

QUAY COUNTY, NEW MEXICO
BOARD OF COUNTY COMMISSIONERS
ORDINANCE NO. 60

AN ORDINANCE AMENDING AND RESTATING ORDINANCE NO. 58, WHICH AUTHORIZED THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN QUAY COUNTY, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), AND AN INTERCEPT AGREEMENT BETWEEN THE GOVERNMENTAL UNIT AND THE FINANCE AUTHORITY, OR THE ISSUANCE AND DELIVERY OF PUBLICLY-SOLD GROSS RECEIPTS TAX REVENUE BONDS OR OTHER NEGOTIATED OR PRIVATELY PLACED INSTRUMENTS ISSUED BY THE GOVERNMENTAL UNIT, EVIDENCING THE SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY THE PRINCIPAL AMOUNT OF THE LOAN OR OTHER OBLIGATIONS OF UP TO \$21,600,000, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF FINANCING CAPITAL IMPROVEMENTS FOR USE BY THE GOVERNMENTAL UNIT, FUNDING A LOAN AGREEMENT RESERVE ACCOUNT; DELEGATING AUTHORITY FOR SETTING THE FINAL TERMS FOR THE LOAN OR OTHER OBLIGATIONS AND DELIVERING THE LOAN AGREEMENT AND SETTING LOAN AGREEMENT PAYMENT DATES, PRICE, INTEREST RATES, INTEREST PERIODS, REDEMPTION PROVISIONS, IF ANY, AND OTHER PROCEDURES RELATED TO THE LOAN AGREEMENT OR OTHER OBLIGATIONS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT OR OTHER OBLIGATIONS SOLELY FROM THE DISTRIBUTIONS OF COUNTY LOCAL HOSPITAL GROSS RECEIPTS TAX AND COUNTY GROSS RECEIPTS TAX REVENUES RECEIVED BY THE GOVERNMENTAL UNIT PURSUANT TO NMSA 1978, SECTIONS 7-20C-2 (2007, AS REPEALED AND MODIFIED) AND 7-20E-9 (2020, AS REPEALED AND MODIFIED) AND DISTRIBUTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO NMSA 1978, SECTIONS 7-1-6.1 (2007), 7-1-6.13 (2024) AND 7-1-6.15 (2025); PROVIDING FOR THE DISTRIBUTION OF COUNTY LOCAL HOSPITAL GROSS RECEIPTS AND COUNTY GROSS RECEIPTS TAX REVENUES FROM THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT TO BE DIRECTED TO THE FINANCE AUTHORITY OR ITS ASSIGNS, IF APPLICABLE, FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT PURSUANT TO AN INTERCEPT AGREEMENT BETWEEN THE GOVERNMENTAL UNIT AND THE FINANCE AUTHORITY; APPROVING THE FORM AND TERMS OF, AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; SETTING THE MAXIMUM INTEREST RATE OF THE LOAN OR OTHER OBLIGATIONS; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTIONS INCONSISTENT



WITH THIS AMENDED AND RESTATED ORDINANCE; AND
AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION
WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT
OR OTHER OBLIGATIONS AND THE INTERCEPT 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.

RECITALS:

WHEREAS, Quay County, New Mexico (the "Governmental Unit" or "County") is a legally and regularly created, established, organized and existing political subdivision of the State of New Mexico (the "State") created pursuant to NMSA 1978, Section 4-20-1 (1923); and

WHEREAS, pursuant to NMSA 1978, Sections 4-62-1 to -10 (1992, as amended through 2019), the Governmental Unit is authorized to issue gross receipts tax revenue bonds and loan agreements for any county purpose and to pledge the County's local option gross receipts tax revenues for payment of principal and interest due in connection with, and other expenses related to, such gross receipts tax revenue bonds and loan agreements, or for any area of county government services; and

WHEREAS, NMSA 1978, Section 4-62-1.1(A) (2025) clarifies that gross receipts tax revenue bonds include "any obligation of a county issued under Chapter 4, Article 62 NMSA 1978, whether designated as a bond, note, loan, warrant, debenture, lease-purchase agreement or other instrument evidencing an obligation of a county to make payments;" and

WHEREAS, NMSA 1978, Section 4-62-3(F) (1995) provides that gross receipts tax revenue bonds and loan agreements may be sold at public or negotiated sale; and

WHEREAS, the Governmental Unit wishes to construct a new hospital to replace its existing hospital facility located within the boundaries of Quay County for the benefit of the Governmental Unit and its residents (the "Project"); and

WHEREAS, On July 14, 2025, the Governing Body approved Ordinance No. 58 (the "Original Ordinance"), which, among other things, authorized the execution and delivery of a loan agreement and an intercept agreement by and between the Governmental Unit and the Finance Authority, or the issuance and delivery of publicly-sold gross receipts tax revenue bonds or other negotiated or privately placed instruments for the purpose of financing the Project; and

WHEREAS, following the Governing Body's adoption of the Original Ordinance, the Finance Authority requested that the initial principal and interest payments due under the proposed loan agreement between the Governmental Unit and the Finance Authority be scheduled on December 15, 2025, and for a final Loan Agreement Payment date not to exceed December 15, 2054 (collectively, the Loan Payment Date Amendments"), rather than the due dates for such payments specified in the Original Ordinance; and

WHEREAS, the Governing Body is amenable to the Loan Payment Date Amendments, as requested by the Finance Authority, and intends to proceed with the execution and delivery of a loan agreement and an intercept agreement by and between the Governmental Unit and the Finance Authority for the purpose of financing the Project which reflect the Loan Payment Date Amendments; and

WHEREAS, in order to effectuate the Loan Payment Date Amendments, the Governing Body desires to amend and restate the Original Ordinance through the adoption of this Ordinance, which incorporates the Loan Payment Date Amendments, as requested by the Finance Authority and set forth in Sections 3(A)(ii) and 6(B) below; and

WHEREAS, the Governmental Unit has determined, and hereby determines, that the Project may be partially financed with amounts borrowed under the Loan Agreement, or through a public or negotiated sale of gross receipts tax revenue bonds or other instruments, 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 the Intercept Agreement to the Finance Authority, or through a public sale of gross receipts tax revenue bonds or a negotiated sale of other instruments; and

WHEREAS, the Governmental Unit wishes to pledge the Local Hospital Gross Receipts Tax and County Gross Receipts Tax Revenues, defined below, to the repayment of the Loan Agreement Payments due under the Loan Agreement, or to the repayment of publicly-sold-gross receipts tax revenue bonds or a negotiated sale of other instruments; and

WHEREAS, the Governing Body of the Governmental Unit has determined pursuant to the Act that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement, or for the repayment of publicly-sold gross receipts tax revenue bonds or the negotiated sale of other instruments; and

WHEREAS, other than as described in the Term Sheet, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which is currently outstanding; and

WHEREAS, the Loan, or any gross receipts tax revenue bonds or other instruments issued by the County to finance the Project, shall be special limited obligations of the Governmental Unit, payable solely from the Pledged Revenues, and shall not constitute general obligations of the Governmental Unit or debts or pledges of the full faith and credit of the Governmental Unit or the State; and

WHEREAS, the Governing Body of the Governmental Unit hereby finds and determines that it is in the best interests of the Governmental Unit to enter into the Loan Agreement and Intercept Agreement hereinafter authorized, with the Finance Authority, or to issue gross receipts tax revenue bonds or negotiate a sale of other instruments, for the purposes stated, and to delegate to the Pricing Officer (hereinafter defined and designated) the authority to act on behalf of the Governmental Unit in finalizing and delivering the Loan Agreement and the Intercept Agreement, or gross receipts tax revenue bonds or other instruments, and setting the payment dates, price, interest rates, interest payment periods and

any other parameter included in NMSA 1978, Section 6-14-10.2 (2017) and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer, all in accordance with the provisions of NMSA 1978, Section 6-14-10.2, as amended; and

WHEREAS, the Governing Body of the Governmental Unit desires to provide that distributions of the Pledged Revenues may be redirected to the Finance Authority or its assigns pursuant to an Intercept Agreement between the Governmental Unit and the Finance Authority for the payment of amounts due under the Loan Agreement, if the Governmental Unit elects to finance the Project through a negotiated sale or private placement of the Loan Agreement with the Finance Authority; and

WHEREAS, other than the Pledged Revenues, no tax revenues collected by the Governmental Unit shall be pledged to the Loan Agreement or any gross receipts tax revenue bonds or other instruments issued by the County to finance the Project; and

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

WHEREAS, the Governing Body of the Governmental Unit hereby determines that the Project to be financed by the Loan (or any gross receipts tax revenue bonds or other instruments issued by the County to finance the Project) is to be used for governmental purposes of the Governmental Unit and will not be used for purposes which would cause the Loan Agreement (or any gross receipts tax revenue bonds or other instruments issued by the County to finance the Project) to be deemed a "private activity bond," as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, to the extent that the County ultimately elects to proceed with financing the Project by entering into the Loan Agreement and the Intercept Agreement with the Finance Authority, the Governing Body of the Governmental Unit intends by this Ordinance to authorize the execution and delivery of the Loan Agreement and the Intercept 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) if the County elects not to proceed with financing the Project by entering into the Loan Agreement and the Intercept Agreement with the Finance Authority, the use and pledge of the Pledged Revenues for the payment of the amounts due under any gross receipts tax revenue bonds or other instruments issued by the County to finance the Project; (iii) the use of the proceeds of the Loan Agreement to finance the Project; (iv) if the County elects not to proceed with financing the Project by entering into the Loan Agreement and the Intercept Agreement with the Finance Authority, the use of the proceeds of any gross receipts tax revenue bonds or other instruments issued by the County to finance the Project; (v) the authorization, execution and delivery of the Loan Agreement and the Intercept Agreement which are required to have been

obtained by the date of this Ordinance, have been obtained or are reasonably expected to be obtained; and (vi) if the County elects not to proceed with the financing the Project by entering into the Loan Agreement and the Intercept Agreement with the Finance Authority, the authorization, execution and delivery of any gross receipts tax revenue bonds or other instruments issued by the County to finance the Project 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 QUAY COUNTY, NEW MEXICO:

SECTION 1. DEFINITIONS. As used in this Ordinance, the following capitalized terms shall, for all purposes, have the meanings 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, NMSA 1978, Sections 4-62-1 to -10 (1992, as amended through 2019), 7-1-6.1 (2007), 7-1-6.13 (2025), 7-1-6.15 (2021), 7-20-3 (1983, recompiled as NMSA 1978, Section 7-20E-9 by 1993 N.M. Laws, ch. 354, §9), 7-20E-9 (1993, as repealed and modified by 2019 N.M. Laws, ch. 274, § 16 and 2020 N.M. Laws, ch. 80, § 13), 7-20C-3 (2007, as repealed and modified by 2019 N.M. Laws, ch. 274, § 16 and 2020 N.M. Laws, ch. 80, § 13), and enactments of the Governing Body relating to the Loan Agreement and the 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, if any, secured by a pledge of the Pledged Revenues for any one Fiscal Year.

“Authorized Officers” means the members of the Governing Body, the Chairman or Chairwoman of the Governing Body, the County Clerk or Deputy County Clerk, the County Treasurer or Deputy County Treasurer of the Governmental Unit.

“Bonds” means public project revolving fund revenue bonds, if any, issued hereafter by the Finance Authority and specifically related to the Loan Agreement and the Loan Agreement Payments.

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

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

“County Gross Receipts Tax Revenues” means the revenues from the imposition of the Governmental Unit’s three-eighths of one percent (0.375%) County Gross Receipts Tax imposed pursuant to NMSA 1978, Section 7-20E-9 (formerly NMSA 1978, Section 7-20-3 (1983)) (1993, as repealed and modified by 2019 N.M. Laws, ch. 274, § 16 and 2020 N.M. Laws, ch. 80, § 13) and Governmental Unit Ordinance No. 6, adopted on June 2, 1987, with an effective date of January 1, 1988, and amendments to Governmental Unit Ordinance No. 6, adopted on September 14, 1987 and March 27, 2020.

"County Local Hospital Gross Receipts Tax Revenues" means revenues from the imposition of the Governmental Unit's one-half of one percent (0.5%) Local Hospital Gross Receipts Tax imposed pursuant to NMSA 1978, Section 7-20C-3 (2007, as repealed and modified by 2019 N.M. Laws, ch. 274, § 16 and 2020 N.M. Laws, ch. 80, § 13) and Governmental Unit Ordinance No. 41, adopted July 23, 2007, with an effective date of January 1, 2008.

"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, if applicable.

"Expenses" means the cost of issuance of the Loan Agreement and the costs of issuance of 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 Board of County Commissioners of the Governmental Unit, or any future successor governing body of the Governmental Unit.

"Governmental Unit" means Quay County, 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, if applicable, 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, as successor 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 successor trustee, as determined by the Finance Authority pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture).

"Intercept Agreement" means, if applicable, the Intercept Agreement dated the Closing Date, between the Governmental Unit and the Finance Authority providing for the direct payment by the Distributing State Agency to the Finance Authority of the Pledged Revenues in amounts sufficient to pay Loan Agreement Payments, 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, or by any financial institution or underwriter who may purchase any publicly-sold gross receipts tax revenue bonds or other negotiated instruments issued by the County to finance the Project.

“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, or any publicly-sold gross receipts tax revenue bonds or other instruments delivered pursuant to a negotiated sale, and issued by the County to finance the Project which provides for the financing of the Project and requires payments by or on behalf of the Governmental Unit to the purchaser of such bonds or instruments.

“Loan Agreement Payments” means, collectively, the Principal Component and the Interest Component (as such terms are defined in the Loan Agreement), if any, to be paid by the Governmental Unit as payment of the Loan Agreement as shown on Exhibit “B” to the Loan Agreement.

“Loan Agreement Principal Amount” means the original principal amount of the Loan Agreement as shown on Exhibit “A” to the Loan Agreement, if applicable.

“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, if applicable.

“Loan Agreement Reserve Requirement” means, with respect to the Loan, the amount shown as the Loan Agreement Reserve Account Deposit on Exhibit “A” to the Loan Agreement, if applicable.

“Ordinance” or “this Ordinance” means this ordinance amending and restating the Original Ordinance, and approving the Loan Agreement and the Intercept Agreement, if applicable, and pledging the Pledged Revenues to the payment of the Loan Agreement Payments as shown on the Term Sheet (if applicable).

“Parity Obligations” or “Parity Bonds” means the Loan Agreement and any other bonds or obligations now or hereafter issued or incurred payable from the Pledged Revenues and issued or incurred with a lien on the Pledged Revenues on a parity with the Loan Agreement.

“Pledged Revenues” means the three-eighths of one percent (0.375%) County Gross Receipts Tax Revenues imposed pursuant to NMSA 1978, Section 7-20E-9 (formerly NMSA 1978, Section 7-20-3 (1983)) (1993, as repealed and modified by 2019 N.M. Laws, ch. 274, § 16 and 2020 N.M. Laws, ch. 80, § 13) and Governmental Unit Ordinance No. 6, adopted on June 2, 1987, with an effective date of January 1, 1988, and amendments to Governmental Unit Ordinance No. 6, adopted on September 14, 1987 and March 27, 2020; and the one-half of one percent (0.5%) County Local Hospital Gross Receipts Tax Revenues imposed pursuant to NMSA 1978, Sections 7-20C-3 (2007, as repealed and modified by 2019 N.M. Laws, ch. 274, § 16 and 2020 N.M. Laws, ch. 80, § 13) and Governmental Unit Ordinance No. 41, adopted on July 23, 2007, with an effective date of January 1, 2008.

"Program Account" means the account in the name of the Governmental Unit established pursuant to the Indenture (if applicable) and held by the Trustee (if applicable) 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" shall have the same meaning as such term is defined in the fifth paragraph of the Recitals of this Ordinance.

"State" means the State of New Mexico.

"Term Sheet" means Exhibit "A" to the Loan Agreement, if applicable.

"Trustee" means BOKF, NA, 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, if applicable.

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, the enactment of Governmental Unit Ordinance No. 6, and Governmental Unit Ordinance No. 41, and this Ordinance, including, without limitation, the Second Revised Notice of Meeting and Intent to Consider Adoption of Ordinance, which was published in the Eastern New Mexico News on August 20, 2025, 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; TERMS OF THE LOAN AGREEMENT.

A. As authorized by NMSA 1978, Section 6-14-10.2, as amended, the Chair of the Governing Body, or in the event that she is unavailable at the time the Bonds to be issued by the Finance Authority are offered in the market, the County Manager (independently, each a "Pricing Officer"), is hereby authorized to act on behalf of the Governmental Unit in finalizing the terms and delivering the Loan Agreement and carrying out the other procedures specified in this Ordinance, including determining any or all of the parameters enumerated in NMSA 1978, Section 6-14-10.2(C), whether the Loan Agreement will be divided into separate tax-exempt and taxable Loan Agreements, the date of the Loan Agreement, the price at which the Loan Agreement will be issued, the years in which the Loan Agreement will mature, the principal amount of the Loan Agreement, the rate of interest of the Loan Agreement, the interest payment dates, the price and terms upon which the Loan Agreement shall be subject to redemption prior to maturity at the option of the Governmental Unit, if applicable, as well as any mandatory sinking fund redemption provisions, if applicable, and all other matters relating to the issuance and delivery of the Loan Agreement, including without limitation procuring municipal bond/loan insurance (if it is determined that such insurance would be financially desirable and advantageous), approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, and all other matters relating to the issuance, execution, and delivery of the Loan Agreement, all of which shall be specified in the Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Loan Agreement shall not exceed \$21,600,000, provided that the aggregate principal amount of the Loan Agreement issued and delivered and any net premium received by the Governmental Unit from the sale of Bonds issued by the Finance Authority shall not exceed the allocation to (a) the purposes for which the Loan Agreement was approved by the Governmental Unit, and (ii) the costs of issuance of the Loan Agreement;

(ii) the date for the final Loan Agreement Payment shall not exceed December 15, 2054;

(iii) the maximum interest rate to be paid on any Loan Agreement Payment date shall not exceed 8.0% per annum;

(iv) the combined true interest cost of the Loan Agreement shall not exceed 8.0%;

(v) the price to be paid for any Loan Agreement shall not be less than 100% of the aggregate original principal amount thereof, plus accrued interest thereon from its date to its delivery, if any; and

(vi) the delegation made hereby shall expire if not exercised by the Pricing Officer after one hundred twenty (120) days from the date this Ordinance is adopted;

(vii) the Loan Agreement shall initially be registered in the name of the initial purchaser thereof, the Finance Authority, as set forth in the Pricing Certificate.

B. The Loan Agreement should be issued through a negotiated sale or placement to the Finance Authority. The Pricing Officer, acting for and on behalf of the Governmental Unit, is authorized to enter into and carry out a loan purchase agreement or other agreement for the Loan Agreement to be issued to the Finance Authority by negotiated sale or placement, at such price, with and subject to such terms as determined by the Pricing Officer pursuant to this Section 3. The Pricing Officer will set the date to determine the final terms and provisions of the Loan Agreement as provided in Section 3(A) ("Pricing Date") upon no less than five (5) business days' prior written notice of such Pricing Date to the Finance Authority.

C. Interest shall accrue and be paid on each Loan Agreement Payment date until the Loan Agreement's maturity from the later of delivery, or the most recent Loan Agreement Payment to which interest has been paid or provided for, at the rate or rates per annum hereinafter set forth. Such interest shall be payable on such dates as provided in the Pricing Certificate until maturity or prior redemption, if applicable, and shall be computed on the basis of a 360-day year of twelve 30-day month.

D. For the avoidance of doubt, the parameters set forth in this Section 3 shall be applicable to any publicly-sold gross receipts tax revenue bonds or other negotiated instruments issued by the County to finance the Project, but only to the extent that the County ultimately elects not to finance the Project by entering into the Loan Agreement and Intercept

Agreement with the Finance Authority. Further, if the County elects to finance the Project by issuing publicly-sold gross receipts tax revenue bonds or another negotiated instrument, the underwriter's discount for such bonds or instrument shall not exceed 2.0% of the aggregate principal amount thereof.

SECTION 4. 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, if applicable, are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

SECTION 5. 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 and the Intercept Agreement (if applicable) is necessary and 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 financing 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 and the Intercept Agreement (if applicable).
- E. The Project and the execution and delivery of the Loan Agreement and the Intercept Agreement (if applicable) 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 (if applicable), 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 (if applicable).
- 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. The Governmental Unit is current in the accumulation of all amounts which are required to have been accumulated in the Finance Authority Debt Service Account and Loan Agreement Reserve Account for all Parity Obligations, if any, listed on the Term Sheet.

J. Pursuant to NMSA 1978, Sections 7-1-6.13 (24) and 7-1-6.15 (2025), the Governmental Unit receives the Pledged Revenues from the Distributing State Agency.

SECTION 6. LOAN AGREEMENT AND INTERCEPT AGREEMENT - AUTHORIZATION AND DETAIL.

A. AUTHORIZATION. This Ordinance has been adopted by the affirmative vote of two-thirds of all 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, pledge the Pledged Revenues and execute and deliver the Loan Agreement and Intercept Agreement (if applicable), evidencing a special, limited obligation of the Governmental Unit, to pay the Loan Agreement Principal Amount of up to \$21,600,000, plus interest thereon, and the pledge of the Pledged Revenues and the execution and delivery of the Loan Agreement and Intercept Agreement (if applicable) 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, if any; and (iii) make a deposit to the Finance Authority Debt Service Account, or any alternative debt service account established in connection with the County's issuance of publicly-sold gross receipts tax revenue bonds or other negotiated instruments to finance the Project. The Project will be owned by the Governmental Unit.

B. DETAIL. The Loan Agreement and Intercept Agreement shall be in substantially the forms of the Loan Agreement and Intercept 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 up to \$21,600,000, shall be payable in installments of principal due on December 15 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on December 15 and June 15 of each year, beginning on December 15, 2025 at the rates designated in Exhibit "B" to the Loan Agreement. If the County elects not to finance the Project by entering into the Loan Agreement and Intercept Agreement with the Finance Authority, the bonds or instrument(s) evidencing the County's obligation to use the Pledged Revenues to repay such bonds or instruments shall be passed on and approved by the Governing Body of the Governmental Unit, through the adoption of a resolution or an ordinance, at a properly noticed open meeting.

SECTION 7. APPROVAL OF LOAN AGREEMENT AND INTERCEPT AGREEMENT. The forms of the Loan Agreement and the Intercept Agreement, as presented at the meeting of the Governing Body at which this Ordinance was adopted are hereby approved. The Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement and the Intercept Agreement, with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the County Clerk or Deputy County Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and the Intercept Agreement and attest the same. The execution of the Loan Agreement and the Intercept Agreement by an Authorized Officer shall be conclusive evidence of such approval.

SECTION 8. 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 the 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 9. DISPOSITION OF PROCEEDS: COMPLETION OF FINANCING OF THE PROJECT.

A. PROGRAM ACCOUNT, FINANCE AUTHORITY DEBT SERVICE ACCOUNT AND LOAN AGREEMENT RESERVE ACCOUNT. The Governmental Unit hereby consents to the 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 and maintained 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; and (ii) the deposit of funds in the amount of the Loan Agreement Reserve Requirement in the Loan Agreement Reserve Account, 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 Finance Authority Debt Service Account, the Program Account and the Loan Agreement Reserve Account, 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 complete the Project with all due diligence. For the avoidance of doubt, this Section 9 shall apply only to the extent that the County elects to finance the Project by entering into the Loan Agreement and Intercept Agreement with the Finance Authority.

B. COMPLETION OF THE PROJECT. Upon the Completion Date, the Governmental Unit shall execute and send to the Finance Authority a certificate stating that financing of and payment for the Project have been completed, if applicable. 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