making any decisions. He would like the County to evaluate whether there are other buildings, other than the Regional Command Center on Gusdorf Road, that can be considered and also evaluate the budget to determine whether more money can be budgeted to accommodate the proposed JPA.

Councilmember Peralta stated regardless of what is decided, dispatch cannot stay in its current location as the building is unsafe and does not meet Homeland Security safety requirements and is also not in compliance Americans with Disabilities Act guidelines. He further indicated that the building cannot be brought into compliance.

Chairman Barrone commended the Town and County staff for their hard work to address the dispatch issues. He encouraged both entities to work closely together to create safer dispatch services.

Mayor Cordova encouraged the Town and County to continue dialogue on all

issues that affect both entities.

Presentation by Taos County on Annexation of Highway 64

Chairman Barrone stated the County would like to discuss alternatives to annexing the Taos Regional Airport.

Mayor Cordova explained the Airport Runway Expansion Project has been an ongoing project for over twenty-five years. He also explained the purpose of the expansion is to provide safer landing conditions as many pilots choose not to come to Taos because it is not safe to land here. He believes that a safer airport would enhance economic development. Furthermore, Mayor Cordova stated the Federal Aviation Administration has awarded the Town \$24 million, requiring a Town Match of \$1.2 million that must be allocated by this summer. He emphasized that annexing the airport will help generate funding for the match.

Mr. Rodriguez explained the proposed annexation would be from the Town limits on State Highway 64, which is New Mexico Department of Transportation (NMDOT) right of way, to the Taos Regional Airport and all land that the Town owns at the airport.

Commissioner Romero asked whether water associations or Taos Pueblo land has been taken into consideration. Mr. Rodriguez stated the existing right of way does not impede on water associations or Taos Pueblo; therefore, these entities and will not be affected by the annexation. He further stated the Airport Advisory Board supports the annexation and Clyde Romero, Taos Pueblo Tribal Secretary, is a member of the board.

Mr. James indicated that the Town of Taos received confirmation from NMDOT yesterday that the Cabinet Secretary is going to sign a letter authorizing the annexation.

Commissioner Blankenhorn asked whether the Town would consider not annexing if other entities commit to providing funds to cover the \$70,000 per year annual debt service. Mr. Rodriguez stated he would not be able to encourage the Town to agree to such a proposal without it being secured. Commissioner Blankenhorn asked how much the additional revenues are expected to be. Mr. Rodriguez stated he estimates \$669,000 on a one time basis and \$14,000 per year of recurring revenues.

Arcenio Cordova and Telesfor Gonzales expressed they do not support the annexation.

Mr. Bellis stated the County has developed alternatives to the annexation and outlined them as follows: 1) Support the Town's Legislative request for funding; 2) Creation of a Regional Airport Commission; 3) Creation of an Improvement District; 4) Legislation to amend the State Economic Enhancement District legislation; and 5) County to hand over the sales tax to the Town.

County officials expressed their support for turning over the gross receipts tax generated from the construction to the Town of Taos rather than annexing the

airport. Mr. Bellis asked the Council and Commission for direction and a deadline so that staff from both entities can evaluate the options and alternatives.

Discussion ensued regarding the urgency of this matter as the Town cannot afford to lose the Federal Aviation Administration grant. Understanding the urgency, County officials expressed they need time to evaluate all options and will do so as soon as possible.

Mayor Cordova and Chairman Barrone directed Town and County staff to evaluate the options and present alternatives to the Council and Commission as soon as possible.

6. ADJOURNMENT

A motion was made by Councilmember Silva and seconded by Councilmember Gonzales to adjourn the meeting. The motion carried unanimously and the meeting adjourned at 12:50 p.m.

APPROVED:

Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

PLEASE NOTE: The Town of Taos records most Town Council Meetings via audio, however, only Regular Town Council Meetings and some Special Town Council Meetings, with controversial issues, are video recorded. Copies are available upon request at the Town Clerk's Office located at 400 Camino de la Placita (575-751-2005) at a fee of \$5.00 for audio recordings and \$10.00 for video recordings.



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February 12, 2013 Regular Meeting Minutes

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Attachments:

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**MINUTES
February 12, 2013
Regular Meeting**

**Town Council Chambers - 120 Civic Plaza Drive
6:30 PM**

Page 11 of 158

1. CALL TO ORDER BY THE HONORABLE MAYOR DARREN M. CORDOVA

The Regular Meeting of the Taos Town Council was called to order by the Honorable Mayor Darren M. Cordova at 6:34 p.m.

2. ROLL CALL

Ms. Renee Lucero, Town Clerk, called roll and a quorum was present.

Those present were:

Mayor, Darren M. Cordova
Mayor Pro Tem, Andrew T. Gonzales
Councilmember, Rudy C. Abeyta
Councilmember, Michael A. Silva
Councilmember, Frederick A. Peralta

Also present were:

Town Manager, Oscar Rodriguez
Assistant Town Manager, Abigail Adame
Town Attorney, C. Brian James
Town Clerk, Renee Lucero

3. PLEDGE OF ALLEGIANCE

Councilmember Gonzales led the audience in the Pledge of Allegiance.

4. APPROVAL OF AGENDA

Councilmember Gonzales made a motion to approve. Councilmember Peralta seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

5. APPROVAL OF MINUTES

A. January 8, 2013 Regular Meeting Minutes

Item Result: Approved

Councilmember Abeyta made a motion to approve. Councilmember Silva seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

B. January 22, 2013 Regular Meeting Minutes

Item Result: Approved

Councilmember Peralta made a motion to approve. Councilmember Gonzales seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

C. January 24, 2013 Special Meeting Minutes

Councilmember Silva made a motion to approve. Councilmember Peralta seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Peralta, Silva, Gonzales.

6. AWARDS AND RECOGNITIONS

A. Oath of Office for New Police Cadet

Judge Richard Chavez administered the Oath of Office to a new Police Cadet, Steven Lucero.

7. CITIZENS FORUM

A. The following individuals spoke during Citizens Forum:

- Karen Thibodeaux and Taos Children's Theater
- Jeanne Greene
- Jeff Northrup
- Stephens Hall

8. CONSENT AGENDA

A. Resolution 13-08 Community and Economic Development Block Grant Application

Consideration and possible approval of Resolution 13-08; Authorizing the submission of a 2013 Community Development Block Grant application to the New Mexico Department of Finance and Administration Local Government Division in the amount of \$500,000 and \$50,000 cash match for Chamisa Area Infrastructure Improvements Phase 3.

B. Grant Agreement TT-13-173 with New Mexico Historic Preservation Division

Consideration and possible approval of a grant agreement in the amount of \$24,999 with the New Mexico Department of Cultural Affairs - Historic Preservation Division for the completion of a structural assessment and preservation plan for the Old County Courthouse located on Taos Plaza. The Town applied for the grant in collaboration with Taos County. The County will contribute \$5,000 in cash match. The Town will also contribute \$5,000 in cash match if the grant agreement is approved.

C. Second Amendment to Memorandum of Agreement with New Mexico Department of Transportation for the purchase of a new bus

Consideration and possible approval of a second amendment to Memorandum of Agreement TT-12-261 with the New Mexico Department of Transportation Transit and Rail Division in the amount of \$115,000 for the purchase of one (1) 28 passenger bus to replace a 2005 model bus with 101,000 miles. The local match is \$23,000 and is already included in the FY 2012-2013 budget.

Item Result:

Approved

Councilmember Silva made a motion to approve. Councilmember Peralta seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

9. MATTERS FROM STAFF

A. Presentation by Taos Sports Alliance

Justin Lea gave a presentation regarding the Taos Sports Alliance Economic Report.

Mr. Lea explained the various events that have been held at the Eco Park and indicated several more events are planned in the future. He requested that the Town continue to invest in the current field and in a second field.

Discussion ensued regarding the construction of an additional field and Council expressed that the Town's budget is very tight. Mayor Cordova recommended seeking grants as the Town cannot afford to provide funds due to the current state of the economy.

B. Presentation by High Altitude Athletics

Debbie Friday Jagers gave an update on High Altitude Athletics (HAA) and discussed an upcoming fundraising dinner on April 13, 2013 in which Nastia Liukin, Olympic Gold Medalist, will be in attendance.

Ms. Friday-Jaggers stated HAA currently has 500 registered users and explained the programs are growing. She also stated Ms. Liukin has agreed to offer a free fitness clinic while she is in Taos at Rio Grande Hall from 11:00 a.m. to 12:00 Noon for all youth.

Mayor Cordova thanked Ms. Friday-Jaggers and HAA for their hard work in

supporting the youth of Taos.

C. Resolution 13-09 Mid-Year Budget Adjustments

Consideration and possible approval of Resolution 13-09; Mid-year budget adjustment request for various departments. The mid-year budget adjustment process allows the Town to view what has been spent in the first six months and what needs to be budgeted for the next six months of the fiscal year. Gross receipts revenues have seen a decrease of 4.42% through the first six months of the fiscal year based on last year to date numbers. Based on budget figures staff is projecting a 6% decrease through the end of the fiscal year.

Item Result: Approved

Ms. Fambro provided a summary of the Mid Year Budget Adjustments.

Kenneth Koch, Chief of Police, stated the Mid Year Budget Adjustments include costs associated with the move of the Police Department to Town Hall. Councilmember Peralta asked when the move should be complete. Chief Koch stated construction should be completed within three months.

Councilmember Abeyta made a motion to approve. Councilmember Gonzales seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

D. Approval of five-year budget plan to guide the FY 2013-2014 Budget

Consideration and possible approval of a five-year budget forecast and assumptions that will guide the development of the upcoming fiscal year 2013-2014 budget.

Item Result: Approved

Ms. Fambro reviewed revenue charts from 1984 through 2010 which detailed the drastic decrease in actual dollars after hitting a peak in 2007.

Furthermore, in order to financially guide the Town into the next five years, Ms. Fambro and Mr. Rodriguez recommended the following budget assumptions:

- 1% Average Annual Revenue Increase;
- 0.3% Average Expenditure Cut (except Public Safety);
- Capital re-investment equal to depreciation;
- Industry best practices for managing debt; and
- Gradual increase to 40-day Effective Ending Balance.

Councilmember Abeyta made a motion to approve. Councilmember Gonzales seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

E. Legal Department Review

Legal Department Overview - PowerPoint presentation on the department's duties and responsibilities, the resources it manages to

accomplish them, the service levels achieved, and the related issues.

Mr. James gave an overview of the Legal Department and explained the responsibilities and duties of the Department. He also discussed the strengths and weaknesses of the Department and outlined the threats the Department is facing; such as having a lack of time to address all of the outstanding legal issues and to work on renegotiating franchise agreements.

Mayor and Council thanked Mr. James and Cyndee Perez, Paralegal, for their expertise and leadership.

F. Town Clerk's Department Review

Town Clerk's Department Overview - PowerPoint presentation on the department's duties and responsibilities, the resources it manages to accomplish them, the service levels achieved, and the related issues.

Ms. Lucero gave an overview of the Clerk's Department and explained the responsibilities and duties of the Department. She also discussed the strengths and weaknesses of the Department and outlined the threats the Department is facing; such as the 52% increase in Request for Public Records which has resulted in limited staff time to improve ongoing processes.

Mayor Cordova thanked Ms. Lucero and Francella Garcia, Clerk's Assistant, for the great job they are doing in the Town Clerk's Office.

G. Resolution 13-12 in support of the consolidation in Taos of Interior Department Dispatch Operations in Northern New Mexico

Consideration and approval of Resolution 13-12 stating the Town's support for the consolidation in Taos of the Department of Interior Agencies' dispatch operations in Northern New Mexico.

Item Result: Approved

Councilmember Gonzales stated the Bureau of Reclamation is a very important entity. He emphasized how important it is to keep the dispatch operations here in Taos as losing the operations may negatively impact Taos' economy.

Mr. Rodriguez stated Senator Udall's Office will use this resolution to submit to federal agencies to show our support.

Councilmember Abeyta made a motion to approve. Councilmember Gonzales seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

H. Lease-Purchase Agreement Between the Taos Emergency Dispatch Center and Kit Carson Electric Cooperative

Presentation on the latest version of the proposed agreement between the Taos Emergency Dispatch Center and Kit Carson Electric Cooperative for the lease-purchase of certain space in the Kit Carson Central Communications Center at 1146 Gusdorf Road to allow for the

relocation of the dispatch center currently located in the Police Center at 107 Civic Plaza Drive.

Council did not take action on this item.

I. **New Joint-Powers Agreement for the Taos Regional Emergency Dispatch Center**

Presentation by staff on the latest version of the proposed new Joint-Powers Agreement between the Town, Taos County, Village of Questa, and Village of Taos Ski Valley for the joint operation and funding of the Taos Emergency Dispatch Center.

Mayor Cordova directed Mr. Rodriguez to continue working with Taos County staff to come up with a JPA.

Council did not take action on this item.

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10. PUBLIC HEARINGS

A. **Ordinance 13-02 Sign Code Modifications**

Consideration and possible approval of adopt Ordinance 13-02 which would modify the Town of Taos Sign Code to remove redundant language, reorganize the Chapter for better understanding and including provisions for establishing safe zones for sign placement. This item was continued from the December 11, 2013 Regular Council Meeting. (Staff will recommend this item be continued to the March 26, 2013 Regular Council Meeting)

Item Result: Rescheduled

Item was continued to the March 26, 2013 Regular Town Council Meeting at 6:30 p.m. at the Town Council Chambers.

Councilmember Peralta made a motion to continue. Councilmember Gonzales seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

B. **Ordinance 13-03 Streamlining Planning and Zoning Processes**

Consideration and possible approval of Ordinance 13-03 revising Chapters 15 and 16 of the Town Code to provide for a graduated land development review process, removal of redundant text, combining similar subject matter, relocating the building permit process from the Land Use Development Code (Chapter 16) into Buildings and Construction (Chapter 15), and deleting three unnecessary agricultural districts. This item was continued from the December 11, 2013 Regular Council Meeting. (Staff will recommend this item be continued to the March 26, 2013 Regular Council Meeting)

Item Result: Rescheduled

Item was continued to the March 26, 2013 Regular Town Council Meeting at 6:30 p.m. at the Town Council Chambers.

Councilmember Peralta made a motion to continue. Councilmember Gonzales seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

11. MATTERS FROM THE MAYOR AND COUNCIL/YOUTH COUNCILMEMBER

A. Resolution 13-03 Appointments to Planning and Zoning and Historic Preservation Commissions

Discussion and possible approval of Resolution 13-03 reappointing three members to the Planning & Zoning Commission and three members to the Historic Preservation Commission.

Item Result: Tabled

Councilmember Gonzales made a motion to table. Councilmember Silva seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Gonzales, Peralta, Silva.

B. Resolution 13-10 Appointment of Finance Audit Committee

Consideration and possible approval of Resolution 13-10 appointing Finance Audit Committee members in accordance with Town of Taos Resolution 12-65.

Item Result: Tabled

Councilmember Gonzales made a motion to table. Councilmember Silva seconded the motion. The motion was Passed. Those voting AYE were: Councilmembers: Abeyta, Peralta, Silva, Gonzales.

12. ADJOURNMENT

A motion was made by Councilmember Peralta and seconded by Councilmember Silva to adjourn the meeting. The motion carried unanimously and the meeting adjourned at 9:17 p.m.

APPROVED:

Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

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March 12, 2013

Title:

Appointment of Youth Councilmember

Summary:

Council appointment and ratification of Michael P. Landgraf to serve as Town of Taos Youth Councilmember.

Background:

Attachments:

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No Attachments Available



March 12, 2013

Title:

Resolution 13-15 Hiring of an Immediate Family Member of a Current Town Employee

Summary:

Consideration and possible approval of Resolution 13-15. The Town of Taos proposes to hire Jacob Montez as a Certified Police Officer within the Police Department. Jacob is the son of current Town employee Ronald Montez who is also a Certified Police Officer within the Police Department. The employment of Jacob Montez would not create a direct or indirect supervisor/subordinate relationship.

Background:

Submitted by Loretta A. Trujillo, Human Resources Director

Chief Koch assures the Town Council and the citizens of the Town both officers will not work on the same shift or for the same supervisor unless it is necessary to do so for special occasions. Only then is there a possibility that both will work side by side but one will never have supervisory authority over the other. Chief Koch is asking for special consideration to allow for the hiring of Mr. Jacob Montez; he is a certified police officer, therefore the Town would not need to spend the time and money to send him through the academy as we would with a cadet.

Attachments:

Click to download

📎 [Resolution 13-15](#)



RESOLUTION 13-15

A RESOLUTION OF THE TOWN OF TAOS COUNCIL WAIVING THE PROVISIONS OF TOWN OF TAOS CODE TITLE 3, SECTION 3.80.070 WITH RESPECT TO EMPLOYMENT OF RELATIVES

WHEREAS, Title 3, Section 3.80.070(B) states that no one in the immediate family of any other Town employee shall be considered for employment in the Town; and

WHEREAS, Title 3, Section 3.80.070(B) also provides for a waiver by the Mayor, with the advice and consent of the Town Council, when it is clearly in the interest of the Town to do so, or for temporary or seasonal employees; and

WHEREAS, This provision shall apply only when there is no direct or indirect supervisor/subordinate relationship, and when it does not create either an actual conflict of interest or the appearance of a conflict of interest; and

WHEREAS, The Town of Taos has recommended for hire Jacob Montez as a Certified Police Officer within the Police Department. Jacob is the son of Town employee Ronald Montez who is also a Certified Police Officer within the Police Department; and

WHEREAS, the employment of Jacob Montez would not create a direct or indirect supervisor/subordinate relationship nor create an actual conflict of interest.

NOW, THEREFORE BE IT RESOLVED by the Town Council of the Town of Taos that that Section 3.80.070 be waived in this instance.

PASSED, APPROVED and ADOPTED, this 12th day of March 2013, at the Regular Meeting of the Town Council by the following vote:

Mayor Pro Tem Andrew T. Gonzales _____
Councilmember Rudy C. Abeyta _____
Councilmember Frederick A. Peralta _____
Councilmember Michael A. Silva _____

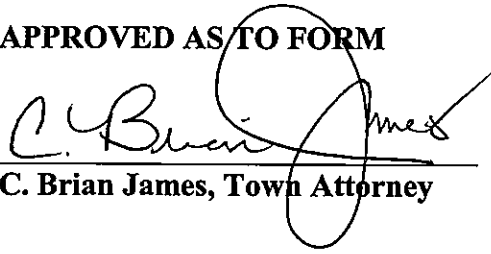
TOWN OF TAOS

Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

APPROVED AS TO FORM



C. Brian James, Town Attorney



March 12, 2013

Title:

Resolution 13-16 Salazar MAP

Summary:

Consideration and possible approval of Resolution 13-16 authorizing the submission of an application to the New Mexico Department of Transportation's Municipal Arterial Program (MAP) for funding of the construction of the Salazar Road extension in the FY 2013-2014 funding cycle. Total project costs exclusive of gross receipts tax are estimated to be \$762,307, with the Town contributing \$190,576 or 25% of this amount.

Background:

The proposed extension will begin at the intersection of Salazar Road and Paseo del Cañon West and continue southward 0.7 miles to Chamisa Road. When completed, it will provide an alternate relief route to NM Highway 68 in town. The plans and specifications are complete and the project is ready for bidding. The engineer of record is Abeyta Engineering Inc., who will continue to be under contract through completion of the project. Salazar Road extension is identified as the number one priority under the Town of Taos 2010-2014 Infrastructure Capital Improvements Plan (ICIP) and is supported by Resolution 08-61.

Total cost of construction \$762,307.00 excluding applicable NMGR

Attachments:

Click to download

- 📎 [Resolution 13-16](#)
- 📎 [Project](#)



RESOLUTION 13-16

A RESOLUTION OF THE TOWN OF TAOS COUNCIL REQUESTING CONTRACT FUNDING FROM THE NEW MEXICO DEPARTMENT OF TRANSPORTATION

WHEREAS, the Town of Taos submits a MAP application for the funding of the Salazar Road improvements project, to begin at the intersections of Paseo del Canon West south to the intersection of Salazar Road and Chamisa Road; and

WHEREAS, the Town of Taos agrees to provide matching funds at a percentage of twenty-five percent (25%) of the total cost of the project in accordance with the MAP Agreement; and

WHEREAS, the Town of Taos supports this project and desires to receive funding.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF TAOS, NEW MEXICO,

- Section 1.** That all action (not consistent with the provisions hereof) heretofore taken by the Governing Body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.
- Section 2.** That the completed Application submitted to the Governing Body, be and the same is hereby approved and confirmed.
- Section 3.** That the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the New Mexico Department of Transportation for its review and are further authorized to take such other action as may be requested by the Department in its consideration and review of the Application and to further proceed with the 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.

PASSED, APPROVED and ADOPTED, this 12th day of March, 2013, at the Regular Meeting of the Town Council by the following vote:

Mayor Pro Tem Andrew T. Gonzales	_____
Councilmember Rudy C. Abeyta	_____
Councilmember Michael A. Silva	_____
Councilmember Frederick A. Peralta	_____

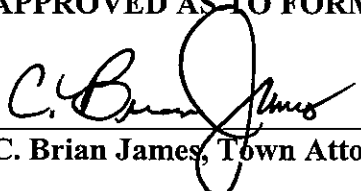
TOWN OF TAOS

Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

APPROVED AS TO FORM



C. Brian James, Town Attorney

February 5, 2013

Town of Taos

SALAZAR ROAD EXTENSION

Project Summary

The proposed Salazar Road Extension project will extend from the intersection of Salazar road and Paseo del Canon west, south to Chamisa road for approximately 0.70 miles, and will provide an alternate relief route to NM Highway 68 within the Town of Taos, New Mexico.

The project will address full roadway construction including earthwork, plant mix bituminous pavement (PMBP), curb and gutter, drainage improvements, permanent signing, lighting, erosion control measures and miscellaneous construction. All design and construction improvements will meet NMDOT standards and specifications issued in the Department Administrative Directives.

Salazar road is part of the primary traffic relief in the Town of Taos and has been identified in the 1990 and 1997 traffic studies and then again in the two traffic relief route studies conducted by Molzen Corbin and Gannett Fleming West.

Since 2009 the Town of Taos has been aggressively applying for funding for the construction of the project. The first application was submitted for consideration to the Department of Finance and Administration, American Recovery and Reinvestment Act (ARRA) of 2009, the second application was submitted in FY 2009/2012 under the Stimulus program, the third application was submitted in F/Y 2011/2012 under a Municipal Arterial Project supported by the New Mexico Department of Transportation. We will submit another MAP application in F/Y 2012/2013.

This project is shovel ready the plans and specifications are complete and ready for bid. Our engineer of record is Abeyta Engineering Inc. and will continue to be under contract through completion of the project. Salazar road extension is identified as the number one priority under the Town of Taos 2010-2014 Infrastructure Capital Improvements Plan (ICIP) and is supported by resolution 08-61.

Total cost of construction \$762,307.00 excluding applicable NMGRT



March 12, 2013

Title:

Resolution 13-13 Water Project Fund Loan/Grant No. 260 Water Trust Board

Summary:





Consideration and possible approval of Resolution 13-13; Authorizing the execution and delivery of a Water Project Fund Loan/Grant Agreement by and among the New Mexico Water Trust Board and the New Mexico Finance Authority and collectively with the Water Trust Board (The Lenders/Grantors) and the Town of Taos (The Borrower/Grantee) in the amount of \$1,973,903 (\$1,776,513 Grant/\$197,903 Loan), solely for the purpose of financing the costs of design and construction of Water System Improvements in the Weimer Subdivision including extension of water services, interconnections, new well meters, pressure reducing valve upgrades, relocation of emergency generators, rehabilitation of an existing water tank and rehabilitation of certain wells.

Background:

In November of 2011 the Town of Taos submitted an application to the Water Trust Board for the above stated improvements. The Town was awarded this amount in April 2012 and therefore are bringing the actual Loan/Grant Agreement for approval at this time. The Loan amount is \$197,390, Grant \$1,776,513 and Town additional funding of \$394,780. The additional funding of \$394,780 has already been accepted by the NMFA from previous expenditures associated with other Phases of this project. No other cash revenues will be needed to meet our match unless when bids are received and they do not come within the budget amount. If that is the case, we will then go back to council for approval with this increase.

Attachments:

Click to download

-  [Resolution 13-13](#)
-  [Loan/Grant Agreement](#)
-  [Final Opinion of Counsel](#)
-  [Right-of-Way Certificate](#)

- ▢ [Gneral Litigation Certificate](#)
- ▢ [Application](#)
- ▢ [Financing Schedule](#)

**RECORD OF PROCEEDINGS RELATING TO THE ADOPTION OF
RESOLUTION NO. 13-13 OF THE TOWN COUNCIL
OF THE TOWN OF TAOS, NEW MEXICO,
March 12, 2013**

Thereupon, there were officially filed with the Town Clerk copies of a proposed Resolution and Water Project Fund Loan/Grant Agreement in final form, the proposed Resolution being as hereinafter set forth.

[Remainder of page intentionally left blank.]

TOWN OF TAOS, NEW MEXICO
RESOLUTION NO. 13-13

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD (“WATER TRUST BOARD”) AND THE NEW MEXICO FINANCE AUTHORITY (“FINANCE AUTHORITY”, AND COLLECTIVELY WITH THE WATER TRUST BOARD, THE “LENDERS/GRANTORS”) AND THE TOWN OF TAOS (THE “BORROWER/GRANTEE”), IN THE AMOUNT OF \$1,973,903, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGN AND CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS INCLUDING EXTENSION OF WATER SERVICES, INTERCONNECTIONS, NEW WELL METERS, PRESSURE REDUCING VALVE UPGRADES, RELOCATION OF EMERGENCY GENERATORS, REHABILITATION OF AN EXISTING WATER TANK AND REHABILITATION OF CERTAIN WELLS AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND ADMINISTRATIVE FEE SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT 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/GRANT AGREEMENT.

Capitalized terms used in the following preambles have the same meaning as defined in this Resolution unless the context requires otherwise.

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State of New Mexico and more specifically, the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11 (1981, as amended through 2012); and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts granted and loaned pursuant to the Loan/Grant Agreement, that the Loan/Grant Amount, together with the Additional Funding Amount and other moneys available to the Borrower/Grantee, is sufficient to complete the Project, and that it is in the best interest of the Borrower/Grantee and the public it serves that the Loan/Grant Agreement be executed and delivered and that the funding of the Project take place by executing and delivering the Loan/Grant Agreement; and

WHEREAS, the Governing Body has determined that it may lawfully enter into the Loan/Grant Agreement, accept the Loan/Grant Amount and be bound to the obligations and by the restrictions thereunder; and

WHEREAS, the Loan/Grant Agreement shall not constitute a general obligation of the Borrower/Grantee, the Water Trust Board or the Finance Authority or a debt or pledge of the full faith and credit of the Borrower/Grantee, the Water Trust Board, the Finance Authority or the State; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the Town Clerk this Resolution and the form of the Loan/Grant Agreement which is incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that (i) the Additional Funding Amount is now available to the Borrower/Grantee to complete the Project; or (ii) that the Governing Body will take such steps as are necessary to obtain the Additional Funding Amount within six (6) months after the Closing Date; and

WHEREAS, the Borrower/Grantee acknowledges that, in the event that it is unable to provide the Additional Funding Amount within six (6) months after the Closing Date, the Loan/Grant Agreement shall, at the option of the Water Trust Board and the Finance Authority, terminate and be of no further force or effect; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use of the Loan/Grant Amount for the purposes described, and according to the restrictions set forth, in the Loan/Grant Agreement; (ii) the availability of other moneys necessary and sufficient, together with the Loan/Grant Amount, to complete the Project; and (iii) the authorization, execution and delivery of the Loan/Grant Agreement which are required to have been obtained by the date of this Resolution, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF TAOS, NEW MEXICO:

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

“Act” means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10, (2001, as amended through 2011), and enactments of the Governing Body relating to the Loan/Grant Agreement, including this Resolution, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which, in combination with the Loan/Grant Amount, is sufficient to complete

the Project. The Additional Funding Amount is three hundred ninety-four thousand seven hundred eighty dollars and sixty cents (\$394,780.60).

“Administrative Fee” means an amount equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

“Authorized Officers” means the Mayor and the Town Clerk of the Borrower/Grantee.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

“Borrower/Grantee” means the Town of Taos in Taos County, New Mexico.

“Closing Date” means the date of execution, delivery and funding of the Loan/Grant Agreement.

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

“Expense Account” means the account established pursuant to this Resolution and held by the Finance Authority to pay the Expenses incurred by the Lenders/Grantors in connection with the Loan/Grant Agreement and the Loan/Grant.

“Expenses” means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, including Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed by the Act, the Board Rules and applicable policies of the Water Trust Board.

“Finance Authority” means the New Mexico Finance Authority.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee 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 Lenders/Grantors establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the Town Council of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and is one million seven hundred seventy-six thousand five hundred thirteen dollars (\$1,776,513).

“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.

“Lenders/Grantors” means the Water Trust Board and the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to the Loan/Grant Agreement for the purpose of funding the Project, and is one hundred ninety-seven thousand three hundred ninety dollars (\$197,390).

“Loan/Grant” or “Loan/Grant Amount” means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to the Loan/Grant Agreement for the purpose of funding the Project and is one million nine hundred seventy-three thousand nine hundred three dollars (\$1,973,903).

“Loan/Grant Agreement” means the Water Project Fund Loan/Grant Agreement entered into by and between the Borrower/Grantee, the Water Trust Board and the Finance Authority as authorized by this Resolution.

“Net System Revenues” means the gross revenues of the water and wastewater utility system owned and operated by the Borrower/Grantee minus operation and maintenance expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water and wastewater utility system.

“NMAC” means the New Mexico Administrative Code.

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

“Pledged Revenues” means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to this Resolution and the Loan/Grant Agreement and described in the Term Sheet.

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

“Project Account” means the book account established by the Finance Authority in the name of the Borrower/Grantee documenting the Loan/Grant Amount, as shown in the Term Sheet, which shall be kept separate and apart from all other accounts of the Finance Authority.

“Qualifying Water Project” means a water project for (i) storage, conveyance or delivery of water to end-users; (ii) implementation of the federal Endangered Species Act of 1973 collaborative programs; (iii) restoration and management of watersheds; (iv) flood prevention or (v) conservation, recycling, treatment or reuse of water as provided by law; and which has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B).

“Resolution” means this Resolution as supplemented or amended from time to time.

“State” means the State of New Mexico.

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

“Useful Life” means the structural and material design life of the Project, including planning and design features which shall not be less than twenty (20) years as required by the Act and the Board Rules.

“Water Project Fund” means the fund of the same name created pursuant to NMSA 1978, §72-4A-9, and held and administered by the Finance Authority.

“Water Trust Board” or “WTB” means the water trust board created and established pursuant to the Act.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Borrower/Grantee and officers of the Borrower/Grantee directed toward the acquisition and completion of the Project, the pledge of the Pledged Revenues to payment of amounts due under the Loan/Grant Agreement, and the execution and delivery of the Loan/Grant Agreement shall be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan/Grant Agreement. The acquisition and completion of the Project and the method of funding the Project through execution and delivery of the Loan/Grant Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Borrower/Grantee and the public whom it serves.

Section 4. Findings. The Governing Body 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 Borrower/Grantee and the public whom it serves.

B. Moneys available and on hand for the Project from all sources other than the Loan/Grant are not sufficient to defray the cost of acquiring and completing the Project but, together with the Loan/Grant Amount, are sufficient to complete the Project.

C. The Project and the execution and delivery of the Loan/Grant Agreement pursuant to the Act to provide funds for the financing of the Project are necessary and in the interest of the public health, safety, and welfare of the public served by the Borrower/Grantee.

D. The Borrower/Grantee will acquire and complete the Project with the proceeds of the Loan/Grant, the Additional Funding Amount and other amounts available to the Borrower/Grantee, and except as otherwise expressly provided by the Loan/Grant Agreement, will utilize, operate and maintain the Project for the duration of its Useful Life, which is not less than twenty (20) years, as required by NMSA 1978, § 72-4A-7(A)(1).

E. Together with the Loan/Grant Amount, and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, or

is expected to become available to the Borrower/Grantee within six (6) months after the Closing Date, and, in combination with the Loan/Grant Amount, the Additional Funding Amount and other amounts available to the Borrower/Grantee, will be sufficient to complete the Project and pay Expenses.

F. The Lenders/Grantors shall maintain on behalf of the Borrower/Grantee a separate Project Account or accounts and financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

G. The Borrower/Grantee has or will acquire title to or easements or rights of way on the real property upon which the Project is being constructed or located.

Section 5. Loan/Grant Agreement—Authorization and Detail.

A. Authorization. This Resolution has been adopted by the affirmative vote of at least a majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the constituent public served by the Borrower/Grantee and acquiring and completing the Project, it is hereby declared necessary that the Borrower/Grantee execute and deliver the Loan/Grant Agreement evidencing the Borrower/Grantee's acceptance of the Grant Amount of one million seven hundred seventy-six thousand five hundred thirteen dollars (\$1,776,513) and borrowing the Loan Amount of one hundred ninety-seven thousand three hundred ninety dollars (\$197,390) to be utilized solely for the purpose of completing the Project and paying Expenses, and solely in the manner and according to the restrictions set forth in the Loan/Grant Agreement, the execution and delivery of which is hereby authorized. The Borrower/Grantee shall use the Loan/Grant Amount to finance the acquisition and completion of the Project and to pay Expenses.

B. Detail. The Loan/Grant Agreement shall be in substantially the form of the Loan/Grant Agreement presented at the meeting of the Governing Body at which this Resolution was adopted. The Grant shall be in the amount of one million seven hundred seventy-six thousand five hundred thirteen dollars (\$1,776,513) and the Loan shall be in the amount of one hundred ninety-seven thousand three hundred ninety dollars (\$197,390). Interest on the Loan Amount shall be zero percent (0%) per annum of the unpaid principal balance of the Loan Amount, and the Administrative Fee shall be one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

Section 6. Approval of Loan/Grant Agreement. The form of the Loan/Grant 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/Grant Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the Town Clerk is hereby authorized to attest the Loan/Grant Agreement. The execution of the Loan/Grant Agreement shall be conclusive evidence of such approval.

Section 7. Security. The Loan Amount and Administrative Fee shall be solely secured by the pledge of the Pledged Revenues herein made and as set forth in the Loan/Grant Agreement.

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

A. Project Account and Expense Account. The Borrower/Grantee hereby consents to creation of the Project Account and the Expense Account by the Finance Authority and approves of the deposit or crediting of the Loan/Grant Amount and Expenses in those accounts in the respective amounts shown in the Term Sheet. Until the Completion Date, the money in the Project Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan/Grant Agreement.

B. Completion of the Project. The Borrower/Grantee shall proceed to complete the Project with all due diligence. Upon the Completion Date, the Borrower/Grantee shall execute a certificate stating that completion of and payment for the Project has been completed. Following the Completion Date or the earlier expiration of the time allowed for disbursement of Loan/Grant funds as provided in the Loan/Grant Agreement, any balance remaining in the Project Account shall be distributed as provided in the Loan/Grant Agreement.

C. Water Trust Board and Finance Authority Not Responsible. Neither the Water Trust Board nor the Finance Authority shall in any manner be responsible for the application or disposal by the Borrower/Grantee or by its officers of the funds derived from the Loan/Grant Agreement or of any other funds held by or made available to the Borrower/Grantee in connection with the Project. Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

Section 9. Payment of Loan Amount. Pursuant to the Loan/Grant Agreement, the Borrower/Grantee shall pay the Loan Amount and Administrative Fee directly from the Pledged Revenues to the Finance Authority as provided in the Loan/Grant Agreement in an amount sufficient to pay principal and other amounts due under the Loan/Grant Agreement and to cure any deficiencies in the payment of the Loan Amount or other amounts due under the Loan/Grant Agreement.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan/Grant Agreement, the Loan/Grant Agreement constitutes an irrevocable lien (but not an exclusive lien) upon the Pledged Revenues to the extent of the Loan Amount and the Administrative Fee, which lien shall be subordinate to any lien on the Pledged Revenues existing on the Closing Date and, further, shall be subordinate to all other indebtedness secured or that may in the future be secured by the Pledged Revenues, except, however, that the lien shall be on parity with any other lien, present or future, for the repayment of any other loan provided to the Borrower/Grantee by the Lenders/Grantors pursuant to the Act.

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/Grant 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/Grant Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Resolution and the Loan/Grant Agreement including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan/Grant Agreement.

Section 12. Amendment of Resolution. This Resolution after its adoption may be amended without receipt by the Borrower/Grantee of any additional consideration, but only with the prior written consent of the Water Trust Board and the Finance Authority.

Section 13. Resolution Irrepealable. After the Loan/Grant Agreement has been executed and delivered, this Resolution shall be and remain irrepealable until all obligations due under the Loan/Grant Agreement shall be fully 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, ordinances, resolutions, 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 Borrower/Grantee kept for that purpose, authenticated by the signatures of the Mayor and Town Clerk of the Borrower/Grantee, and this Resolution shall be in full force and effect thereafter, in accordance with law; provided, however, that if recording is not required for the effectiveness of this Resolution, this Resolution shall be effective upon adoption of this Resolution by the Governing Body.

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]
TOWN OF TAOS, 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. 13-13 duly adopted and approved by the Town Council of the Town of Taos on March 12, 2013. A complete copy of the Resolution is available for public inspection during normal and regular business hours in the office of the Town Clerk at 400 Camino de La Placita, Taos, New Mexico 87571.

The title of the Resolution is:

TOWN OF TAOS, NEW MEXICO
RESOLUTION NO. 13-13

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BY AND AMONG THE NEW MEXICO WATER TRUST BOARD ("WATER TRUST BOARD") AND THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY", AND COLLECTIVELY WITH THE WATER TRUST BOARD, THE "LENDERS/GRANTORS") AND THE TOWN OF TAOS (THE "BORROWER/GRANTEE"), IN THE AMOUNT OF \$1,973,903, EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF DESIGN AND CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS INCLUDING EXTENSION OF WATER SERVICES, INTERCONNECTIONS, NEW WELL METERS, PRESSURE REDUCING VALVE UPGRADES, RELOCATION OF EMERGENCY GENERATORS, REHABILITATION OF AN EXISTING WATER TANK AND REHABILITATION OF CERTAIN WELLS AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND ADMINISTRATIVE FEE SOLELY FROM PLEDGED REVENUES; CERTIFYING THAT THE LOAN/GRANT AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT 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/GRANT AGREEMENT.

A general summary of the subject matter of the Resolution is contained in its title. This notice constitutes compliance with NMSA 1978, § 6-14-6.

[End of Form of Summary for Publication]

PASSED, APPROVED AND ADOPTED THIS 12TH DAY OF March , 2013

TOWN OF TAOS, NEW MEXICO

By _____
Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town 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 the 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 the motion, the Mayor declared the motion carried and the Resolution adopted, whereupon the Mayor and the Town Clerk signed the Resolution upon the records of the minutes of the Governing Body.

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

TOWN OF TAOS, NEW MEXICO

By _____
Darren M. Cordova, Mayor

ATTEST:

By _____
Renee Lucero, Town Clerk

[Remainder of page intentionally left blank.]

STATE OF NEW MEXICO)
) ss.
COUNTY OF TAOS)

I, Renee Lucero, the duly qualified and acting Town Clerk of the Town of Taos (the “Borrower/Grantee”), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Town Council of the Borrower/Grantee (the "Governing Body"), had and taken at a duly called regular meeting held at 400 Camino de La Placita, Taos, New Mexico 87571, on March 12, 2013 at the hour of 6:30 p.m., insofar as the same relate to the adoption of Resolution No. 13-13 and the execution and delivery of the proposed Loan/Grant Agreement, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the State Open Meetings Act, NMSA 1978, § 10-15-1 (1999), including the Borrower/Grantee's open meetings standards in effect on the date of the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of April 2013.

TOWN OF TAOS, NEW MEXICO

By _____
Renee Lucero, Town Clerk

EXHIBIT “A”

Notice of Meeting

\$1,973,903

**WATER PROJECT FUND
LOAN/GRANT AGREEMENT**

Dated

April 19, 2013

By and Among the

**NEW MEXICO WATER TRUST BOARD
and the
NEW MEXICO FINANCE AUTHORITY,
as Lenders/Grantors,**

and the

**TOWN OF TAOS,
Taos County, New Mexico,
as Borrower/Grantee.**

WATER PROJECT FUND LOAN/GRANT AGREEMENT

THIS LOAN/GRANT AGREEMENT (the “Agreement”) dated April 19, 2013, is entered into by and among the **NEW MEXICO WATER TRUST BOARD** (the “Water Trust Board”) and **THE NEW MEXICO FINANCE AUTHORITY** (the “Finance Authority”) (collectively, the “Lenders/Grantors”), and the **TOWN OF TAOS**, in Taos County, New Mexico, (the “Borrower/Grantee”).

W I T N E S S E T H:

Capitalized terms used in the following preambles of this Agreement have the same meaning as defined in Article I of this Agreement unless the context requires otherwise.

WHEREAS, the Water Trust Board is a public body duly organized and created under and pursuant to the laws of the State of New Mexico, particularly NMSA 1978, §§ 72-4A-1 through 72-4A-10 (2001, as amended through 2011); and

WHEREAS, the Finance Authority is a public body politic and corporate, separate and apart from the State of New Mexico, constituting a governmental instrumentality, duly organized and created under and pursuant to the laws of the State, particularly NMSA 1978, §§ 6-21-1 through 6-21-31 (1992, as amended through 2012); and

WHEREAS, the Act provides that the Water Trust Board and the Finance Authority may make loans and grants from the Water Project Fund to qualifying entities for projects approved by the Legislature; and

WHEREAS, pursuant to the Act, the Water Trust Board has established the Board Rules governing the terms and conditions of loans and grants made from the Water Project Fund as set out in Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC, for the purpose of making loans and grants available to qualifying entities pursuant to the Board Rules for Qualifying Water Projects; and

WHEREAS, pursuant to the Board Rules, except as provided in the Policies, a qualifying entity is expected to receive some portion of its funding as a loan in order to maximize the potential for the return of funds to the Water Project Fund, thereby increasing the limited financial resources expected to be available in the Water Project Fund; and

WHEREAS, pursuant to the Policies certain systems that establish managerial, technical and financial policies and procedures consistent with the Policies may be eligible for loan forgiveness as further described in the Policies; and

WHEREAS, the Borrower/Grantee is a legally and regularly created, established, organized and existing incorporated municipality under the general laws of the State and more specifically, the Municipal Code, NMSA 1978, §§ 3-1-1 through 3-66-11 (1981, as amended through 2012), and is a qualifying entity under the Act and is qualified for financial assistance as

determined by the Finance Authority and approved by the Water Trust Board pursuant to the Board Rules; and

WHEREAS, the Borrower/Grantee has determined that it is in the best interests of the Borrower/Grantee and the constituent public that it serves that the Borrower/Grantee enter into this Agreement with the Lenders/Grantors to borrow one hundred ninety-seven thousand three hundred ninety dollars (\$197,390) from the Lenders/Grantors and to accept a grant in the amount of one million seven hundred seventy-six thousand five hundred thirteen dollars (\$1,776,513) from the Lenders/Grantors to finance the costs of the Project, this project being more particularly described in the Term Sheet; and

WHEREAS, based upon the Finance Authority's evaluation of the Application dated November 4, 2011 of the Borrower/Grantee and dealing with the Project, the Finance Authority has recommended to the Water Trust Board that the Borrower/Grantee receive financial assistance in the form of the Loan/Grant, and the Water Trust Board has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Borrower/Grantee is willing to pledge the Pledged Revenues to the payment of the Loan and Administrative Fee with a lien on the Pledged Revenues subordinate to all other liens thereon present and future, except that the lien on the Pledged Revenues of any future loans from the Lenders/Grantors to the Borrower/Grantee pursuant to the Water Project Finance Act, secured by the Pledged Revenues shall be on a parity with this Loan/Grant; and

WHEREAS, the obligation of the Borrower/Grantee under this Agreement shall constitute a special, limited obligation of the Borrower/Grantee, limited to the Pledged Revenues, and shall not constitute a general obligation or other indebtedness of the Borrower/Grantee or a charge upon the general credit or ad valorem taxing power of the Borrower/Grantee or the State; and

WHEREAS, 2012 N.M. Laws Ch. 17, being House Bill 95 of the 2012 Regular New Mexico Legislative Session authorized the funding of the Project from the Water Project Fund; and

WHEREAS, the Borrower/Grantee will use the proceeds of the Loan/Grant to finance the cost of the Project; and

WHEREAS, the Water Trust Board has authorized the Finance Authority to enter into and administer this Agreement; and

WHEREAS, the Finance Authority on behalf of the Water Trust Board has determined that the Borrower/Grantee has met or will meet prior to the disbursement of any portion of the Loan/Grant Amount, the Conditions and readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board; and

WHEREAS, the Water Trust Board has determined that the Project is a Qualifying Water Project, is important to the overall needs of the citizens of the State and will directly enhance the health, safety and welfare of the constituent public served by the Borrower/Grantee; and

WHEREAS, the plans and specifications for the Project will be approved by the Finance Authority (or by the New Mexico Environment Department or other appropriate agency or entity on behalf of the Finance Authority, pursuant to an agreement between such agency or entity and the Finance Authority), and the plans and specifications for the Project will incorporate available technologies and operational design for water use efficiency; and

WHEREAS, as planned and designed, the structural and material design life of the Project will be not less than twenty (20) years; and

WHEREAS, for purposes of providing funding for the Project, the Governing Body of the Borrower/Grantee and the Water Trust Board have determined that it is in the best interests of the Borrower/Grantee and the constituent public it serves that the Borrower/Grantee borrow the Loan Amount from the Lenders/Grantors and that the Water Trust Board provide the Grant Amount to the Borrower/Grantee; and

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

WHEREAS, the execution and performance of this Agreement have been authorized, approved and directed by all necessary and appropriate action of the Water Trust Board and the Finance Authority and their respective officers.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

The capitalized terms defined in this Article I shall have the meanings assigned therein, unless the context clearly requires otherwise.

“Act” means the general laws of the State, particularly the Water Project Finance Act, NMSA 1978, §§ 72-4A-1 through 72-4A-10 (2001, as amended through 2011), and enactments of the Governing Body relating to the Loan/Grant Agreement, including the Resolution, all as amended and supplemented.

“Additional Funding Amount” means the amount to be provided by the Borrower/Grantee which includes the total value of the soft or hard match which, in combination with the Loan/Grant Amount together with other moneys available to the Borrower/Grantee is sufficient to complete the Project or to provide matching funds needed to complete the Project. The Additional Funding Amount is three hundred ninety-four thousand seven hundred eighty dollars and sixty cents (\$394,780.60).

“Administrative Fee” means an amount equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee.

“Agreement” or “Loan/Grant Agreement” means this Loan/Grant Agreement and any amendments or supplements hereto, including the Exhibits attached hereto.

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

“Application” means the New Mexico Water Trust Board Application for Financial Assistance dated November 4, 2011 of the Borrower/Grantee and pursuant to which the Borrower/Grantee requested funding for the Project.

“Authorized Officers” means, with respect to the Borrower/Grantee, any one or more of the Mayor and the Town Clerk thereof; 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 with respect to the Water Trust Board, any one or more of the Chairman or a Co-Chairman and the Secretary thereof, and any other officer or employee of the Finance Authority or of the Water Trust Board designated in writing by an Authorized Officer thereof.

“Board Rules” means Review and Eligibility of Proposed Water Projects, New Mexico Water Trust Board, 19.25.10 NMAC.

“Borrower/Grantee” means the Town of Taos in Taos County, New Mexico.

“Conditions” means the conditions to be satisfied prior to the disbursement of the Loan/Grant Amount or which otherwise apply to the performance of this Agreement including those set forth in the Term Sheet.

“Department of Finance and Administration” or “DFA” means the department of finance and administration of the State

“Effective Date” or “Closing Date” means the date of execution of this Agreement by the Borrower/Grantee, the Water Trust Board and the Finance Authority.

“Eligible Fiscal Agent Fees” means fees and costs incurred by a fiscal agent for the administration of Project funds, including the collection and reporting of Project information as required by this Agreement, in an amount not exceeding five (5) percent of the Loan/Grant Amount. The total amount of the combined Eligible Fiscal Agent Fees and Eligible Legal Fees may not exceed ten (10) percent of the total Water Project Fund Financial Assistance.

“Eligible Items” means eligible Project costs for which grants and loans may be made pursuant to NMSA 1978, § 72-4A-7(C) of the Act, the Board Rules and applicable Policies, and includes Expenses.

“Eligible Legal Costs” means legal fees and costs for services rendered by legal counsel on behalf of the Borrower/Grantee for transaction of the Project, in an amount not exceeding ten (10) percent of the Loan/Grant Amount, but does not include adjudication services. The total

amount of the combined Eligible Fiscal Agent Fees and Eligible Legal Fees may not exceed ten (10) percent of the total Water Project Fund Financial Assistance.

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

“Expense Account” means the account established pursuant to the Resolution and held by the Finance Authority to pay the Expenses incurred by the Lenders/Grantors in connection with the Loan/Grant Agreement and the Loan/Grant.

“Expenses” means the costs of the Lenders/Grantors of originating and administering the Loan/Grant, and includes Eligible Legal Costs and Eligible Fiscal Agent Fees to the extent allowed under the Act, the Board Rules, other applicable statutes and rules, and applicable Policies.

“Finance Authority” means the New Mexico Finance Authority.

“Generally Accepted Accounting Principles” means the officially established accounting principles applicable to the Borrower/Grantee 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 Lenders/Grantors establishing accounting principles applicable to the Borrower/Grantee.

“Governing Body” means the Town Council of the Borrower/Grantee, or any future successor governing body of the Borrower/Grantee.

“Grant” or “Grant Amount” means the amount provided to the Borrower/Grantee as a grant pursuant to this Agreement for the purpose of funding the Project and equals one million seven hundred seventy-six thousand five hundred thirteen dollars (\$1,776,513).

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

“Interest Component” means the portion of each Loan Payment paid as interest on this Loan Agreement, if any, as shown on Exhibit “C” hereto.

“Lenders/Grantors” means the Water Trust Board and the Finance Authority.

“Loan” or “Loan Amount” means the amount provided to the Borrower/Grantee as a loan pursuant to this Agreement for the purpose of funding the Project and equals one hundred ninety-seven thousand three hundred ninety dollars (\$197,390).

“Loan/Grant” or “Loan/Grant Amount” means the combined amount partially provided to the Borrower/Grantee as the Grant Amount and partially borrowed by the Borrower/Grantee as the Loan Amount pursuant to this Agreement for the purpose of funding the Project.

"Loan Payments" means, collectively, the Principal Component and the Interest Component, if any, to be paid by the Borrower/Grantee as payment of this Loan Agreement as shown on Exhibit "C" hereto.

"Net System Revenues" means the gross revenues of the water and wastewater utility system owned and operated by the Borrower/Grantee minus operation and maintenance expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water and wastewater utility system.

"NMAC" means the New Mexico Administrative Code.

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

"Pledged Revenues" means the Net System Revenues of the Borrower/Grantee pledged to the payment of the Loan Amount and Administrative Fees pursuant to the Resolution and this Loan/Grant Agreement and described in the Term Sheet.

"Policies" means the Water Trust Board Water Project Fund Project Management Policies approved by the Water Trust Board and the Finance Authority, as amended.

"Principal Component" means the portion of each Loan Payment paid as principal on this Loan Agreement as shown on Exhibit "C" hereto.

"Project" means the project described in the Term Sheet.

"Project Account" means the book account established by the Finance Authority in the name of the Borrower/Grantee documenting the Loan/Grant Amount, as shown in the Term Sheet, which shall be kept separate and apart from all other accounts of the Finance Authority.

"Qualifying Water Project" means a water project for (i) storage, conveyance or delivery of water to end-users; (ii) implementation of the federal Endangered Species Act of 1973 collaborative programs; (iii) restoration and management of watersheds; (iv) flood prevention or (v) conservation, recycling, treatment or reuse of water as provided by law; and which has been approved by the state legislature pursuant to NMSA 1978, § 72-4A-9(B).

"Resolution" means the Borrower/Grantee's Resolution No. 13-13, adopted March 12, 2013, authorizing the execution of this Agreement.

"State" means the State of New Mexico.

"Term Sheet" means Exhibit "A" attached to this Agreement.

"Useful Life" means the structural and material design life of the Project including planning and design features, which shall not be less than twenty (20) years as required by the Act and the Board Rules.

“Water Project Fund” means the fund of the same name created pursuant to the Act and held and administered by the Finance Authority.

“Water Trust Board” or “WTB” means the water trust board created and established pursuant to the Act.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Borrower/Grantee: The Borrower/Grantee represents, covenants and warrants as follows:

(a) Binding Nature of Covenants. All covenants, stipulations, obligations and agreements of the Borrower/Grantee contained in this Loan/Grant Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Borrower/Grantee to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Borrower/Grantee 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 Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Borrower/Grantee by the provisions of this Agreement and the Resolution shall be exercised or performed by the Borrower/Grantee or by such members, officers, or officials of the Borrower/Grantee as may be required by law to exercise such powers and to perform such duties.

(b) No Personal Liability. No covenant, stipulation, obligation or agreement contained in this Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, agent or employee of the Borrower/Grantee or member of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any officer executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

(c) Authorization of Agreement. The Borrower/Grantee is a qualifying entity as defined in the Act and the Board Rules. Pursuant to the laws of the State and in particular, laws governing its creation and existence, as amended and supplemented from time to time, the Borrower/Grantee is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Borrower/Grantee has duly authorized and approved the execution and delivery of this Agreement and the other documents related to the transaction described in this Agreement.

(d) Nature and Use of Agreement Proceeds. The Borrower/Grantee acknowledges that the distribution of the proceeds of the Loan/Grant Amount shall be deemed to be a distribution to the Borrower/Grantee first of the Loan Amount and then, once an amount equal to the Loan Amount has been distributed, of the Grant Amount. The Borrower/Grantee shall apply the proceeds of the Loan/Grant solely to Eligible Items that will facilitate the completion of the Project as well as the payment of the Expenses, and shall not use the

Loan/Grant proceeds for any other purpose. The Loan/Grant Amount, together with the Additional Funding Amount and other moneys reasonably expected to be available to the Borrower/Grantee, is sufficient to complete the Project in its entirety and to pay the Expenses.

(e) Payment of Loan Amount. The Borrower/Grantee shall promptly pay the Loan Amount and Administrative Fee as provided in this Agreement. The Loan and Administrative Fee shall be payable solely from Pledged Revenues and nothing in this Agreement shall be construed as obligating the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee from any general or other fund of the Borrower/Grantee other than the Pledged Revenues; however, nothing in this Agreement shall be construed as prohibiting the Borrower/Grantee, 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.

(f) Completion of Project; Compliance with Laws. The Project will consist of the design and construction of water system improvements including extension of water services, interconnections, new well meters, pressure reducing valve upgrades, relocation of emergency generators, rehabilitation of an existing water tank and rehabilitation of certain wells. The Project is more particularly described in the Term Sheet. The Project will be completed, operated and maintained so as to comply with all applicable federal, state and local laws, ordinances, resolutions and regulations relating to the acquisition, operation, maintenance and completion of the Project and to the use of the Loan/Grant proceeds.

(g) Necessity of Project. The completion and operation of the Project under the terms and Conditions provided in this Agreement are necessary, convenient and in furtherance of the governmental purposes of the Borrower/Grantee and are in the best interest of the Borrower/Grantee and the constituent public it serves.

(h) Legal, Valid and Binding Obligation. The Borrower/Grantee has taken all required action necessary to authorize the execution and delivery of this Agreement, and this Agreement constitutes a legal agreement of the Borrower/Grantee enforceable in accordance with its terms.

(i) Agreement Term Not Less than Useful Life. The Agreement Term is not less than the Useful Life of the Project, which is not less than twenty (20) years, as required by NMSA 1978, § 72-4A-7 of the Act.

(j) Benefit to Borrower/Grantee. During the Agreement Term, the Project will at all times be used for the purpose of benefiting the Borrower/Grantee and the constituent public it serves. The Borrower/Grantee intends to utilize the Project on a continuing basis and shall not sell or transfer the Project during the Useful Life of the Project, and the Project will be used solely in a manner consistent with the purposes of the Loan/Grant; provided that, if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall, prior to any expenditure of the Loan/Grant funds for the Project, obtain the written agreement of such other qualifying entity to abide by these requirements with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by

such other qualifying entity that the Lenders/Grantors are third party beneficiaries of such written agreement.

(k) Amount of Agreement. The sum of the Grant Amount, the Loan Amount and the Additional Funding Amount (and as set forth on the Term Sheet) does not exceed the cost of the Project and the Expenses.

(l) No Breach or Default Caused by Agreement. Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and Conditions in the 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 Borrower/Grantee is a party or by which the Borrower/Grantee is bound or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower/Grantee or its properties are subject, or constitutes a default under any of the foregoing.

(m) Irrevocability of Enactments. While this Agreement remains outstanding, any ordinance, resolution or other enactment of the Governing Body accepting the terms hereof, including the Resolution, shall be irrevocable until the Project has been fully acquired and completed, and shall not be subject to amendment or modification in any manner which would result in any use of the proceeds of this Agreement in a manner not permitted or contemplated by the terms hereof. The Borrower/Grantee shall not impair the rights of any holders of bonds or other obligations payable from the Net System Revenues while this Agreement is outstanding.

(n) No Litigation. To the knowledge of the Borrower/Grantee, no litigation or proceeding is pending or threatened against the Borrower/Grantee or any other person affecting the right of the Borrower/Grantee to execute this Agreement or to comply with its obligations hereunder. Neither the execution of this Agreement by the Borrower/Grantee nor compliance by the Borrower/Grantee with the obligations hereunder 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.

(o) Occurrence of Event of Default. No event has occurred and no condition exists which, upon the execution and delivery of this Agreement, would constitute an Event of Default on the part of the Borrower/Grantee hereunder.

(p) Budgeting of Pledged Revenues; Approval by Department of Finance and Administration. The Borrower/Grantee anticipates that the Pledged Revenues will be sufficient to make the Loan Payments, as and when due. The Borrower/Grantee will adequately budget for the Loan Payments and other amounts payable by the Borrower/Grantee under this Agreement and will submit such budget on an annual basis to the Department of Finance and Administration for review and verification of compliance with this requirement.

(q) Borrower/Grantee's Existence. The Borrower/Grantee will maintain its legal identity and existence so long as this Agreement remains outstanding unless another political subdivision or State agency by operation of law succeeds to the liabilities, rights and

duties of the Borrower/Grantee under this Agreement without adversely affecting to any substantial degree the privileges and rights of the Lenders/Grantors.

(r) Use of Project; Continuing Covenant. The Borrower/Grantee shall not sell, lease, mortgage, pledge, relocate or otherwise dispose of or transfer the Project or any part of the Project during its Useful Life; provided, however, that if the Project is a joint project of the Borrower/Grantee and other qualifying entities (as defined by the Act), the Borrower/Grantee and the other qualifying entities may, with the express written approval of the Lenders/Grantors and not otherwise, enter into an agreement allocating ownership and operational and maintenance responsibilities for the Project during its Useful Life. Any, such agreement shall provide that the Lenders/Grantors, or either of them, shall have the power to enforce the terms of this Agreement, without qualification, as to each and every qualifying entity owning or operating any portion of the Project during its Useful Life. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to abide by these restrictions with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lenders/Grantors are third party beneficiaries of such written agreement. The provisions of this Section shall remain effective and enforceable by the Lenders/Grantors for the duration of the Useful Life of the Project.

(s) Maintenance of Separate Project Accounts. The Borrower/Grantee acknowledges that the Lenders/Grantors on behalf of the Borrower/Grantee shall maintain a Project Account or accounts. The Borrower/Grantee shall maintain financial records in accordance with Generally Accepted Accounting Principles during the construction or implementation of the Project.

(t) Title and Rights of Way. The Borrower/Grantee has or, prior to commencing construction, shall obtain title to, easements, rights of way or use permits on the real property upon which the Project is being constructed, located, completed or extended, and if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, such other qualifying entity has title to such real property. As required by NMSA 1978, § 72-4A-7(A)(3) of the Act and the Board Rules as a Condition to any disbursement of the Loan/Grant Amount for Project construction, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that the Borrower/Grantee has proper title to, easements, rights of way or use permits on the real property upon or through which the Project is to be constructed, located, completed or extended. If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall provide written assurance signed by an attorney or provide a title insurance policy ensuring that such other qualifying entity has proper title to such real property.

(u) Additional Funding Amount. Together with the Loan/Grant Amount and other amounts available to the Borrower/Grantee, the Additional Funding Amount is now available to the Borrower/Grantee, or will become available to the Borrower/Grantee within six (6) months after the Closing Date, and in combination with the Loan/Grant Amount, will be sufficient to complete the Project. If any other additional expenses are incurred, the Borrower/Grantee shall be responsible for payment of such expenses.

(v) Audit Requirement. During the term of the Loan/Grant Agreement the Borrower/Grantee shall comply with the requirements of the State Audit Act, NMSA 1978, §§ 12-6-1 through 12-6-14 (1969, as amended through 2011). Upon request by the Finance Authority or the Water Trust Board, the Borrower/Grantee shall provide the requesting party a copy of any audit prepared pursuant to the State Audit Act.

Section 2.2 Representations, Covenants, Warranties and Findings of the Water Trust Board and the Finance Authority. The Water Trust Board and the Finance Authority represent, covenant and warrant for the benefit of the Borrower/Grantee as follows:

(a) Authority of Water Trust Board. The Water Trust Board has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

(b) Authority of Finance Authority. 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 Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement.

(c) No Breach or Default Caused by Agreement. Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and Conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Water Trust Board or the Finance Authority is a party or by which the Water Trust Board or 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 Water Trust Board or the Finance Authority, or the property of either, and which conflict or violation will have a material adverse effect on the Water Trust Board, the Finance Authority or the financing of the Project.

(d) No Litigation. To the knowledge of the Water Trust Board and the Finance Authority, there is no litigation or proceeding pending or threatened against either the Water Trust Board or the Finance Authority or any other person affecting the right of the Water Trust Board or the Finance Authority to execute or deliver this Agreement or to comply with its obligations under this Agreement. Neither the execution and delivery of this Agreement by the Water Trust Board and the Finance Authority, nor compliance by the Water Trust Board or the

Finance Authority with their respective obligations under this Agreement, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

(e) Legal, Valid and Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Water Trust Board and the Finance Authority enforceable in accordance with its terms.

(f) Importance of Project. The Project is important to the overall needs of the State and its citizens.

(g) Compliance with Policies. As related to this Agreement, the Finance Authority and the Water Trust Board have complied with all applicable Policies and procedures as adopted and approved by the Finance Authority and the Water Trust Board, as applicable, or such Policies and procedures have been waived by the Finance Authority or the Water Trust Board, as applicable.

ARTICLE III AGREEMENT TERM

The Agreement Term shall commence on the Closing Date and shall terminate at the end of the Useful Life of the Project, which in no event shall be less than twenty (20) years, as required by NMSA 1978, § 72-4A-7 of the Act.

ARTICLE IV LOAN/GRANT AMOUNT DISBURSEMENT CONDITIONS

Section 4.1 Conditions Precedent to Disbursement of Loan/Grant. Prior to the disbursement of the Loan/Grant Amount or any portion thereof, the following Conditions and readiness to proceed items shall be satisfied:

(a) The Finance Authority, on behalf of the Water Trust Board, shall have determined that the Borrower/Grantee has met the Conditions and readiness to proceed requirements established for the Loan/Grant by the Finance Authority and the Water Trust Board including any Conditions set out in the Term Sheet; and

(b) The Borrower/Grantee shall have provided written assurance addressed to the Water Trust Board and the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that the Borrower/Grantee has proper title to or easements, rights of way, or permits on the real property upon or through which the Project is to be constructed, located, completed or extended; and

(c) If any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee shall have provided written assurance addressed to the Water Trust Board and the Finance Authority and signed by an attorney (or shall have provided a title insurance policy) that such other qualifying entity has proper title to such real property; and

(d) Prior to the disbursement of any portion of the Loan/Grant Amount for purposes of construction of the Project, the plans and specifications funded with the proceeds of this Agreement shall be approved as required by NMSA 1978, § 72-4A-7(B), by the New Mexico Environment Department, and the Borrower/Grantee shall have provided written evidence of such approval to the Finance Authority; and

(e) Except as otherwise expressly provided in the Conditions, the Borrower/Grantee shall have certified to the Lenders/Grantors that the Additional Funding Amount is available for the Project, and, in addition, shall have provided additional evidence reasonably acceptable to the Lenders/Grantors of the availability of the Additional Funding Amount; and

(f) The Borrower/Grantee shall be in compliance with the provisions of this Agreement.

Section 4.2 Determination of Eligibility Is Condition Precedent to Disbursement. No disbursement shall be made from the Project Account except upon a determination by the Finance Authority that such disbursement is for payment of Eligible Items, and that the disbursement does not exceed any limitation upon the amount payable for any Eligible Item pursuant to the Act, the Board Rules, and the Policies governing the Water Project Fund. The Finance Authority, as a condition precedent to making any requested disbursement, may require submittal of such documentation as the Finance Authority deems necessary, in its sole and absolute discretion, for a determination whether any requested disbursement is for payment of Eligible Items and is fully consistent with the Act, the Board Rules, and the applicable Policies.

ARTICLE V

LOAN TO THE BORROWER/GRANTEE; GRANT TO THE BORROWER/GRANTEE; APPLICATION OF MONEYS

Section 5.1 Loan and Grant to the Borrower/Grantee.

(a) Loan to the Borrower/Grantee. The Lenders/Grantors hereby lend to the Borrower/Grantee and the Borrower/Grantee hereby borrows from and agrees to pay to the order of the Lenders/Grantors, without interest, an amount equal to the Loan Amount, with the principal amount of the Loan Amount being payable as provided by Exhibit "C" of this Agreement. The Loan Amount shall be pre-payable by the Borrower/Grantee at any time without penalty.

(i) Subordinate Nature of Loan Amount and Administrative Fee Obligation. The obligation of the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee shall be subordinate to all other indebtedness secured by the Pledged Revenues existing on the Closing Date and, further, that may in the future be secured by the Pledged Revenues; except, however, that the obligation of the Borrower/Grantee to make the Loan Payments and to pay the Administrative Fee shall be on parity with any other obligation, present or future, of the Borrower/Grantee to repay a loan provided by the Lenders/Grantors pursuant to the Act.

(ii) Administrative Fee. The Borrower/Grantee shall, on an annual basis beginning June 1, 2014, pay to the Lenders/Grantors an administrative fee equal to one-quarter of one percent (0.25%) per annum of the unpaid principal balance of the Loan Amount, taking into account both payments made by the Borrower/Grantee and hardship waivers of payments granted to the Borrower/Grantee as provided by this Agreement. Any such Administrative Fee payment shall be due irrespective of whether or not a hardship waiver of payment is granted to the Borrower/Grantee for the principal payment otherwise due on June 1 of the applicable year or any other year.

(iii) Hardship Waivers of Payment. Each year while any portion of the Loan Amount remains outstanding, no later than April 1 of each such year, the Borrower/Grantee may apply in writing to the Finance Authority for a determination of whether the annual principal payment on the Loan Amount otherwise due on the upcoming June 1 of such year should be forgiven because such payment would cause undue hardship for the Borrower/Grantee or the constituent public it serves. Although such determination shall be made by the New Mexico Department of Finance and Administration (the "DFA"), the Borrower/Grantee shall submit such application to DFA through the Finance Authority for determination by DFA and shall submit with such application sufficient documentation of the existence of such undue hardship as is reasonably required by DFA (as determined by the Finance Authority and DFA) to make such determination, and the Borrower/Grantee shall promptly respond to additional requests for information from DFA or the Finance Authority. Such application shall be executed by the Authorized Officers of the Borrower/Grantee. For purposes of this Agreement and that determination, an "undue hardship" shall be deemed to exist if DFA determines that the Borrower/Grantee demonstrates economic need and the inability to pay on a timely basis such annual payment on the Loan Amount. DFA shall make such determination no later than May 15 of the applicable year, and the Finance Authority shall promptly communicate to the Borrower/Grantee in writing the results of such determination. Upon receipt of written notice of such determination, either the principal payment otherwise due on June 1 of such year shall be forgiven (in the event of a determination of undue hardship) or such principal payment shall remain outstanding and due and payable on such date (in the event no undue hardship is determined to exist).

(b) Grant to the Borrower/Grantee. The Lenders/Grantors hereby grant to the Borrower/Grantee and the Borrower/Grantee hereby accepts from the Lenders/Grantors an amount equal to the Grant Amount.

(c) Project Account. The Finance Authority shall establish and maintain the Project Account as a book account only, on behalf of the Borrower/Grantee. The Borrower/Grantee hereby pledges to the Lenders/Grantors all its rights, title and interest in the Loan/Grant Amount including the Project Account, for the purpose of securing the Borrower/Grantee's obligations under this Agreement. The Loan/Grant Amount shall be disbursed as provided in Section 7.2 hereof.

(d) Constitutional and Statutory Debt Limitations. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other

indebtedness of the Water Trust Board, the Finance Authority, the State or the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation.

Section 5.2 Application of Loan/Grant Amount. Following the determination by the Water Trust Board and/or the Finance Authority, as applicable, that the Conditions to the disbursement of the Loan/Grant Amount have been satisfied, the Finance Authority shall:

(a) when made available to the Expense Account, the amount necessary to pay the Expenses of the Lenders/Grantors, as shown on the Term Sheet; and

(b) make an entry in its accounts, and in particular in the Project Account, reflecting the proceeds of the Loan/Grant Amount made available for disbursement to the Borrower/Grantee at its request, and as needed by it to acquire and complete the Project, as provided in Section 7.2 of this Agreement.

Section 5.3 Investment of Borrower/Grantee's Accounts. Money on deposit in the Borrower/Grantee's accounts created hereunder may be invested by the Finance Authority for the credit of the Water Project Fund.

ARTICLE VI

LOAN PAYMENTS BY THE BORROWER/GRANTEE

Section 6.1 Payment Obligations Limited to Pledged Revenues; Pledge of the Pledged Revenues. The Borrower/Grantee promises to make the Loan Payments and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided. The Borrower/Grantee does hereby convey, assign and pledge unto the Finance Authority and unto its successors in trust forever all right, title and interest of the Borrower/Grantee in and to (i) the Pledged Revenues to the extent required to make the Loan Payments, and to pay the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, subject to and subordinate to all other pledges of the Pledged Revenues existing on the Closing Date and, further, that may exist in the future (except only that the pledge of the Pledged Revenues herein shall be on a parity with any other pledge of the Pledged Revenues by the Borrower/Grantee to repay any obligations issued by the Lenders/Grantors pursuant to the Act), and (ii) all other rights hereinafter granted, for securing of the Borrower/Grantee's obligations under this Agreement, including payment of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided, provided, however that if the Borrower/Grantee, its successors or assigns, shall well and truly pay, or cause to be paid the Loan Amount at the time and in the manner contemplated by this Agreement, according to the true intent and meaning hereof, the Administrative Fees and all other amounts due or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment or provision for payment by the Borrower/Grantee, the provisions of this Agreement and the rights created thereby with respect to the Loan Amount shall terminate and the Lenders/Grantors shall give a written release or such other confirmation as may be necessary to remove any encumbrances upon the Pledged Revenues; otherwise, such provisions of this Agreement shall remain in full force and effect.

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Effective Date. The Borrower/Grantee, the Finance Authority, and the Water Trust Board acknowledge and agree that the obligations of the Borrower/Grantee hereunder are limited to the Pledged Revenues; and that this Agreement with respect to the Loan Amount, the Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided shall constitute a special, limited obligation of the Borrower/Grantee. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Borrower/Grantee within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of Borrower/Grantee's moneys other than the Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Borrower/Grantee's moneys including the Pledged Revenues. In addition, the Pledged Revenues may be utilized by the Borrower/Grantee for any other purposes permitted by law.

Section 6.2 Deposit of Payments of Loan Amount to Water Project Fund. All Loan Payments made by the Borrower/Grantee to the Finance Authority to repay the Loan Amount and interest thereon, if any, shall be deposited into the Water Project Fund.

Section 6.3 Manner of Payment. All payments of the Borrower/Grantee hereunder shall be paid in lawful money of the United States of America to the Finance Authority at the address designated in Section 11.1 of this Agreement. The obligation of the Borrower/Grantee 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 Borrower/Grantee and the Finance Authority, any vendor or any other person, the Borrower/Grantee 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 Borrower/Grantee assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 6.4 Borrower/Grantee May Budget for Payments. The Borrower/Grantee 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 make the Loan Payments and other amounts owed by the Borrower/Grantee hereunder; provided, however, the Borrower/Grantee has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

Section 6.5 Lenders/Grantors' Release of Lien and Further Assurances. Upon payment in full of the Loan Amount, Administrative Fees and other amounts owed by the Borrower/Grantee as herein provided in this Agreement the Lenders/Grantors agree to execute a release of lien and to give such further assurances as are reasonably necessary to ensure that the Lenders/Grantors no longer hold or maintain any lien or claim against the Pledged Revenues.

ARTICLE VII THE PROJECT

Section 7.1 Agreement to Acquire, Complete and Maintain the Project.

(a) The Borrower/Grantee hereby agrees that in order to effectuate the purposes of this Agreement and to acquire and complete the Project it shall take such steps as are necessary and appropriate to acquire, complete and operate the Project lawfully and efficiently. The plans and specifications for the Project shall be designed so as to incorporate the available technologies and operational design for water use efficiency. The plans and specifications shall be approved by the Finance Authority or its agent prior to the disbursement of any part of the Loan/Grant Amount for construction of the Project, and the Project shall be constructed and completed substantially in accordance with the approved plans and specifications, and shall fully incorporate the available technologies and operational design for water use efficiency described in the approved plans and specifications. No Loan/Grant funds shall be used for items not constituting Eligible Items.

(b) As provided by NMSA 1978, § 72-4A-7(A)(1) of the Act, the Borrower/Grantee shall operate and maintain the Project in good operating condition and repair at all times during the Useful Life of the Project, which shall in no event be less than twenty (20) years, so that the Project will function properly over the Useful Life of the Project; provided, that if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may, prior to any use of the Loan/Grant funds for the Project on such real property, obtain the written agreement of such other qualifying entity to perform these obligations with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall be subject to approval by the Lenders/Grantors and shall include an express statement by such other qualifying entity that the Lenders/Grantors are third party beneficiaries of such written agreement.

Section 7.2 Disbursements from the Project Account. So long as no Event of Default shall occur and provided that all Conditions to the disbursement of the Loan/Grant Amount have been satisfied (including approval of the plans and specifications), the Finance Authority shall disburse moneys from the Loan/Grant Amount upon receipt by the Finance Authority of a requisition substantially in the form of Exhibit "B" attached hereto signed by an Authorized Officer of the Borrower/Grantee, supported by certification by the Borrower/Grantee's project architect, engineer, or such other authorized representative of the Borrower/Grantee that the amount of the disbursement request represents the progress of design, construction, acquisition or other Project-related activities accomplished as of the date of the disbursement request, and the Finance Authority shall make the appropriate entry in the Project Account reflecting the disbursement. Disbursements shall be made for construction of the Project only after the plans and specifications have been approved as provided in this agreement. Such certification must be acceptable in form and substance to the Finance Authority and, at its request, the Water Trust Board. The Borrower/Grantee shall provide such records or access to the Project as the Finance

Authority, and, at its request, the Water Trust Board, in the discretion of each, may request in connection with the approval of the Borrower/Grantee's disbursement requests made hereunder.

Section 7.3 No Disbursement for Prior Expenditures Except upon Approval. No disbursement shall be made of the Loan/Grant Amount, or any portion thereof, without the approval of the Finance Authority and, at its request, the Water Trust Board, to reimburse any expenditure made prior to the Effective Date.

Section 7.4 Borrower/Grantee Reporting to Lenders/Grantors. During the acquisition and construction of the Project, the Borrower/Grantee shall provide the Lenders/Grantors with a quarterly written report executed by an Authorized Officer of the Borrower/Grantee, in the form attached as Exhibit "D" hereto or in another form reasonably acceptable to the Lenders/Grantors, describing the status of the Project as of the report date, uses of Loan/Grant funds during the quarterly period ending on the report date, and requests for distributions of Loan/Grant funds anticipated to occur during the quarterly period immediately following the report date. The first quarterly report shall be due on June 30, 2013, and subsequent reports shall be due on each March 31, June 30, September 30 and December 31 thereafter until the report date next following final distribution of the Loan/Grant funds. No reports shall be required after the report date next following final distribution of the Loan/Grant Funds, unless specifically required by the Finance Authority or the Water Trust Board. The description of the status of the Project in each quarterly report shall include, among other information, (a) a comparison of actual and anticipated requests for distributions of Loan/Grant funds as of the report date with those anticipated as of the Closing Date, (b) a description of actual and anticipated changes in the cost estimates for the Project as of the report date compared with those anticipated as of the Closing Date, and (c) a description of the percentage of completion of the Project.

Section 7.5 Completion of Disbursement of Loan/Grant Funds. Upon completion of disbursement of the Loan/Grant funds, an Authorized Officer of the Borrower/Grantee shall deliver a certificate to the Finance Authority and the Water Trust Board, substantially in the form of Exhibit "E" attached hereto, stating that, to his or her knowledge, the Project has been completed and Loan/Grant funds needed for the Project have been disbursed in accordance with the terms of this Agreement. No Loan/Grant funds shall be disbursed after the date which is three (3) years from the Effective Date or unless a later date is approved by an Authorized Officer of the Water Trust Board and an Authorized Officer of the Finance Authority, if the funds from the Water Project Fund utilized to make the Loan/Grant are the proceeds of tax exempt Severance Tax Bonds issued pursuant to NMSA 1978, § 7-27-10.1 (2010), and appropriated to the Water Project Fund as provided by NMSA 1978, § 7-27-10.1, the earlier of such date or the date which is three (3) years from the date of issuance of such Severance Tax Bonds unless a later date is approved by an Authorized Officer of the Water Trust Board and an Authorized Officer of the Finance Authority.

Section 7.6 Application of Project Account Subsequent to Disbursement of Loan/Grant Funds; Termination of Pledge. Upon the first to occur of either (a) completion of the disbursement of Loan/Grant funds as signified by delivery of the completion certificate contemplated in Section 7.5 hereof; or (b) the expiration of time allowed for disbursements of Loan/Grant funds as provided in Section 7.5 hereof, the Finance Authority shall, to the extent

such remaining amount represents the proceeds of Severance Tax Bonds issued pursuant to NMSA 1978, § 7-27-10.1 (2010), transfer the amounts remaining on deposit in the Project Account to the Water Project Fund, to the state agency responsible for administering the Severance Tax Bonding Fund created by NMSA 1978, § 7-27-2 (1985), and shall transfer such other unexpended amounts to such other fund permitted by law as may be established by the Water Trust Board, the Finance Authority or an agency of the State having authority to establish such fund and shall make the appropriate entry in the Project Account. Upon such entry, the pledge of the Project Account established in this Loan/Grant Agreement shall terminate.

ARTICLE VIII COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 8.1 Further Assurances and Corrective Instruments. The Lenders/Grantors and the Borrower/Grantee 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 carrying out the intention hereof.

Section 8.2 Representatives of Lenders/Grantors or of Borrower/Grantee. Whenever under the provisions hereof the approval of the Lenders/Grantors, collectively or individually, or the Borrower/Grantee is required, or the Borrower/Grantee, or the Lenders/Grantors, collectively or individually, are required to take some action at the request of any of them, such approval or such request shall be given for the Lenders/Grantors, collectively or individually, or for the Borrower/Grantee, by an Authorized Officer of the Lenders/Grantors, collectively or individually, or the Borrower/Grantee, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 8.3 Requirements of Law. During the Agreement Term, the Borrower/Grantee shall observe and comply promptly with all applicable federal, State and local laws and regulations affecting the Project, and all current and future orders of all courts having jurisdiction over the Borrower/Grantee with regard to the Project.

Section 8.4 Selection of Contractors. All contractors providing services or materials in connection with the Project shall be selected in accordance with applicable provisions of the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199 (1984, as amended through 2012), or, if the Borrower/Grantee is not subject to the New Mexico Procurement Code, shall be selected in accordance with a documented procurement process duly authorized and established pursuant to laws and regulations applicable to the Borrower/Grantee.

Section 8.5 Required Contract Provisions. The Borrower/Grantee shall require the following provisions in any contract or subcontract executed in connection with the Project to which the Borrower/Grantee is a party:

(a) There shall be no discrimination against any employee or applicant for employment because of race, color, creed, sex, religion, sexual preference, ancestry or national origin; and

(b) Any contractor or subcontractor providing construction services in connection with the Project shall post a performance and payment bond in accordance with the requirements of NMSA 1978, § 13-4-18 (1987).

Section 8.6 Expeditious Completion of the Project. The Borrower/Grantee shall complete the Project with all practical dispatch.

ARTICLE IX INSURANCE; NON-LIABILITY OF LENDERS/GRANTORS

Section 9.1 Insurance. The Borrower/Grantee shall carry general liability insurance or participate in the State's risk-management program and, to the extent allowed by the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1 through 41-4-30 (1976, as amended through 2010), shall and hereby agrees to name the Lenders/Grantors as additional insureds with respect to all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition, completion or implementation of the Project or otherwise during the Agreement Term; provided, that if any portion of the Project will be constructed, located, completed or extended on real property owned by a qualifying entity (as defined by the Act) other than the Borrower/Grantee, the Borrower/Grantee may obtain the written agreement of such other qualifying entity to perform these insurance/risk-management program requirements for Borrower/Grantee with respect to such real property (and the portion of the Project to be constructed, located, completed or extended on such real property), which written agreement shall include an express statement by such other qualifying entity that the Lenders/Grantors are third party beneficiaries of such written agreement.

Section 9.2 Non-Liability of Lenders/Grantors.

(a) Lenders/Grantors shall not be liable in any manner for the Project, Borrower/Grantee's use of the Loan/Grant, the ownership, operation or maintenance of the Project, or any failure to act properly by the owner or operator of the Project.

(b) Lenders/Grantors shall not be liable for the refusal or failure of any other agency of the State to transfer any portion of the Loan/Grant Amount in its possession, custody and control to the Finance Authority for disbursement to the Borrower/Grantee, or to honor any request for such transfer or disbursement of the Loan/Grant Amount.

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 Agreement:

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

(b) Failure by the Borrower/Grantee to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement for a period

of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower/Grantee by the Lenders/Grantors, collectively or individually, unless the Lenders/Grantors, collectively or individually 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 Lenders/Grantors but cannot be cured within the applicable thirty (30) day period, the Lenders/Grantors, collectively or individually, will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower/Grantee within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Borrower/Grantee is unable to carry out the agreements on its part herein contained, the Borrower/Grantee shall not be deemed in default under this paragraph 10.1(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 Borrower/Grantee contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is determined to be false or misleading in any material respect.

Section 10.2 Limitations on Remedies. A judgment requiring payment of money entered against the Borrower/Grantee shall be paid from only available Pledged Revenues unless the Borrower/Grantee in its sole discretion pays the judgment from other available funds.

Section 10.3 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.2 hereof, the Lenders/Grantors, collectively or individually, may take whatever of the following actions may appear necessary or desirable to enforce performance of any agreement of the Borrower/Grantee in this Agreement:

(a) by mandamus or other action or proceeding or suit at law or in equity compel the Borrower/Grantee 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 Lenders/Grantors, collectively or individually; or

(c) by whatever other action at law or in equity may appear necessary or desirable to collect amounts then due under this Agreement or enforce any other of its rights hereunder; or

(d) by causing the Borrower/Grantee to account as if it were the trustee of an express trust for all of the Pledged Revenues; or

(e) by applying any amounts in the Project Account toward satisfaction of any of the obligations of the Borrower/Grantee under this Agreement other than repayment of the Loan or payment of any Administrative Fee due under this Agreement.

Section 10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lenders/Grantors, collectively or individually, is intended to be exclusive, and every such

remedy shall be cumulative and shall be in addition to every other remedy given hereunder or 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 Borrower/Grantee or the Lenders/Grantors 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 Lenders/Grantors, collectively or individually, may, in the respective discretion of each, waive any Event of Default hereunder and the consequences of any such Event of Default; provided, however, all expenses of the Lenders/Grantors, collectively or individually, in connection with such Event of Default shall have been paid or provided for. Such waiver shall be effective only if made by a written statement of waiver issued by the Finance Authority and the Water Trust Board. In case of any such waiver or rescission, or in case any proceeding taken by the Lenders/Grantors, collectively or individually, on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, the Lenders/Grantors shall be restored to their former positions 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.

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 Borrower/Grantee, to:

Town of Taos
Attn.: Mayor
400 Camino de La Placita
Taos, New Mexico 87571

If to the Water Trust Board or to the Finance Authority, then to:

New Mexico Finance Authority
Attn.: Chief Executive Officer
207 Shelby Street
Santa Fe, New Mexico 87501

The Borrower/Grantee or the Lenders/Grantors 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 Agreement shall inure to the benefit of and shall be binding upon the Lenders/Grantors and the Borrower/Grantee and their respective successors and assigns, if any.

Section 11.3 Integration. This Agreement and any other agreements, certifications and commitments entered into between the Lenders/Grantors and the Borrower/Grantee on the Effective Date constitute the entire agreement of the parties regarding the Loan/Grant and the funding of the Project through the Loan/Grant as of the Effective Date, and the terms of this Agreement supersede any prior applications, discussions, understandings or agreements between or among the parties in connection with the Loan/Grant, to the extent such prior applications, discussions, understandings or agreements are inconsistent with this Agreement.

Section 11.4 Amendments. This Agreement may be amended only with the written consent of all of the parties hereto. The consent of the Finance Authority for amendments not affecting the terms of payment of the loan component of this 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 Agreement.

Section 11.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of the Lenders/Grantors, either directly or through the Finance Authority or the Water Trust Board, or against any officer, employee, director or member of the Borrower/Grantee, 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 Borrower/Grantee, the Water Trust Board or of the Finance Authority is hereby expressly waived and released by the Borrower/Grantee, the Water Trust Board and the Finance Authority as a condition of and in consideration for the execution of this Agreement.

Section 11.6 Severability. In the event that any provision of this Agreement, other than the obligation of the Borrower/Grantee to make the Loan Payments and the Administrative Fee 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 11.7 Execution in Counterparts. This 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 11.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

Section 11.9 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 Agreement.

Section 11.10 Application of Act and Board Rules. The Lenders/Grantors and the Borrower/Grantee expressly acknowledge that this Agreement is governed by provisions and requirements of the Act and the Board Rules, as amended and supplemented, and all applicable provisions and requirements of the Act and the Board Rules are incorporated into this Agreement by reference.

[Remainder of page intentionally left blank.]

[Signature pages follow.]

IN WITNESS WHEREOF, the Finance Authority, on behalf of itself, and the Water Trust Board, on behalf of itself, each have executed this Agreement, which was approved by the Water Trust Board on April 25, 2012 and by the Finance Authority's Board of Directors on June 22, 2012, in their respective corporate names with their corporate seals affixed hereto and attested by their duly authorized officers; and the Borrower/Grantee has caused this Agreement to be executed and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

LENDERS/GRANTORS:

NEW MEXICO FINANCE AUTHORITY

By _____
Chief Executive Officer or Designee

ATTEST:

By _____

NEW MEXICO WATER TRUST BOARD

By _____
Chairman or Co-Chairman

Prepared for Execution by Officers of the
New Mexico Finance Authority and the
New Mexico Water Trust Board:

VIRTUE NAJJAR & BROWN, PC
As Loan/Grant Counsel

By _____
Richard L. C. Virtue

Approved for Execution by Officers of the
New Mexico Finance Authority and the
New Mexico Water Trust Board:

By _____
Daniel C. Opperman
Finance Authority General Counsel

BORROWER/GRANTEE:

TOWN OF TAOS, NEW MEXICO

By _____
Darren M. Cordova, Mayor

ATTEST:

By _____
Renee Lucero, Town Clerk

EXHIBIT “A”**TERM SHEET****\$1,973,903 WATER PROJECT LOAN/GRANT TO THE
TOWN OF TAOS, NEW MEXICO**

Project Description:	The Project is design and construction of water system improvements including extension of water services, interconnections, new well meters, pressure reducing valve upgrades, relocation of emergency generators, rehabilitation of an existing water tank and rehabilitation of certain wells. The Project may be further described in the Application and in the final plans and specifications for the Project approved by the Water Trust Board and the Finance Authority as provided by this Agreement. However, in the event of any inconsistency, the description of the Project as stated in this Term Sheet shall control.
Grant Amount:	\$1,776,513
Loan Amount:	\$197,390
Pledged Revenues:	“Net System Revenues” means the gross revenues of the water and wastewater utility system owned and operated by the Borrower/Grantee minus operation and maintenance expenses, indirect charges, amounts expended for capital replacement and repairs, required set asides for debt and replacement requirements, and any other payments from the gross revenues reasonably required for operation of the water and wastewater utility system.
Currently Outstanding Senior Obligations for Pledged Revenues:	1993A USDA Loan, Matures 12/2033; 1993B USDA Loan, Matures 3/2033; 1995 USDA Loan, Matures 12/2035; 1998 USDA Loan, Matures 7/2040; 2000 USDA Loan, Matures 12/2040; 2001 NMFA Loan, Matures 5/2021; NMED CWRLF Loan, Matures 6/2031
Outstanding Parity Obligations:	Water Trust Board Loan 071-WTB, Matures 6/2029; Water Trust Board Loan 095-WTB, Matures 6/2029; Water Trust Board Loan 135-WTB, Matures 6/2028
Authorizing Legislation:	Borrower/Grantee Resolution No. 13-13

Adopted March 12, 2013

Additional Funding Amount: \$394,780.60

Effective Date: April 19, 2013

Project Account Deposit: \$1,973,903

Expense Account Deposit: \$0

Conditions to be satisfied prior to first disbursement of Loan/Grant funds: Delivery to Finance Authority of (i) a copy of the agenda of the meeting of the Governing Body at which the Resolution was adopted and at which this Agreement, the Resolution and all other Loan/Grant documents were authorized by the Governing Body (the "Meeting"), certified as a true and correct copy by the Town Clerk of the Borrower/Grantee, (ii) a copy of the minutes or record of proceedings of the Meeting, approved and signed by the Mayor and attested to by the Town Clerk of the Borrower/Grantee, and (iii) a copy of the notice of meeting for the Meeting evidencing compliance with the Borrower/Grantee's Open Meetings standards in effect on the date of the Meeting.

Other Conditions applicable to the Loan/Grant: Conditions set forth in the Loan/Grant Agreement. In addition, prior to first disbursement of constructions dollars, evidence of approval from the New Mexico Environment Department on all plans and specifications shall be provided to the Finance Authority.

EXHIBIT "B"**FORM OF REQUISITION**

RE: \$1,973,903 Loan/Grant Agreement by and between the Water Trust Board and the Finance Authority, as Lenders/Grantors, and the Town of Taos, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 260-WTB

Closing Date: April 19, 2013

TO: NEW MEXICO FINANCE AUTHORITY

You are hereby authorized to disburse from the Project Account – Town of Taos with regard to the above-referenced Loan/Grant Agreement the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

WIRING INFORMATION

BANK NAME:	
ACCOUNT NUMBER:	
ROUTING NUMBER:	

AMOUNT OF PAYMENT: \$ _____

PURPOSE OF PAYMENT: _____

ELIGIBLE ITEM CATEGORY (See below): _____

DATED: _____

By: _____
Authorized Officer

Title: _____

Each obligation, item of cost or expense mentioned herein is for a loan/grant made by the Lenders/Grantors pursuant to the Water Project Finance Act to the Borrower/Grantee within the State of New Mexico, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Project Account – Town of Taos. All representations contained in the Loan/Grant Agreement and the related closing documents remain true and correct and the Borrower/Grantee is not in breach of any of the covenants contained therein.

The proceeds of the Loan/Grant have been or will be used to pay the costs of Eligible Items, as defined in the Loan/Grant Agreement. Eligible Items are (1) matching requirements for federal and local cost shares, (2) engineering feasibility reports, (3) contracted engineering design, (4) inspection of construction, (5) special engineering services, (6) environmental or archeological surveys, (7) construction, (8) land acquisition, (9) easements and rights of way, (10) Eligible Legal Costs and (11) Eligible Fiscal Agent Fees, subject to limitations as set forth in the Loan/Grant Agreement.

All construction and acquisition of equipment with proceeds of the Loan/Grant has or will be used in accordance with plans and/or specifications approved by the New Mexico Environment Department and/or the Office of the State Engineer and in compliance with applicable procurement laws and regulations and has or will be inspected and approved in accordance with applicable laws and regulations.

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

EXHIBIT "C"**PAYMENT PROVISIONS OF THE LOAN**

The Loan Amount shall be payable by the Borrower/Grantee to the Lenders/Grantors in twenty (20) annual installments of principal pursuant to the attached debt service schedule, beginning June 1, 2014 and ending June 1, 2033. The Loan Amount shall be prepayable at any time without penalty. The Administrative Fee shall be due and payable annually on June 1 of each year while the Loan, or any portion thereof, remains outstanding.

X:\Richard\G_MyFiles\NMFA Matters\NMFA_Town of Taos 260-WTB\Taos 260-WTB. Loan Agr. Final. 03.05.13.doc

EXHIBIT "D"**WATER TRUST BOARD PROJECT STATUS REPORT****PREPARED FOR THE
NEW MEXICO FINANCE AUTHORITY**

Fund Recipient Names: Town of Taos		WTB Project Number: 260-WTB	
Recipient Contact: Town Manager		WTB Project Name: Water Storage - Water System Improvements	
Phone Number: (575) 751-2002		Project Type: Water Storage, Conveyance and Delivery	
Quarterly Project Report <input type="checkbox"/>		Final <input type="checkbox"/>	Other <input type="checkbox"/>
Report Period: From - ____ / ____ / ____		To - ____ / ____ / ____	
Contract Expiration: _____ Total WTB Award: \$ _____ Current Balance: \$ _____ Loan % 10% Grant % 90% Match % 20% Expected WTB Award Expenditure Next Quarter: \$ _____ Project Phase: Planning <input type="checkbox"/> Design <input type="checkbox"/> Construction <input type="checkbox"/>			
PROJECT TIME: Original Completion Date: _____ Current Completion Date: _____ Days Remaining for Completion _____ Percent Project is Complete _____ % On Schedule? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Briefly Describe Project Progress During This Reporting Period:			
Issues Addressed During This Period (Indicate any current and/or anticipated issues that remain unresolved):			
Goals/Milestones With Timeline or Dates For The Next Reporting Period:			
Name and Title of Authorized Representative: (Print)		Authorized Representative Signature:	
Date: _____			

EXHIBIT "E"**FORM OF CERTIFICATE OF COMPLETION**

RE: \$1,973,903 Loan/Grant Agreement by and between the Water Trust Board and the Finance Authority, as Lenders/Grantors, and the Town of Taos, as Borrower/Grantee (the "Loan/Grant Agreement")

Loan/Grant No. 260-WTB

Closing Date: April 19, 2013

TO: NEW MEXICO FINANCE AUTHORITY

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

Borrower/Grantee, hereby certify as follows:

1. The project described in the Loan/Grant Agreement (the "Project"), or the applicable phase of the project if funding was for a phased 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/Grant Amount was \$ _____.

4. The portion of the Loan/Grant 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/Grant 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.

TOWN OF TAOS, 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: Town of Taos, Taos County, New Mexico
\$1,973,903 Loan/Grant No. 260-WTB

Ladies and Gentlemen:

I am an attorney representing the Town of Taos (the “Borrower/Grantee”) in connection with the above-referenced Loan/Grant. 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 Borrower/Grantee, understanding that the New Mexico Finance Authority and the New Mexico Water Trust Board (the “Lenders/Grantors”) are relying on all representations herein made by me on behalf of my client and but for these representations, the Loan/Grant would not be approved.

Capitalized terms used in this Opinion have the same meaning as defined in Resolution No. 13-13 adopted by the Governing Body of the Borrower/Grantee on March 12, 2013 (the “Resolution”) unless otherwise defined in this Opinion or the context requires otherwise.

I hereby certify that I have examined:

- (1) The Town of Taos Water Project Fund Application dated November 4, 2011 and the New Mexico Water Trust Board Approval dated April 25, 2012 for Loan/Grant No. 260-WTB (the “Application” and the “Approval,” respectively), relating to the Project.
- (2) The incorporation documents creating the Borrower/Grantee.
- (3) The Annual Open Meetings Act Resolution or resolutions of the Borrower/Grantee in effect on March 12, 2013 and on April 19, 2013.
- (4) The proceedings of the Governing Body (including all agendas, minutes, resolutions, ordinances and publications) which authorize the Loan/Grant application, the Project development, the budget for the Project, and the contracts with the various Project professionals including but not limited to architects, engineers, planners and contractors.
- (5) Corporate proceedings of the Borrower/Grantee from the date of the Application to the date of this Opinion, including, without limiting the generality of the foregoing, the corporate action of the Borrower/Grantee relating to (a) the selection of its

Mayor, Town Council and Town Clerk; (b) the adoption of the Borrower/Grantee's Annual Open Meetings Act Resolution or resolutions; (c) the adoption of ordinances or resolutions governing the operation of the Project; (d) the plans and specifications for the Project; (e) cost estimates for the Project; (f) the adoption of ordinances, resolutions and regulations for the furnishing of service to customers; (g) the proposed operating budget for services to be provided, in whole or in part, by means of the Project; (h) the proposal to finance the Project, in whole or in part, with a Loan/Grant made by the Water Trust Board, acting through the Finance Authority; (i) the Resolution authorizing the Mayor to execute necessary documents to obtain the Loan/Grant for the Project; (j) all necessary approvals for the Project from federal, State or local authorities; and (k) the execution and delivery of the Loan/Grant Agreement evidencing such Loan/Grant.

- (6) The Resolution and the Loan/Grant Agreement providing that Loan/Grant funds will be documented in the Project Account held by the NMFA on behalf of the Borrower/Grantee and drawdowns out of the Project Account will only be on written authorization of the Borrower/Grantee's Authorized Officers 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 Borrower/Grantee, and only to pay Eligible Items (as defined in the Loan/Grant Agreement).
- (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 property to be acquired with the Loan/Grant proceeds, or on which will be located any Project property to be acquired with the Loan/Grant proceeds.

Based upon my examination of the foregoing, it is my opinion that:

- A. The Borrower/Grantee is a duly organized and existing incorporated municipality 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 Authorized Officers of the Borrower/Grantee were duly and validly elected or appointed and are empowered to act for the Borrower/Grantee.
- D. The Borrower/Grantee has corporate power:
 - (1) to design, acquire, construct and complete the Project;
 - (2) to execute and deliver Loan/Grant documents including those identified above;
 - (3) to perform all acts required by such Loan/Grant documents to be done by it; and

- (4) to own, operate and maintain the Project during its Useful Life.
- E. All proceedings of the Borrower/Grantee, 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 Borrower/Grantee to carry out and enforce the provisions of the Loan/Grant Agreement.
 - G. To my knowledge after due investigation, no event will result from the execution and delivery of the Loan/Grant Agreement that constitutes a default or an event of default under either the Loan/Grant Agreement or the Resolution, and no event of default and no default under the Loan/Grant Agreement or the Resolution has occurred and is continuing on the date of this Opinion.
 - H. To my knowledge after due investigation, the Borrower/Grantee 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/Grant Agreement to have been authorized, approved, performed or consummated by the Borrower/Grantee at or prior to the date of this Opinion. The Borrower/Grantee has full legal right, power and authority to carry out and consummate the transactions contemplated by the Resolution and the Loan/Grant Agreement.
 - I. To my knowledge after due investigation, 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/Grant Agreement or any of the actions required to be taken by the Resolution or the Loan/Grant Agreement to the date of this Opinion have been obtained and are in full force and effect.
 - J. To my knowledge after due investigation, neither the Borrower/Grantee's adoption of the Resolution nor any action contemplated by or pursuant to the Resolution or the Loan/Grant Agreement does or will conflict with, or constitutes a breach by the Borrower/Grantee of, or default by the Borrower/Grantee under any law, court decree or order, governmental regulation, rule or order, ordinance, resolution, agreement, indenture, mortgage or other instrument to which the Borrower/Grantee is subject or by which it is bound.
 - K. To my knowledge after due investigation, there is no actual or threatened action, suit, proceeding, inquiry or investigation against the Borrower/Grantee, 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 Borrower/Grantee or the titles of its officials to their respective offices, or in any way materially adversely affecting or questioning (a)

the territorial jurisdiction of the Borrower/Grantee, (b) the use of the proceeds of the Loan/Grant Agreement for the Project and to pay certain costs of the Finance Authority and the Water Trust Board associated with the administration of the Water Project Fund, (c) the validity or enforceability of the Loan/Grant Agreement or any proceedings of the Borrower/Grantee with respect to the Resolution or the Loan/Grant Agreement, (d) the execution and delivery of the Loan/Grant Agreement, (e) the authority of the Borrower/Grantee to repay the Loan Amount, or (f) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution and the Loan/Grant Agreement.

- L. To my knowledge after due investigation, there are no recorded liens of any nature whatsoever affecting the title to any real property upon which the Project will be located.
- M. To my knowledge after due investigation, no legal proceedings have been instituted or are pending, and to my knowledge none are threatened, whether or not the Borrower/Grantee is named as a party in such proceedings, which would affect the Borrower/Grantee's interest in the real property upon which the Project will be located, and there are no judgments against the Borrower/Grantee or liens against any property of the Borrower/Grantee that would impair the Borrower/Grantee's ability to complete the Project.
- N. The Borrower/Grantee has acquired all of the necessary land rights, easements and rights-of-way for the Project and the Borrower/Grantee now has sufficient, adequate and continuous rights-of-way to permit the construction, operation and maintenance of the Project.

Dated this 19th day of April 2013.

C. Brian James
Attorney for Borrower/Grantee,
Town of Taos, New Mexico

\$1,973,903
TOWN OF TAOS, TAOS COUNTY, NEW MEXICO
WATER PROJECT FUND LOAN/GRANT
NO. 260-WTB

RIGHT-OF-WAY CERTIFICATE

The undersigned on behalf of the Town of Taos (the “Borrower/Grantee”), an incorporated municipality in the County of Taos and the State of New Mexico, hereby certifies except as noted in item 4 below:

1. That the Borrower/Grantee is the owner in fee simple of the lands needed for the design, construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of the above-referenced Loan/Grant made by the New Mexico Finance Authority and the New Mexico Water Trust Board (the “Project”), or that the Borrower/Grantee has acquired and presently holds continuous and adequate rights-of-way on lands owned by others that are needed for the Project, whether public or private, 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 Borrower/Grantee has acquired all 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 utility corridors.
3. That the attached map or plat shows the location of all lands and rights-of-way needed for the Project, which lands and rights-of-way the Borrower/Grantee has acquired and now holds by purchase or dedication, by right of use or adverse possession, or by legal conveyances such as right-of-way or easement deeds, permits, or other instruments.
4. Exceptions: None.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has executed this Certificate on behalf of the Town of Taos as of this 19th day of April 2013.

C. Brian James
Attorney for Borrower/Grantee,
Town of Taos
400 Camino de La Placita
Taos, New Mexico 87571

\$1,973,903
TOWN OF TAOS, TAOS COUNTY, NEW MEXICO
WATER PROJECT FUND LOAN/GRANT
NO. 260-WTB

STATE OF NEW MEXICO)	
) ss.	
COUNTY OF TAOS)	<u>GENERAL AND</u> <u>NO LITIGATION</u> <u>CERTIFICATE</u>

IT IS HEREBY CERTIFIED by the undersigned, the duly chosen, qualified and acting Mayor and Town Clerk for the Town of Taos (the "Borrower/Grantee") in the State of New Mexico (the "State"):

Capitalized terms used in this Certificate have the same meaning as defined in Resolution No. 13-13 adopted by the Governing Body of the Borrower/Grantee on March 12, 2013 (the "Resolution") unless otherwise defined in this Certificate or the context requires otherwise.

1. The Borrower/Grantee is a duly organized and existing incorporated municipality under the laws of the State of New Mexico.

2. From at least July 1, 2012 to and including the date of this Certificate, the following were and now are the duly chosen, qualified and acting officers of the Borrower/Grantee:

Mayor: Darren Cordova

Councilors: Michael Silva
Andrew Gonzales
Rudy Abeyta
Frederick Peralta

Town Clerk: Renee Lucero

3. Based on data collected during the 2010 Census, the population of the Town of Taos is at less than 75% English speaking and less than 75% Spanish Speaking.

4. The Taos News, a newspaper of general circulation in the Town of Taos, is primarily published in English.

5. There is no reason within our knowledge why the Borrower/Grantee may not enter into the Loan/Grant Agreement with the New Mexico Finance Authority and the Water Trust Board, as authorized by the Resolution.

6. 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, or properties of the Borrower/Grantee since the date of the Resolution.

7. To our knowledge, none of the events of default referred to in Article X of the Loan/Grant Agreement has occurred.

8. There is no threatened action, suit, proceeding, inquiry or investigation against the Borrower/Grantee, at law or in equity, by or before any court, public board or body, nor to our knowledge is there any basis therefor, affecting the existence of the Borrower/Grantee or the titles of its officials to their respective offices, or seeking to prohibit, restrain or enjoin the pledge of the Pledged Revenues to pay the principal, interest or administrative fees on the Loan/Grant Agreement, or in any way materially adversely affecting or questioning (a) the use of the proceeds of the Loan/Grant Agreement for the Project and to pay certain expenses as described therein, (b) the validity or enforceability of the Loan/Grant Agreement or any proceedings of the Borrower/Grantee taken with respect to the Resolution or the Loan/Grant Agreement, (c) the execution and delivery of the Loan/Grant Agreement, or (d) the power of the Borrower/Grantee to carry out the transactions contemplated by the Resolution and the Loan/Grant Agreement.

9. The Borrower/Grantee 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 Borrower/Grantee contained in the Loan/Grant Agreement and in the Resolution are true and correct as of the date hereof.

10. The Borrower/Grantee 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.

11. To our knowledge, neither the Mayor, the Town Clerk, any member of the Governing Body of the Borrower/Grantee, nor any other officer, employee or other agent of the Borrower/Grantee 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.

12. Regular meetings of the Borrower/Grantee's Governing Body and the meeting at which the Resolution was adopted have been held at 400 Camino de La Placita, Taos, NM 87571, the principal meeting place of the Borrower/Grantee.

13. The Borrower/Grantee's Governing Body has no rules of procedure which would invalidate or make ineffective the Resolution or other action taken by the Borrower/Grantee's Governing Body in connection with the Loan/Grant Agreement. The Open Meetings Act Resolution adopted and approved by the Governing Body on January 24, 2013 establishes notice standards for meetings of the Governing Body. The Open Meetings Act Resolution has not been amended or repealed. All action of the Governing Body with respect to the Resolution and the Loan/Grant Agreement was taken at meetings held in compliance with the Open Meetings Act Resolution then in effect.

14. The Mayor and the Town Clerk, on the date of the signing of the Loan/Grant Agreement and on the date of this Certificate, are the duly chosen, qualified and acting officers of the Borrower/Grantee authorized to execute the Loan/Grant Agreement.

15. This Certificate is for the benefit of the Finance Authority and the Water Trust Board.

16. This Certificate may be executed in counterparts.

WITNESS our signatures and the seal of the Borrower/Grantee this 19 day of April, 2013.

TOWN OF TAOS, NEW MEXICO

(SEAL)

By _____
Darren M. Cordova, Mayor

By _____
Renee Lucero, Town Clerk



New Mexico Water Trust Board

Application for Financial Assistance

Application #355 Water System Improvements

Application Type: WTB
Application Cycle: 2012 Water Trust Board Application
Application Name: Water System Improvements
Application ID: 355
Borrower/Entity: Town of Toas
User: Edenfield, Kari
KARI.EDENFIELD@SOUDERMILLER.COM
505-473-9211
1201 Parkway Dr.
Santa Fe, NM 87507-7258
Created On: 11/4/2011 12:17:29 PM
Status: Submitted
Status Date: 11/4/2011 12:55:22 PM

General Information

Type of entity: Municipality
Estimated project start date: 1/3/2011
Estimated project completion date: 10/28/2013
1st County where project is located: Taos

Contacts

Name: Abigail Adame
Company: Town of Toas
Contact Type: Primary
Email: aadame@taosgov.com
Phone: 5757512003
Address: 400 Camino de la Placita
City: Taos
State: NM
Zip Code: 87571
County: Taos

Name: Amos Torres
Company: Town of Taos
Contact Type: Secondary
Email: atorres@taosgov.com
Phone: 5757512047
Address: 400 Camino de la Placita
City: Taos
State: NM
Zip Code: 87571
County: Taos

Name: Kari Edenfield, P.E.
Company: Souder, Miller & Associates
Contact Type: Engineer
Email: kari.edenfield@soudermiller.com
Phone: 5054739211
Address: 1201 Parkway Dr.
City: Santa Fe
State: NM
Zip Code: 87507
County: Santa Fe

Name: Jack Clough
Company: Town of Taos
Contact Type: Legal
Email: jclough@taosgov.com
Phone: 5757372618
Address: 400 Camino de la Placita
City: Taos
State: NM
Zip Code: 87571
County: Taos

Project Information

Project Type: Water Storage, Conveyance and Delivery
Amount Requested: \$2,483,903
Project Description

◆ This project is a phased continuation of the Water System Improvements, identified in the Town of Taos Water System Study dated 10/4/07, which documented several improvements totaling over \$4.9 million. This phase identifies improvements critical to improving water conservation, protecting public health, sustaining economic vitality, optimizing water supply delivery and addressing the relocation of water supply sources to fulfill commitments from the pending Abeyta water rights settlement. This phase contains 7 improvements including (1) extending 65 water services to Weimer Hills to address concerns from septic systems and potential nitrate pollution, (2) interconnections with Talpa and El Valle de los Ranchos to continue regionalization efforts in the Taos Valley providing these systems with an emergency water source, (3) new magnetic meters at each well site for more accurate SCADA monitoring improving operations, (4) PRV upgrades to reduce incidental losses from high pressures in the system, (5) relocation of emergency generators to more centrally located well sites increasing their effectiveness, (6) rehabilitation of existing 50,000 gallon water tank to address significant leaking and increase storage volume within the Town proper by 20%, (7) rehabilitation of Wells #7 and #9 to address sanding issues reducing production, and connecting Well #9 to the distribution system. Well #9 is completed in deeper formations utilizing the Towns San Juan Chama Basin water rights and reducing dependency on the in-town well field soon to be impacted by the Abeyta settlement requiring the Town to reduce diversions. Improvements 1, 3, 4, 5 and 6 are shovel ready projects while 2 and 7 require design. Well #9 rehabilitation improvements are currently proceeding. These improvements will sustain economic activity by reducing home insurance costs through the installation of basic fire protection infrastructure and protect public health from groundwater pollution in the Weimar Hills Area. They will also increase the sustainability of regional water supplies through installation of interconnections to provide an emergency water source to surrounding water systems and well improvements to increase diversions from the Towns San Juan Chama Basin water rights reducing dependency on the in-town well field. The remaining improvements will serve to improve water conservation and operational efficiency reducing costs and water use and improving fiscal sustainability.

Describe any scientific, hydrologic or biological studies that demonstrate the water project will accomplish it's planned objectives.

◆ In October 2007, Souder, Miller & Associates (SMA) completed the Town of Taos Water System Study, a comprehensive review of the water system and an assessment of the Towns facilities with recommended engineering solutions and designs for various deficiencies within the system. In addition, a hydrologic study has been conducted by Glorieta Geosciences, Inc., Hydrogeologic Characterization, Surface Water-Ground Water Interaction, and Water Quality in the Southern San Luis Basin in the Vicinity of Taos, NM, by Paul Drakos and Jay Lazarus.

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

◆ Population projections indicate water demand for the Town will exceed the 1,200 AFY in the 20-year planning period. Currently, water demand is 945 AFY and the Town is only permitted to divert 913 AFY from the existing in-Town well site, which includes wells 1, 2, 3, 4, and 5. Well #8 currently supplements the remaining water from San Juan Chama diversions. With the projected growth, this well alone will not be able to produce the amount necessary to produce 293 AFY. Well #9 is imperative to the long-term goals of the Town to produce enough water to meet demand in the 20-year planning horizon and also utilize the San Juan Chama water rights. The proposed Weimer Hills distribution system will provide water from an approved public water system to approximately 65 homes that have both septic tanks and wells. The potential contamination of the wells by septic tank systems is a concern that will be eliminated when the wells are replaced by the public water system. The community will also benefit economically from fire protection the improvements will provide with a potential reduction in home insurance costs.

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

◆ Many homes and small business in the Weimer Hills area rely on private wells for water supply and on-site septic systems for wastewater disposal. Nitrate contamination of the water supply is a genuine threat to the population in this area due to the continued use of on-site septic systems, which typically provide

minimal treatment of nitrates before subsurface disposal. Nitrates are the only inorganic contaminant in water supplies that represents an immediate health risk. Additionally, water quality cannot be regulated for the private wells. The wells could currently be experiencing water quality issues. This project will also address the impending need of the Town to utilize their San Juan Chama water rights to reduce reliance on the in-town well field to meet current and future 20-year demands. Currently, the existing Well #8 can only provide half of the required water for the 20-year planning horizon. Well #9 needs to be rehabilitated and connected to the system to provide the remaining water. Rehabilitation of the existing elevated storage tank will provide more storage capacity in the Town proper to address increasing demands and fire protection storage.

Outline efforts towards wildlife and environmental compatibility.

♦ The Town of Taos is situated directly along the Rio Grande; therefore, improvements in the water system efficiency will decrease the need for groundwater pumping; thus, directly affecting the Reclamations Rio Grande Project by increasing surface water in the Rio Grande river. Since there is a hydraulic connection to the river, a more efficient water system means more in stream flows; thereby improving wildlife habitat and leaving more water for downstream users.

Describe how the project contributes to improved water quality and water conservation improvements.

♦ The Weimer Hills distribution system is expected to expand services to approximately 65 homes that are served by private wells. Many of the wells are in the vicinity of on-site septic systems posing a real risk of nitrate contamination to the individuals who drink the water. Water from private wells is rarely checked to determine whether or not it meets reasonable standards for drinking water. Because the intended system expansion will come under public water system water quality rules, the hazard associated with private wells is eliminated. Conservation is encouraged by the water rate structure. Charges imposed for higher use of water are expected to reduce the overall amount of water used and, therefore, encourage water conservation.

List all identified or expected positive and negative impacts resulting from the project development. If negative impacts may exist, please describe other alternatives examined or efforts to mitigate impact.

♦ The Weimer Hills area will be a part of a distribution system with metered connections. Their water supply via the distribution system will be regulated and the Town will benefit from the increase in metered connections. The potential for nitrate pollution in domestic water the residents are using is eliminated improving the public health of residents. The communities of Canon, Talpa, and El Valle de los Ranchos will benefit with an emergency water source and storage sites in the effect their well sites or storage facilities are non-functional. Completion of wells 7 and 9 and interconnection of well 9 to the distribution system will provide the Town with a second well to utilize more of their San Juan Chama water rights to meet demands in the 20-year planning period. Master meter SCADA upgrades will provide the system operators with more accurate data to identify sources of the 20% water loss currently identified in the system. PRV upgrades will eliminate high system pressures and provide more stable system pressures during peak flows. Lower system pressures have been shown to reduce water use promoting conservation. The elevated tank rehabilitation will place an inactive tank back in service, increasing storage volume in the immediate area by 20% impacting fire flows and system pressures within the oldest most densely populated area of the Town. No negative impacts are foreseen from implementing this project.

Project Type Specific Questions

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

♦ As part of every improvement the Town of Taos re-examines plans and projects for the water use and infrastructure needs in the future years using a 20-year planning period. According to the US Census, the Town of Taos had 4,700 people residing within the towns limits in the year 2006. The Bureau of Business

and Economic Research (BBER) at the University of New Mexico has created growth rate estimates for every county in New Mexico until the year 2030. Based on these population projections, the Town of Taos (excluding all outlying communities) will have approximately 6,000 residents by the year 2030. Future regionalization of the area could drive this population to over 14,000 residents within the 20-year planning period according to the BBER. The areas included in this projection are: El Prado, Canon, Lower/Upper Ranchitos, Los Cordovas, El Valle de los Ranchoes, Talpa and Llano Quemado. As a result of this growth, the existing water and wastewater systems will not meet the future needs of the Town without infrastructure development. Currently, Taos is utilizing all water rights from their in-Town well field while awaiting infrastructure development for Well #9 that will utilize existing San Juan/Chama water rights. Storage facilities are currently adequate, but will need to be expanded to serve the population expansion expected during the 20-year planning period. There is also considerable pressure on the community to serve homes within the Weimer Hills area.

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.

♦ The Town of Taos currently operates six groundwater wells that have operational master meters that are read on a daily basis by the Public Utilities department employees. It is anticipated that two wells, #7 and #9, will be brought online with completion of this phase of the project. The project identifies a need for magnetic flow meters to be retrofit in each of the pump houses to be integrated with the SCADA system. Every commercial and residential service is metered and each of these meters is read on a monthly basis and billed for water used. The Town recently replaced all older water meters with newer radio-read water meters.

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.

♦ Yes. The Town of Taos is fully compliant with the Federal Safe Drinking Water Act. Arsenic treatment is required for wells #8 and #9. Recently the Town of Taos installed an arsenic treatment system to reduce the arsenic levels below state MCL limits and produce water that is fully compliant with the Safe Drinking Water Act. The latest water quality tests from the Town's active wells detected trace amounts of inorganic contaminants, but they are all well below state MCL limits. These contaminants are also present in the surrounding water systems indicating they are indicative of the groundwater quality in the area.

Outline the billing system and its functionality in terms of invoicing and collecting revenues.

♦ A separate billing department is maintained at the Town offices. All billing department employees and office support are paid from the water enterprise fund. Invoices are sent monthly to active water users and collections consistently exceed 95%. The Town has the ability to measure, monitor, and evaluate the budget by project to track revenues and expenditures and provide condensed summary reports. Grants Management is capable of implementing quality assurance and oversight for financial expenditures and budgets that provides additional support to the Town's financial department.

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.

♦ The utility department prepares a budget annually and tracks it through a well organized accounting and financial system. The department is financially sound, with revenues exceeding expenses in the last 5 year period. All operation and repairs, including leak detection as needed are included within this budget. Revenues are derived primarily from user fees for water and sewer services. An additional amount is obtained by virtue of an allocation of gross receipts tax in the town. 1/16th of 3rd and 4th quarter gross receipts tax is provided to the utility. These GRT funds are primarily dedicated to utility improvements and will amount to approximately \$450,000 this fiscal year. All other income from service charges, connection fees, penalties, liquid waste disposal and interest income is expected to amount to approximately \$3,000,000 this fiscal year. Taos is planning to incorporate an asset management program that is being incorporated into its rate structure currently under development. This program will fund some of its capital improvements based on rates it charges. A new asset management fund would account for depreciating

utility assets that may need replacement. Portions of the system are now over 50 years old and this fund will allow for schedule replacement of water and wastewater facilities as they age.

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.

♦ The Town of Taos actively promotes water conservation and is currently reviewing the conservation ordinance for a more extensive water conservation plan. Improvements in this phase of proposed work will measurably reduce carriage and incidental losses through repairing an existing leaking 50,000 gallon water storage tank and placing it back into service as well as upgrading existing PRVs to reduce operating pressures, which directly reduce incidental losses in distribution lines.

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.

♦ The Town provides for the orderly growth of their communities through effective planning, conservation and efficient use of the available water resources using adopted policies. Based on the current zoning restrictions and average densities of the Town, the projected build-out of the Town will be 39% commercial and 61% residential. The Town plans to meet this projected demand through an aggressive water conservation policy; the importation of water rights so as to minimize the effects on agricultural properties; encouraging the maintenance of the valleys acequia system for irrigation purposes; the development of water sources that do not adversely impact existing users; the protection of those water rights acquired by the Town and by working with owners with valid water rights to transfer the use of those rights to the Town when acquiring new services. Additional water conservation will be made possibly through this proposed project by making reclaimed or re-use water available to offset current water demands for landscaping or recreational areas. Unaccounted for water (the portion of water pumped from wells that is not subsequently metered) is quite high. This is partially due to the fact that several Town of Taos departments use water for street maintenance and other activities that are not metered. The Public Utilities Department is currently in the process of acquiring water meters for the different departments and will require the usage reading on a monthly basis.

Community Support

List all of the partners involved in this project with the outlined responsibilities for each partner; describe how the surrounding communities are involved and identify the number of water users affected by the project.

♦ The Town of Taos water system improvements anticipate future regional distribution and interconnection. Although no plan has been formalized, adjacent communities of El Prado, Rancho de Taos areas, and Talpa anticipate regionalization efforts. This current project calls for the Town to provide emergency back up to Canon (population served 600), Talpa (1,100), and Rancho (1,100). Canon has already connected to the Town.

Does this project require a Joint Powers Agreement (JPA), Memorandum of Understanding (MOU) or Agency Agreement?

♦ No.

Identify the regional collaboration, nature and history of stakeholder group involvement and provide documentation of collaboration, including how stakeholders are participating both financially and programmatically.

♦ Taos has historically grown from small communities that merge with continued growth. Although the surrounding communities are distinct, the relationships between the separate governments are close. Growth and a continued need for new water resources drive a common interest in regional water interests

and planning. Each of the local communities is currently involved in planning efforts that, upon completion, are expected to support a regional water system. The Town has already installed a hard line connection with Caon MDWCA to the east to solidify regionalization efforts and provide the association a bulk water source in the event of an emergency. This phase seeks to install similar connections with Talpa and El Valle de los Ranchos to the south.

Please describe the water system's governance structure and the ability for this structure to provide adequate direction and oversight. (Compliant with Opening Meetings Act; Inspection of Public Records Act; Regular Board elections held and members trained.)

♦ Taos is organized as a municipality under applicable provisions of NMSA 1978. The Public Utilities department is included as a separate entity of the Municipality reporting directly to the Town Manager. The Department has personnel on hand to operate and maintain the water system, collect meter readings to generate monthly billing invoices and send to customers for payment. The municipal structure is the first guarantor of open meetings, a rule that extends to the utility department. Public records of utility operations are available at the Town offices.

Provide a summary on the public involvement plan.

♦ Taos is organized as a municipality with the intention of representative council meetings being the first point of public involvement. Council meetings and agenda are posted outside Town Hall, sent to the media, Taos News, advertised on local radio stations, and televised on the local public information channel. Public notice is provided through public meetings, newsletters, and through the internet on a regular basis with an overall objective of collecting public feedback. On projects of higher complexity or projects deemed to have a greater impact to the public, such as tank sites, may involve more comprehensive dedicated meetings at the discretion of the Town of Taos staff and/or Town Council.

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? Please describe the elements of the plan. If no financial plan is in place, please describe the estimated timeline of implementing a five-year plan.

♦ The Town of Taos participates annually in the State of New Mexico Five Year ICIP, to plan for capital projects within a five-year timeframe. The Town also produces its own ICIP every May to budget for all projects that will require a capital outlay in the upcoming fiscal year. The ICIP process provides members of the Town Management Team a framework for planning, coordinating, and updating capital projects, as well as identifying funding sources and timeframes. The Weimer Hills Area Waterline is the fourth priority on the Town of Taos ICIP. The plan contains specific budgetary considerations for the various utility funds. It is prefaced with the following: Our seventh priority is to ensure that we have a committed revenue source from which to pay for the operation and management of our water and sewer utilities, and for improvements to those utilities. This is an enterprise fund that is fully reliant on revenues received from customer charges, and does not receive any funds from the Town's general fund. This enterprise also relies on Municipal Revenue Bonds issued from proceeds from the Water and Sewer income fund. The following revenue sources are committed to pay for the operation and improvements for this enterprise program: a. Charges for water and sewer services from municipal customers b. Grant funds received from the NMFA, RUS, etc. c. Bond proceeds for water and sewer improvements d. 1/8th center GRT approved by the Town Council for water/sewer improve

Please describe the asset management plan including how it was developed, monitored and overseen.

♦ The Town has an active interest in financial management but has not, as yet, implemented a program specific to it. In its current rate study, the Town established an asset management fund to provide for replacement of aging facilities. The Town implemented a new rate structure in November 2010, increasing

base water rates by 25% the first year and 6.3% every subsequent year to meet increasing operations and maintenance costs and finance an asset management fund. 80% of the increased revenue is allocated toward the asset management fund. This rate increase generated approximately \$370,000 since its adoption by the Town Council less than a year ago, with almost \$300,000 being dedicated to the new asset management fund. Until a more comprehensive study can be undertaken, the Town anticipates the fund established with the new rates will provide an amount adequate to handle annual replacement costs for all facilities.

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

♦ The Town of Taos water system is fully metered and employs 5 personnel tasked with meter reading, billing and collections. Invoices are sent to active water customers on a monthly basis and collections regularly exceed 95%. The water system has master meters installed at every production well and individual service meters at all active connections. Recently, older service meters were replaced with radio-read meters to provide more accurate readings. Previously, meter readings were spread out over the billing month never giving the utility precise information to estimate water losses in the distribution system. Cumulative water metered at the well head but not accounted for in individual service meters is approximately 20% of the total. This is unusually high for what is typical loss in a system of this size and condition. With the older meters replaced, the final task is to replace all of the master meters at the production wells with magnetic meters and tie them into the existing SCADA system. Only then will the Town be able to accurately estimate water loss in the system and begin implementing a comprehensive leak detection program if necessary. Supply and demand projections are supported by real time data collection from the existing SCADA system that collects such critical information as tank levels and water supply from wells. With this information the Town is able to accurately predict average, peak and seasonal supply and demand variations in the system.

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

♦ The Town of Taos Public Utilities Department has been run successfully for many years and is very well managed and operated. Emergency plans and protocols are in place. Complete operation of the utilities is accomplished through 3 divisions: water, wastewater, and billing. These 3 divisions employ a total of 14 personnel. The water division currently employs 5 full time employees, the sewer division employs 4 full time employees and the utility billing division employs 5 full time employees, including a meter reader. The Town also has a well organized accounting and finance department which requires annual budgetary projections from all departments to insure all projects remain sustainable.

Does the water system have a professional manager?

♦ Yes, the Public Utilities Director who is part of the Town Management Team. The Public Utilities department oversees the water and wastewater systems.

Describe how the estimates for project contingencies were derived. Has a Professional Engineering Report been completed?

♦ Generally project contingencies remain at 10% or higher until the final design phase and are derived based on the evaluation of bid tabulations from projects of similar scope and location within the last year. However, contingencies as high as 20% are considered legitimate by Taos when uncertainty remains in scope and final location of facilities and when funding projections are for future years. The suggested improvements in this request were born out by a study prepared by professional engineers and published October 4, 2007 (Town of Taos Water System Study Souder, Miller & Associates). That study used a global factor of 15% to account for all uncertainties and future construction. The estimates have been updated for this submission.

Project Compliance

Is the water system in compliance with Office of the State Engineer regulations?: True

Is the project part of an Interstate Stream Commission-accepted regional water plan or part of a plan under development? Please explain how this project complies with such a plan. If not, please explain.

♦ The Interstate Stream Commission finalized the Taos Regional Water Plan in 2008. Many of the improvements identified in this phase address recommendations from this Water Plan. The Plan specifically identifies protecting water quality from potential septic system pollution, which the Weimer Hills improvements will do by redirecting domestic potable demand from individual wells susceptible to this pollution to the Towns water system. Also, regional infrastructure improvements with local small water systems to help address many problems these systems are facing. The Water Plan specifically identifies physical interconnections with other system (i.e. the Town of Taos) to provide back-up water supply in the event of an emergency, which the Talpa and El Valle de los Ranchos de Taos interconnection improvements will provide. The Canon MDWCA has already worked with Taos to interconnect their system with the Towns water system.

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.

♦ Documentation is attached.

File Number: RG37303

Application Number: 00

Number of Acre Feet Available: 1423

Water Rights Type Available: Ground

If water rights are not available, please explain why and outline a plan of action to obtain the necessary water rights.: Water Rights are available, thus this does not apply.

Briefly list and describe any alternative to this project that was considered and the decisions to reject or otherwise implement alternatives

♦ Sizing, locations, and alternative systems were considered in-depth in Town of Taos Water System Study dated October 4, 2007 by Souder, Miller & Associates. Most of the improvements have only one alternative as a no-action alternative will not address the looming issues facing the system including water quality issues in Weimer Hills, inaccurate metering between well s and individual service meters to identify whether difference between readings is inaccurate metering or severe water loss in the distribution system, finishing connecting wells to the system to utilize san Juan Chama water rights to supply increasing population. Only one of the improvements had two alternatives. The alternative selected was based purely on cost savings. This regarded installing a new pump house with controls and SCADA to connect Well #9 to the system versus using the existing pump house for Well #8. The existing well house alternative was selected as it was \$200,000 less.

Describe the methodology in measuring the project expected outcome and planned objectives. Outline the benchmarks for measuring project results.

♦ The expected outcomes of the project are numerous. They include reduced water use in general from proper PRV operation and more accurate meter readings from well master meters resulting in a more efficient water system. Benchmarks for this outcome will be verified by analyzing individual service meter readings, SCADA monitoring of the replaced master meters, tank level data, and PRV operation records. Another expected outcome will be enabling the Town of Taos to connect residents in the Weimer Hills area to the Towns water system removing the residents from private wells to a safer water supply maintained by the Town of Taos Public Utilities Department. This objective will be met and verified by construction field observations verifying each resident within the area has connected to the system. Completion of the interconnection improvements for the surrounding community water system of Talpa

and El Valle de los Ranchos de Taos will meet one of the planned objectives of the Taos Regional Water Plan approved by the Interstate Stream Commission in 2008. The benchmark for this improvement is construction of the service connection and negotiation of an agreement between the Town and communities.

Does the system supply, deliver, distribute or otherwise provide at least 500 acre feet annually for domestic, commercial, industrial or government customers for other than agricultural purposes, but does not include Indian tribes, pueblos, nations, chapters or any entity of a tribe, pueblo, nation or chapter?: True

Funding Detail

Are these costs certified by a resource specialist, engineer, or architect?: True

Date of Certification: 10/27/2011

Certifying Company Name: Souder, Miller & Associates

Outline evidence of existing debt in the form of debt documents, including loan agreements, Debt Default Summary and if any a Pending Litigation Summary: There is no pending litigation. Existing debt documents are 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): The match component consists of remaining state funds from NMED SAP 07 -4600-GF and local cost share as explained below. Both are in the form of a hard cash match.

Outline the source of the local cost share: The local cost share will be in the form of a hard cash match from a Town of Taos Public Works reserve fund.

Source, Terms and Status of State and Federal Funds

Source	Amount	Type	Term (years)	Status
NMED-SAP 07-4600-GF	\$850,000	Grant	4	secured

Total Project Costs and Sources of Funds for Projects

Type	WTB Funds	Local Funds	State Funds	Federal Funds	Total
Feasibility Funds					
Planning and Design	\$82,323				\$82,323
Inspection of Construction	\$208,338		\$73,826		\$282,164
Engineering Services					
Environmental Surveys					
Archeological Surveys					
Construction	\$1,683,242	\$70,000	\$366,174		\$2,119,416
Land Acquisition					
Easements & Right of Way					
Legal Costs					
Fiscal Agent Fees					

\$1,973,903 \$70,000 \$440,000 \$2,483,903

Comments

None.

Attachements

File Name: [Town of Taos 2010 Audit Report.pdf](#)

Document Type: AUDITS

Summary: State of New Mexico Town of Taos Annual Financial Report June 30, 2010

Uploaded On: 11/4/2011 12:33:09 PM

File Name: [Audit June 30 2009.pdf](#)

Document Type: AUDITS

Summary: State of New Mexico Town of Taos Annual Financial Report June 30, 2009

Uploaded On: 11/4/2011 12:36:34 PM

File Name: [Audit June 30 2008.pdf](#)

Document Type: AUDITS

Summary: State of New Mexico Town of Taos Annual Financial Report June 30, 2008

Uploaded On: 11/4/2011 12:37:51 PM

File Name: [Financial Statement.PDF](#)

Document Type: FINANCIAL

Summary: Town of Taos Financial Statement for the Month Ending October 31st, 2011

Uploaded On: 11/4/2011 12:39:02 PM

File Name: [2011-12 Operating Budget.pdf](#)

Document Type: BUDGET

Summary: Town of Taos Operating Budget FY 2011-2012

Uploaded On: 11/4/2011 12:39:41 PM

File Name: [List of Debt.pdf](#)

Document Type: DEBT

Summary: Town of Taos Schedule of Outstanding Bonds July 1, 2011

Uploaded On: 11/4/2011 12:41:26 PM

File Name: [Resolution.pdf](#)

Document Type: RESOLUTION

Summary: Town of Taos Resolution 11-64

Uploaded On: 11/4/2011 12:42:13 PM

File Name: [Articles of Incorporation.pdf](#)

Document Type: ARTICLES OF INCORPORATION

Summary: Town of Taos Articles of Incorporation

Uploaded On: 11/4/2011 12:42:41 PM

File Name: [Non-WTB Funding.pdf](#)

Document Type: NON-WTB PROJECT FUNDING

Summary: Town of Taos Non-Water Trust Board Project Funding

Uploaded On: 11/4/2011 12:44:57 PM

File Name: [FY 12 Schedule.pdf](#)

Document Type: PROJECT PHASE SCHEDULE

Summary: Town of Taos Water System Improvements Project Schedule

Uploaded On: 11/4/2011 12:45:29 PM

File Name: [Conservation Plans.pdf](#)

Document Type: CONSERVATION PLAN

Summary: Town of Taos Water Conservation Ordinances and Policies

Uploaded On: 11/4/2011 12:46:18 PM

File Name: [OSE Verification.pdf](#)

Document Type: WATER RIGHTS QUESTIONNAIRE

Summary: OSE Verification of Water Rights and Permit Compliance, Attachments A & B

Uploaded On: 11/4/2011 12:47:09 PM

File Name: [Certification.pdf](#)

Document Type: CERTIFICATION

Summary: Town of Taos WTB FY 11 Application Certification

Uploaded On: 11/4/2011 12:47:42 PM

File Name: [Water Management Plan.pdf](#)

Document Type: LONG TERM WATER PLAN

Summary: Town of Taos Municipal Water System's Water Management Plan, October 2007

Uploaded On: 11/4/2011 12:48:43 PM

File Name: [Regional Water Plan.pdf](#)

Document Type: LONG TERM WATER PLAN

Summary: Taos Regional Water Plan, April 2008
Uploaded On: 11/4/2011 12:49:44 PM

File Name: [Permits Licenses.pdf](#)
Document Type: PERMITS/LICENSES
Summary: Permits and Licenses Statement
Uploaded On: 11/4/2011 12:50:06 PM

Readiness Questionnaire - Part 1

Readiness Questionnaire - Part 2

Total Project Costs and Sources of Funds for Projects

None

Certified Costs

None

Source, Terms and Status of State and Federal Funds

None

New Mexico Finance Authority ♦ 207 Shelby Street ♦ Santa Fe, New Mexico 87501 ♦ (877) ASK-NMFA

Bond Debt Service							
Town of Taos							
0260-WTB Water Project							
Period Ending	Principal	Coupon Rate	Coupon Interest	Admin Rate	Admin Interest	Total Interest	Debt Service
6/1/2014	9,583	0.000%	0	0.250%	551.05	551.05	10,134.05
6/1/2015	9,664	0.000%	0	0.250%	469.52	469.52	10,133.52
6/1/2016	9,688	0.000%	0	0.250%	445.36	445.36	10,133.36
6/1/2017	9,712	0.000%	0	0.250%	421.14	421.14	10,133.14
6/1/2018	9,737	0.000%	0	0.250%	396.86	396.86	10,133.86
6/1/2019	9,761	0.000%	0	0.250%	372.52	372.52	10,133.52
6/1/2020	9,786	0.000%	0	0.250%	348.12	348.12	10,134.12
6/1/2021	9,810	0.000%	0	0.250%	323.64	323.64	10,133.64
6/1/2022	9,834	0.000%	0	0.250%	299.12	299.12	10,133.12
6/1/2023	9,859	0.000%	0	0.250%	274.54	274.54	10,133.54
6/1/2024	9,884	0.000%	0	0.250%	249.90	249.90	10,133.90
6/1/2025	9,908	0.000%	0	0.250%	225.18	225.18	10,133.18
6/1/2026	9,933	0.000%	0	0.250%	200.42	200.42	10,133.42
6/1/2027	9,958	0.000%	0	0.250%	175.58	175.58	10,133.58
6/1/2028	9,983	0.000%	0	0.250%	150.68	150.68	10,133.68
6/1/2029	10,008	0.000%	0	0.250%	125.72	125.72	10,133.72
6/1/2030	10,033	0.000%	0	0.250%	100.70	100.70	10,133.70
6/1/2031	10,058	0.000%	0	0.250%	75.62	75.62	10,133.62
6/1/2032	10,083	0.000%	0	0.250%	50.48	50.48	10,133.48
6/1/2033	10,108	0.000%	0	0.250%	25.28	25.28	10,133.28
	197,390	0			5,281.43	5,281.43	202,671.43



March 12, 2013

Title:

Creation of an Additional Lieutenant Position

Summary:

Consideration and possible approval of an additional Lieutenant position within the existing police department staffing levels. All required funding to support the creation of this position have been identified within the existing budget.

Background:

Over the course of the last five months an additional Lieutenant position has been staffed within the police department as an interim assignment. This allows for supervision of all police operations (uniform patrol) by one Lieutenant and all support functions (investigations, records) by the second Lieutenant. This span of control has proven very effective and has enhanced the accountability, responsiveness and performance of the Taos Police Department. The interim Lieutenant position is set to expire on April 13, 2013.

Attachments:

Click to download

- 📎 [Initial Memorandum and Organization Chart](#)
- 📎 [Reassignment Memo](#)

Darren M. Cordova, Mayor

Councilmembers:

Rudy C. Abeyta

Andrew T. Gonzales

Frederick A. Peralta

Michael A. Silva

Oscar Rodriguez, Town Manager

Ken Koch, Chief of Police



**Taos Municipal Building
400 Camino de la Placita
Taos, New Mexico 87571
(575) 751-2000
Fax (575) 751-2026**

***Visit us on our Website at:
www.taosgov.com***

To: All Personnel

From: Ken Koch, Chief of Police

Date: October 19, 2012

Subject: Reassignment of Interim Chief Jerry Hogrefe and organization realignment.

Effective Saturday, October 20, 2012 the organization of the Taos Police Department, its rank structure and supervisory lines of authority are adjusted to facilitate the addition of an interim Lieutenants position in addition to the exiting position currently held by Lieutenant Maggio. Lieutenant Maggio will remain in command of the Operations Division of the department supervising all Patrol Sergeants, Animal Control and our Police Service Aid's. Each Police Service Aid will report to the day shift sergeant for day to day operations and assignments or supervisory questions. Lieutenant Maggio will maintain responsibility for all special events and department resource assignments outside our day to day operations (i.e. Homecoming and other parades).

Interim Lieutenant Hogrefe will command the Support Services Division of the department supervising Investigations (2 detectives), Records and Evidence disciplines. The School Resource Officer will also report to Lieutenant Hogrefe for day to day operations and potential intelligence needs related to juvenile crime trends. Lt. Hogrefe will maintain responsibility for department training functions and the records keeping of all employee training requirements. Any training needs or scheduling our department training resources (like our firing range) shall be coordinated through Lt. Hogrefe or the assigned supervisor of the training discipline in question (i.e. firearms, defensive tactics, etc.).

Lieutenant Maggio, Lieutenant Hogrefe and Shirley Lujan will report to Chief Koch for day to day operations and any supervisory direction within their respective divisions. Please see the attached organizational chart below for greater details.

Darren M. Cordova, Mayor

Councilmembers:

Rudy C. Abeyta

Andrew T. Gonzales

Frederick A. Peralta

Michael A. Silva

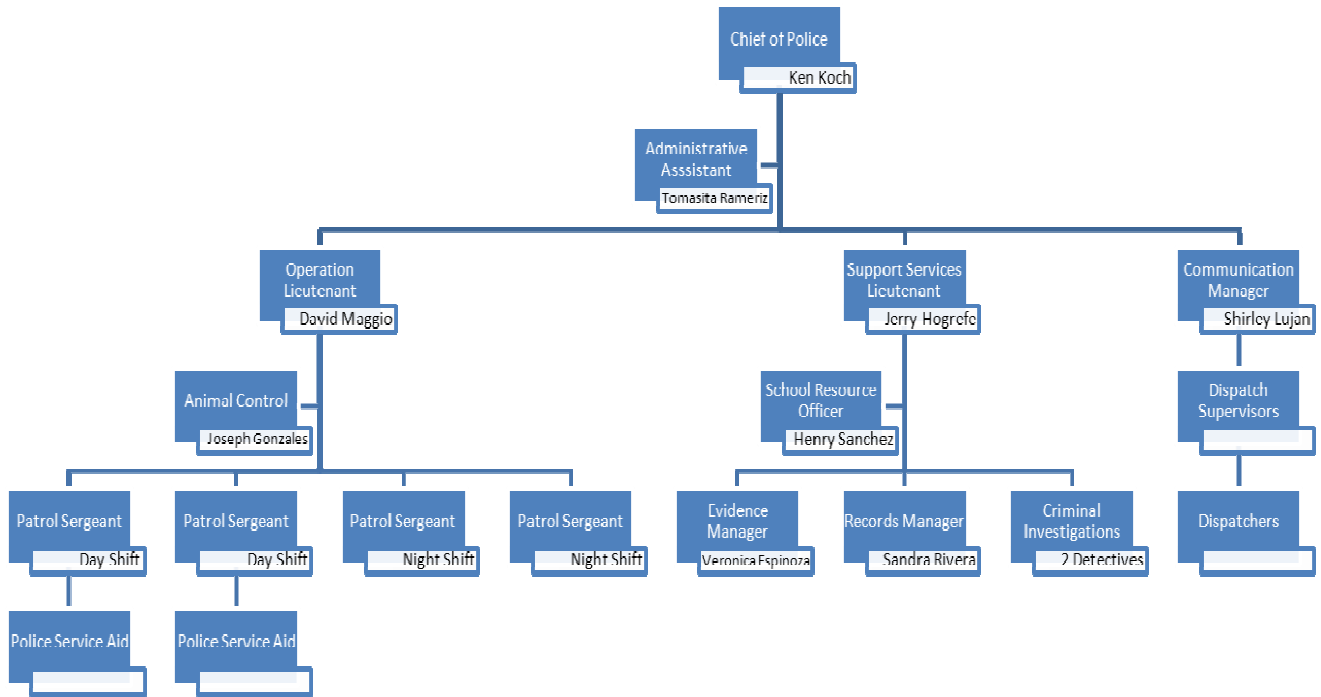
Oscar Rodriguez, Town Manager

Ken Koch, Chief of Police



**Taos Municipal Building
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Taos, New Mexico 87571
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Darren M. Cordova, Mayor

Councilmembers:

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Andrew T. Gonzales

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Michael A. Silva

Oscar Rodriguez, Town Manager

Ken Koch, Chief of Police



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Fax (575) 751-7527**

***Visit us on our Website at:
www.taosgov.com***

To: All Department Personnel

From: Ken Koch, Chief of Police

Date: January 17, 2013

Subject: Reassignment of Lieutenant Maggio and Interim Lieutenant Hogrefe.

Effective Saturday, January 26, 2013, Lieutenant Maggio will assume responsibilities of the Support Services Lieutenant's position and will remain in this assignment for the remaining three months of the various interim assignments we currently have. Lt Maggio will be responsible for performance of criminal investigations, school resource officer, records and evidence functions. The anticipated end of this temporary assignment is April 13, 2013.

Effective Saturday, January 26, 2013, Interim Lieutenant Hogrefe will assume responsibilities of the Operations Lieutenant's position and will remain in this assignment for the remaining three months of his interim position. Interim Lieutenant Hogrefe will be responsible for the performance of the uniformed patrol operations of the department and our parking enforcement and animal control functions. The anticipated end of this interim assignment will be April 13, 2013.

All current interim assigned position's (Sgt. John Wentz, Officer Lloyd Garcia, Det. Hogrefe), will revert to their original assignments unless other options are requested and approved through the chain of command and Human Resources.

Respectfully,

Ken Koch
Chief of Police



March 12, 2013

Title:

Settlement Agreement

Summary:

Consideration and possible approval of Settlement Agreement and Release between Merchants Bonding Company and the Town of Taos.

Background:

Attachments:

Click to download

 [Settlement Agreement and Release](#)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“**Agreement**”) is entered into between and among Merchants Bonding Company (Mutual) (“**Merchants**”) and the Town of Taos, New Mexico (the “**Town**”) to be effective as of February 28, 2013 (the “**Effective Date**”). The Town and Merchants may be referred to herein individually as “**Party**” and collectively as the “**Parties**.”

RECITALS

A. WHEREAS Lone Mountain Contracting, Inc. (“**Lone Mountain**”) entered into Contract No. TT-10-224 (the “**Contract**”) with the Town related to the Alexander Gusdorf Eco Park Project (the “**Project**”);

B. WHEREAS, on or about April 23, 2010 Merchants issued a Performance Bond, Bond No. NMC51633 naming Lone Mountain as Principal, the Town as obligee, with a penal sum \$2,553,391.00 (the “**Bond**”) related to the Project;

C. WHEREAS, on or about November 30, 2011 the Town terminated Lone Mountain from the Project for cause;

D. WHEREAS, the Town made demand on the Bond based upon termination of Lone Mountain’s for default under the Contract; and

D. WHEREAS, Merchants and the Town have been negotiating the resolution of how Merchants will satisfy its obligations under the Bond.

E. NOW, THEREFORE, the Parties hereto deem it to be in their best interests and mutual advantage to resolve their disputes on the terms set forth herein and in consideration of the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby warrant, represent, acknowledge, covenant, and agree as follows:

COVENANTS AND AGREEMENTS

1. Incorporation of Recitals. The Recitals set forth above are fully incorporated herein by this reference and made part of this Agreement.

2. Payment to the Town. Within ten (10) days of this Agreement being signed by the Parties and being approved by the Taos Town Council, Merchants agrees to pay the Town, and the Town agrees to accept, the total sum of Two Hundred and Seventy-Two Thousand and 00/100 Dollars (\$272,000.00).

3. Mutual Releases. The Parties hereby fully and irrevocably release, acquit, and discharge each other from any and all claims, whether actual or alleged, known or unknown, accrued or unaccrued, including representation or misrepresentation, bad faith, act or omission on the part of the other, related to or arising out of all claims asserted or that could have been asserted in relation to the Bond and the Project.

4. **Exoneration of Bond.** The parties expressly agree that the Bond shall be exonerated from any and all further liability upon payment from Merchants to the Town as set forth in paragraph 2 above.

5. **No Assignment of Claims.** The Parties, and each of them, warrant and represent that none of the Claims herein released have been assigned or transferred, in whole or in part, to any person or entity.

MISCELLANEOUS PROVISIONS

6. **Representations.** Each of the Parties hereto represent and warrant that: (a) they are fully authorized to enter into this Agreement, (b) they have read and fully understand each of the provisions of this Agreement, (c) they have relied on the advice and representation of legal counsel of their own choosing with respect to negotiation of this Agreement and the matters set forth herein, and (d) they have signed the Agreement voluntarily, without any duress or undue influence on the part, or on behalf, of any Party.

7. **Amendments.** Neither this Agreement, nor any of its terms, may be changed, waived, discharged, or terminated except in a writing signed by all of the Parties to this Agreement.

8. **Interpretation.** This Agreement has been negotiated at arm's length and between and among parties sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, experienced and knowledgeable legal counsel for each of the Parties drafted this Agreement. Accordingly, none of the Parties hereto shall be presumptively entitled to have any provision of the Agreement construed against any of the other Parties described herein in accordance with any rule of law, legal decision, or doctrine, such as the doctrine of contra proferentum, which would require interpretation of any ambiguities in this Agreement against the Party that has drafted it. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the purposes of the Parties and this Agreement.

9. **Attorneys' Fees, Costs and Expenses.** Each of the Parties as between themselves shall bear their own costs, attorneys' fees, and any and all related expenses in connection with the matters set forth in this Agreement, including, but not limited to the claims, the Bond, and the negotiations for, and preparation of, this Agreement. In the event of any controversy, claim, dispute, arbitration, or legal action between the Parties, arising out of or relating to this Agreement, its creation, construction, interpretation, validity, operation, enforcement or breach, the prevailing Party shall be entitled to recover from the opposing Party all costs and expenses including, without limitation, reasonable attorneys' fees and costs.

10. **Entire and Integrated Agreement.** Unless otherwise set forth herein, the Parties intend this Agreement to be a final expression of their agreement and to be a complete and exclusive statement of the Agreement and understanding of the Parties with respect to the subject matters contained herein. Subject to the foregoing, this Agreement supersedes any and all prior promises, representations, warranties, agreements, understandings, and undertakings between or among the Parties herein with respect to such subject matters and the dispute thereof and there are no promises, representations, warranties, agreements, understandings, or undertakings with respect to such subject matters other than those set forth or referred to herein.

11. **Severability.** If any provisions of this Agreement, or the application thereof, shall for any reason or to any extent be construed by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, and application of such provisions to

other circumstances, shall remain in full effect and be interpreted so as best to reasonably effect the intent of the Parties.

12. Governing Law and Venue. This Agreement is entered into and shall be governed, construed, and interpreted in accordance with the substantive and procedural laws and rules of the State of New Mexico, regardless of that State's conflict of laws rules.

13. Headings. The section titles, captions, and headings contained in this Agreement are inserted only as a matter of convenience and for reference, and shall in no way be construed to define, limit, or extend the scope of this Agreement or the effect of any of its provisions.

14. Additional Necessary Documents. The Parties, and each of them, agree to execute such additional documents as may be reasonably required in order to carry out the purpose and intent of this Agreement, or to evidence anything contained herein.

15. Execution In Counterparts; Signatures Sent Via PDF. This Agreement may be signed by the Parties in counterparts and the counterparts of the signature pages may be combined to create a document binding on all of the Parties and together shall constitute one and the same instrument. Each Party should receive a copy of the signature page with an original signature from the other Party. Additionally, the Parties' signature pages can be sent via pdf and have the same effect as an original signature, which will be a binding signature of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the Effective Date.

TOWN OF TAOS

Dated: _____

By: _____

Its: _____

APPROVED AS TO FORM:

Dated: _____

By: _____

C. Brian James, Esq.
400 Camino de la Placita
Taos, NM 87571-6071
Attorney for Town of Taos

MERCHANTS BONDING COMPANY (MUTUAL)

Dated: _____

By: _____

Its: _____

APPROVED AS TO FORM:

Dated: _____

By: _____

Robert J. Berens, Esq.
LEWIS BRISBOIS BISGAARD & SMITH LLP
2929 N. Central Ave., Suite 1700
Phoenix, Arizona 85012
Attorneys for Merchants Bonding Company (Mutual)



March 12, 2013

Title:

Lease Agreement between Town of Taos and Kit Carson Electric

Summary:

Consideration and possible approval of a lease agreement between the Town of Taos and Kit Carson Electric for property located at 1146 Gusdorf Road, in Taos, New Mexico 87571.

Background:

Attachments:

Click to download

- 📎 [Final Lease 3-12-13](#)
- 📎 [Square Footage](#)
- 📎 [Floor Plan](#)

LEASE
and
OPTION TO PURCHASE

THIS AGREEMENT (“Agreement”) is made and executed on the ____ day of _____, 2013, by and between the **Town of Taos**, a New Mexico municipal corporation (“TOT”) and **Kit Carson Electric, Inc.**, a New Mexico corporation (“KCECC”).

RECITALS

A. KCEC is the owner of improved property at 1146 Gusdorf Road, in Taos, Taos County, New Mexico 87571, containing approximately two acres (“Property”), upon which the Taos Regional Command Center, containing 9,050 square feet, is located (“Command Center” or “Building”);

B. KCEC wishes to enter into this Agreement with TOT to lease a portion of the Command Center, containing 2,526.3 square feet (“Proposed Space”) with an option to lease an additional 1,716 square feet (“Future Space”) as described in Exhibit A to this Agreement (collectively “Premises”), and to grant TOT an Option to Purchase the Premises upon the terms and conditions contained herein;

C. TOT wishes to lease the Premises from KCEC with the right to assign to a regional entity formed, or to be formed, pursuant to the Joint Powers Agreements Act [11-1-1 to 11-1-7 NMSA 1978], and to accept the right to an option to purchase the Premises upon the terms and conditions contained herein for the purpose of installing, maintaining and operating extensive communications equipment in support of providing emergency dispatching services to the TOT and others who may enter into a Joint Powers Agreement.

In consideration of the foregoing Recitals and for other valuable consideration, the parties agree, subject to any approval required by the New Mexico Department of Finance or the New Mexico Board of Finance, as follows:

1. **TERM**. The term of the Lease shall be for a period of ten (10) years commencing on October 1, 2013 and terminating September 30, 2023 (“Original Term”). However, the parties agree that this date is flexible and that the effective date of this Lease will start once the TOT has all its equipment in place and it is fully operational (“Commencement Date”). When the Commencement Date of the Original Term has been ascertained (“Effective Date”), the parties shall execute an amendment to this Lease setting forth the Effective Date. Each consecutive twelve month period beginning on the first day of the Original Term shall be a lease year (“Lease Year”).

2. **RENEWAL**. TOT is given the option to extend the Original Term under the provisions contained in this Lease for an additional five (5) year term (“Extended Term”) following expiration of the Original Term by giving notice of exercise of the option (“Option Notice”) to KCEC at least ninety (90) days before the expiration of the Original Term. Provided that, if TOT is in default on the date of giving the Option Notice, the Option Notice shall be

ineffective, or if TOT is in default on the date that the Extended Term is to commence, the Extended Term shall not commence and this Lease shall expire at the end of the Original Term.

3. RENTAL SPACE. TOT shall initially occupy 2,526.3 square feet in the Building with an option to increase the leased space by 1,716 additional feet. TOT shall exercise its option for additional leased space by written notice to KCEC at any time during the Original Term or Extended Term

4. RENT AND TAXES.

A. The annual Rent for the Proposed Space for the Original and Extended Terms is Thirteen Dollars and Fifteen Cents (\$13.15) per square foot ("Rent"), which is in direct proportion to the debt service on the square footage that the TOT is leasing. . See Exhibit B

B. Rent shall be payable in twelve equal monthly installments of Two Thousand Seven Hundred Sixty-Eight Dollars and Forty Cents (\$2,768.40) for the Proposed Space ("Rent"). If the option is exercised for the Future Space, monthly installments shall be Four Thousand Six Hundred Forty-Eight Dollars and Twenty-Four Cents (\$4,648.85). Payments shall be due no later than the first day of each month beginning on the Commencement Date; provided, however, that Rent shall be prorated based on a thirty (30) day month if TOT's Effective Date of occupancy or exercise of its option for Future Space commences during a month. Rent shall be paid by TOT to KCEC at P.O. Box 578 Taos, N.M. 87521, or such other place as KCEC may designate for this purpose. Rent shall be payable to date of Closing, if TOT exercises its Option to Purchase as set forth below.

C. TOT shall also pay to KCEC as additional rent a sum equal to its pro rata share of the ad valorem taxes and assessments set forth herein based upon the total area of the Command Center occupied by it under this Lease ("Additional Rent"). TOT's pro rata share based upon the Proposed Space shall be 27.9% or 46.9% ("Prorated Share") if the option for additional space is exercised based upon the Premises of approximately 2,526.3 square feet and the Command Center of 9050 square feet.

D. No payment by TOT or receipt by KCEC of a lesser amount than the Rent shall be deemed to be other than payment on open account. However, if TOT has properly provided notice to KCEC of emergency repairs to which KCEC has been unable to respond so that TOT is required to make emergency repairs to the Premises under this Agreement, and if KCEC does not reimburse TOT for such repairs in accordance with Article 6 B, TOT is entitled to withhold an amount from its Rent equal to the sum for which reimbursement is due. TOT shall provide detailed invoices with the payment to justify the reduced amount of Rent.

E. KCEC shall pay all ad valorem taxes and general and special assessments levied against the Premises. Such taxes and assessments shall be prorated to the Effective Date of this Lease, and TOT shall be responsible for payment of its Prorated Share after the Effective Date. Each year KCEC shall notify TOT of the ad valorem taxes and shall furnish TOT with a copy of the tax bill. TOT shall pay its Prorated Share of the ad valorem taxes and assessments semiannually no later than ten (10) days before the taxing authority's delinquency date or ten (10) days after receipt of the tax bill, whichever is later. TOT shall pay any taxes assessed against its property on the Premises.

5. USE OF THE PREMISES.

A. TOT shall use and operate the Premises for the purpose of a Command Center and for the public health, safety, and welfare as determined by TOT. The Premises shall not be used for any other purpose without prior written consent of KCEC which shall not be unreasonably withhold so long as the use is compatible with other uses within the Building or on the Property.

B. TOT and KCEC shall comply with all applicable governmental laws, ordinances, rules and regulations in connection with the Property and shall not use or permit the Premises to be used for any purposes prohibited by law. Neither party shall suffer or permit any nuisance to occur in or upon the Premises or permit to be done any act upon the Premises which will make void or voidable, suspend or increase the rate of any fire insurance policy required under this Lease or carried by KCEC covering the Property or sell, or permit to be kept, used, or sold in or about the Premises any article which may be prohibited by the standard form of fire insurance policies. TOT shall comply with reasonable requirements pertaining to the Premises by KCEC's insurance organization and/or any company necessary for the maintenance of reasonable fire and public liability insurance.

C. Subject to availability of funds, TOT shall not vacate or abandon the Premises at any time or otherwise terminate this Lease during the Original Term or during the Extended Term, except for an emergency or other lawful reason. If TOT vacates or abandons the Premises or is dispossessed by process of law or otherwise, the abandonment, vacation, dispossession or failure to maintain its operations on the Premises shall be a breach of this Agreement.

6. MAINTENANCE OF PREMISES.

A. KCEC shall maintain and repair the foundation, floors, exterior walls, plumbing, roof, electrical wiring, and heating, ventilation and cooling systems, elevators and equipment in the Building; the parking area and access road, except for any maintenance or repair made necessary by any misconduct, negligent act or omission of TOT or its agents or employees. KCEC shall also be responsible for maintaining the major utility systems on the Property in compliance with all applicable laws.

B. KCEC shall commence its required repairs of the building or the Premises as soon as reasonably possible after being made aware of the need therefor. If the required repairs are in the nature of an emergency, such as bursting water pipes, broken electrical wiring that causes a fire hazard, and like matters, then TOT shall attempt to notify KCEC of the emergency in the most expeditious manner, but if KCEC does not immediately make the required repairs, or if TOT is unable to notify KCEC because an authorized representative of KCEC is not available, then TOT shall have the right to make such repairs and deduct the reasonable out-of-pocket costs thereof from the next installment of Rent, notwithstanding any provision of this Agreement to the contrary. TOT shall give KCEC an invoice for the cost, together with all supporting documentation of the work that was performed. Except in an emergency, KCEC shall complete its required repairs during normal business hours, but if TOT requires that such repairs be made after business hours or on the weekend, then TOT shall reimburse KCEC for any extra expense, including overtime for laborers, that KCEC incurs in completing repairs.

C. TOT shall keep, at its expense, the Premises, including windows and signs adjacent to the Premises in good order, condition and repair, and any facilities and other improvements installed by TOT, including lighting fixtures, plumbing fixtures, walls, flooring, ceiling, glass and doors.

D. KCEC shall not be liable for any injury to any person or damage to property of TOT, it's sublessees, licensees, employees, invitees, customers or any other person in or about the Premises, whether such damage or injury is caused by or results from (i) fire, steam, electricity, water, gas or rain; (ii) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other causes; (iii) conditions arising in or about the Premises or upon other portions of the Building; or (iv) any act or omission of any other tenant of the Command Center or the Building.

7. COSTS AND FEES. KCEC shall reimburse TOT for any costs and fees, including attorney's fees, incurred in connection with execution of this Agreement.

8. UTILITIES. TOT shall pay a Prorated Share of all charges for metered utilities, including, electricity, telephone, data and telecommunications, solid waste, water, sanitary sewer any other service, including security and janitorial services, used at or supplied to the Premises, and all connection fees and charges to such services shall be at TOT's sole expense. TOT's pro rata share shall be 27.9% and KCEC's share shall be 72.1% for the Proposed Space or 46.9% for TOT and 53.1% for the Initial and Future Space. KCEC shall submit monthly statements to TOT setting forth a breakdown of the utilities and other charges. TOT shall pay its share within ten (10) days after receipt of the statement.

9. SIGNS. TOT shall have the right, at its cost, to place and maintain signs on the Premises, and any signs it deems advisable on the interior of the Premises. All signs shall comply with applicable laws, and TOT shall obtain any required approval. TOT agrees to promptly remove its signs at the end of the Term or any extension thereof, unless TOT purchases the Premises, and repair any damage caused by removal. If TOT fails to do so, then the KCEC may remove and dispose of such signs and TOT shall be liable for all costs in so doing.

10. COMMON AREAS.

A. KCEC shall maintain, repair and replace as necessary the restrooms, generator room, break room, parking lot, hallways, sidewalks, elevators and other areas shared by all occupants in the Building ("Common Areas") in good operating condition and in compliance with all applicable governmental authorities. TOT shall maintain the areas occupied by it under either or both the Proposed Space or Future Space.

B. Commencing on the first day of the Effective Date, TOT shall reimburse KCEC its Prorated Share of all Common Area costs and expenses as Additional Rent. Additional Rent for a period of less than one month shall be prorated on a daily basis. KCEC shall furnish monthly to TOT a written statement setting forth the expenses incurred by KCEC, and if necessary, an estimate of TOT's pro rata share of future costs and expenses. TOT shall pay to KCEC the Additional Rent each month during the Original Term and Extended Term.

11. ALTERATIONS.

A. TOT shall be financially responsible for the any tenant finishes or alterations to the Premises, including installation of security devices to insure that access to TOT Premises is limited to TOT personnel or its invitees, which it deems are necessary in order to make the Premises fit its needs. TOT agrees to allow KCEC to review and approve all plans and specifications for the tenant finishes or alterations before proceeding with the work.

B. Except as permitted in this Agreement, TOT shall not make any structural alterations in or additions to either the interior or the exterior of the Building or on the Premises without the prior written consent of KCEC, which consent will not be unreasonably withheld. TOT will provide KCEC with a written request accompanied by adequate plans and descriptions of the proposed alteration for its approval of the desired alterations, specifying which of them will be removed by TOT upon the expiration of this Agreement and which are permanent. KCEC's consent shall be presumed if KCEC does not respond in writing to the request to approve the proposed alterations within ten (10) working days after receipt by KCEC of the request. If consent is granted, all work done shall comply with all applicable governmental building and zoning ordinances and laws. Any violations of such ordinances or laws with respect to such work by TOT shall be corrected by TOT. Any changes or alterations which may be required by law or by any governmental agency because of TOT's use of the Premises, other than zoning requirements, shall be made by TOT at its expense. Any additions to or alterations which become attached to the Premises permanently shall become a part of the Building.

C. Within a reasonable time after execution hereof and before TOT takes possession of the Premises, KCEC shall, at its expense, build out the upstairs walls to the ceiling in the dispatch bay and in front of the elevator so there are no openings from upstairs to downstairs which will provide TOT with full security to the Premises.

12. LIENS.

A. TOT shall not permit any mechanic's, materialmen's or other lien to be imposed upon the Property for work or material furnished to TOT or to its contractors. TOT shall, however, have the right to contest the validity of any lien or claim if TOT first posts a bond or other security to insure that upon final determination of the validity of the lien or claim, TOT shall immediately pay any judgment rendered against it with all proper costs and charges and shall have the lien released without cost to KCEC.

B. TOT shall give KCEC written notice not less than ten (10) days before the commencement of any alteration, repair, addition or improvement so that KCEC may post notices of non-responsibility.

13. HAZARDOUS USES.

A. TOT shall store and use all substances and materials used in its operations on the Premises in compliance with all applicable governmental laws, rules and regulations. TOT shall not permit to be done any act upon the Premises which will create an unsafe or hazardous condition that will increase the risks normally attendant upon the operations contemplated under this Agreement. Nothing in this subparagraph will preclude TOT from bringing, keeping, or

using on or about the Premises such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its normal operations contemplated herein.

B. If TOT discovers or creates a hazardous or potentially hazardous condition on the Premises, TOT will give immediate verbal and written notice to KCEC. TOT shall correct any hazardous conditions that are the result of TOT's operations or occupation of the Premises as soon as possible, and if State and Federal law requires the hazardous condition to be remediated or mitigated, TOT will remediate or mitigate the hazardous condition as soon as reasonably possible at its sole expense. TOT will close to the public that part of the Premises impacted by the hazardous condition until it is safe for public use. In any event, TOT will not be liable for any hazardous or potentially hazardous conditions that existed on the Premises before TOT took possession thereof.

14. LIABILITY.

A. Neither party will be liable to the other party or to the other party's sub-lessees, licensees, employees, agents, servants, contractors, or invitees for any injury to persons or damage to property on or about the Premises caused by the negligence or misconduct of the other party, its sub-lessees, licensees, employees, customers, contractors and invitees or of any other person entering the Premises under the express or implied invitation of the other party or arising out of the use of the Premises by the other party and its sub-lessees, licensees, employees or contractors and the conduct of their business therein or arising out of any breach or default by the other party in the performance of its obligations under this Agreement. Any liability of the TOT shall be subject to the relevant provisions of Sections 41-4-1 through 41-4-27 NMSA 1978 ("Tort Claims Act").

B. Both parties covenant that they and all of their sub-lessees, licensees, employees, agents, servants, contractors, or invitees will use due care and diligence in all of their activities and operations at the Premises.

C. Both parties will, promptly upon receipt, give the other party every demand, notice, summons, or other process received in any claim or legal proceeding contemplated in this paragraph. This paragraph shall not be construed as a waiver of TOT's governmental immunity nor will it be construed to prohibit either party from seeking contribution or indemnity from any third party which may have caused or contributed to the event which caused the injury or damage.

15. INSURANCE. TOT shall maintain property and liability insurance for itself and its employees and its subcontractors, invitees or agents in an amount sufficient to satisfy the requirement of the New Mexico Tort Claims Act, throughout the term of this Agreement. Within thirty (30) days after date hereof, Lessee shall provide Lessor with evidence of the Lessee obtaining and maintaining such insurance coverage and Lessor shall be named as an additional insured.

16. DESTRUCTION

A. Partial Destruction: If the Premises are partially destroyed, by any cause, to the extent that the restorations or repair cost estimate is less than one-third (1/3) of the estimated improvement replacement cost of the Premises, then KCEC shall within ten (10) days of such destruction or damage notify Lessee in writing of its intention to restore or repair the damage and to commence such restoration or repair work within thirty (30) days after the occurrence date and complete this work with due diligence.

(1) Abatement of Rent: If all or any portion of the Premises becomes partially destroyed by any cause not the result of the negligence of TOT or its agents or employees, and provided the Lease is not terminated pursuant to any other provisions hereof, then Rent shall abate from the date of the occurrence, based on the extent to which the destruction interferes with TOT's use of the Premises. Such abatement shall continue until the Premises or the unusable area is repaired or restored to substantially the former condition, provided that completion of the restoration or repairs is accomplished in less than one hundred and twenty (120) days.

(2) Non-abatement of Rent: If the damage was caused by the negligence of TOT or its agents or employees, Rent shall not abate and the Lease shall remain in full force and effect. All costs of such repair or restoration shall be paid by TOT subject to the relevant provisions of Sections 41-4-1 through 41-4-27 NMSA 1978 ("Tort Claims Act").

B. Extensive Damage: If the Premises or the Building are extensively destroyed by any cause, to the extent that the restoration or repair cost estimate would equal or exceed one-third (1/3) of the estimated improvement replacement cost of the Premises, or if the estimated time of completion of the restoration or repair exceeds one hundred eighty (180) days of the occurrence of such damage or destruction, then KCEC may elect either to restore or not restore the Premises. KCEC will notify Lessee in writing of this election within thirty (30) days from the occurrence date. If KCEC elects to not restore or repair the Premises, then this Lease will terminate as of the occurrence date. If KCEC elects to restore or repair the Premises, such restoration or repair work shall commence within forty-five (45) days from the occurrence date and be completed with due diligence. TOT may elect to terminate the Lease only if the extensive damage as defined in this paragraph was not caused by negligence of TOT, its agents or employees and shall so notify KCEC in writing within thirty (30) days from the occurrence date of its election to terminate, in which case previously paid Rent shall be rebated to the occurrence date. If neither party terminates this Lease, then rent shall abate to an extent commensurate with the loss, from the occurrence date until the Premises are restored to substantially its previous condition and the Lease shall remain in full force and effect.

If KCEC fails to substantially complete restoration of damage or destruction to the Premises within one hundred eighty (180) days of the occurrence of such damage or destruction, TOT may upon thirty (30) days prior written notice, terminate the Lease at any time before the date KCEC substantially completes restoration of the Premises.

C. Cancellation: Notwithstanding anything in this Lease to the contrary, if at the time of any destruction, partial or total, of the Premises, the amount of minimum Rent remaining due under this Lease for the balance of the Term hereof, is less than the cost of repairing such damage

and restoring the Premises, then this Lease may, at the option of either party, be canceled by notice given in writing to the other party within thirty (30) days from the date of such damage or destruction.

17. TENANTS AND SUBLEASES.

A. KCEC shall not lease space in the Building to any other tenant without the prior written approval of TOT which shall not unreasonable be withheld so long as the use does not interfere with or adversely affect and is compatible with TOT's use of the Premises.

B. TOT shall not rent or sublet the whole or any part of the Premises without KCEC's prior written consent which consent shall not be unreasonably withheld. Consent to a rental or sublease shall not be deemed to be consent of any subsequent rental or sublease. The rental or making of any sublease shall not release TOT from, or otherwise affect in any manner, any of TOT's obligations under this Agreement. Each rental and sublease shall be subject and subordinate to the rights of KCEC under this Agreement and to any amendment or modification of this Agreement. Any rental or sublease without the written consent of KCEC shall be void, and shall, at the option of KCEC, constitute an event of Default under this Agreement.

18. ASSIGNMENT. TOT shall not, either voluntarily or by operation of law, directly or indirectly, sell, hypothecate, obligate, assign or transfer this Agreement or any interest in this Agreement without the prior written consent of KCEC in each instance, except that TOT may assign this Agreement to any successor by merger or to a JPA entity as referenced hereinabove. Consent to an assignment shall not be deemed to be consent to any subsequent assignment or transfer. Any assignment without the written consent of KCEC shall be void, and shall, at the option of KCEC constitute an event of default under this Agreement.

19. CONDITIONS OF ASSIGNMENT AND SUBLETTING. KCEC's consent to an assignment or subletting, other than to the JPA entity referenced hereinabove, shall not be unreasonably withheld if the proposed assignee or sublessee will:

A. Meet KCEC's reasonable standards as to credit, character, and professional standing and any other lessee requirements then generally imposed by KCEC with respect to new tenants in the Building.

B. Use the Premises only for purposes approved by KCEC which are consistent with KCEC's commitments to other tenants. KCEC may, however, withhold such consent if the occupancy of the proposed assignee or sub-lessee will tend to impair the character or dignity of the Building or impose any additional burden upon KCEC in the operation of the Premises.

C. Assume TOT's obligations under this Agreement if this Agreement is assigned or assume TOT's obligations under this Agreement with respect to the part of the Premises that are subleased.

D. As a condition precedent to the approval of any assignment of TOT's interest in this Agreement or any sublease of any part of the Premises, except to the JPA entity referenced

herein, TOT shall, at least thirty (30) days before any proposed assignment or subletting, give KCEC a written statement containing the name and address of the proposed assignee or sublessee; a financial statement of the proposed assignee or sublessee containing bank and other credit references and, if specifically requested by KCEC, income tax returns; the specific use proposed for the Premises; and all of the principal terms, rental and conditions of the proposed assignment or sublease, including, but not limited to, the proposed commencement and expiration dates of the term thereof.

E. KCEC shall notify TOT of KCEC's decision in connection with TOT's request for KCEC's consent to any proposed assignment or subletting within twenty (20) days following the date KCEC receives the information and materials required by this paragraph. If KCEC refuses to consent to any proposed assignment or subletting, KCEC shall notify TOT of its reasons for the denial.

20. TOWN OF TAOS PROPERTY. All personal property, trade fixtures, equipment, facilities, and improvements installed by TOT in or on the Premises shall remain the property of TOT.

21. SUBORDINATION, ATTORNMEN

A. This Agreement and all of the rights of TOT under this Agreement are and shall be subject and subordinate to any security instrument and to any and all renewals, modifications, consolidations, replacements, extensions, or substitutions of any such security in favor of the USA, RHD ("Lender") executed by KCEC that are in full force and effect at the time this Lease is executed. However, such subordination and attornment shall not affect TOT's rights pursuant to this Lease for so long as TOT is not in default or may be placed on the Premises KCEC agrees to meet its obligations to the Lender and to keep current all payments due on the Notes secured by the Mortgages on the Premises.

B. Such subordination shall be automatic, without the execution of a further agreement by TOT. If, however, a written subordination agreement consistent with this provision is required by a Lender, then TOT agrees to execute, acknowledge, and deliver the same, and if TOT fails within ten (10) days after request to do so, KCEC may, in addition to any other remedies for breach of covenant hereunder, execute, acknowledge and deliver the same as the agent or attorney in fact of TOT, and TOT irrevocably constitutes KCEC its attorney of fact for such purpose.

C. KCEC agrees to obtain from the Lenders a written agreement that as long as the TOT performs its obligations under this Lease, no foreclosure, deed given in lieu of foreclosure, or sale under the encumbrance, shall affect TOT's rights under this Agreement. Such written agreement shall be made Exhibit C to this Lease.

D. If KCEC defaults in payments under any mortgage or deed of trust on the Premises, TOT shall have the right but not the obligation to cure such default by offset for rental payments made to KCEC's Lender in order to keep the mortgage or deed of trust from becoming delinquent and such payments made to the Lender shall be deemed payments made to the KCEC hereunder.

E. If KCEC's interest in the Premises is acquired by any Lender or purchaser at a foreclosure sale, TOT shall attorn to the transferee of or successor to KCEC's interest in the Premises and recognize such transferee or successor as KCEC under this Lease.

22. ESTOPPEL CERTIFICATE.

A. Upon KCEC's written request, TOT shall execute, acknowledge and deliver to KCEC a written statement certifying; (1) that none of the terms or provisions of this Agreement have been changed (or if they have been changed, stating how they have been changed); (2) that this Agreement has not been canceled or terminated; (3) when the last date of payment of Rent and other charges was and the time period covered by such payment; and (4) that, to its knowledge, KCEC is not in default under this Agreement (or, if KCEC is claimed to be in default, stating why). TOT shall deliver such statement to KCEC with fifteen (15) days after KCEC's request. Any such statement by TOT may be given by KCEC to any prospective purchaser or encumbrancer of the Premises. Such purchaser or encumbrancer may rely conclusively upon such statement as true and correct.

B. If TOT does not deliver such statement to KCEC within such fifteen (15) day period, KCEC and any prospective purchaser or encumbrancer, may conclusively presume and rely upon the following facts: (1) that the term and provisions of this Agreement have not been changed except as otherwise represented by KCEC; (2) that this Agreement has not been canceled or terminated except as otherwise represented by KCEC; (3) that not more than one month's installment of Rent or other charges have been paid in advance; and (4) that KCEC is not in default under the Agreement. In such event, TOT shall be estopped from denying the truth of such facts.

23. PLEDGE OF RENT. Subject to the Option to Purchase contained herein, KCEC shall have the right to pledge the Rent to secure payment of any financing instrument issued by KCEC in connection with the Property.

24. NON-APPROPRIATION OF FUNDS. Notwithstanding any other provisions in this Agreement, the terms, conditions and covenants of this Agreement are contingent upon the authorization and appropriation of funds by the Town Council of the Town of Taos. If, in any fiscal year of TOT during the Original Term or Extended Term, sufficient appropriations and authorizations are not made and TOT is prevented by the lack of funding from performing its obligations under this Agreement, TOT shall not be deemed to be in default under this Agreement. In such an event, the parties shall attempt to negotiate modifications to this Agreement that will permit the parties to accomplish the purposes of this Agreement despite the lack of funding to TOT. If the parties cannot reach an agreement upon terms that will permit them to accomplish the purposes of this Agreement, then the parties may jointly terminate this Agreement or TOT may terminate this Agreement without liability at the end of TOT's then current fiscal year upon written notice to KCEC. Upon termination of this Agreement as provided in this paragraph, KCEC and TOT, except as to any then outstanding Rent due KCEC, shall have no further rights, obligations or liabilities, except as provided in this Agreement and all payment obligations and liabilities of KCEC and all of TOT's interest in this Agreement will cease upon the date of termination. TOT's decision as to whether sufficient authorization and appropriations have been made shall be accepted by KCEC and shall be final.

25. DEFAULT.

A. TOT shall be in default under this Agreement if:

(i) TOT fails to pay an installment of Rent, or any part thereof, on the due date for payment; or within five (5) days of the due date; or

(ii) TOT fails or refuses to perform any provision of this Agreement that it is obligated to perform if the failure to perform is not cured within thirty (30) days after written notice of the default has been given by KCE to TOT. If the default cannot reasonably be cured within thirty (30) days, TOT shall not be in default of this Agreement if TOT commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

B. KCEC shall be in default of this Agreement if it fails or refuses to perform any provision of this Agreement that it is obligated to perform if the failure to perform is not cured within thirty (30) days after written notice of the default has been given by TOT to KCEC. If the default cannot reasonably be cured within thirty (30) days, KCEC shall not be in default of this Agreement if KCEC commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

26. KCEC'S REMEDIES ON DEFAULT. If TOT defaults under this Agreement, KCEC may, at its option, declare this Agreement terminated by giving written notice to TOT of such election by KCEC and enter upon the Premises or any part thereof, and expel and remove any person occupying the Premises so long as the exercise of this remedy does not deprive the TOT of 911 service. TOT agrees to peaceably surrender and deliver the Premises to KCEC upon termination of this Agreement. Default under or termination of this Agreement shall not excuse TOT from liability for payment of any Rent then due or for Rent to become due during the remainder of the then Term of the lease. If KCEC takes possession of the Premises upon default and termination, KCEC shall make reasonable efforts to rent the Premises at the Rental Rate or the then fair market rental, whichever is less, as soon as practical, making such repairs, at the expense of TOT, as may be required to return the Premises to the condition it was in at the time of TOT's possession, ordinary wear and tear, casualty, condemnation, and KCEC's repair obligations excepted, giving credit for the amount of Rent received, TOT shall not be entitled to receive any surplus received by KCEC by renting the Premises in excess of the Rent payable under this Agreement.

27. CUMULATIVE REMEDIES AND WAIVER OF DEFAULT.

A. The several rights and remedies granted to the parties under this Agreement shall be cumulative and in addition to any other remedies allowable by law or in equity for a breach of this Agreement. The exercise of one or more rights or remedies shall not impair a party's rights to any other right or remedy.

B. Any waiver by a party of any default, including the waiver implied by not declaring this Agreement terminated for such default shall not constitute a waiver of the right to declare this Agreement terminated for any continuing or subsequent default.

28. HOLDING OVER. If TOT holds over after the expiration of the Term or sooner termination of this Agreement, and such holding over is without the consent of KCEC, expressed or implied, the holding shall be construed to be a tenancy at sufferance of KCEC. For such use and occupancy for any month or portion of a month that TOT holds over rental shall be due at the rate of one hundred percent (100%) of the monthly installment of Rental Rate. The tenancy shall be subject to all of the terms and conditions of this Agreement. The tenancy shall not be construed to be a renewal of this Agreement for any period whatsoever.

29. QUIET ENJOYMENT. Subject to TOT's performance of the terms and conditions of this Agreement, TOT's use and enjoyment of the Premises shall not be disturbed by KCEC or any one claiming under KCEC.

30. KCEC'S RIGHT OF ENTRY AND INSPECTION. KCEC and its agents or employees may enter the Premises at all reasonable times, but subject to TOT's approval and reasonable security requirements, to inspect the Premises, to maintain and repair the Building, parking area and access road; to post notices of non-responsibility for alterations or additions or repairs made by TOT; to show the Premises to potential buyers, investors, lenders, tenants or other parties; or for any other purpose KCEC deems necessary. KCEC shall give TOT reasonable prior notice of such entry, except in case of an emergency. KCEC shall conduct its activities on the Premises in a manner that will cause the least possible inconvenience, annoyance or disturbance to TOT. KCEC shall have the right of entry without liability for any loss of occupancy or quiet enjoyment.

31. END OF LEASE. On the last day of the Original Term or Extended Term, as the case may be, or on the sooner termination of this Agreement by reason of default or other provisions herein, TOT shall surrender the Premises in good order, broom clean condition and repair, reasonable wear and tear, casualty, condemnation, and KCEC's repair obligations excepted. TOT shall remove its trade fixtures, signs, personal property, equipment, facilities and fixtures and other property from the Premises promptly upon the expiration or the termination of this Agreement. TOT shall deliver to KCEC all keys for the Premises at the place designated for payment of Rent.

32. OPTION TO PURCHASE, CLOSING.

A. At any time while TOT is occupying and leasing the Premises and is otherwise in compliance with the terms of this Agreement, TOT may elect to purchase the Premises ("Option to Purchase") for 46.9% of the amount of the then unpaid debt to the USA-RHD on the Promissory Note dated January 28, 2008, which is applicable to the portion of the Premises occupied by TOT under the same terms and conditions as are in the USA-RHD mortgage, by assumption by TOT of that mortgage, if permitted by the USA-RHD, or by paying off the purchase price to KCEC under those same terms and conditions ("Purchase Price").

B. This Option to Purchase shall be exercised by TOT by written notice to KCEC ("Option Notice") who, upon receipt thereof, shall proceed to have the Property of which the Premises is a part, submitted to a condominium regime under the New Mexico Condominium Act, Section 47-7A-1, et. seq., as amended from time to time ("Act"). The Condominium Declaration, the survey and all relevant condominium documents shall be submitted to the TOT

for review and approval before filing with the Taos County Clerk which shall occur contemporaneous with Closing of the sale. The Building shall be divided into four units, if it is feasible to do so under the Act, and the respective interest of each unit in the Condominium shall be based upon the percentage of each unit compared to the entire Property. All costs, including the survey, filing fees and attorneys fees, to convert the Property to a condominium shall be shared equally by the parties.

C. If TOT elects to exercise this Option to Purchase, KCEC shall credit, at Closing, payments received as Rent toward the Purchase Price. TOT is under no obligation to purchase the Premises and has the right to continue as a lessee under the terms of this Lease. Upon Closing of the purchase of the Premises, this Lease shall then terminate.

D. KCEC, at its expense, shall furnish TOT within ten (10) business days after the Option Notice is received (i) a commitment ("Title Commitment") for an owner's title policy covering the Premises issued by a title company mutually agreeable to KCEC and TOT ("Title Company") and (ii) legible and true copies of all instruments which are the basis of any exceptions (other than the standard printed exceptions) referred to therein (the "Exceptions").

E. TOT shall have ten (10) business days after date of receipt of the Title Commitment and copies of all instruments which are the basis of the Exceptions to review the same. If TOT disapproves of any of the Title Exceptions, it shall so notify KCEC in writing within the (10) day period. TOT will be deemed to have accepted and approved the Exceptions not timely disapproved in writing. As to those Exceptions which are timely disapproved in writing, KCEC shall, within seven (7) business days of the receipt of such notice, notify TOT in writing (i) as to the steps that will be taken to correct or cure the Exceptions, or (ii) to advise that it has determined that such items are not reasonably capable of being cured or corrected. KCEC shall not have to correct or cure any exceptions caused by Tenant.

F. If TOT disapproves of an Exception, and KCEC determines that such Exception cannot be reasonably cured or corrected, then TOT shall have the right to rescind the exercise of its Option to Purchase. TOT's right to rescind may be exercised within seven (7) business days of receipt of notice required of KCEC under Article 32 E. In addition, if TOT has disapproved an Exception, and it reasonably appears that such Exception cannot be cured or corrected within one (1) month, then TOT shall have the right to rescind its Option to Purchase to be exercised in writing within seven (7) business days of the receipt of notice from KCEC.

G. Provided that all of the terms and conditions of this Article shall have been either fulfilled or waived before Closing, the Closing shall occur on or before thirty (30) days after all title requirements, including finalization of all condominium documents, have been satisfied before a Closing Agent at the offices of the Title Company or at such other place and time as both parties may agree in writing.

H. The Purchase Price shall be adjusted to reflect credits and closing costs pursuant to Article 32 K below.

I. KCEC shall deliver to TOT or to the Closing Agent the following:

(i). A general Warranty Deed conveying to TOT a marketable title in fee simple to the Premises, free of any liens or encumbrances, subject to the standard printed exceptions set forth in the Title Commitment (except general exceptions 1, 2, 3 and 4) and any other exceptions or conditions of title set forth in the Title Commitment to which TOT does not object in accordance with Article 31 E.

(ii). A release of any mortgage, deed of trust or other encumbrance on the Premises under which KCEC is obligated, unless TOT, at its option, agrees to assume a Prorated Share of the underlying indebtedness on the Promissory Note to USA, RHD, which is secured by the Mortgage on the Premises and to make payments on the Promissory Note in accordance with its terms and conditions.

(iii). Within a reasonable time after Closing, an Owner's Title Insurance Policy covering the Premises issued by the Title Company in the amount of the Purchase Price in the name of TOT, with the only exceptions being the standard printed exceptions set forth in the Title Commitment (except general exceptions 1, 2, 3 and 4) and those other exceptions or conditions of title set forth in the Title Commitment to which Tenant does not object in accordance with Article 31 E.

(iv). Such other documents as may be reasonably required pursuant to the provisions hereof or mutually agreed by counsel for KCEC and TOT to be necessary to fully consummate the transaction contemplated hereby.

J. At the Closing, and upon receipt of all items to be delivered to TOT under Article 32 I above, unless TOT, at its option, agrees to assume its Prorated Share of the underlying USA, RHD, Mortgage on the Premises and to make payments on the Promissory Note secured by the Mortgage in accordance with its terms and conditions, TOT shall deliver to KCEC the Purchase Price as adjusted in accordance with Article 32 H above.

K. Costs of Closing shall be allocated between the parties as follows:

(i). KCEC shall pay for recording the Release of Mortgage; the premium for the Title Policy; and the costs of recording any documents required to provide marketable title to TOT;

(ii). TOT shall pay for recording the Deed from KCEC.

(iii). The costs to record the Condominium documents, including the survey, and the closing costs of the Closing Agent shall be shared equally.

(iv). All other expenses incurred by KCEC or TOT with respect to the Closing, including, but not limited to, attorneys' fees of the respective parties, shall be borne and paid exclusively by the party incurring the same.

33. SALE OR TRANSFER OF PREMISES. During the Term of this Lease, KCEC agrees not to sell, transfer, convey or enter into a contract with another party to sell, transfer or convey the Premises without the prior written consent of TOT, which consent shall not be unreasonably withheld, subject, however, to the TOT's Option to Purchase. KCEC further agrees to keep the Premises free of any pledge, restriction or encumbrance not currently of record against the Premises, and to otherwise not take any action or omit to take any action which would impair or affect KCEC's ability to sell the Premises under the provisions of the TOT's Option to Purchase.

34. INDEMNIFICATION. KCEC shall indemnify TOT and defend it against any and all claims, demands, suits or causes of action and costs, including reasonable attorneys' fees, asserted against or incurred by TOT which result from KCEC's failure to keep current on its obligations to any lender holding a security interest on the Building or from KCEC's inability to complete the sale due to objection by RUS or because of an inability to clear the title of any lien other than the USA-RHD mortgage referenced above.

35. CONDEMNATION. If the whole of the Premises, or such portion thereof as will make the Premises unsuitable for the purposes contemplated in this Agreement, is condemned for any public use or purpose by any legally constituted authority having the power of eminent domain, then in either of such events this Agreement shall cease from the time when possession is taken by the public authority and Rent shall be allocated between KCEC and TOT as of the date of the surrender of possession to the condemning authority. The termination shall be without prejudice to the rights of either KCEC or TOT to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither KCEC nor TOT shall have any right in any award made to the other by the condemning authority.

36. INCORPORATION AND AMENDMENTS. This Agreement incorporates all prior negotiations between the parties and is the only agreement between them. No amendment or modification of this Agreement, or any approvals or permissions of KCEC required under this Agreement, shall be valid or binding unless reduced to writing and executed by the parties.

37. SEVERABILITY. If any term, covenant or condition of this Agreement or application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

38. GOVERNING LAW, MEDIATION, ARBITRATION. The laws of the State of New Mexico shall govern the interpretation, validity, performance, and enforcement of this Agreement. In the event of dispute between KCEC and TOT, the parties shall seek to mutually resolve their differences before proceeding to mediation. If a resolution is unsuccessful, then, within ten (10) business days after unsuccessful resolution, they shall attempt to agree upon a mediator, but if they cannot so agree, then either party may request that a mediator be appointed by the senior Judge of the Eighth Judicial District Court. If mediation fails, then the parties shall seek to resolve their differences by arbitration which will take place in Taos, New Mexico under the rules of the New Mexico Arbitration Act. Arbitration proceedings shall be initiated by service

of demand for arbitration upon the other party. If the parties cannot agree upon a single arbitrator, then either party may request the senior Judge of the Eighth Judicial District Court to appoint an arbitrator from a list of individuals submitted to the Judge by both parties within ten (10) business days after a request for appointment is made. The decision of the arbitrator shall be final and may be enforced in the Eighth Judicial District Court for Taos County.

Each party shall be entitled to discovery as set forth in the New Mexico Rules of Civil Procedure, and the arbitrator may impose such sanctions as he/she sees fit for failure to comply with discovery.

39. ATTORNEYS' FEES AND OTHER EXPENSES. If either party is required to seek arbitration under this Agreement, then the non-defaulting party may recover all costs, including reasonable attorneys' fees, incurred by it in enforcing its rights hereunder.

40. SUCCESSORS IN INTEREST. The covenants and agreements herein contained shall extend to and be binding upon the assigns and successors in interest of the parties to this Agreement.

41. NOTICE. Any notice which may be required to be given under this Agreement by either party to the other shall be in writing. Notice may be served personally or shall be deemed duly served if mailed by certified mail, return receipt requested, with proper postage prepaid. Service by certified mail shall be deemed complete as of the third business day following the mailing such notice. Service by certified mail shall be made upon:

If to KCEC:

Kit Carson Electrical Cooperative, Inc.
P.O. Box 578
Taos, NM 87571
Ph: (575) 758-2258
Fax: (575) 758-4611

If to Town of Taos:

Manager
Town of Taos
400 Camino de la Placita
Taos, N.M. 87571
Ph: (575) 751-2000
Fax: (575) 751-2026

The address of the parties may change and the parties shall notify each other in writing of the change of mailing address.

42. AUTHORITY. Each person signing this Lease warrants that he has full authority to do so, and that this Lease will bind the respective parties.

TOWN OF TAOS:

**KIT CARSON ELECTRIC
COOPERATIVE, INC.**

By: _____
Mayor Darren Cordova

By: _____
Luis Reyes, CEO

Attest: _____
Town Clerk

Approval as to Legal Form

Town of Taos Attorney

Command Center

Town of Taos Proposed Space Requirement

Proposed Space Requirement

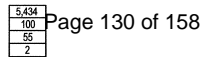
Room Number	Square Footage
101	57.1
102	64
103	64.5
104	152
105	121
106	224.8
107	113.2
108	306
109	157.2
110	157.6
111	951.5
Stair 1	38.4
Stair 2	47
Elevator	72

Total Square Footage 2,526.3

Future Space Requirements

112	157.2
113	143.2
114/115/116	838.6
117	37

Total Square Footage 1,176.0





March 12, 2013

Title:

Library Department Review

Summary:

Library Department Overview - PowerPoint presentation on the department's duties and responsibilities, the resources it manages to accomplish them, the service levels achieved, and the related issues.

Background:

This presentation represents the series of presentations that will be made to the Mayor and Council by each of the departments.

Submitted by: George Jaramillo, Library Director

Attachments:

Click to download

📎 [PowerPoint Presentation](#)

Taos Public Library

Departmental Overview



Duties and Responsibilities

Acquisitions

- Purchase new items
- Remove old items

Circulation

- Checked-outs and returns
- Interlibrary loans

Fund Raising/Public Relations

- Community groups/government
- Grant Procurements
- Friends of Taos Public Library
- Library Advisory Committee

Reference

- One-on-one assistance

Processing

- Cataloging all items for the shelf
- Repair damaged items
- Process gift books and media
- Foil paperbacks for protection

Technology

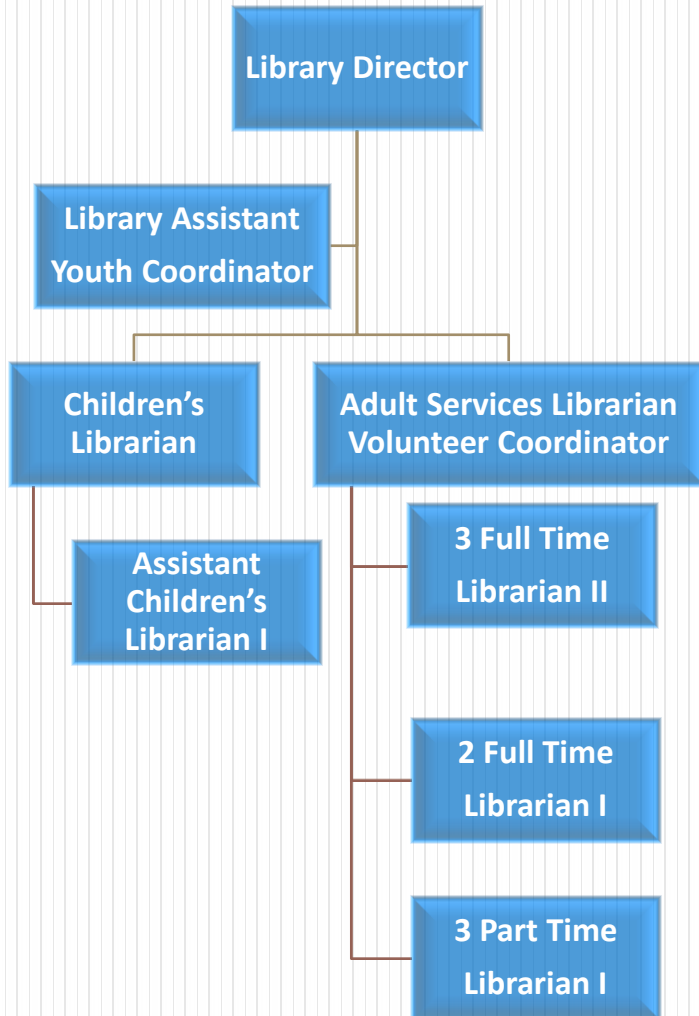
- Educate public
- Trouble-shoot public computers

Programming

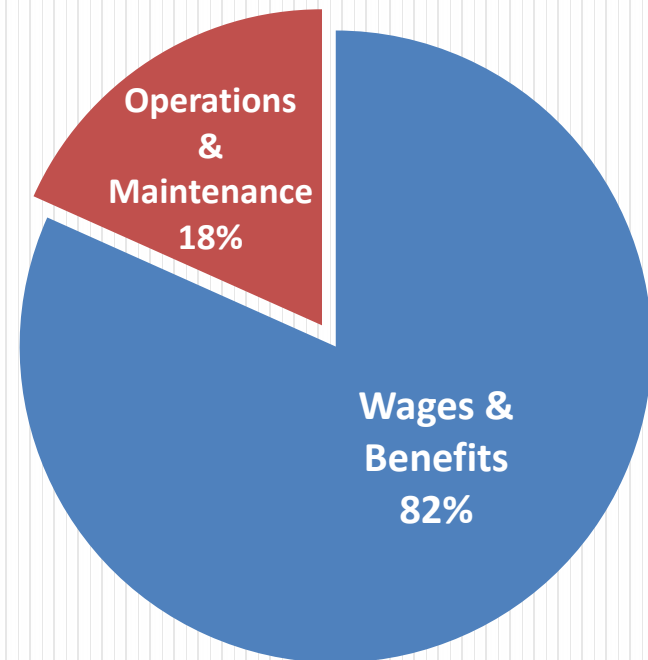
- Adult
- Young Adult
- Children

Resources

Staff 11.85 FTE



Budget \$577,602



Revenue
\$30,310 (Fines, Lost Book, Copying, etc.)

Resources

Technology

The Library Corporation (TLC) Operating System

- Online Catalog
- Circulation
- Catalog Processing

National Record Database

- E-Z Cat

Envisionware

- Public Computer Reservation
- Printing

3M

- Book Security

Online Computer Library Center (OCLC) - WorldShare

- Interlibrary Loan

OverDrive

- eBooks and eAudio

Level of service

Service Operations

- 47 Hours/Week (171,682 visitors, 27,450 registered users)
- All donated magazines accepted
- Overdue/lost notices issued within 48 hours
- Interlibrary Loan books processed within 24 hours

Reference

- One-on-one assistance to all requests for information
- Immediate response to all requests for assistance with public computers
- All phone/email inquiries responded to within 24 hours
- All visitor requests for assistance responded to immediately

Programs: Adults, Youth, and Children

- 244 events

Strategic Overview

Strengths

- Well-established information source in Taos County
- Known site for free access to the Internet
- State certified personnel and cross-trained staff in all service areas

Weaknesses

- Over-extended service staff
- Limited space for collection, community users, and public computers
- Unstable power grid
- Overloaded broadband
- Limited technology expertise

Threats

- Reduced state and federal funding
- Changing expectations for technology
- Security for public and personnel

Opportunities

- New technology
- Staff development opportunities through the Internet

Work Plan

Strategic Focus/Priorities

- Increase revenue
- Increase literacy skills in children and young adults

List of Projects/Objectives

- Develop a youth needs assessment
- Assess community's library services needs
- Provide staff development in the area of technology
- Restructure job responsibilities to reflect new technology changes
- Provide staff training to handle security and safety issues
- Implement high speed Internet with consistent broadband access
- Update existing policies and procedures

Taos Public Library



Amy Cordova, Artist



March 12, 2013

Title:

Martyr House Steak House Liquor License Transfer of Ownership and Location

Summary:

Consideration and possible approval of Transfer of Ownership and Location of Liquor License 2629 to Martyr House Steak House located at 146 Paseo del Pueblo Norte.

Background:

Applicant: Dennis Coca. Public Hearing was published in the Taos News in accordance with Alcohol and Gaming Division Regulations on February 15th and 21st. Applicant has also complied with Planning and Zoning Department regulations.

Submitted by: Renee Lucero, Town Clerk

Attachments:

Click to download

- 📎 [Application](#)
- 📎 [Letter](#)
- 📎 [Revised Floor Plan](#)



Suzanna Martinez
GOVERNOR

J. Dee Dennis, Jr.
SUPERINTENDENT

Jennifer W. Anderson
DIRECTOR

New Mexico Regulation and Licensing Department ALCOHOL AND GAMING DIVISION

Toney Anaya Building • 2550 Cerrillos Road • Santa Fe, New Mexico 87505
(505) 476-4875 • Fax (505) 476-4595 • www.rld.state.nm.us/agd

RECEIVED

JAN 30 2013

CLERK'S OFFICE

January 28, 2013

Certified Mail No: 7009 2820 0003 9518 4590

Town of Taos
Attn: Renee Lucero, Clerk
400 Camino de la Placita
Taos, NM 87571

Re: Lic./App. No. 2629/839542
Applicant Name: Martyr House, Inc.
Doing Business As: Martyr House Steak House
Proposed Location: 146 Paseo Del Pueblo Norte, Taos, NM

ATTENTION: Department or person responsible for conducting or preparing the public hearing for liquor license transfers or issuance of new liquor licenses. ***(Please review the revised instructions for approval or disapproval below.)**

Greetings:

The Director of the Alcohol and Gaming Division has granted Preliminary Approval for the referenced application and is being forwarded to you in accordance with Section 60-6B-4 NMSA of the Liquor Control Act.

Within forty-five days after receipt of a notice of preliminary approval from the Alcohol and Gaming Division, the governing body shall hold a public hearing in the question of whether the department should approve the proposed issuance or transfer. Notice of the public hearing required by the Liquor Control Act shall be given by the governing body by publishing a notice of the date, time and place of the hearing at least once a week for two consecutive weeks in a newspaper of general circulation within the territorial limits of the governing body, **which requires that two weeks of publication must be satisfied before a hearing can be conducted.** The notice shall include: (A) Name and address of the Applicant/Licensee; (B) The action proposed to be taken by the Alcohol and Gaming Division; (C) The location of the licensed premises. The governing body is required to send notice by certified mail to the applicant of the date, time and place of the public hearing. The governing body may designate a hearing officer to conduct the hearing. A record shall be made of the hearing.

The applicant is requesting a Transfer of Ownership & Location of a Liquor License:

The governing body may disapprove the issuance or transfer of the license if:

The proposed location is within an area where the sale of alcoholic beverages is prohibited by the laws of New Mexico. (The governing body may disapprove if the proposed location is within 300 feet of a church or school unless the license has been located at this location prior to 1981 or unless the applicant/licensee has obtained a waiver from the local option district governing body for the proposed licensed premises.)

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

The issuance or transfer would be in violation of a zoning or other ordinance of the governing body. The governing body may disapprove if the proposed location is not properly zoned. Because this office is in receipt of a zoning statement from the governing body, this is not a basis for disapproval.

The issuance would be detrimental to the public health, safety or morals of the residents of the local option district. Disapproval by the governing body on public health, safety or morals must be based on and supported by substantial evidence pertaining to the specific prospective transferee or location and a copy of the record must be submitted to the Alcohol and Gaming Division.

**Within thirty (30) days after the public hearing, the governing body shall notify the Alcohol and Gaming Division in writing as to whether the local governing body has approved or disapproved the issuance of transfer of the license and by signing the enclosed original Page 1 of the application. The letter of approval/disapproval and the Page 1 must be returned together with the notice of publication(s). If the governing body fails to either approve or disapprove the issuance or transfer of the license within thirty days after the public hearing, the director may give final approval to the issuance or transfer of the license.*

If the governing body disapproves the issuance or transfer of the license, it shall notify the Alcohol and Gaming Division within thirty (30) days setting forth the reasons for the disapproval. A copy of the minutes of the public hearing shall be submitted to the Alcohol and Gaming Division with the notice of disapproval (page 1 of the application page noting disapproval).

Sincerely,


Annette R. Brumley
Hearing Officer

ENCLOSURES: Original Page 1 of Liquor License Application
Copy of page 2 Premises, Location, Ownership & Description of Premises
Copy of SID Posting Certificate



PREMISES LOCATION, OWNERSHIP, AND DESCRIPTION

SS-60-6B-10

LL No. 2629

1. The land and building which is proposed to be the licensed premises is (check one):

Owned by Applicant _____ Leased by Applicant (attach copy of deed or lease) ☒ Other (provide details) _____

2. If the land and building are not owned by Applicant, indicate the following:

A. Owner(s) Dennis Coca

B. Date and term of lease October 31, 2012

3. Premises location is zoned (example C-1) C-2 General Commercial

If the premises is zoned, attach zoning statement from local government giving location address and type of zone, stating whether alcoholic beverages are allowed at proposed location. If there is no zoning, attach confirmation from local government indicating there is no zoning.

4. Distance from nearest church *(Property line of church to licensed premises—shortest distance).

Miles/feet Approx. 528 feet Name of church First Presbyterian Church Address/location of church 215 Paseo Del Pueblo Norte, Taos, NM

5. Distance from nearest school *(Property line of school to licensed premises—shortest distance).

Miles/feet Approx. 1584 feet Name of school Enos Garcia Elem. School Address/location of school 305 Don Fernando, Taos, NM 87571

6. Distance from military installation *(Property line of military installation to licensed premises—shortest distance.)

Miles Approx. 130 miles Name of Military Installation, circle one: Kirtland Air Force Base (Albuquerque) White Sands Missile Range (Las Cruces),
Holloman Air Force Base (Alamogordo), Cannon Air Force Base (Clovis).

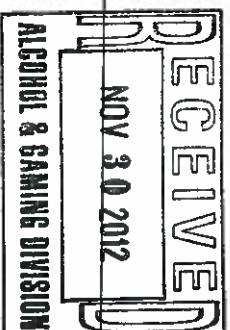
7. Attach, on a separate sheet, the detailed floor plan for each level (floor) where alcoholic beverages will be sold or consumed. Show exterior walls, doors, and interior walls. This will be the licensed premises. The floor plan should be no larger than 8 1/2 x 11 inches, and must include the total square footage of premises.

*If the distance is beyond 300 feet, but less than 400 feet, a registered engineer or licensed surveyor must complete a Survey Certificate showing the exact distance.

8. Type of Operation:

Lounge ☒ Restaurant ☒ Package Grocery _____ Racetrack _____ Hotel _____ Other (specify) _____

Return this form to the Alcohol and Gaming Division, 2550 Cerrillos Road, Santa Fe, New Mexico 87505, if using overnight delivery.



ALCOHOL & GAMING DIVISION
2550 CERRILLOS RD.
TONEY ANAYA BLDG.
P.O. BOX 25101
SANTA FE, NEW MEXICO 87504-5101



POSTING CERTIFICATE

☐ DISPENSER (FULL SERVICE)
☐ RESTAURANT (BEER/WINE ONLY)
☐ CANOPY (DISPENSER-C)
☐ OTHER

☐ RETAILER (PACKAGE ONLY)
☐ DISPENSER (ON PREMISE ONLY)
☒ INTER-LOCAL DISPENSER
☐ LOTTERY

APPLICATION FILED FOR LICENSE/APPLICATION NUMBER: 2629/839542

☒ TRANSFER OF OWNERSHIP & LOCATION

☐ TRANSFER OF LOCATION

☐ TRANSFER OF OWNERSHIP

☐ NEW LICENSE

☐ CHANGE OF STOCKHOLDERS/PARTNERSHIP INTEREST

TRANSFERRED FROM:

TRANSFERRED TO:

OWNER: MJC ENTERPRISES, INC. OWNER: MARTYR HOUSE, INC.

CURRENT LOCATIO 870 HWY. 44, BERNALILLO, NM PROPOSED LOCATION: 146 PASEO DEL PUEBLO NORTE, TAOS, NM

CURRENT BUSINESS NAME: SAVAHNA'S CAFE PROPOSED NAME: MARTYR HOUSE STEAK HOUSE

I CERTIFY THAT I HAVE POSTED THE REQUIRED NOTICE OF LIQUOR LICENSE PURSUANT TO SECTION 60-6B-2, NMSA, AND FURTHER CERTIFY AS FOLLOWS:

1. LOCATION POSTED IS WITHIN CORPORATE LIMITS OF: Town of Taos
2. LOCATION POSTED IS IN UNINCORPORATED LIMITS OF: _____
3. DISTANCE FROM NEAREST CHURCH IS: 0.1 mile or 528 Feet
NAME OF CHURCH IS: First Baptist Church
4. DISTANCE FROM NEAREST SCHOOL IS: 0.1 mile or 528 Feet
NAME OF SCHOOL IS: Taos Elementary School
5. DISTANCE FROM NEAREST MILITARY INSTALLATION: 135 miles
NAME OF INSTALLATION IS: Kirtland Air Force Base
6. IF RURAL, DISTANCE FROM NEAREST EXISTING LIQUOR LICENSE IS:
BY PASSABLE ROAD: _____ BY STRAIGHT AIRLINE: _____
7. NOTICE POSTED ON:
☒ BUILDING ☐ BILLBOARD ☐ BUILDING UNDER CONSTRUCTION
☐ BUILDING BEING REMODELED ☐ NO BUILDING

DATE POSTED: 12/6/12

EXPIRATION DATE: 12/26/12

Demetrius C. Cols
APPLICANT'S SIGNATURE

Michael Sandoz
S.I.D. SPECIAL AGENT



New Mexico Regulation and Licensing Department - Alcohol and Gaming Division
 P.O. Box 25101 • Santa Fe, New Mexico 87504-5101 • (505) 476-4875 • Fax (505) 476-4595 • www.rld.state.nm.us

Page 1
 Nov. 05/10

LIQUOR LICENSE APPLICATION

Application fee - \$200.00 Fees are non-refundable.

Record Owner of Existing License MUG Enterprises, Inc.

Current D/B/A Name

Current Premises Address



State Liquor License # 2629

Application Number 239542

Local option (AGD use) Town of Taos

Application is for: Change of Stock Change of Officers/Directors

Issue New License Transfer Ownership of Existing License

Type of License being applied for Inter Local Dispenser

Applicant is: Individual Corporation XX

NAME OF APPLICANT (company or individual)

ADDRESS (including city, state, zip)

TELEPHONE NUMBER

D/B/A name to be used: Martyr House Steak House

Phone number for licensed premises: 575-758-6003 or 6004

Physical location where license is to be used: 146 Paseo Del Pueblo Norte, Taos, NM 87571 Taos County

(Include street number / highway number / state road, city and county, state, and zip code)

Mailing address: P.O. Box 728, Taos, NM 87571

Are alcoholic beverages currently being dispensed at the proposed location? Yes No XX If yes, give license number and type

I, (print name) Dennis Coca

, as (title) President

deposes and says: that he/she is the applicant or is authorized by the applicant to make this application; that he/she has read the contents therein contained are true. Applicant(s) agree(s) that if any statements or representations herein are found to be false, the director may refuse to issue or renew the license or may cause the license to be revoked at any time.

You must sign and date this form in the presence of a notary public.

Signature of Applicant

Date

SUBSCRIBED AND SWORN TO before me this

11/14

day of October

Notary Public Use Only

, 2012

by Dennis Coca

Notary Public

My Commission Expires

4/28/2015

Local Governing Body of:

(City or County). Hearing held on

20

Check one: Approved Disapproved City/County Official

(Signature & Title)

For Alcohol and Gaming Division Use Only

Approved Disapproved Director Approval

Date

Renee Lucero

From: Renee Lucero
Sent: Thursday, February 14, 2013 2:36 PM
To: Rudy Perea
Subject: RE: Liquor License Zoning Clearance - Martyr House Steak House

Sorry Rudy, the subject line should have said Martyr House....

From: Renee Lucero
Sent: Thursday, February 14, 2013 2:35 PM
To: Rudy Perea
Subject: RE: Liquor License Zoning Clearance - Dara Thai

Hi Rudy,

I am in receipt of an application for a Transfer of Ownership and Location for Martyr House Steak House located at 146 Paseo del Pueblo Sur. Please provide the following information:

Page 146 of 158

1. Do they have the necessary zoning clearance?
2. If applicable do they meet parking specifications?
3. Do they have a Business License?
4. If applicable do they have an approved building permit?
5. What is the distance to the nearest Church and School?

This will be presented at a Regular Meeting on March 12, 2013 at 6:30 p.m. Thank you for assistance.

Renee Lucero, Town Clerk
Town of Taos
400 Camino de la Placita
Taos, NM 87571
575-751-2005

AFFIDAVIT

COMES NOW the Affiant, Dennis Coca, ("Affiant") does state after being duly sworn, as follows:

- (i) That Affiant is over the age of eighteen (18) years old.
- (ii) That, Affiant is the PRESIDENT of Martyr House, Inc., a New Mexico corporation ("Corporation"), and authorized to act on behalf of the Corporation.
- (iii) That, the Corporation is applicant to the New Mexico Alcohol & Gaming Division of the Regulation & Licensing Department for the transfer of ownership and location of Liquor License No. 2629 (the "Transfer").
- (iv) That, H. Davidson & Associates, Inc. is the authorized representative of the Corporation to complete any and all requirements of the Alcohol and Gaming Division of the Regulation and Licensing Department, the New Mexico Taxation and Revenue Department, the New Mexico Liquor Wholesalers, and any other government agency in completing the Transfer.
- (v) That, the contact information for Affiant and Agent is listed below, as follows:

Applicant:
Martyr House, Inc.
Attn: Dennis Coca
P.O. Box 728
Taos, NM 87571
Phone: (505)758-4268
Fax: (575)758-9611

Agent:
H. Davidson & Associates, Inc.
Attn: H. Hil Davidson
124 Tenth Street NW
Albuquerque, NM 87102
Phone: (505)247-4455
Fax: (505)247-2396
Email: hil@hdanm.com

FURTHER AFFIANT SAYETH NOT.

AFFIANT:

Dennis Coca
Dennis Coca

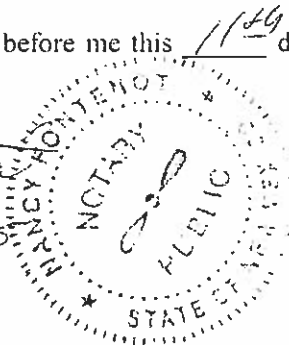
ACKNOWLEDGMENT

STATE OF New Mexico)
) ss.
COUNTY OF TAOS)

This instrument was acknowledged to before me this 11th day of October 2012, by Dennis Coca.

Notary Public: [Signature]

My Commission Expires: 4/27/2015



PROCEDURAL INFORMATION FOR APPLICANT:

Applicant: Martyr House, Inc. dba Martyr House Steak House

- Please deliver the publication notice to the Taos News. **The applicant is responsible for all costs associated with the publication notice.** Contact the Taos News at (575) 758-2241 to determine the costs. Alcohol & Gaming Division requires that the notice be published for 2 consecutive weeks before a hearing can be conducted.
- The Public Hearing will be March 12, 2013 at 6:30 p.m. at the Town Council Chambers, located at 120 Civic Plaza Drive, Taos, New Mexico. Please plan on attending the hearing so that you can answer any questions the Council may have.
- Upon Council approval/disapproval of the application, the Town Clerk will obtain the Mayor's signature and return the application to the Alcohol & Gaming Division (you may hand deliver the signed application to Alcohol & Gaming Division if you wish). Please contact the Alcohol & Gaming Division as to the status of your license (505) 476-4875.
- Once you have received the State License from Alcohol & Gaming Division, you must provide a copy to the Town of Taos and pay the Municipal Liquor License Tax to the Town of Taos in the amount of \$250. *Depending on when the license is approved, the Town may prorate the tax in accordance with State Statute (NMSA 7-24-4 AND 60-6A-15) on a quarterly basis. For example, if a license is issued any time April 1 or later, the applicant must pay one fourth of the \$250 fee; if the license is issued January 1 or later, the applicant must pay one half of the \$250 fee, etc.)*
- Upon receipt of the Municipal Liquor License Tax the Town Clerk will issue a Certificate of Receipt of Municipal Liquor License Tax. Please post the Town's Certificate along with the State's Liquor License in your establishment.
- Contact Renee Lucero, Town Clerk, at (575) 751-2005 or by email at rlucero@taogov.com if you have any questions.

**APPLICANT: KEEP THIS PAGE
FOR YOUR RECORDS**



NOTICE OF TAOS TOWN COUNCIL PUBLIC HEARING

Notice is hereby given that the Taos Town Council will hold a Public Hearing on March 12, 2013 at 6:30 p.m. at Coronado Hall - Town of Taos Town Council Chambers, 120 Civic Plaza Drive, Taos, New Mexico, to consider a request for a transfer of ownership and location of Liquor License No. 2629.

APPLICANT:

Martyr House, Inc.
P.O. Box 728
Taos, NM 87571

LOCATION

Marty House Steak House
146 Paseo del Pueblo Norte
Taos, NM 87571

ACTION TO BE TAKEN

Approval or Disapproval of
Transfer of Ownership and Location
of Liquor License No. 2629

Witness my hand and seal of the Town of Taos on this 14th day of February, 2013.

/s/
Renee Lucero, Town Clerk

Publication Dates: February 21, 2013
February 28, 2013

Renee Lucero

From: Rudy Perea
Sent: Monday, February 25, 2013 1:18 PM
To: Renee Lucero; Reuben Martinez
Subject: RE: Liquor License Zoning Clearance - Martyr House Steak House

Hi Renee,

Below are my responses to the request you had for a zoning review of the Martyr House Steak House:

Page 150 of 158

1. Do they have the necessary zoning clearance?

Yes. The property is currently Zoned C-2 General Commercial. This zoning designation allows for eating and Drinking establishments as permitted principal uses under section 16.16.140.2 of the Town of Taos Land Use Development Code.

2. If applicable do they meet parking specifications?

Yes. They meet the requirements for Parking as they are stated in section 16.20.040 of the Town of Taos Land Use Development Code.

3. Do they have a Business License?

No. The Applicant does not have business license at this location.

4. If applicable do they have an approved building permit?

Yes. However they have not received final inspections for the buildings located on the property.

5. What is the distance to the nearest Church and School?

The distance to the nearest Church is approximately 584 feet (measured from building to building).
The distance to the nearest School is approximately 940 (measured from building to building).

If you have any questions regarding my zoning responses, please let me know.

Rudy

Legal No. 13,160
**NOTICE OF
TAOS TOWN
COUNCIL
PUBLIC HEARING**

Notice is hereby given that the Taos Town Council will hold a Public Hearing on March 12, 2013 at 6:30 p.m. at Coronado Hall -Town of Taos Town Council Chambers, 120 Civic Plaza Drive, Taos, New Mexico, to consider a request for a transfer of ownership and location of Liquor License No. 2629.

APPLICANT:

Martyr House, Inc.
P.O. Box 728
Taos, NM 87571

LOCATION

Marty House Steak House
146 Paseo del Pueblo Norte
Taos, NM 87571

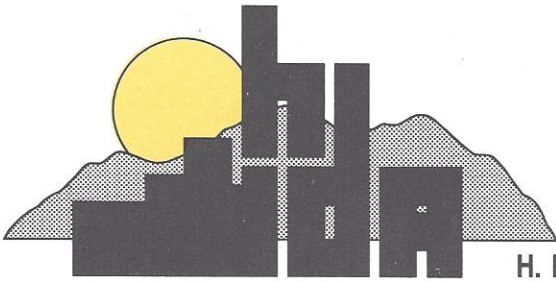
**ACTION TO BE
TAKEN**

Approval or Disapproval of Transfer of Ownership and Location of Liquor License No. 2629

Witness my hand and seal of the Town of Taos on this 14th day of February, 2013.

/s/Renee Lucero,
Town Clerk

(Legal, No. 13,160;
Pub. Feb. 21, 28,
2013).



H. DAVIDSON & ASSOCIATES, INC.

LIQUOR LICENSE BROKERAGE / CONSULTATION
REAL ESTATE BROKERAGE / DEVELOPMENT
RETAIL / RESTAURANT SITE SELECTION

March 7, 2013

Via Email: rlucero@taosgov.com
Town Of Taos
Attn: Renee Lucero
Taos, NM

Re: NM Liquor License No. 2629 /Application No. A-839542 (the "License")
Transfer of Ownership and Location
Applicant – Martyr House, Inc. dba Martyr House Steakhouse
Location – 146 Paseo Del Pueblo Norte, Taos, NM

Dear Ms. Lucero,

Attached is a revised floor plan which includes a patio area and basement which were not included in the original application submitted to the Alcohol and Gaming Division (the "AGD") on November 29, 2012. Upon the advice of Debra Lopez, the deputy director of the AGD, we are submitting these revisions to you prior to the town council's consideration of this application. Upon the town of Taos approval we will submit this revised floor plan to the AGD prior to final approval so that the town, state and applicant are clear on the approved licensed premises.

At the council meeting on March 12, 2013 Dennis Coca will be present to address any questions the council and Mayor may have regarding this new restaurant.

If you have any questions, please do not hesitate to call.

Sincerely,

H. Hil Davidson

cc: Debra Lopez, AGD at: debra.lopez@state.nm.us
Dennis Coca at: riograndeace@aol.com
Raul Torres at: rtad0013@taosnet.com
Pedro Gonzales at: pgonzales@c21sucess.com

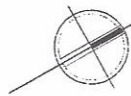
Martyr House Steakhouse

146 Paseo Del Pueblo Norte, Taos, NM



OWNER: RGAH-TAOS

SITE



scale : 1/4" = 1'-0"

Chemical Reagents	100
HAZMAT Items	37.1
Oil Treatment	448.91
Shop Equipment	447.79
Total Square Footage	1,189.61



March 12, 2013

Title:

Ordinance 13-01 Annexation of Taos Regional Airport

Summary:

Consideration and possible approval of Ordinance 13-01 authorizing the voluntary annexation of Town-owned properties located on the south side of NM 64, approximately 6 ½ miles north and west of the Town of Taos, including the Taos Regional Airport, totaling 820 acres, and including ALL OR SOME PORTION OF the right-of-way of NM 64 from the north municipal boundary of the Town of Taos to the subject properties.

Background:

Ordinance requires the recordation of the annexation with the Taos County Clerk, and providing for an effective date.

Submitted By: Matthew Foster, Interim Director, Planning & Zoning Department

Attachments:

Click to download

📎 [Ordinance 13-01](#)

📎 [Exhibit A](#)



ORDINANCE 13-01

AN ORDINANCE BY THE TOWN OF TAOS, NEW MEXICO, AUTHORIZING THE VOLUNTARY ANNEXATION OF TOWN-OWNED PROPERTIES LOCATED ON THE SOUTH SIDE OF NM 64, APPROXIMATELY 6 ½ MILES NORTH AND WEST OF THE TOWN OF TAOS, INCLUDING THE TAOS REGIONAL AIRPORT, TOTALING 820 ACRES, AND INCLUDING ALL OR SOME PORTION OF THE RIGHT-OF-WAY OF NM 64 FROM THE NORTH MUNICIPAL BOUNDARY OF THE TOWN OF TAOS TO THE SUBJECT PROPERTIES, REQUIRING THE RECORDATION OF THE ANNEXATION WITH THE TAOS COUNTY CLERK, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Taos (Town) approved resolution 12-76, which recognizes the Taos Regional Airport (Airport) as a critical facility and directs the Town Manager to prepare an annexation ordinance; and

WHEREAS, the Town Council wishes to annex the Airport in order to protect public safety from the dangers of cross winds and to provide for economic development opportunities to the community, including but not limited to the availability of more than \$20,000,000 of grant funding to assist with the necessary changes to the Airport; and

WHEREAS, the Environmental Impact Statement regarding the Airport has recently gone to a Record of Decision resolving a decades long process regarding improvement to the Airport;

WHEREAS, the Town has owned and has been operating the Airport for many years providing such basic services as have been essential to maintaining that operation;

WHEREAS, the Town Council held a duly published, noticed and posted public hearing on March 12, 2013 concerning the proposed annexation; and

WHEREAS, the Town Council finds that the proposed annexation meets the requirements set forth in NMSA 1978, § 3-7-17; and

WHEREAS, the Town Council directs the Town Clerk to file a copy of the plat of the annexed area in the office of the Taos County Clerk. The Town Council further directs

the Town Clerk to also send copies of this fully executed ordinance and the plat of the annexed area to the secretary of finance and administration and to the secretary of taxation and revenue; and

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Town of Taos, having met on March 12th, 2013, and having held a public hearing on the matter, and all of the evidence presented, that this Ordinance is hereby adopted, approved and ratified:

Approximately 820 acres of land, as shown on Exhibit A, and located on the south side of NM 64, approximately 6 ½ miles north and west of the Town of Taos, including the Taos Regional Airport, totaling 820 acres, and including all or some portion of the right-of-way of NM 64 from the north municipal boundary of the Town of Taos to the subject property is hereby annexed into the Town of Taos;

The Town Clerk shall file a copy of the plat of the annexed area in the office of the Taos County Clerk. The Town Clerk shall also send copies of this fully executed ordinance and the plat of the annexed area to the secretary of finance and administration and to the secretary of taxation and revenue.

This ordinance shall become effective as provided by law.

ORDAINED, ADOPTED, AND APPROVED this 12th of March, 2013 by the following vote:

Mayor Pro Tem Andrew T. Gonzales	_____
Councilmember Rudy C. Abeyta	_____
Councilmember Frederick A. Peralta	_____
Councilmember Michael A. Silva	_____

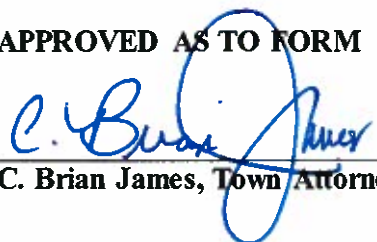
TOWN OF TAOS

Darren M. Cordova, Mayor

ATTEST:

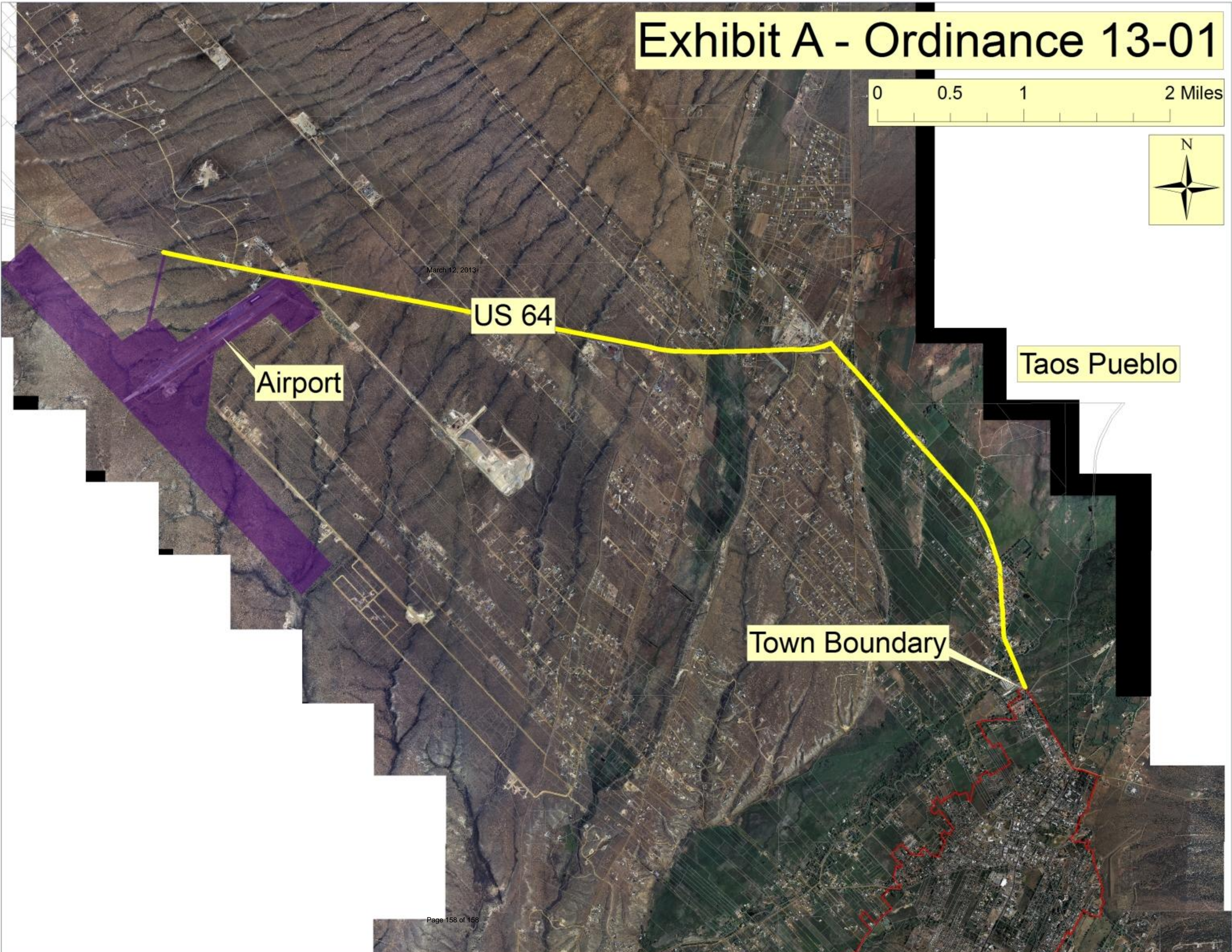
Renee Lucero, Town Clerk

APPROVED AS TO FORM



C. Brian James, Town Attorney

Exhibit A - Ordinance 13-01



US 64

Airport

Taos Pueblo

Town Boundary

March 12, 2013