

## RESOLUTION NO. 2016-1599

A RESOLUTION AUTHORIZING CONSIDERATION AT A SUBSEQUENT MEETING OF THE CITY COUNCIL OF PROPOSED ORDINANCES PERTAINING TO THE ISSUANCE OF THE CITY'S POLLUTION CONTROL REVENUE REFUNDING BONDS, 2016 SERIES A (PUBLIC SERVICE COMPANY OF NEW MEXICO SAN JUAN AND FOUR CORNERS PROJECTS) AND THE CITY'S POLLUTION CONTROL REVENUE REFUNDING BONDS, 2016 SERIES B (PUBLIC SERVICE COMPANY OF NEW MEXICO SAN JUAN AND FOUR CORNERS PROJECTS) IN ONE OR MORE SERIES; APPOINTING COUNSEL IN CONNECTION THEREWITH; AUTHORIZING PUBLICATION OF NOTICE OF THE PROPOSED ORDINANCES; AND SPECIFYING CERTAIN CONDITIONS CONCERNING THE PARTICIPATION OF THE CITY IN THE TRANSACTIONS CONTEMPLATED BY THE PROPOSED ORDINANCES

WHEREAS, the City has heretofore issued and sold \$46,000,000 aggregate principal amount of its Pollution Control Revenue Refunding Bonds, 2003 Series A (Public Service Company of New Mexico San Juan and Four Corners Projects) (the "2003 A Bonds") to refund certain outstanding bonds that were issued to refund bonds issued to defray a portion of the cost to the Public Service Company of New Mexico (the "Company") of acquiring, constructing, reconstructing, improving, maintaining, equipping or furnishing certain pollution control facilities at the San Juan Generating Station and the Four Corners Plant (the "Facilities"); and

WHEREAS, the City has heretofore issued and sold \$100,000,000 aggregate principal amount of its Pollution Control Revenue Refunding Bonds, 2003 Series B (Public Service Company of New Mexico San Juan and Four Corners Projects) (the "2003 B Bonds") to refund certain outstanding bonds which had refunded bonds which had also refunded bonds that were issued to defray a portion of the cost to the Company of acquiring, constructing, reconstructing, improving, maintaining, equipping or furnishing certain pollution control facilities at the Facilities; and

WHEREAS, the Company has requested that the City now consider adoption of an ordinance which authorize the issuance of pollution control revenue refunding bonds of the City in one or more series so as to designate such bonds as Pollution Control Revenue Refunding Bonds, 2016 Series A (Public Service Company of New Mexico San Juan and Four Corners Projects) with such further designations as necessary to distinguish among the series (the "2016 A Bonds") to be issued in an aggregate principal amount sufficient to refund all or a portion of the 2003 A Bonds; and

WHEREAS, the Company has also requested that the City also consider adoption of a separate ordinance authorizing the issuance of pollution control revenue refunding bonds of the City in one or more series to be designated Pollution Control Revenue Refunding Bonds, 2016 Series B (Public Service Company of New Mexico San Juan and Four Corners Projects) (with such further designations as necessary to distinguish among the series) (the "2016 B Bonds" and collectively with the 2016 A Bonds, the "Bonds") to be issued in an aggregate principal amount sufficient to refund all or a portion of the 2003 B Bonds; and

WHEREAS, the City has received a letter from the Company acknowledging that this resolution and actions taken by the City pursuant to this resolution will not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers and providing that the Company will hold the City (including its officials, officers and employees) free and harmless from, will indemnify the City from, any loss, damage, expenses, attorney's fees or court costs arising out of this resolution or transactions contemplated by it, and will pay and reimburse the City (including its officials, officers and employees) for any reasonable expenses, fees and disbursements of its attorneys (including Bond Counsel and Special Counsel herein appointed), other consultants and officials, officers and employees of the City.

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

Section 1. Sherman & Howard L.L.C., Denver, Colorado, is hereby appointed and retained as special counsel to the City ("Special Counsel") in connection with the transactions contemplated above and to advise the City on such matters as the Mayor or other authorized official shall