City of Las Cruces®

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Council Action and Executive Summary

Item # 9 Ordinance/Resolution# 2774

For Meeting of February 1, 2016 (Ordinance First Reading Date)

For Meeting of February 16, 2016 (Adoption Date)

Please check box that applies to this item:

☐ QUASI JUDICIAL ☐ LEGISLATIVE ☒ ADMINISTRATIVE

TITLE: AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF UP TO $9,500,000 CITY OF LAS CRUCES, NEW MEXICO TAXABLE SUBORDINATE LIEN STATE SHARED GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2016A FOR CONSTRUCTION, ACQUISITION AND IMPROVEMENT OF ROADWAYS, PUBLIC INFRASTRUCTURE AND DRAINAGE PROJECTS.

PURPOSE(S) OF ACTION:

To approve the issuance of City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax (SSGRT) Improvement Revenue Bonds, Series 2015A.

COUNCIL DISTRICT: 5		
Drafter/Staff Contact: Mark Krawczyk	**Department/Section:** Finance/Treasury	**Phone:** 541-2035
City Manager Signature:		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

On April 20, 2015, the Las Cruces City Council approved Resolution 15-205, which was for approval of a Development Agreement between the City of Las Cruces (City) and Sierra Norte Land Holdings, LLC, (Sierra Norte) to establish a Voluntary Assessment District (VAD) for construction of major roads, sanitary sewer and drainage infrastructure for the Metro Verde area. This ordinance will provide authority for the City to issue VAD bonds to fund the construction costs as outlined in the Development Agreement Exhibit "A".

The City had been approached by Sierra Norte with a proposal to establish a VAD, through a Development Agreement (Agreement), to build major roads, sanitary sewer, and drainage infrastructure for the Metro Verde area. The purpose of the VAD is to provide a funding mechanism to construct Sonoma Ranch Boulevard from Sierra Ventana Avenue to approximately one-half mile north of Arroyo Road; Arroyo Road from Red Hawk Golf Road to Sonoma Ranch Boulevard; approximately one and one-half miles of Red Hawk Golf Road; approximately two-thirds of a mile of Peachtree Hills Road; associated utilities including sanitary sere infrastructure; and a regional drainage system for pre-development flows only; hereinafter referred to as the "Project".

(Continue on additional sheets as required)

City staff and Sierra Norte representatives worked together to develop the VAD Agreement. The VAD terms include an accelerated repayment schedule and an escrow payment of $350,000. Moreover, the 1.0% interest surcharge payable to the City is projected to generate approximately $500,000 in revenue to the City during the life of the VAD. Furthermore, the Agreement is written such that the City will obtain financing to pay for this infrastructure and Sierra Norte will repay the City as outlined in the Development Agreement.

The Agreement provides that Sierra Norte will be responsible for one-hundred (100) percent of the Project cost (currently estimated to be $12,038,731.62) including design and construction. Sierra Norte shall guarantee the Project cost by a municipal lien in favor of the City in the amount shown on Exhibit "A" for the assessed property and filed in the office of the Doña Ana County Clerk. Additionally, the lienholder of any of the assessed property shown on Exhibit "A" in the Agreement must consent in writing to the municipal lien.

On February 9, 2015, City staff made a presentation to the City Council to describe the VAD process and the next steps in the process. Additionally, Sierra Norte representatives presented the VAD Agreement and their proposal. Staff requested City Council direction on whether or not to proceed with the VAD and associated funding necessary to pay for the infrastructure. The consensus was to move forward and explore funding possibilities and bring the agreement and the proposed funding option back to the City Council for their consideration and approval.

The City's Treasurer explored loan and bond financing along with interest rates and issuance scenarios. The City will use its best effort to obtain financing for the project through issuance of two bond issues. Sierra Norte will pay one-hundred (100) percent of the bond issuance costs that the City will obtain to finance the infrastructure under both bonds.

SUPPORT INFORMATION:

1. Ordinance.
2. Resolution 15-205.
3. Exhibit "A", Development Agreement.

(Continue on additional sheets as required)

SOURCE OF FUNDING:

Is this action already budgeted?			
	Yes	☐	See fund summary below
	No*	☒	If No, then check one below:
	Budget Adjustment Attached	☐	Expense reallocated from: _____
		☐	Proposed funding is from a new revenue source (i.e. grant; see details below)
		☐	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?			
	Yes	☐	Funds will be deposited into this fund: _____ in the amount of $_____for FY__.
	No	☒	There is no new revenue generated by this action.

BUDGET NARRATIVE

*A budget adjustment will be prepared after awarding the sale of these bonds and after the sale has closed. The budget adjustment will also establish a debt service fund for the new bonds issued during FY16.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Ordinance approving/awarding the sale of the SSGRT Refunding Revenue Bonds Series 2016A.
2. Vote "No"; this will not approve the Ordinance approving/awarding the sale of the SSGRT Refunding Revenue Bonds Series 2016A.
3. Vote to "Amend"; this could delay the issuance of the bonds.
4. Vote to "Table"; this could delay the issuance of the bonds with potential adverse effect to the projected savings in debt service costs over the next 20 years.

REFERENCE INFORMATION:

N/A

(Continue on additional sheets as required)

SOURCE OF FUNDING:

Is this action already budgeted?			
	Yes	☐	See fund summary below
	No*	☒	If No, then check one below:
	Budget Adjustment Attached	☐	Expense reallocated from: _____
		☐	Proposed funding is from a new revenue source (i.e. grant; see details below)
		☐	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?			
	Yes	☐	Funds will be deposited into this fund: _____ in the amount of $_____for FY__.
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BUDGET NARRATIVE

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1. Vote "Yes"; this will approve the Ordinance approving/awarding the sale of the SSGRT Refunding Revenue Bonds Series 2016A.
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3. Vote to "Amend"; this could delay the issuance of the bonds.
4. Vote to "Table"; this could delay the issuance of the bonds with potential adverse effect to the projected savings in debt service costs over the next 20 years.

REFERENCE INFORMATION:

N/A

(Continue on additional sheets as required)

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COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of **February 1, 2016** (Ordinance First Reading Date)

For Meeting of **February 15, 2016** (Adoption Date)

TITLE: AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF UP TO $9,500,000 CITY OF LAS CRUCES, NEW MEXICO TAXABLE SUBORDINATE LIEN STATE SHARED GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2016A FOR CONSTRUCTION, ACQUISITION AND IMPROVEMENT OF ROADWAYS, PUBLIC INFRASTRUCTURE AND DRAINAGE PROJECTS.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes ☐ No ☒

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact Mark Krawczyk		X2035	12/30/2015
Department Director		X2080	12/30/2015
Assistant City Manager /CAO		X2078	12/31/15
Management & Budget Manager		X2106	12/31/15
Assistant City Manager/COO			1/6/16
City Attorney		EXT 2128	8 JAN 2016
City Clerk		X2115	1-21-16

Rev. 8/2011

COUNCIL BILL NO. ____
ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF UP TO $9,500,000 CITY OF LAS CRUCES, NEW MEXICO TAXABLE SUBORDINATE LIEN STATE SHARED GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2016A FOR CONSTRUCTION, ACQUISITION AND IMPROVEMENT OF ROADWAYS, PUBLIC INFRASTRUCTURE AND DRAINAGE PROJECTS.

The City Council is informed that:

Capitalized terms used in the following preambles have the same meaning as defined in Section 1 of the Bond Ordinance unless the context requires otherwise.

WHEREAS, the City is a legally and regularly created, established, organized and existing municipal corporation under the general laws of the State of New Mexico and is operating as a home rule City pursuant to Article X, Section 6 of the Constitution of the State and the Charter of the City; and

WHEREAS, except for the 2009 NMFA Loan, the 2010 Bonds, the 2011A Bonds, the 2011 NMFA Loan, the 2012 NMFA Loan, the 2014 Bonds, the 2014 NMFA Loan, and the 2015 Bonds (collectively, the "Senior Lien Bonds"), the Pledged State Shared Gross Receipts Tax Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding; and

WHEREAS, the City Council hereby determines that issuance of the Bonds for the purpose of paying costs of the construction, acquisition and improvement of roadways, public infrastructure and drainage projects will provide for the public health, peace and safety of the City and its citizens; and

WHEREAS, the City Council has determined and hereby determines that it is in the best interests of the City and its residents that the Bonds be issued with a subordinate lien, but not an exclusive subordinate lien, on the Pledged State Shared Gross Receipts Tax Revenues subordinate to the lien on the Pledged State Shared Gross Receipts Tax Revenues of the outstanding Senior Lien Bonds; and

WHEREAS, the City Council expects to sell the Bonds in a public sale to the purchaser submitting the best bid therefore (the "Purchaser") pursuant to an award resolution (the "Award Resolution") supplementing this Bond Ordinance; and

WHEREAS, the City Council intends that the specific details of and requirements for bidding for the bonds in the public sale of the Bonds shall be provided in an official notice of

sale (the "Notice of Sale") to be approved on behalf of the City by the City Treasurer or his designee; and

WHEREAS, the specific principal amounts, interest rates, maturity dates, prices and other final terms and other features of the Bonds, including, without limitation, provisions concerning a Bond Insurance Policy (if any) and a Reserve Fund Insurance Policy (if any) will be established in the Award Resolution; and

WHEREAS, the proposed form of the Bond Ordinance has been on deposit with the City Clerk and presented to the City Council; and

WHEREAS, the City Council has determined that it is in the best interests of the City to authorize the issuance of the Bonds pursuant to this Bond Ordinance.

NOW, THEREFORE, be it ordained by the governing body of the City of Las Cruces:

Section 1. Definitions. As used in the Bond Ordinance, the following terms shall, for all purposes, have the meanings herein 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):

"Acquisition Fund" means the "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Revenue Bonds, Series 2016, Improvement Project Acquisition Fund" established by Section 16 of the Bond Ordinance.

"Act" means the general laws of the State, including Sections 3-31-1 to 3-31-12 NMSA 1978, as amended, the home rule powers of the City under the Charter and Article X, Section 6 of the Constitution of the State, and enactments of the City Council relating to the Pledged Revenues and the issuance of the Bonds, including the Bond Ordinance.

"Award Resolution" means the resolution to be adopted by the City Council subsequent to the adoption of this Bond Ordinance, in which the exact principal amounts, interest rates, maturity dates, redemption features and other final terms of the Bonds will be established and the Bonds will be awarded to the Purchaser.

"Bond Insurance Policy" means the financial guaranty insurance policy, if any, issued by the Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"Bondholder," "holder," "owner" or "Owner" means the registered owner of any Bond as shown on the registration books of the City for the Bonds, from time to time, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Bondholders shall mean the Holders at the particular time of a majority or of the specified percentage or proportion in aggregate principal amount of all Bonds then outstanding.

"Bonds" means the "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016" authorized by this Bond Ordinance.

"Bond Ordinance" means this City Ordinance No. ____.

"Business Day" means a day on which commercial banks in the city in which the principal office of the Paying Agent and Registrar is located are open for conduct of substantially all of their business operations.

"Capitalized Interest Account" means the account in the Debt Service Fund designated as the "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Revenue Bonds, Series 2016, Capitalized Interest Account" established in Section 16 of the Bond Ordinance for the deposit of capitalized interest on the Bonds, if any.

"Charter" means the home rule charter of the City submitted to Las Cruces City Commission on January 7, 1985, and approved by the voters of the City on March 5, 1985, as amended and supplemented.

"City" means the City of Las Cruces, in the County of Doña Ana and State of New Mexico.

"City Council" means the City Council of the City or any future successor governing body of the City.

"Code" means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable to the Bonds, and under the statutory predecessor of the Code and any successor provisions to those sections or regulations.

"Continuing Disclosure Undertaking" means the continuing disclosure agreement with respect to the Bonds to be executed on the day of issuance and delivery of the Bonds to the Underwriter.

"Debt Service Fund" means the "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Revenue Bonds, Series 2016, Debt Service Fund" established in Section 16 of the Bond Ordinance.

"Depository" means The Depository Trust Company, New York, New York, or such other securities depository as may be designated by an officer of the City.

"Event of Default" means any of the events stated in Section 25 of the Bond Ordinance.

"Expenses" means the reasonable and necessary fees, costs and expenses incurred by the City with respect to the issuance of the Bonds, including the fees, compensation, costs and expenses paid or to be paid to the Bond Insurer, Paying Agent and Registrar, and legal fees, financial advisor fees, expenses and applicable gross receipts taxes, costs of printing and

distributing the Preliminary Official Statement and the Official Statement, rating fees and accounting fees and expenses.

"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 City as its fiscal year.

"Fitch" means Fitch Ratings, Inc., its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City.

"Herein," "hereby," "hereunder," "hereof," "hereinabove" and "hereafter" refer to the entire Bond Ordinance and not solely to the particular section or paragraph of the Bond Ordinance in which such word is used.

"Hold Harmless Distribution" means the distribution to the City made pursuant to Section 7-1-6.46 NMSA 1978, as that distribution relates to the gross receipts tax revenues received pursuant to Section 7-1-6.4 NMSA 1978, which revenues are reduced pursuant to the deductions under Sections 7-9-92 and 7-9-93 NMSA 1978; provided that the percentage of such distribution decreases annually as provided in Section 7-1-6.46 NMSA 1978 each year beginning on July 1, 2015 until the distribution is eliminated after July 1, 2029.

"Improvement Project" means (1) constructing, acquiring and improving roadways, public infrastructure and drainage projects, and (2) paying Expenses related to the issuance of the Bonds.

"Independent Accountant" means (A) an accountant employed by the State of New Mexico and under supervision of the State Auditor of the State of New Mexico, or (B) any certified public accountant, registered accountant, or firm of such accountants duly licensed to practice and practicing as such under the laws of the State of New Mexico, appointed and paid by the City who (i) is, in fact, independent and not under the domination of the City, (ii) does not have any substantial interest, direct or indirect, with the City, and (iii) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or similar audits of the books or records of the City.

"Insured Bank" means a bank or savings and loan association insured by an agency of the United States.

"Interest Payment Date" means each June 1 and December 1, commencing June 1, 2016.

"Minimum Reserve" means an amount equal to the least of (i) ten percent of the principal amount of the outstanding Bonds, (ii) the maximum annual debt service on the outstanding Bonds, or (iii) 125% of the average annual debt service on the outstanding Bonds. The Minimum Reserve shall be recalculated every year on or about June 1.

"Moody's" means Moody's Investor Service, its successors and their assigns, and, if such corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City.

"NMSA 1978" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

"Notice of Sale" means the official notice of sale of the Bonds.

"Official Statement" means the final disclosure document relating to the issuance and sale of the Bonds.

"Outstanding" or "outstanding" when used in reference to bonds means, on any particular date, the aggregate of all Bonds delivered under the Bond Ordinance except:

A. those cancelled at or prior to such date or delivered or acquired by the City at or prior to such date for cancellation;

B. those otherwise deemed to be paid in accordance with Section 28 or Section 31 of the Bond Ordinance;

C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the City and the Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder or in due course.

"Parity Subordinate Lien Bonds" or "Parity Subordinate Lien Obligations" means the Bonds and any other bonds or other obligations, now outstanding or hereafter issued or incurred, payable from and constituting a subordinate lien upon the Pledged Revenues, as provided in Section 20 of this Bond Ordinance.

"Paying Agent" means the City Treasurer, as agent for the City for the payment of the Bonds or any other entity at the time appointed Paying Agent by resolution of the City Council.

"Permitted Investments" means, but only to the extent permitted by applicable laws of the State or ordinances of the City, the following:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of

America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership.

2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation certificates

6. Government National Mortgage Association (GNMA or "Ginnie Mae")
   GNMA - guaranteed mortgage-backed bonds
   GNMA - guaranteed pass-through obligations

7. U.S. Maritime Administration
   Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development (HUD)
   Project Notes
   Local Authority Bonds
   New Communities Debentures - U.S. government guaranteed debentures
   U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
   Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
   Participation Certificates
   Senior debt obligations

3. Federal National Mortgage Association (FNMA or "Fannie Mae") Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or "Sallie Mae") Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated system wide bonds and notes

D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposits accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

G. Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements.

H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

K. Repurchase Agreements for 30 days or less must follow the following criteria.

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or

securities firm will repay the cash plus a yield to the City in exchange for the securities at a specified date.

1. Repos must be between the City and a dealer bank or securities firm

   a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's, or

   b. Banks rated "A" or above by S&P and Moody's.

2. The written repo contract must include the following:

   a. Securities which are acceptable for transfer are:

      (1) Direct U.S. governments, or

      (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

   b. The term of the repo may be up to 30 days

   c. The collateral must be delivered to the City, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

   d. Valuation of Collateral

      (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.

         (a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the City:

   a. Repo meets guidelines under state law for legal investment of public funds.

L. The State Treasurer's short-term investment fund created pursuant to Section 6-10-10.1, NMSA 1978, and operated, maintained and invested by the State Treasurer.

"Pledged Revenue Fund" means the State Shared Gross Receipts Tax Revenue Fund continued in Section 16 of the Bond Ordinance.

"Pledged State Shared Gross Receipts Tax Revenues" or "Pledged Revenues" means the revenues from the State gross receipts tax derived pursuant to Section 7-9-4 NMSA 1978, imposed on persons engaging in business in the State, which revenues are remitted to the City monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6 and 7-1-6.4 NMSA 1978, and which remittances currently equal one and two hundred twenty-five thousandths percent (1.225%) of the taxable gross receipts reported for the City for the month for which such remittances is made; provided that if a greater amount of such gross receipts tax revenues are hereafter provided to be remitted to the City under applicable law, such additional amounts shall be included as revenues pledged pursuant to the Bond Ordinance; and provided further that the amount of revenues pledged pursuant to the Bond Ordinance shall never be less than the greater of: (i) 1.225% of the taxable gross receipts remitted to the City by the State as set forth above, or (ii) the maximum amount at any time provided hereafter to be remitted to the City under applicable law, and includes the Hold Harmless Distribution; and provided further, the City intends that Section 3-31-6(C) NMSA 1978 applies expressly to the amount of revenues pledged pursuant to the Bond Ordinance (the term "Pledged State Shared Gross Receipts Tax Revenues" does not include any local option gross receipts tax income received by the City).

"Preliminary Official Statement" means the initial disclosure document relating to the issuance and sale of the Bonds.

"Purchaser" means the best bidder for the Bonds as set forth in the Award Resolution.

"Rating Category" means a generic securities rating category, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

"Registrar" means the City Treasurer, as agent for the City for transfer and exchange of the Bonds or any other entity at the time appointed by resolution of the City Council.

"Reserve Fund" means the "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016, Reserve Fund" established by Section 16 of the Bond Ordinance.

"Reserve Fund Insurance Policy" means any insurance policy, surety bond or letter of credit, if any, deposited in or credited to the Reserve Fund as provided in the Award Resolution in lieu of or in partial substitution for cash or allowable investments on deposit in the

Reserve Fund. Any such insurance policy, surety bond or letter of credit must be issued by an entity having a rating in one of the two highest rating categories assigned by any nationally recognized rating agency at the time such policy, bond or letter of credit is initially deposited in or credited to the Reserve Fund.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City.

"Senior Lien Bonds" or "Senior Lien Obligations" means the 2009 NMFA Loan, the 2010 Bonds, the 2011A Bonds, the 2011 NMFA Loan, the 2012 NMFA Loan, the 2014 Bonds, the 2014 NMFA Loan, the 2015 Bonds, and any other bonds or other obligations, now outstanding or hereafter issued or incurred, payable from and constituting a senior lien upon the Pledged Revenues.

"State" means the State of New Mexico.

"2009 NMFA Loan" means the loan agreement between the City and the New Mexico Finance Authority executed on January 23, 2009 in the original aggregate principal amount of $4,999,890 and authorized by City Ordinance No. 2494 adopted by the City Council on December 15, 2008.

"2010 Bonds" means the "City of Las Cruces, New Mexico State Shared Gross Receipts Tax Refunding Revenue Bonds, Series 2010" issued in the original aggregate principal amount of $24,330,000 and authorized by City Ordinance No. 2588 adopted by the City Council on August 25, 2010.

"2011 NMFA Loan" means the loan agreement between the City and the New Mexico Finance Authority executed on November 18, 2011 in the original aggregate principal amount of $964,250 and authorized by City Ordinance No. 2634 adopted by the City Council on October 3, 2011.

"2011A Bonds" means the "City of Las Cruces, New Mexico State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2011A" issued in the original aggregate principal amount of $9,640,000 and authorized by City Ordinance No. 2618 adopted by the City Council on June 8, 2011.

"2012 NMFA Loan" means the loan agreement between the City and the New Mexico Finance Authority executed on June 1, 2012 in the original aggregate principal amount of $2,280,000 and authorized by City Ordinance No. 2652 adopted by the City Council on April 2, 2012.

"2014 Bonds" means the "City of Las Cruces, New Mexico State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2014" issued in the original aggregate principal amount of $10,000,000 and authorized by City Ordinance No. 2718 adopted by the City Council on June 24, 2014.

"2014 NMFA Loan" means the loan agreement between the City and the New Mexico Finance Authority executed on December 12, 2014 in the original aggregate principal amount of $443,325 and authorized by Ordinance No. 2734 adopted by the City Council on November 3, 2014.

"2015 Bonds" means the "City of Las Cruces, New Mexico State Shared Gross Receipts Tax Refunding Revenue Bonds, Series 2015" issued in the original aggregate principal amount of $19,195,000 and authorized by City Ordinance No. 2739 adopted by the City Council on December 1, 2014 and Resolution No. 15-140 adopted on February 3, 2015.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of the Bond Ordinance) by the City Council and the officers of the City, directed toward the Improvement Project, the issuance of the Bonds for the Improvement Project and the sale of the Bonds to the Purchaser be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Improvement Project. The Improvement Project and the method of financing the Improvement Project are hereby authorized and ordered at a total cost estimated not to exceed the amount of the Bond proceeds and any investment earnings thereon, excluding any such cost defrayed or to be defrayed by any source other than Bond proceeds.

Section 4. Findings. The City Council hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Improvement Project is needed to meet the needs of the City and its inhabitants.

B. Moneys available for the Improvement Project from all sources other than the issuance of Revenue Bonds are not sufficient to defray the cost of the Improvement Project.

C. The Pledged Revenues may lawfully be pledged to secure the payment and redemption of the Bonds.

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

E. The issuance of the Bonds pursuant to the Act, to provide funds to finance the costs of the Improvement Project, is necessary and in the interest of the public health, safety and welfare of the residents of the City.

F. The City is current in the accumulation of all amounts which are required to have been accumulated in the debt service funds and the reserve funds for the Senior Lien Bonds.

Section 5. Bonds – Authorization and Detail.

A. Authorization. This Bond Ordinance has been adopted by the affirmative vote of at least three-fourths of all of the members of the City Council. For the purpose of

protecting the public health, conserving the property, and protecting the general welfare and prosperity of the citizens of the City, it is hereby declared necessary that the City, pursuant to the Act, issue its negotiable, fully registered, revenue bonds to be designated the "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016," in an aggregate principal amount not to exceed $9,500,000 to be designated in the Award Resolution, and the issuance, sale and delivery of the Bonds is hereby authorized.

B. Parameters Authorized; Details of Bonds. There is hereby authorized and created a series of bonds designated as the City of Las Cruces, New Mexico, Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016.

(1) The Bonds shall be issued subject to the following parameters:

(aa) The Bonds shall be issued in an aggregate principal amount not to exceed $9,500,000 for the Improvement Project.

(bb) The net effective interest rate on the Bonds shall not exceed 12% per annum.

(cc) The final maturity of the Bonds shall not be later than June 1, 2036.

(2) The forms, terms, and provisions of the Bonds in the form set forth in Section 13 are hereby approved with only such changes therein as are not inconsistent with this Bond Ordinance and as shall be approved in the Award Resolution.

(3) The Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, in such numbers and denominations as may be requested by the Underwriter, but exchangeable for other fully registered Bonds of any denominations which are multiples of $5,000. The Bonds shall be numbered separately and consecutively, shall be dated the date of their delivery to the Purchaser, shall mature on June 1 of each year and shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date, payable semi-annually on June 1 and December 1 in each year commencing on June 1, 2016 until their respective maturities. The Bonds shall bear the rates of interest, maturities and provisions for redemption prior to maturity as shall be established in the Award Resolution.

C. Notice of Sale. The sale of the Bonds shall be sold pursuant to a Notice of Sale, the details and publication of which shall be approved by the City Treasurer or his designee, which action is hereby authorized.

D. Award of Bonds. The Bonds shall be awarded to the Purchaser as provided in the Award Resolution.

Section 6. Prior Redemption.

A. Notice of Redemption. In the event that the Bonds are subject to redemption prior to maturity, as may be established in the Award Resolution, notice of redemption shall be given by the Registrar by sending a copy of such notice in the manner required by the Depository or by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The City shall give notice of optional redemption of the Bonds to the Registrar at least forty-five (45) days prior to the redemption date (unless such deadline is waived by the Registrar). The Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the City.

C. Conditional Redemption. If money or Defeasance Obligations (as defined in Section 31) sufficient to pay the optional redemption price of the Bonds to be called for optional redemption are not on deposit with the Paying Agent prior to the giving of notice of optional redemption pursuant to paragraph B of this Section, such notice shall state such Bonds will be redeemed in whole or in part on the optional redemption date in a principal amount equal to that part of the optional redemption price received by the Paying Agent on the applicable optional redemption date. If the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the optional redemption price is on deposit with the Paying Agent. If all Bonds called for optional redemption cannot be redeemed, the Bonds to be redeemed shall be selected in the manner deemed reasonable and fair by the City and the Registrar shall give notice, in the manner in which the original notice or optional redemption was given, that such money was not received and the information required by paragraph B of this Section. In that event, the Registrar shall promptly return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof which have not been optionally redeemed.

Section 7. Filing of Manual Signatures. Prior to the execution of any Bond pursuant to Sections 6-9-1 to 6-9-6 NMSA 1978, as amended, the Mayor or Mayor Pro Tem and City Clerk shall each file with the New Mexico Secretary of State his or her manual signature certified by him or her under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the Bonds.

Section 8. Execution and Authentication of Bonds.

A. Execution. The Bonds shall be signed with the engraved, imprinted, stamped or otherwise reproduced facsimile of the signature, or the manual signature, of the Mayor or Mayor Pro Tem and shall be attested with the facsimile or manual signature of the City Clerk. There shall be affixed to each Bond the printed, engraved, stamped or otherwise placed facsimile of, or imprint of, the City's corporate seal. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar. The Bonds when authenticated and bearing the manual or facsimile signatures of the officers in office at the time of signing thereof shall be valid and binding special obligations of the City, notwithstanding that before delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Mayor or Mayor Pro Tem and City Clerk, at the time of the execution of the Bonds and the signature certificate, each may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds or certificates pertaining to the Bonds.

B. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been fully executed if manually signed and inscribed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 9. Negotiability. The Bonds shall be fully negotiable and shall have all the qualities of negotiable paper and the Bondholders shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code. Except as set forth herein, the Bonds outstanding shall in all respects be equally and ratably secured, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds.

Section 10. Payment and Presentation of Bonds for Payment. Principal and interest on the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Principal shall be payable in immediately available funds at maturity or redemption thereof upon presentation and surrender of such Bond at the principal office of the Paying Agent or at the designated office of any successor Paying Agent. Upon any partial prior redemption of any Bond, the registered owner, in its discretion, may request the Registrar to authenticate a new Bond or to make a notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment. Interest on the Bonds shall be payable by check or draft mailed to the registered owner thereof (or in such other manner as may be agreed upon by the Paying Agent and the registered owner), as shown on the registration books maintained by the Registrar at the address appearing therein on the 15th day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be payable to the owner thereof (or of one or more predecessor Bonds) as of the Record Date, but shall be payable to the owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall

be given to Bond owners not less than ten (10) days prior thereto. If any Bond presented for payment remains unpaid at maturity or redemption, it shall continue to bear interest at the rate or rates designated in, and applicable to, such Bond from time to time. If any Bond is not presented for payment at maturity or redemption when funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest on and from the date of maturity or redemption.

Section 11. Registration, Transfer, Exchange and Ownership of Bonds.

A. Registration, Transfer and Exchange. The City shall cause books for registration, transfer, and exchange of the Bonds as provided herein to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at the principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds in authorized denominations, in fully registered form of the same aggregate principal amount, maturity and interest rate.

B. Limitations. The Registrar shall not be required to transfer or exchange any Bond (i) during the period of fifteen (15) days next preceding the mailing of notice calling any Bonds for redemption as herein provided, or (ii) after the mailing to registered owners of notice calling such Bonds or portion thereof for redemption as herein provided. The Registrar shall close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each Interest Payment Date, but such transfers shall not include a transfer of accrued interest payable.

C. Owner of the Bonds. The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either the principal of or interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative as stated herein, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Lost Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If any such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the Registrar may request the Paying Agent to pay such bond in lieu of replacement.

E. Additional Bonds. Executed but unauthenticated Bonds are hereby authorized to be delivered to the Registrar in such quantities as may be convenient to be held in custody by the Registrar pending delivery as herein provided.

F. Charges. For each new Bond issued in connection with a transfer or exchange, the Registrar may make a charge to the owner of the Bond requesting such exchange or transfer sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

G. Successor Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign or is prohibited by law from continuing as Registrar or Paying Agent, or if the City shall reasonably determine that the Registrar or Paying Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholder's equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than $50,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

H. Book Entry. 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. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the Depository and its participants ("Participants"). As a condition to delivery of the Bonds in book-entry form, the Underwriters will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the Depository, registered in the name of the Depository or its nominee. Principal, premium, if any, and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the Depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, Participants or Indirect Participants.

If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository determines to discontinue providing its services with respect to the Bonds or (iii) the City determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the City or the Beneficial Owners, the City will either identify another Depository or certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the City shall mail an appropriate notice to the Depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

Officers of the City are authorized to sign agreements with the Depository relating to the matters set forth in this Section.

Notwithstanding any other provision of the Bond Ordinance, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Paying Agent, Registrar or the City to the Depository as provided in the Bond Ordinance and by the Depository to its Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner provided in an agreement or letter of the City to the Depository.

Section 12. Special Limited Obligations. All of the Bonds and all payments of principal, premium, if any, and interest thereon whether at maturity or on a redemption date, together with any interest accruing thereon, shall be special limited obligations of the City and shall be payable and collectible solely from the Pledged Revenues, which revenues are so pledged and are payable as set forth in Section 17 of the Bond Ordinance. The owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the City within the meaning of any constitutional, charter or statutory provision or limitation, nor shall they be considered or held to be general obligations of the City, and each of the Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in the Bond Ordinance, and that the holders thereof may not look to any general or other municipal fund for the payment of the principal of and interest on the Bonds. Nothing herein shall prevent the City from applying other funds of the City legally available therefor to the payment of the Bonds, in its sole discretion.

Section 13. Form of Bonds. The forms, terms and provisions of the Bonds shall be substantially in the form set forth below, with such changes therein as are not inconsistent with the Bond Ordinance.

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF NEW MEXICO COUNTY OF DOÑA ANA

CITY OF LAS CRUCES, NEW MEXICO
TAXABLE SUBORDINATE LIEN STATE SHARED GROSS RECEIPTS TAX
IMPROVEMENT REVENUE BONDS,
SERIES 2016

Bond No. _____ $_____

INTEREST RATE	MATURITY DATE	DATE OF BOND	CUSIP
% per annum	June 1, _____	_____, 2016	_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

The City of Las Cruces (the "City"), in the County of Doña Ana and State of New Mexico, a municipal corporation duly organized and existing under the Constitution and laws of the State of New Mexico, for value received, hereby promises to pay, solely from the special funds available for the purpose as hereinafter set forth, to the registered owner named above or registered assigns, on the Maturity Date specified above, upon presentation and surrender hereof at the principal office of the City Treasurer, Las Cruces, New Mexico, as paying agent, or any successor paying agent (the "Paying Agent"), the Principal Amount stated above, in lawful money of the Unites States of America, and to pay from such sources interest on the unpaid principal amount at the Interest Rate on June 1, 2016, and on June 1 and December 1 of each year (each an "Interest Payment Date") thereafter to its maturity, or until redeemed if called for redemption prior to maturity. This bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Interest on this bond is payable by check mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by the City Treasurer, Las Cruces, New Mexico, as registrar, or any successor registrar (the "Registrar") at the address appearing therein at the close of business on the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the owner hereof as of the Record Date but shall be payable to the owner hereof at the close of business on a special record date to be fixed by the Paying Agent for the payment of interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to owners of Bonds (defined below) as then shown on the Registrar's registration books not less than ten (10) days prior to the special record date. If, upon presentation at maturity or redemption, payment of this bond is not made as herein provided, interest hereon shall continue at the Interest Rate until the principal hereof is paid in full. The

principal, premium, if any, and interest on this bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar.

This bond is one of a duly authorized series of fully registered bonds of the City in the aggregate principal amount of $9,500,000 issued in denominations of $5,000 or integral multiples thereof, designated as the City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016 (the "Bonds") issued under and pursuant to City Ordinance No. ____ (the "Bond Ordinance").

The Bonds maturing on and after June 1, ____, are subject to prior redemption at the City's option in one or more units of principal of $5,000 on and after June 1, ____ in whole or in part at any time, in such order of maturities as the City may determine (and by lot if less than all of the bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner considered appropriate and fair), for the principal amount of each $5,000 unit of principal so redeemed plus accrued interest to the redemption date.

Redemption shall be made upon prior notice mailed to each registered owner of each bond selected for redemption as shown on the registration books kept by the Registrar in the manner and upon the conditions provided in the Bond Ordinance.

Notice of redemption of this bond will be given by providing at least thirty (30) days prior written notice in the manner required by the depository for the Bonds or by first-class postage prepaid mail to the owner hereof at the address shown on the registration books as of the fifth day prior to the mailing of notice as provided in the Bond Ordinance. Notices of redemption will specify the number or numbers and maturity date of the Bonds to be redeemed (if less than all are to be redeemed), the date fixed for redemption, the amount of such Bond to be redeemed (if less than the full amount of any Bond is to be redeemed), and shall further state that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount thereof plus accrued interest to the redemption date and that from and after such date, the redemption amount having been deposited and notice having been given, interest will cease to accrue. Upon any partial prior redemption of this bond, the registered owner, in its discretion, may request the Registrar to authenticate a new bond or to make an appropriate notation on this bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this bond must be presented to the Paying Agent prior to payment.

Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer or exchange of a Bond at the principal office of the Registrar, duly endorsed or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or owner a new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of any Bond of any tax or other similar governmental charge required to be paid with respect to such exchange or transfer. The Registrar shall not be required (i) to transfer or exchange any Bond during the period of fifteen

(15) days next preceding the mailing of notice calling any Bonds for redemption, or (ii) to transfer or exchange any Bond or part thereof called for redemption. The Registrar will close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each Interest Payment Date, but such transfers shall not include a transfer of accrued interest payable.

The person in whose name any Bond is registered on the registration books kept by the Registrar 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 in the Bond Ordinance; 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. 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 will, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the Registrar may direct the Paying Agent to pay such Bond in lieu of replacement.

This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the City, and is payable and collectible solely out of the revenues derived from the revenues from the Pledged Revenues (as such term is defined in the Bond Ordinance) and the bondholders may not look to any other general or other municipal fund for the payment of the interest and principal of this bond. The lien of the Bonds on the Pledged Revenues is an irrevocable and subordinate lien, but not necessarily an exclusive subordinate lien, on the Pledged Revenues. Upon satisfaction of the conditions set forth in the Bond Ordinance, additional bonds may be issued and made payable from the Pledged Revenues having a lien thereon senior to, on a parity with, or subordinate and junior to, the lien on the Pledged Revenues of the Bonds. Amounts and securities held in the Debt Service Fund and the Reserve Fund, as such terms are defined in the Bond Ordinance, have been exclusively pledged for payment of the principal of, premium, if any, and interest on the Bonds.

The Bonds are issued to provide funds to defray in part the costs of (1) constructing, acquiring and improving roadways, public infrastructure and drainage projects, and (2) paying expenses and costs of issuance related to the issuance of the Bonds.

The City covenants and agrees with the owner of this Bond and with each and every person who may become the owner hereof that it will keep and perform all of the covenants of the Bond Ordinance.

This Bond is subject to the condition, and every owner hereof by accepting the same agrees with the obligor and every subsequent owner hereof, that the principal of and interest on

this bond shall be paid, and this bond is transferable, free from and without regard to any equities, set-offs or crossclaims between the obligor and the original or any other owner hereof.

It is hereby certified that all acts and conditions necessary to be done or performed by the City or to have happened precedent to and in the issuance of the Bonds to make them legal, valid and binding special obligations of the City have been performed and have happened as required by law, and that the Bonds do not exceed or violate any constitutional or statutory limitation of or pertaining to the City.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the Certificate of Authentication.

IN WITNESS WHEREOF, the City of Las Cruces, New Mexico has caused this bond to be signed and executed on the City's behalf with the facsimile or manual signature of the Mayor or Mayor Pro Tem and the facsimile or manual signature of the City Clerk and has caused the corporate seal of the City or a facsimile thereof to be affixed hereon, all as of the Date of Bond.

CITY OF LAS CRUCES, NEW MEXICO

By_____
Mayor or Mayor Pro Tem

By_____
City Clerk

(FACSIMILE SEAL)

(Form of Registrar's Certificate of Authentication)

Certificate of Authentication

This is one of the Bonds described in the Bond Ordinance, and this bond has been registered on the registration books kept by the undersigned as Registrar for the Bonds.

Date of Authentication:

City Treasurer of the City of Las Cruces,
New Mexico, as Registrar

By_____
Authorized Officer

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

For value received, _____ hereby sells, assigns and transfer unto _____ the within bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Registrar, with full power of substitution in the premises.

_____ _____

Social Security or Tax Identification No. of Assignee_____

Dated: _____

Signature Guarantee:

_____

NOTE: The assignor's signature to this Assignment must correspond with the name as written on 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 14. Period of Improvement Project's Usefulness. It is hereby determined and recited that the period of usefulness of the Improvement Project financed with the proceeds of the Bonds is not less than the final maturity date of the Bonds.

Section 15. Use of Bond Proceeds and Other Funds; Completion of Project. Except as herein otherwise specifically provided, the proceeds derived from the sale of the Bonds, shall be used and paid solely for the valid costs of the Improvement Project.

A. Expenses. An amount necessary, together with other legally available funds of the City, shall be used to pay Expenses.

B. Acquisition Fund. An amount to be specified in the Award Resolution derived from the sale of the Bonds shall be deposited promptly upon the receipt thereof into the Acquisition Fund. Until the completion of the Improvement Project, the money in the Acquisition Fund shall be used and paid out solely for the purpose of the Improvement Project in compliance with applicable law.

C. Reserve Fund. An amount to be specified in the Award Resolution derived from the sale of the Bonds shall be deposited promptly upon the receipt thereof into the Reserve Fund or the City may purchase a reserve fund surety policy.

D. Capitalized Interest Account. An amount, if any, to be specified in the Award Resolution derived from the sale of the Bonds shall be deposited promptly upon receipt thereof into the Capitalized Interest Account in the Debt Service Fund to be used to pay interest on the Bonds. Upon certification by the City Treasurer that the remaining amount held in the Capitalized Interest Account is not needed to pay interest on the Bonds, such amount may be transferred to the Acquisition Fund for use on the Improvement Project.

E. Improvement Project Completion. As soon as practicable after completion of the Improvement Project, and in any event not more than 60 days after completion of the Improvement Project, any proceeds remaining unspent (other than any amount retained by the City for any Improvement Project costs not then due and payable) shall be transferred and deposited in the Debt Service Fund and used by the City to pay principal and interest on the Bonds as same become due.

F. Purchaser Not Responsible. The Purchaser of the Bonds shall in no manner be responsible for the application or disposal by the City or by its officers of the funds derived from the sale thereof or of any other funds herein designated.

G. Bond Insurance Policy and/or Reserve Fund Insurance Policy. A Bond Insurance Policy and/or Reserve Fund Insurance Policy may be obtained in connection with the issuance of the Bonds as may be provided in the Award Resolution. The covenants of the City and other provisions required by the issuer of the Bond Insurance Policy and/or Reserve Fund Insurance Policy or otherwise necessary or advisable in connection with the Bond Insurance Policy and/or Reserve Fund Insurance Policy shall be included in the Award Resolution.

Section 16. Funds and Accounts. The City hereby creates and continues the following special and separate funds:

A. Acquisition Fund. The "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016, Improvement Project Acquisition Fund" to be maintained by the City.

B. Pledged Revenue Fund. The "City of Las Cruces, New Mexico State Shared Gross Receipts Tax Revenue Fund" (the "State Shared Gross Receipts Tax Revenue Fund") to be maintained by the City, into which the City shall deposit the Pledged State Shared Gross Receipts Tax Revenues.

C. Debt Service Fund. The "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016, Debt Service Fund" (the "Debt Service Fund") to be maintained by the City.

D. Reserve Fund. The "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016, Reserve Fund" (the "Reserve Fund") to be maintained by the City.

E. Capitalized Interest Account. The "City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016, Capitalized Interest Account" (the "Capitalized Interest Account") established in the Debt Service Fund to be maintained by the City.

Section 17. Deposit of Pledged Revenues and Flow of Funds.

A. Administration of Pledged Revenue Funds. So long as any of the Bonds shall remain outstanding, either as to principal or interest or both, the following payments shall be made monthly from the Pledged Revenues:

B. Debt Service Fund Payments. After payment of amounts required under the ordinances authorizing the Senior Lien Bonds, the following amounts shall be withdrawn from the State Shared Gross Receipts Tax Revenue Fund (and on a parity with other outstanding Parity Subordinate Lien Bonds), and shall be concurrently credited to the Debt Service Fund (unless the City determines that such amounts shall be withdrawn from such funds in some other order):

(1) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each Interest Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing installment of interest on the Bonds then outstanding.

(2) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the next maturing

installment of principal of the outstanding Bonds and monthly thereafter, commencing on each principal payment date, one-twelfth (1/12) of the amount necessary to pay the next maturing installment of principal on the Bonds then outstanding.

C. Credit. In making the deposits required to be made into the Debt Service Fund, if there are any amounts then on deposit in the Debt Service Fund available for the purpose for which such deposit is to be made, the amount of the deposit to be made pursuant to paragraph B above shall be reduced by the amount available in such fund for such purpose.

D. Transfer of Money out of Debt Service Fund. Each payment of principal and interest becoming due on the Bonds shall be transferred from the Debt Service Fund to the Paying Agent on or before two Business Days prior to the due date of such payment.

E. Reserve Fund. No additional payments need be made into the Reserve Fund so long as the moneys 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 hereinafter provided in paragraph (F) of this Section 17, only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from failure to deposit into the Debt Service Fund sufficient funds to pay the principal and interest as the same accrue. The City may satisfy the requirement of the Reserve Fund by depositing a Reserve Fund Insurance Policy with coverage in the amount of the Minimum Reserve

F. Defraying Delinquencies in the Debt Service Fund and Reserve Fund. If, on any Interest Payment Date, the amount on deposit in the Debt Service Fund is insufficient to pay principal of and interest on the Bonds then due, then an amount shall be paid into the Debt Service Fund on such date from the Reserve Fund (if moneys are then on deposit in the Reserve Fund) equal to the amount of the insufficiency. The money deposited in the Debt Service Fund from the Reserve Fund, if any, shall be replaced in the Reserve Fund in 24 substantially equal monthly deposits commencing on the first day of the first month immediately succeeding the draw on the Reserve Fund. Such accumulation shall be made from the Pledged Revenues after the payments required by paragraph B of this Section. If, in any month, the City shall, for any reason, fail to pay into the Reserve Fund the full amount required, the difference between the amount paid and the amount so stipulated shall be paid therein from the first Pledged Revenues thereafter received and not required to be otherwise applied. The moneys in the Reserve Fund shall be used solely and only for the purpose of paying any deficiencies in the payment of the principal of and the interest on the Bonds; provided, however, that any moneys at any time in excess of the Minimum Reserve in the Reserve Fund may be withdrawn therefrom and applied to any other lawful purpose. Cash accumulated in the Reserve Fund shall not be invested in a manner which could cause the Bonds to become arbitrage bonds within the meaning of the Code. Any investments held in the Reserve Fund shall be valued annually, on or about June 1, at their current fair market value and, if the amount then on deposit in the Reserve Fund exceeds the Minimum Reserve, all amounts in excess of the Minimum Reserve shall be transferred to the Debt Service Fund and used to pay principal of and interest on the Bonds.

G. Payment of Parity Subordinate Lien Obligations. After the payments required under the ordinances authorizing the Senior Lien Bonds, but concurrently with the payment of the Pledged Revenues required by paragraphs B, E and F of this Section, any

amounts on deposit in the Pledged Revenue Fund shall be used by the City for the payment of principal of, interest on and debt service reserve fund deposits relating to outstanding Parity Subordinate Lien Bonds payable from the Pledged Revenues, as the same become due. If funds on deposit in the Pledged Revenue Funds are not sufficient to pay when due the required payments of principal of, interest on and debt service reserve fund deposits relating to the Bonds and any other outstanding Parity Subordinate lien Bonds, then the available funds in the Pledged Revenue Fund will be used, first, on a pro rata basis, based on the amount of principal and interest then due with respect to each series of outstanding Parity Subordinate Lien Bonds, for the payment of principal of and interest on all series of outstanding Parity Subordinate Lien Bonds and, then, to the extent of remaining available funds in the Pledged Revenue Fund on a pro rata basis, based on the amount of debt service reserve fund deposits then required with respect to each series of outstanding Parity Subordinate Lien Bonds, for the required debt service reserve fund deposits for all series of outstanding Parity Subordinate Lien Bonds.

H. Termination Upon Deposits to Maturity. No payment shall be made into the Debt Service Fund or the Reserve Fund if the amounts in such funds total a sum at least equal to the entire aggregate amount due as to principal, premium, if any, and interest, on the Bonds to their respective maturities or applicable redemption dates, in which case moneys in the Debt Service Fund and the Reserve Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in the Debt Service Fund and the Reserve Fund may be used as provided below.

I. Payment of Super Subordinate Lien Obligations. Subsequent to the payments required by paragraphs B, E, F and G of this Section, any balance remaining in the Pledged Revenue Fund, after making the payments hereinabove provided shall be used by the City for the payment of interest on and the principal of additional bonds or other obligations, if any, having a lien on any of the Pledged Revenues subordinate to the lien thereon of the Bonds hereafter authorized, issued and payable from the Pledged Revenues, as the same become due. Payments with respect to principal, interest and reserve funds for any such subordinate lien obligations may be made at any intervals as may be provided in the ordinance or resolution authorizing such additional obligations.

J. Surplus Revenues. After making all the payments hereinabove required to be made by this Section, the remaining Pledged Revenues, if any, may be applied to any other lawful purpose, as the City may from time to time determine.

Section 18. General Administration of Funds. The funds designated in Section 16 shall be administered and invested as follows:

A. Places and Times of Deposits. The funds shall be separately maintained as a trust fund or funds for the purposes established and shall be invested by the City in Permitted Investments or deposited in one or more bank accounts in an Insured Bank or Banks. Each fund or account shall be continuously secured to the extent required by law and shall be irrevocable and not withdrawable by anyone for any purpose other than the designated purpose. Payments shall be made into the proper fund or account on the first day of the month except when the first day shall not be a Business Day, then payment shall be made on the next

succeeding Business Day. No later than two Business Days prior to each Interest Payment Date, moneys sufficient to pay interest and principal then due on the Bonds shall be transferred to the Paying Agent. Nothing in this Bond Ordinance shall prevent the City from establishing one or more bank accounts in an Insured Bank or Banks for all the funds required by this Bond Ordinance or shall prevent the combination of such funds and accounts with any other bank account or accounts or investments for other funds and accounts of the City.

B. Investment of Moneys. Moneys in the Reserve Fund shall be invested in accordance with paragraph C of this Section 18 and moneys in any other fund or account not immediately needed may be invested in any investment permitted by the laws of the State or by the Charter. The obligations so purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, and any loss resulting from such investment shall be charged to such fund or account. The City Treasurer shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund or account whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

C. Reserve Fund. Moneys, if any, in the Reserve Fund may be invested only in Permitted Investments with an average aggregate weighted term to maturity not greater than five years. The City shall annually on or about June 1 of each year, commencing on the first June 1 succeeding funding of the Reserve Fund, value the Reserve Fund on the basis of the current fair market value of deposits and investments credited to the Reserve Fund. If, upon any valuation, the value of the Reserve Fund exceeds the Minimum Reserve, the excess amount shall be withdrawn and deposited into the Debt Service Fund; if the value is less than the applicable requirement, the City shall replenish such amounts from the first Pledged Revenues thereafter received not required to be otherwise applied or other monies legally available therefor.

At such time as the Bonds are paid in full or are deemed to be paid in full, the amount on deposit in the Reserve Fund may be used to pay the final installments of principal and interest on the Bonds and otherwise may be withdrawn and transferred to the City to be used for any lawful purpose, provided that, if such amounts are used for a purpose other than payment of the Bonds, there shall be delivered an opinion of nationally recognized bond counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used under the laws of the State of New Mexico.

If moneys have been withdrawn from the Reserve Fund and deposited into the Debt Service Fund to prevent a default on the Bonds, then the City will pay, from Pledged Revenues or other monies legally available therefor, the full amount so withdrawn or so much as shall be required to restore the Reserve Fund to the Minimum Reserve. Such repayment shall be made as required by paragraph F of Section 17 of this Bond Ordinance.

Section 19. Lien on Pledged Revenues. The Pledged Revenues and the amounts and securities on deposit in the Debt Service Fund and the Reserve Fund, if any, and the proceeds thereof, are hereby authorized to be pledged to, and are hereby pledged, and the City grants a security interest therein for, the payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, the Bond

Ordinance. The Bonds constitute an irrevocable and subordinate lien, but not an exclusive subordinate lien on the Pledged Revenues on a parity with the lien thereon of additional Parity Subordinate Lien Bonds, if any, hereafter authorized to be issued and payable from the Pledged Revenues.

Section 20. Additional Parity Subordinate Lien Bonds Payable from Pledged Revenues.

A. Parity Subordinate Lien Bonds Test. This Bond Ordinance shall not prevent the issuance of additional Parity Bonds payable from and constituting a subordinate lien upon the Pledged Revenues on a parity with the lien of the Bonds. Before any additional Parity Subordinate Lien Bonds are actually issued, it must be determined that:

(1) The City is then current in the accumulation of all amounts which are then required to be on deposit in the Debt Service Fund and the Reserve Fund in accordance with Section 17 of this Bond Ordinance; and

(2) The Pledged State Shared Gross Receipts Tax Revenues (not including the Hold Harmless Distribution) received by the City in the Fiscal Year immediately preceding the date of issuance of the proposed additional Parity Subordinate Lien Bonds shall have been sufficient to pay an amount representing at least 150% of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on (1) the outstanding Senior Lien Bonds, (2) the outstanding Bonds, (2) other outstanding Parity Subordinate Lien Bonds, and (3) the Parity Subordinate Lien Bonds proposed to be issued.

For purposes of the test set forth in clause (2) above, if on the date of issuance of the additional Parity Subordinate Lien Bonds, (a) any amount of the reserve fund requirement for the additional Parity Subordinate Lien Bonds is immediately deposited in or credited to the reserve fund for the additional Parity Subordinate Lien Bonds or, (b) any amount of the reserve fund requirement for any issue of outstanding Parity Subordinate Lien Bonds is then on deposit in or credited to the reserve fund for any issue of outstanding Parity Subordinate Lien Bonds, then the amounts on deposit in or credited to the respective reserve funds shall be deducted from the principal and interest coming due in the final Fiscal Year for the additional Parity Subordinate Lien Bonds or any issue of outstanding Parity Subordinate Lien Bonds for which such reserve fund was created.

B. Certification or Opinion Regarding Pledged Revenues. A written certificate or opinion by an Independent Accountant or the City Treasurer or Finance Director, that the Pledged Revenues (not including the Hold Harmless Distribution) are sufficient to pay the required amounts under the test in paragraph A of this Section, shall conclusively determine the right of the City to issue additional Parity Subordinate Lien Bonds. The Independent Accountant, City Treasurer or Finance Director may utilize the results of any annual audit to the extent it covers the applicable period.

C. Super Subordinate Obligations Permitted. Nothing in this Bond Ordinance shall prevent the City from issuing bonds or other obligations payable from Pledged

Revenues pledged by this Bond Ordinance and having a lien on any of the Pledged Revenues subordinate to the lien of the Bonds.

D. Additional Senior Lien Bonds. The City may issue additional Senior Lien Bonds having a lien on the Pledged Revenues which is prior and superior to the lien thereon of the Bonds in accordance with the ordinances authorizing the issuance of the Outstanding Senior Lien Bonds.

Section 21. Refunding Bonds. The provisions of Section 20 of this Bond Ordinance are subject to the following exceptions:

A. Privilege of Issuing Refunding Obligations. If at any time the City shall find it desirable to refund any outstanding obligations constituting a lien upon the Pledged Revenues, the Bonds or other obligations, or any part thereof, such obligations may be refunded, but only with the consent of the holders, unless the obligations shall then mature or be callable for redemption, or the plan of refunding calls for payment of the obligations at maturity or at a redemption date, regardless of whether the lien priority is changed by the refunding except as provided in paragraphs B and C of this Section.

B. Limitation Upon Issuance of Parity Subordinate Lien Refunding Obligations. No refunding obligations shall be issued with a lien on the Pledged Revenues on a parity with the lien of the Bonds, unless:

(1) The lien on the Pledged Revenues of the outstanding obligations so refunded is on a parity with the lien on the Pledged Revenues of the Bonds; or

(2) The refunding obligations are issued in compliance Section 20 of this Bond Ordinance.

C. Refunding Part of an Issue. The refunding bonds or other refunding obligations issued shall enjoy complete equality of lien with the portion of any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the same issue refunded thereby. If only a part of any issue or issues is refunded, then there may be no refunding without the consent of the holders of the unrefunded portion of such obligations, unless:

(1) The refunding obligations do not increase the aggregate principal and interest requirements for any Fiscal Year commencing prior to the last maturity date of such unrefunded obligations; or

(2) The lien of the refunding obligations is subordinate to the lien of any obligations not refunded; or

(3) The refunding bonds or other refunding obligations are issued in compliance with Section 20 of this Bond Ordinance.

D. Limitation Upon Issuance of Any Refunding Obligations. Any refunding obligations payable from Pledged Revenues shall be issued with such details as the City Council may provide, subject to the inclusion of any such rights and privileges designated in paragraph C of this Section but without impairing any contractual obligation imposed by any proceedings authorizing any unrefunded portion of any issue or issues, including the Bonds.

Section 22. Equality of Parity Subordinate Lien Bonds.

A. The Parity Subordinate Lien Bonds from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of their issuance or the date incurred, it being the intention of the City Council that, except as set forth herein, there shall be no priority among Parity Subordinate Lien Bonds regardless of whether they are actually issued and delivered or incurred at different times.

Section 23. Protective Covenants. The City hereby covenants and agrees with each and every holder of the Bonds issued hereunder:

A. Use of Bond Proceeds. The City will proceed without delay to apply the proceeds of the Bonds as set forth in Section 15 of this Bond Ordinance.

B. Payment of Bonds Herein Authorized. The City will promptly pay the principal of and the interest on every Bond at the place, on the date and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

C. City's Existence. The City will maintain its corporate identity and existence so long as any of the Bonds remain outstanding, unless another political subdivision by operation of law succeeds to the liabilities and rights of the City, without adversely affecting to any substantial degree the privileges and rights of any owner of the Bonds.

D. Extension of Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the City will not directly or indirectly extend or assent to the extension of time for the payment of any claim for interest on any of the Bonds, and the City will not directly or indirectly be a party to or approve any arrangements for any such extension.

E. Records. So long as any of the Bonds remain outstanding, proper books of record and account will be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

F. Audits and Budgets. The City will, within two hundred and seventy (270) days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged Revenues to be commenced by an Independent Accountant showing the receipts and disbursements in connection with such revenues.

G. Other Liens. Other than as described and identified by the Bond Ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

H. Impairment of Contract. The City agrees that any law, ordinance or resolution of the City that in any manner affects the Pledged Revenues or the Bonds shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any Bonds outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor or unless the required consents of the holders of the then outstanding Bonds are obtained pursuant to Section 30 of the Bond Ordinance.

I. Debt Service Fund, Capitalized Interest Account and Reserve Fund. The Debt Service Fund, Capitalized Interest Account and Reserve Fund shall be used solely and only, and those funds are hereby pledged, for the purposes set forth in the Bond Ordinance.

J. Surety Bonds. Each municipal official and employee being responsible for receiving Pledged Revenues shall be bonded at all times, which bond shall be conditioned upon the proper application of such funds.

K. Performing Duties. The City will faithfully and punctually perform all duties with respect to the Bonds required by the Constitution and laws of the State of New Mexico and the ordinances and resolutions of the City relating to the Bonds.

Section 24. Preliminary Official Statement, Official Statement and Continuing Disclosure Undertaking.

A. Preliminary Official Statement and Official Statement. The preparation of the Preliminary Official Statement is hereby requested and approved for use and distribution in connection with the sale of the Bonds.

B. Continuing Disclosure Undertaking The officers of the City are authorized to sign such documents and to take such actions in the future with respect to the City's continuing disclosure obligations as are necessary or desirable to comply with the Continuing Disclosure Undertaking and the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Notwithstanding any other provisions of the Bond Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an "event of default" under Section 25 hereof, and holders and beneficial owners of Bonds shall be entitled to exercise only such rights with respect thereto as are provided in the Continuing Disclosure Undertaking.

Section 25. Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal. Failure to pay the principal of any of the Bonds when the same becomes due and payable, either at maturity, or by proceedings for redemption, or otherwise.

B. Nonpayment of Interest. Failure to pay any installment of interest when the same becomes due and payable.

C. Incapable of Performing. If the City shall for any reason be rendered incapable of fulfilling its obligations hereunder.

D. Default of any Provision. Default by the City in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds or in the Bond Ordinance on its part to be performed (other than a default set forth in subparagraphs A and B of this Section), and the continuance of such default for thirty (30) days after written notice specifying such default and requiring the same to be remedied has been given to the City by the holders of twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding.

E. Bankruptcy. The City (i) files a petition or application seeking reorganization or arrangement of debt under Federal Bankruptcy law, or other debtor relief under the laws of any jurisdiction, or (ii) is the subject of such petition or application which the City does not contest or is not dismissed or discharged within sixty (60) days.

Section 26. Remedies Upon Default. Upon the happening and continuance of any of the events of default as provided in Section 25 of the Bond Ordinance, then and in every case, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, including, but not limited to, a trustee or trustees therefor, may proceed against the City, the City Council and its agents, officers and employees, but only in their official capacities, to protect and enforce the rights of any holder of Bonds under the Bond Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award relating to the execution of any power herein granted for the enforcement of any legal or equitable remedy as such holder or holders may deem most effectual to protect and enforce the rights provided above, or to enjoin any act or thing which may be unlawful or in violation of any right of any Bondholder, or to require the City Council to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of the Bonds then outstanding. The failure of any Bondholder so to proceed shall not relieve the City or any of its officers, agents or employees of any responsibility for failure to perform, in their official capacities, any duty. Each right or privilege of such holder (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege.

Section 27. Duties Upon Default. Upon the happening of any of the events of default provided in Section 25 of the Bond Ordinance, the City, in addition, will do and perform all proper acts on behalf of and for the owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived therefrom, so long as any of the Bonds, either as to principal or interest, are outstanding and unpaid, shall be applied as set forth in Section 17 of the Bond Ordinance. In the event the City fails or refuses to proceed as provided in this Section, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owners of the Bonds as hereinabove provided.

Section 28. Bonds Not Presented When Due. If any Bonds shall not be duly presented for payment when due at maturity or on the redemption date thereof, and if moneys sufficient to

pay such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds, all liability of the City to such owners for the payments of such Bonds shall be completely discharged, such Bonds shall not be deemed to be outstanding and it shall be the duty of the Paying Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owners of such Bonds as may be provided in any agreement hereafter entered into between the Paying Agent and an officer of the City.

Section 29. Delegated Powers. The officers of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Bond Ordinance, including, without limiting the generality of the foregoing, the publication of the title and general summary of the Bond Ordinance set out in Section 36 (with such changes, additions and deletions as they may determine), the printing of the Bonds, the preparation, printing, execution and distribution of the Preliminary Official Statement and the final Official Statement, and the execution of the Continuing Disclosure Undertaking and of such documents or certificates as may be required by the Purchaser or bond counsel. The use and distribution of the Preliminary Official Statement and the Official Statement in connection with the sale of the Bonds to the public is hereby authorized, approved and acknowledged.

Section 30. Amendment of Bond Ordinance. The Bond Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the Bonds to the Purchaser, the provisions of the Bond Ordinance may be amended with the written consent of the Purchaser, with respect to any changes which are not inconsistent with the substantive provisions of the Bond Ordinance. In addition, the Bond Ordinance may be amended without receipt by the City of any additional consideration, but with the written consent of the holders of seventy-five percent (75%) of the Bonds then outstanding (not including Bonds which may be held for the account of the City); but no ordinance adopted without the written consent of the holders of all outstanding Bonds shall have the effect of permitting:

A. An extension of the maturity of any Bond; or

B. A reduction of the principal amount or interest rate of any Bond; or

C. A reduction of the principal amount of Bonds required for consent to such amendatory ordinance; or

D. The establishment of priorities as between Bonds issued and outstanding under the provisions of the Bond Ordinance; or

E. The modification of or otherwise affecting the rights of the holders of less than all the outstanding Bonds.

Section 31. Defeasance. When all principal and interest in connection with the Bonds hereby authorized have been duly paid, the pledge and lien on the Pledged Revenues for the payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of the Bond Ordinance. Payment shall be deemed made with respect to any Bond or Bonds when the City has placed in escrow with a commercial bank

exercising trust powers, an amount sufficient (including the known minimum yield from Defeasance Obligations, as defined below) to meet all requirements of principal and interest as the same become due to their final maturities or upon designated redemption dates. Any Defeasance Obligations shall become due when needed in accordance with a schedule agreed upon between the City and such bank at the time of the creation of the escrow. Defeasance Obligations within the meaning of this Section shall include only (1) cash, (2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGs"), and (3) obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

Section 32. Bond Ordinance Irrepealable. After any of the Bonds are issued, the Bond Ordinance shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance of the Bonds as herein provided.

Section 33. Severability Clause. If any Section, paragraph, clause or provision of the Bond 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 the Bond Ordinance.

Section 34. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 35. Effective Date. Upon due adoption of this Bond Ordinance, it shall be recorded in the book of ordinances of the City kept for that purpose, authenticated by the signatures of the Mayor or Mayor Pro Tem and City Clerk, and the title and general summary of the subject matter contained in the Bond Ordinance (set out in Section 36 below) shall be published in a newspaper which maintains an office and is of general circulation in the City and the Bond Ordinance shall be in full force and effect in accordance with law.

Section 36. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in the Bond Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

City of Las Cruces, New Mexico

Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in an ordinance duly adopted and approved by the City Council of the City of Las Cruces, New Mexico, on February 16, 2016, relating to the authorization and issuance of the City's Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016. Complete copies of the Ordinance are available for public inspection during the

normal and regular business hours of the City Clerk, Las Cruces City Hall, 700 North Main Street Las Cruces, New Mexico.

The title of the Ordinance is:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF UP TO $9,500,000 CITY OF LAS CRUCES, NEW MEXICO TAXABLE SUBORDINATE LIEN STATE SHARED GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2016 FOR CONSTRUCTION, ACQUISITION AND IMPROVEMENT OF ROADWAYS, PUBLIC INFRASTRUCTURE AND DRAINAGE PROJECTS.

A general summary of the Ordinance is:

The Ordinance authorizes the issuance and sale of the City of Las Cruces, New Mexico Taxable Subordinate Lien State Shared Gross Receipts Tax Improvement Revenue Bonds, Series 2016, in an aggregate principal amount not to exceed $9,500,000 for the purpose of constructing, acquiring, and improving roadways, public infrastructure and drainage projects; provides that the Bonds will be payable and collectible from the revenues derived from the 1.225% pledged state shared gross receipts tax distributed to the City; provides that the maturity dates, interest rates, redemption provisions and other details of the Bonds will be established in the Award Resolution; approves execution of certain documents relating to the Bonds; ratifies action previously taken in connection with the Bonds; and repeals all action in conflict with the Ordinance.

This notice constitutes compliance with § 6-14-6 N.M.S.A. 1978.

(End of Form of Summary for Publication)

DONE AND APPROVED this _____ day of _____, 20_____.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

SEAL

VOTE:
Mayor Miyagishima: _____
Councillor Gandara: _____
Councillor Smith: _____
Councillor Pedroza: _____
Councillor Eakman: _____
Councillor Sorg: _____
Councillor Levatino: _____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

_____
City Attorney

STATE OF NEW MEXICO)
COUNTY OF DOÑA ANA) ss.
CITY OF LAS CRUCES)

I, Linda Lewis, the duly acting and qualified Interim City Clerk of the City of Las Cruces, New Mexico (the "Governmental Unit"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Council (the "Governing Body"), constituting the governing body of the City had and taken at a duly called regular meeting held at the Municipal Offices, 700 North Main Street, Las Cruces, New Mexico, on February 16, 2016, at the hour of 1:00 p.m., insofar as the same relate to the execution and delivery of the proposed Ordinance, a copy of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Such proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at such meeting, as therein shown.

3. Notice of such meeting was given in compliance with the permitted methods of giving notice of special meetings of the Governing Body as required by the City's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2016.

CITY OF LAS CRUCES, NEW MEXICO

_____
City Clerk

[SEAL]

RESOLUTION NO. 15-205

A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT (AGREEMENT) BETWEEN THE CITY OF LAS CRUCES AND SIERRA NORTE LAND HOLDINGS, LLC TO ESTABLISH A VOLUNTARY ASSESSMENT DISTRICT FOR THE CONSTRUCTION OF SONOMA RANCH BOULEVARD FROM SIERRA VENTANA AVENUE TO APPROXIMATELY ONE-HALF MILE NORTH OF ARROYO ROAD; ARROYO ROAD FROM RED HAWK GOLF ROAD TO SONOMA RANCH BOULEVARD; APPROXIMATELY ONE AND ONE-HALF MILES OF RED HAWK GOLF ROAD; APPROXIMATELY TWO-THIRDS OF A MILE OF PEACHTREE HILLS ROAD; ASSOCIATED UTILITIES INCLUDING SANITARY SEWER INFRASTRUCTURE; AND A REGIONAL DRAINAGE SYSTEM FOR PRE-DEVELOPMENT FLOWS ONLY.

The City Council is informed that:

WHEREAS, the City of Las Cruces (City) has been approached by Sierra Norte Land Holdings, LLC (Sierra Norte) with a proposal to establish a Voluntary Assessment District (VAD), through a development agreement, to build major roads, sanitary sewer, and drainage infrastructure for the Metro Verde area; and

WHEREAS, the purpose of the VAD is to provide a funding mechanism to construct Sonoma Ranch Boulevard from Sierra Ventana Avenue to approximately one-half mile north of Arroyo Road; Arroyo Road from Red Hawk Golf Road to Sonoma Ranch Boulevard; approximately one and one-half miles of Red Hawk Golf Road; approximately two-thirds of a mile of Peachtree Hills Road; associated utilities including sanitary sewer infrastructure; and a regional drainage system for pre-development flows only; hereinafter referred to as the "Project"; and

WHEREAS, the proposed VAD provides that Sierra Norte will be responsible for one-hundred (100) percent of the Project cost (currently estimated to be $12,038,731.62), including design and construction; and

WHEREAS, Sierra Norte shall guarantee the Project cost by a municipal first lien in favor of the City in the amount shown on Exhibit "A" for the assessed property and

filed in the office of the Dona Ana County Clerk. Additionally the lienholder of any of the assessed property, if any, must consent in writing to the municipal lien; and

WHEREAS, the City will use its best effort to obtain bond financing for the Project through the issuance of two bonds. Sierra Norte will pay one-hundred (100) percent of the bond issuance costs that the City will obtain to finance the infrastructure under both bonds.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the Voluntary Assessment District development agreement between the City of Las Cruces and Sierra Norte Land Holdings, LLC for the construction of Sonoma Ranch Boulevard from Sierra Ventana Avenue to approximately one-half mile north of Arroyo Road; Arroyo Road from Red Hawk Golf Road to Sonoma Ranch Boulevard; approximately one and one-half miles of Red Hawk Golf Road; approximately two-thirds of a mile of Peachtree Hills Road; associated utilities including sanitary sewer infrastructure; and a regional drainage system for pre-development flows only, as outlined in Exhibit "A", attached hereto and made part of this resolution, is hereby approved.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 20th day of April, 2015.

APPROVED:

Mayor

ATTEST:

Esther Martinez Cenutta

City Clerk

(SEAL)

Moved by: Small

Seconded by: Sorg

APPROVED AS TO FORM:

City Attorney

VOTE:

Mayor Miyagishima:	Aye
Councillor Silva:	Aye
Councillor Smith:	Aye
Councillor Pedroza:	Aye
Councillor Small:	Nay
Councillor Sorg:	Aye
Councillor Levatino:	Aye

EXHIBIT A

AGREEMENT FOR CONSTRUCTION OF SONOMA RANCH BOULEVARD FROM SIERRA VENTANA AVENUE TO APPROXIMATELY ONE-THIRD MILE NORTH OF ARROYO ROAD; ARROYO ROAD FROM RED HAWK GOLF ROAD TO SONOMA RANCH BOULEVARD; APPROXIMATELY ONE AND ONE-HALF MILES OF RED HAWK GOLF ROAD; APPROXIMATELY TWO-THIRDS OF A MILE OF PEACHTREE HILLS ROAD; ASSOCIATED UTILITIES INCLUDING SANITARY SEWER INFRASTRUCTURE; AND A REGIONAL DRAINAGE SYSTEM.

This Agreement is entered into on this 20th day of April, 2015, by and between the CITY OF LAS CRUCES, ("City"), a New Mexico municipal corporation, and both Sierra Norte Development, Inc., a New Mexico corporation, and Sierra Norte Land Holdings, LLC, a New Mexico Limited Liability Company ("Sierra Norte").

BACKGROUND

1. The purpose of this Agreement is to provide a funding mechanism to construct Sonoma Ranch Boulevard from Sierra Ventana Avenue to approximately one-third mile north of Arroyo Road; Arroyo Road from Red Hawk Golf Road to Sonoma Ranch Boulevard; approximately one and one-half miles of Red Hawk Golf Road; approximately two-thirds of a mile of Peachtree Hills Road; associated utilities including sanitary sewer infrastructure; and a regional drainage system for pre-development flows only; hereinafter referred to as the "Project". The schedule of construction of the Project shall be determined jointly by the City and Sierra Norte.

2. Sierra Norte is the owner of Sonoma Ranch Boulevard (excluding a section of approximately one mile owned by the State of New Mexico Land Office and currently dedicated to the City of Las Cruces), Arroyo Road, Peachtree Hills Road, and Red Hawk Golf Road described previously as the "Project". Sierra Norte is also the current owner of or authorized agent of all of the adjacent property ("Assessed Property") subject to the assessment provided for in this Agreement. The Assessed Property consists of approximately 1,500 acres and is shown in Exhibit "3".

3. Sonoma Ranch Boulevard, Arroyo Road, and Peachtree Hills Road are arterial roadways currently included as part of the Mesilla Valley Metropolitan Planning Organization Major Thoroughfare Plan.

4. There are public safety, transportation, and development needs that will be addressed by the construction of these roadways and related improvements. Specific public benefits of the Project include the implementation of the "complete streets" concept as outlined in the City of Las Cruces Strategic Plan, increased safety for school routes (roads to nearby schools currently lack sidewalks, bike lanes and street lights), construction of drainage infrastructure to address pre-development flow only, building major road infrastructure in a consistent cross-section all at one time and avoiding piecemeal construction, implementation of Smart Growth principles, and location of an elementary school site within

Metro Verde South in cooperation with the City and the Las Cruces Public School District. Sierra Norte has expressed an interest in proceeding with the construction of the Project at this time.

5. The City agrees to have all improvements that are a part of the Project to be completed in the most cost-efficient manner possible. The Project may be constructed in several individual projects that should be phased and structured to provide maximum opportunity for local contractors to participate in the bidding process.

6. The City will make a good faith effort to obtain funding for the Project. The City intends to obtain financing through the issuance of bonds.

CONDITIONS

NOW, THEREFORE, in consideration of the mutual obligations contained in the Agreement, the City and Sierra Norte agree as follows:

1. The Project improvements shall be within the areas described in Item 1 above, which are more fully described on the attached site plan, labeled Exhibit "1".

2. Sierra Norte shall complete and provide, to the City, at its sole expense, plans and specifications including bidding documents in standard City format necessary for procurement for the Project. The final construction plans shall be in compliance with all applicable City design and development standards including but not limited to roadway cross sections, and natural gas lines. Roadway cross sections approved by the Las Cruces City Council for the Metro Verde Planned Unit Development may be included in the Project. The City shall determine and have sole discretion as to the definition and interpretation of applicable standards as well as final approval of plans and specifications.

3. The City shall use it best effort to obtain bond financing for the Project through the issuance of two bonds. Sierra Norte shall pay 100 percent of the bond issuance costs that the City will obtain to finance the Project. Those estimated bond issuance costs are $80,000 for the first bond and $80,000 for the second bond. The bond issuance costs shall be added to the principal amount of the Project.

4. The Project cost shall be allocated equally to the Assessed Property acreage. The per-acre assessment shall be calculated by dividing the initial principal balance by the initial number of assessed acres and multiplying that number by 1.5. The assessment will be applied to property shown on Exhibit "3" consisting of approximately 1500 acres.

5. Exhibit "2", attached hereto, reflects the estimated total costs of $12,038,731.62 for construction of the Project. The project will be divided into two sub-projects, each sub-project funded by a separate bond issuance. These costs shall be adjusted to reflect actual construction costs upon completion of the Project. In accordance with the terms described herein, Sierra Norte shall pay the City the sum designated on Exhibit "2", after adjustment to reflect actual construction cost, so that the City can meet the terms of the bonds without cost to the City. After award of the construction bid and contract for each sub-project, the City shall furnish Sierra Norte an amended Exhibit "2" reflecting the bid award prices and

the probable allocation to the Assessed Property. Change order costs, if any, and related costs shall be added or deleted from the preliminary costs in Exhibit "2". If the bid amount for the Project comes in at a price in excess of 10 percent over the estimated costs in Exhibit "2", both parties may agree to proceed with that part of the Project, or either party may request that that part of the Project be rebid.

6. (a) The City shall be responsible for all procurement and project management activities including but not limited to bidding, awarding of projects, inspection, testing, labor requirements, payments to contractors, and preparation of documents necessary to take change orders forward for the appropriate approval(s). The Project shall be a City project with all permit fees waived. Both City and Sierra Norte recognize that the City may be required to obtain non-city inspectors and material testing to ensure timely completion of the projects. The costs of such non-city inspectors and material testing shall be included in the project costs shown in Exhibit "2".

   (b) Sierra Norte's Engineer of Record, whose name and address shall be on file with the City's Public Works Department at all times, shall be responsible to answer any questions that arise during construction of each phase of the Project, and shall provide any required design or re-design for field changes or change orders, and shall do so in a timely manner so as not to delay any phase of the Project.

7. The nature of the improvements detailed in Exhibits "1" and "2" shall include sub grade, base course, curb and gutter, hot mix asphalt paving, sidewalks, multi-use transportation facilities, drainage improvements for pre-development flows only, lighting, sanitary sewer and low pressure gas infrastructure, certain specified utilities with mutually agreed upon stub-outs to the Assessed Property, irrigation and landscaping in medians and between sidewalks and curbs. The Project shall include the construction of a high-pressure gas line in Sonoma Ranch Boulevard. The gas line shall be paid for in its entirety by the City of Las Cruces Utilities Department and shall not be included in the bond financing. The Project shall not include any water lines. Any water lines that Sierra Norte wants to build in any roadway that is part of the Project shall be built by Sierra Norte at its sole expense prior to construction of the roadway. All work shall be built according to City standards and shall be inspected and tested by the City during construction. The assessment shall include costs for construction of all improvements, change orders, contingency, and applicable NMGRT.

8. The per acre assessment on each tract, or tracts, as the case may be, shall be paid to the City for each tract as shown in Exhibit "3", at such time as properties are sold, exchanged, assigned, transferred, subdivided or developed as the case may be, whichever occurs first. The transfer of the Assessed Property between Sierra Norte Land Holdings, LLC and Sierra Norte Development, Inc. shall be exempt from any payment to the City but any other transfer to any other party shall trigger the obligation to pay the assessment. No Final Plat of Assessed Property shall be filed prior to payment of the appropriate assessment to the City.

9. Sierra Norte shall guarantee the Project cost by a municipal first lien in favor of the City in the amount shown on Exhibit "2" for the Assessed Property and filed in the office of the Dona Ana County Clerk. Additionally the lienholder of any of the assessed property shown on Exhibit "3", if any, must consent in writing to the municipal lien.

10. Upon payment of the appropriate assessment to the City by Sierra Norte, the City shall execute a partial release of lien for that part of the Assessed Property. Said payment shall include principal and accrued simple interest, if any. The minimum size of each partial release must be at least one acre unless otherwise approved by the City.

11. Partial release of lien shall be requested by Sierra Norte and shall be directed to the City of Las Cruces, Office of the City Manager, P.O. Box 20000, Las Cruces, New Mexico 88004.

12. In accordance with financing provisions mutually agreed to by the parties, Sierra Norte shall make a minimum principal reduction payment every year, with the amount of said payment to be determined by the final amount and term of the bond financing. If complete payment has not been made by Sierra Norte at the scheduled payment of principal reduction and interest payments, then the entire remaining principal plus accrued interest shall be due and payable at that time with interest to be at the statutory rate until paid in full. Additionally, all remaining assessed property may be foreclosed upon with all costs and reasonable attorney fees to be paid by Sierra Norte.

13. Sierra Norte shall make all principal reduction and interest payments as determined and scheduled by the bond issuers. Additionally, Sierra Norte shall make principal payments prior to completion of the Project as Assessed Properties are sold, exchanged, assigned, transferred, subdivided, developed, or included in a final plat that Sierra Norte wishes to record; such payments will be referred to as Early Payments. Such Early Payments, as well as other principal payments made by Sierra Norte outside the schedule of minimum principal reduction payments, shall be credited towards the next regularly scheduled principal reduction payment.

    (b) Sierra Norte shall place $ 350,000 in escrow upon successful bond sale or loan to ensure partial future principal and interest payments.

    (c) Sierra Norte shall pay accrued interest either monthly, quarterly, or annually, as directed and billed by the City.

14. The interest rate charged to Sierra Norte shall be 1.0% (0.01) above the cost to the City for the bonds issued for the Project. Interest charged to Sierra Norte shall accrue when the City starts paying interest on the bonds issued for the Project.

15. If this Agreement is given to an attorney for enforcement of any provision, the party subject to any judgment by the Court shall be liable for reasonable attorney's fees and court costs to the prevailing party.

16. This Agreement contains the entire agreement between the parties and supersedes any and all other Agreements and understandings, oral or written, whether previous to the execution hereof, or contemporaneous herewith.

17. Changes to this Agreement are not binding unless made in writing and signed by both parties.

18. This Agreement shall be recorded with the Dona Ana County Clerk and is binding upon and inures to the benefit of the successors and/or assigns of the parties. Sierra Norte shall not assign or transfer in any way any interest Sierra Norte may have in this Agreement, without express written consent of the City, which shall not be unreasonably withheld.

19. If any part of this Agreement is held to be invalid or unenforceable, such holding shall not affect the validity or enforceability of any other part of this Agreement so long as the remainder of the Agreement is reasonably capable of completion.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS Agreement as of the data and year first above written.

CITY OF LAS CRUCES

By: _____
Ken D. Miyagishima, Mayor

APPROVED AS TO FORM:

_____
CITY ATTORNEY

State of New Mexico)
)ss
County of Dona Ana)

The foregoing Agreement was acknowledged before me on this 20th day of April, 2015, by Ken D. Miyagishima, Mayor of the city of Las Cruces, on behalf of the City of Las Cruces, a New Mexico municipal corporation.

My Commission Expires: September 10, 2015

OFFICIAL SEAL
ESTHER MARTINEZ-CARRILLO
NOTARY PUBLIC - STATE OF NEW MEXICO
My commission expires: 9/10/15

_____
Notary Public

SIERRA NORTE LAND HOLDINGS, LLC

By: _____
Royal Jones, Managing Member

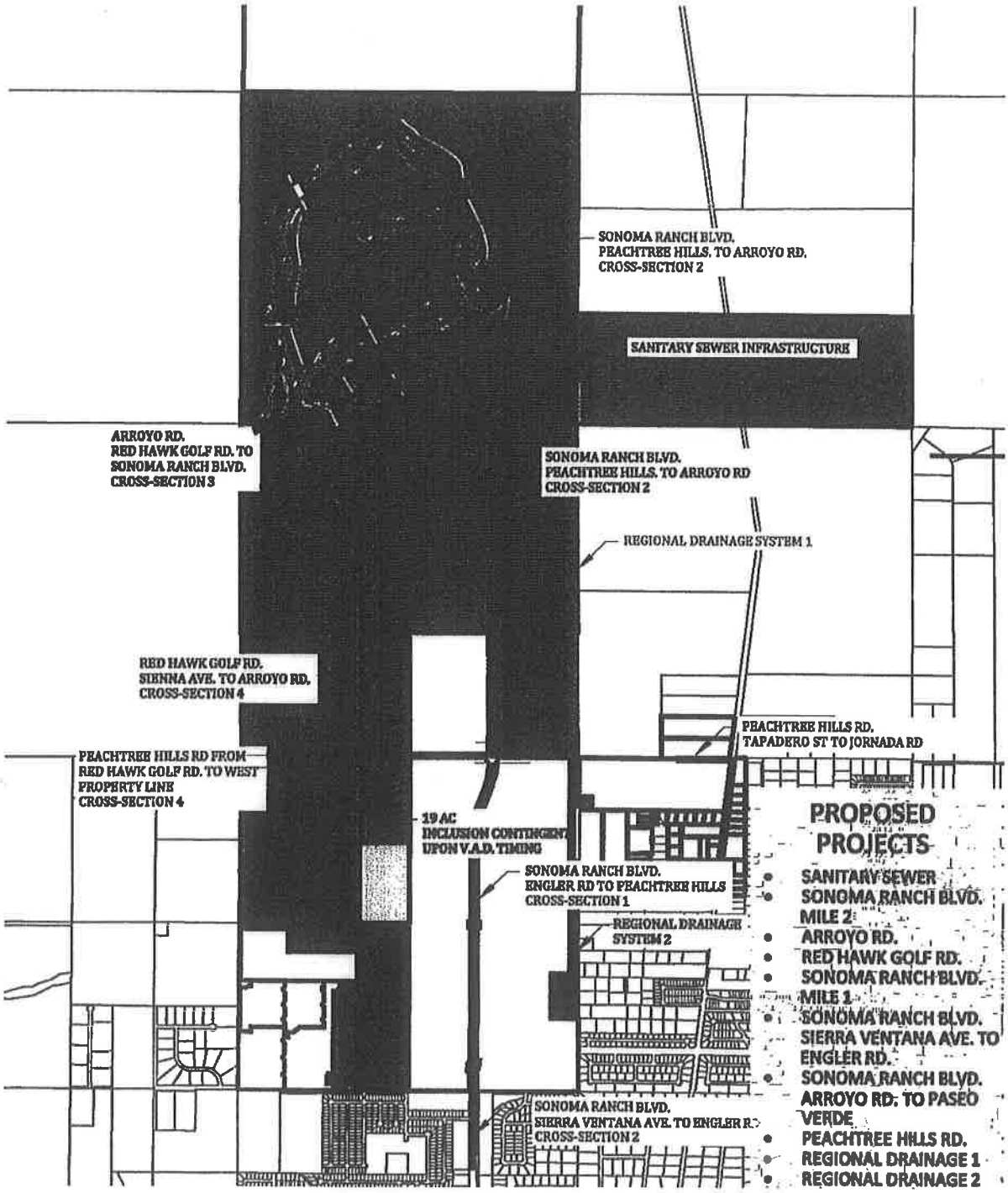
State of New Mexico)
)ss
County of Dona Ana)

The foregoing Agreement was acknowledged before me on this 23 day of April, 2015, by Royal Jones, Managing Member of Sierra Norte Land Holdings, LLC, a New Mexico Limited Liability Company.

My Commission Expires: 3-29-16

_____
Notary Public

EXHIBIT 1



METRO VERDE V.A.D.
PROPOSED IMPROVEMENTS

EXHIBIT 2

Metro Verde PUD

Metro Verde Infrastructure Agreement 2015

Phase 1

	PROJECT	COST	NMGRT	TOTAL	[redacted]
1	Sanitary Sewer Infrastructure	$684,117.00	$56,867.23	$740,984.23	[redacted]
2	Sonoma Ranch Blvd Mile 2: Peachtree to Arroyo	$2,689,786.00	$223,588.46	$2,913,374.46	[redacted]
3	Arroyo Rd: Red Hawk to Jomada Blvd	$1,757,168.73	$146,064.65	$1,903,233.39	[redacted]
4	Red Hawk Golf Road: North Boundary of Metro Verde South Phase 1E to Arroyo Rd.	$1,313,828.92	$109,212.03	$1,423,040.95	[redacted]
5	Regional Drainage Phase 1	$100,000.00	$8,312.50	$108,312.50	[redacted]
	Phase 1 Totals	**$6,544,900.65**	**$544,044.87**	**$7,088,945.52**	[redacted]

Phase 2

	PROJECT	COST	NMGRT	TOTAL	[redacted]
1	Sonoma Ranch Blvd Mile 1: Engler to Peachtree	$2,015,623.02	$167,548.66	$2,183,171.68	[redacted]
2	Sonoma Ranch Blvd: Sierra Norte Heights to Engler	$141,750.47	$11,783.01	$153,533.48	[redacted]
3	Sonoma Ranch Blvd Arroyo Rd. to Paseo Verde	$810,833.32	$67,400.52	$878,233.84	[redacted]
4	Peachtree Hills Rd: Red Hawk Golf Rd. to West Boundary	$1,186,745.06	$98,648.18	$1,285,393.24	[redacted]
5	Peachtree Hills Rd: Tapadero St. to Jomada Rd.	$214,960.28	$17,868.57	$232,828.85	[redacted]
6	Regional Drainage Phase 2	$200,000.00	$16,625.00	$216,625.00	[redacted]
	Phase 2 Totals	**$4,569,912.15**	**$379,873.95**	**$4,949,786.10**	[redacted]
	Grand Totals	**$11,114,812.80**	**$923,918.81**	**$12,038,731.62**	[redacted]

1. SANITARY SEWER INFRASTRUCTURE					
ENGINEER'S ESTIMATE					
ROADWAY ESTIMATE LOT:					
ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
LS1	LIFT STATION	1	LS	$365,000.00	$365,000.00
LS2	ROCK WALLS / GATES	1	LS	$10,000.00	$10,000.00
LS3	ENTRANCE ROAD GRADING	1100	CY	$3.00	$3,300.00
LS4	ENTRANCE ROAD BASE COURSE	1200	SY	$7.00	$8,400.00
LS5	1/14" GAS SERVICE LINE	760	LF	$9.00	$6,840.00
LS6	2" WATER SERVICE LINE	750	LF	$10.00	$7,500.00
LS8	SEWER MANHOLE	13	EA	$6,000.00	$78,000.00
LS9	10" FORCE MAIN	7500	LF	$23.00	$172,500.00
	LIFT STATION, OFFSITE SEWER, AND FOCE MAIN ESTIMATE TOTAL				$651,540.00

TOTAL BASE ESTIMATE AMOUNT: SEWER INFRASTRUCTURE	651,540.00
5% CONTINGENCY	32,577.00
SUBTOTAL	684,117.00
NM GROSS RECEIPTS TAX 8.3125%	56,867.23
TOTAL COST WITH CONTINGENCY	**740,984.23**

2. Sonoma Ranch Blvd Mile 2: Peachtree to Arroyo
ENGINEER'S ESTIMATE

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
SR1	Excavation, Complete	30,673	CY	$ 2.36	$ 72,388
SR2	12" Subgrade Preparation	22,726	SY	$ 2.78	$ 63,177
SR3	10.5" Base Course, Type I; CIP	22,726	SY	$ 8.68	$ 197,257
SR4	Prime Coat; CIP	22,726	SY	$ 1.20	$ 27,271
SR5	Tack Coat; CIP	22,726	SY	$ 0.50	$ 11,363
SR6	4" Thick (2 lifts) HMAC, Type B; CIP	22,726	SY	$ 16.41	$ 372,825
SR7	Standard Curb & Gutter Type A; CIP	9,202	LF	$ 12.09	$ 111,252
SR8	Median Curb & Gutter Type K; CIP	7,906	LF	$ 12.09	$ 95,584
SR12	Storm Water Pollution Prevention Plan/Management	1	LS	$ 15,000.00	$ 7,500
SR13	Traffic Control Plan; CIP	1	LS	$ 20,000.00	$ 10,000
SR14	Construction Staking; CIP	1	LS	$ 80,000.00	$ 40,000
SR15	Permanent Signing & Striping; CIP	1	LS	$ 7,000.00	$ 3,500
SR16	6" Concrete Pedestrian Crossing at Roundabout; CIP	1,588	SF	$ 4.57	$ 7,163
SR17	4" Sidewalk; CIP	37,425	SF	$ 3.33	$ 124,625
SR18	Multi-Use Path, 2" Asphalt, 4" Base Course; CIP	5,472	SY	$ 13.50	$ 73,872
SR19	Concrete Apron for Roundabout; CIP	4,247	SF	$ 5.00	$ 21,236
SR22	Geogrid; CIP	22,726	SY	$ 4.38	$ 99,538
SR23	Stamped and Colored Concrete for Ramps; CIP	300	SF	$ 6.00	$ 1,800
SR24	Refl Pref Pl Pave Markings and Striping for Roundabouts;CIP	0	LS	$ 5,000.00	$ 1,650
SR25	Refl Painted Markings; CIP	38,896	LF	$ 0.15	$ 5,834
	SONOMA RANCH BLVD ROADWAY ESTIMATE TOTAL				$ 1,347,935

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
SR20	Landscape; CIP	296,546	SF	$ 0.64	$ 189,789
SR21	Irrigation; CIP	299,046	SF	$ 0.20	$ 59,609
	SONOMA RANCH BLVD LANSCAPE ESTIMATE TOTAL				$ 249,399

LIGHT ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SL1	Rigid Electrical Conduit 1-1/2" W/PULL STRING; CIP	7,850	LF	$ 8.53	$ 65,256
SL2	Single Conductor; CIP	16,300	LF	$ 1.85	$ 28,305
SL3	Light Pole Foundation, 35' Pole; CIP	39	EA	$ 632.49	$ 24,667
SL4	Street Light Pole, 35' H; CIP	39	EA	$ 3,089.27	$ 120,482
SL5	Dual Lum Fixture w/ Cut-off Optics, 480V/250W HPS; CIP	39	EA	$ 418.96	$ 16,339
SL6	Lighting Service Meter/Cabinet; CIP	1	EA	$ 6,336.63	$ 6,337
SL7	Standard Electrical Pullbox w/Concrete Collar; CIP	6	EA	$ 403.04	$ 2,416
	SONOMA RANCH BLVD LIGHT LOT TOTAL				$ 263,802

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

STORM DRAIN ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SD1	18" CMP Pipe Arch; CIP	403	LF	$ 39.55	$ 15,919
SD1.5	24" CMP; CIP	963	LF	$ 53.53	$ 51,545
SD2	36" CMP Pipe Arch; CIP	1,683	LF	$ 67.50	$ 113,603
SD2.5	30" CMP PIPE	0	LF	$ 60.51	$ -
SD3	42" CMP Pipe Arch; CIP	540	LF	$ 126.00	$ 68,040
SD4	18" CMP Pipe Arch End Section; CIP	2	EA	$ 500.00	$ 999
SD4.5	24" CMP END SECTION	4	EA	$ 625.00	$ 2,500
SD5	36" CMP Pipe Arch End Section; CIP	14	EA	$ 750.00	$ 10,500
SD5.5	30" CMP END SECTION	0	EA	$ 700.00	$ -
SD6	42" CMP Pipe Arch End Section; CIP	4	EA	$ 1,000.00	$ 4,000
SD7	30" Basins (2'-5'); CIP	13	EA	$ 5,000.00	$ 65,000
SD8	30" x 12" Tee; CIP	3	EA	$ 500.00	$ 1,500
SD9	12" HDPE Pipe; CIP	0	LF	$ 30.00	$ -
SD11	2' x 3' Steel Bar Grate and Frame; CIP	13	EA	$ 2,000.00	$ 26,000
SD12	Concrete Apron and Curb; CIP	13	EA	$ 2,000.00	$ 26,000
SD13	12" Hinged Grate; CIP	3	EA	$ 5,000.00	$ 15,000
SD14	8' Diameter Storm Drain Manhole; CIP	2	EA	$ 2,600.00	$ 5,200
	SONOMA RANCH BLVD STORM DRAIN LOT TOTAL				$ 405,805

DRAINAGE STRUCTURE ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
DS1	Type L Loose Rock Rip-Rap; CIP	1,250	CY	$ 79.89	$ 99,613
DS2	6" Mortar Rock Rundown; CIP	600	SF	$ 40.00	$ 24,000
DS3	Type M Loose Rock Rip-Rap; CIP	75	CY	$ 119.54	$ 8,965
	SONOMA RANCH BLVD STORM DRAIN LOT TOTAL				$ 132,578

GAS UTILITIES ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
G1	4" PE LP Gas Pipe; CIP	6,200	LF	$ 12.26	$ 76,006
G2	2" PE LP Gas Pipe; CIP	200	LF	$ 9.55	$ 1,910
G5	Connection to existing live pipe	1	EA	$ 2,000.00	$ 2,000
G6	Connection to existing pipeline	1	EA	$ 750.00	$ 750
G11	4" PE Gas Valve w/ Box; CIP	9	EA	$ 462.30	$ 4,161
G12	2" PE Gas Valve w/ Box; CIP	2	EA	$ 450.00	$ 900
G14	4" Gas Cap; CIP	5	EA	$ 37.33	$ 187
G15	2" Gas Cap; CIP	2	EA	$ 33.03	$ 66
G27	Exploration Time; Complete	2	HR	$ 30.00	$ 60
	SONOMA RANCH BLVD GAS LOT TOTAL				$ 86,039

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

UPDASonoma PEACHTREE TO ARROYO 3/3/11

SEWER UTILITIES ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
S1	15" SDR-35 PVC sewer line (12'-15' deep)	1,104	LF	$ 56.00	$ 61,824
S2	4' DIA manhole (12'-15' deep) CIP	3	EA	$ 4,606.34	$ 13,819
S7	Connection to existing sewer; CIP	1	EA	$ 500.00	$ 500
	SONOMA RANCH BLVD SEWER LOT TOTAL				$ 76,143

TOTAL BASE ESTIMATE AMOUNT: SONOMA RANCH BLVD.	$	2,561,701
5% CONTINGENCY	$	128,085
SUBTOTAL	$	2,689,786
NM GROSS RECEIPTS TAX5.3125%	$	223,588
TOTAL COST WITH CONTINGENCY	$	2,913,375

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

3. Arroyo Rd: Red Hawk to Jomada Blvd.
ENGINEER'S ESTIMATE

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SR1	Excavation, Complete	19,000	CY	$ 2.36	$ 44,840
SR2	12" Subgrade Preparation	8,102	SY	$ 2.78	$ 22,524
SR3	10.5" Base Course, Type I; CIP	8,102	SY	$ 8.68	$ 70,325
SR4	Prime Coat; CIP	8,102	SY	$ 1.20	$ 9,722
SR5	Tack Coat; CIP	8,102	SY	$ 0.50	$ 4,051
SR6	4" Thick (2 lifts) HMAC, Type B; CIP	8,102	SY	$ 16.41	$ 132,954
SR7	Standard Curb & Gutter Type A; CIP	5,840	LF	$ 12.09	$ 70,606
SR8	Median Curb & Gutter Type K; CIP	4,360	LF	$ 12.09	$ 52,954
SR12	Storm Water Pollution Prevention Plan/Management	1	LS	$ 5,000.00	$ 5,000
SR13	Traffic Control Plan; CIP	1	LS	$ 7,000.00	$ 7,000
SR14	Construction Staking; CIP	1	LS	$ 17,000.00	$ 17,000
SR15	Permanent Signing & Striping; CIP	1	LS	$ 1,500.00	$ 1,500
SR17	4" Sidewalk; CIP	17,520	SF	$ 3.33	$ 58,342
SR18	Multi-Use Path, 2" Asphalt, 4" Base Course; CIP	3,244	SY	$ 13.50	$ 43,794
SR24	Refl Pref Pl Pave Markings and Striping for Roundabouts;CIP	1	LS	$ 750.00	$ 750
SR25	Red Painted Markings; CIP	12,400	LF	$ 0.15	$ 1,860
	ARROYO ROADWAY ESTIMATE TOTAL				$ 543,222
SR20	Landscape; CIP	243,081	SF	$ 0.64	$ 155,559
SR21	Irrigation; CIP	243,081	SF	$ 0.20	$ 48,612
	ARROYO LANDSCAPE ESTIMATE TOTAL				$ 204,171

STORM DRAIN ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SD1	18" CMP Pipe Arch; CIP	238	LF	$ 39.55	$ 9,413
SD1.5	24" CMP; CIP	255	LF	$ 53.53	$ 13,649
SD2	36" CMP Pipe Arch; CIP	1,056	LF	$ 67.50	$ 71,416
SD2.5	30" CMP PIPE	300	LF	$ 50.51	$ 15,154
SD3	42" CMP Pipe Arch; CIP	220	LF	$ 126.00	$ 27,720
SD3.5	48" CMP	300	LF	$ 160.00	$ 48,000
SD4.5	24" CMP END SECTION	5	EA	$ 625.80	$ 3,158
SD5.5	30" CMP END SECTION	2	EA	$ 700.00	$ 1,190
SD7	30" Basins (2'-6"); CIP	8	EA	$ 5,000.00	$ 40,000
SD11	2' x 3' Steel Bar Grate and Frame; CIP	8	EA	$ 2,000.00	$ 16,000
SD12	Concrete Apron and Curb; CIP	8	EA	$ 2,000.00	$ 16,000
SD14	6' Diameter Storm Drain Manhole; CIP	6	EA	$ 2,600.80	$ 15,600
	ARROYO RD STORM DRAIN LOT TOTAL				$ 280,328

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

LIGHT ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SL1	Rigid Electrical Conduit 1-1/2" W/PULL STRING; CIP	5,800	LF	$ 8.53	$ 49,474
SL2	Single Conductor; CIP	5,800	LF	$ 1.60	$ 8,700
SL3	Light Pole Foundation, 35' Pole; CIP	17	EA	$ 632.49	$ 10,752
SL4	Street Light Pole, 35' H; CIP	17	EA	$ 3,049.27	$ 52,618
SL5	Dual Lum Fixture w/ Cut-off Optics, 480V/250W HPS; CIP	34	EA	$ 418.96	$ 14,245
	ARROYO ROAD LIGHT LOT TOTAL				$ 135,689

GAS UTILITIES ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
G1	4" PE LP Gas Pipe; CIP	3,000	LF	$ 12.26	$ 36,780
G2	2" PE LP Gas Pipe; CIP	274	LF	$ 9.55	$ 2,614
G8	Connection to existing pipeline	2	EA	$ 750.00	$ 1,275
G11	4" PE Gas Valve w/ Box; CIP	3	EA	$ 462.30	$ 1,572
G12	2" PE Gas Valve w/ Box; CIP	5	EA	$ 450.00	$ 2,295
G14	4" Gas Cap; CIP	3	EA	$ 37.33	$ 127
G15	2" Gas Cap; CIP	10	EA	$ 33.63	$ 337
G27	Exploration Time; Complete	3	HR	$ 30.00	$ 102
	ARROYO ROAD GAS LOT TOTAL				$ 45,101

SEWER UTILITIES ESTIMATE LOT:

ESTIMATE ITEM	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
S1	12" SDR-35 PVC sewer line (12'-15' deep)	3,630	LF	$ 24.57	$ 94,108
S2	4' DIA manhole (12'-15' deep) CIP	9	EA	$ 4,606.34	$ 39,154
S3	12" SDR-35 PVC sewer line (15'-18' deep)	265	LF	$ 36.16	$ 9,586
S4	4' DIA manhole (15'-18' deep)	2	EA	$ 5,059.48	$ 10,291
S5	12" SDR-35 PVC sewer line (8'-12' deep)	3,223	LF	$ 56.33	$ 181,583
S6	4' DIA manhole (8'-12' deep)	10	EA	$ 2,718.75	$ 27,731
S7	Connection to existing sewer; CIP	3	EA	$ 500.00	$ 1,700
S8	10" C-900 Force Main	3,320	LF	$ 30.00	$ 99,603
S9	10" Megalug Joint Restraint O.A.E. for Force Main	2	EA	$ 500.00	$ 850
	ARROYO ROAD SEWER LOT TOTAL				$ 464,983

TOTAL BASE ESTIMATE AMOUNT: ARROYO ROAD	$	1,073,494
5% CONTINGENCY	$	53,675
SUBTOTAL	$	1,757,169
NM GROSS RECEIPTS TAX 6.3125%	$	146,065
TOTAL COST WITH CONTINGENCY	$	1,903,233

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

4. RED HAWK GOLF ROAD NORTH BOUNDARY OF METRO VERDE SOUTH PHASE 1E TO ARROYO RD.
ENGINEER'S ESTIMATE

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
R1	Cut to Fill	15,200	CY	$ 3.00	$ 45,600
R2	12" Subgrade Preparation	7,730	SY	$ 2.76	$ 21,489
R3	6" Base Course, Type I; CIP	7,730	SY	$ 8.68	$ 67,096
R4	Prime Coat; CIP	7,730	SY	$ 1.20	$ 9,276
R5	2" HMAC	7,730	SY	$ 13.00	$ 100,490
R6	Standard Curb & Gutter Type A; CIP	15,500	LF	$ 12.09	$ 187,395
R7	Storm Water Pollution Prevention Plan/Management	1	LS	$ 7,500.00	$ 4,500
R8	Traffic Control Plan; CIP	1	LS	$ 11,500.00	$ 7,500
R9	Construction Staking; CIP	1	LS	$ 27,000.00	$ 18,750
R10	Mobilization	1	LS	$ 7,000.00	$ 3,750
R11	Permanent Signing & Striping; CIP	1	LS	$ 12,500.00	$ 5,250
R12	Stamped and Colored Concrete for Ramps; CIP	600	SF	$ 6.00	$ 3,600
R13	Sidewalk	39,900	SF	$ 3.50	$ 139,650
	RED HAWK GOLF ROAD ROADWAY ESTIMATE TOTAL				$ 614,347

GAS UTILITIES ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
G2	2" PE LP Gas Pipe; CIP	7,800	LF	$ 9.55	$ 74,490
G5	Connection to existing live pipe	1	EA	$ 2,000.00	$ 2,000
G15	2" Gas Cap; CIP	2	EA	$ 33.03	$ 66
G27	Exploration Time; Complete	2	HR	$ 30.00	$ 60
	RED HAWK GOLD ROAD GAS LOT TOTAL				$ 76,616

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
L1	Landscape; CIP	115,000	SF	$ 0.64	$ 73,600
L2	Irrigation; CIP	115,000	SF	$ 0.20	$ 23,000
	RED HAWK GOLF ROAD LANSCAPE ESTIMATE TOTAL				$ 96,600

LIGHT ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SL1	Rigid Electrical Conduit 1-1/2" W/PULL STRING; CIP	15,500	LF	$ 8.53	$ 132,215
SL2	Single Conductor; CIP	31,000	LF	$ 1.85	$ 57,350
SL3	Light Pole Foundation, 35' Pole; CIP	40	EA	$ 632.49	$ 25,300
SL4	Street Light Pole, 35' H; CIP	40	EA	$ 3,089.27	$ 123,571
SL5	Lum Fixture w/ Cut-off Optics, 480V/250W HPS; CIP	40	EA	$ 418.96	$ 16,758
SL7	Standard Electrical Pullbox w/Concrete Collar; CIP	12	EA	$ 403.04	$ 4,836
	RED HAWK GOLF ROAD LIGHT LOT TOTAL				$ 360,030

STORM DRAIN ESTIMATE LOT:

ESTIMATE ITEM	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SD2	36" CMP Pipe Arch; CIP	500	LF	$ 67.50	$ 33,750
	RED HAWK GOLF ROAD STORM DRAIN STRUCTURES LOT TOTAL				$ 33,750

DRAINAGE STRUCTURE ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
DS1	Type L Loose Rock Rip-Rap; CIP	250	CY	$ 79.69	$ 19,923
	RED HAWK GOLF ROAD STORM DRAIN LOT TOTAL				$ 69,923

TOTAL BASE ESTIMATE AMOUNT: RED HAWK GOLF ROAD.	$	1,251,266
5% CONTINGENCY	$	62,563
SUBTOTAL	$	1,313,829
NM GROSS RECEIPTS TAX 8.3125%	$	109,212
TOTAL COST WITH CONTINGENCY	$	1,423,041

5. REGIONAL DRAINAGE SYSTEM 1

ITEM	DESCRIPTION	UNIT	AVERAGE	QNTY	PRICE
1	CLEAR & GRUB	AC	$600.00	15	$9,000.00
2	EARTHWORK	CY	$2.00	43119	$86,238.00

TOTAL	95,238
5% CONTINGENCY	4,762
SUBTOTAL	100,000
NMGRT @8.3125%	8,312
TOTAL WITH CONTINGENCTY	**108,312**

P2 1. SONOMA RANCH BLVD MILE 1: ENGLER RD TO PEACHTREE HILLS
ENGINEER'S ESTIMATE

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
SR1	Excavation, Complete	32,000	CY	$ 2.36	$ 75,520
SR2	12" Subgrade Preparation	11,440	SY	$ 2.78	$ 31,803
SR3	10.5" Base Course, Type I; CIP	11,440	SY	$ 8.68	$ 99,299
SR4	Prime Coat; CIP	11,440	SY	$ 1.20	$ 13,728
SR5	Tack Coat; CIP	19,466	SY	$ 0.50	$ 9,733
SR6	4" Thick (2 lifts) HMAC, Type B; CIP	11,440	SY	$ 16.41	$ 187,730
SR6.5	2" THICK HMAC, TYPE B	16,426	SY	$ 9.00	$ 147,834
SR7	Standard Curb & Gutter Type A; CIP	9,202	LF	$ 12.09	$ 111,252
SR8	Median Curb & Gutter Type K; CIP	7,906	LF	$ 12.09	$ 95,584
SR9	Rem. & Replace Curb & Gutter; Complete	150	LF	$ 3.50	$ 525
SR11	3" Pavement Patch	150	SY	$ 18.00	$ 2,700
SR12	Storm Water Pollution Prevention Plan/Management	1	LS	$ 15,000.00	$ 7,500
SR13	Traffic Control Plan; CIP	1	LS	$ 20,000.00	$ 10,000
SR14	Construction Staking; CIP	1	LS	$ 80,000.00	$ 40,000
SR15	Permanent Signing & Striping; CIP	1	LS	$ 7,000.00	$ 3,500
SR16	6" Concrete Pedestrian Crossing at Roundabout; CIP	3,168	SF	$ 4.57	$ 14,479
SR17	4" Sidewalk; CIP	37,425	SF	$ 3.33	$ 124,625
SR18	Multi-Use Path, 2" Asphalt, 4" Base Course; CIP	5,472	SY	$ 13.50	$ 73,872
SR19	Concrete Apron for Roundabout; CIP	8,584	SF	$ 5.00	$ 42,921
SR23	Stamped and Colored Concrete for Ramps; CIP	300	SF	$ 6.00	$ 1,800
SR24	Refl Pref Pl Pave Markings and Striping for Roundabouts;CIP	1	LS	$ 5,000.00	$ 3,335
SR25	Refl Painted Markings; CIP	38,896	LF	$ 0.15	$ 5,834
	SONOMA RANCH BLVD ROADWAY ESTIMATE TOTAL				$ 1,103,675

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
SR20	Landscape; CIP	296,546	SF	$ 0.64	$ 189,789
SR21	Irrigation; CIP	296,046	SF	$ 0.20	$ 59,609
	SONOMA RANCH BLVD LANSCAPE ESTIMATE TOTAL				$ 249,399

LIGHT ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SL1	Rigid Electrical Conduit 1-1/2" W/PULL STRING; CIP	7,650	LF	$ 8.53	$ 65,255
SL2	Single Conductor; CIP	15,300	LF	$ 1.85	$ 28,305
SL3	Light Pole Foundation, 35' Pole; CIP	39	EA	$ 632.49	$ 24,667
SL4	Street Light Pole, 35' H; CIP	39	EA	$ 3,089.27	$ 120,482
SL5	Dual Lum Fixture w/ Cut-off Optics, 480V/250W HPS; CIP	39	EA	$ 418.96	$ 16,339
SL6	Lighting Service Meter/Cabinet; CIP	1	EA	$ 8,336.83	$ 8,337
SL7	Standard Electrical Pullbox w/Concrete Collar; CIP	6	EA	$ 403.04	$ 2,418
	SONOMA RANCH BLVD LIGHT LOT TOTAL				$ 263,802

STORM DRAIN ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SD1	18" CMP Pipe Arch; CIP	403	LF	$ 39.55	$ 15,919
SD1.5	24" CMP; CIP	963	LF	$ 53.53	$ 51,545
SD2	36" CMP Pipe Arch; CIP	0	LF	$ 67.50	$ -
SD2.5	30" CMP PIPE	1,239	LF	$ 60.51	$ 74,975
SD3	42" CMP Pipe Arch; CIP	0	LF	$ 126.00	$ -
SD4	18" CMP Pipe Arch End Section; CIP	4	EA	$ 500.00	$ 2,001
SD4.5	24" CMP END SECTION	5	EA	$ 625.00	$ 3,126
SD5	36" CMP Pipe Arch End Section; CIP	0	EA	$ 750.00	$ -
SD5.5	30" CMP END SECTION	3	EA	$ 700.00	$ 2,100
SD6	42" CMP Pipe Arch End Section; CIP	0	EA	$ 1,000.00	$ -
SD7	30" Basins (2'-5'); CIP	13	EA	$ 5,000.00	$ 65,000
SD8	30" x 12" Tee; CIP	4	EA	$ 500.00	$ 2,000
SD9	12" HDPE Pipe; CIP	40	LF	$ 30.00	$ 1,200
SD11	2' x 3' Steel Bar Grate and Frame; CIP	13	EA	$ 2,000.00	$ 26,000
SD12	Concrete Apron and Curb; CIP	13	EA	$ 2,000.00	$ 26,000
SD13	12" Hinged Grate; CIP	4	EA	$ 5,000.00	$ 20,000
SD14	6' Diameter Storm Drain Manhole; CIP	5	EA	$ 2,600.00	$ 13,000
	SONOMA RANCH BLVD STORM DRAIN LOT TOTAL				$ 302,884

DRAINAGE STRUCTURE ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
DS1	Type L Loose Rock Rip-Rap; CIP	125	CY	$ 79.69	$ 9,961
DS2	6" Mortar Rock Rundown; CIP	600	SF	$ 40.00	$ 24,000
DS3	Type M Loose Rock Rip-Rap; CIP	75	CY	$ 119.54	$ 8,965
	SONOMA RANCH BLVD STORM DRAIN LOT TOTAL				$ 42,926

GAS UTILITIES ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
G1	4" PE LP Gas Pipe; CIP	6,200	LF	$ 12.26	$ 76,006
G2	2" PE LP Gas Pipe; CIP	200	LF	$ 9.55	$ 1,910
G5	Connection to existing live pipe	1	EA	$ 2,000.00	$ 2,000
G6	Connection to existing pipeline	1	EA	$ 750.00	$ 750
G11	4" PE Gas Valve w/ Box; CIP	8	EA	$ 462.30	$ 3,698
G12	2" PE Gas Valve w/ Box; CIP	2	EA	$ 450.00	$ 900
G14	4" Gas Cap; CIP	4	EA	$ 37.33	$ 149
G15	2" Gas Cap; CIP	1	EA	$ 33.03	$ 33
G27	Exploration Time; Complete	2	HR	$ 30.00	$ 60
	SONOMA RANCH BLVD GAS LOT TOTAL				$ 85,507

SEWER UTILITIES ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
S1	15" SDR-35 PVC sewer line (12'-15' deep)	0	LF	$ 26.57	$ -
S2	4' DIA manhole (12'-15' deep) CIP	0	EA	$ 4,606.34	$ -
S7	Connection to existing sewer; CIP	0	EA	$ 500.00	$ -
S8	10" C-900 Force Main	0	LF	$ 30.00	$ -
S9	10" Megalug Joint Restraint O.A.E. for Force Main	0	EA	$ 500.00	$ -
	SONOMA RANCH BLVD SEWER LOT TOTAL				$ -

TOTAL BASE ESTIMATE AMOUNT: SONOMA RANCH BLVD. ENGLER TO PEACHTREE HILLS	$	1,919,641
5% CONTINGENCY	$	95,982
SUBTOTAL	$	2,015,623
NM GROSS RECEIPTS TAX 8.3125%	$	167,549
TOTAL COST WITH CONTINGENCY	$	2,183,172

UPDATE SRB-snh to engler 3/3/11

P2 2. SONOMA RANCH BLVD: SIERRRA NORTE HEIGHTS TO ENGLER RD.
ENGINEER'S ESTIMATE

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
SR2	12" Subgrade Preparation	900	SY	$ 2.78	$ 2,502
SR3	10.5" Base Course, Type I; CIP	900	SY	$ 8.68	$ 7,812
SR4	Prime Coat; CIP	900	SY	$ 1.20	$ 1,080
SR5	Tack Coat; CIP	900	SY	$ 0.50	$ 450
SR6	4" Thick (2 lifts) HMAC, Type B; CIP	900	SY	$ 16.41	$ 14,769
SR7	Standard Curb & Gutter Type A; CIP	2,900	LF	$ 12.09	$ 35,061
SR12	Storm Water Pollution Prevention Plan/Management	1	LS	$ 2,000.00	$ 2,000
SR13	Traffic Control Plan; CIP	1	LS	$ 2,000.00	$ 2,000
SR14	Construction Staking; CIP	1	LS	$ 1,000.00	$ 1,000
SR15	Permanent Signing & Striping; CIP	1	LS	$ 600.00	$ 600
SR17	4" Sidewalk; CIP	3,815	SF	$ 3.33	$ 12,702
SR18	Multi-Use Path, 2" Asphalt, 4" Base Course; CIP	1,244	SY	$ 13.50	$ 16,800
SR20	Landscape; CIP	14,000	SF	$ 0.64	$ 8,960
SR21	Irrigation; CIP	14,000	SF	$ 0.20	$ 2,800
					$ 108,536

LIGHT ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SL1	Rigid Electrical Conduit 1-1/2" W/PULL STRING; CIP	1,400	LF	$ 8.53	$ 11,942
SL2	Single Conductor; CIP	1,400	LF	$ 1.50	$ 2,100
SL3	Light Pole Foundation, 35' Pole; CIP	3	EA	$ 632.49	$ 1,897
SL4	Street Light Pole, 35' H; CIP	3	EA	$ 3,089.27	$ 9,268
SL5	Dual Lum Fixture w/ Cut-off Optics, 480V/250W HPS; CIP	3	EA	$ 418.96	$ 1,257
					$ 26,464

TOTAL BASE ESTIMATE AMOUNT: SONOMA RANCH BLVD NORTH OF ARROYO ROAD	$	135,000
5% CONTINGENCY	$	6,750
SUBTOTAL	$	141,750
NM GROSS RECEIPTS TAX 8.3125%	$	11,783
TOTAL COST WITH CONTINGENCY		$ 153,533

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

P2 3. SONOMA RANCH BLVD: ARROYO RD TO PASEO VERDE
ENGINEER'S ESTIMATE

ROADWAY ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL PRICE
SR1	Excavation, Complete	14,500	CY	$ 2.36	$ 34,220
SR2	12" Subgrade Preparation	8,549	SY	$ 2.78	$ 23,766
SR3	10.5" Base Course, Type I; CIP	8,549	SY	$ 8.68	$ 74,204
SR4	Prime Coat; CIP	8,549	SY	$ 1.20	$ 10,259
SR5	Tack Coat; CIP	8,549	SY	$ 0.50	$ 4,274
SR6	4" Thick (2 lifts) HMAC, Type B; CIP	8,549	SY	$ 16.41	$ 140,266
SR7	Standard Curb & Gutter Type A; CIP	4,357	LF	$ 12.09	$ 52,674
SR8	Median Curb & Gutter Type K; CIP	3,757	LF	$ 12.09	$ 45,420
SR12	Storm Water Pollution Prevention Plan/Management	1	LS	$ 10,000.00	$ 10,000
SR13	Traffic Control Plan; CIP	1	LS	$ 7,000.00	$ 7,000
SR14	Construction Staking; CIP	1	LS	$ 36,000.00	$ 36,000
SR15	Permanent Signing & Striping; CIP	1	LS	$ 3,000.00	$ 3,000
SR16	6" Concrete Pedestrian Crossing at Roundabout; CIP	1,421	SF	$ 4.57	$ 6,493
SR17	4" Sidewalk; CIP	11,330	SF	$ 3.33	$ 37,729
SR18	Multi-Use Path, 2" Asphalt, 4" Base Course; CIP	2,430	SY	$ 13.50	$ 32,805
SR19	Concrete Apron for Roundabout; CIP	2,752	SF	$ 5.00	$ 13,760
SR23	Stamped and Colored Concrete for Ramps; CIP	760	SF	$ 6.00	$ 4,560
SR24	Refl Pref Pl Pave Markings and Striping for Roundabouts;CIP	1	LS	$ 3,000.00	$ 2,400
SR25	Refl Painted Markings; CIP	12,840	LF	$ 0.15	$ 1,926
	SONOMA RANCH BLVD NORTH OF ARROYO ROADWAY ESTIMATE TOTAL				$ 540,774
SR20	Landscape; CIP	132,314	SF	$ 0.64	$ 84,681
SR21	Irrigation; CIP	132,314	SF	$ 0.20	$ 26,463
	SONOMA RANCH BLVD NORTH OF ARROYO LANDSCAPE ESTIMATE TOTAL				$ 111,143

LIGHT ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
SL1	Rigid Electrical Conduit 1-1/2" W/PULL STRING; CIP	4,296	LF	$ 8.53	$ 36,665
SL2	Single Conductor; CIP	4,296	LF	$ 1.50	$ 6,448
SL3	Light Pole Foundation, 35' Pole; CIP	7	EA	$ 632.49	$ 4,554
SL4	Street Light Pole, 35' H; CIP	7	EA	$ 3,089.27	$ 22,243
SL5	Dual Lum Fixture w/ Cut-off Optics, 480V/250W HPS; CIP	14	EA	$ 418.96	$ 6,033
SL6	Lighting Service Meter/Cabinet; CIP	1	EA	$ 6,336.63	$ 6,337
SL7	Standard Electrical Pullbox w/Concrete Collar; CIP	6	EA	$ 403.04	$ 2,579
	SONOMA RANCH BLVD NORTH OF ARROYO ROAD LIGHT LOT TOTAL				$ 84,859

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

UPDATE SRB-Arroyo TO HOLE 3 (2

3/3/11

GAS UTILITIES ESTIMATE LOT:

ESTIMATE ITEM NO.	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
G1	4" PE LP Gas Pipe; CIP	1,089	LF	$ 12.26	$ 13,349
G2	2" PE LP Gas Pipe; CIP	14	LF	$ 9.55	$ 134
G6	Connection to existing pipeline	0	EA	$ 750.00	$ 300
G11	4" PE Gas Valve w/ Box; CIP	1	EA	$ 462.30	$ 555
G12	2" PE Gas Valve w/ Box; CIP	1	EA	$ 450.00	$ 450
G14	4" Gas Cap; CIP	4	EA	$ 37.33	$ 134
G15	2" Gas Cap; CIP	1	EA	$ 33.03	$ 33
G27	Exploration Time; Complete	1	HR	$ 30.00	$ 24
	SONOMA RANCH BLVD NORTH OF ARROYO ROAD GAS LOT TOTAL				$ 14,979

SEWER UTILITIES ESTIMATE LOT:

ESTIMATE ITEM	ITEM DESCRIPTION	EST.	UNITS	UNIT PRICE	TOTAL PRICE
S3	12" SDR-35 PVC sewer line (15'-18' deep)	90	LF	$ 56.00	$ 5,016
S4	4' DIA manhole (15'-18' deep)	0	EA	$ 6,053.46	$ 2,421
S5	12" SDR-35 PVC sewer line (8'-12' deep)	250	LF	$ 39.00	$ 9,766
S6	4' DIA manhole (8'-12' deep)	1	EA	$ 2,716.75	$ 3,263
	SONOMA RANCH BLVD NORTH OF ARROYO ROAD SEWER LOT TOTAL				$ 20,467

TOTAL BASE ESTIMATE AMOUNT: SONOMA RANCH BLVD NORTH OF ARROYO ROAD	$	772,222
5% CONTINGENCY	$	38,611
SUBTOTAL		810,833.32
NM GROSS RECEIPTS TAX 8.3125%	$	67,401
TOTAL COST WITH CONTINGENCY		$ 878,234

Note: This cost estimate is based on preliminary drawings not construction drawings. The final costs will vary.

P2 4. PEACHTREE FROM RED HAWK GOLF ROAD TO WEST PROPERTY BOUNDARY

ITEM	DESCRIPTION	UNIT	AVERAGE	QNTY	PRICE
1	CLEAR & GRUB	AC	$664.80	9	$5,983.20
2	EARTHWORK	CY	$3.01	45000	$135,450.00
4	GAS				
	2" POLY GAS MAIN	LF	$9.55	600	$5,727.60
	4" POLY GAS MAIN	LF	$12.26	2700	$33,102.00
5	SEWER				
	8" SDR 35	LF	$18.82	300	$5,644.80
	10" SDR 35	LF	$20.00	2700	$54,000.00
	MANHOLES	EA	$2,718.75	9	$24,468.75
6	CURB & GUTTER				
	A	LF	$12.09	10800	$130,550.40
7	SIDEWALK	SF	$3.33	10800	$36,007.20
8	ADA RAMPS	EA	$1,071.11	10	$10,711.08
9	STORM DRAIN				
	24"	LF	$44.20	270	$11,934.00
	30"	LF	$53.81	800	$43,044.80
	36"	LF	$67.50	600	$40,500.00
	SINGLE DROP INLET	EA	$4,390.77	2	$8,781.53
	DOUBLE DROP INLET	EA	$5,151.88	2	$10,303.76
10	PAVING SECTION				
	12" SUBGRADE PREP	SY	$2.78	9900	$27,561.60
	8" BASE COURSE	SY	$7.74	9900	$76,600.26
	2" HMAC	SY	$9.82	3000	$29,472.00
	4" HMAC	SY	$19.41	9900	$192,159.00
	PRIME	SY	$1.20	12900	$15,531.60
	4" BASE COURSE	SY	$ 5.75	3000	$17,250.00
11	SIGNING	EA	$152.50	8	$1,220.00
12	STRIPING	LF	$0.13	16256	$2,080.77
13	CURB PAINTING	LF	$2.52	360	$908.64

14	**STREET LIGHTING**					
	STREET LIGHT BASES	EA		$505.99	14	$7,083.92
	1 1/2" CONDUIT	LF		$6.82	4200	$28,644.00
	PULL BOXES	EA		$322.43	10	$3,224.30
	STREET LIGHT SINGLE	EA		$1,738.88	7	$12,172.18
15	**CONSTRUCTION STAKING**	LS	$	8,000.00	1	$8,000.00
16	**TRAFFIC CONTROL**	LS	$	4,000.00	1	$4,000.00
17	**MOB / DEMOB**	LS		2500	1	$2,500.00
18	**SWPPP**	LS	$	5,000.00	1	$5,000.00
19	**LANDSCAPING**	SF	$	0.84	167400	$140,616.00
20	**REINFORCED CONCRETE**	CY	$	587.50		$0.00

TOTAL	1,130,233
5% CONTINGENCY	56,512
SUBTOTAL	1,186,745.06
NMGRT @8.3125%	98,648
TOTAL WITH CONTINGENCTY	**1,285,393**

P2 5. PEACHTREE FROM REDNONDO TO JORNADA

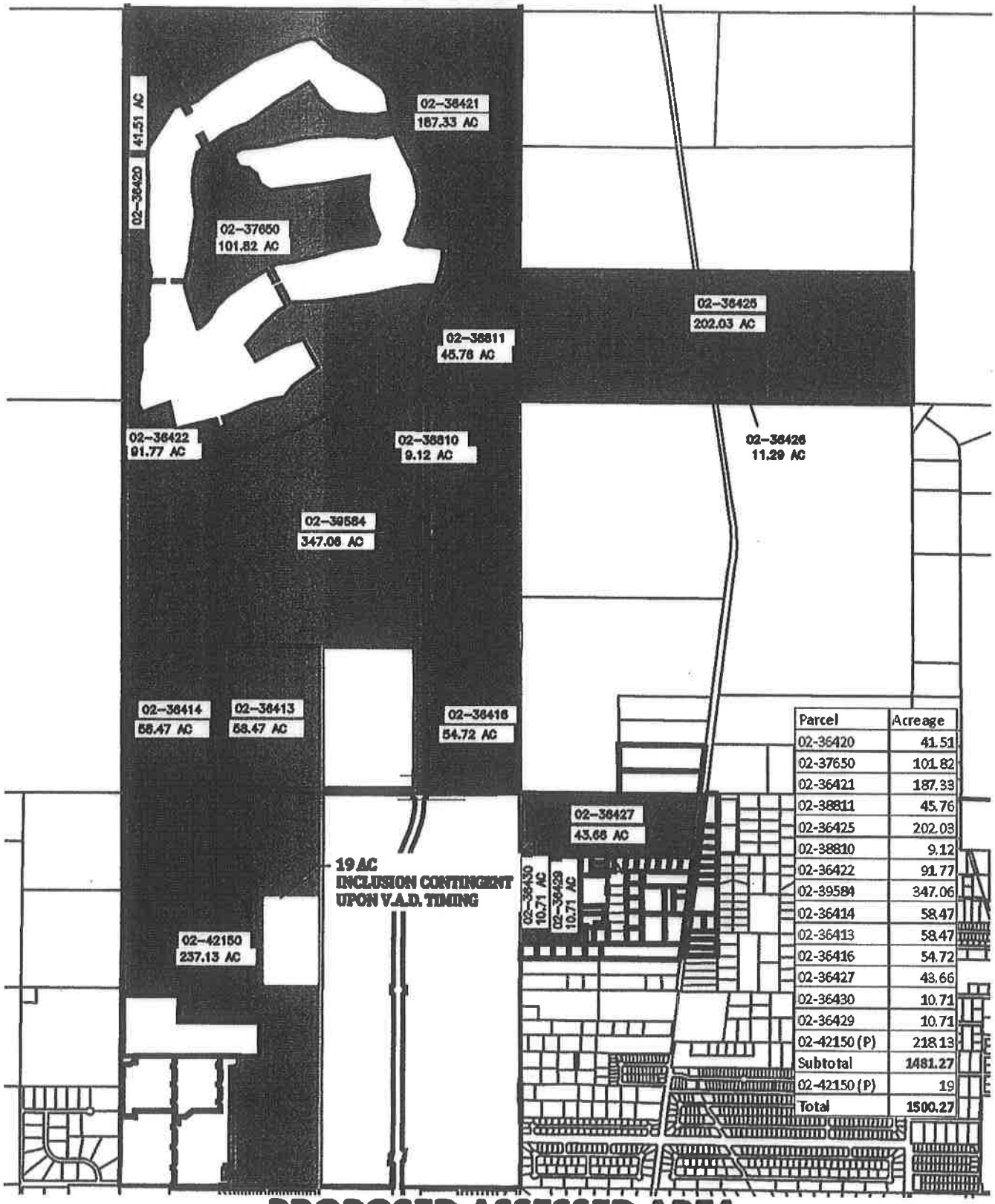
ITEM	DESCRIPTION	UNIT		AVERAGE	QNTY	PRICE
1	CLEAR & GRUB	AC		$664.80	2	$1,329.60
2	EARTHWORK	CY		$2.36	3000	$7,080.00
						2.066115702
4	GAS					
	2" POLY GAS MAIN	LF		$9.55	300	$2,865.00
5	SEWER					
	8" SDR 35	LF		$18.82	300	$5,644.80
	10" SDR 35	LF		$26.00	900	$23,400.00
	MANHOLES	EA		$2,718.75	3	$8,156.25
6	CURB & GUTTER					
	A	LF		$12.09	1800	$21,758.40
	REMOVE AND DISPOSE C&G	LF		$1.25	500	$625.00
8	ADA RAMPS	EA		$1,071.11	1	$1,071.11
10	PAVING SECTION					
	12" SUBGRADE PREP	SY		$2.78	1600	$4,454.40
	8" BASE COURSE	SY		$7.74	1600	$12,379.84
	4" HMAC	SY		$16.41	1600	$26,256.00
	PRIME	SY		$1.20	1600	$1,926.40
	4" BASE COURSE	SY	$	5.75	1000	$5,750.00
	2" HMAC	SY		$7.75	1000	$7,750.00
11	SIGNING	EA		$152.50	2	$305.00
12	STRIPING	LF		$0.13	2700	$345.60
13	CURB PAINTING	LF		$2.52	180	$454.32
14	STREET LIGHTING					
	STREET LIGHT BASES	EA		$632.49	3	$1,897.47
	1 1/2" CONDUIT	LF		$8.53	900	$7,677.00
	PULL BOXES	EA		$403.04	2	$806.08
	STREET LIGHT DOUBLE	EA	$	3,989.27	3	$11,967.81
15	CONSTRUCTION STAKING	LS	$	2,000.00	1	$2,000.00
						$0.00
16	TRAFFIC CONTROL	LS	$	3,000.00	1	$3,000.00
17	MOB / DEMOB	LS		2500	1	$2,500.00
18	SWPPP	LS	$	2,500.00	1	$2,500.00
19	LANDSCAPING	SF	$	0.84	48600	$40,824.00
				TOTAL		$204,724
				5% CONTINGENCY		$10,236
				SUBTOTAL		$214,960.28
				NMGRT @8.3125%		$17,869
				GRAND TOTAL		$232,829

P2 6. REGIONAL DRAINAGE SYSTEM 2

ITEM	DESCRIPTION	UNIT	AVERAGE	QNTY	PRICE
1	CLEAR & GRUB	AC	$600.00	30	$18,000.00
2	EARTHWORK	CY	$2.00	86238	$172,476.00

TOTAL	190,476
5% CONTINGENCY	9,524
SUBTOTAL	200,000
NMGRT @ 8.3125%	16,625
TOTAL WITH CONTINGENCTY	**216,625**

EXHIBIT 3



Parcel	Acreage
02-36420	41.51
02-37650	101.82
02-36421	187.33
02-38811	45.76
02-36425	202.03
02-38810	9.12
02-36422	91.77
02-39584	347.06
02-36414	58.47
02-36413	58.47
02-36416	54.72
02-36427	43.66
02-36430	10.71
02-36429	10.71
02-42150 (P)	218.13
Subtotal	1481.27
02-42150 (P)	19
Total	1500.27

PROPOSED ASSESSED AREA

City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 12 Ordinance/Resolution# 15-205

For Meeting of _____ (Ordinance First Reading Date)

For Meeting of April 20, 2015 (Adoption Date)

Please check box that applies to this item:

☐ QUASI JUDICIAL ☐ LEGISLATIVE ☒ ADMINISTRATIVE

TITLE: A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT (AGREEMENT) BETWEEN THE CITY OF LAS CRUCES AND SIERRA NORTE LAND HOLDINGS, LLC TO ESTABLISH A VOLUNTARY ASSESSMENT DISTRICT FOR THE CONSTRUCTION OF SONOMA RANCH BOULEVARD FROM SIERRA VENTANA AVENUE TO APPROXIMATELY ONE-HALF MILE NORTH OF ARROYO ROAD; ARROYO ROAD FROM RED HAWK GOLF ROAD TO SONOMA RANCH BOULEVARD; APPROXIMATELY ONE AND ONE-HALF MILES OF RED HAWK GOLF ROAD; APPROXIMATELY TWO-THIRDS OF A MILE OF PEACHTREE HILLS ROAD; ASSOCIATED UTILITIES INCLUDING SANITARY SEWER INFRASTRUCTURE; AND A REGIONAL DRAINAGE SYSTEM FOR PRE-DEVELOPMENT FLOWS ONLY.

PURPOSE(S) OF ACTION:

Approve an Agreement to establish a Voluntary Assessment District.

COUNCIL DISTRICT: ALL		
Drafter/Staff Contact: Loretta M. Reyes	**Department/Section:** Public Works/ Administration	**Phone:** 528-3125
City Manager Signature:		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces (City) has been approached by Sierra Norte Land Holdings, LLC (Sierra Norte) with a proposal to establish a Voluntary Assessment District (VAD), through a development agreement (See Exhibit "A"), to build major roads, sanitary sewer, and drainage infrastructure for the Metro Verde area. The purpose of the VAD is to provide a funding mechanism to construct Sonoma Ranch Boulevard from Sierra Ventana Avenue to approximately one-half mile north of Arroyo Road; Arroyo Road from Red Hawk Golf Road to Sonoma Ranch Boulevard; approximately one and one-half miles of Red Hawk Golf Road; approximately two-thirds of a mile of Peachtree Hills Road; associated utilities including sanitary sewer infrastructure; and a regional drainage system for pre-development flows only; hereinafter

15-205

City of Las Cruces®
PEOPLE HELPING PEOPLE

COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of _____ (Ordinance First Reading Date)

For Meeting of April 20, 2015 (Adoption Date)

TITLE: A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT (AGREEMENT) BETWEEN THE CITY OF LAS CRUCES AND SIERRA NORTE LAND HOLDINGS, LLC TO ESTABLISH A VOLUNTARY ASSESSMENT DISTRICT FOR THE CONSTRUCTION OF SONOMA RANCH BOULEVARD FROM SIERRA VENTANA AVENUE TO APPROXIMATELY ONE-HALF MILE NORTH OF ARROYO ROAD; ARROYO ROAD FROM RED HAWK GOLF ROAD TO SONOMA RANCH BOULEVARD; APPROXIMATELY ONE AND ONE-HALF MILES OF RED HAWK GOLF ROAD; APPROXIMATELY TWO-THIRDS OF A MILE OF PEACHTREE HILLS ROAD; ASSOCIATED UTILITIES INCLUDING SANITARY SEWER INFRASTRUCTURE; AND A REGIONAL DRAINAGE SYSTEM FOR PRE-DEVELOPMENT FLOWS ONLY.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes ☐ No ☒

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact		528-3125	4-10-15
Department Director		528-3125	4/10/15
Other			
Assistant City Manager /CAO Management & Budget Manager		3401 541-2106	4-13-15 4/13/15
Assistant City Manager/COO		2271	4/15/15
City Attorney		Ext 2128	15 April 2015
City Clerk	Esther Martinez Carrillo	52115	4/15/15

referred to as the "Project". The schedule of construction of this infrastructure will be determined jointly by the City and Sierra Norte.

City staff and Sierra Norte representatives worked together to develop the VAD Agreement. The VAD terms include an accelerated repayment schedule and an escrow payment of $350,000. Moreover, the 1.0% interest surcharge payable to the City is projected to generate approximately $500,000 in revenue to the City during the life of the VAD. Furthermore, the Agreement is written such that the City will obtain financing to pay for this infrastructure and Sierra Norte will repay the City as outlined in the development agreement.

The proposed Agreement provides that Sierra Norte will be responsible for one-hundred (100) percent of the Project cost (currently estimated to be $12,038,731.62) including design and construction. Sierra Norte shall guarantee the Project cost by a municipal first lien in favor of the City in the amount shown on Exhibit "A" for the assessed property and filed in the office of the Dona Ana County Clerk. Additionally, the lienholder of any of the assessed property shown on Exhibit "A" must consent in writing to the municipal lien.

On February 9, 2015, City staff made a presentation to the Las Cruces City Council (City Council) to describe the VAD process and the next steps in the process. Additionally, Sierra Norte representatives presented the VAD Agreement and their proposal. Staff requested City Council direction on whether or not to proceed with the VAD and the associated funding necessary to pay for the infrastructure. The consensus was to move forward and explore funding possibilities and bring the agreement and the proposed funding option back to City Council for their consideration and approval.

The City's Treasurer explored loan and bond financing along with interest rates and issuance scenarios. The City will use its best effort to obtain bond financing for the project through the issuance of two bond issues. Sierra Norte will pay one-hundred (100) percent of the bond issuance costs that the City will obtain to finance the infrastructure under both bonds.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Agreement.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. N/A

SOURCE OF FUNDING:

Is this action already budgeted? N/A			
	Yes	☐	See fund summary below
	No	☐	If No, then check one below:
	Budget Adjustment Attached	☐	Expense reallocated from: _____
		☐	Proposed funding is from a new revenue source (i.e. grant; see details below)
		☐	Proposed funding is from fund balance in the _____Fund.
Does this action create any revenue? N/A			
	Yes	☐	Funds will be deposited into this fund: _____ in the amount of $_____for FY__.
	No	☐	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Voluntary Assessment District development agreement between the City of Las Cruces and Sierra Norte Land Holdings, LLC for the construction of Sonoma Ranch Boulevard from Sierra Ventana Avenue to approximately one-half mile north of Arroyo Road; Arroyo Road from Red Hawk Golf Road to Sonoma Ranch Boulevard; approximately one and one-half miles of Red Hawk Golf Road; approximately two-thirds of a mile of Peachtree Hills Road; associated utilities including sanitary sewer infrastructure; and a regional drainage system for pre-development flows only.
2. Vote "No"; this will not approve the Voluntary Assessment District development agreement between the City of Las Cruces and Sierra Norte Land Holdings, LLC.
3. Vote to "Amend"; this could delay the approval of the Voluntary Assessment District development agreement between the City of Las Cruces and Sierra Norte Land Holdings and require direction and specific amendments from the City Council.
4. Vote to "Table"; this will delay the approval of the Voluntary Assessment District development agreement between the City of Las Cruces and Sierra Norte Land Holdings, LLC. City staff will require direction from the City Council on how to proceed.