

CITY OF LOVINGTON, NEW MEXICO

ORDINANCE No. 534

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LOVINGTON, NEW MEXICO HOLD HARMLESS GROSS RECEIPTS TAX REVENUE BONDS, IN ONE OR MORE TAX EXEMPT OR TAXABLE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000 (THE "BONDS") FOR THE PURPOSES OF REPLACEMENT, REPAIR, PURCHASE, OR CONSTRUCTION OF ITEMS IDENTIFIED IN THE CITY'S CAPITAL IMPROVEMENT PLAN AS AMENDED; ALL WITHIN THE CITY OF LOVINGTON; 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 City is a legally and regularly created, established, organized and existing municipality under the general laws of the State of New Mexico; and

WHEREAS, the City is authorized by the Act, to issue gross receipts tax revenue bonds for the purpose of providing funds, together with other funds of the City, 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 City 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 Commission has determined and hereby determines that it is in the best interests of the City 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

1 **WHEREAS**, the Purchaser will purchase the Bonds upon such terms and conditions as will
2 be established in a Bond Purchase Agreement to be adopted by the City pursuant to this
3 Ordinance; and

4 **WHEREAS**, all required authorizations, consents or approvals of any state, governmental
5 body, agency or authority, in connection with the authorization, execution and delivery of the
6 Bonds which are required to have been obtained by the date hereof have been obtained, and which
7 will be required to be obtained prior to the date of issuance of the Bonds, will have been obtained
8 by such date; and

9 **WHEREAS**, there has been on deposit with the City Clerk the proposed form of Bond
10 Ordinance;

11 **NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF**
12 **LOVINGTON, NEW MEXICO:**

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

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

18 ***“Act”*** means collectively, Section 3-31-1, NMSA 1978, et seq and Section 7-19D-18,
19 NMSA 1978.

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

22 ***“Bond”, “Bonds”*** or the ***“Bonds”*** means the “City of Lovington, New Mexico Hold
23 Harmless Gross Receipts Tax Revenue Bonds,” issued in one or more tax-exempt or taxable
24 series.

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

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

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

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

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

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

16 **“Capital Improvement Fund”** means the fund created in the City Treasury for paying the
17 costs of capital improvements.

18 **“City”** means City of Lovington, New Mexico.

19 **“City Clerk”** means the duly appointed Clerk of the City or a duly appointed deputy City
20 Clerk acting in the absence of the Clerk.

21 **“Code”** means the Internal Revenue Code of 1986, as amended, the federal income tax
22 regulations of the United States Treasury Department (whether proposed, temporary or final) and
23 any amendments of, or successor provisions to, the foregoing and any official rulings,
24 announcements, notices, procedures and judicial determinations regarding any of the foregoing, all

1 as and to the extent applicable. Unless otherwise indicated, reference to a section of the Code in
2 this Bond Ordinance means that section of the Code and such applicable regulations, rulings,
3 announcements, notices, procedures and determinations pertinent to that section.

4 ***“Commission”*** means the City Commission of City of Lovington, New Mexico or any
5 future successor governing body of the City.

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

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

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

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

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

16 ***“General Fund”*** means the main operating account of the City.

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

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

21 ***“Gross Receipts Tax Ordinance”*** means, City Ordinance No. 528 adopted on September
22 22, 2014.

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

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

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

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

14 ***“Mayor”*** means the duly elected Mayor or the Mayor Pro Tem acting in the absence of the
15 Mayor.

16 ***“Municipality Gross Receipts Tax Revenues”*** means the revenues derived from the
17 three-eighths increment of the City hold harmless gross receipts tax levied by the City pursuant to
18 Section 7-19D-18, NMSA 1978, imposed on persons engaging in business in the City, which
19 revenues are remitted monthly by the Revenue Division of the Department to the City as
20 authorized by Sections 7-1-6.1 and 7-1-6.13, NMSA 1978, and which remittances currently equal
21 3/8ths of one percent (.375 %) of the taxable gross receipts reported for the City for the month for
22 which such remittance is made.

23 ***“Municipal Local Option Gross Receipts Taxes Act”*** means Sections 7-19D-1 through
24 7-19D-18, NMSA 1978.

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

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

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

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

9 B. those otherwise deemed to be paid in accordance with Section 27 or Section
10 32 of this Bond Ordinance;

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

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

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

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

21 **“Paying Agent”** means the City Treasurer or any successor to the City Treasurer which
22 shall be a trust company, national or state banking association or financial institution at the time
23 appointed Paying Agent by resolution of the Commission.

24 **“Pledged Revenues”** means the City Gross Receipts Tax Revenues.

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

5 ***“Project”*** means the constructing, purchasing, furnishing, equipping, rehabilitating,
6 making additions to or making improvements to Capital items identified in the City’s Capital
7 Improvement Plan.

8 ***“Purchaser”*** means the entity or entities named in the Bond Purchase Agreement to whom
9 each Series of Bonds will be sold.

10 ***“Rebate Fund”*** means the “City of Lovington, New Mexico Hold Harmless Gross
11 Receipts Tax Revenue Bonds Rebate Fund” established pursuant to Section 14 of this Bond
12 Ordinance.

13 ***“Registrar”*** means the City Treasurer or any successor to the City Treasurer which shall
14 be a trust company, national or state banking association or financial institution at the time
15 appointed by resolution of the Commission.

16 ***“Reserve Fund”*** means the “City of Lovington, New Mexico Hold Harmless Gross
17 Receipts Tax Revenue Bonds Reserve Fund” established by Section 18 of this Bond Ordinance.

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

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

1 “*State*” means the State of New Mexico.

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

7 3. *Authorization of Project.* The Project is hereby authorized and ordered at a total
8 cost not to exceed \$3,500,000 excluding any such cost defrayed or to be defrayed by any source
9 other than Bond proceeds.

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

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

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

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

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

25 5. *Bonds - Authorization and Detail.*

26 A. *Authorization.* This Bond Ordinance has been adopted by the affirmative
27 vote of a majority of the members of the Commission. For the purpose of protecting the public

1 health, conserving the property, protecting the general welfare and prosperity of the citizens of the
2 City, it is hereby declared necessary that the City, pursuant to the Act, issue its negotiable, fully
3 registered, Gross Receipts Tax Revenue Bonds to be designated City of Lovington, New Mexico
4 Hold Harmless Gross Receipts Tax Revenue Bonds, in one or more series, in an aggregate
5 principal amount not to exceed \$3,500,000 and the issuance, sale and delivery of the Bonds is
6 hereby authorized. The Bonds may be sold from time to time, but not later than two (2) years
7 from the effective date of this Ordinance, at a negotiated sale to the Purchaser.

8 B. *Details of the Bonds.*

9 (1) The form, terms, and provisions of the Bonds, as set forth in Section
10 13, are hereby approved with only such changes therein as are not inconsistent with this Bond
11 Ordinance, the Bond Purchase Agreement.

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

23 In no event shall any Bonds mature later than fifty years from the date of their issuance
24 except for Bonds issued for reconstructing, resurfacing or repairing existing streets which shall
25 mature not later than twenty years from their date of issuance. The Bonds shall be sold for cash,
26 at, above or below par at a price or prices that result in net effective interest rates that do not

1 exceed the maximum permitted by the Public Securities Act, Sections 6-14-1 to 6-14-3 NMSA
2 1978.

3 6. *Prior Redemption.*

4 A. *Redemption, Date and Price.* The Bonds may be subject to prior
5 redemption as established in the Bond Purchase Agreement.

6 B. *Notice.* Notice of redemption shall be given by the Registrar by sending a
7 copy of such notice by registered or certified first-class mail, postage prepaid, at least thirty (30)
8 days prior to the redemption date, to the registered owners of the Bonds to be redeemed at the
9 address shown on the registration books kept by the Registrar as of the close of business of the
10 Registrar on the fifth day prior to the mailing of notice. The City shall give the Registrar written
11 instructions to give notice of redemption to the registered owners of the Bonds to be redeemed at
12 least forty-five (45) days prior to such redemption date. If the Bonds are subject to mandatory
13 sinking fund redemption pursuant to the Bond Purchase Agreement, no notice from the City to the
14 Registrar shall be required for mandatory sinking fund redemptions. Neither the City's failure to
15 give such notice nor the Registrar's failure to give such notice to the registered owners of the
16 Bonds, or any defect therein, shall affect the validity of the proceedings for the redemption of any
17 Bonds for which proper notice was given. Notice of redemption shall specify the amount being
18 redeemed, the date fixed for redemption, and that on such redemption date there will become and
19 be due and payable upon the Bonds to be redeemed at the office of the Paying Agent the principal
20 amount to be redeemed plus accrued interest to the redemption date and that from and after such
21 date interest will cease to accrue on such amount. Notice having been given in the manner
22 hereinbefore provided, the Bonds so called for redemption shall become due and payable on the
23 redemption date so designated and if an amount of money sufficient to redeem the Bonds called
24 for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be
25 redeemed shall be deemed not Outstanding and shall cease to bear interest from and after such
26 redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying

1 Agent, the Paying Agent will pay the Bonds so called for redemption with funds deposited with
2 the Paying Agent by the City.

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

7 8. *Execution and Authentication of the Bonds.*

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

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

25 9. *Negotiability.* The Bonds shall be fully negotiable and shall have all the qualities
26 of negotiable paper, and the registered owners of the Bonds shall possess all rights enjoyed by the

1 holders of negotiable instruments under the provisions of the Uniform Commercial
2 Code-Investment Securities.

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

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

22 A. *Registration, Transfer and Exchange.* The City shall cause books for
23 registration, transfer, and exchange of the Bonds as provided herein to be kept at the principal
24 office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at
25 the principal office of the Registrar duly endorsed by the registered owner or his attorney duly
26 authorized in writing, or accompanied by a written instrument or instruments of transfer or
27 exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate

1 and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be
2 transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds
3 in fully registered form of the same aggregate principal amount, maturity and interest rate.

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

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

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

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

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

5 G. *Book-Entry Bonds.*

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

10 (2) The Bonds shall be initially issued in the form of separate,
11 single, authenticated fully-registered Bonds in the amount of each separately stated maturity of the
12 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the
13 registration books kept by the Registrar in the name of the nominee of the Securities Depository.
14 The Registrar, Paying Agent and the City may treat the Securities Depository (or its nominee) as
15 the sole and exclusive Holder of the Bonds registered in its name for the purposes of (a) payment
16 of the principal or redemption price of or interest on the Bonds, (b) selecting the Bonds or portions
17 thereof to be redeemed, (c) giving any notice permitted or required to be given to Bondholders
18 under this Ordinance, (d) registering the transfer of Bonds, and (e) obtaining any consent or other
19 action to be taken by Bondholders and for all other purposes whatsoever and neither the Registrar,
20 Paying Agent or the City shall be affected by any notice to the contrary (except as provided in
21 subparagraph (3) below). Neither the Registrar, Paying Agent or the City shall have any
22 responsibility or obligation to any Participant, any Beneficial Owner or any other person claiming
23 a beneficial ownership interest in the Bonds under or through the Securities Depository or any
24 Participant, or any other person which is not shown on the registration books of the Registrar as
25 being a Bondholder, with respect to the accuracy of any records maintained by the Securities

1 Depository or any Participant, the payment to the Securities Depository of any amount in respect
2 of the principal or redemption price of or interest on the Bonds; any notice which is permitted or
3 required to be given to Bondholders under this Ordinance; the selection by the Securities
4 Depository or any Participant of any person to receive payment in the event of a partial
5 redemption of the Bonds; or any consent given or other action taken by the Securities Depository
6 as Bondholder. Paying Agent shall pay all principal and redemption price of and interest on the
7 Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as
8 adopted in the State) the Securities Depository . All such payments shall be valid and effective
9 to fully satisfy and discharge the City’s obligations with respect to the principal, purchase price or
10 redemption price of and interest on the Bonds to the extent of the sum or sums so paid. Except as
11 provided in subparagraph (3) below, no person other than the Securities Depository shall receive
12 an authenticated Bond for each separate stated maturity evidencing the obligation of the City to
13 make payment of principal or redemption price and interest pursuant to this Ordinance. Upon
14 delivery by the Securities Depository to the Registrar of written notice to the effect that the
15 Securities Depository has determined to substitute a new nominee in place of the preceding
16 nominee, the Bonds will be transferable to such new nominee in accordance with subparagraph (6)
17 below.

18 (3) In the event the City determines that it is in the best interest
19 of the City not to continue the book-entry system of transfer or that the interest of the Beneficial
20 Owners might be adversely affected if the book-entry system of transfer is continued, the City
21 may notify the Securities Depository, whereupon the Securities Depository will notify the
22 Participants of the availability through the Securities Depository of Bond certificates. In such
23 event, the Registrar shall authenticate, transfer and exchange Bond certificates as requested by the
24 Securities Depository in appropriate amounts in accordance with subparagraph (6) below. The

1 Securities Depository may determine to discontinue providing its services with respect to the
2 Bonds at any time by giving notice to the City and discharging its responsibilities with respect
3 thereto under applicable law, or the City may determine that the Securities Depository is incapable
4 of discharging its responsibilities and may so advise the Securities Depository. In either such
5 event, the City shall either establish its own book-entry system or use reasonable efforts to locate
6 another Securities Depository. Under such circumstances (if there is no successor Securities
7 Depository) the City and the Registrar shall be obligated to deliver Bond certificates as described
8 in this Ordinance and in accordance with subparagraph (6) below. In the event Bond
9 certificates are issued, the provisions of this Ordinance shall apply to such Bond certificates in all
10 respects, including, among other things, the transfer and exchange of such certificates and the
11 method of payment of principal or redemption price of and interest on such certificates.
12 Whenever the Securities Depository requests the City and the Registrar to do so, the Registrar and
13 the City will cooperate with the Securities Depository in taking appropriate action after reasonable
14 notice (a) to make available one or more separate certificates evidencing the Bonds to any
15 Participant having Bonds credited to its account with the Securities Depository or (b) to arrange
16 for another securities depository to maintain custody of certificates evidencing the Bonds.

17 (4) Notwithstanding any other provision of this Ordinance to the
18 contrary, so long as any Bond is registered in the name of the nominee of the Securities
19 Depository, all payment with respect to the principal or redemption price of and interest on such
20 Bond and all notices with respect to such Bond shall be made and given to the Securities
21 Depository as provided in its Representation Letter.

22 (5) In connection with any notice or other communication to be
23 provided to Bondholders pursuant to this Ordinance by the City, the Registrar, or the Paying
24 Agent with respect to any consent or other action to be taken by Bondholders, the City, the

1 Registrar, or the Paying Agent, as the case may be, shall establish a record date for such consent or
2 other action and give the Securities Depository notice of such record date not less than fifteen (15)
3 calendar days in advance of such record date to the extent possible. Such notice to the Securities
4 Depository shall be given only when the Securities Depository is the sole Bondholder.

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

14 (7) Notwithstanding any provision of this Ordinance to the
15 contrary, in connection with any redemption of Bonds while the DTC is the sole Bondholder, the
16 City shall give notice of such redemption to the Registrar at least forty-five (45) days prior to the
17 date fixed for redemption and the Registrar shall give notice of redemption to DTC as holder of
18 such Bonds at least thirty (30) days and not more than sixty (60) days prior to the date fixed for
19 redemption.

20 12. *Special Limited Obligations.* All of the Bonds and all payments of principal,
21 premium, if any, and interest thereon whether at maturity or on a redemption date, together with
22 any interest accruing thereon, shall be special limited obligations of the City and shall be payable
23 and collectible solely from the Pledged Revenues which revenues are so pledged and are payable
24 as set forth in Section 20 of this Bond Ordinance. The owner of the Bonds may not look to any

1 general or other fund for the payment of the principal of or interest on such obligations, except the
 2 designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a
 3 debt of the City within the meaning of any constitutional, charter or statutory provision or
 4 limitation, nor shall it be considered or held to be a general obligation of the City, and each of the
 5 Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as
 6 set forth in this Bond Ordinance, and that the holder thereof may not look to any general or other
 7 City fund for the payment of the principal of and interest on the Bonds. Nothing herein shall
 8 prevent the City, in its sole discretion, from applying other funds of the City legally available
 9 therefor to the payment of the Bonds.

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

13 **[FORM OF BOND]**

14 **UNITED STATES OF AMERICA**

STATE OF NEW MEXICO

15 AS PROVIDED IN THE BOND ORDINANCE REFERRED TO HEREIN, UNTIL THE
 16 TERMINATION OF REGISTERED OWNERSHIP OF ALL OF THE BONDS THROUGH THE
 17 DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES
 18 DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND
 19 NOTWITHSTANDING ANY OTHER PROVISION OF THE BOND ORDINANCE TO THE
 20 CONTRARY, THE PRINCIPAL AMOUNT OUTSTANDING UNDER THIS BOND MAY BE
 21 PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE REGISTRAR. DTC OR
 22 A TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE
 23 PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF
 24 OUTSTANDING AND TO BE PAID. THE PRINCIPAL AMOUNT OUTSTANDING AND
 25 TO BE PAID ON THIS BOND SHALL FOR ALL PURPOSES BE THE AMOUNT
 26 INDICATED ON THE BOOKS OF THE REGISTRAR.

27
 28 UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC
 29 TO THE REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT,
 30 AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH
 31 OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND
 32 ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE
 33 HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE
 34 THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

CITY OF LOVINGTON, NEW MEXICO

HOLD HARMLESS 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 City of Lovington (the "City"), in the State of New Mexico, a Municipality 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 City 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 City Treasurer as registrar, or any successor registrar (the "Registrar") at the address appearing therein at the close of business on the

1 fifteenth day of the calendar month next preceding the Interest Payment Date (the “Record Date”).
2 Any interest which is not timely paid or duly provided for shall cease to be payable to the owner
3 hereof as of the Record Date but shall be payable to the owner hereof at the close of business on a
4 special record date to be fixed by the Paying Agent for the payment of interest. The special
5 record date shall be fixed by the Paying Agent whenever moneys become available for payment of
6 the overdue interest, and notice of the special record date shall be given to the owner of the Bonds
7 (defined below) as then shown on the Registrar’s registration books not less than ten days prior to
8 the special record date. If, upon presentation at maturity or redemption, payment of this bond is
9 not made as herein provided, interest hereon shall continue at the Interest Rate stated above until
10 the principal hereof is paid in full. The principal, premium, if any, and interest on this bond are
11 payable in lawful money of the United States of America, without deduction for the services of the
12 Paying Agent or the Registrar.

13 This bond is one of a duly authorized issue of fully registered bonds of the City in the
14 aggregate principal amount of \$ _____, issued in denominations of \$5,000 or integral
15 multiples thereof, designated as City of Lovington, New Mexico Hold Harmless Gross Receipts
16 Tax Revenue Bonds, Series _____ (the “Bonds”), issued under and pursuant to City Ordinance
17 No. ____ (the “Bond Ordinance”).

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

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

22 ***[INSERT SINKING FUND REDEMPTION]***

23 Notice of redemption of this bond will be given by providing at least 30 days prior written
24 notice by registered or certified first-class mail, postage prepaid, to the owner hereof or portion

1 hereof to be redeemed at the address shown on the registration books as of the fifth day prior to
2 the mailing of notice as provided in the Bond Ordinance. Notice of redemption will specify the
3 amount being redeemed, and shall further state that on such redemption date there will become
4 and be due and payable upon each Bond to be redeemed at the office of the Paying Agent, the
5 principal amount thereof plus accrued interest to the redemption date and the stipulated premium,
6 if any, and that from and after such date, the redemption amount having been deposited and
7 notice having been given, interest will cease to accrue.

8 Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon
9 the surrender for transfer or exchange of this bond at the principal office of the Registrar, duly
10 endorsed or accompanied by an assignment duly executed by the registered owner or his attorney
11 duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3)
12 business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or
13 owner, a new Bond or Bonds in fully registered form of the same aggregate principal amount,
14 maturity and interest rate. Exchanges and transfers of the Bonds shall be without charge to the
15 owner or any transferee, but the Registrar may require the payment by the owner of any Bonds of
16 any tax or other similar governmental charge required to be paid with respect to such exchange or
17 transfer. The Registrar shall not be required (i) to transfer or exchange any Bond during the
18 period of fifteen days next preceding the mailing of notice calling any Bond for redemption, or (ii)
19 to transfer or exchange any Bond or part thereof called for redemption. The Registrar will close
20 the books for change of registered owners' addresses on each Record Date; transfers will be
21 permitted within the period from each Record Date to each interest payment date, but such
22 transfers shall not include a transfer of accrued interest payable.

23 The person in whose name any Bond is registered on the registration books kept by the
24 Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making

1 payment thereof and for all other purposes, except as may otherwise be provided with respect to
2 payment of overdue interest in the Bond Ordinance; and payment of or on account of either
3 principal or interest on any Bond shall be made only to or upon the written order of the registered
4 owner thereof or his legal representative. All such payments shall be valid and effectual to
5 discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

13 This Bond does not constitute an indebtedness of the City within the meaning of any
14 constitutional or statutory provision or limitation, shall not be considered or held to be a general
15 obligation of the City, and is payable and collectible solely from the one-fourth increment of the
16 hold harmless City gross receipts tax levied by the City pursuant to Section 7-19D-18 NMSA
17 1978, which equals three-eighths of one percent (.375%) of the taxable gross receipts reported for
18 the City and remitted to the City by the State pursuant to Sections 7-1-6.1 and 7-1-6.13, NMSA
19 1978, (the "Pledged Revenues"), City Ordinance No. ____, as amended, and the bondholders may
20 not look to any general or other City fund other than described above for the payment of the
21 interest and principal of this bond. Additional bonds may be issued and made payable from the
22 Pledged Revenues, upon satisfaction of the conditions set forth in the Bond Ordinance, having a
23 lien thereon either on a parity with, or subordinate and junior to, the lien on the Pledged Revenues,

1 but additional bonds may not be issued with a lien thereon superior to the lien thereon of the
2 Bonds.

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

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

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

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

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

19 **IN WITNESS WHEREOF**, the City of Lovington, New Mexico has caused this bond to be
20 signed and executed on the City's behalf with the manual or facsimile signature of the Mayor, to
21 be countersigned with the manual or facsimile signature of the City Clerk and has caused a
22 facsimile of the corporate seal of the City to be affixed hereon, all as of the Date of Bond.

23 **CITY OF LOVINGTON, NEW MEXICO,**
24 City Commission

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

By _____
Mayor

SEAL

By _____
City Clerk
(FACSIMILE SEAL)

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Ordinance 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: _____

CITY OF LOVINGTON TREASURER
as Registrar/Paying Agent

By _____
Authorized Officer

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

**[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 Ordinance 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]

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

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

6 B. *Reserve Fund.* Second, as may be established in a Bond Purchase
7 Agreement, an amount equal to the lesser of: (1) ten percent (10%) of the principal amount of the
8 Bonds; (2) the maximum annual debt service of the Bonds; or (3) one hundred twenty five percent
9 (125%) of the average annual debt service of the Bonds shall be credited to the Reserve Fund.

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

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

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

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

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

4 15. *Acquisition Account.*

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

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

14 C. *Use of the Acquisition Account.* Moneys shall be withdrawn by the City
15 from the Acquisition Account in sufficient amounts and at times to permit the payment without
16 delay of the costs of the Project. Any moneys remaining in the Acquisition Account after
17 provision shall have been made for the payment in full of the costs of the Project shall be subject
18 to the provision of Section 18.F.

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

24 16. *Purchaser Not Responsible.* The Purchaser, or any subsequent owner of any
25 Bonds, shall in no manner be responsible for the application or disposal by the City, or by any
26 officer or any employee or other agent of the City, of the moneys derived from the sale of the
27 Bonds or of any other moneys designated in this Ordinance.

1 17. *Revenue Fund.* So long as the Bonds are outstanding, the Pledged Revenues held in
2 the Capital Improvement Fund and the General Fund shall be set aside and deposited monthly in
3 to the Revenue Fund hereby established and thereafter transferred to the Bond Fund, as hereinafter
4 provided.

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

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

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

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

22 If prior to any interest payment date or principal payment date, there has been accumulated
23 in the Bond Fund the entire amount necessary to pay the next maturing installment of the interest
24 or principal, or both, the payment required under subparagraph (1) or (2) (whichever is applicable)
25 of this paragraph A, may be appropriately reduced and the required monthly amounts again shall

1 be so credited to such account commencing on such interest payment date or principal payment
2 date (whichever is applicable).

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

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

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

21 E. *Reserve Fund Created.* There is hereby created the Reserve Fund, to be
22 held by the City. After the payments required by paragraphs A and B of this Section 18, there
23 shall be withdrawn from the Revenue Fund, and there shall be concurrently credited to the
24 Reserve Fund, to the extent such amounts are available in the Revenue Fund, such amounts as
25 may be necessary in order that the balance in the Reserve Fund is equal to the lesser of an amount
26 equal to: (1) ten percent (10%) of the original principal amount of Bonds delivered to and
27 purchased by the Purchaser; (2) the maximum annual debt service of the Bonds; or (3) one

1 hundred twenty five percent (125%) of the average annual debt service of the Bonds. If the
2 balance in the Reserve Fund exceeds the amount so determined, the excess shall be withdrawn
3 from the Reserve Fund and concurrently credited to the Bond Fund. Moneys in the Reserve
4 Fund shall be withdrawn from the Reserve Fund and concurrently credited to the Bond Fund, to
5 the extent and at the times necessary, and to the extent such amounts are available in the Reserve
6 Fund, to prevent deficiencies in the payments required to be made pursuant to paragraph A of this
7 Section 18.

8 F. *Use of Surplus Pledged Revenues.* After making the payments required to
9 be made by paragraphs A, B and D of this Section 18, the remaining Pledged Revenues, if any,
10 will be distributed as follows:

11 (1) An amount up to the amount of Pledged Revenues deposited in the Revenue
12 Fund from the General Fund shall be deposited in the General Fund; and

13 (2) The remainder of the Pledged Revenues, if any, shall be deposited in the
14 Capital Improvement Fund.

15 19. *General Administration Of Funds.* The funds and accounts designated in Sections
16 14, 15, 17 and 18 shall be administered and invested as follows:

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

1 funds required by this Bond Ordinance or shall prevent the combination of such funds and
2 accounts with any other bank account or accounts or other funds and accounts of the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 F. *Audits.* The City will, at the time of the annual audit required by law,
24 cause an audit of its books and accounts relating to the Pledged Revenues to be performed by an
25 Independent Accountant showing the receipts and disbursements in connection with the such
26 Pledged Revenues. The City agrees to furnish forthwith a copy of each of such audits and
27 reports to the owners of the Bonds upon written request.

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

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

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

15 24. *Events of Default.* Each of the following events is hereby declared an “Event of
16 Default”:

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

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

21 C. *Default of any Provision.* Default by the City in the due and punctual
22 performance of its covenants or conditions, agreements and provisions contained in the Bonds, in
23 this Bond Ordinance, or in the Bond Purchase Agreement on its part to be performed, and the
24 continuance of such default (other than a default set forth in subparagraph A of this Section 24 for
25 sixty (60) days after written notice specifying such default and requiring the same to be remedied
26 has been given to the City by the holder of any Bonds then Outstanding.

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

19 26. *Duties Upon Default.* Upon the happening of any of the Events of Default
20 provided in Section 24 of this Bond Ordinance, the City will do and perform all proper acts on
21 behalf of the owners of the Bonds to protect and preserve the security created for the payment of
22 the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the
23 same become due. All proceeds derived therefrom, so long as the Bonds, either as to principal or
24 interest, are Outstanding and unpaid, shall be applied as set forth in Section 18 of this Bond
25 Ordinance. In the event the City fails or refuses to proceed as provided in this Section 26, the
26 owners of the Bonds then outstanding, after demand in writing, may proceed, protect and
27 enforce the rights of the owners of the Bonds as hereinabove provided.

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

9 28. *Tax and Arbitrage Covenants.* The City covenants that it will restrict the use of
10 the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that
11 the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of
12 1986, as amended (the "Code"). The Mayor, City Clerk, City Manager or any other officer of the
13 City having responsibility for the issuance of the Bonds shall give an appropriate certificate of the
14 City, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable
15 expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts,
16 circumstances and estimates on which they are based, and other facts and circumstances relevant
17 to the tax treatment of interest on the Bonds.

18 The City covenants that it (a) will take or cause to be taken such actions which may be
19 required of it for the interest on the Bonds to be and remain excluded from gross income for
20 federal income tax purposes, and (b) will not take or permit to be taken any actions which would
21 adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of
22 compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii)
23 restrict the yield on investment property acquired with those proceeds, (iii) make timely rebate
24 payments to the federal government, (iv) maintain books and records and make calculations and
25 reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent
26 necessary to assure such exclusion of that interest under the Code. The Mayor, City Clerk, City

1 Manager and other appropriate officers are hereby authorized and directed to take any and all
2 actions, make calculations and rebate payments, and make or give reports and certifications, as
3 may be appropriate to assure such exclusion of that interest.

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

9 A. The Bonds are not private activity bonds;

10 B. The City does not reasonably expect to issue qualified tax-exempt
11 obligations in an aggregate principal amount exceeding \$10,000,000 during calendar year 2015;
12 and

13 C. The City has not and will not designate more than \$10,000,000 in aggregate
14 principal amount of tax-exempt obligations during calendar year 2015.

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

20 30. *Delegated Powers.* The officers of the City be, and they hereby are, authorized
21 and directed to take all action necessary or appropriate to effectuate the provisions of this Bond
22 Ordinance, including, without limiting the generality of the foregoing, the publication of the
23 summary set out in Section 37 of this Bond Ordinance (with such changes, additions and deletions
24 as they may determine), the distribution of material relating to the Bonds, the printing of the
25 Bonds, the printing, execution and distribution of disclosure documents relating to the Bonds, the

1 execution, of a purchase agreement for the Bonds, and of such other documents as may be
2 required by the Purchaser or bond counsel.

3 31. *Amendment of Bond Ordinance.* This Bond Ordinance may be amended without
4 the consent of the holder of any Bonds to cure any ambiguity or to cure, correct or supplement any
5 defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the
6 Bonds to the Purchaser, the provisions of this Bond Ordinance may be amended without the
7 written consent of the Purchaser by resolution of the Commission with respect to any changes
8 which are not inconsistent with the substantive provisions of this Bond Ordinance. Except as
9 provided above, this Bond Ordinance may be amended without receipt by the City of any
10 additional consideration, but with the written consent of two-thirds of all holders of the Bonds
11 then Outstanding; but no amendment adopted without the written consent of the holders of all
12 Outstanding Bonds shall have the effect of permitting:

- 13 1.) An extension of the maturity or scheduled payment of any Bonds;
- 14 2.) A reduction of the principal amount or interest rate or prior
15 redemption premium of any Bond;
- 16 3.) The creation of a lien upon the Pledged Revenues ranking prior to
17 the lien or pledge created by this Bond Ordinance; or
- 18 4.) A reduction of the principal amount of the Bonds required for
19 consent to such amendatory ordinance. Any amendment to this Bond Ordinance which is not
20 inconsistent with the terms hereof, may be made by resolution of the Commission; any other
21 amendment to this Bond Ordinance shall be made by subsequent ordinance of the Commission.

22 32. *Defeasance.* When all principal, interest and prior redemption premiums, if any,
23 in connection with the Bonds hereby authorized have been duly paid, the pledge and lien for the
24 payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be
25 outstanding within the meaning of this Bond Ordinance. The City shall receive an opinion from
26 nationally recognized bond counsel that the defeasance does not adversely affect the exclusion

1 from income of interest on the Bonds for federal income tax purposes. Payment shall be deemed
2 made with respect to the Bonds when the Commission has placed in escrow with a commercial
3 bank exercising trust powers, an amount sufficient (including the known minimum yield from
4 federal securities) to meet all requirements of principal, interest and prior redemption premiums, if
5 any, as the same become due to their final maturities or upon designated redemption dates. The
6 sufficiency of such amount shall be verified by an opinion, which opinion shall be conclusively
7 presumed accurate as to the sufficiency of said deposit, addressed to the City from an Independent
8 Accountant. Any federal securities shall become due when needed in accordance with a schedule
9 agreed upon between the Commission and such bank at the time of the creation of the escrow.
10 Federal securities within the meaning of this Section 32 shall include only direct obligations of, or
11 obligations the principal of and interest on which are unconditionally guaranteed by, the United
12 States of America.

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

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

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

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

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

7 **SECTION 5** authorizes the issuance of the Bonds in the principal amount not to exceed
8 \$3,500,000 to be payable and collectible from gross receipts tax revenues received by the City;
9 provides for the negotiated sale of the Bonds to the Purchaser at a price to be approved in a Bond
10 Purchase Agreement; provides that the maturity schedule and interest for the Bonds will be
11 established in the Bond Purchase Agreement, and that the Bonds shall be issued as fully registered
12 bonds.

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

17 **SECTIONS 10 THROUGH 13** provide details relating to payment of the Bonds and
18 presentation of the Bonds for payment; for the registration, transfer, exchange and ownership of
19 the Bonds; that the Bonds constitute special limited obligations of the City; for the form of the
20 Bonds; and provide that the Bonds are issued in book entry form.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

PASSED, ADOPTED, AND APPROVED this 11th day of May, 2015

**CITY OF LOVINGTON, NEW MEXICO
CITY COMMISSIONERS**

Scotty Gandy, Mayor

ATTEST:

CITY CLERK