

SANTA FE COUNTY

Ordinance No. 1995-5

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN SANTA FE COUNTY, NEW MEXICO, AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE COUNTY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$1,990,000, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREOF, FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING EQUIPMENT FOR POLICE PROTECTION, COUNTY SERVICES AND SOLID WASTE SERVICES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS RELATING TO THE FIRST ONE-EIGHTH INCREMENT OF COUNTY GROSS RECEIPTS TAX REVENUES RECEIVED BY THE COUNTY FROM THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUE; APPROVING THE FORMS AND TERMS OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; PROVIDING FOR THE ADOPTION OF A SUBSEQUENT RESOLUTION DETERMINING THE EXACT TERMS OF THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT.

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

WHEREAS, Santa Fe County is a Governmental Unit legally and regularly created, established, organized and existing under the general laws of the State of New Mexico; and

WHEREAS, the Board of County Commissioners of Santa Fe County, New Mexico ("Board") has determined and hereby determines that the Equipment may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the County and its residents that the Loan Agreement and Intercept Agreement be executed and delivered; and

WHEREAS, the Board has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts falling under the Loan Agreement; and

WHEREAS, the Loan Agreement shall be a special limited obligation of the Governmental Unit, payable solely from the Pledged Revenues and shall not constitute a general obligation of the Governmental Unit, or a debt or pledge of the faith and credit of the Governmental Unit or the State; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the Clerk: (a) this Ordinance; (b) the Loan Agreement; and (c) the Intercept Agreement, all of which are incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governmental Unit has previously issued and there are now outstanding its general and special limited obligations in the aggregate principal amount of \$11,745,000 as of July 1, 1995, payable from and secured by a lien on the Pledged Revenues; and

WHEREAS, the Governing Body hereby determines that the Equipment to be financed by the Loan is to be used for governmental purposes of the Governmental Unit and will not be used for purposes which would cause the Loan Agreement to be deemed a "private activity bond" as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use, pledge and redirection of the Pledged Revenues to the New Mexico Finance Authority (or its assigns) for the payment of amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Equipment, and (iii) the authorization, execution and delivery of the Loan Agreement and the Intercept Agreement, which are required to have been obtained by the date of the Ordinance, have been obtained.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY, NEW MEXICO:

Section 1. **Definitions**

As used in the Ordinance, the following terms shall, for all purposes, have the meaning herein

specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Act" means the general laws of the State, including Sections 4-62-1 through 4-62-10 and Section 7-1-6.15, NMSA 1978, as amended, and enactments of the Governing Body relating to the Loan, including the Ordinance.

"Aggregate Annual Debt Service Requirement" means the total principal, interest and premium payments due and payable pursuant to the Loan Agreement and on all Parity Obligations secured by a pledge of the Pledged Revenues for any one Fiscal Year.

"Agreements" means the Loan Agreement and the Intercept Agreement.

"Authorized Officers" means the Chairperson of the Board of County Commissioners, the County Manager, and the County Clerk.

"Certificates" means certificates of participation issued by the Trustee pursuant to the Loan Agreement and the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"Completion Date" means the date of the final payment of the purchase price of the Equipment to the supplier of the Equipment.

"Equipment" means the equipment described in Exhibit A of the Loan Agreement.

"Expense Fund" means the Expense Fund held by the Trustee to pay the Governmental Unit's pro rata portion of the costs of issuance of the certificates.

"Fiscal Year" means the period commencing on July 1 each calendar year and ending on the last day of June of the next succeeding calendar year or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

"Governing Body" means the Board of County Commissioners of Santa Fe County, New Mexico, or any future successor governing body of the Governmental Unit.

"Governmental Unit" means Santa Fe County, New Mexico.

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

"Indenture" means the Indenture of Trust and Pledge dated August 1, 1995, between NMFA and the Trustee providing for the form terms, execution and other details concerning the Certificates.

"Independent Accountant" means (i) an accountant employed by the State and under the supervision of the State Auditor of the State, or (ii) 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, appointed and paid by the Governmental Unit who (a) is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an officer or employee of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

"Intercept Agreement" means the Intercept Agreement dated _____, 1995, between the Governmental Unit and NMFA providing for the direct payment of Pledged Revenues to the Trustee in amounts sufficient to pay principal and interest on the Loan Agreement.

"Loan" means the funds to be loaned to the Governmental Unit by the NMFA pursuant to the Loan Agreement.

"Loan Agreement" means a loan or other similar financing agreement and any amendment thereto, which is entered into by and between NMFA and the Governmental Unit and which provides for the financing of Equipment with a portion of the proceeds of the Certificates and requires payments by the Governmental Unit to the Trustee to be used to make payments for a portion of the Certificates.

"Loan Agreement Terms Resolution" means the resolution of the Governing Body setting and approving specific terms for the Loan Agreement within the parameters set in the Ordinance.

"NMFA" means the New Mexico Finance Authority.

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

"Ordinance" means this Ordinance No. 1995- ____ as supplemented from time to time.

"Parity Obligations" means the Loan Agreement, and any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien of the Pledged Revenues on a parity with the Loan Agreement.

"Pledged Revenues" means Gross Receipts Tax received by the Governmental Unit from the New Mexico Taxation and Revenue Department.

"Program Account" means the account in the name of the Governmental Unit within the Program Fund held by the Trustee for deposit of the net proceeds of the Loan Agreement for disbursement to the Governmental Unit for payment of the acquisition costs of the Equipment.

"State" means the State of New Mexico.

"Trustee" means the First Security Bank of Utah, N.A., and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

Section 2. **Ratification**

All action heretofore taken (not inconsistent with the provisions of the Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the acquisition of the Equipment, the execution and delivery of the Loan Agreement and Intercept Agreement, the issuance of the Certificates and the sale of the Certificates be, and the same hereby is, ratified, approved and confirmed.

Section 3. **Authorization of Equipment and Agreements**

The acquisition of the Equipment and the method of financing the Equipment through execution and delivery of the Agreements are hereby authorized and ordered. The Equipment is to be used solely within the Governmental Unit.

Section 4. **Findings**

The Governmental Unit hereby declares that it has considered all relevant information and data and hereby makes the following findings:

- A. The Equipment is needed to meet the needs of the Governmental Units and its inhabitants.
- B. Moneys available for the Equipment from all sources other than the execution and delivery of the Loan Agreement are not sufficient to defray the cost of acquiring the Equipment.
- C. The Pledged Revenues may lawfully be pledged to secure the payment of the Loan Agreement.
- D. It is economically feasible to defray, in whole or in part, the costs of the Equipment by the execution and delivery of the Loan Agreement.
- E. The Equipment and the execution and delivery of the Loan Agreement and the Intercept Agreement pursuant to the Act to provide funds for the financing of the Equipment are necessary and in the interest of the public health, safety, morals and welfare of the residents of the Governmental Unit.
- F. The Governmental Unit will acquire the Equipment, in whole or in part, with a portion of the net proceeds of the Loan Agreement.
- G. The Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Agreements.

H. The net effective interest rate on the Loan Agreement shall not exceed 8.0% per annum, which is less than the maximum rate permitted by State law.

Section 5. **Agreements - Authorization and Detail**

A. **Authorization**. This Ordinance has been adopted by the affirmative vote of at least 2/3 of all of the members of the Governing Body. For the purposes of protecting the public health, conserving the property, protecting the general welfare and prosperity of the citizens of the Governmental Unit and acquiring the Equipment, it is hereby declared necessary that the Governmental Unit, pursuant to the Act, execute and deliver the Agreements as evidenced by a special limited obligation of the Governmental Unit to pay a principal amount not to exceed \$1,990,000 and the execution and delivery of the Agreements is hereby authorized. The proceeds of the Loan Agreement will be used by the Governmental Unit (i) to finance the acquisition of the Equipment, (ii) to fund capitalized interest on the Loan, and (iii) to pay a pro-rata portion of the costs of issuance of the Certificates. The Equipment will be owned by the Governmental Unit and the Governmental Unit will use the Equipment for its governmental purposes.

B. **Detail**. The Agreements shall be in substantially the form of the Agreements presented at the meeting of the Governing Body at which this Ordinance was adopted, with details relating to the principal amount, interest rates and debt service provided in the Loan Agreement Terms Resolution. The principal amount of the obligation under the Loan Agreement shall not exceed \$1,990,000 and the net effective rate of interest to be paid by the Governmental Unit pursuant to the Loan Agreement shall not exceed 8.0%.

Section 6. **Approval of Agreements**

The forms of the Agreements as presented at the meeting of the Governing Body at which this Ordinance was adopted are hereby approved. Authorized Officers are hereby authorized to execute, acknowledge and deliver the Agreements with such changes, insertions and omissions as may be approved by such Authorized Officers, and the Clerk is hereby authorized to affix the seal of the Governmental Unit on the Agreements and attest to the same. The execution of the Agreements by Authorized Officers shall be conclusive evidence of such approval.

Section 7. **Special Limited Obligations**

The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with premium, if any, and interest thereon and other obligations of the Governmental Unit thereunder, shall be special limited obligations of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Ordinance and the Agreements and shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement and Certificates issued under the Indentures may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Agreements, nor any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues), as incurring a pecuniary

liability or a charge upon the general credit of the Governmental Unit are against its taxing power, nor shall a breach of any agreement contained in this Ordinance, the Agreements, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an indebtedness of the Governmental Unit within the meaning of any State Constitution provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available thereof to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. **Disposition of Proceeds: Completion of Acquisition of Equipment**

A. **Program Account.** The Governmental Unit hereby consents to creation of the Program Account by the Trustee pursuant to the Indenture.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Debt Service Account, the Program Account and the Expense Fund, as provided in the Loan Agreement and the Indenture.

Until the Completion Date, the money in the Program Account shall be used and paid out solely for the purpose of acquiring Equipment in compliance with applicable law and the provisions of the Loan Agreement and the Indenture.

B. **Completion of Acquisition of Equipment.** The Completion Date shall be evidenced by a certificate signed by an official of the Governmental Unit stating that acquisition of and payment for the Equipment have been completed. As soon as practicable, and in any event not more than 60 days from the Completion Date, the balance remaining in the Program Account shall be transferred and deposited into the Debt Service Account, as provided in the Loan Agreement and the Indenture.

C. **Holder Not Responsible.** The holders of the Certificates issued under the Indenture shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the sale thereof or of any other funds herein designated.

Section 9. **Deposit of Pledged Revenues, Distributions of the Pledged Revenues and Flow of Funds**

A. **Deposit of Pledged Revenues.** Pursuant to the Intercept Agreement, Pledged Revenues in an amount sufficient to pay principal, premium, if any, and interest on the Loan Agreement, including an amount sufficient to cure any deficiencies in the Debt Service Account, shall be redirected to the NMFA or the Trustee, as its assignee, and deposited in the Debt Service Account held by the Trustee.

B. **Termination Upon Deposits to Maturity.** No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount to become due as to principal, premium, if any, and interest on, and any other amounts due

under, the Loan Agreement in which case, moneys in such account 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 such account shall be transferred to the Governmental Unit and used as provided below.

C. Use of Surplus Revenues. After making all the payments hereinabove required to be made by this Section, any moneys remaining in the Debt Service Account shall be transferred to the Governmental Unit and applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or purposes authorized by the Governmental Unit, the Constitution and the laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues

Pursuant to the Agreements, the Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the Governmental Unit grants a security interest therein for, the payment of the principal of, premium, if any, and interest on, and any other amounts due under, the Loan Agreement, subject to the uses thereof permitted by, and the priorities set forth in, this Ordinance. The Loan Agreement constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein.

Section 11. Authorized Officers

Authorized Ordinances are hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance and the Agreements. Authorized Officers are hereby authorized to do all acts and things required of them by this Ordinance and the Agreements for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance and the Agreements including but not limited to, the execution and delivery of closing documents, and reports to the Internal Revenue Service in connection with the execution and delivery of the Agreements, the approval of any disclosure documents relating to the Certificates, and the publication of the summary of publication set out in Section 17 of this Ordinance (with such changes, additions and deletions as they may determine).

Section 12. Amendment of Ordinance

Prior to the date of the initial delivery of the Loan Agreement to NMFA, the provisions of this Ordinance may be supplemented (i) by the Loan Agreement Terms Resolution, and (ii) by any other lawful manner, with the written consent of NMFA, by resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. Except as provided above, this Ordinance may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of NMFA.

Section 13. Ordinance Irrepealable

After the Agreements have been executed and delivered, this Ordinance shall be and shall remain irrepealable until the Loan Agreement shall be fully paid, cancelled and discharged, as herein provided.

Section 14. Severability Clause

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 15. 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 16. Effective Date

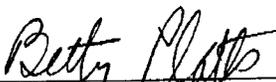
Upon due adoption of this Ordinance, it shall be recorded in the book of ordinances of the Governmental Unit kept for that purpose, authenticated by the signatures of the Chairperson of the Governing Body and Governmental Unit Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 17 below) shall be published in a newspaper which maintains an office and is of general circulation in the Governmental Unit, or posted in accordance with law, and said Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 17. General Summary for Publication

Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in the form as contained in Exhibit B, which is hereby incorporated by reference as if fully set forth herein.

APPROVED, ADOPTED AND PASSED this 18th day of July, 1995.

BOARD OF COUNTY COMMISSIONERS



Betty Platts, Chairperson

1183013

ATTEST:

Jona G. Armijo
Jona G. Armijo, County Clerk



Approved as to Form:

Steven Kopelman
Steven Kopelman, County Attorney

COUNTY OF SANTA FE
STATE OF NEW MEXICO

911835

I hereby certify that this instrument was filed for record on the 19 day of July A.D. 1995, at 9:55 o'clock A.m. and was duly recorded in book 1183 page 004-046 of the records of Santa Fe County.

Witness my Hand and Seal of Office

Jona G. Armijo
County Clerk, Santa Fe County, NM

Kimberly Lane
Deputy



LOAN AGREEMENT

dated as of

_____, 1995

by and between

NEW MEXICO FINANCE AUTHORITY

and

COUNTY OF SANTA FE, NEW MEXICO

**The interests of the New Mexico Finance Authority
under this Loan Agreement have been assigned to
First Security Bank of Utah, N.A., as trustee under an
Indenture of Trust dated as of August 1, 1995
by and between NMFA and Trustee**

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LOAN AGREEMENT

1183018

THIS LOAN AGREEMENT (the "Agreement"), dated as of _____, 1995, entered into by and between the NEW MEXICO FINANCE AUTHORITY ("NMFA") and the COUNTY OF SANTA FE, NEW MEXICO (the "Governmental Unit"), a political subdivision duly organized and existing under the laws of the State of New Mexico;

WITNESSETH:

WHEREAS, NMFA is a public body politic and corporate constituting a governmental instrumentality, duly organized and created under and pursuant to the laws of the State of New Mexico, particularly Sections 6-21-1 *et seq.*, NMSA 1978, as amended (the "Act"); and

WHEREAS, one of the purposes of the Act is to implement a program to permit qualified entities, such as the Governmental Unit, to enter into agreements with the NMFA to facilitate financing and acquisition of equipment and other personal property (the "Equipment"); and

WHEREAS, the Governmental Unit is a political subdivision duly organized and existing under and pursuant to the laws of the State of New Mexico and is a qualified entity under the Act; and

WHEREAS, the Governing Body of the Governmental Unit (the "Governing Body") has determined that it is in the best interests of the Governmental Unit and its inhabitants that the Governmental Unit enter into this Agreement with NMFA and to accept a loan from NMFA to finance the costs, of certain Equipment, as more fully described on the Term Sheet attached hereto as Exhibit "A"; and

WHEREAS, the Governmental Unit is permitted and authorized to enter into this Agreement; and

WHEREAS, for purposes of financing the Equipment, the Governing Body and NMFA have determined that it is in the best interests of the Governmental Unit and its inhabitants that NMFA lend the Loan Principal Amount (as hereinafter defined) to the Governmental Unit (the "Loan"); and

WHEREAS, NMFA has agreed to assign and transfer the Loan to First Security Bank of Utah, N.A. (the "Trustee") pursuant to the Indenture of Trust dated as of June 1, 1995 (the "Indenture") by and between NMFA and Trustee and the Trustee has agreed pursuant to the Indenture to authorize, issue, sell, and deliver Pooled Equipment Certificates of Participation, Series 1995A (New Mexico Finance Authority Equipment Loan Program) (the "Certificates") in the Loan; and

WHEREAS, the Governmental Unit reasonably expects to receive distributions of Pledged Revenues (as hereinafter defined) from the Distributing State Agency and has entered into an Intercept Agreement (the "Intercept Agreement") dated _____ 1995 by and between NMFA and the Governmental Unit, to provide funds sufficient to pay debt service on the Loan herein authorized; and

WHEREAS, except as described on the Term Sheet, the Pledged Revenues have not been pledged or hypothecated in any manner or for any purpose at the time of the execution and delivery of this Agreement, and the Governmental Unit desires to pledge said Pledged Revenues toward the payment of the Loan herein authorized; and

WHEREAS, the obligations of the Governmental Unit hereunder shall constitute special limited obligations of the Governmental Unit, limited to Pledged Revenues distributed to or on behalf of the Governmental Unit, and shall not constitute a general obligation or other indebtedness of the Governmental Unit nor a charge against the general credit or ad valorem taxing powers of the Governmental Unit; and

WHEREAS, in order to provide the amounts necessary to fund the Loan (i) the NMFA will, simultaneous with the execution and delivery of this Agreement, transfer and assign all of its rights, title, and interest in and to this Agreement (except for certain Unassigned Rights, as hereinafter defined) and the Intercept Agreement to the Trustee and (ii) the Trustee will execute and deliver the Certificates; and

WHEREAS, the Certificates will be issued pursuant to the provisions of the Indenture; and

WHEREAS, the Certificates will evidence an undivided interest of the owners thereof in payments to be made pursuant to this Agreement and certain other similar agreements entered into by NMFA and other qualified entities within the State of New Mexico at or about the time of the execution and delivery of this Agreement; and

WHEREAS, neither the Governmental Unit, nor NMFA on its behalf, has pledged the credit of the Governmental Unit to the payments hereunder, the Certificates or the interest thereon, and neither this Agreement nor the issuance of the Certificates shall directly or contingently obligate the Governmental Unit to make any payments from any funds, other than Pledged Revenues, to the payment obligations of the Governmental Unit hereunder; and

WHEREAS, the execution, performance and delivery of this Agreement and of the Intercept Agreement has been authorized, approved and directed by the Governing Body pursuant to the Ordinance (as hereinafter defined); and

WHEREAS, the execution and performance of this Agreement have been authorized, approved and directed by all necessary and appropriate action of NMFA and its officers;

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Terms defined in the foregoing Recitals to this Agreement shall have the same meaning when used herein.

"Aggregate Annual Debt Service Requirement" means the total principal, interest and premium payments due and payable pursuant to this Agreement and on all Parity Obligations secured by a pledge of the Pledged Revenues for any one Fiscal Year.

"Agreement" means this Loan Agreement and any amendments or supplements hereto, including the Exhibits attached hereto.

"Agreement Term" means the term of this Agreement as provided under Article III of this Agreement.

"Business Day" means any day, other than a day on which banks located in New York, New York, or the cities in which the principal offices of the Trustee are located are required or

authorized by law or executive order to close, or on which the New York Stock Exchange is closed.

"Certificates" means the certificates executed and delivered by the Trustee and designated as the Pooled Equipment Certificates of Participation (NMFA Equipment Loan Program) Series 1995A.

"Closing Date" means the date of execution and delivery of this Loan Agreement as shown on the Term Sheet.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"Debt Service Account" means the Debt Service Account--1995A established in the name of the Governmental Unit and administered by the Trustee pursuant to the Indenture.

"Distributing State Agency" means New Mexico Department of Taxation and Revenue as described on the Term Sheet.

"Equipment" means the equipment and other personal property described on the Term Sheet.

"Event of Default" means one or more events of default as defined in Section 10.1 of this Agreement.

"Expense Fund" means the Expense Fund created pursuant to the Indenture to be held and administered by the Trustee to pay costs of issuance of the Certificates and the Loan Agreement originated pursuant to the Indenture.

"Fiscal Year" means the period commencing on July 1 in each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

"Governing Body" means the duly organized governing body of the Governmental Unit.

"Governmental Obligations" means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Governmental Unit" means the governmental unit described on the Term Sheet and its successors.

"Independent Accountant" means (i) an accountant employed by the State and under the supervision of the State Auditor of the State, or (ii) 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, appointed and paid by the Governmental Unit who (a) is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an officer or employee of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

"Intercept Agreement" means the Intercept Agreement dated _____, 1995, between the Governmental Unit and NMFA providing for the direct payment of Pledged Revenues to the Trustee in amounts sufficient to pay principal and interest on the Loan Agreement.

"Interest Component" means the portion of each Loan Payment paid as interest on the Loan as shown on Exhibit "B" hereto.

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"Interest Rate" means the rate of interest on the Loan as provided in the Loan Agreement Terms Resolution and as shown on the Term Sheet.

"Loan" means the Loan Principal Amount loaned by the NMFA to the Governmental Unit pursuant to this Agreement and as provided in the Loan Agreement Terms Resolution and as shown on the Term Sheet.

"Loan Agreement Balance" means, as of any date of calculation, the Loan Principal Amount less the aggregate principal amount paid or prepaid pursuant to the provisions of this Agreement.

"Loan Agreement Terms Resolution" means the resolution adopted by the Governing Body setting and approving specific terms for this Loan Agreement within the parameters set in the Ordinance.

"Loan Payment Date" means each date a payment is due on the Loan as provided in the Loan Agreement Terms Resolution and as shown on Exhibit "B" hereto.

"Loan Payments" means, collectively, the Principal Component, the Interest Component and the Program Component to be paid by the Governmental Unit as payment of the Loan as shown on Exhibit "B" hereto.

"Loan Principal Amount" means the original principal amount of the Loan as provided in the Loan Agreement Terms Resolution and as shown on the Term Sheet.

"Ordinance" means the ordinance adopted by the Governing Body approving this Loan Agreement and pledging the Pledged Revenues to the payment of the Loan Payments as shown on the Term Sheet.

"Parity Obligations" mean this Agreement, and any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with this Agreement.

"Permitted Investments" means securities which are at the time legal investments of the Governmental Unit for the money to be invested, including but not limited to the following if permitted by law: (i) direct obligations of, or obligations fully guaranteed by the United States of America or instruments evidencing ownership interests in those obligations or in specified portions of the principal of or interest on those obligations; (ii) negotiable securities of the State; (iii) money market funds which invest solely in obligations described in clause (i) above which are rated in the highest rating category by Moody's Investors Service, Inc. or Standard & Poor's Rating Group; and (iv) 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 office of the State Treasurer.

"Pledged Revenues" means revenues of the Governmental Unit pledged to payment of the Loan Payments pursuant to the Ordinance and described on the Term Sheet.

"Principal Component" means the portion of each Loan Payment paid as principal on the Loan as shown on Exhibit "B" hereto.

"Program" means the 1995A Equipment Loan Program established by the NMFA.

"Program Account" means the Program Account--1995A established in the name of the Governmental Unit and administered by the Trustee pursuant to the Indenture.

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"Program Costs" means the periodic and regular fees and expenses incurred by the Trustee and the NMFA under the Program.

"Program Cost Component" means the portion of each Loan Payment paid as payment of Program Costs relating to the Program as shown on Exhibit "B" hereto.

"State" means the State of New Mexico.

"Term Sheet" means Exhibit "A" attached hereto.

"Unassigned Rights" means the rights of the NMFA to receive payment of administrative expenses, reports and indemnity against claims pursuant to the provisions of this Agreement which are withheld in the granting clauses of the Indenture from the pledge, assignment and transfer of this Agreement to the Trustee.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the Governmental Unit. The Governmental Unit represents, covenants and warrants as follows:

(a) All covenants, stipulations, obligations and agreements of the Governmental Unit contained in this Agreement shall be deemed to be the covenants, stipulations, obligations and agreements of the Governmental Unit to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Governmental Unit and its successors and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Agreement, all rights, powers and privileges conferred and duties and liabilities imposed upon the Governmental Unit by the provisions of this Agreement and the Ordinance shall be exercised or performed by the Governmental Unit or by such members, officers, board of the Governmental Unit as may be required by law to exercise such powers and to perform such duties.

(b) No covenant, stipulation, obligation or agreement contained in this Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, agent or employee of the Governmental Unit or member of the Governing Body in his individual capacity, and neither the members of the Governing Body nor any officer executing the Agreement shall be liable personally on the Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

(c) The Governmental Unit is a political subdivision of the State and is duly organized and existing under the statutes and laws of the State of New Mexico. Pursuant to the laws of the State, as amended and supplemented from time to time, the Governmental Unit is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Governmental Unit has duly authorized and approved the execution and delivery of this Agreement and the other documents related to the transaction.

(d) Use of Loan Agreement Proceeds. The Governmental Unit will proceed without delay to apply the proceeds of the Agreement (less amounts deposited to the Expense Fund) to the acquisition and construction of the Project.

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(e) Payment of Loan Agreement. The Governmental Unit shall promptly pay amounts due under the Loan Agreement as specified in Exhibit "B" to this Agreement at the place, on the date, and in the manner specified according to the true intent and meaning of this Agreement. Amounts due under the Loan Agreement are payable solely from Pledged Revenues or from the proceeds of refunding bonds which the Governmental Unit may hereafter issue in its sole discretion and which are payable from Pledged Revenues; and nothing in this Agreement shall be construed as obligating the Governmental Unit to pay principal, premium, if any, or interest on the Loan from, and the holder or holders of the Certificates may not look to, any general or other fund of the Governmental Unit other than such special funds. Nothing contained in this Agreement, however, shall be construed as prohibiting the Governmental Unit, in its sole and absolute discretion, from making such payments from any moneys which may be lawfully used, and which are legally available, for that purpose.

(f) The Equipment will comply with all applicable ordinances and regulations, if any, and any and all applicable laws relating to the acquisition of Equipment and the use of Pledged Revenues.

(g) The acquisition of Equipment under the terms and conditions provided for in this Agreement, is necessary, convenient and in furtherance of the governmental purposes of the Governmental Unit and is in the best interest of the Governmental Unit and its inhabitants.

(h) The Governmental Unit has taken all required action necessary to authorize the execution and delivery of this Agreement and the Intercept Agreement, and this Agreement and the Intercept Agreement constitute legal, valid and binding special obligations of the Governmental Unit enforceable in accordance with their respective terms.

(i) The Agreement Term does not exceed the useful life of the Equipment.

(j) During the Agreement Term, the Equipment will at all times be used within the Governmental Unit for the purpose of benefitting the Governmental Unit as a whole.

(k) The Governmental Unit is a "governmental unit" within the meaning of Sections 103 and 141(b) (6) of the Code. In addition, no amounts disbursed from the Program Account and used to finance the Equipment shall be used in the trade or business of a person who is not a "governmental unit" within the meaning of Sections 103 and 141(b)(6) of the Code.

(l) The amount loaned to the Governmental Unit under this Agreement as set forth in Exhibit "B" to this Agreement does not exceed the sum of (i) the cost of the Equipment, and (ii) an amount necessary to pay costs of issuance of the Loan and a pro-rata portion of costs of issuance of the Certificates.

(m) Neither the execution and delivery of this Agreement or the Intercept Agreement, nor the fulfillment of or compliance with the terms and conditions in each respective agreement, nor the consummation of the transactions contemplated in each respective agreement, conflicts with or results in a breach of terms, conditions or provisions of any restriction or any agreement or instrument to which the Governmental Unit is a party or by which the Governmental Unit is bound or any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the

Governmental Unit or its properties are subject, or constitutes a default under any of the foregoing. 1183024

(n) While the Loan remains outstanding and unpaid, any ordinance, resolution or other enactment of the Governing Body applying the Pledged Revenues for the payment of the Loan shall be irrevocable until such Loan has been paid in full as to both principal and interest, and shall not be subject to amendment or modification in any manner which would impair the rights of the holders of the Certificates or which would in any way jeopardize the timely payment of principal or interest on the Loan when due.

(o) Except for the Parity Obligations, if any, described on the Term Sheet, there are no currently outstanding bonds, notes or other obligations of the Governmental Unit which are payable from the Pledged Revenues which are payable from and secured by a parity lien on the Pledged Revenues. No additional indebtedness, bonds or notes of the Governmental Unit payable on a priority ahead of the indebtedness herein authorized out of Pledged Revenues shall be created or incurred.

(p) To the best knowledge of the Governmental Unit, no litigation or proceeding is pending or threatened against the Governmental Unit or any other person affecting the right of the Governmental Unit to execute or deliver this Agreement or the Intercept Agreement or to comply with its obligations under this Agreement or the Intercept Agreement. Neither the execution and delivery of this Agreement or the Intercept Agreement by the Governmental Unit, nor compliance by the Governmental Unit with the respective obligations under each agreement, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

(q) No event has occurred and no condition exists which, upon the execution and delivery of this Agreement and the Intercept Agreement, would constitute an Event of Default on the part of the Governmental Unit under this Agreement or the Intercept Agreement.

(r) The portion of the Pledged Revenues necessary to pay the Loan Payments, as and when due, are not needed or budgeted to pay current or anticipated operational or other expenses of the Governmental Unit.

(s) The Pledged Revenues (giving credit for any increase in Pledged Revenues which has received final approval of the Governing Body and become effective) for the Fiscal Year immediately preceding the Closing Date were equal to or exceeded and, on an ongoing basis during each year of the Agreement Term, are reasonably expected to equal or exceed, 125% of the Loan Payments with respect to this Agreement.

(t) Governmental Unit's Existence. The Governmental Unit will maintain its corporate identity and existence so long as the Loan is unpaid, unless another political subdivision by operation of law succeeds to the liabilities and rights of the Governmental Unit without adversely affecting to any substantial degree the privileges and rights of any owner of the Loan or the Certificates.

(u) Other Pledged Revenue Liens. Other than as described and identified on the Term Sheet, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

(v) Extending Interest Payments. The Governmental Unit will not extend or assent to the extension of the time for the payment of interest on the Loan. In case the time for payment of any such interest shall be extended, such installment or installments of interest shall not be entitled in case of default hereunder to the benefit or security of this

Loan Agreement except subject to the prior payment in full of the aggregate principal amount outstanding of the Loan Agreement and of matured interest on the Loan Agreement and payment of which has not been extended.

1183025

(w) Continuing Disclosure. The Governmental Unit covenants that it shall provide continuing disclosure to the NMFA that shall include, but not be limited to: annual audits, operational data required to update information in the disclosure documents used to market the Certificates, and notification of any event deemed material by the NMFA.

Section 2.2 Representations, Covenants and Warranties of NMFA. NMFA represents, covenants and warrants for the benefit of the Governmental Unit as follows:

(a) NMFA is a public body politic and corporate constituting a governmental instrumentality duly organized, existing and in good standing under the laws of the State, has all necessary power and authority to enter into and perform and observe the covenants and agreements on its part contained in this Agreement and, by proper action, has duly authorized the execution and delivery of this Agreement and the Intercept Agreement.

(b) NMFA will not pledge or assign the Pledged Revenues, the Loan Payments or any of its other rights under this Agreement and the Intercept Agreement except to the Trustee pursuant to the Indenture.

(c) Neither the execution and delivery hereof or the Intercept Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or the Intercept Agreement, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which NMFA is a party or by which NMFA is bound or constitutes a default under any of the foregoing and will not conflict with or constitute a violation of any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over NMFA or its property and which conflict or violation will have a material adverse effect on NMFA or the financing of the Equipment.

(d) To the knowledge of NMFA, there is no litigation or proceeding pending or threatened against NMFA or any other person affecting the right of NMFA to execute or deliver this Agreement or the Intercept Agreement or to comply with its obligations under this Agreement or the Intercept Agreement or the Indenture. Neither the execution and delivery of this Agreement or the Intercept Agreement by NMFA, nor compliance by NMFA with its obligations under this Agreement, the Intercept Agreement and the Indenture, requires the approval of any regulatory body, or any other entity, which approval has not been obtained.

(e) This Agreement and the Intercept Agreement constitute legal, valid and binding obligations of NMFA enforceable in accordance with their terms.

ARTICLE III

AGREEMENT TERM

The Agreement Term shall commence on the Closing Date and shall not terminate until the Loan has been paid in full or provisions for the payment of the Loan has been made pursuant to Section 11.4 hereof.

ARTICLE IV

LOAN; APPLICATION OF MONEYS

Section 4.1 The Loan. NMFA agrees that it will cause the Trustee to designate certain funds and cause the funds in the amount of the Loan Principal Amount to be loaned hereunder to the Governmental Unit. 1183026

Section 4.2 Delivery of Certificates. Pursuant to the Indenture, NMFA shall transfer and assign all of its right, title and interest (except for the Unassigned Rights) in and to this Agreement to the Trustee on the Closing Date. On the Closing Date, NMFA shall cause the Trustee to execute and deliver and to authenticate the Certificates in substantially the form set forth in the Indenture, and the Trustee shall deliver them to the purchasers thereof.

Section 4.3 Application of Certificate Proceeds. On the Closing Date, NMFA shall cause the Trustee to transfer the Loan Principal Amount as follows:

- (a) the amount shown on the Term Sheet to pay a pro-rata portion of the costs of issuance of the Certificates shall be deposited into the Expense Fund to be applied by the Trustee to pay a portion of the costs of issuing the Certificates and this Agreement; and
- (b) the amount shown on the Term Sheet into the Program Account to be disbursed by the Trustee pursuant to Section 6.2 hereof at the direction of the Governmental Unit as needed by the Governmental Unit to acquire the Equipment; and

ARTICLE V

LOAN TO THE GOVERNMENTAL UNIT; PAYMENTS BY THE GOVERNMENTAL UNIT

Section 5.1 Loan to the Governmental Unit; Payment Obligations Limited to Pledged Revenues; Pledge of Pledged Revenues. The NMFA hereby lends to the Governmental Unit and the Governmental Unit hereby borrows from the NMFA an amount equal to the Loan Principal Amount. The Governmental Unit promises to pay, but solely from the sources pledged herein, the Loan Payments as herein provided. The Governmental Unit does hereby convey, assign and pledge unto NMFA and unto its successors in trust forever all right, title and interest of the Governmental Unit in and to (i) the Pledged Revenues, (ii) all moneys in funds and accounts held by the Trustee for the benefit of the holders of the Certificates, (iii) the Debt Service Account, such account being held by the Trustee and (iv) all other rights hereinafter granted, for the securing of the Governmental Unit's obligations under this Agreement, including payment of the Loan Payments, provided, however, that if the Governmental Unit, its successors or assigns, shall well and truly pay, or cause to be paid, all Loan Payments at the time and in the manner contemplated by this Agreement, according to the true intent and meaning hereof, or shall provide, as permitted by Section 11.4 of this Agreement for the payment thereof and shall pay all other amounts due or to become due under this Agreement in accordance with its terms and provisions then, upon such final payment or provision for payment by the Governmental Unit, this Agreement and the rights created thereby shall terminate; otherwise, this Agreement shall remain in full force and effect. The Loan Payments shall, in the aggregate, be sufficient to pay the Principal Component, Interest Component and the Program Cost Component, the payment schedule of which is attached hereto as Exhibit "B".

The pledge of the Pledged Revenues and the lien thereon shall be effective upon the Closing Date. The Governmental Unit and NMFA acknowledge and agree that the Agreement Payments of the Governmental Unit hereunder are limited to Pledged Revenues; and that such

Loan Payments shall constitute special limited obligations of the Governmental Unit. No provision of this Agreement shall be construed or interpreted as creating a general obligation or other indebtedness of the Governmental Unit within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of Governmental Unit moneys other than Pledged Revenues, nor shall any provision of this Agreement restrict the future issuance of any bonds or obligations payable from any class or source of Governmental Unit moneys other than Pledged Revenues. In addition, to the extent not required for the payment of obligations of the Governmental Unit hereunder, the Pledged Revenues may be utilized by the Governmental Unit for any other purposes permitted by law.

Section 5.2 Payment Obligations of Governmental Unit. The Debt Service Account shall be established and held by the Trustee on behalf of the Governmental Unit. All Loan Payments received by the Trustee pursuant to the Intercept Agreement shall be accounted for and maintained by the Trustee in the Debt Service Account, which account shall be kept separate and apart from all other accounts of the Trustee. The amounts on deposit in the Debt Service Account shall be expended and used by the Trustee only in the manner and order of priority specified below:

(a) As a first charge and lien on the Pledged Revenues received under the Intercept Agreement, the Trustee shall transfer and deposit into the Debt Service Account as the Governmental Unit's Loan Payments hereunder, an amount equal to the Loan Payments as described in Exhibit "B". The full amount of the Loan Payments coming due in each year shall be accumulated in the Debt Service Account in substantially equal monthly amounts of principal and interest by February 1 and August 1 of each year to ensure that sufficient funds are available 60 days in advance of principal and interest payments coming due on the Certificates on April 1 and October 1, respectively, of each year during the Agreement. The Program Cost Component of each Loan Payment shall, after payment of the amount due on the Certificates on each April 1 and October 1, be distributed to the Trustee and the NMFA to pay Program Costs.

(b) Subject to making the foregoing deposits, the Trustee shall use the balance of the Pledged Revenues received under the Intercept Agreement at the direction of the Governmental Unit (i) to credit against upcoming Loan Payments, or (ii) to distribute to the Governmental Unit for any other purposes permitted by law.

Section 5.3 Manner of Payment. All payments of the Governmental Unit hereunder shall be paid in lawful money of the United States of America to the Trustee at a designated corporate trust office. The Trustee shall, as necessary, advise the Governmental Unit of the location of the designated corporate trust office. The obligation of the Governmental Unit to make payments hereunder, from and to the extent of available Pledged Revenues, shall be absolute and unconditional in all events, except as expressly provided hereunder, and payment hereunder shall not be abated through accident or unforeseen circumstances. Notwithstanding any dispute between the Governmental Unit and NMFA, the Trustee, any vendor or any other person, the Governmental Unit shall make all deposits hereunder, from and to the extent of available Pledged Revenues, when due and shall not withhold any deposit hereunder pending final resolution of such dispute, nor shall the Governmental Unit assert any right of set-off or counterclaim against its obligation to make such deposits required hereunder.

Section 5.4 Disposition of Payments by the Trustee. The Trustee shall deposit all moneys received under this Agreement to the credit of the Debt Service Account as required in Section 5.2 above. Such amounts shall be applied by the Trustee as provided in Section 6.4 of the Indenture.

Section 5.5 Additional Parity Obligations. No provision of this Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional Parity Obligations payable from Pledged Revenues, nor to prevent the issuance of bonds or other obligations refunding all or a part of this Agreement; provided, however, that before any such additional Parity Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity Obligations but including parity refunding bonds and obligations which refund subordinate obligations as provided in Section 5.6 hereof), it must be determined that:

(a) The Governmental Unit is then current in all of the accumulations required to be made into the Debt Service Account as provided in the Indenture.

(b) No default shall exist in connection with any of the covenants or requirements of the Ordinance or this Agreement.

(c) The Pledged Revenues received by or credited to the Governmental Unit for the Fiscal Year or for any 12 consecutive months out of the 24 months preceding the date of the issuance of such additional Parity Obligations shall have been sufficient to pay an amount representing one hundred and twenty-five percent (125%) of the combined maximum Aggregate Annual Debt Service Requirement coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor).

(d) The proceedings authorizing the additional Parity Obligations must provide for an appropriately pledged reserve fund for such additional Parity Obligations in an amount no less than an amount equivalent to the loan agreement reserve requirement for the additional Parity Obligations proposed to be issued, and must require the accumulation of such amount in the appropriately pledged reserve fund to be accomplished at the time of issuance of the additional Parity Obligations.

(e) A written certificate or opinion by an Independent Accountant that such annual Pledged Revenues are sufficient to pay such amounts shall be conclusively presumed to be accurate in determining the right of the Governmental Unit to authorize, issue, sell and deliver such additional bonds or other obligations on a parity with this Agreement.

(f) No provision of this Agreement shall be construed in such a manner as to prevent the issuance by the Governmental Unit of additional bonds or other obligations payable from the Pledged Revenues constituting a lien upon such Pledged Revenues subordinate and junior to the lien of this Agreement nor to prevent the issuance of bonds or other obligations refunding all or part of this Agreement as permitted by Section 5.6 hereof.

(g) The Governmental Unit shall not issue bonds or other obligations payable from the Pledged Revenues having a lien thereon prior and superior to this Agreement.

Section 5.6 Refunding Obligations. The provisions of Section 5.5 hereof are subject to the following exceptions:

(a) If at any time after this Agreement, or any part thereof, shall have been issued and remain outstanding, the Governmental Unit shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Pledged Revenues, this Agreement, such bonds or other obligations, or any part thereof, may be refunded (but the holders of this Agreement, bonds to be refunded may not be compelled to surrender this Agreement, their bonds, unless this Agreement, the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior

governing laws, and its budgetary requirements, make available properly budgeted and legally available funds to defray any insufficiency of Pledged Revenues to pay principal and interest on the Loan; provided, however, the Governmental Unit has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

ARTICLE VI

1183030

THE EQUIPMENT

Section 6.1 Agreement To Acquire Equipment. The Governmental Unit hereby agrees that in order to effectuate the purposes of this Agreement and to effectuate the acquisition of the Equipment it will make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and, in general, do all things which may be requisite or proper in order to acquire the Equipment.

The Governmental Unit agrees to acquire the Equipment through the application of moneys to be disbursed from the Program Account pursuant to Section 6.2 of this Agreement by the Trustee.

Section 6.2 Disbursements From the Program Account. So long as no Event of Default shall occur, the Trustee shall disburse moneys from the Program Account in accordance with Section 6.3 of the Indenture upon receipt by the Trustee of a requisition substantially in the form of Exhibit "C" attached hereto signed by an Authorized Officer of the Governmental Unit.

Without the Approval of Bond Counsel no disbursement shall be made from the Program Account (i) to reimburse the Governmental Unit's own funds for expenditures made prior to the Closing Date (ii) to refund or advance refund any tax-exempt obligations issued by or on behalf of the Governmental Unit, or (iii) to be used, directly or indirectly, to finance a project used or to be used in the trade or business of a person who is not a "governmental unit," within the meaning of Section 141(b)(6) of the Code.

The Trustee shall endorse on Exhibit "D" attached hereto an appropriate notation evidencing the date and amount of each disbursement from the Program Account and at least quarterly furnish a copy of such Exhibit "D", to the Governmental Unit.

Section 6.3 Completion of Acquisition of Equipment. Upon completion of acquisition of the Equipment, an Authorized Officer of the Governmental Unit shall deliver a certificate to NMFA and the Trustee stating that, to the best of his knowledge the Equipment acquisition has been completed and accepted by the Governmental Unit, and all costs have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 6.4 Application of Program Account Subsequent to Completion of the Equipment Acquisition. Upon completion of the acquisition of the Equipment as signified by delivery of the completion certificate contemplated in Section 6.3 hereof or in the event that the Trustee shall not have received a certificate of completion as required by Section 6.3 hereof by the date three years from the Closing Date (or such later date as is approved in accordance with Section 5.2 of the Indenture), the Trustee shall transfer the amounts remaining on deposit in the Program Account (except amounts necessary for payment of amounts not then due and payable) to the Debt Service Account and such amounts shall be used for the payment of debt service on the Loan.

ARTICLE VII

COMPLIANCE WITH LAWS
AND RULES; OTHER COVENANTS

Section 7.1 Further Assurances and Corrective Instruments. NMFA and the Governmental Unit agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment or of the Pledged Revenues, or for otherwise carrying out the intention hereof.

Section 7.2 NMFA and Governmental Unit Representatives. Whenever under the provisions hereof the approval of NMFA or the Governmental Unit is required, or the Governmental Unit or NMFA is required to take some action at the request of the other, such approval or such request shall be given for NMFA or for the Governmental Unit by the authorized officer of the NMFA or the Governmental Unit, as the case may be, and any party hereto shall be authorized to act on any such approval or request.

Section 7.3 Requirements of Law. During the Agreement Term, the Governmental Unit and NMFA shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the parties hereto, the Equipment or the Pledged Revenues.

Section 7.4 First Liens: Equality of Liens. The amounts due under the Loan Agreement constitute an irrevocable first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues. The Governmental Unit covenants that the Loan Payments and any Parity Obligations herein authorized to be issued and from time to time outstanding shall be equitably and ratably secured by a first lien on the Pledged Revenues and 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 the issuance of such debt, it being the intention of the Governmental Unit that there shall be no priority between the Loan Payments and any such Parity Obligations regardless of the fact that they may be actually issued and delivered at different times.

Section 7.5 Expeditious Acquisition. The Governmental Unit shall complete the acquisition of the Equipment with all practical dispatch.

Section 7.6 Bank Designation of Loan Agreement. For purposes of and in accordance with Section 265 of the Code, the Governmental Unit hereby designates the Loan Agreement as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Governmental Unit reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Governmental Unit and by any aggregated issuer during calendar year 1995 will not exceed \$10,000,000. For purposes of this Section 7.6, "aggregated user" means any entity which (i) issues obligations on behalf of the Governmental Unit, (ii) derives its issuing authority from the Governmental Unit, or (iii) is directly or indirectly controlled by the Governmental Unit within the meaning of Treasury Regulatory Section 1.150-1(e). The Governmental Unit hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Governmental Unit, and all aggregated issuers for calendar year 1995 does not exceed \$10,000,000.

Section 7.7 Arbitrage Rebate Exemption. The Governmental Unit hereby certifies and warrants for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code to the requirement to rebate arbitrage earnings from investment of the proceeds of the Loan

Agreement (the "Rebate Exemption"), that (i) the Loan Agreement is issued by the Governmental Unit which has general taxing powers, (ii) neither the Loan Agreement nor any portion thereof is a private activity bond as defined in Section 141 of the Code ("Private Activity Bond"), (iii) all of the net proceeds of the Loan Agreement are to be used for local government activities of the Governmental Unit (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Governmental Unit) and (iv) neither the Governmental Unit nor any aggregated issuer has issued or is reasonably expected to issue any Tax-Exempt Bonds other than (A) Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) and (B) bonds issued to refund (other than to advance refund (as used in the Code)) any bond to the extent the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, during calendar year 1995, which would in the aggregate amount exceed \$5,000,000. For purposes of this paragraph, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Governmental Unit, (b) derives its issuing authority from the Governmental Unit, or (c) is subject to direct or indirect control by the Governmental Unit within the meaning of Treasury Regulation Section 1.150-1(e). The Governmental Unit hereby represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(IV) of the Code.

Accordingly, with respect to the Loan Agreement, the Governmental Unit will qualify for the rebate exemption granted under Section 148(f)(4)(D) of the Code, and the Governmental Unit shall be treated as meeting the requirements of paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States.

ARTICLE VIII

PREPAYMENT OF LOAN PAYMENTS

Section 8.1 Prepayment. The Governmental Unit is hereby granted the option to prepay the Principal Component of this Agreement, in whole or in part, at a prepayment price as provided in the Loan Agreement Terms Resolution. The amount of such prepayment must be an integral multiple of \$1,000 and the Governmental Unit may designate the due dates of the Principal Component being prepaid in the event of a partial prepayment. Any such prepayment shall include prepayment premium, if any, and accrued interest to the redemption date of the corresponding Certificates to be redeemed and notice of intent to make such prepayment shall be provided to the Trustee and NMFA by the Governmental Unit no less than forty-five (45) days prior to the prepayment date. The Trustee shall recalculate the Loan Payments due under any Loan Agreement in the event of a partial prepayment in a manner which is consistent with the manner in which the Certificates are prepaid pursuant to Section 3.1 of the Indenture.

ARTICLE IX

INDEMNIFICATION

From and to the extent of the Pledged Revenues the Governmental Unit shall and hereby agrees to indemnify and save NMFA and the Trustee harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the acquisition of the Equipment during the Agreement Term, from: (i) any act or negligence of the Governmental Unit or breach of any covenant or warranty by the Governmental Unit hereunder; and (ii) the incurrence of any cost or expense in connection with the acquisition of the Equipment in excess of the initial balance in the Program Account and interest on the investment thereof. The Governmental Unit shall indemnify and save NMFA and the Trustee harmless, from and to the extent of available Pledged Revenues from any such claim arising as aforesaid from (i), or (ii) above, or in connection

with any action or proceeding brought thereon and, upon notice from NMFA or the Trustee, shall defend NMFA or the Trustee, as applicable, in any such action or proceeding.

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ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Any one of the following shall be an "Event of Default" under this Agreement:

(a) Failure by the Governmental Unit to pay any amount required to be paid under this Agreement on the date on which it is due and payable;

(b) Failure by the Governmental Unit to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Agreement, other than as referred to in paragraph (a) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Unit by NMFA or the Trustee, unless NMFA and the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of NMFA, the Trustee, or the owners of the Certificates, but cannot be cured within the applicable 30-day period, NMFA and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Governmental Unit within the applicable period and diligently pursued until the failure is corrected; and provided, further, that if by reason of force majeure the Governmental Unit is unable to carry out the agreements on its part therein contained, the Governmental Unit shall not be deemed in default under this paragraph (b) during the continuance of such inability (but force majeure shall not excuse any other Event of Default);

(c) Any warranty, representation or other statement by or on behalf of the Governmental Unit contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement is false or misleading in any material respect;

(d) A petition is filed against the Governmental Unit under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 30 days after such filing, but NMFA and the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect their interests and the interests of the owners of Certificates.

(e) The Governmental Unit files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or

(f) The Governmental Unit admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Governmental Unit for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but NMFA and the Trustee shall have the right to intervene in the proceedings prior

to the expiration of such 30 days to protect their interests and the interests of the owners of Certificates.

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Section 10.2 Remedies on Default. Whenever any Event of Default has occurred and is continuing and subject to Section 10.3 hereof, NMFA or the Trustee may take whatever of the following actions may appear necessary or desirable to collect the payments then due and to become due or to enforce performance of any agreement of the Governmental Unit in this Agreement:

- (a) by mandamus or other action or proceeding or suit at law or in equity enforce the rights of the owners of the Certificates, including enforcing any rights under this Agreement and the Intercept Agreement, and the provisions of the Indenture for the benefit of the owners of the Certificates against the Governmental Unit, and compel the Governmental Unit to perform or carry out its duties under the law and the agreements and covenants required to be performed by it contained herein; or
- (b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Trustee; or
- (c) intervene in judicial proceedings that affect the Certificates or the security therefor; or
- (d) cause the Governmental Unit to account as if it were the trustee of an express trust for all of the Pledged Revenues; or
- (e) take whatever other action at law or in equity may appear necessary or desirable to collect amounts then due and thereafter to become due under this Agreement or to enforce any other of its rights thereunder; or
- (f) Apply any amounts in the Program Account toward satisfaction of any of the obligations of the Governmental Unit under this Agreement.

Section 10.3 Limitations on Remedies. A judgment requiring a payment of money entered against the Governmental Unit may reach only available Pledged Revenues.

Section 10.4 No Remedy Exclusive. Subject to Section 10.3 hereof, no remedy herein conferred upon or reserved to NMFA or the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle NMFA or the Trustee to exercise any remedy reserved in this Article X, it shall not be necessary to give any notice, other than such notice as may be required in this Article X.

Section 10.5 Waivers of Events of Default. NMFA or the Trustee, as its assignee, may in its discretion waive any Event of Default hereunder and the consequences of such an Event of Default and shall do so upon the written request of the owners of a majority of the aggregate principal amount of all the Certificates then outstanding; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of the Loan at the date when due as specified herein, or (ii) any default in the payment when due of the interest on the Loan, unless prior to such waiver or rescission, all arrears of interest, with interest at the rate borne by the Loan on all arrears of payments of principal and all expenses of NMFA or the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee or NMFA on account of any such Event

of Default shall have been discontinued or abandoned or determined adversely, then and in every such case, NMFA and the Trustee shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 10.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 10.7 Agreement to Pay Attorneys' Fees and Expenses. In the event that the Governmental Unit shall default under any of the provisions hereof and the NMFA or the Trustee shall employ attorneys or incur other expenses for the collection of payments hereunder, or the enforcement of performance or observance of any obligation or agreement on the part of the Governmental Unit herein contained, the Governmental Unit agrees that it shall on demand therefor pay to the NMFA or the Trustee, the fees of such attorneys and such other expenses so incurred, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Governmental Unit under this Section shall be limited to expenditures from and to the extent of available Pledged Revenues.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered as follows: if to the Governmental Unit, The County of Santa Fe, County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico 87501, Attention: Commission Chair; if to NMFA, New Mexico Finance Authority, 1751 Old Pecos Trail, Suite K, Santa Fe, New Mexico 87505, Attention: Chair; and if to the Trustee, First Security Bank of Utah, N.A., P.O. Box 30007, Salt Lake City, Utah 84130. The Governmental Unit and NMFA may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 11.2 Binding Effect. The Agreement shall inure to the benefit of and shall be binding upon NMFA, the Governmental Unit and their respective successors and assigns, if any.

Section 11.3 Amendments. This Agreement may not be effectively amended or terminated without the written consent of NMFA and the Trustee, and in accordance with the provisions of Section 13.3 of the Indenture.

Section 11.4 Defeasance. Should the Governmental Unit pay or make provision for payment of the Loan, such that the Loan shall be deemed to have been paid and defeased, then the Loan Payments hereunder shall also be deemed to have been paid, the Governmental Unit's payment obligations hereunder shall be terminated, this Agreement and all obligations contained herein shall be discharged and the pledge hereof released. Such payment shall be deemed made when the Governmental Unit has deposited with the Trustee or other escrow agent, in trust, (i) moneys sufficient to make such payment, and/or (ii) noncallable Governmental Obligations maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment and when all necessary and proper fees, compensation and expenses of the Trustee have been paid or provided for. In the event the Governmental Unit makes provisions for defeasance of the Loan, the Governmental Unit shall cause to be delivered (1) a report of an independent nationally recognized certified public accountant verifying the sufficiency of the escrow established to pay the Loan in full when due or upon an irrevocably designated prepayment date, and (2) an opinion of nationally recognized bond counsel to the effect

that the Loan is no longer outstanding, each of which shall be addressed and delivered to the NMFA and the Trustee.

1183035

Section 11.5 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any member, employee, director or officer, as such, past, present or future, of NMFA, either directly or through NMFA, or against any officer, employee, director or member of the Governing Body of the Governmental Unit, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee, director or member of the Governing Body of the Governmental Unit or of NMFA is hereby expressly waived and released by the Governmental Unit and by NMFA as a condition of and in consideration for the execution of this Agreement.

Section 11.6 Severability. In the event that any provision of this Agreement, other than the requirement of the Governmental Unit to pay hereunder, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.7 Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.8 Assignment by NMFA. Pursuant to the Indenture, this Agreement has been and is hereby assigned and transferred by NMFA to the Trustee, which assignment and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 11.9 Compliance with Governing Law. It is hereby declared by the Governmental Unit's Governing Body that it is the intention of the Governmental Unit by the execution of this Agreement to comply in all respects with the provisions of the New Mexico Constitution and statutes as the same govern the pledge of the Pledged Revenues to payment of all amounts payable under this Agreement.

Section 11.10 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.11 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

IN WITNESS WHEREOF, NMFA, on behalf of itself, has executed this Agreement in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers; and the Governmental Unit has caused this Agreement to be executed in its corporate name and the seal of the Governmental Unit affixed and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

[SEAL]

NEW MEXICO FINANCE AUTHORITY

Attest:

By _____
Chair

By _____
Secretary

[SEAL]

County of Santa Fe, New Mexico

Attest:

By Betty Alcott
Chair, Santa Fe County Commission

By [Signature]
Clerk 7-24-95



EXHIBIT "A"

1183037

TERM SHEET

Governmental Unit: County of Santa Fe

Equipment Description: Sheriff/Dump/Road/Various Vehicles & Equipment

Loan Principal Amount: \$ _____

Distributing State Agency: New Mexico Department of Taxation and Revenue

Pledged Revenues: First one-eighth of one percent increment of the
County Gross Receipts Tax

Currently Outstanding Parity Obligations: NA

Ordinance: Ordinance No. _____, adopted on July 18, 1995

Closing Date: _____, 1995

Interest Rate: _____%

Expense Fund Deposit: \$ _____

Program Account Deposit: \$ _____

Debt Service Account Deposit: \$0.00

EXHIBIT "B"

1183038

DEBT SERVICE SCHEDULE FOR LOAN REPAYMENT

Payment Date	Principal Component	Interest Component	Program Cost Component	Total
	\$	\$	\$	\$

EXHIBIT "C"

FORM OF REQUISITION

RE: \$ _____ Pooled Equipment Certificates of Participation, Series 1995A (New Mexico Finance Authority Equipment Loan Program), Loan Agreement by and between the County of Santa Fe and NMFA (the "Loan Agreement")

TO: First Security Bank of Utah, N.A.
Corporate Trust Department
79 Main Street
Salt Lake City, Utah 84111

You are hereby authorized to disburse from the Program Account -- _____ of _____, 1995A with regard to the above-referenced Loan Agreement the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT OF PAYMENT: \$ _____

PURPOSE OF PAYMENT: _____

Each obligation, item of cost or expense mentioned herein is for costs of the Equipment, is due and payable, has not been the subject of any previous requisition and is a proper charge against the Program Account-- _____ of _____, 1995A.

All representations contained in the Loan Agreement and the related closing documents remain true and correct and the Governmental Unit is not in breach of any of the covenants contained therein.

If this is the final requisition, payment of costs of the Equipment is complete or, if not complete, the Governmental Unit shall and understands its obligation to complete the acquisition of the Equipment from other legally available funds.

Capitalized terms used herein, are used as defined or used in the Loan Agreement.

DATED: _____ By _____
Authorized Officer

1183040

EXHIBIT "D"

NOTATION OF DISBURSEMENTS FROM PROGRAM ACCOUNT --
_____ of _____, 1995A

Date

Amount

EXHIBIT "E"

ARBITRAGE AND TAX CERTIFICATE

1183041

Please refer to Item #___ in this Transcript

299603

INTERCEPT AGREEMENT

THIS INTERCEPT AGREEMENT made and entered into this ___ day of _____, 1995, by and between the **NEW MEXICO FINANCE AUTHORITY** (the "Authority"), a public body politic and corporate constituting a governmental instrumentality under the laws of the State of New Mexico and the County of Santa Fe, a political subdivision duly organized and existing under the laws of the State of New Mexico (the "Governmental Unit").

W I T N E S S E T H:

WHEREAS, Sections 6-21-1 through 6-21-31, NMSA 1978, as amended, authorized the creation of the Authority within the State of New Mexico to assist in financing the cost of acquisition of equipment and other personal property (the "Equipment"), of participating qualified entities, including the Governmental Unit; and

WHEREAS, pursuant to Sections 6-21-1 through 6-21-31, NMSA 1978, as amended, and Sections 4-62-1 through 4-62-10, NMSA 1978, as amended (collectively, the "Act"), the Authority and the Governmental Unit are authorized to enter into agreements to facilitate the financing and acquisition of Equipment as described in the loan agreement by and between the Authority and the Governmental Unit of even date herewith (the "Loan Agreement"); and

WHEREAS, the Governmental Unit desires to acquire certain Equipment for use by the Governmental Unit which acquisition is permitted under the Act; and

WHEREAS, the Authority has established its Equipment Loan Program (the "Program") for financing acquisition of Equipment upon the execution of the Loan Agreement and its assignment to First Security Bank of Utah, N.A. (the "Trustee") and upon the issuance by Trustee of Pooled Equipment Certificates of Participation, Series 1995A (NMFA Equipment Loan Program) (the "Certificates") which provide funds for the Governmental Unit to acquire the Equipment; and

WHEREAS, the Governmental Unit desires to borrow \$_____ from the Authority's Program (the "Loan") to acquire the Equipment which Loan is to be governed by this Intercept Agreement and the Loan Agreement; and

WHEREAS, the Act confers upon the Authority the authority to loan funds from the Program to the Governmental Unit to acquire the Equipment and Section 7-1-6.15, NMSA 1978, as amended, authorizes the Governmental Unit to direct that its distribution from County Gross Receipts Tax Revenues be paid to the Authority or the Trustee, as its assignee, to secure payments under the Loan Agreement.

NOW THEREFORE, the parties hereby agree as follows:

Except where the context by clear implication otherwise requires, terms used in this Intercept Agreement shall have for all purposes of this Intercept Agreement the meanings assigned thereto in the Loan Agreement and the Indenture of Trust and Pledge dated as of August 1, 1995 (the "Indenture") by and between the Authority and the Trustee.

Section 1. Authorization to the Authority. The Governmental Unit hereby recognizes that the Authority has made a Loan to the Governmental Unit in the amount of \$_____ to finance the acquisition of the Equipment. Pursuant to the Loan Agreement and this

Intercept Agreement, the Loan and all debt service payments on the Loan made by or on behalf of the Governmental Unit are assigned to the Trustee. Pursuant to the Indenture, the Trustee will issue Certificates and all proceeds of the Certificates of the Trustee relating to the Loan will be administered by the Trustee or its agents until disbursed to the Governmental Unit in accordance with the Loan Agreement. All payments due on the Loan as shown on Exhibit "A" hereto from the revenues and sources specified therefor shall be paid by the Department of Taxation and Revenue to the Trustee, on behalf of the Governmental Unit, from scheduled distributions of the Pledged Revenues.

This Intercept Agreement shall be deemed a written certification, authorization and request by the Governmental Unit to Taxation and Revenue Department of the State of New Mexico to pay to the Trustee, on behalf of the Governmental Unit, the sums shown on Exhibit "A" from the monthly/annual distributions pursuant to Section 7-1-6.15, NMSA 1978, as amended, to insure compliance with the Loan Agreement and repayment of the Loan. Upon written notice from the Authority and the Trustee, the amount of the Pledged Revenues to be paid to the Trustee shall be increased from the amounts shown on Exhibit "A" to defray any delinquencies in the Debt Service Account established for the Governmental Unit pursuant to the Indenture.

Section 2. Term; Amendments. This Intercept Agreement will remain in full force and effect from its effective date as herein provided until such time as the Loan made pursuant to the Loan Agreement and this Intercept Agreement has been paid in full. Nothing herein shall be deemed in any way to limit or restrict the Governmental Unit from issuing its own obligations, providing its own program or participating in any other program for the financing of equipment which the Governmental Unit may choose to finance. This Intercept Agreement may be amended only by written instrument signed by the parties hereto and the Trustee; provided, however, that no such amendment which would adversely affect the rights of the owners of any outstanding Certificates, as determined by counsel to the Authority, shall be effective until such time as all necessary written consents or approvals with respect to such Certificates shall have been obtained.

Section 3. Authorization. The execution and performance of the terms of this Intercept Agreement have been authorized and approved by an Ordinance passed and adopted on July 18, 1995 by the governing body of the Governmental Unit, which Ordinance is in full force and effect on the date hereof.

Section 4. Assignment by the Authority. Pursuant to the Indenture, this Intercept Agreement has been and is hereby assigned and transferred by the Authority to the Trustee, which assignment and transfer is hereby acknowledged and approved by the Governmental Unit.

Section 5. Severability of Invalid Provisions. If any one or more of the provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such provision shall be null and void and shall be deemed separable from the remaining provisions and shall in no way affect the validity of any of the other provisions hereof.

Section 6. Counterparts. This Intercept Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7. Further Authorization. The Governmental Unit agrees that the Authority and the Trustee shall do all things necessary or convenient to the implementation of the Program to facilitate the Loan to the Governmental Unit.

Section 8. Effective Date. This Intercept Agreement shall take effect on the Closing Date of the Loan.

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IN WITNESS WHEREOF, the parties to this Intercept Agreement have caused their names to be affixed hereto by the proper officers thereof as of the date first above written.

NEW MEXICO FINANCE AUTHORITY

By: _____
Authorized Officer

(SEAL)

Attest:

By: _____



COUNTY OF SANTA FE

Bert Potts
Authorized Officer

By: [Signature] 7-27-95

Acknowledged:

By: _____
Department of Taxation and Revenue

Date: _____

EXHIBIT "A"

1183045

Intercept Schedule

1183046

EXHIBIT B

ORDINANCE NO. 1995-

TITLE AND GENERAL SUMMARY

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN SANTA FE COUNTY, NEW MEXICO AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE COUNTY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$1,990,000, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING EQUIPMENT FOR POLICE PROTECTION, COUNTY SERVICES AND SOLID WASTE SERVICES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS RELATING TO THE FIRST ONE-EIGHTH INCREMENT OF COUNTY GROSS RECEIPTS TAX REVENUES RECEIVED BY THE COUNTY FROM THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUE; APPROVING THE FORMS AND TERMS OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; PROVIDING FOR THE ADOPTION OF A SUBSEQUENT RESOLUTION DETERMINING THE EXACT TERMS OF THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT.

PASSED, APPROVED AND ADOPTED THIS 18TH DAY OF JULY, 1995 AND EFFECTIVE THIRTY (30) DAYS FROM APPROVAL DATE.