

STATE OF NEW MEXICO)
COUNTY OF SAN JUAN) ss.
CITY OF BLOOMFIELD)

The City Council (the "Governing Body") of the City of Bloomfield, New Mexico, met in regular session in full conformity with the law and the rules and regulations of the Governing Body in the Bloomfield City Hall, 915 North First Street, Bloomfield, New Mexico, being the meeting place of the Governing Body on the 8th day of June, 2015, at the hour of 6:00 p.m. Upon roll call, the following members were found to be present:

Present: Mayor Scott Eckstein
 Councilor Curtis Lynch
 Councilor DeRosa Lindsay
 Councilor Matt Pennington

Absent: Councilor Elwin Rost

Also Present: _____

Thereupon, there was officially filed with the City Clerk a copy of a proposed ordinance in final form.

CITY OF BLOOMFIELD, NEW MEXICO
ORDINANCE NO. 467

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE CITY OF BLOOMFIELD, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), IN THE PRINCIPAL AMOUNT OF \$9,009,000 FOR THE PURPOSE OF REFUNDING OUTSTANDING LOAN NO. 2239-PP FROM THE FINANCE AUTHORITY, FINANCING LANDSCAPE IMPROVEMENTS AND FACILITY UPGRADES, PAYING A LOAN PROCESSING FEE AND FUNDING A LOAN AGREEMENT RESERVE ACCOUNT, AND EVIDENCING THE SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO REPAY THE PRINCIPAL AMOUNT OF \$9,009,000, TOGETHER WITH INTEREST THEREON; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF THE REVENUES OF THE GOVERNMENTAL UNIT'S (i) FIRST, SECOND, THIRD AND FOURTH INCREMENTS FOR TOTAL OF ONE-QUARTER OF ONE PERCENT OF MUNICIPAL CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUES ENACTED PURSUANT TO SECTION 7-19D-12, NMSA 1978, AS AMENDED, (ii) THE GOVERNMENTAL UNIT'S FIRST INCREMENT OF ONE-QUARTER OF ONE PERCENT MUNICIPAL GROSS RECEIPTS TAX REVENUES ENACTED PURSUANT TO SECTION 7-19D-9, NMSA 1978, AS AMENDED, AND (iii) FIRST, SECOND, THIRD AND FOURTH INCREMENTS FOR TOTAL OF ONE-QUARTER OF ONE PERCENT OF MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX REVENUES ENACTED PURSUANT TO SECTION 7-19D-11, NMSA 1978, AS AMENDED; PROVIDING FOR THE DISTRIBUTIONS OF THE REVENUES OF THE GROSS RECEIPTS TAXES FROM THE STATE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO THE INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT; 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, THE INTERCEPT AGREEMENT AND AN ESCROW 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.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing municipality under the general laws of the State; and

WHEREAS, the Governing Body 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

WHEREAS, pursuant to the Act, the Governmental Unit has (i) by the Capital Outlay Tax Ordinance imposed one-quarter of one percent (0.25%) (the first, second, third and fourth increments) of Municipal Capital Outlay Gross Receipts Tax, enacted by the Governmental Unit pursuant to Section 7-19D-12, NMSA 1978, as amended, (ii) by the Municipal Gross Receipts Tax Ordinance imposed one-quarter of one percent (0.25%) (the first increment) of Municipal Gross Receipts Tax, enacted by the Governmental Unit pursuant to Section 7-19D-9, NMSA 1978, as amended, and (iii) by the Infrastructure Tax Ordinances imposed one-quarter of one percent (0.25%) (the first, second, third and fourth increments) of Municipal Infrastructure Gross Receipts Tax, enacted by the Governmental Unit pursuant to Section 7-19D-11, NMSA 1978, as amended, on the gross receipts of all persons engaging in business within the Governmental Unit, which provides for the Pledged Revenues; and

WHEREAS, the Governing Body 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 Exhibit "A" to the Loan Agreement, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation, which is currently outstanding; and

WHEREAS, the Loan Agreement 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 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 (the "Intercept Agreement") 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, the Loan Agreement shall be executed and delivered pursuant to Section 3-31-1 through 3-31-12, NMSA 1978, as amended, and with a first lien, but not necessarily a first lien, on the Pledged Revenues; and

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

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan and the project financed with the Refunded Loan has been and are 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 intends by this Ordinance to authorize the execution and delivery of the Loan 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, Intercept Agreement and Escrow 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 GOVERNING BODY OF THE CITY OF BLOOMFIELD, NEW MEXICO:

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

“Act” means the general laws of the State, Sections 3-31-1 through 3-31-12, NMSA 1978, as amended, Sections 7-19D-9, 7-19D-11 and 7-19D-12, NMSA 1978, as amended, 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 secured by a pledge of the Pledged Revenues for any one Fiscal Year.

“Authorized Officers” means the Mayor, Mayor Pro-Tem, City Manager, Finance Director and City Clerk of the Governmental Unit.

“Bonds” means public project revolving fund revenue bonds, if any, issued hereafter by the Finance Authority to fund or reimburse the Loan Agreement.

“Capital Outlay Tax Ordinance” means Governmental Unit Ordinance No. 405 passed and approved by the Governmental Unit pursuant to the Act on January 8, 2007, which imposes one-quarter of one percent (0.25%) of Municipal Capital Outlay Gross Receipts Tax (the first, second, third and fourth increments), pursuant to Section 7-19D-12, NMSA 1978, as amended, on the gross receipts of persons engaging in business within the Governmental Unit.

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

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

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

“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.

“Escrow Fund” means the special and separate fund created by Section 8 of this Ordinance and by the Escrow Agreement and required to be accumulated and maintained by the Escrow Bank pursuant to the Escrow Agreement.

“Escrow Bank” means BOKF, N.A. dba Bank of Albuquerque, Albuquerque, New Mexico.

“Escrow Agreement” means the contract between the Governmental Unit and the Escrow Bank, providing for the deposit of the Refunded Loan Requirements in the Escrow Fund on the date of execution of the Loan Agreement, which contract is herein authorized to be executed by the appropriate officers of the Governmental Unit.

“Expenses” means the cost of execution of the Loan Agreement and the costs of issuance of the 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 City Council of the Governmental Unit, or any future successor governing body of the Governmental Unit.

“Governmental Unit” means the City of Bloomfield, 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.

“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, 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 determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture).

“Infrastructure Tax Ordinances” means (i) Governmental Unit Ordinance No. 322 passed and approved by the Governmental Unit pursuant to the Act on September 14, 1998, which imposes one-eighth of one percent (0.125%) of Municipal Infrastructure Gross Receipts Tax (the first and second increments), and (ii) Governmental Unit Ordinance No. 404 passed and approved by the Governmental Unit pursuant to the Act on January 8, 2007, which imposes one-eighth of one

percent (0.125%) of Municipal Infrastructure Gross Receipts Tax (the third and fourth increments), for a total of one-quarter of one percent (.25%), pursuant to Section 7-19D-11, NMSA 1978, as amended, on the gross receipts of persons engaging in business within the Governmental Unit.

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

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

“Loan Agreement Principal Amount” means the original principal amount of the Loan Agreement as shown on the Term Sheet.

“Loan Agreement Reserve Requirement” means, with respect to the Loan, the amount shown as the Loan Agreement Reserve Account Deposit on the Term Sheet, 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.

“Municipal Gross Receipts Tax Ordinance” means Governmental Unit Ordinance No. 118 passed and approved by the Governmental Unit pursuant to the Act on July 24, 1978, which imposes the first increment of one-quarter of one percent (0.25%) of Municipal Gross Receipts Tax, pursuant to Section 7-19D-9, NMSA 1978, as amended, on the gross receipts of persons engaging in business within the Governmental Unit.

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

“Ordinance” means this Ordinance No. 467 adopted by the Governing Body on June 8, 2015 approving the Loan Agreement and the Intercept Agreement as amended from time to time.

“Parity Obligations” means the Loan Agreement and any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued

with a lien on the Pledged Revenues on parity with the Loan Agreement, including those obligations described on the Term Sheet.

“Pledged Revenues” means (i) the one-quarter of one percent (0.25%) Municipal Capital Outlay Gross Receipts Tax (first, second third and fourth increments) enacted pursuant to Section 7-19D-12, NMSA 1978, as amended, and the Capital Outlay Tax Ordinance, (ii) the first increment of one-quarter of one percent (0.25%) Municipal Gross Receipts Tax enacted pursuant to Section 7-19D-9, NMSA 1978, as amended, and the Municipal Gross Receipts Tax Ordinance, and (iii) the one-quarter of one percent (0.25%) Municipal Infrastructure Gross Receipts Tax (first, second third and fourth increments) enacted pursuant to Section 7-19D-11, NMSA 1978, as amended, and the Infrastructure Tax Ordinances, each distributed to the Governmental Unit, which is utilizing the Project and benefiting from the Loan Agreement, which distributions are made monthly by the Distributing State Agency.

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

“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.

“Project” means the advance refunding of the Refunded Loan and the financing of landscape improvements and facility upgrades for the Governmental Unit, as described in the Term Sheet.

“Refunded Loan” means the \$7,984,137 Loan No. 2239-PP from the Finance Authority to the Governmental Unit dated January 30, 2009, outstanding in the principal amount maturing June 1, 2019 to June 1, 2033 of \$6,195,000.

“Refunded Loan Requirements” means the principal of and the interest on (i.e., all debt service requirements for) the Refunded Loan to and including its first optional prior redemption date of January 30, 2019.

“State” means the State of New Mexico.

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

“Trustee” means BOKF, NA dba Bank of Albuquerque, 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 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 is necessary or 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 the Project.

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.

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. Pursuant to Section 7-19D-12, NMSA 1978, as amended, the Governmental Unit heretofore has adopted the Capital Outlay Tax Ordinance, which imposes one-quarter of one percent (0.25%) Capital Outlay Gross Receipts Tax (the first, second, third and fourth increments) on the gross receipts of persons engaging in business within the Governmental Unit.

J. Pursuant to Section 7-19D-9, NMSA 1978, as amended, the Governmental Unit heretofore has adopted the Municipal Gross Receipts Tax Ordinance, which imposes the first increment of one-quarter of one percent (0.25%) Municipal Gross Receipts Tax on the gross receipts of persons engaging in business within the Governmental Unit.

K. Pursuant to Section 7-19-12E, NMSA 1978, as amended, the Governmental Unit has imposed all increments of Municipal Gross Receipts Tax pursuant to Section 7-19D-9, as in effect at the time the Municipal Gross Receipts Tax Ordinance was adopted, and all increments of Municipal Infrastructure Tax pursuant to Section 7-19D-11, NMSA 1978, as amended, and has

not imposed after January 1, 2001 any increment of Supplemental Municipal Gross Receipts Tax pursuant to Section 7-19-10 et seq., NMSA 1978, as amended.

L. Pursuant to Section 7-19D-11, NMSA 1978, as amended, the Governmental Unit heretofore has adopted the Infrastructure Tax Ordinances, which imposes one-quarter of one percent (0.25%) Infrastructure Gross Receipts Tax (the first, second, third and fourth increments) on the gross receipts of persons engaging in business within the Governmental Unit.

M. Pursuant to Section 7-1-6.12, NMSA 1978, as amended, the Governmental Unit receives 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 three-fourths (3/4) majority of all of the 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, execute and deliver the Loan Agreement and the Intercept Agreement evidencing a special, limited obligation of the Governmental Unit to pay a principal amount of \$9,009,000, plus interest thereon, and the execution and delivery of the Loan Agreement and the Intercept Agreement are hereby authorized. The Governmental Unit shall use the proceeds of the Loan to (i) finance the Project; (ii) fund the Loan Agreement Reserve Account and Escrow Fund; (iii) pay the Processing Fee; and (iv) to make a deposit to the Finance Authority Debt Service Account. The project financed by the Refunded Loan will continue to be owned by the Governmental Unit.

B. Detail. The Loan Agreement, Intercept Agreement and Escrow Agreement shall be in substantially the forms of the Loan Agreement, Intercept Agreement and Escrow 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 \$9,009,000, 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, 2015 at the rates designated in Exhibit "B" to the Loan Agreement.

C. Guaranteed Utility Savings Contract. Pursuant to Section 6-23-5, NMSA 1978, as amended, prior to receiving proceeds of the Loan for the energy efficiency retrofits and upgrades portion of the Project, the Governing Body of the Governmental Unit will have approved the Guaranteed Utility Savings Contract for those upgrades and will have obtained the certification from the New Mexico Energy, Minerals and Natural Resources Department that the provider of the energy conservation measures meets the experience requirements set by that Department.

Section 6. Approval of Loan Agreement, Intercept Agreement and Escrow Agreement. The forms of the Loan Agreement, the Intercept Agreement and the Escrow Agreement, as presented at the meeting of the Governing Body at which this Ordinance was adopted are hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement, the Intercept Agreement and the Escrow Agreement, with such changes, insertions and omissions that are consistent with this Ordinance as may be approved by such individual Authorized Officers, and the City Clerk is hereby authorized to affix the seal of the

Governmental Unit on the Loan Agreement, the Intercept Agreement and the Escrow Agreement and attest the same. The execution of the Loan Agreement, the Intercept Agreement and the Escrow 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 interest thereon and 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 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 the Project.

A. Program Account, Finance Authority Debt Service Account and Loan Agreement Reserve Account. The Governmental Unit hereby consents to 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 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; (ii) the deposit of funds in the amount of the Loan Agreement Reserve Requirement in the Loan Agreement Reserve Account; and (iii) the payment of the Processing Fee to the Finance Authority, all as set forth in Exhibit "A" to the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Program Account, the Escrow Fund (as described below), the Loan Agreement Reserve Account and the Finance Authority Debt Service 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 finance the Project with all due diligence.

B. Escrow Fund Deposit.

(i) An amount of proceeds received from the Loan shall be deposited in the Escrow Fund which is hereby created. Such amount shall be sufficient to acquire the Federal Securities necessary to pay the Refunded Loan Requirements, together with the amount necessary to pay all principal and interest on the Refunded Loan when due, in accordance with the terms of the Escrow Agreement. The acquisition of Federal Securities for the Escrow Fund is hereby authorized.

(ii) Maintenance of Escrow Fund. The Escrow Fund shall be maintained on behalf of the Governmental Unit by and in the Escrow Bank in an amount at the time of the deposit and all times subsequently at least sufficient, together with the known minimum yield to be derived from the investment of the deposits therein or any part thereof in Federal Securities to pay the Refunded Loan Requirements and to pay all principal and interest on the Refunded Loan when due, both accrued and not accrued, as the same become due, all as provided in the Escrow Agreement.

(iii) Use of Escrow Fund. Moneys shall be withdrawn by the Escrow Bank from the Escrow Fund in sufficient amounts and at times to permit the payment without default of the Refunded Loan Requirements and all principal and interest due on the Refunded Loan as provided in the Escrow Agreement. Any moneys remaining in the Escrow Fund after provision shall have been made for payment in full of the Refunded Loan Requirements and all principal and interest due on the Refunded Loan shall be paid to the Finance Authority for deposit in the Finance Authority Debt Service Account.

(iv) Insufficiency of Escrow Fund. If for any reason the amount in the Escrow Fund shall be insufficient for the purpose of paragraphs 8(B)(i)-(iii) above, the Governmental Unit shall forthwith deposit in the Escrow Fund from the first legally available Pledged Revenues such additional moneys as shall be necessary to permit the payment in full of the Refunded Loan Requirements and all principal and interest due on the Refunded Loan, as appropriate.

C. Completion of the Project. Upon the Completion Date, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that payment for the Project has been completed. As soon as practicable, and, in any event, not more than sixty (60) days from the Completion Date, any balance remaining in the Program Account shall be transferred and deposited into the Finance Authority Debt Service Account, as provided in the Loan Agreement and the Indenture.

D. 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 to the Trustee in an amount sufficient to pay principal, interest, premium, if any, and other amounts due under the Loan Agreement, including sufficient Pledged Revenues in the Loan Agreement Reserve Account to maintain the Loan Agreement Reserve Requirement.

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, if any, 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, 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, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or other purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan 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, if any, 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 Pledged Revenues as set forth herein and therein and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement.

Section 11. Escrow Agent. The Governing Body hereby appoints BOKF, N.A. dba Bank of Albuquerque, as Escrow Agent for the Refunded Loan.

Section 12. Prior Redemption and Notice of Prior Redemption and Defeasance for the Refunded Loan. The Governmental Unit has elected and does hereby declare its intent to exercise on the behalf and in the name of the Governmental Unit its option to redeem the Refunded Loan at a redemption price equal to 100% of the principal amount of the Refunded Loan to be redeemed, plus accrued interest to the redemption date of January 30, 2019.

The Governmental Unit is hereby obligated so to exercise such option, which option shall be deemed to have been exercised upon adoption of this Ordinance and execution of the Loan Agreement. Forthwith upon execution of the Loan Agreement, and as set forth in the Escrow Agreement, a notice of defeasance and prior redemption of the Refunded Loan shall be mailed or delivered to the registered owner of the Refunded Loan by BOKF, N.A. dba Bank of Albuquerque, as Escrow Bank.

Section 13. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement, the Intercept Agreement, the Escrow 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, the Intercept Agreement and the Escrow Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance, the Loan Agreement, the Intercept Agreement and the Escrow Agreement, including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement, the Intercept Agreement and the Escrow Agreement and the publication of the summary of this Ordinance set out in Section 19 of this Ordinance (with such changes, additions and deletions as may be necessary).

Section 14. 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 of 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 any additional consideration, but only with the prior written consent of the Finance Authority.

Section 15. Ordinance Irrepealable. After the Loan Agreement and Intercept Agreement have been executed and delivered, this Ordinance shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 16. 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 17. 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 18. 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 Mayor and City Clerk of the Governmental Unit, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 19 below) shall be published in a newspaper which maintains an office and is of general circulation in the Governmental Unit, or posted in accordance with law, and said Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 19. 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)

City of Bloomfield, New Mexico
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 467, duly adopted and approved by the City Council of the City of Bloomfield, New Mexico, on June 8, 2015. A complete copy of the Ordinance is available for public inspection during the normal and regular business hours of the City Clerk, 915 North First Street, Bloomfield, New Mexico.

The title of the Ordinance is:

CITY OF BLOOMFIELD, NEW MEXICO
ORDINANCE NO. 467

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE CITY OF BLOOMFIELD, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), IN THE PRINCIPAL AMOUNT OF \$9,009,000 FOR THE PURPOSE OF REFUNDING OUTSTANDING LOAN NO. 2239-PP FROM THE FINANCE AUTHORITY, FINANCING LANDSCAPE IMPROVEMENTS AND FACILITY UPGRADES, PAYING A LOAN PROCESSING FEE AND FUNDING A LOAN AGREEMENT RESERVE ACCOUNT, AND EVIDENCING THE SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO REPAY THE PRINCIPAL AMOUNT OF \$9,009,000, TOGETHER WITH INTEREST THEREON; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF THE REVENUES OF THE GOVERNMENTAL UNIT'S (i) FIRST, SECOND, THIRD AND FOURTH INCREMENTS FOR TOTAL OF ONE-QUARTER OF ONE PERCENT OF MUNICIPAL CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUES ENACTED PURSUANT TO SECTION 7-19D-12, NMSA 1978, AS AMENDED, (ii) THE GOVERNMENTAL UNIT'S FIRST INCREMENT OF ONE-QUARTER OF ONE PERCENT MUNICIPAL GROSS RECEIPTS TAX REVENUES ENACTED PURSUANT TO SECTION 7-19D-9, NMSA 1978, AS AMENDED, AND (iii) FIRST, SECOND, THIRD AND FOURTH INCREMENTS FOR TOTAL OF ONE-QUARTER OF ONE PERCENT OF MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX REVENUES ENACTED PURSUANT TO SECTION 7-19D-11, NMSA 1978, AS AMENDED; PROVIDING FOR THE DISTRIBUTIONS OF THE REVENUES OF THE GROSS RECEIPTS TAXES FROM THE STATE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO THE INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT; 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, THE INTERCEPT AGREEMENT AND AN ESCROW AGREEMENT.

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

(End of Form of Summary for Publication)

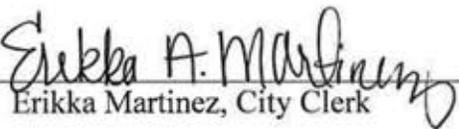
PASSED, APPROVED AND ADOPTED THIS 8th day of June, 2015.

CITY OF BLOOMFIELD, NEW MEXICO

By: 
Scott Eckstein, Mayor

[SEAL]

ATTEST:

By: 
Erikka Martinez, City Clerk

Council Member Curtis Lynch then moved adoption of the foregoing Ordinance, duly seconded by Council Member DeLaurie Lindsay.

The motion to adopt said Ordinance, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye: Councilor Curtis Lynch
Councilor DeLaurie Lindsay
Councilor Matt Pennington

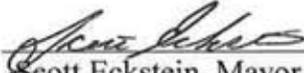
Those Voting Nay: _____

Those Absent: Councilor Elwin Park

Three (3) members of the Governing Body having voted in favor of said motion, the Mayor declared said motion carried and said Ordinance adopted, whereupon the Mayor and the City Clerk signed the Ordinance upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Ordinance, the meeting on the motion duly made, seconded and unanimously carried, was adjourned.

CITY OF BLOOMFIELD, NEW MEXICO

By:  _____
Scott Eckstein, Mayor

[SEAL]

ATTEST:

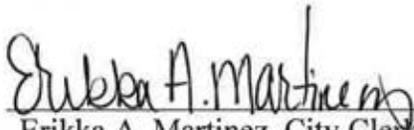
By:  _____
Erikka A. Martinez, City Clerk

EXHIBIT "A"

Meeting Agenda
of the June 8, 2015
City Council Meeting

(See attached)

STATE OF NEW MEXICO)
COUNTY OF SAN JUAN) ss.
CITY OF BLOOMFIELD)

I, Erikka A. Martinez, the duly qualified and acting Deputy City Clerk of the City of Bloomfield, New Mexico (the "Governmental Unit"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Council of the Governmental Unit (the "Governing Body"), constituting the governing body of the Governmental Unit had and taken at a duly called regular meeting held in the Bloomfield City Hall, 915 North First Street, Bloomfield, New Mexico, on June 8, 2015, at the hour of 6:00 p.m., insofar as the same relate to the execution and delivery of the proposed Loan Agreement, Intercept Agreement and Escrow Agreement, a copy of each of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

3. Notice of said meeting was given in compliance with the permitted methods of giving notice of regular meetings of the Governing Body as required by the Governmental Unit's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 8 day of June, 2015.

CITY OF BLOOMFIELD, NEW MEXICO

By: Erikka A. Martinez
Erikka A. Martinez, City Clerk

[SEAL]