

## RESOLUTION NO. 2016-1612

A RESOLUTION RELATING TO THE CITY OF FARMINGTON, NEW MEXICO GROSS RECEIPTS TAX CIVIC CENTER IMPROVEMENT REVENUE BONDS IN ACCORDANCE WITH CITY ORDINANCE NO. 2016-1294 ADOPTED ON OCTOBER 25, 2016; APPROVING THE SALE OF THE BONDS TO THE NEW MEXICO FINANCE AUTHORITY; PROVIDING THAT THE BONDS WILL BE PAYABLE FROM STATE-SHARED GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.4 NMSA 1978, AND CONVENTION CENTER FEE REVENUES COLLECTED BY THE CITY PURSUANT TO SECTIONS 5-13-1 THROUGH 5-13-15 NMSA 1978 AND CITY ORDINANCE NO. 2014-1272; ESTABLISHING CERTAIN DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF EXPENSES RELATING TO THE ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINGENT INTERCEPT AGREEMENT; APPROVING OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH AND REPEALING PREVIOUS ACTION INCONSISTENT WITH THE PROVISIONS HEREOF.

All terms not defined herein shall have the meanings given them in the City Ordinance No. 2016-1294 adopted by the Governing Body on October 25, 2016 ("Bond Ordinance").

WHEREAS, pursuant to the Act, the Governing Body adopted the Bond Ordinance authorizing the issuance of the City of Farmington, New Mexico Gross Receipts Tax Civic Center Improvement Revenue Bonds in a principal amount not to exceed \$12,500,000 (the "Bonds") and providing for the adoption of this resolution ("Sale Resolution") setting forth certain details with respect to the Bonds; and

WHEREAS, the Governing Body has determined that it is advisable to sell the Bonds to the New Mexico Finance Authority (the "Purchaser") and desires to adopt this Sale Resolution as contemplated by the Bond Ordinance; and

WHEREAS, the Bond Ordinance provided that the Bonds would be payable from State-Shared Gross Receipts Tax Revenues distributed to the City pursuant to Section 7-1-6.4 NMSA 1978, Hold Harmless Gross Receipts Tax Revenues distributed to the City pursuant to Section 7-1-6.12 NMSA 1978 and Convention Center Fee Revenues collected by the City pursuant to Sections 5-13-1 through 5-13-15 NMSA 1978 and City Ordinance No. 2014-1272; and

WHEREAS, after adopting the Bond Ordinance, the City has determined that it is not necessary or convenient to pledge the Pledged Hold Harmless Gross Receipts Tax Revenues at this time in connection with the Bonds; and

WHEREAS, the Bond Ordinance provides that the exact principal amounts, interest rates, redemption features and other final terms of the Bonds, will be approved by a Sale Resolution supplementing the Bond Ordinance; and

WHEREAS, the Purchaser has offered to purchase the Bonds for a total amount of \$11,425,619.05 (\$10,165,000.00 aggregate principal amount, plus an original issue premium of \$1,260,619.05) pursuant to the approval of the purchase by its board of directors at a meeting held on November 30, 2016 and has presented a final Bond Purchase Agreement to the Governing Body setting out the terms with respect to the purchase and sale of the Bonds for approval by the Governing Body in connection with adoption of this Sale Resolution;

WHEREAS, a form of the Bond Purchase Agreement by and between the Purchaser and the City, dated November 30, 2016 (the "Bond Purchase Agreement") relating to sale of the Bonds to the Purchaser has been presented to the Governing Body for approval in connection with the adoption of this Sale Resolution; and

WHEREAS, a form of the Contingent Intercept Agreement by and among the Purchaser, the City and the Distributing State Agency (the "Contingent Intercept Agreement"), providing for the payment of amounts due on the Bonds from Pledged State-Shared Gross Receipts Tax Revenues by the Distributing State Agency to the Purchaser in the event that the City fails to make such payments on the Bonds, has been presented to the Governing Body for approval in connection with this Sale Resolution.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF FARMINGTON, NEW MEXICO:

Section 1. Ratification.

A. All action not inconsistent with the provisions of this Sale Resolution heretofore taken by the Governing Body, including the adoption of the Bond Ordinance, and taken by the officials of the City directed toward the sale and issuance of the Bonds be and the same hereby is ratified, approved and confirmed.

B. The Bonds shall be secured by Pledged State-Shared Gross Receipts Tax Revenues and Pledged Convention Center Fee Revenues.

C. The definition of "Pledged Revenues" in the Bond Ordinance is hereby amended and shall read as follows: "Pledged Revenues" means the Pledged Convention Center Fee Revenues and the Pledged State-Shared Gross Receipts Tax Revenues.

Section 2. Details of the Bonds. The Bonds shall be issued in a single series in the aggregate principal amount of \$10,165,000 for the purpose of financing the Improvement Project. The Bonds shall be dated the date of their issuance and delivery, shall be issued in denominations of \$5,000 or any integral multiple thereof, shall bear interest from their date until maturity at the rates hereinafter designated, payable commencing on June 1, 2017 and semiannually thereafter on June 1 and December 1 in each year, and shall mature in the designated principal amounts on June 1 in each of the years hereinafter designated, as follows:

<u>Maturing</u>	<u>Amounts</u>	<u>Interest Rate</u> (Per Annum)	<u>Year</u> <u>Maturing</u>
\$245,000		3.000%	2017
230,000		4.000%	2018
240,000		4.000%	2019
250,000		5.000%	2020
260,000		5.000%	2021
275,000		5.000%	2022
290,000		5.000%	2023
305,000		5.000%	2024
320,000		5.000%	2025
335,000		5.000%	2026
350,000		5.000%	2027
370,000		5.000%	2028
385,000		5.000%	2029
290,000		3.375%	2030
115,000		5.000%	2030
420,000		3.500%	2031
435,000		5.000%	2032
460,000		5.000%	2033
480,000		5.000%	2034
505,000		5.000%	2035
530,000		5.000%	2036
555,000		5.000%	2037
2,520,000		5.000%	2041*

\*Term Bond subject to mandatory sinking fund redemption.

provided, however, that the individual Bonds shall bear interest from the most recent interest payment date to which interest has been fully paid or duly provided for in full or, if no interest has been paid, from their date.

Section 3. Redemption of bonds.

A. Optional Redemption. The Bonds maturing on and after June 1, 2027 shall be subject to redemption prior to maturity at the City's option in one or more units of principal of \$5,000 on and after June 1, 2026, in whole or in part at any time, in such order of maturities as the City may determine (and by lot if less than all of the Bonds of any such maturity is called, such selection by lot to be made by the Paying Agent/Registrar) at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, if any, to the redemption date.

B. Mandatory Sinking Fund Redemption.

The Bonds maturing on June 1, 2041 are subject to mandatory sinking fund redemption on June 1 in each of the years and principal amounts stated below at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date. As and for a sinking fund for the Bonds so specified, the City shall cause to be deposited to the Interest and Sinking Fund a sum which is sufficient to redeem the following principal amounts plus interest accrued to the sinking fund redemption date:

Year	Principal Amount
2038	\$585,000
2039	615,000
2040	645,000
2041*	675,000

\*Final maturity.

Section 4. Deposits into Funds and Accounts. On the date of delivery of the Bonds, proceeds in the amount of \$11,425,619.05, comprised of \$10,165,000.00 aggregate principal amount, plus an original issue premium of \$1,260,619.05 from the sale of the Bonds shall be deposited in the funds and accounts created under the General Indenture of Trust and Pledge dated as of June 1, 1995, by and between the Purchaser and BOKF, NA and all Supplemental Indentures thereto (collectively, the "Indenture"), and used as set forth below and in the Bond Ordinance:

A. \$65,577.50 to be retained by the Purchaser to be used to pay the Purchaser's Processing Fee;

B. \$11,292,318.43 to the City's Project Account in the Program Account to be applied to the Improvement Project (net of Expenses); and

C. \$67,723.12 to the City's Project Account in the Program Fund to be used for the payment of Expenses.

The City Treasurer shall be, and hereby is, authorized to make any necessary adjustments in the amounts to be deposited in the funds and accounts described in this Section on the date of delivery of the Bonds, or to allow deposits into funds and accounts required or contemplated by the Indenture.

Section 5. Sale of the Bonds. The Bonds are hereby sold to the Purchaser, in accordance with the Bond Purchase Agreement, at the total purchase price for the Bonds as set forth in the preambles of this Sale Resolution. All Expenses, except for those to be paid by the Purchaser, incurred in connection with issuance of the Bonds and as set forth in the Bond Purchase Agreement, are to be paid by the City.

Section 6. Approval of Bond Purchase Agreement and Contingent Intercept Agreement; Execution of Documents. The forms of the Bond Purchase Agreement and Contingent Intercept Agreement have been filed in the City Clerk's Office and presented to the Governing Body at this meeting. The terms and provisions of the Bond Purchase Agreement and Contingent Intercept Agreement, in substantially the forms presented to the Governing Body, are in all respects approved, authorized and confirmed. The officers of the City, including without limitation, the Mayor, City Manager, and Treasurer be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Sale Resolution, including, without limiting the generality of the foregoing, the execution and delivery of the Bond Purchase Agreement, the Contingent Intercept Agreement, and such other documents and certificates as may be required by the Purchaser or bond counsel.

Section 7. Compliance with Bond Ordinance. The net effective interest rate on the Bonds is less than twelve percent (12%) as required by the applicable State law. The terms established for the Bonds are within the limitations for such terms set forth in the Bond Ordinance.

Section 8. Form of Bonds. The form of the Bonds shall be as provided in the Bond Ordinance.

Section 9. Findings. It is hereby found and determined that the above terms established for the Bonds are within the limitations for such terms established by the Bond Ordinance and it is advisable to sell the Bonds to the New Mexico Finance Authority.

Section 10. Repealer. All bylaws and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency. This repealer shall not be construed as reviving any bylaw or resolution, or part thereof, heretofore repealed.

Section 11. Severability. If any section, paragraph, clause or provision hereof shall 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 Sale Resolution.

Section 12. Amendment. This Sale Resolution may be amended only on the same terms and conditions and in accordance with the same procedures as set forth in the Bond Resolution for amendment of the Bond Resolution.

Section 13. Publication. A title and general summary of the subject matter contained in this Sale Resolution shall be published in substantially the following form after adoption of this Sale Resolution:

(Form of Summary of Sale Resolution for Publication)

City of Farmington, New Mexico  
Notice of Adoption of Sale Resolution

Notice is hereby given of the title and of a general summary of the subject matter contained in a Sale Resolution duly adopted and approved by the Governing Body of the City of Farmington on November 30, 2016 relating to the details of the City's Gross Receipts Tax Civic Center Improvement Revenue Bonds, Series 2016 (the "Bonds") as authorized pursuant to its Bond Ordinance duly adopted by the Governing Body on October 25, 2016. Complete copies of the Sale Resolution are available for public inspection during the normal and regular business hours of the City Clerk in the office of the City Clerk, Farmington City Hall, 800 Municipal Drive, Farmington, New Mexico. New Mexico.

The title of the Sale Resolution is:

A RESOLUTION RELATING TO THE CITY OF FARMINGTON, NEW MEXICO GROSS RECEIPTS TAX CIVIC CENTER IMPROVEMENT REVENUE BONDS IN ACCORDANCE WITH CITY ORDINANCE NO. 2016-1294 ADOPTED ON OCTOBER 25, 2016; APPROVING THE SALE OF THE BONDS TO THE NEW MEXICO FINANCE AUTHORITY; PROVIDING THAT THE BONDS WILL BE PAYABLE FROM STATE SHARED GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.4 NMSA 1978, AND CONVENTION CENTER FEE REVENUES COLLECTED BY THE CITY PURSUANT TO SECTIONS 5-13-1 THROUGH 5-13-15 NMSA 1978 AND CITY ORDINANCE NO. 2014-1272; ESTABLISHING CERTAIN DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF EXPENSES RELATING TO THE ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINGENT INTERCEPT AGREEMENT; APPROVING OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH AND REPEALING PREVIOUS ACTION INCONSISTENT WITH THE PROVISIONS HEREOF.

A general summary of the subject matter contained in the Resolution appears in its title.

(End of Form of Summary of Sale Resolution for Publication)

Section 14. Effective Date. This Sale Resolution shall become effective immediately upon its passage and adoption by the Governing Body.

DONE AND APPROVED this 30<sup>th</sup> day of November, 2016.

APPROVED:

Tommy Roberts  
Tommy Roberts, Mayor

ATTEST:

Andrea Jones  
Andrea Jones, Deputy City Clerk