RESOLUTION NO. 2012-1426

A SUPPLEMENTAL BOND RESOLUTION RELATING TO, SUPPLEMENTING AND AMENDING ORDINANCE NO. 2012-1254 WHICH AUTHORIZES THE CITY OF FARMINGTON SALES TAX REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2012

All terms used in the following preambles have the same meaning as defined in Section 2 hereof and as set forth in Ordinance No. 2012-1254 which was adopted by the City Council (the "Council") of the City of Farmington (the "City"), New Mexico on February 28, 2012 (sometimes herein the "Authorizing Ordinance"); and

(1) WHEREAS, by the Authorizing Ordinance, the Council has authorized the issuance of the "City of Farmington Sales Tax Revenue Improvement and Refunding Bonds, Series 2012" (the "Bonds") in the aggregate principal amount not exceeding $13,250,000 to finance the cost of the Project; and

(2) WHEREAS, the Authorizing Ordinance provides that the Council shall approve, by a Supplemental Bond Resolution to be thereafter adopted, certain details of and other matters relating to the Bonds; and

(3) WHEREAS, after negotiation, the Council has determined and hereby determines that it is in the best interests of the City and its citizens that the Bonds be sold at negotiated sale to the Purchaser (*i.e.*, New Mexico Finance Authority) at a purchase price of par ($10,655,000.00) plus a premium of $741,471.95 plus accrued interest (if any) to the delivery date pursuant to the Bond Purchase Agreement dated March 27, 2012, between the Purchaser and the City ("Bond Purchase Agreement") and the Council hereby determines to sell, and hereby does sell such Bonds to the Purchaser pursuant to the Bond Purchase Agreement which is hereby accepted; and

(4) WHEREAS, there have been presented to the Council and there presently are on file with the City Clerk (a) the aforesaid Bond Purchase Agreement (including but not limited to a Delivery, Deposit and Cross-Receipt Certificate and Requisition Certificate) and (b) the Contingent Intercept Agreement to be dated the date of delivery of the Bonds (the "Contingent Intercept Agreement") each of which documents is incorporated by reference and considered to be a part hereof; and

(5) WHEREAS, the Council has determined that the Refunding Project and Improvement Project shall be acquired in part with the proceeds of the Bonds, and

(6) WHEREAS, the terms and details of the Bonds as set forth herein are within the parameters of, and comply with, the provisions of the Authorizing Ordinance; and

(7) WHEREAS, this resolution constitutes the "Supplemental Bond Resolution" within the meaning of the Authorizing Ordinance; and

(8) WHEREAS, the Bond Purchase Agreement does not require the establishment of the Reserve Account, a Continuing Disclosure Agreement or any disclosure document.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY (*I.E.*, THE CITY COUNCIL) OF THE CITY OF FARMINGTON, NEW MEXICO:

Section 1. Ratification. All actions heretofore taken (not inconsistent with the provisions of this resolution) by the Council and the officers of the City directed toward the financing of the Project, the issuance of the Bonds, the refunding of the Refunded Bonds (including, but not necessarily limited to any prior notice given with respect to the Refunded Bonds Redemption Date) are hereby ratified, approved and confirmed.

Section 2. A. Definitions. The terms in this section defined for all purposes of the Ordinance and of any ordinance or resolution amendatory thereof or supplemental thereto, or relating thereto, and of any instrument or document appertaining thereto, except where the context by clear implication otherwise requires, shall have the

meanings herein specified, provided that all other definitions shall be as provided in the Authorizing Ordinance which is hereby supplemented:

"Authorizing Ordinance" means Ordinance No. 2012-1254.

"Bond Purchase Agreement" means that agreement between the Purchaser and the City referred to in preamble (3) hereof.

"Bonds" or 2012 Bonds" means the "City of Farmington Sales Tax Revenue Improvement and Refunding Bonds, Series 2012," authorized by the Authorizing Ordinance and this Supplemental Bond Resolution.

"Contingent Intercept Agreement" means that agreement between the Purchaser and the City referred to in preamble (4) hereof.

"Improvement Bonds" means the principal amount of $8,538,000 par amount of the Bonds and consists of those Bonds which are not designated herein as Refunding Bonds.

"Ordinance" or "ordinance" means, collectively, the Authorizing Ordinance, this Supplemental Bond Resolution and any ordinance or resolution amendatory or supplemental thereof.

"Purchaser" means the New Mexico Finance Authority.

"Refunded Bonds Redemption Date" means April 18, 2012 or, if the Mayor or City Manager determines that another date is necessary or advisable, such other date may be designated by the Mayor or City Manager.

"Refunding Bonds" means $2,117,000 par amount of the Bonds and being all Bonds maturing on June 1, 2013 through June 1, 2015 and the first $17,000 maturing on June 1, 2016.

"Regular Record Date" means last business day immediately preceding each regularly scheduled interest or principal payment date on the Bonds.

"Supplemental Bond Resolution" means this resolution.

B. "Deletion of Definitions" Since the Purchaser and the Bond Purchase Agreement do not require the Reserve Account, the Council hereby determines that the following definitions and any reference thereto under the Ordinance are deleted from the Ordinance: "Debt Service Coverage Ratio," "Reserve Account," "2012 Reserve Account" and "Reserve Account Requirement."

Further, since the Purchaser does not so require, the Council hereby determines that the following definitions and any reference thereto in the Ordinance are deleted from the Ordinance: "Continuing Disclosure Agreement," and "Special Record Date."

Section 3. Authorization of Refunding Project and Improvement Project – No Reserve Account, or Reserve Account Requirements. The Project as provided by the Authorizing Ordinance is hereby authorized and shall be acquired with the proceeds of the Bonds. There will not be a Reserve Account or Reserve Account Requirement and such terms are deleted from the Ordinance. The Bonds are comprised of the Improvement Bonds and Refunding Bonds as specifically set forth in Section 2 hereof.

Section 4. Authorization of the Dollar Amount of the Project and the Principal Amount of the Bonds. The Refunding Project (including amounts derived from the debt service fund for the 2001 Bonds) is hereby authorized at a total cost of $3,119,618.51 and the Improvement Project is hereby authorized at a total cost of $9,131,685.05 excluding any such costs defrayed or to be defrayed by any source other than the Bonds. The principal amount of the Improvement Bonds and the principal amount of the Refunding Bonds shall be as provided in Section 2 hereof. For the purpose of protecting the public health, conserving the property and advancing the general welfare of the citizens of the City, and for the purpose of defraying the cost of the Project, it is hereby declared that the interest or necessity of the City and the inhabitants thereof demand the issuance by said City of the Bonds in the aggregate principal amount of

$10,655,000 to be payable and collectible, both as to principal and interest solely from the Pledged Revenues and constituting special obligations of the City.

Section 5. Bond Details.

A. Basic Details. Supplementing the Authorizing Ordinance and as provided in Section 6 of the Authorizing Ordinance, the Bonds shall bear interest from the Series Date until their respective maturity dates at the per annum interest rates hereafter designated, payable semiannually on June 1 and December 1 of each year commencing on December 1, 2012, and the Bonds shall mature on June 1 in each of the years hereinafter designated, as follows:

Amounts Maturing	Interest Rate (Per Annum)	Years Maturing
$ 645,000	5.500%	2013
720,000	2.000	2014
735,000	5.500	2015
775,000	2.000	2016
785,000	1.500	2017
805,000	4.000	2018
835,000	2.250	2019
1,080,000	2.500	2020
1,000,000	5.000	2021
1,055,000	4.000	2022
1,095,000	3.000	2023
1,125,000	3.000	2024

Section 6. Prior Redemption.

A. Optional Prior Redemption. Bonds maturing on and after June 1, 2022 shall be subject to prior redemption at the City's option in one or more units of principal of $5,000 at any time on and after June 1, 2021, in whole or in part, in such order of maturities as the City may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as he shall consider appropriate and fair) for the principal amount of each $5,000 unit so redeemed, and accrued interest thereon to the redemption date, all pursuant to and as further provided in Section 6A of the Authorizing Ordinance.

B. Sinking Fund Redemption. The Bonds are not subject to sinking fund redemption.

C. Other Provisions of the Authorizing Ordinance. All other provisions of Section 6 of the Authorizing Ordinance applicable to prior redemption shall apply to the Bonds. If necessary, the Bond form as set forth in Section 13 of the Authorizing Ordinance shall be modified to comply herewith.

Section 7. Refunded Bonds Redemption Date. The Refunded Bonds shall be called for optional prior redemption on the Refunded Bonds Redemption Date (as defined in Section 2 hereof).

Section 8. Further Clarifications and Modifications to the Authorizing Ordinance.

A. Clarification of Section 10 of the Authorizing Ordinance. Since the New Mexico Finance Authority is the Purchaser, paragraphs A, B, D and the first part (before the semicolon) of paragraph C of the Authorizing Ordinance are inapplicable and are deleted from the Ordinance.

B. Deletion of Reference to Reserve Account in Section 20 of the Authorizing Ordinance. All of paragraphs B(1) and (2) of Section 20 of the Authorizing Ordinance and all other references in Section 20 and elsewhere in the Authorizing Ordinance to Reserve Account are deleted.

C. First Payment into Bond Account. Since the New Mexico Finance Authority is the Purchaser and the provisions of Section 20A (1)(b) and 2(b) are applicable, the first crediting to the Bond Account will be on the business day immediately prior to the first interest payment date and not "on the first day of the first day of the first month following delivery of the Bonds."

D. Additional Provision Relating to Bond Account. The following sentence is added at the very end of Section 20 A of the Authorizing Ordinance: "The Ordinance creates a valid lien on the Bond Account."

Section 9. Sale of Bonds and Approval of Documents. The City hereby agrees to sell the Bonds to the Purchaser in accordance with the Bond Purchase Agreement and, pursuant to the Authorizing Ordinance, hereby specifically establishes the total premium as the amount provided in preamble (3) hereof. The form, terms and provisions of the Bond Purchase Agreement, the Contingent Intercept Agreement, the Delivery, Deposit and Cross-Receipt Certificate and the Requisition Certificate are in all respects ratified, approved, authorized and confirmed. The Mayor is authorized and directed to execute, and the City Clerk is authorized and directed to affix the seal of the City to and attest, the Bond Purchase Agreement, the Contingent Intercept Agreement, the Delivery, Deposit and Cross-Receipt Certificate and the Requisition Certificate, all of the foregoing with such changes therein as are not inconsistent with the Ordinance and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions thereof from the forms before the meeting at which this resolution was adopted. From and after the execution and delivery of the Bond Purchase Agreement, the Contingent Intercept Agreement, the Delivery, Deposit and Cross-Receipt Certificate and the Requisition Certificate, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such other documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed.

Section 10. Bond Terms and Documents. It is hereby found and determined that the forgoing Bond terms, provisions and documents are within the limitations therefor which have been established in the Authorizing Ordinance.

Section 11. Amendment. The Ordinance may be amended or supplemented by ordinance as provided in Section 33 of the Authorizing Ordinance.

Section 12. Delegated Powers. The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Ordinance, including, without limiting the generality of the foregoing, the printing or other preparation of the Bonds, the execution and delivery of the Bond Purchase Agreement, the Contingent Intercept Agreement, the Delivery, Deposit and Cross-Receipt Certificate and the Requisition Certificate and any closing documents to be delivered in connection with the sale and delivery of the Bonds.

Section 13. Irrepealability. After any of the Bonds are issued the ordinance shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, or there has been defeasance of the Bonds as provided in the ordinance.

Section 14. Publication of Notice of Adoption. The following notice shall be published one time in the *Daily Times* as soon as is practicable following the adoption hereof.

(Form of Notice)

NOTICE OF ADOPTION OF SUPPLEMENTAL BOND RESOLUTION
CITY OF FARMINGTON, NEW MEXICO

NOTICE IS HEREBY GIVEN that on March 27, 2012, the City Council of the City of Farmington, New Mexico, adopted Resolution No. 2012-1426 (*i.e.*, the Supplemental Bond Resolution which supplements Ordinance No. 2012-1254) relating to the issuance of the City of Farmington Sales Tax Revenue Improvement and Refunding Bonds, Series 2012, in the aggregate principal amount of $10,655,000 and otherwise concerning such Bonds. Complete copies of the Supplemental Bond Resolution are on file and available for inspection during normal business hours at the office of the City Clerk, Farmington City Hall, 800 Municipal Drive, in Farmington, New Mexico. This notice is given pursuant to Sections 6-14-4 through 6-14-7, NMSA 1978.

DATED this 27th day of March, 2012.

City Clerk

(End of Form of Notice)

Section 15. Severability. If any section, paragraph, clause or provision of this resolution 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 resolution.

Section 16. Repealer. All bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed. This resolution supplements the Authorizing Ordinance.

Section 17. Recording and Authentication. This resolution, immediately upon its passage, shall be recorded in the book of resolutions of the City kept for that purpose, and shall be authenticated by the signatures of the Mayor and the City Clerk.

PASSED, ADOPTED, SIGNED AND APPROVED this 27th day of March, 2012.

Tommy Roberts, Mayor

SEAL

Attest:

Dianne Fuhrman, City Clerk