

STATE OF NEW MEXICO)

COUNTY OF GRANT) ss.

TOWN OF SILVER CITY)

The Town Council (the “Council”) of the Town of Silver City (the “Town”), in the State of New Mexico, met in open regular session in full conformity with law and the ordinances and rules of the Town, in the Grant County Administration Center, 1400 Highway 180 East, Silver City, New Mexico, being the regular meeting place of the Council, at 6:00 p.m., on Tuesday, September 13, 2022, at which time there were present and answering the roll call the following members:

Mayor:

Ken Ladner

Councilors:

Lucian Farmer

Nicholas Prince

Jose A. Ray, Jr.

Guadalupe E. Cano

Absent:

There was officially filed with the Town Clerk, the Mayor and each Councilor, a copy of a resolution in final form, which is as follows:

TOWN OF SILVER CITY, NEW MEXICO
RESOLUTION NO. 2022-21

RELATING TO THE TOWN OF SILVER CITY, NEW MEXICO GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2022 TO BE ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____ ; ESTABLISHING THE EXACT AGGREGATE PRINCIPAL AMOUNT, MATURITY DATES, RATES OF INTEREST, REDEMPTION FEATURES AND PRICE WITH RESPECT TO THE SERIES 2022 BONDS IN ACCORDANCE WITH TOWN ORDINANCE NO. 1306 ADOPTED ON SEPTEMBER 14, 2022; APPROVING DOCUMENTS RELATING TO THE SERIES 2022 BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH AND REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION.

WHEREAS, unless otherwise defined in this Resolution (hereinafter the “Sale Resolution”) or the context requires otherwise, capitalized terms in this Sale Resolution have the same meaning assigned to those terms in Section 1 of Town Ordinance No. 1306 (the “Bond Ordinance” and together with this Sale Resolution, the “Bond Legislation”) adopted by the Council on September 13, 2022; and

WHEREAS, the Sale Resolution is adopted pursuant to the Bond Ordinance in order to approve the terms, sale price and other matters with respect to the Series 2022 Bonds; and

WHEREAS, the Council has adopted the Ordinance which authorizes the issuance of the Series 2022 Bonds and provides for the adoption of the Sale Resolution by the Council to approve specific terms and documents relating to the issuance, delivery, sale and administration of the Series 2022 Bonds, and the Sale Resolution is adopted by the Council for those purposes; and

WHEREAS, the Council has determined to issue the Series 2022 Bonds as tax-exempt obligations pursuant to the Act and Section 103 of the Code; and

WHEREAS, it is in the best interests of the Town to sell the Series 2022 Bonds to Hilltop Securities Inc., as the Purchaser, upon the terms as set forth in the Bond Legislation and the Bond Purchase Agreement; and

WHEREAS, Hilltop Securities Inc., has agreed to purchase the Bonds at a purchase price of \$_____ and has presented a Bond Purchase Agreement, by and between the Purchaser and the Town, to the Council setting out the terms with respect to the purchase and sale of the Series 2022 Bonds for approval by the Council in connection with adoption of this Sale Resolution; and

WHEREAS, the Bond Purchase Agreement is on deposit with the Town and is presented to the Council; and

WHEREAS, all required authorizations, consents and approvals of any governmental body, agency or authority in connection with (i) the use and pledge of the Pledged Revenues for

the payment of the Series 2022 Bonds, and (ii) the authorization, execution and delivery of the Series 2022 Bonds, which are required to have been obtained by the date on which the Sale Resolution is adopted have been or will have been obtained;

BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE TOWN OF SILVER CITY, NEW MEXICO:

Section 1. Definitions. For purposes of the Series 2022 Bonds, the defined term “Sale Certificate” in the Bond Ordinance shall be revised to “Sale Resolution.”

Section 2. Ratification of Prior Actions and Awarding the Bonds. All action previously taken (not inconsistent with the provisions of this Sale Resolution or the Bond Ordinance) by the Council and the officers of the Town, directed toward the authorization, pledge, collection and distribution of the Pledged Revenues and the authorization, issuance and sale of the Series 2022 Bonds is ratified, approved and confirmed, and the Bonds are awarded to Hilltop Securities Inc., as provided below.

A. The Series 2022 Bonds shall be issued as tax-exempt obligations in the aggregate principal amount of \$_____, shall be dated the date of their issuance and delivery, shall bear interest from their date until maturity at the rates hereinafter designated, commencing on December 1, 2022 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 year, as follows:

| <u>MATURITY</u> <u>(JUNE 1)</u> | <u>AMOUNTS</u> <u>MATURING</u> | <u>INTEREST</u> <u>RATE</u> |
|------------------------------------|-----------------------------------|--------------------------------|
| 2023 | | |
| 2024 | | |
| 2025 | | |
| 2026 | | |
| 2027 | | |
| 2028 | | |
| 2029 | | |
| 2030 | | |
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Section 3. Findings. The Council declares that it has considered all relevant information and data and makes the following findings:

A. The issuance of the Series 2022 Bonds under the Act to provide funds for the Improvement Project is necessary and in the interest of the public health, safety, morals and welfare of the residents of the Town.

B. The net effective interest rate of ____% on the Series 2022 Bonds is reasonable under existing and anticipated bond market conditions and is less than 12.0%.

C. The Town will complete the Improvement Project with the proceeds of the Series 2022 Bonds together with other funds of the Town.

D. It is economically feasible to defray, in part, the cost of the Improvement Project by the issuance of the Series 2022 Bonds.

Section 4. Bond Details.

A. Principal Amount. The Series 2022 Bonds shall be issued in the aggregate principal amount of \$_____ to provide funds, together with other available funds of the Town, if any, to (i) finance the Improvement Project, (ii) fund the Reserve Fund in the amount of the Minimum Reserve, and (iii) pay Expenses relating to the issuance of the Series 2022 Bonds.

B. Series Date; Registration. The Bonds shall be dated as of the date of original issuance and delivery (the "Series Date"), and shall be issued in fully registered form only, without coupons, and when issued will be registered in the name of Cede & Co., as registered owner of the Bonds, all as provided in the Bond Legislation.

C. Record Date. The Record Date shall be the 15th day of the calendar month preceding each scheduled Interest Payment Date.

D. Optional Redemption. The Series 2022 Bonds maturing on and after June 1, 20__ shall be subject to redemption prior to maturity on and after June 1, 20__, at the Town's option in one or more units of principal of \$5,000 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 Series 2022 Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner considered appropriate and fair) at a redemption price equal to the principal amount of the Series 2022 Bonds or portions thereof to be redeemed plus accrued interest, if any, to the date fixed for redemption.

Section 5. Parameters of Resolution. The net effective interest rate on the Series 2022 Bonds is less than 12% per annum. The maturity dates of the Bonds do not exceed fifty years. All other terms and conditions relating to the Bonds and the sale of the Bonds to the Purchaser set forth in this Sale Resolution are within the parameters established by the Bond Ordinance.

Section 6. Accounts and Funds. The Town shall establish such Funds and Accounts as required by the Bond Legislation and the net proceeds from the sale of the Bonds shall be deposited or used as follows:

A. \$ _____ shall be deposited in the Acquisition Fund for the Improvement Project.

B. \$ _____ shall be deposited in the Acquisition Fund for payment of Expenses.

C. \$ _____ shall be deposited in the Reserve Fund in an amount equal to the Minimum Reserve.

D. \$ _____ shall be deposited in the Bond Fund for payment of debt service on the Series 2022 Bonds.

Section 7. Amendments to Bond Ordinance. For purposes of the Series 2022 Bonds, the Bond Ordinance is hereby amended as follows:

A. Section 19(E) is hereby replaced with the following:

Immediately upon the sale and delivery of the Series 2022 Bonds, a deposit in an amount equal to the Minimum Reserve will be made into the Reserve Fund from proceeds of the Series 2022 Bonds or, alternatively, the Town may acquire a Reserve Fund Insurance Policy in an amount equal to all or part of the Minimum Reserve so that the combined amount of cash in the Reserve Fund and the amount of the Reserve Fund Insurance Policy is equal to the Minimum Reserve. Amounts on deposit in the Income Funds, after making the deposits into the Bond Fund and the debt service funds for additional Parity Bonds required by the Bond Ordinance, may also be used by the Town to make deposits into the Reserve Fund if required to meet the Minimum Reserve or to pay the annual premiums, reimbursement or other costs required by or associated with any Reserve Fund Insurance Policy. No payment need be made into the Reserve Fund so long as the moneys or the Reserve Fund Insurance Policy therein shall equal not less than the Minimum Reserve. The moneys in the Reserve Fund shall be accumulated and maintained as a continuing reserve to be used, except as provided in the Bond Ordinance, only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from failure to deposit into the Bond Fund sufficient funds to pay the principal and interest as the same become due.

Section 8. Approval and Use of Documents. The form, terms and provisions of the Bond Purchase Agreement is on file with the Town Clerk and presented to the Council is ratified and approved. The Mayor is authorized and directed to execute and the Town Clerk is authorized and directed to affix the seal of the Town to and attest where applicable, the Bond Purchase Agreement in substantially the form presented at this meeting, or with such changes therein as are not inconsistent with the Bond Legislation 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 form presented to the Council. The officers of the Town, including without limitation, the Mayor, Manager and Clerk 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 distribution of material relating to the Bonds, the printing of the Bonds, and the execution of the Bond Purchase Agreement and such other certificates as may be required by the Purchaser or bond counsel.

Section 9. Sale of the Bonds. The Series 2022 Bonds are hereby sold to Hilltop Securities Inc. pursuant to a negotiated sale at the purchase price of \$_____, which equals the par amount of \$_____, plus a reoffering premium of \$_____, less an underwriting discount of \$_____, as set forth in the Bond Purchase Agreement.

Section 10. Bond Ordinance. Except with respect to the terms set forth in this Sale Resolution, the Bonds are governed by the Bond Ordinance. In the event of any conflict in the terms of this Sale Resolution and Bond Ordinance, the terms of the Bond Ordinance shall prevail. The adoption of this Resolution, and all procedures undertaken incident thereto, are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Constitution and laws of the state of New Mexico.

Section 11. Repealer Clause. All bylaws, orders and resolutions, or parts thereof, inconsistent with this Sale Resolution are repealed to the extent of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, previously repealed.

Section 12. Effective Date and Publication. This Sale Resolution shall be in full force and effect immediately upon adoption and approval by the Council and its execution and approval by the Mayor. 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.

Town of Silver City, 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 Town Resolution No. _____ duly adopted and approved by the Silver City Town Council on September 13, 2022, relating to the details of the Town's Gross Receipts Tax Improvement Revenue Bonds, Series 2022 as authorized pursuant to its Ordinance No. 1306 duly adopted by the Council on September 14, 2021. Complete copies of the Sale Resolution are available for public inspection during the normal and regular business hours of the Town Clerk, 101 West Broadway, Silver City, New Mexico.

The title of the Resolution is:

RELATING TO THE TOWN OF SILVER CITY, NEW MEXICO GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2022 TO BE ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF \$_____; ESTABLISHING THE EXACT AGGREGATE PRINCIPAL AMOUNT, MATURITY DATES, RATES OF INTEREST, REDEMPTION FEATURES AND PRICE WITH RESPECT TO THE SERIES 2022 BONDS IN ACCORDANCE WITH TOWN ORDINANCE NO. 1306 ADOPTED ON SEPTEMBER 14, 2022; APPROVING DOCUMENTS RELATING TO THE SERIES 2022 BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH AND REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION.

The title sets forth a general summary of the subject matter contained in the Resolution.

PASSED, APPROVED, AND ADOPTED this 13th day of September, 2022.

TOWN OF SILVER CITY, NEW MEXICO

[SEAL]

By _____
Mayor

ATTEST:

By _____
Clerk

Councilor _____ moved adoption of the foregoing resolution, duly seconded by Councilor _____.

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

Those Voting Aye:

Those Voting Nay:

Those Absent:

_____ () Councilors having voted in favor of said motion, the Mayor declared said motion carried and said ordinance adopted, whereupon the Mayor and Town Clerk signed the ordinance upon the records of the minutes of the Council.

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

TOWN OF SILVER CITY, NEW MEXICO

[SEAL]

By _____
Mayor

ATTEST:

By _____
Clerk