GRANT COUNTY, NEW MEXICO

RESOLUTION NO. R-14-49

APPROVING THE SALE OF GRANT COUNTY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2014, IN THE AGGREGATE PRINCIPAL AMOUNT OF $6,200,000 (THE "BONDS"); PROVIDING DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

WHEREAS, unless otherwise defined in Section 1 of this 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 County Ordinance 0-14-06 (the "Bond Ordinance") adopted by the Board of County Commissioners of Grant County (the "Board") on August 14, 2014; and

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

WHEREAS, the Board has adopted the Bond Ordinance which authorizes the issuance of the Bonds and provides for the adoption of one or more Sale Resolutions by the Board to approve specific terms and documents relating to the issuance, delivery, sale and administration of the Bonds, and the Sale Resolution is adopted by the Board for those purposes; and

WHEREAS, it is in the best interests of the County to sell the Bonds upon the terms as set forth in the Bond Ordinance and the Sale Resolution; 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 Bonds, and (ii) the authorization, execution and delivery of the 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 BOARD, THE GOVERNING BODY OF THE COUNTY OF GRANT, NEW MEXICO:

1. *Ratification.* All action previously taken (not inconsistent with the provisions of this Sale Resolution or the Bond Ordinance) by the Board and the officers of the County, directed toward the authorization, pledge, collection and distribution of the Pledged Revenues and the authorization, issuance and sale of the Bonds is ratified, approved and confirmed.

2. *Findings.* The Board declares that it has considered all relevant information and data and makes the following findings:

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

B. The interest rates and net effective interest rates on the Bonds are reasonable under existing and anticipated bond market conditions and necessary and advisable for the marketing and sale of the Bonds.

C. The Bonds shall be sold to Piper Jaffary & Co., as the initial purchaser of the Bonds (the "Purchaser"), at a true interest cost of 3.6937%.

3. *Bonds' Details.*

A. *Principal Amount.* The Bonds shall be issued in one series in the aggregate principal amount to $6,200,000 to provide funds for the Project, and to pay Expenses relating to the issuance of the Bonds.

B. *Series Date; Registration.* The Bonds shall be issued in fully registered form only, and shall be dated the date of issuance.

C. *Interest Payment Date; Interest Rates; Maturities.* The Bonds shall bear interest payable on January 1 and July 1, commencing July 1, 2015. The Bonds shall mature on such dates, in the amounts, and bear interest as follows:

Maturity:	**Interest Rate:**	**Principal:**
07/01/2015	2.000%	$105,000
07/01/2016	2.000%	135,000
07/01/2017	2.000%	135,000
07/01/2018	2.000%	140,000
07/01/2019	2.000%	145,000
07/01/2020	3.000%	145,000
07/01/2021	3.000%	150,000
07/01/2022	3.000%	155,000
07/01/2024	3.000%	325,000
07/01/2026	3.000%	345,000
07/01/2028	3.250%	365,000
07/01/2030	3.250%	385,000
07/01/2034	3.625%	860,000
07/01/2038	3.750%	1,000,000
07/01/2044	4.000%	1,300,000
07/01/2044	3.750%	510,000

D. *Record Date.* The Record Date shall be the 15th day of the month preceding the Interest Payment Date.

E. *Prior Redemption.* The Bonds are subject to redemption as follows:

(1) Optional Redemption. The Bonds maturing on and after July 1, 2024 are subject to redemption at the option of the County, at par plus accrued interest, at any time on or after July 1, 2022.

(2) Mandatory Sinking Fund Redemption. Term Bonds are subject to mandatory sinking fund redemption, at par plus accrued interest as follows:

Term Bond maturing July 1, 2024

Mandatory Redemption	Principal Amount
2023	$160,000
2024*	$165,000

* Final Maturity

Term Bond maturing July 1, 2026

Mandatory Redemption	Principal Amount
2025	$170,000
2026*	$175,000

* Final Maturity

Term Bond maturing July 1, 2028

Mandatory Redemption	Principal Amount
2027	$180,000
2028*	$185,000

* Final Maturity

Term Bond maturing July 1, 2030

Mandatory Redemption	Principal Amount
2029	$190,000
2030*	$195,000

* Final Maturity

Term Bond maturing July 1, 2034

Mandatory Redemption	Principal Amount
2031	$205,000
2032	210,000
2033	220,000
2034*	$225,000

* Final Maturity

Term Bond maturing July 1, 2038

Mandatory Redemption	Principal Amount
2035	$235,000
2036	245,000
2037	255,000
2038*	$265,000

* Final Maturity

Term Bond maturing July 1, 2044

Mandatory Redemption	Principal Amount
2039	$190,000
2040	195,000
2041	210,000
2042	220,000
2043	235,000
2044*	250,000

* Final Maturity

Term Bond maturing July 1, 2044

Mandatory Redemption	Principal Amount
2039	$85,000
2040	90,000
2041	85,000
2042	85,000
2043	85,000
2044*	80,000

* Final Maturity

F. *Additional Bonds Test.* Sec. 21.A.(third paragraph) of the Bond Ordinance is supplemented as follows:

The pledged Revenues received by the County for the twelve months immediately preceding the date of the issuance of such additional Bonds shall have been sufficient to pay an amount representing one hundred fifty percent (150%) of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on the then outstanding Bonds, outstanding Parity Bonds , and the Parity Bonds proposed to be issued.

G. *Reserve Fund Insurance Policy.* In lieu of a cash deposit from Bond Proceeds into the Reserve Fund, the County has obtained Municipal Bond Insurance Policy for the Reserve Fund.

4. Parameters of Ordinance. The net effective interest rate on the 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.

5. Accounts. The County shall establish such Funds and Accounts as required by the Ordinance.

6. Approval and Use of Documents. The forms, terms and provisions of the Preliminary Offering Statement, the Official Statement, and the Bond Purchase Agreement are ratified and approved.

7. Bond Proceeds.

A. Expenses, including Municipal Bond Insurance premiums in the amount of $144,497.19shall be paid on behalf of the County at Closing with any amounts not so expended deposited in the Bond Fund.

B. $6,000,000 shall be deposited in the Acquisition Fund.

C. Remaining Bond Proceeds, if any, shall be deposited in the Acquisition Fund.

8. *Municipal Bond Insurance Provisions.*

A. *Notice and Other Information to be given to BAM.* The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Paying Agent under the Security Documents.

The notice address of BAM is: Build America Mutual Assurance Company, 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2014B0490, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

B. *Defeasance.* The investments in the defeasance escrow shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or otherwise be approved by BAM.

At least three (3) Business Days prior to any defeasance of Insured Obligations, the Issuer shall deliver to BAM copies of an escrow agreement, an opinion regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding sufficiency of the escrow fund. Such opinion and Verification

Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

a) Any substitution of securities shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

b) The Issuer will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

c) The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

C. *Paying Agent.*

a) BAM shall receive prior written notice of any name change of the Paying Agent (the "Paying Agent") for the Insured Obligations or the resignation or removal of the Paying Agent.

b) No removal, resignation or termination of the the Paying Agent shall take effect until a successor, acceptable to BAM, shall be qualified and appointed.

D. *Amendments, Supplements and Consents.* BAM's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Issuer shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Insured Obligations.

a) *Consent of BAM.* Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:

i. To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

ii. To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or

iii. To add to the conditions, limitations and restrictions on the issuance of Bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

iv. To add to the covenants and agreements of the Issuer in the Security Documents other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer.

b) *Consent of BAM in Addition to Bondholder Consent.* Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Obligations or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

c) *Consent of BAM in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the Issuer must be acceptable to BAM. In the event of any reorganization or liquidation of the Issuer, BAM shall have the right to vote on behalf of all holders of the Insured Obligations absent a continuing failure by BAM to make a payment under the Policy.

d) *Consent of BAM Upon Default.* Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Paying Agent for the benefit of the holders of the Insured Obligations under any Security Document. No default or event of default may be waived without BAM's written consent.

e) *BAM as Owner.* Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

f) *Consent of BAM for acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.

g) *Grace Period for Payment Defaults.* No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

h) *Special Provisions for Insurer Default.* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs D.(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph (g), "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, Paying Agent, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

The security for the Insured Obligations shall include a pledge and assignment of any agreement with any underlying obligor that is a source of payment for the Insured Obligations and a default under any such agreement shall constitute an Event of Default under the Ordinance. In accordance with the foregoing, any such agreement is hereby pledged and assigned to the Paying Agent for the benefit of the holders of the Insured Obligations.

E. *BAM As Third Party Beneficiary.* BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

F. *Payment Procedure Under the Policy.*

In the event that principal and/or interest due on the Insured Obligations shall be paid by BAM pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Insured Obligations.

In the event that on the second (2^{nd}) business day prior to any payment date on the Insured Obligations, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the

Paying Agent shall so notify BAM or its designee.

In addition, if the Paying Agent has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

a) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Obligations, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, and (iii) disburse the same to such respective holders; and

b) If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Paying Agent shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Obligations surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, and (iii) disburse the same to such holders.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Obligation or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Insured Obligations, and BAM shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent agree for the benefit of BAM that:

a) They recognize that to the extent BAM makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent), on account of principal of or interest on the Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the transaction documents and the Bonds; and

b) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

G. *Additional Payments*. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are secured by a lien on and pledge of the Pledged Revenues and payable from such Pledged Revenues on a parity with debt service due on the Insured Obligations.

H. *Debt Service Reserve Fund and Acquisition Fund.*

a) The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Insured Obligations.

b) Unless BAM otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Acquisition Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

I. *Exercise of Rights by BAM.* The rights granted to BAM under the Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Obligations and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of BAM.

a) BAM shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the [Indenture/Resolution], whether or not BAM has received a claim upon the Policy.

J. *Definitions.*

"BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Insured Obligations" shall mean the Grant County, New Mexico Gross Receipts Tax Revenue Bonds, Series 2014.

"Issuer" shall mean Grant County, New Mexico.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

"Security Documents" shall mean any Sale Resolution, the Bond Ordinance, the Bonds and/or any additional or supplemental document executed in connection with the Insured Obligations.

9. Municipal Bond Debt Service Reserve Insurance Policy.

(a) The Issuer shall repay any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") and pay all related reasonable expenses incurred by BAM (the "Bond Insurer"). Interest shall accrue and be payable on such draws and expenses from the date of payment by the Bond Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Bond Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Debt Service Reserve Fund established for the Bonds shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) Draws under the Reserve Policy may only be used to make payments on Bonds insured by the Bond Insurer.

(c) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.

(d) The Issuer's obligation to pay all Policy Costs owing to the Bond Insurer shall expressly survive payment in full of the Bonds.

(e) The Paying Agent shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Bond Insurer at least three business days prior to each date upon which interest or principal is due on the Bonds.

(f) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

10. *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.

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.

12. *Effective Date.* This Sale Resolution shall be in full force and effect immediately upon adoption.

PASSED, ADOPTED, AND APPROVED this 11th day of September, 2014.

BOARD OF COUNTY COMMISSIONERS
GRANT COUNTY, NEW MEXICO

BRETT KASTEN, Chairman

RON HALL, Member

GABRIEL RAMOS, Member

ATTEST:

COUNTY CLERK