

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

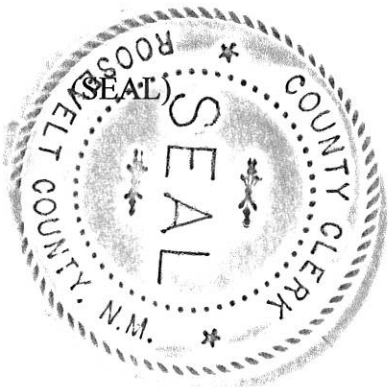
I, DeAun Searl, the County Clerk of Roosevelt County, New Mexico (the "County"), do hereby certify:

1. The foregoing pages are a true, correct, and complete copy of the record of the proceedings of the Board of County Commissioners (the "Board") of the County, constituting the governing board of the County, had and taken at a duly called regular, open meeting of the Board, held at 109 W. 1st Street, Portales, New Mexico, being the regular meeting place of the Board, on Tuesday, July 12, 2016, beginning at 9:00 a.m., insofar as the same relate to the proposed bond issue, a copy of which is set forth in the official records of the proceedings of the County kept in my office. None of the action taken has been rescinded, repealed or modified.

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

3. Notice of such meeting was given in compliance with the permitted methods of giving notice of meeting of the Board as required by the open meetings standards then in effect, i.e., the County's Open Meetings Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Roosevelt County, New Mexico, this 12th day of July, 2016.




DeAun Searl, Roosevelt County Clerk

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

The Board of County Commissioners (the "Board" or "Governing Body") of Roosevelt County (the "County"), in the State of New Mexico, met in open regular session in full conformity with law and the ordinances and rules of the County, in the County Commission Room of the Roosevelt County Courthouse, at 109 W. 1st Street, Portales, New Mexico, in the County, being the regular meeting place of the Board, at 9:00 a.m. on Tuesday, July 12, 2016, at which time there were present and answering the roll call the following members:

Lewis (Shane) Lee, Vice-Chair
Gene Creighton, Commissioner
Paul Grider, Commissioner
Jake Lopez, Commissioner

Absent:

Richard Leal, Chair

Thereupon the following proceedings, among others, were had and taken, to wit:

There was officially filed with the County Clerk, the Chair of the Board and each Commissioner, a copy of a proposed ordinance in final form, which is as follows:

**ROOSEVELT COUNTY, NEW MEXICO
ORDINANCE NO. 2016-01**

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN ROOSEVELT COUNTY, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), AND AN INTERCEPT AGREEMENT BETWEEN THE GOVERNMENTAL UNIT AND THE FINANCE AUTHORITY EVIDENCING THE SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY THE PRINCIPAL AMOUNT OF THE LOAN OF \$2,114,395, TOGETHER WITH INTEREST THEREON FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING AND REDEMPTION OF THE GOVERNMENTAL UNIT'S GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2006 (THE "REFUNDED BONDS"), FUNDING A LOAN AGREEMENT RESERVE ACCOUNT AND PAYING A LOAN PROCESSING FEE; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF COUNTY HOLD HARMLESS GROSS RECEIPTS TAX REVENUES RECEIVED BY THE GOVERNMENTAL UNIT PURSUANT TO NMSA 1978, SECTION 7-20E-28 (2013) AND DISTRIBUTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO NMSA 1978, SECTIONS 7-1-6.1 (2007), 7-1-6.13 (2014) AND 7-1-6.15 (2015); PROVIDING FOR THE DISTRIBUTIONS OF COUNTY HOLD HARMLESS GROSS RECEIPTS TAX REVENUES FROM THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE FINANCE AUTHORITY OR ITS ASSIGNS FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT PURSUANT TO THE INTERCEPT AGREEMENT BETWEEN THE GOVERNMENTAL UNIT AND THE FINANCE AUTHORITY; APPROVING THE FORM AND TERMS OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; SETTING THE MAXIMUM INTEREST RATE OF THE LOAN; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INTERCEPT AGREEMENT.

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

RECITALS:



WHEREAS, the County of Roosevelt, New Mexico (the "Governmental Unit"), is a legally and regularly created, established, organized and existing political subdivision of the State under the general laws of the State; and

WHEREAS, pursuant to NMSA 1978, Sections 4-62-1 to -10 (1992, as amended through 2010), the Governmental Unit is authorized to issue gross receipts tax revenue refunding bonds and loan agreements and to apply the proceeds of such refunding bonds and loans immediately to the retirement of the bonds being refunded or to place the proceeds of such refunding bonds or loans in escrow in a commercial bank or trust company that possesses and is exercising trust powers and that is a member of the federal deposit insurance corporation to be applied to the payment of the principal of, interest on and any prior redemption premium; and

WHEREAS, the Governmental Unit has previously issued its Gross Receipts Tax Revenue Bonds, Series 2006, in the Original Principal Amount of \$3,375,000 (the "Refunded Bonds"), which are obligations of the Governmental Unit and outstanding in the amount of \$2,030,000; and

WHEREAS, the Governmental Unit wishes to refund and to refinance, pay and discharge all of the Refunded Bonds for the benefit of the Governmental Unit and its residents (the "Project"); and

WHEREAS, the Governmental Unit has determined, and hereby determines, that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and its residents that the Loan Agreement and Intercept Agreement be executed and delivered and that the financing of the Project take place by executing and delivering the Loan Agreement and the Intercept Agreement; and

WHEREAS, NMSA 1978, Section 7-20E-28 (2013) authorizes the Governing Body of the Governmental Unit to "impose, by ordinance an excise tax not to exceed a rate of three-eighths percent of the gross receipts of any person engaging in business in the county[;]" and provides that a "tax imposed pursuant to this section shall be imposed by the enactment of one or more ordinances . . . [and that t]he governing body of a county may, at the time of enacting an ordinance imposing the tax authorized in Subsection A of this section, dedicate the revenue for a specific purpose or area of county government services, including but not limited to fire protection, public transportation or street repair and maintenance. If the governing body proposes to dedicate such revenue, the ordinance and any revenue so dedicated shall be used by the county for that purpose unless a subsequent ordinance is adopted to change the purpose to which the revenue is dedicated or to place the revenue in the general fund of the county[;]" and

WHEREAS, on March 24, 2015, the Governing Body of the Governmental Unit adopted Ordinance Number 2015-02, effective as of July 1, 2015, which imposed (with certain exceptions) on any person engaging in business in the Governmental Unit, for the privilege of engaging in business in the Governmental Unit an excise tax equal to three-eighths of one percent (0.375%) of the gross receipts reported or required to be reported by the person pursuant to the New Mexico Gross Receipts and Compensating Tax Act, as it then existed or as it may be amended, pursuant to the County Local Option Gross Receipts Taxes

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Act, as it then existed or as it may be amended, and to be known as the "County Hold Harmless Gross Receipts Tax" and dedicated the revenues thereof to be used for the purposes of debt service on previously issued bonds and loans, operating costs of the county or any other lawful purpose; and

WHEREAS, the Governmental Unit wishes to pledge the Hold Harmless Gross Receipts Tax Revenues, defined below, to the repayment of the Loan Agreement Payments due under the Loan Agreement; and

WHEREAS, the Governing Body of the Governmental Unit has determined pursuant to the Act that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described in the Term Sheet, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation, which is currently outstanding; and

WHEREAS, the Loan shall be a special limited obligation of the Governmental Unit, payable solely from the Pledged Revenues, and shall not constitute a general obligation of the Governmental Unit or a debt or pledge of the full faith and credit of the Governmental Unit or the State; and

WHEREAS, the Governing Body of the Governmental Unit desires to provide that distributions of the Pledged Revenues be redirected to the Finance Authority or its assigns pursuant to an Intercept Agreement between the Governmental Unit and the Finance Authority for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than the Pledged Revenues, no tax revenues collected by the Governmental Unit shall be pledged to the Loan Agreement; and

WHEREAS, there has been presented to the Governing Body of the Governmental Unit and there presently are on file with the County Clerk, this Ordinance and the forms of the Loan Agreement and the Intercept Agreement, which are incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body of the Governmental Unit hereby determines that the Project to be financed by the Loan is to be used for governmental purposes of the Governmental Unit and will not be used for purposes which would cause the Loan Agreement to be deemed a "private activity bond," as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Governing Body of the Governmental Unit intends by this Ordinance to authorize the execution and delivery of the Loan Agreement and Intercept Agreement in the amount and for the purposes set forth herein; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the Finance Authority (or its assigns) for the payment of the amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of



the Loan Agreement and the Intercept Agreement which are required to have been obtained by the date of this Ordinance, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS, THE GOVERNING BODY OF ROOSEVELT COUNTY, NEW MEXICO (HEREINAFTER, "THE GOVERNMENTAL UNIT"):

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

"Act" means the general laws of the State, NMSA 1978, Sections 4-62-1 to -10 (1992, as amended through 2010), 7-1-6.16 (2004), 7-20E-28 (2013) and enactments of the Governing Body relating to the Loan Agreement and Intercept Agreement, including this Ordinance.

"Aggregate Annual Debt Service Requirement" means the total principal and interest payments due and payable pursuant to the Loan Agreement and on all Parity Obligations, if any, secured by a pledge of the Pledged Revenues for any one Fiscal Year.

"Authorized Officers" means the members of the Governing Body, the County Manager and the County Clerk or Deputy County Clerk of the Governmental Unit.

"Bonds" means public project revolving fund revenue bonds, if any, issued hereafter by the Finance Authority and specifically related to the Loan Agreement and the Loan Agreement Payments.

"Closing Date" means the date of execution, delivery and funding of the Loan Agreement.

"Distributing State Agency" means the department or agency of the State as described on the Term Sheet authorized to distribute the Pledged Revenues on behalf of the Governmental Unit.

"Expenses" means the cost of issuance of the Loan Agreement and the costs of issuance of Bonds, if any, and the periodic and regular fees and expenses incurred by the Finance Authority in administering the Loan Agreement, including legal fees.

"Finance Authority" means the New Mexico Finance Authority.

"Finance Authority Debt Service Account" means the debt service account in the name of the Governmental Unit and held by the Finance Authority to pay principal and interest on the Loan Agreement as the same become due.

"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 Governmental Unit as its fiscal year.



“Governing Body” means the Board of County Commissioners of the Governmental Unit, or any future successor governing body of the Governmental Unit.

“Governmental Unit” means the County of Roosevelt, New Mexico.

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

“Hold Harmless Gross Receipts Tax Revenues” means the revenues from the imposition of the Governmental Unit’s 0.375% County Hold Harmless Gross Receipts Tax imposed pursuant to NMSA 1978, Section 7-20E-28 and Governmental Unit Ordinance Number 2015-02, adopted on March 24, 2015, with an effective date of July 1, 2015.

“Indenture” means the General Indenture of Trust and Pledge dated as of June 1, 1995, as amended and supplemented, by and between the Finance Authority and the Trustee, as successor trustee, or the Subordinated General Indenture of Trust and Pledge dated as of March 1, 2005, as supplemented, by and between the Finance Authority and the Trustee, as successor trustee, as determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture).

“Intercept Agreement” means the Intercept Agreement dated the Closing Date, between the Governmental Unit and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, and any amendments or supplements to the Intercept Agreement.

“Loan” means the funds to be loaned to the Governmental Unit by the Finance Authority pursuant to the Loan Agreement.

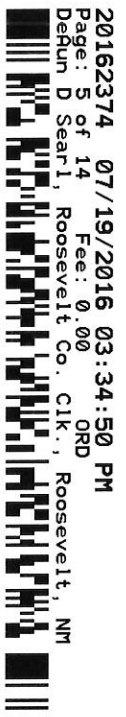
“Loan Agreement” means the Loan Agreement dated the Closing Date between the Finance Authority and the Governmental Unit, which provides for the financing of the Project and requires payments by or on behalf of the Governmental Unit to the Finance Authority and/or the Trustee.

“Loan Agreement Payments” means, collectively, the Principal Component and the Interest Component (as such terms are defined in the Loan Agreement), if any, to be paid by the Governmental Unit as payment of the Loan Agreement as shown on Exhibit “B” to the Loan Agreement.

“Loan Agreement Principal Amount” means the original principal amount of the Loan Agreement as shown on Exhibit “A” to the Loan Agreement.

“Loan Agreement Reserve Account” means the loan agreement reserve account established in the name of the Governmental Unit and administered by the Trustee pursuant to the Indenture.

“Loan Agreement Reserve Requirement” means, with respect to the Loan, the amount shown as the Loan Agreement Reserve Account Deposit on Exhibit “A” to the Loan



Agreement, which amount does not exceed the least of: (i) ten percent (10%) of the Loan Agreement Principal Amount; (ii) one hundred twenty-five percent (125%) of the average annual principal and interest requirements under the Loan Agreement; or (iii) the maximum annual principal and interest requirements under the Loan Agreement.

“Ordinance” or “this Ordinance” means this ordinance approving the Loan Agreement and the Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet.

“Parity Obligations” or “Parity Bonds” means the Loan Agreement and any other bonds or obligations now or hereafter issued or incurred payable from the Pledged Revenues and issued or incurred with a lien on the Pledged Revenues on a parity with the Loan Agreement.

“Pledged Revenues” means the Hold Harmless Gross Receipts Tax Revenues imposed pursuant to NMSA 1978, Section 7-20E-28 and Governmental Unit Ordinance Number 2015-02, adopted on March 24, 2015, with an effective date of July 1, 2015.

“Processing Fee” means the processing fee to be paid on the Closing Date by the Governmental Unit to the Finance Authority with the proceeds of the Loan for the costs of originating and servicing the Loan, as shown on the Term Sheet attached to the Loan Agreement as “Exhibit A.”

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

“Refunded Bonds” shall have the same meaning as such term is defined in the third paragraph of the Recitals of this Ordinance.

“Reserve Fund Insurance Policy” means any insurance policy, surety bond or letter of credit deposited in or credited to the Loan Agreement Reserve Account in lieu of or in partial substitution for cash or allowable investments on deposit in the Loan Agreement Reserve Account. Any such insurance policy, surety bond or letter of credit must be issued by an entity having a rating in one of the two highest rating categories assigned by any nationally recognized rating agency at the time such insurance policy, surety bond or letter of credit is initially deposited in or credited to the Loan Agreement Reserve Account.

“State” means the State of New Mexico.

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

“Trustee” means BOKF, NA, Albuquerque, New Mexico, or any successor trustee company, national or state banking association or financial institution at the time appointed Trustee by the Finance Authority.

SECTION 2. RATIFICATION. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the Governing Body and officers of the Governmental



Unit directed toward the financing of the Project, the enactment of Governmental Unit Ordinance No. 2015-02 and this Ordinance, including, without limitation, the Notice of Consideration of Ordinance (Revised), which was published in the Clovis News Journal and the Portales News Tribune on June 21 and June 22, 2016, respectively, and the execution and delivery of the Loan Agreement and the Intercept Agreement, be, and the same hereby are, ratified, approved and confirmed.

SECTION 3. AUTHORIZATION OF THE PROJECT, THE LOAN AGREEMENT AND THE INTERCEPT AGREEMENT. The financing of the Project and the method of financing the Project through execution and delivery of the Loan Agreement and the Intercept Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

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

A. The Project is needed to meet the needs of the Governmental Unit and its residents, and the issuance and delivery of the Loan Agreement and the Intercept Agreement is necessary and advisable.

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

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

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

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

F. The Governmental Unit will finance the Project, in whole or in part, with the net proceeds of the Loan.

G. Other than as described in the Term Sheet, the Governmental Unit does not have any outstanding obligations payable from the Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement and the Intercept Agreement.

H. The net effective interest rate on the Loan does not exceed twelve percent (12.0%) per annum, which is the maximum rate permitted by State law.

I. The Governmental Unit is current in the accumulation of all amounts which are required to have been accumulated in both the Finance Authority Debt Service

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Account and Loan Agreement Reserve Account for all Parity Obligations, if any, listed on the Term Sheet.

J. Pursuant to NMSA 1978, Section 7-1-6.13 (2014), the Governmental Unit receives the Pledged Revenues from the Distributing State Agency.

SECTION 5. LOAN AGREEMENT AND INTERCEPT AGREEMENT – AUTHORIZATION AND DETAIL.

A. AUTHORIZATION. This Ordinance has been adopted by the affirmative vote of at least a majority of all members of the Governing Body. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the residents of the Governmental Unit and financing the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the Act, pledge the Pledged Revenues and execute and deliver the Loan Agreement and Intercept Agreement, evidencing a special, limited obligation of the Governmental Unit, to pay the Loan Agreement Principal Amount of \$2,114,395, plus interest thereon, and the pledge of the Pledged Revenues and the execution and delivery of the Loan Agreement and Intercept Agreement are hereby authorized. The Governmental Unit shall use the proceeds of the Loan to (i) finance the Project; (ii) pay the Processing Fee; and (iii) to make a deposit to the Finance Authority Debt Service Account.

B. DETAIL. The Loan Agreement and Intercept Agreement shall be in substantially the forms of the Loan Agreement and Intercept Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in an original aggregate principal amount of \$2,114,395, shall be payable in installments of principal due on June 1 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on June 1 and December 1 of each year, beginning on December 1, 2016 at the rates designated in Exhibit "B" to the Loan Agreement.

SECTION 6. APPROVAL OF LOAN AGREEMENT AND INTERCEPT AGREEMENT. The forms of the Loan Agreement and the Intercept Agreement, as presented at the meeting of the Governing Body at which this Ordinance was adopted are hereby approved. The Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement and the Intercept Agreement, with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the County Clerk or Deputy County Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and the Intercept Agreement and attest the same. The execution of the Loan Agreement and the Intercept Agreement by an Authorized Officer shall be conclusive evidence of such approval.

SECTION 7. SPECIAL LIMITED OBLIGATION. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with the other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Ordinance and the Loan Agreement and shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other

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fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance or in the Loan Agreement, or any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues), as incurring a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefore to payments required by the Loan Agreement, in its sole and absolute discretion.

SECTION 8. DISPOSITION OF PROCEEDS: COMPLETION OF FINANCING OF THE PROJECT.

A. PROGRAM ACCOUNT, FINANCE AUTHORITY DEBT SERVICE ACCOUNT AND LOAN AGREEMENT RESERVE ACCOUNT. The Governmental Unit hereby consents to the creation of the Finance Authority Debt Service Account to be held and maintained by the Finance Authority and to the Program Account and the Loan Agreement Reserve Account to be held and maintained by the Trustee pursuant to the Indenture, each in connection with the Loan. The Governmental Unit hereby approves (i) the deposit of a portion of the proceeds of the Loan Agreement in the Program Account and the Finance Authority Debt Service Account; and (ii) the payment of the Processing Fee to the Finance Authority, all as set forth in Exhibit "A" to the Loan Agreement.

In accordance with the provisions of Section 5.2(c) of the Loan Agreement, no deposit shall be required in the Loan Agreement Reserve Account so long as the Debt Service Coverage Ratio (as defined in the Loan Agreement) in each Fiscal Year is equal to or exceeds two hundred percent (200%) of the maximum Aggregate Annual Debt Service Requirement (as defined in the Loan Agreement) coming due in any subsequent Fiscal Year on all outstanding Parity Obligations, if any. If the Debt Service Coverage Ratio in any Fiscal Year is insufficient to meet the test set forth in the preceding sentence, the Governmental Unit shall, and the Governing Body hereby approves and consents to, acquire a Reserve Fund Insurance Policy in an amount equal to the Loan Agreement Reserve Requirement or shall begin making substantially equal monthly deposits into the Loan Agreement Reserve Account from the first legally available Pledged Revenues so that after twenty-four (24) months an amount equal to the Loan Agreement Reserve Requirement (as defined in the Loan Agreement) will be held in the Loan Agreement Reserve Account. The Governmental Unit shall notify the Finance Authority prior to the deposit of any Reserve Fund Insurance Policy in lieu of cash deposits into the Loan Agreement Reserve Account. After funding the Loan Agreement Reserve Fund in an amount equal to the Loan Agreement Reserve Requirement, no additional payments need be made into the Loan Agreement Reserve Account so long as the moneys therein shall equal not less than the Loan Agreement Reserve Requirement. Such accumulations shall be made from Pledged Revenues, second and subordinate to the payments referred to in Section 5.2(a) of the Loan Agreement. The moneys in the Loan Agreement Reserve Account shall be accumulated and maintained as a continuing reserve to



be used, except as hereinafter provided, only to prevent deficiencies in the payment of the principal of an interest on the Loan Agreement resulting from failure to deposit into the Loan Agreement Reserve Account sufficient funds to pay the principal and interest as the same accrue.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Finance Authority Debt Service Account, the Program Account and the Processing Fee shall be paid to the Finance Authority, all as provided in the Loan Agreement and the Indenture. Until the Completion Date, the money in the Program Account shall be used and paid out solely for the purpose of financing the Project in compliance with applicable law and the provisions of the Loan Agreement and the Indenture. The Governmental Unit will complete the Project with all due diligence. Funds deposited in the Project Account shall be used immediately upon the execution of the Loan Agreement for the redemption of the Refunded Bonds.

B. FINANCE AUTHORITY AND TRUSTEE NOT RESPONSIBLE. The Finance Authority and the Trustee shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

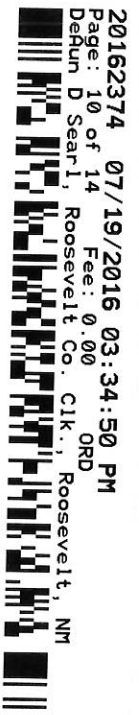
SECTION 9. DEPOSIT OF PLEDGED REVENUES, DISTRIBUTIONS OF THE PLEDGED REVENUES AND FLOW OF FUNDS.

A. DEPOSIT OF PLEDGED REVENUES. Pursuant to the Intercept Agreement, the Pledged Revenues shall be paid directly by the Distributing State Agency to the Finance Authority for deposit in the Finance Authority Debt Service Account and remittance by the Finance Authority to the Trustee in an amount sufficient to pay principal, interest, premium, if any, and other amounts due under the Loan Agreement.

B. TERMINATION ON DEPOSITS TO MATURITY. No payment shall be made into the Finance Authority Debt Service Account if the amounts in the Finance Authority Debt Service Account and Loan Agreement Reserve Account total a sum at least equal to the entire aggregate amount to become due as to principal, interest on, and any other amounts due under the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided below.

C. USE OF SURPLUS REVENUES. After making all the payments hereinabove required to be made by this Section and any payments required by outstanding Parity Obligations, if any, any moneys remaining in the Finance Authority Debt Service Account shall be transferred to the Governmental Unit on a timely basis and shall be applied to any other lawful purpose.

SECTION 10. LIEN ON PLEDGED REVENUES. Pursuant to the Loan Agreement and the Intercept Agreement, the Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the Governmental Unit grants a security interest therein for, the



payment of the principal, interest, and any other amounts due under the Loan Agreement, subject to the uses hereof permitted by and the priorities set forth in this Ordinance. The Loan Agreement constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, on the Governmental Unit's Pledged Revenues as set forth herein and therein and the Governmental Unit shall not create a lien on the Governmental Unit's Pledged Revenues superior to that of the Loan Agreement.

SECTION 11. AUTHORIZED OFFICERS. The Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement, the Intercept Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance, the Loan Agreement and the Intercept Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance, the Loan Agreement and the Intercept Agreement, including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement and the publication of the summary of this Ordinance set out in Section 17 of this Ordinance (with such changes, additions and deletions as may be necessary).

SECTION 12. AMENDMENT OF ORDINANCE. Prior to the date of the initial delivery of the Loan Agreement to the Finance Authority, the provisions of this Ordinance may be supplemented or amended by ordinance or resolution adopted by the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. This Ordinance may be amended without receipt by the Governmental Unit of additional consideration, but only with the prior written consent of the Finance Authority.

SECTION 13. ORDINANCE IRREPEALABLE. After the Loan Agreement and the Intercept Agreement have been executed and delivered, this Ordinance shall be and remain irrevocable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

SECTION 14. SEVERABILITY CLAUSE. If any section, paragraph, clause or provision of this 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 Ordinance.

SECTION 15. REPEALER CLAUSE. All bylaws, orders, resolutions, and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

SECTION 16. EFFECTIVE DATE. Upon due adoption of this Ordinance, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the members of the Governing Body and the County Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which maintains an office and is of general circulation in the Governmental Unit, and said Ordinance shall be in full force and effect

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thereafter, in accordance with law.

SECTION 17. GENERAL SUMMARY FOR PUBLICATION. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 2016-01, duly adopted and approved by the Governing Body of Roosevelt County, New Mexico, on July 12, 2016. A complete copy of the Ordinance is available for public inspection during the normal and regular business hours of the County Clerk at 109 W. 1st Street, Portales, New Mexico.

The title of the Ordinance is:

**ROOSEVELT COUNTY, NEW MEXICO
ORDINANCE NO. 2016-01**

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN ROOSEVELT COUNTY, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), AND AN INTERCEPT AGREEMENT BETWEEN THE GOVERNMENTAL UNIT AND THE FINANCE AUTHORITY EVIDENCING THE SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY THE PRINCIPAL AMOUNT OF THE LOAN OF \$2,114,395, TOGETHER WITH INTEREST THEREON FOR THE PURPOSE OF FINANCING THE COSTS OF REFUNDING AND REDEMPTION OF THE GOVERNMENTAL UNIT'S GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2006 (THE "REFUNDED BONDS"), FUNDING A LOAN AGREEMENT RESERVE ACCOUNT AND PAYING A LOAN PROCESSING FEE; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF COUNTY HOLD HARMLESS GROSS RECEIPTS TAX REVENUES RECEIVED BY THE GOVERNMENTAL UNIT PURSUANT TO NMSA 1978, SECTION 7-20E-28 (2013) AND DISTRIBUTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO NMSA 1978, SECTIONS 7-1-6.1 (2007), 7-1-6.13 (2014) AND 7-1-6.15 (2015); PROVIDING FOR THE DISTRIBUTIONS OF COUNTY HOLD HARMLESS GROSS RECEIPTS TAX REVENUES FROM THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE FINANCE AUTHORITY OR ITS ASSIGNS FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT PURSUANT TO THE INTERCEPT AGREEMENT BETWEEN THE



**GOVERNMENTAL UNIT AND THE FINANCE AUTHORITY;
APPROVING THE FORM AND TERMS OF AND OTHER DETAILS
CONCERNING THE LOAN AGREEMENT AND INTERCEPT
AGREEMENT; SETTING THE MAXIMUM INTEREST RATE OF
THE LOAN; RATIFYING ACTIONS HERETOFORE TAKEN;
REPEALING ALL ACTION INCONSISTENT WITH THIS
ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER
ACTIONS IN CONNECTION WITH THE EXECUTION AND
DELIVERY OF THE LOAN AGREEMENT AND THE INTERCEPT
AGREEMENT.**

A general summary of the subject matter of the Ordinance is contained in its title.
This notice constitutes compliance with NMSA 1978, Sections 4-37-9 (1997) and 6-14-6
(1975).

(End of Form of Summary for Publication)

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PASSED, ADOPTED, SIGNED AND APPROVED this 12th day of July, 2016.

BOARD OF COUNTY COMMISSIONERS
OF ROOSEVELT COUNTY, NEW
MEXICO

ATTEST:

absent
Richard Leal, Chair – District II

Lewis (Shane) Lee
Lewis (Shane) Lee, Vice-Chair – District III

DeAun D Searl
DeAun D. Searl, Roosevelt County Clerk

Jake Lopez
Jake Lopez – District I

Gene Creighton
Gene Creighton – District IV

Paul Grider
Paul Grider – District V



Commissioner Gene Creighton then moved that the Ordinance as filed with the County Clerk be passed and adopted. Commissioner Lewis (Shane) Lee seconded the motion.

The question being upon the passage and adopt of said Ordinance, the motion was voted upon with the following result:

Those Voting Yea:

Lewis (Shane) Lee, Vice-Chair
Gene Creighton, Commissioner
Paul Grider, Commissioner
Jake Lopez, Commissioner

Those Voting Nay:

None

Those Absent:

Richard Leal

Four Commissioners having voted in favor of the motion, the Vice Chair declared said motion carried and the Ordinance duly passed and adopted, whereupon the Vice Chair and County Clerk signed the Ordinance upon the records of the minutes of the Commission.