

TOWN OF EDGEWOOD
ORDINANCE NO. 2014-01

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF EDGEWOOD, NEW MEXICO, GENERAL OBLIGATION BONDS, SERIES 2014, IN THE PRINCIPAL AMOUNT OF \$3,670,000, TO THE NEW MEXICO FINANCE AUTHORITY, DATED AS OF THE DATE OF DELIVERY, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE TOWN, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING THAT THE PROCEEDS OF THE BONDS WILL BE USED (i) IN THE AMOUNT OF \$2,975,000 FOR MUNICIPAL STREETS AND ROADS, (ii) IN THE AMOUNT OF \$670,000 FOR AN ANIMAL SHELTER AND (iii) IN THE AMOUNT OF \$25,000 FOR COSTS OF ISSUANCE OF THE BONDS; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE AWARD AND SALE OF THE BONDS TO THE PURCHASER AND THE PRICE TO BE PAID BY THE PURCHASER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

WHEREAS, at the regular municipal election held for the Town of Edgewood (the "Town"), State of New Mexico, on March 4, 2014, the electors of the Town authorized the Town Council of the Town (the "Town Council") to contract bonded indebtedness on behalf of the Town and upon the credit thereof by issuing general obligation bonds of the Town (the "Bonds") to secure funds to (i) construct, repair and otherwise improve municipal streets and roads, including Rainbow Road, approximately 1 mile of Horton Road and approximately 1.2 miles of Walker Road, (ii) construct a facility for an animal shelter for the Town, and (iii) pay costs of issuance of the Bonds (the "Projects"), in the following amounts:

<u>Purpose</u>	<u>Amount Authorized At Election</u>	<u>Amount Previously Issued</u>	<u>Amount To Be Issued</u>
Municipal streets and roads	\$3,000,000	\$-0-	\$2,975,000
Animal shelter	\$670,000	\$-0-	\$670,000

WHEREAS, the Town Council has received an offer to purchase the Bonds from the New Mexico Finance Authority ("Finance Authority") and the Town Council desires to accept the offer and to award the Bonds to the Finance Authority; and

WHEREAS, the Town Council has determined and does hereby determine that the Bonds shall be issued at this time under the authority of the New Mexico Constitution and applicable law as hereinafter set forth, and desires to fix the form and details of the Bonds and to provide for the levy of taxes for the payment of the principal of and interest on the Bonds; and

WHEREAS, the net effective interest rate on the Bonds is not more than twelve percent (12%) a year; and

WHEREAS, no action or suit has been commenced by any person or corporation contesting the validity of any of the proceedings directed toward the issuance and sale of the Bonds heretofore taken by the Town Council and the officers of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF EDGEWOOD:

Section 1. The Town Council hereby accepts the offer of the Finance Authority to purchase the Bonds in the amount of \$3,670,000 and approves the terms set forth in the Bond Purchase Agreement between the Town Council and the Finance Authority. The Town Council hereby determines that the Bonds shall be sold to the Finance Authority and shall be issued at this time under the authority of the New Mexico Constitution and applicable law as hereinafter set forth.

Section 2. A. In order to provide funds for the purposes stated above, the Town Council, on behalf of the Town and upon the full faith and credit thereof, shall issue the Town's general obligation bonds maturing and bearing interest as follows:

<u>Amounts Maturing</u>	<u>Years Maturing (August 1)</u>	<u>Interest Rate (Per Annum)</u>
\$120,000	2015	0.5309%
135,000	2016	0.7509
140,000	2017	1.0609
150,000	2018	1.4009
155,000	2019	1.7309
165,000	2020	2.0509
170,000	2021	2.3409
175,000	2022	2.6009
185,000	2023	2.8009
195,000	2024	2.9409
200,000	2025	2.9400
205,000	2026	3.1900
205,000	2027	3.3700
210,000	2028	3.5300
210,000	2029	3.6500
210,000	2030	3.7600
210,000	2031	3.8700
210,000	2032	3.9800
210,000	2033	4.0700
210,000	2034	4.1400

B. The Bonds shall be dated the date of their delivery (herein the "Series Date"), will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$1,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates per annum set forth above for the Bonds, payable to

the registered owner thereof, or registered assigns, on February 1, 2015, and semiannually thereafter on August 1 and February 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year set forth above.

C. The Bonds are subject to prior redemption at the option of the Town prior to their scheduled maturity, in whole or in part, on any date beginning ten (10) years after the date of issuance of the Bonds.

D. The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by Town Clerk-Treasurer, which is hereby designated as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month preceding the interest payment date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

Section 3. The Bonds shall constitute general obligation debt of the Town, payable from general ad valorem taxes which shall be levied without limitation as to the rate or amount. The full faith and credit of the Town shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 4. The Bonds shall bear the facsimile or manual signature of the Mayor of the Town and shall be attested by the facsimile or manual signature of the Town Clerk-Treasurer and shall bear the facsimile or original seal of the Town. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof

shall be the valid and binding obligations of the Town, notwithstanding that before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Mayor and Town Clerk-Treasurer shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Mayor and Town Clerk-Treasurer may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If facsimile signatures are to appear on the Bonds, the Mayor and Town Clerk-Treasurer, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5. A. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three (3) business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each interest payment date for change of name or address of the registered owners. Transfers shall be permitted within fifteen (15) days prior to each interest payment date but such transfer will not include transfer of interest payable on such interest payment date.

B. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes

except as may otherwise be provided in this ordinance with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

E. The officers of the Town are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

F. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the Town.

G. The Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with a depository acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the depository and immobilized in its custody. Authorized Officers of the Town are authorized to sign agreements with the depository relating to the matters set forth in this paragraph.

Section 6. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the Town shall reasonably determine that said Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the Town may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor registrar/paying agent. Every such successor registrar/paying agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 7. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered

owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 8. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED

REGISTERED

NO. R-__

\$_____

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
TOWN OF EDGEWOOD
GENERAL OBLIGATION BONDS
SERIES 2014

Registered Owner: _____

Principal Amount: _____ DOLLARS

Interest Rate	Maturity Date	Series Date	CUSIP
_____% per annum	August 1, _____	_____, 2014	_____

The Town Council of the Town of Edgewood (the "Town Council"), on the full faith, credit and behalf of the Town of Edgewood, Santa Fe County, New Mexico (the "Town"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on February 1, 2015, and thereafter on August 1 and February 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the Clerk-Treasurer of the Town, as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is

registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

The Bonds are fully registered and are issuable in denominations of \$1,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of \$3,670,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the Town of Edgewood, Santa Fe County, New Mexico, for the purposes of providing (i) \$2,975,000 to construct, repair and otherwise improve municipal streets and roads, (ii) \$670,000 to construct a facility for an animal shelter for the Town of Edgewood and (iii) \$25,000 to pay costs of issuance of the Bonds. The Bonds are issued under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 3-30-1 through 3-30-9, NMSA 1978, the provisions of Sections 6-15-1 through 6-15-10, NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to an ordinance of the Town Council duly adopted and made a law of the Town prior to the issuance of this bond (the "Bond Ordinance").

The Bonds are subject to prior redemption at the option of the Town prior to their scheduled maturity, in whole or in part, on any date beginning ten (10) years after the date of issuance of the Bonds.

The Registrar/Paying Agent will maintain the books of the Town for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three (3) business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein

provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen (15) days prior to each Interest Payment Date for change of name or address of the registered owners. Transfers shall be permitted within fifteen (15) days prior to each Interest Payment Date but such transfer will not include transfer of interest payable on such Interest Payment Date.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the Town is hereby irrevocably pledged. The Town Council has, by the Bond Ordinance, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the Town in the issuance of this bond; that the total indebtedness of the Town, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; and that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the Town Council of the Town of Edgewood, in Santa Fe County, New Mexico, constituting the governing board of the Town, has caused the seal of the Town to be hereto affixed and this bond to be signed and executed with the facsimile or manual signature of the Mayor of the Town and subscribed and attested with the facsimile or manual signature of the Town Clerk-Treasurer, all as of the Series Date.

TOWN OF EDGEWOOD, NEW MEXICO

[SEAL]

By 
Mayor

ATTEST:

By _____
Town Clerk-Treasurer

[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: _____

Town of Edgewood
as Registrar/Paying Agent

By _____
Town Clerk-Treasurer

[End of Form of Certificate of Authentication]

[Form of Assignment]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ whose social security or tax identification number is _____ the within bond and irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Assignment]

[End of Form of Bond]

Section 9. When the Bonds have been duly executed and authenticated, they shall be delivered to the lawful purchaser thereof named in Section 1 of this Ordinance. The funds realized from the sale of the Bonds shall be applied solely to the specified purposes for the Bonds, but the purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the Town, or any of its officers, of any of the funds derived from the sale thereof.

Section 10. In order to pay the principal of and interest on the Bonds as they become due and, at the option of the Town, to reimburse the general fund or other funds for the payment of principal of or interest on the Bonds for which property taxes were not available, there shall be an annual assessment and levy upon all of the taxable property of the Town subject to taxation which provides an amount sufficient to pay the principal of and the interest on the Bonds as they become due and payable. However, the Town may, at its option, apply any other funds lawfully available for the purpose to the payment of principal or interest on the Bonds as they become due, and the levies required by this Section may be reduced to the extent other revenues are or will be available and used for payment of the Bonds. To the extent property taxes are not available for the purpose, the principal of and interest accruing on the Bonds shall be paid from the Town's general fund or from any other fund lawfully available for that purpose. The taxes shall be assessed, levied and collected annually at the time and in the manner as other Town taxes are assessed, levied and collected. Annually, the Town Council shall take all reasonable action to insure the levy and collection of taxes by the governmental authority charged with legal responsibility to levy and collect taxes in amounts sufficient at the time to pay the principal of and interest on the Bonds. The money produced by the levy of taxes provided in this Section to pay the principal of and interest on the Bonds is appropriated for that purpose and that amount shall be included in the annual budget adopted and passed by the Town Council each year. The taxes collected shall be maintained in an interest and sinking fund, which is hereby created, and kept for and applied only to the payment of the principal of and interest on the Bonds when due and as otherwise required or permitted by law.

Section 11. The Mayor, Town Clerk-Treasurer and other officers of the Town be and they hereby are authorized and directed to take all action necessary or appropriate to effectuate

the provisions of this Ordinance, including without limiting the generality of the foregoing, the deposit of the proceeds of the Bonds, into an acquisition fund for payment of the costs of the Projects and the costs of issuance of the Bonds, the execution and delivery of a continuing disclosure undertaking, if necessary, to enable the purchaser of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12(b)(5), the printing of the Bonds, and the execution of such certificates as may be required by the Bond purchasers relating to the signing of the Bonds, the tenure and identity of Town officials, the receipt of the purchase price of the Bonds from the purchasers and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

The Town covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Mayor and Town Clerk-Treasurer and other appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

The Town hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Section 13. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Town Council and the Town hereby covenant to the purchasers and the holders of the Bonds from time to time that the Town will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 14. After any of the Bonds have been issued, this ordinance shall constitute a contract between the Town and the holder or holders of the Bonds and shall be and remain irrevocable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 15. 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 16. The following notice shall be published one time in a newspaper having general circulation in the Town as soon as is practicable following the adoption hereof and this ordinance shall be effective five days after such publication as provided by law.

[Form of Notice]

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Town Council of the Town of Edgewood, Santa Fe County, New Mexico, did on the 7th day of May, 2014, adopt an ordinance entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF EDGEWOOD, NEW MEXICO, GENERAL OBLIGATION BONDS, SERIES 2014, IN THE PRINCIPAL AMOUNT OF \$3,670,000, TO THE NEW MEXICO FINANCE AUTHORITY, DATED AS OF THE DATE OF DELIVERY, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE TOWN, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING THAT THE PROCEEDS OF THE BONDS WILL BE USED (i) IN THE AMOUNT OF \$2,975,000 FOR MUNICIPAL STREETS AND ROADS, (ii) IN THE AMOUNT OF \$670,000 FOR AN ANIMAL SHELTER AND (iii) IN THE AMOUNT OF \$25,000 FOR COSTS OF ISSUANCE OF THE BONDS; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; PROVIDING FOR THE AWARD AND SALE OF THE BONDS TO THE PURCHASER AND THE PRICE TO BE PAID BY THE PURCHASER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Ordinance directs and authorizes the issuance of Town of Edgewood, General Obligation Bonds in the aggregate principal amount of \$3,670,000; approves the sale of the bonds to the New Mexico Finance Authority and provides for the delivery thereof; provides for the form of the bonds; provides for levy of taxes to pay the principal of and interest on the bonds; makes certain covenants with the bond purchaser; and provides other details concerning the bonds. Complete copies of the Ordinance are available for public inspection during normal and regular business hours at the offices of the Town, 1999 Historic Route 66, Edgewood, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.