

LUNA COUNTY, NEW MEXICO

LUNA COUNTY-NM
ANDREA RODRIGUEZ, CLERK
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BY MDUARTE

ORDINANCE No. 93

AUTHORIZING THE ISSUANCE AND SALE OF LUNA COUNTY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, IN ONE OR MORE TAX EXEMPT OR TAXABLE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 (THE "BONDS") FOR THE PURPOSES OF CONSTRUCTING, PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS OR PURCHASING OR IMPROVING GROUND RELATING THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND IMPROVING PARKING LOTS, OR ANY COMBINATION OF THE FOREGOING; ACQUIRING OR IMPROVING COUNTY OR PUBLIC PARKING LOTS, STRUCTURES OR FACILITIES OR ANY COMBINATION OF THE FOREGOING; PURCHASING, ACQUIRING OR REHABILITATING FIREFIGHTING EQUIPMENT OR ANY COMBINATION OF THE FOREGOING; ACQUIRING, EXTENDING, ENLARGING, BETTERING, REPAIRING OR OTHERWISE IMPROVING OR MAINTAINING STORM SEWERS AND OTHER DRAINAGE IMPROVEMENTS, SANITARY SEWERS, SEWAGE TREATMENT PLANTS, WATER UTILITIES OR OTHER WATER, WASTEWATER OR RELATED FACILITIES, INCLUDING BUT NOT LIMITED TO THE ACQUISITION OF RIGHTS OF WAY AND WATER AND WATER RIGHTS, OR ANY COMBINATION OF THE FOREGOING; RECONSTRUCTING, RESURFACING, MAINTAINING, REPAIRING OR OTHERWISE IMPROVING EXISTING ALLEYS, STREETS, ROADS OR BRIDGES OR ANY COMBINATION OF THE FOREGOING OR LAYING OFF, OPENING, CONSTRUCTING OR OTHERWISE ACQUIRING NEW ALLEYS, STREETS, ROADS OR BRIDGES OR ANY COMBINATION OF THE FOREGOING; PROVIDED THAT ANY OF THE FOREGOING IMPROVEMENTS MAY INCLUDE THE ACQUISITION OF RIGHTS OF WAY; PURCHASING, ACQUIRING, CONSTRUCTING, MAKING ADDITIONS TO, ENLARGING, BETTERING, EXTENDING OR EQUIPPING AIRPORT FACILITIES OR ANY COMBINATION OF THE FOREGOING, INCLUDING WITHOUT LIMITATION THE ACQUISITION OF LAND, EASEMENTS OR RIGHTS OF WAY; PURCHASING OR OTHERWISE ACQUIRING OR CLEARING LAND OR PURCHASING, OTHERWISE ACQUIRING AND BEAUTIFYING LAND FOR OPEN SPACE; ACQUIRING, CONSTRUCTING, PURCHASING, EQUIPPING, FURNISHING, MAKING ADDITIONS TO, RENOVATING, REHABILITATING, BEAUTIFYING OR OTHERWISE IMPROVING PUBLIC PARKS, PUBLIC RECREATIONAL BUILDINGS OR OTHER PUBLIC RECREATIONAL FACILITIES OR ANY COMBINATION OF THE FOREGOING; ACQUIRING, CONSTRUCTING, EXTENDING, ENLARGING, BETTERING, REPAIRING OR OTHERWISE IMPROVING OR MAINTAINING SOLID WASTE DISPOSAL EQUIPMENT, EQUIPMENT FOR OPERATION AND MAINTENANCE OF SANITARY LANDFILLS, SANITARY LANDFILLS, SOLID WASTE FACILITIES OR ANY COMBINATION OF THE

FOREGOING; OR ACQUIRING, CONSTRUCTING, EXTENDING, BETTERING, REPAIRING OR OTHERWISE IMPROVING PUBLIC TRANSIT SYSTEMS OR ANY REGIONAL TRANSIT SYSTEMS OR FACILITIES. ALL WITHIN THE COUNTY; PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

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

WHEREAS, the County is a legally and regularly created, established, organized and existing county under the general laws of the State of New Mexico; and

WHEREAS, the County is authorized by the Act, to issue gross receipts tax revenue bonds for the purpose of providing funds, together with other funds of the County, to acquire the Project and to adopt any ordinance to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the County and its inhabitants; and

WHEREAS, the Pledged Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding; and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the County and its residents that the Bonds be issued with a first lien, but not an exclusive first lien, on the Pledged Revenues; and

WHEREAS, the Bonds shall be issued pursuant to the Act; and

WHEREAS, the Purchaser will purchase the Bonds upon such terms and conditions as will be established in a Sale Resolution to be adopted by the County pursuant to this Ordinance; and

WHEREAS, all required authorizations, consents or approvals of any state, governmental body, agency or authority, in connection with the authorization, execution and delivery of the Bonds

which are required to have been obtained by the date hereof have been obtained, and which will be required to be obtained prior to the date of issuance of the Bonds, will have been obtained by such date; and

WHEREAS, there has been on deposit with the County Clerk the proposed form of Bond Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF LUNA, NEW MEXICO:

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

“Acquisition Account” means the fund used to acquire the Project created in Section 14 of this Ordinance.

“Act” means collectively, Section 4-37-1, NMSA 1978, and Section 7-20E-28, NMSA 1978.

“Beneficial Owner” shall mean those entities from time to time for whose account the Participants hold Bonds.

“Board” means the Board of County Commissioners of Luna County, New Mexico or any future successor governing body of the County.

“Bond”, “Bonds” or the “Bonds” means the “Luna County, New Mexico Gross Receipts Tax Revenue Bonds,” issued in one or more tax-exempt or taxable series.

“Bond Counsel” means Hughes Law, LLC, Albuquerque, New Mexico.

“Bond Fund” means the debt service fund established by Section 18 of this Bond Ordinance.

“Bond Ordinance” or ***“Ordinance”*** means this Ordinance, as amended or supplemented from time to time.

“Bond Purchase Agreement” means the contract for the sale and purchase of the Bonds by the Purchaser as may be approved by the Chairman.

“Bondholder”, “holder”, “owner” or “Owner” means the registered owner of any Bond as shown on the registration books of the County for the Bonds, from time to time, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Bondholders shall mean the Holders at the particular time of a majority or of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding.

“Business Day” means a day on which commercial banks in the city in which the principal office of the Paying Agent and Registrar is located are open for the conduct of substantially all of their business operations.

“Chairman of the Board” or “Chairman” means the duly elected Chairman of the Board or the Vice Chairman of the Board acting in the absence of the Chairman.

“Code” means the Internal Revenue Code of 1986, as amended, the federal income tax regulations of the United States Treasury Department (whether proposed, temporary or final) and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a section of the Code in this Bond Ordinance means that section of the Code and such applicable regulations, rulings, announcements, notices, procedures and determinations pertinent to that section.

“County” means Luna County, New Mexico.

“County Clerk” means the duly elected Clerk of the County or a duly appointed deputy County Clerk acting in the absence of the Clerk.

“County Gross Receipts Tax Revenues” means the revenues derived from the three-eighths increment of the county hold harmless gross receipts tax levied by the County pursuant to Section 7-20E-28, NMSA 1978, imposed on persons engaging in business in the County, which revenues are remitted monthly by the Revenue Division of the Department to the County as authorized by Sections 7-1-6.1 and 7-1-6.13, NMSA 1978, and which remittances currently equal 3/8ths of one percent (. 375 %) of the taxable gross receipts reported for the County for the month for which such remittance is made.

“County Local Option Gross Receipts Taxes Act” means Sections 7-20E-1 through 7-20E-28, NMSA 1978.

“Department” means the Taxation and Revenue Department of the State.

“Event of Default” means any of the events stated in Section 24 of this Bond Ordinance.

“Expenses” means the reasonable and necessary fees, commissions, costs and expenses incurred by the County with respect to the issuance of the Bonds, including but not limited to the fees, commissions, costs and expenses paid to or to be paid by the County directly or to the Paying Agent, Registrar, rating agencies, financial printers, bond counsel and other attorneys’ fees.

“Financial Advisor” means George K. Baum & Company, Albuquerque, New Mexico.

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

“Gross Receipts Tax” means the excise tax imposed pursuant to the Gross Receipts Tax Ordinance authorized by the County Local Option Gross Receipts Taxes Act.

“Gross Receipts Tax Revenue Bonds” means bonds or other obligations of the County, payable in whole or in part, from Gross Receipts Tax Revenues.

“Gross Receipts Tax Ordinance” means, County Ordinance No. 92 adopted on February 17, 2015.

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

“Independent Accountant” means any certified public accountant, or firm of such accountants, duly licensed to practice and practicing as such under the laws of the State of New Mexico, appointed and paid by the County who (a) is, in fact, independent and not under the domination of the County, (b) does not have any substantial interest, direct or indirect, with the County, and (c) is not connected with the County as an officer or employee of the County, but who may be regularly retained to make annual or similar audits of the books or records of the County.

“Insured Bank” means a bank or savings and loan association insured by an agency of the United States.

“Interest Payment Date” means a particular day of each month to be established in the Bond Purchase Agreement or in a Sale Resolution for payment of interest on the Bonds.

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

“Official Statement” means the final disclosure document relating to the issuance and sale of the Bonds.

“Outstanding” when used in reference to Bonds means, on any particular date, the aggregate of all Bonds delivered under this Bond Ordinance except:

A. those canceled at or prior to such date or delivered or acquired by the County at or prior to such date for cancellation;

B. those otherwise deemed to be paid in accordance with Section 27 or Section 32 of this Bond Ordinance;

C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the County and the Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder in due course; and

D. those Bonds which have been refunded in accordance with this Bonds Ordinance or other ordinance of the County authorizing the issuance of the applicable bonds.

"Parity Bonds" means any bonds or other obligations, now or hereafter issued or incurred, payable from or secured by a lien or a pledge of the Pledged Revenues on a parity with the Bonds.

"Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as Securities Depository.

"Paying Agent" means the County Treasurer or any successor to the County Treasurer which shall be a trust company, national or state banking association or financial institution at the time appointed Paying Agent by resolution of the Board.

"Pledged Revenues" means the County Gross Receipts Tax Revenues.

"Preliminary Official Statement" means the preliminary disclosure document setting forth information concerning the Bonds and the County omitting the offering price(s), interest rate(s), selling compensation, aggregate principal amount per maturity, delivery dates, ratings, and other terms of the Bonds depending on such matters.

"Project" means the constructing, purchasing, furnishing, equipping, rehabilitating, making additions to or making improvements to one or more public buildings or purchasing or improving

ground relating thereto, including but not necessarily limited to acquiring and improving parking lots, or any combination of the foregoing; all within the County; and paying expenses.

“Purchaser” means the entity or entities named in the Bond Purchase Agreement or a Sale Resolution to whom each Series of Bonds will be sold.

“Rebate Fund” means the “Luna County, New Mexico Gross Receipts Tax Revenue Bonds Rebate Fund” established pursuant to Section 14 of this Bond Ordinance.

“Registrar” means the County Treasurer or any successor to the County Treasurer which shall be a trust company, national or state banking association or financial institution at the time appointed by resolution of the Board.

“Reserve Fund” means the “Luna County, New Mexico Gross Receipts Tax Revenue Bonds Reserve Fund” established by Section 18 of this Bond Ordinance.

“Revenue Fund” means the Revenue Fund established by Section 17 of this Bond Ordinance.

“Sale Resolution” means one or more resolutions supplementing this Bond Ordinance by setting out certain terms and provisions of the Bonds to be adopted by the Board subsequent to the date hereof.

“Securities Depository” shall mean the Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190 (“DTC”); or, in accordance with the then current guidelines of the Securities and Exchange Commission, to other addresses and/or other such securities depositories, or to any other such depositories as the County may designate in writing.

“State” means the State of New Mexico.

2. *Ratification.* All action heretofore taken (not inconsistent with the provisions of this Bond Ordinance) by the Board and officers of the County directed toward the Project, and toward the authorization, sale and issuance of the Bonds to the Purchaser (including, but not necessarily limited to the distribution of the Preliminary Official Statement) be, and the same hereby is, ratified, approved and confirmed.

3. *Authorization of Project.* The Project is hereby authorized and ordered at a total cost not to exceed \$15,000,000 excluding any such cost defrayed or to be defrayed by any source other than Bond proceeds.

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

A. The acquisition of the Project is needed to meet the future needs of the County and its inhabitants.

B. Moneys available for acquiring the Project from all sources other than the issuance of the Bonds are not sufficient to defray the cost of acquiring the Project.

C. The Pledged Revenues may lawfully be pledged to secure the payment and redemption of the Bonds.

D. The issuance of the Bonds pursuant to the Act, to provide funds for acquiring the Project is necessary and in the interest of the future public health, safety, morals and welfare of the residents of the County. The exact principal amount of the first series of Bonds, the interest rates and sale prices of the Bonds will be established in the Bond Purchase Agreement. Subsequent Series of Bonds may have these details established in a Sale Resolution from time to time, in no event shall the net effective interest rate on the Bonds exceed twelve percent per annum as required by Section 6-14-3, NMSA 1978.

5. *Bonds - Authorization and Detail.*

A. *Authorization.* This Bond Ordinance has been adopted by the affirmative vote of a majority of the members of the Board. For the purpose of protecting the public health,

conserving the property, protecting the general welfare and prosperity of the citizens of the County, it is hereby declared necessary that the County, pursuant to the Act, issue its negotiable, fully registered, Gross Receipts Tax Revenue Bonds to be designated Luna County, New Mexico Gross Receipts Tax Revenue Bonds, in one or more series, in an aggregate principal amount not to exceed \$15,000,000 and the issuance, sale and delivery of the Bonds is hereby authorized. The Bonds may be sold from time to time, but not later than two (2) years from the effective date of this Ordinance, at a negotiated sale to the Purchaser.

B. *Details of the Bonds.*

(1) The form, terms, and provisions of the Bonds, as set forth in Section 13, are hereby approved with only such changes therein as are not inconsistent with this Bond Ordinance, the Bond Purchase Agreement, or any Sale Resolution.

(2) The Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, in such numbers and denominations, subject to Section 11 of this Bond Ordinance, as may be requested by the Purchaser, but exchangeable for other fully registered Bonds. The Bonds shall be numbered separately and consecutively and shall be dated as of a date to be established in the Bond Purchase Agreement or a Sale Resolution. The Bonds shall bear interest from their date payable on the dates to be established in the Bond Purchase Agreement or a Sale Resolution, commencing on the date established in the Bond Purchase Agreement or a Sale Resolution until maturity at the rate of interest to be established in the Bond Purchase Agreement or a Sale Resolution. The exact principal amount, authorized denominations, transfer restrictions, if any, and maturity schedule and/or mandatory sinking fund schedule for the Bonds shall be established in the Bond Purchase Agreement or a Sale Resolution.

In no event shall any Bonds mature later than fifty years from the date of their issuance except for Bonds issued for reconstructing, resurfacing or repairing existing streets which shall

mature not later than twenty years from their date of issuance. The Bonds shall be sold for cash, at, above or below par at a price or prices that result in net effective interest rates that do not exceed the maximum permitted by the Public Securities Act, Sections 6-14-1 to 6-14-3 NMSA 1978.

6. *Prior Redemption.*

A. *Redemption, Date and Price.* The Bonds may be subject to prior redemption as established in the Bond Purchase Agreement or a Sale Resolution.

B. *Notice.* Notice of redemption shall be given by the Registrar by sending a copy of such notice by registered or certified first-class mail, postage prepaid, at least thirty (30) days prior to the redemption date, to the registered owners of the Bonds to be redeemed at the address shown on the registration books kept by the Registrar as of the close of business of the Registrar on the fifth day prior to the mailing of notice. The County shall give the Registrar written instructions to give notice of redemption to the registered owners of the Bonds to be redeemed at least forty-five (45) days prior to such redemption date. If the Bonds are subject to mandatory sinking fund redemption pursuant to the Bond Purchase Agreement or a Sale Resolution, no notice from the County to the Registrar shall be required for mandatory sinking fund redemptions. Neither the County's failure to give such notice nor the Registrar's failure to give such notice to the registered owners of the Bonds, or any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notice of redemption shall specify the amount being redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon the Bonds to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem the Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds

to be redeemed shall be deemed not Outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bonds so called for redemption with funds deposited with the Paying Agent by the County.

7. *Filing of Signatures.* Pursuant to Sections 6-9-2 to 6-9-6, NMSA 1978, the Chairman of the Board and County Clerk may each file with the New Mexico Secretary of State his or her manual signature certified by him or her under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the Bonds.

8. *Execution and Authentication of the Bonds.*

A. *Execution.* The Bonds shall be signed with the engraved, imprinted, stamped or otherwise reproduced facsimile of the signature, or the manual signature, of the Chairman of the Board and shall be attested with the facsimile or manual signature of the County Clerk. There shall be affixed to the Bonds the printed, engraved, stamped or otherwise placed facsimile of, or imprint of, the County's corporate seal. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar. The Bonds, when authenticated and bearing the manual or facsimile signatures of the officers in office at the time of signing thereof, shall be valid and binding special obligations of the County, notwithstanding that before delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Chairman of the Board and County Clerk, at the time of the execution of the Bonds and the signature certificate, each may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office if such facsimile signature appears upon the Bonds or any certificates pertaining to the Bonds.

B. *Authentication.* No Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been fully executed if manually signed and inscribed by an authorized officer of the Registrar.

9. *Negotiability.* The Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owners of the Bonds shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities.

10. *Payment and Presentation of Bonds for Payment.* Principal and interest on the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Principal and interest on the Bonds shall be payable by check or draft mailed to the registered owners thereof (or in such other manner as may be agreed upon by the Paying Agent and the registered owners), as shown on the registration books maintained by the Registrar at the address appearing therein on the 15th day of the calendar month next preceding the interest payment date or such dates as may be established in the Bond Purchase Agreement or a Sale Resolution (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be payable to the owner thereof (or of one or more predecessor Bonds) as of the Record Date, but shall be payable to the owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to Bond owners not less than ten days prior thereto. If any Bond, when presented for payment, remains unpaid at maturity or redemption, it shall continue to bear interest at the rate designated in, and applicable to, such Bond from time to time. If any Bond is not presented for payment at maturity or redemption when funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest on and from the date of maturity or redemption.

11. *Registration, Transfer, Exchange and Ownership Of Bonds.*

A. *Registration, Transfer and Exchange.* The County shall cause books for registration, transfer, and exchange of the Bonds as provided herein to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at the

principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and interest rate.

B. *Limitations.* The Registrar shall not be required to transfer or exchange the Bond (i) during the period of fifteen (15) days next preceding the mailing of notice calling any Bonds for redemption as herein provided, or (ii) after the mailing to the registered owner of notice calling such Bonds as herein provided. The Registrar shall close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each interest payment date, but such transfers shall not include a transfer of accrued interest payable.

C. *Owners of the Bonds.* The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either the principal of or interest on such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative as stated herein, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. *Lost Bonds.* If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same series, maturity and interest rate. If any such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the Registrar may request the Paying Agent to pay such Bond in lieu of replacement.

E. *Additional Bonds.* Executed but unauthenticated Bonds are hereby authorized to be delivered to the Registrar in such quantities as may be convenient to be held in custody by the Registrar pending delivery upon transfer or exchange as herein provided.

F. *Charges.* For each new Bond issued in connection with a transfer or exchange, the Registrar may make a charge to the owner of the Bond requesting such exchange or transfer sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

G. *Book-Entry Bonds.*

(1) The registered bondholder of all of the Bonds may be a Securities Depository and such Bonds may be registered in the name of the nominee for the Securities Depository. The Bonds referred to in this subsection 11.G shall refer to the Bonds registered in the name of the Securities Depository.

(2) The Bonds shall be initially issued in the form of separate, single, authenticated fully-registered Bonds in the amount of each separately stated maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of the nominee of the Securities Depository. The Registrar, Paying Agent and the County may treat the Securities Depository (or its nominee) as the sole and exclusive Holder of the Bonds registered in its name for the purposes of (a) payment of the principal or redemption price of or interest on the Bonds, (b) selecting the Bonds or portions thereof to be redeemed, (c) giving any notice permitted or required to be given to Bondholders under this Ordinance, (d) registering the transfer of Bonds, and (e) obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever and neither the Registrar, Paying Agent or the County shall be affected by any notice to the contrary (except as provided in subparagraph (3) below). Neither the Registrar, Paying Agent or the County shall have any

responsibility or obligation to any Participant, any Beneficial Owner or any other person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, the payment to the Securities Depository of any amount in respect of the principal or redemption price of or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this Ordinance; the selection by the Securities Depository or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by the Securities Depository as Bondholder. Paying Agent shall pay all principal and redemption price of and interest on the Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State) the Securities Depository. All such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal, purchase price or redemption price of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in subparagraph (3) below, no person other than the Securities Depository shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the County to make payment of principal or redemption price and interest pursuant to this Ordinance. Upon delivery by the Securities Depository to the Registrar of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the preceding nominee, the Bonds will be transferable to such new nominee in accordance with subparagraph (6) below.

(3) In the event the County determines that it is in the best interest of the County not to continue the book-entry system of transfer or that the interest of the Beneficial

Owners might be adversely affected if the book-entry system of transfer is continued, the County may notify the Securities Depository, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of Bond certificates. In such event, the Registrar shall authenticate, transfer and exchange Bond certificates as requested by the Securities Depository in appropriate amounts in accordance with subparagraph (6) below. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may determine that the Securities Depository is incapable of discharging its responsibilities and may so advise the Securities Depository. In either such event, the County shall either establish its own book-entry system or use reasonable efforts to locate another Securities Depository. Under such circumstances (if there is no successor Securities Depository) the County and the Registrar shall be obligated to deliver Bond certificates as described in this Ordinance and in accordance with subparagraph (6) below. In the event Bond certificates are issued, the provisions of this Ordinance shall apply to such Bond certificates in all respects, including, among other things, the transfer and exchange of such certificates and the method of payment of principal or redemption price of and interest on such certificates. Whenever the Securities Depository requests the County and the Registrar to do so, the Registrar and the County will cooperate with the Securities Depository in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its account with the Securities Depository or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(4) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of the nominee of the Securities Depository,

all payment with respect to the principal or redemption price of and interest on such Bond and all notices with respect to such Bond shall be made and given to the Securities Depository as provided in its Representation Letter.

(5) In connection with any notice or other communication to be provided to Bondholders pursuant to this Ordinance by the County, the Registrar, or the Paying Agent with respect to any consent or other action to be taken by Bondholders, the County, the Registrar, or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to the Securities Depository shall be given only when the Securities Depository is the sole Bondholder.

(6) In the event that any transfer or exchange of Bonds is permitted under subparagraphs (2) and (3) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar from the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of this Ordinance. In the event Bond certificates are issued to owners other than the nominee of the Securities Depository, or another securities depository as holder of all the Bonds, the provisions of this Ordinance shall also apply to, among other things, the printing of such certificates and the methods of payment of principal or redemption price of and interest on such certificates.

(7) Notwithstanding any provision of this Ordinance to the contrary, in connection with any redemption of Bonds while the DTC is the sole Bondholder, the County shall give notice of such redemption to the Registrar at least forty-five (45) days prior to the date fixed for redemption and the Registrar shall give notice of redemption to DTC as holder of such

Bonds at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption.

12. *Special Limited Obligations.* All of the Bonds and all payments of principal, premium, if any, and interest thereon whether at maturity or on a redemption date, together with any interest accruing thereon, shall be special limited obligations of the County and shall be payable and collectible solely from the Pledged Revenues which revenues are so pledged and are payable as set forth in Section 20 of this Bond Ordinance. The owner of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the County within the meaning of any constitutional, charter or statutory provision or limitation, nor shall it be considered or held to be a general obligation of the County, and each of the Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in this Bond Ordinance, and that the holder thereof may not look to any general or other County fund for the payment of the principal of and interest on the Bonds. Nothing herein shall prevent the County, in its sole discretion, from applying other funds of the County legally available therefor to the payment of the Bonds.

13. *Form of the Bonds.* The form, terms and provisions of the Bonds shall be substantially as set forth below, with such changes therein as are not inconsistent with this Bond Ordinance and the Bond Purchase Agreement or a Sale Resolution:

[FORM OF BOND]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

AS PROVIDED IN THE BOND ORDINANCE REFERRED TO HEREIN, UNTIL THE TERMINATION OF REGISTERED OWNERSHIP OF ALL OF THE BONDS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND

NOTWITHSTANDING ANY OTHER PROVISION OF THE BOND ORDINANCE TO THE CONTRARY, THE PRINCIPAL AMOUNT OUTSTANDING UNDER THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE REGISTRAR. DTC OR A TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND TO BE PAID. THE PRINCIPAL AMOUNT OUTSTANDING AND TO BE PAID ON THIS BOND SHALL FOR ALL PURPOSES BE THE AMOUNT INDICATED ON THE BOOKS OF THE REGISTRAR.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

LUNA COUNTY, NEW MEXICO

GROSS RECEIPTS TAX REVENUE BOND

SERIES ____

Bond No. R- _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Bond</u>	<u>Cusip</u>
_____ % per annum	_____	_____	_____

The County of Luna (the "County"), in the State of New Mexico, a county duly organized and existing under the Constitution and laws of the State of New Mexico, for value received, hereby promises to pay, solely from the special funds available for the purpose as hereinafter set forth, to CEDE & Co. or registered assigns, no later than the Maturity Date stated above (unless this bond is called for prior redemption, in which case on such redemption date), upon presentation and surrender hereof at the principal office of the County Treasurer as paying agent, or any successor paying agent (the "Paying Agent"), the sum of _____ DOLLARS (\$ _____)

and to pay from said sources interest on the unpaid principal amount at the Interest Rate stated above on _____, and on _____ and _____ of each year (each an "Interest Payment Date") thereafter to its maturity, or until redeemed if called for redemption prior to maturity. This bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Interest on this bond is payable by check mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by the County Treasurer as registrar, or any successor registrar (the "Registrar") at the address appearing therein at the close of business on the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the owner hereof as of the Record Date but shall be payable to the owner hereof at the close of business on a special record date to be fixed by the Paying Agent for the payment of interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the owner of the Bonds (defined below) as then shown on the Registrar's registration books not less than ten days prior to the special record date. If, upon presentation at maturity or redemption, payment of this bond is not made as herein provided, interest hereon shall continue at the Interest Rate stated above until the principal hereof is paid in full. The principal, premium, if any, and interest on this bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar.

This bond is one of a duly authorized issue of fully registered bonds of the County in the aggregate principal amount of \$_____, issued in denominations of \$5,000 or integral multiples thereof, designated as Luna County, New Mexico Gross Receipts Tax Revenue Bonds,

Series _____ (the "Bonds"), issued under and pursuant to County Ordinance No. ____ and County Resolution No. ____ (collectively, the "Bond Ordinance").

The Bonds are subject to prior redemption at the option of the County, in whole or in part, as more particularly described below:

Bonds maturing on _____ are subject to mandatory sinking fund redemption at the times and in the amounts as follows:

[INSERT SINKING FUND REDEMPTION]

Notice of redemption of this bond will be given by providing at least 30 days prior written notice by registered or certified first-class mail, postage prepaid, to the owner hereof or portion hereof to be redeemed at the address shown on the registration books as of the fifth day prior to the mailing of notice as provided in the Bond Ordinance. Notice of redemption will specify the amount being redeemed, and shall further state that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent, the principal amount thereof plus accrued interest to the redemption date and the stipulated premium, if any, and that from and after such date, the redemption amount having been deposited and notice having been given, interest will cease to accrue.

Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer or exchange of this bond at the principal office of the Registrar, duly endorsed or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or owner, a new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and interest rate. Exchanges and transfers of the Bonds shall be without charge to the

owner or any transferee, but the Registrar may require the payment by the owner of any Bonds of any tax or other similar governmental charge required to be paid with respect to such exchange or transfer. The Registrar shall not be required (i) to transfer or exchange any Bond during the period of fifteen days next preceding the mailing of notice calling any Bond for redemption, or (ii) to transfer or exchange any Bond or part thereof called for redemption. The Registrar will close the books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each interest payment date, but such transfers shall not include a transfer of accrued interest payable.

The person in whose name any Bond is registered on the registration books kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes, except as may otherwise be provided with respect to payment of overdue interest in the Bond Ordinance; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar will, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond, or Bonds, of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the Registrar may direct the Paying Agent to pay such Bond in lieu of replacement.

LUNA COUNTY-NM
ANDREA RODRIGUEZ, CLERK
201508700
23 of 48
03/04/2015 01:31:32 PM
BY MDUARTE

This Bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the County, and is payable and collectible solely from the three-eighths increment of the hold harmless county gross receipts tax levied by the County pursuant to Section 7-20E-28, NMSA 1978, which equals three-eighths of one percent (.375%) of the taxable gross receipts reported for the County and remitted to the County by the State pursuant to Sections 7-1-6.1 and 7-1-6.13, NMSA 1978, (the "Pledged Revenues"), County Ordinance No. 92, and County Resolution No. 15-12 and the bondholders may not look to any general or other County fund other than those described above for the payment of the interest and principal of this bond. Additional bonds may be issued and made payable from the Pledged Revenues, upon satisfaction of the conditions set forth in the Bond Ordinance, having a lien thereon either on a parity with, or subordinate and junior to, the lien on the Pledged Revenues, but additional bonds may not be issued with a lien thereon superior to the lien thereon of the Bonds.

The Bonds are issued to provide funds for various County capital improvement projects as defined in the Bond Ordinance.

The County covenants and agrees with the owner of this bond and with each and every person who may become the owner hereof that it will keep and perform all of the covenants of the Bond Ordinance.

This bond is subject to the condition, and every owner hereof by accepting the same agrees with the obligor and every subsequent owner hereof, that the principal of and interest on this bond shall be paid, and this bond is transferable, free from and without regard to any equities, set-offs or crossclaims between the obligor and the original or any other owner hereof.

It is hereby certified that all acts and conditions necessary to be done or performed by the County or to have happened precedent to and in the issuance of the Bonds to make them legal, valid and binding special obligations of the County, have been performed and have happened as required by law, and that the Bonds do not exceed or violate any constitutional or statutory limitation of or pertaining to the County.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the Certificate of Authentication on this bond.

IN WITNESS WHEREOF, the County of Luna, New Mexico has caused this bond to be signed and executed on the County's behalf with the manual or facsimile signature of the Chairman of the Board, to be countersigned with the manual or facsimile signature of the County Clerk and has caused a facsimile of the corporate seal of the County to be affixed hereon, all as of the Date of Bond.

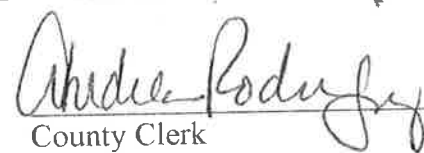
LUNA COUNTY, NEW MEXICO,
Board of County Commissioners

By


Chairman

SEAL

By


County Clerk
(FACSIMILE SEAL)

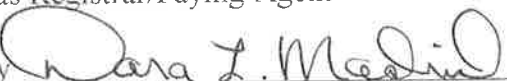
[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Resolution and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication and
Registration: March 3, 2015

LUNA COUNTY TREASURER
as Registrar/Paying Agent

By 
Authorized Officer

LUNA COUNTY-NM
ANDREA RODRIGUEZ, CLERK
201500700
26 of 48
03/04/2015 01:31:32 PM
BY MDUARTE

**[END OF FORM OF CERTIFICATE OF AUTHENTICATION]
[FORM OF ASSIGNMENT]**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, of Assignee)

(Social Security or Federal Taxpayer Identification Number)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Bond Resolution as attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed by:

NOTICE: Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

[END OF FORM OF ASSIGNMENT]

[END OF FORM OF BOND]

LUNA COUNTY-NM
ANDREA RODRIGUEZ, CLERK
201500700
27 of 48
03/04/2015 01:31:32 PM
BY MDUARTE

14. *Disposition of Bond Proceeds.* Except as herein otherwise specifically provided the proceeds from the sale of the Bonds shall be used as follows:

A. *Accrued Interest.* First, all moneys received as accrued interest from the sale of the Bonds shall be deposited into the Bond Fund, to be applied to the payment of interest next due on the Bonds.

B. *Reserve Fund.* Second, as may be established in a Sale Resolution, an amount equal to the lesser of: (1) ten percent (10%) of the principal amount of the Bonds; (2) the maximum annual debt service of the Bonds; or (3) one hundred twenty five percent (125%) of the average annual debt service of the Bonds shall be credited to the Reserve Fund.

C. *Expenses.* Third, an amount necessary to pay expenses shall be paid on behalf of the County.

D. *Acquisition Account.* Fourth, an amount necessary, together with funds transferred to the Acquisition Account pursuant to Section 15.A, if any, to finance the Project in whole or in part from the proceeds derived from the sale of the Bonds shall be credited to the Acquisition Account, which is hereby created.

E. *Rebate Fund.* There is hereby created the Rebate Fund within the treasury of the County for the purpose of payment to the United States Department of the Treasury of any rebatable arbitrage due.

The County shall deposit into the Rebate Fund any amounts available from the proceeds of the Bonds, as specified in the Tax Matters Certificate of the County, in the Rebate Fund as will be sufficient to pay any rebate due to the United States Department of the Treasury for the applicable rebate period. Moneys in the Rebate Fund shall be invested in accordance with the Tax Matters Certificate. Excess moneys shall be released from the Rebate Fund at the end of the applicable rebate period.

F. *Use of Proceeds.* Except as otherwise specifically provided in this Ordinance, the proceeds derived from the sale of the Bonds shall be used and paid solely for one or more of the purposes of the Project.

15. *Acquisition Account.*

A. *Additional Acquisition Account Deposit.* Upon the issuance of the Bonds, the County Treasurer shall cause to be withdrawn from funds legally available therefor and transferred and credited to the Acquisition Account such amount as he or she determines shall be necessary to assure that the amount in the Acquisition Account will be sufficient for the purposes set forth in paragraph B of this Section 15.

B. *Maintenance of the Acquisition Account.* The Acquisition Account shall be maintained by the County in an amount at the time of the deposit and at all times subsequently at least sufficient to pay the costs of the Project, both accrued and not accrued, as the same become due.

C. *Use of the Acquisition Account.* Moneys shall be withdrawn by the County from the Acquisition Account in sufficient amounts and at times to permit the payment without default of the costs of the Project. Any moneys remaining in the Acquisition Account after provision shall have been made for the payment in full of the costs of the Project shall, subject to the provision of Section 18.F, be paid to the County Treasurer to be applied to any lawful purposes as the County may hereafter determine.

D. *Insufficiency of the Acquisition Account.* If, for any reason, the amount in the Acquisition Account shall at any time be insufficient for the purposes of paragraphs B and C of this Section 15, the County shall forthwith, from the first legally available revenues, deposit in the Acquisition Account such additional moneys as shall be necessary to permit the payment in full of the costs of the Project.

16. *Purchaser Not Responsible.* The Purchaser, or any subsequent owner of any Bonds, shall in no manner be responsible for the application or disposal by the County, or by any officer or

any employee or other agent of the County, of the moneys derived from the sale of the Bonds or of any other moneys designated in this Ordinance.

17. *Revenue Fund.* So long as the Bonds are outstanding, the Pledged Revenues shall be set aside and deposited monthly in to the Revenue Fund hereby established and thereafter transferred to the Bond Fund, as hereinafter provided.

18. *Administration of Revenue Fund.* So long as any of the Bonds shall be outstanding, whether as to principal or interest or both, the following payments shall be made from the Pledged Revenues:

A. *Bond Fund Created.* The following amounts shall be withdrawn from the Revenue Fund, and shall be concurrently credited to the Bond Fund, which is hereby created:

(1) *Interest Payments.* Monthly, commencing on the first day of the first month following the delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any moneys in the Bond Fund available therefor, to pay the next maturing installment of interest on the Bonds then outstanding and monthly thereafter commencing on each interest payment date, one-sixth (1/6th) of the amount necessary to pay the next maturing installment of interest on the outstanding Bonds; and

(2) *Principal Payments.* Monthly, commencing on the first day of the first month following the delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any moneys in the Bond Fund available therefor, to pay the next maturing installment of principal on the Bonds and monthly thereafter commencing on each principal payment date, one-twelfth (1/12th) of the amount necessary to pay the next maturing installment of principal on the Bonds.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of the interest or principal, or both, the payment required under subparagraph (1) or (2) (whichever is applicable) of

this paragraph A, may be appropriately reduced and the required monthly amounts again shall be so credited to such account commencing on such interest payment date or principal payment date (whichever is applicable).

B. *Payment of Parity Bonds.* Concurrently with the payment of the Pledged Revenues required by paragraph A of this Section 18, any amounts on deposit in the Revenue Fund shall be used by the County for the payment of principal of and interest on the Parity Bonds, if any, currently, or hereafter authorized to be, issued and payable from the Pledged Revenues as the same are required to be paid or deposited.

C. *Termination Upon Deposits to Maturity.* No payment need be made into the Bond Fund if the amount in the Bond Fund is a sum at least equal to the entire amount of the Bonds then outstanding, both as to principal and interest to their respective maturities, and both accrued and not accrued, in which case, moneys in the Bond Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue and any moneys in excess thereof in the Bond Fund and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the County. The sufficiency of such sum shall be verified by an opinion addressed to the County from an independent accountant.

D. *Use of Moneys in the Bond Fund.* The moneys in the Bond Fund shall be used solely and only for the purpose of paying the principal of and the interest on the Bonds; provided, however, that any moneys in the Bond Fund in excess of accrued and unaccrued principal and interest requirements to the respective maturities of the outstanding Bonds may be used as provided in paragraph F of this Section 18.

E. *Reserve Fund Created.* There is hereby created the Reserve Fund, to be held by the County. After the payments required by paragraphs A and B of this Section 18, there shall be withdrawn from the Revenue Fund, and there shall be concurrently credited to the Reserve Fund, to the extent such amounts are available in the Revenue Fund, such amounts as may be necessary in

order that the balance in the Reserve Fund is equal to the lesser of an amount equal to: (1) ten percent (10%) of the original principal amount of Bonds delivered to and purchased by the Purchaser; (2) the maximum annual debt service of the Bonds; or (3) one hundred twenty five percent (125%) of the average annual debt service of the Bonds. If the balance in the Reserve Fund exceeds the amount so determined, the excess shall be withdrawn from the Reserve Fund and concurrently credited to the Bond Fund. Moneys in the Reserve Fund shall be withdrawn from the Reserve Fund and concurrently credited to the Bond Fund, to the extent and at the times necessary, and to the extent such amounts are available in the Reserve Fund, to prevent deficiencies in the payments required to be made pursuant to paragraph A of this Section 18.

F. *Use of Surplus Pledged Revenues.* After making the payments required to be made by paragraphs A, B and D of this Section 18, the remaining Pledged Revenues, if any, may be paid to the County Treasurer and applied to any other lawful purposes.

19. *General Administration Of Funds.* The funds and accounts designated in Sections 14, 15, 17 and 18 shall be administered and invested as follows:

A. *Places and Times Of Deposits.* The funds shall be separately maintained as a trust fund or funds for the purposes established and shall be deposited in one or more bank accounts in an Insured Bank or Banks. Each account shall be continuously secured to the extent required by law and shall be irrevocable and not withdrawable by anyone for any purpose other than the designated purpose. Payments shall be made into the proper fund or account on the first day of the month except when the first day shall not be a Business Day, then payment shall be made on the next succeeding Business Day. No later than two Business Days prior to each interest and principal payment date, moneys sufficient to pay interest and principal then due on the Bonds shall be transferred to the Paying Agent. Nothing in this Bond Ordinance shall prevent the County from establishing one or more bank accounts in an Insured Bank or Banks for all the funds required by this Bond Ordinance or shall prevent the combination of such funds and accounts with any other bank account or accounts or other funds and accounts of the County.

B. *Investment of Moneys.* Moneys in any fund or account not immediately needed may be invested in any investment permitted by law. The obligations so purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, and any loss resulting from such investment shall be charged to such fund or account. The County Treasurer shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund or account whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

20. *Lien on Pledged Revenues.* The Pledged Revenues, the amounts and securities on deposit in the Bond Fund and the Reserve Fund, and the proceeds thereof, are hereby authorized to be pledged to, and are hereby pledged, and the County grants a security interest therein for the payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, this Bond Ordinance. The Bonds constitute an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein.

21. *Bonds or Other Obligations Payable From Pledged Revenues*

A. *Limitations Upon Issuance of Parity Revenue Bonds.* No provision of this Bond Ordinance shall be construed in such a manner as to prevent the issuance by the County of additional bonds or other obligations payable from Pledged Revenues constituting a lien upon such Pledged Revenues equal to or on a parity with the Bonds, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds; provided, however, that before any such additional bonds are actually issued, including parity refunding bonds and obligations which refund subordinate obligations as provided in Section 20 hereof, it must be determined that: The County is then current in all of the accumulations required to be made into the Bond Fund and the Reserve Fund as provided in Section 18 of this Bond Ordinance; and

No default shall exist in connection with any of the covenants or requirements of this Bond Ordinance; and

The Pledged Revenues received by the County for the twelve months immediately preceding the date of the issuance of such additional Bonds shall have been sufficient to pay an amount representing one hundred fifty percent (150%) of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on the then outstanding Bonds and the Parity Bonds proposed to be issued.

B. *Certificate or Opinion of Revenues.* A written certificate by the County Manager that such annual Pledged Revenues are sufficient to pay such amounts shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver such additional bonds or other obligations on a parity with the Bonds herein authorized.

C. *Subordinate Obligations Permitted.* No provision of this Bond Ordinance shall be construed in such a manner as to prevent the issuance by the County of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of the Bonds nor to prevent the issuance of bonds or other obligations refunding all or part of the Bonds herein authorized as permitted by Section 20 hereof.

D. *Superior Obligations Prohibited.* The County shall not issue bonds payable from the Pledged Revenues having a lien thereon prior and superior to the Bonds.

22. *Refunding Bonds Payable From Pledged Revenues.* The provisions of Section 21 hereof are subject to the following exceptions:

A. *Privilege of Issuing Refunding Obligations.* If at any time after the Bonds shall have been issued and remain outstanding, the County shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, such bonds or other obligations, or any part thereof, may be refunded (but the holders of bonds to be refunded

may not be compelled to surrender their bonds, unless the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the County's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed, except as provided in subparagraph D of Section 21 hereof and in subparagraphs B and C of this Section 22.

B. *Limitations Upon Issuance of Parity Refunding Obligations.* No refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity with the Bonds herein authorized, unless the refunding bonds or other refunding obligations are issued in compliance with subparagraph A of this Section 22.

C. *Refunding Part of an Issue.* The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of the bonds or other obligations of the same issue refunded thereby. If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless the refunding bonds or other refunding obligations are issued in compliance with subparagraph A of this Section 22.

D. *Limitations Upon Issuance of Refunding Obligations.* Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the County may provide by ordinance, but without any impairment of any contractual obligations imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including, but not necessarily limited to, the Bonds).

23. *Protective Covenants.* The County hereby covenants and agrees with each and every holder of the Bonds issued hereunder:

A. *Use of Bond Proceeds.* The County will proceed without delay to apply the proceeds of the Bonds to acquiring the Project.

B. *Payment of the Bonds Herein Authorized.* The County will promptly pay the principal of interest on, and premium, if any, on the Bonds at the place, on the date and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

C. *County's Existence.* The County will maintain its corporate identity and existence so long as the Bonds remain outstanding, unless another political subdivision by operation of law succeeds to the liabilities and rights of the County, without adversely affecting, to any substantial degree, the privileges and rights of any owner of the Bonds.

D. *Prohibition of extension of Interest Payments.* In order to prevent any accumulation of claims for interest after maturity, the County will not directly or indirectly extend or assent to the extension of time for the payment of any claim for interest on the Bonds, and the County will not directly or indirectly be a party to or approve any arrangements for any such extension. If the time for payment of any such interest shall be extended, such installment or installments of interest, after such extension or arrangement, shall not be entitled, in case of default hereunder, to the benefit or security hereof, except subject to the prior payment in full of the principal of the Bonds then outstanding and of the matured interest on such Bonds, the payment of which has not been extended.

E. *Records for Pledged Revenues.* So long as the Bonds remain Outstanding, proper books of record and account will be kept by the County, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

F. *Audits.* The County will, at the time of the annual audit required by law, cause an audit of its books and accounts relating to the Pledged Revenues to be performed by an

Independent Accountant showing the receipts and disbursements in connection with the such Pledged Revenues. The County agrees to furnish forthwith a copy of each of such audits and reports to the owners of the Bonds upon written request.

G. *Other Pledged Revenues and Liens.* Other than as described and identified by this Bond Ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

H. *Duty to Impose Gross Receipts Tax.* If any County ordinance or part thereof, which in any manner affects the Pledged Revenues, shall ever be held to be invalid or unenforceable, it shall be the duty of the County to immediately take any action necessary to produce sufficient Pledged Revenues to comply with the contracted obligations of this Bond Ordinance, except as is provided in paragraph I of this Section 23.

I. *Impairment of Contract.* The County agrees that any law, ordinance or resolution of the County that in any manner affects the Pledged Revenues or the Bonds shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely the Bonds Outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor, or unless the required consents of the holders of the then Outstanding Bonds are obtained pursuant to Section 31 of this Bond Ordinance.

24. *Events of Default.* Each of the following events is hereby declared an "Event of Default":

A. *Nonpayment of Principal or Interest.* Failure to pay the principal of or interest on the Bonds when the same becomes due and payable.

B. *Incapable to Perform.* The County shall, for any reason, be rendered incapable of fulfilling its obligations hereunder.

C. *Default of any Provision.* Default by the County in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds, in this Bond Ordinance, or in the Bond Purchase Agreement or a Sale Resolution on its part to be

performed, and the continuance of such default (other than a default set forth in subparagraph A of this Section 24) for sixty (60) days after written notice specifying such default and requiring the same to be remedied has been given to the County by the holder of any Bonds then Outstanding.

25. *Remedies Upon Default.* Upon the happening and continuance of any of the events of default as provided in Section 24 of this Bond Ordinance, then in every case, the holder, including, but not limited to, a trustee or trustees therefor, may proceed against the County, the Board and its agents, officers and employees to protect and enforce the rights of any holder of the Bonds under this Bond Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in the District Court for the State of New Mexico, Sixth Judicial District either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein, or in an award relating to the execution of any power herein granted for the enforcement of any legal or equitable remedy as such holder or holders may deem most effectual to protect and enforce the rights provided above, or to enjoin any act or thing which may be unlawful or in violation of any right of any Bondholder, or to require the Board to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of the holders of the Bonds then Outstanding. The failure of any Bondholder so to proceed shall not relieve the County or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of such holder (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege.

26. *Duties Upon Default.* Upon the happening of any of the Events of Default provided in Section 24 of this Bond Ordinance, the County will do and perform all proper acts on behalf of the owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived therefrom, so long as the Bonds, either as to principal or interest, are

Outstanding and unpaid, shall be applied as set forth in Section 18 of this Bond Ordinance. In the event the County fails or refuses to proceed as provided in this Section 26, the owners of the Bonds then outstanding, after demand in writing, may proceed, protect and enforce the rights of the owners of the Bonds as hereinabove provided.

27. *Bonds Not Presented when Due.* If the Bonds shall not be duly presented for payment when due at maturity or on the redemption date thereof, and if moneys sufficient to pay such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds, all liability of the County to such owners for the payment of such Bonds shall be completely discharged, such Bonds shall not be deemed to be Outstanding and it shall be the duty of the Paying Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owners of such Bonds as may be provided in any agreement hereafter entered into between the Paying Agent and an officer of the County.

28. *Tax and Arbitrage Covenants.* The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Chairman, County Clerk, County Manager or any other officer of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The County covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i)

apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely rebate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chairman, County Clerk, County Manager and other appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

The County hereby designates the first series of Bonds as "Qualified Tax-Exempt Obligations" for the purposes of Section 265 of the Internal Revenue Code of 1986, as amended ("Code"). Section 265 of the Code permits the designation of governmental bonds such as these Bonds as qualified tax-exempt obligations based upon certain representations made herein below (and certain representations by the initial purchaser of the Bonds):

- A. The Bonds are not private activity bonds;
- B. The County does not reasonably expect to issue qualified tax-exempt obligations in an aggregate principal amount exceeding \$10,000,000 during calendar year 2015; and
- C. The County has not and will not designate more than \$10,000,000 in aggregate principal amount of tax-exempt obligations during calendar year 2015.

29. *Continuing Disclosure Undertaking.* The County may make a written undertaking by the Board on behalf of the County for the benefit of the holders of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240. 15c2-12) (the "Rule") in the form submitted to the Board

30. *Delegated Powers.* The officers of the County be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Bond Ordinance, including, without limiting the generality of the foregoing, the publication of the summary set out in Section 37 of this Bond Ordinance (with such changes, additions and deletions as they may determine), the distribution of material relating to the Bonds, the printing of the Bonds, the printing, execution and distribution of disclosure documents relating to the Bonds, the execution, of a purchase agreement for the Bonds, and of such other documents as may be required by the Purchaser or bond counsel.

31. *Amendment Of Bond Ordinance.* This Bond Ordinance may be amended without the consent of the holder of any Bonds to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the Bonds to the Purchaser, the provisions of this Bond Ordinance may be amended without the written consent of the Purchaser by any Sale Resolution or other resolution of the Board with respect to any changes which are not inconsistent with the substantive provisions of this Bond Ordinance. Except as provided above, this Bond Ordinance may be amended without receipt by the County of any additional consideration, but with the written consent of two-thirds of all holders of the Bonds then Outstanding; but no amendment adopted without the written consent of the holders of all Outstanding Bonds shall have the effect of permitting:

An extension of the maturity or scheduled payment of any Bonds;

A reduction of the principal amount or interest rate or prior redemption premium of any Bond;

The creation of a lien upon the Pledged Revenues ranking prior to the lien or pledge created by this Bond Ordinance; or

A reduction of the principal amount of the Bonds required for consent to such amendatory ordinance. Any amendment to this Bond Ordinance which is not inconsistent with the terms hereof,

may be made by resolution of the Board; any other amendment to this Bond Ordinance shall be made by subsequent ordinance of the Board.

32. *Defeasance.* When all principal, interest and prior redemption premiums, if any, in connection with the Bonds hereby authorized have been duly paid, the pledge and lien for the payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of this Bond Ordinance. The County shall receive an opinion from nationally recognized bond counsel that the defeasance does not adversely affect the exclusion from income of interest on the Bonds for federal income tax purposes. Payment shall be deemed made with respect to the Bonds when the Board has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from federal securities) to meet all requirements of principal, interest and prior redemption premiums, if any, as the same become due to their final maturities or upon designated redemption dates. The sufficiency of such amount shall be verified by an opinion, which opinion shall be conclusively presumed accurate as to the sufficiency of said deposit, addressed to the County from an Independent Accountant. Any federal securities shall become due when needed in accordance with a schedule agreed upon between the Board and such bank at the time of the creation of the escrow. Federal securities within the meaning of this Section 32 shall include only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

33. *Ordinance Irrepealable.* After the Bonds are issued, this Bond Ordinance shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

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

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

36. *Effective Date.* An emergency is hereby declared in order to preserve the health, welfare, and economy of the County and it is therefore necessary that this Ordinance become effective immediately upon filing with the County Clerk.

37. *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 Bond Ordinance shall be published in substantially the following form:

LUNA COUNTY, NEW MEXICO

NOTICE OF ADOPTION OF COUNTY ORDINANCE No. 93

Notice is hereby given of the title and of a general summary of the subject matter contained in an ordinance duly adopted and approved by the Board of County Commissioners of Luna County, New Mexico, on March 3, 2015 relating to the authorization and issuance of the County's Gross Receipts Tax Revenue Bonds, in one or more series. Complete copies of the ordinance are available for public inspection during the normal and regular business hours of the County Clerk, 700 Silver Avenue, Deming, New Mexico 88030.

THE TITLE OF THE ORDINANCE IS:

The following is a general summary of the subject matter contained in the ordinance:

AUTHORIZING THE ISSUANCE AND SALE OF LUNA COUNTY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, IN ONE OR MORE TAX EXEMPT OR TAXABLE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 (THE "BONDS") FOR THE PURPOSES OF CONSTRUCTING, PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS OR

PURCHASING OR IMPROVING GROUND RELATING THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND IMPROVING PARKING LOTS, OR ANY COMBINATION OF THE FOREGOING; ACQUIRING OR IMPROVING COUNTY OR PUBLIC PARKING LOTS, STRUCTURES OR FACILITIES OR ANY COMBINATION OF THE FOREGOING; PURCHASING, ACQUIRING OR REHABILITATING FIREFIGHTING EQUIPMENT OR ANY COMBINATION OF THE FOREGOING; ACQUIRING, EXTENDING, ENLARGING, BETTERING, REPAIRING OR OTHERWISE IMPROVING OR MAINTAINING STORM SEWERS AND OTHER DRAINAGE IMPROVEMENTS, SANITARY SEWERS, SEWAGE TREATMENT PLANTS, WATER UTILITIES OR OTHER WATER, WASTEWATER OR RELATED FACILITIES, INCLUDING BUT NOT LIMITED TO THE ACQUISITION OF RIGHTS OF WAY AND WATER AND WATER RIGHTS, OR ANY COMBINATION OF THE FOREGOING; RECONSTRUCTING, RESURFACING, MAINTAINING, REPAIRING OR OTHERWISE IMPROVING EXISTING ALLEYS, STREETS, ROADS OR BRIDGES OR ANY COMBINATION OF THE FOREGOING OR LAYING OFF, OPENING, CONSTRUCTING OR OTHERWISE ACQUIRING NEW ALLEYS, STREETS, ROADS OR BRIDGES OR ANY COMBINATION OF THE FOREGOING; PROVIDED THAT ANY OF THE FOREGOING IMPROVEMENTS MAY INCLUDE THE ACQUISITION OF RIGHTS OF WAY; PURCHASING, ACQUIRING, CONSTRUCTING, MAKING ADDITIONS TO, ENLARGING, BETTERING, EXTENDING OR EQUIPPING AIRPORT FACILITIES OR ANY COMBINATION OF THE FOREGOING, INCLUDING WITHOUT LIMITATION THE ACQUISITION OF LAND, EASEMENTS OR RIGHTS OF WAY; PURCHASING OR OTHERWISE ACQUIRING OR CLEARING LAND OR PURCHASING, OTHERWISE ACQUIRING AND BEAUTIFYING LAND FOR OPEN SPACE; ACQUIRING, CONSTRUCTING, PURCHASING, EQUIPPING, FURNISHING, MAKING ADDITIONS TO, RENOVATING, REHABILITATING, BEAUTIFYING OR OTHERWISE IMPROVING PUBLIC PARKS, PUBLIC RECREATIONAL BUILDINGS OR OTHER PUBLIC RECREATIONAL FACILITIES OR ANY COMBINATION OF THE FOREGOING; ACQUIRING, CONSTRUCTING, EXTENDING, ENLARGING, BETTERING, REPAIRING OR OTHERWISE IMPROVING OR MAINTAINING SOLID WASTE DISPOSAL EQUIPMENT, EQUIPMENT FOR OPERATION AND MAINTENANCE OF SANITARY LANDFILLS, SANITARY LANDFILLS, SOLID WASTE FACILITIES OR ANY COMBINATION OF THE FOREGOING; OR ACQUIRING, CONSTRUCTING, EXTENDING, BETTERING, REPAIRING OR OTHERWISE IMPROVING PUBLIC TRANSIT SYSTEMS OR ANY REGIONAL TRANSIT SYSTEMS OR FACILITIES, ALL WITHIN THE COUNTY; PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH

Preambles recite or include such matters as: the status of the gross receipts tax revenues under State law; the County Commission's determination that it is in the best interests of the County and its residents to issue the Bonds secured by a first lien, but not an exclusive first lien, on the Pledged Revenues.

SECTIONS 1 THROUGH 4 define terms used in the Ordinance; ratify and confirm all previous actions taken by the County directed toward the authorization of the Bonds; authorize the issuance of the Bonds for the Project and paying costs and expenses incidental thereto; and set forth certain findings of the Board, including, moneys available for acquiring the Project other than from the issuance of revenue bonds are not sufficient to defray the cost of acquiring the Project.

SECTION 5 authorizes the issuance of the Bonds in the principal amount not to exceed \$15,000,000 to be payable and collectible from gross receipts tax revenues received by the County; provides for the negotiated sale of the Bonds to the Purchaser at a price to be approved in a Bond Purchase Agreement or a subsequent resolution (the "Sale Resolution"); provides that the maturity schedule and interest for the Bonds will be established in the Bond Purchase Agreement or a Sale Resolution, and that the Bonds shall be issued as fully registered bonds.

SECTIONS 6 THROUGH 9 provide that details with respect to the prior redemption of the Bonds will be as stated in the Bond Purchase Agreement or a Sale Resolution; provide details with respect to the notice of redemption; for the filing of signatures, execution and authentication of the Bonds; and that the Bonds are fully negotiable.

SECTIONS 10 THROUGH 13 provide details relating to payment of the Bonds and presentation of the Bonds for payment; for the registration, transfer, exchange and ownership of the Bonds; that the Bonds constitute special limited obligations of the County; for the form of the Bonds; and

provide that the Bonds are issued in book entry form; and designate the Bonds a qualified tax-exempt obligations.

SECTIONS 14 THROUGH 20 provide details relating to disposition of the proceeds of the Bonds; for creation and administration of special funds and accounts for deposit of the revenues pledged to the payment of the Bonds; provide for the deposit and flow of funds to pay the Bonds, security for the payment of the Bonds and other obligations of the County relating thereto.

SECTIONS 21 THROUGH 22 provide details relating to the issuance of additional bonds and refunding bonds secured by Pledged Revenues.

SECTIONS 23 THROUGH 26 provide protective covenants relating to such matters as the use of Bond proceeds, the payment of the Bonds, the existence of the County, other gross receipts tax liens, impairment of contract; define events of default; and provide for remedies and duties upon default.

SECTIONS 27 THROUGH 28 relate to the extent of liability for the Bonds not presented when due; provide for amendments to the Ordinance and the defeasance of the Bonds; provide for compliance with certain provisions of the Internal Revenue Code of 1986.

SECTION 29 contains the County's undertaking to provide continuing disclosure with regard to the Bonds.

SECTIONS 30 THROUGH 37 delegate powers to the officers of the County to effectuate the provisions of the Ordinance; state that the Ordinance is irrevocable; provide for severability and repealer clauses; provide an effective date for the Ordinance; and provide a form for publication of notice of adoption.

This notice constitutes compliance with § 6-14-6, NMSA 1978, as amended.

WITNESS my hand and the seal of the County of Luna, New Mexico, this 3rd day of March,
2015, /s/ Andrea Rodriguez

County Clerk
[END OF NOTICE FOR PUBLICATION]

LUNA COUNTY-NM
ANDREA RODRIGUEZ, CLERK
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PASSED, ADOPTED, AND APPROVED this 3rd day of March, 2015

**BOARD OF COUNTY COMMISSIONERS
LUNA COUNTY, NEW MEXICO**

By

FOR / [Signature]
JOE L. MILO, JR. Chairman

AGAINST / [Signature]
LINDA M. SMRKOVSKY, Member

FOR / [Signature]
R. JAVIER DIAZ, Member

ATTEST:

[Signature]
ANDREA RODRIGUEZ, COUNTY CLERK

LUNA COUNTY-NM
ANDREA RODRIGUEZ, CLERK
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48 of 48
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