OFFICIAL STATEMENT DATED NOVEMBER 16, 2017

NEW ISSUE **RATING: S&P – "AA"**

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming compliance with certain covenants described in "TAX EXEMPTION" herein, interest on the Bonds (a) is not includible in the gross income of the recipients thereof for federal income tax purposes; and (b) is not a specific preference item for purposes of the federal alternative minimum tax for individuals and corporations, but such interest on the Bonds will be included in the adjusted current earnings of certain corporations. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof. For a more complete description of such opinion of Bond Counsel and a description of certain provisions of the Internal Revenue Code of 1986, as amended, which may affect the federal tax treatment of interest on the Bonds for certain registered owners of such bonds, see "TAX EXEMPTION" herein.

$25,470,000
SANTA FE COUNTY, NEW MEXICO
Capital Outlay Gross Receipts Tax Refunding Revenue Bonds
Series 2017

Book-Entry
Dated: Date of Delivery Due: June 1, as shown on inside cover

The Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017 (the "Bonds") are being issued by Santa Fe County, New Mexico (the "County") to provide funds for: 1) the defeasance, refunding, refinancing, discharging, payment, and redemption of the principal of and accrued interest on the County's Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009 maturing on and after June 1, 2020, Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A maturing on and after June 1, 2021, and Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B maturing on and after June 1, 2021; and 2) paying all costs pertaining to the issuance of the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein. The Bonds are being issued pursuant to the general laws of the State, including Sections 4-62-1 to 4-62-10 NMSA 1978, as amended (the "Act"), and enactments of the Governing Body relating to the issuance of the Bonds, including the Bond Ordinance (as defined herein).

The Bonds are issuable only as fully registered bonds to be sold in denominations of $5,000 or any integral multiple thereof. Interest accrues from the Date of Delivery and is payable semiannually on June 1 and December 1 of each year commencing June 1, 2018, as more fully described herein. The Paying Agent and Registrar is the Santa Fe County Treasurer, Santa Fe, New Mexico.

SEE MATURITY SCHEDULE SET FORTH ON THE INSIDE COVER OF THIS OFFICIAL STATEMENT.

The Bonds will be issued pursuant to a book-entry system and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of bond certificates representing their beneficial ownership interests. So long as DTC or its nominee is the owner of the Bonds, disbursement of payments of principal and interest to DTC is the responsibility of the Paying Agent, disbursement of such payments to DTC Participants (as defined herein) is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of DTC Participants, as more fully described herein. See "DESCRIPTION OF THE BONDS - Book-Entry System" herein.

THE BONDS ARE SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY AS MORE FULLY DESCRIBED HEREIN. SEE "DESCRIPTION OF THE BONDS - Optional Redemption of Bonds" HEREIN.

The Bonds are offered when, as and if issued, subject to the approval of validity by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the County by the County Attorney. Modrall, Sperling, Roehl, Harris & Sisk, P.A., has also acted as special counsel to the County in connection with the preparation of this Official Statement and the sale of the Bonds. It is anticipated that the Bonds will be available for delivery on or about December 12, 2017, through the facilities of DTC, New York, New York.

Dated: November 16, 2017

[inside cover]

The Bonds will bear interest from the date of delivery at the rates described below, payable semiannually on June 1 and December 1 of each year until maturity, commencing June 1, 2018, and will mature on June 1 in each year of the years set forth below:

MATURITY SCHEDULE

$25,470,000
SANTA FE COUNTY, NEW MEXICO
Capital Outlay Gross Receipts Tax Refunding Revenue Bonds
Series 2017

Maturity (June 1)	Principal Amount	Interest Rate	Yield	CUSIP Numbers*
2018	$ 10,000	2.000%	1.200%	80189RFM2
2019	15,000	2.000%	1.300%	80189RFN0
2020	495,000	5.000%	1.350%	80189RFP5
2021	2,015,000	5.000%	1.430%	80189RFQ3
2022	2,110,000	5.000%	1.550%	80189RFR1
2023	2,215,000	5.000%	1.660%	80189RFS9
2024	2,330,000	5.000%	1.750%	80189RFT7
2025	2,445,000	5.000%	1.870%	80189RFU4
2026	2,565,000	5.000%	2.000%	80189RFV2
2027	2,695,000	3.000%	2.100%**	80189RFW0
2028	2,775,000	3.000%	2.200%**	80189RFX8
2029	2,860,000	3.000%	2.400%**	80189RFY6
2030	2,940,000	3.000%	2.600%**	80189RFZ3

* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ LLC on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the owners of the Bonds. None of the District, the Financial Advisor nor the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers shown herein.

**Yield to first optional redemption date of June 1, 2027.

SANTA FE COUNTY, NEW MEXICO
102 Grant Avenue
Santa Fe, New Mexico 87501
(505) 986-6200

BOARD OF COUNTY COMMISSIONERS
Henry P. Roybal, Chair
Anna Hansen, Vice-Chair
Anna T. Hamilton, Commissioner
Ed Moreno, Commissioner
Robert A. Anaya, Commissioner

COUNTY ADMINISTRATION
Katherine Miller, County Manager
Stephanie Schardin Clarke, Finance Director
Patrick Varela, Treasurer
Geraldine Salazar, County Clerk
Bruce Frederick, County Attorney

BOND COUNSEL
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
500 Fourth Street, NW
Albuquerque, New Mexico 87102
(505) 848-1800

REGISTRAR AND PAYING AGENT
Santa Fe County Treasurer
102 Grant Avenue
Santa Fe, New Mexico 87501

FINANCIAL ADVISOR TO THE COUNTY
RBC Capital Markets, LLC
6301 Uptown Boulevard N.E.
Suite 110
Albuquerque, New Mexico 87110

ESCROW VERIFICATION AGENT
Causey, Demgen & Moore, P.C.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesman, or other person has been authorized by Santa Fe County, New Mexico (the "County") to give any information or to make any statements or representations, other than those contained in this Official Statement, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. The information set forth or included in this Official Statement has been provided by the County and from other sources believed by the County to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the County described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

This Official Statement is "deemed final" by the County for purposes of Rule 15c2-12 of the Municipal Securities Rulemaking Board. The County has covenanted to provide such annual financial statements and other information in the manner as may be required by regulations of the Securities and Exchange Commission or other regulatory body.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "intend," "expect," and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. A number of such risks and uncertainties are described under the heading "SPECIAL FACTORS RELATING TO THE BONDS."

Copies of the Ordinance authorizing the issuance and sale of the Bonds are available upon request at the office of the County Clerk, 102 Grant Avenue, Santa Fe, New Mexico 87501; (505) 986-6200.

$25,470,000
SANTA FE COUNTY, NEW MEXICO
CAPITAL OUTLAY GROSS RECEIPTS TAX REFUNDING REVENUE BONDS
SERIES 2017

SUMMARY OF INFORMATION

The following is a summary of certain provisions discussed in this Official Statement. THIS SUMMARY DOES NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE COMPLETE OFFICIAL STATEMENT. This summary is only a brief statement and a full review of the entire Official Statement should be made by potential investors.

Issuer:	Santa Fe County, New Mexico (the "County") is a political subdivision of the State of New Mexico (the "State"), organized and existing under the Constitution and the general laws of the State. The County operates under a Manager-Commission form of government and is located in northern New Mexico. The County has a land area of approximately 1,909 square miles and an estimated population of 144,170 (as of 2010). See "THE COUNTY".
Dated:	Date of Delivery.
Principal Payment:	The Bonds are registered bonds maturing on June 1 of the years set forth on the inside cover page of this Official Statement.
Interest Payment:	Interest will be payable semiannually on June 1 and December 1, commencing June 1, 2018.
Purpose:	The proceeds of the Bonds will provide funds for 1) the defeasance, refunding, refinancing, discharging, payment and redemption of the principal of and accrued interest on the County's Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009 maturing on and after June 1, 2020, Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A maturing on and after June 1, 2021, and Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B maturing on and after June 1, 2021, and 2) paying all costs pertaining to the issuance of the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein.
Authorization:	The Bonds are being issued pursuant to the general laws of the State, including Section 4-62-1 to 4-62-10 NMSA 1978, as amended (the "Act"), and enactments of the Board of County Commissioners relating to the issuance of the Bonds, including the Bond Ordinance.
Security:	The Bonds are special limited obligations, payable solely from, and secured by, an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues, as herein defined. See "SECURITY FOR THE BONDS" herein.
Special Obligations:	THE PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE PAYABLE SOLELY FROM PLEDGED REVENUES, AND WILL NOT BE PAYABLE FROM ANY FUNDS OF THE COUNTY EXCEPT THE

DESIGNATED SPECIAL FUNDS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL NOT CONSTITUTE AN INDEBTEDNESS NOR A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NOR WILL THEY BE CONSIDERED OR HELD TO BE GENERAL OBLIGATIONS OF THE COUNTY. NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE COUNTY IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND NO OWNER HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE COUNTY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT UNDER THE BOND ORDINANCE.

Reserve Fund:	No deposit to the Reserve Fund will be made from the proceeds of the Bonds. No deposit shall be required in the Reserve Fund so long as the Pledged Revenues in each Fiscal Year equal or exceed 125% of the maximum annual principal and interest coming due in any subsequent Fiscal Year on all outstanding Parity Bonds. If the Pledged Revenues in any Fiscal Year are insufficient to meet the test set forth in the preceding sentence, the County shall acquire a Reserve Fund Insurance Policy in an amount equal to the Minimum Reserve or shall begin making substantially equal monthly deposits in the Reserve Fund from the first legally available Pledged Revenues so that after 24 months an amount equal to the Minimum Reserve will be held in the Reserve Fund.
Minimum Reserve:	The Minimum Reserve shall be an amount equal to the least of (i) ten percent of the principal amount of the outstanding Bonds, (ii) the maximum annual debt service on the outstanding Bonds, or (iii) 125% of the average annual debt service on the outstanding Bonds. The Minimum Reserve shall be recalculated every year on or about June 1.
Optional Redemption:	The Bonds maturing on and after June 1, 2027, are subject to prior redemption at par at the option of the County, in one or more units of principal of $5,000 on and after June 1, 2026, in whole or in part at any time. If the Bonds are optionally redeemed in part, the Bonds to be so redeemed shall be selected by lot by the Registrar in such manner as the Registrar shall consider appropriate and fair. The redemption price will be the principal amount of each $5,000 unit so redeemed, plus accrued interest thereon to the redemption date.
Additional Bonds:	In addition to the Bonds, additional bonds may hereafter be issued and secured by and paid from the Pledged Revenues on parity with the Bonds. The County will not issue additional bonds payable from the Pledged Revenues with a lien on the Pledged Revenues prior and superior to the lien of the Bonds thereon. Nothing contained in the Bond Ordinance will be construed in such a manner as to prevent the issuance by the County of additional bonds payable from the Pledged Revenues with a lien thereon subordinate and junior to the lien of the Bonds thereon, nor to prevent the issuance of Bonds or other obligations refunding all or part of the Bonds as permitted by the Bond Ordinance. See "ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES" herein.

Outstanding Parity Obligations:	The following are the current outstanding parity obligations: (1) the Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009, presently outstanding in the principal amount of $1,140,000*, (2) the Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A, presently outstanding in the principal amount of $2,860,000*, and (3) the Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B, presently outstanding in the principal amount of $1,290,000*.
Secondary Market Disclosure:	The County will enter into an undertaking (the "Undertaking") for the holders of the Bonds to send certain financial information and operating data to certain information repositories annually and to provide notice to the Municipal Securities Rulemaking Board of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12). See "CONTINUING DISCLOSURE" herein.
Delivery:	The delivery of the Bonds to the Purchaser is expected on or about December 12, 2017.
Paying Agent/Registrar:	Santa Fe County Treasurer, Santa Fe, New Mexico

*Principal amounts of parity obligations following defeasance of the callable portion of the principal of such parity obligations with proceeds of the Bonds.

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OFFICIAL STATEMENT
$25,470,000
SANTA FE COUNTY, NEW MEXICO
Capital Outlay Gross Receipts Tax Refunding Revenue Bonds
Series 2017

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, sets forth certain information in connection with the offering of $25,470,000 aggregate principal amount of the Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017 (the "Bonds"), to provide funds for the defeasance, refunding, refinancing, discharging, payment, and redemption of the principal of and accrued interest on the County's Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009 maturing on and after June 1, 2020, Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A maturing on and after June 1, 2021 and Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B maturing on and after June 1, 2021 (the "Project") to be issued by Santa Fe County, New Mexico, pursuant to Ordinance No. 2017-6, adopted on October 31, 2017 (the "Bond Ordinance").

This introduction is not a summary of this Official Statement. It is only a description of and guide to, and is qualified by, the more complete information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. No person is authorized to detach this "INTRODUCTION" from this Official Statement, or to otherwise use it without the entire Official Statement. This Official Statement has been prepared by the County in connection with the original issuance and sale of the Bonds, and detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page and appendices, is unauthorized.

The Bonds are payable and collectible solely from the Pledged Revenues (as hereinafter defined). The Bonds will be secured by an irrevocable and first lien (but not necessarily an exclusive first lien) on the Pledged Revenues. "Pledged Revenues" means the County Capital Outlay Gross Receipts Tax imposed on persons engaging in business in the County pursuant to Section 7-20E-21 NMSA 1978 and County Ordinance No. 2002-5, which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13 NMSA 1978, and which remittances currently equal one-fourth of one percent (0.250%) of the taxable gross receipts reported by persons engaging in business in the County; provided that if an additional amount of such gross receipts tax revenues or other equivalent funds are hereafter provided to be remitted to the County in connection with the County Capital Outlay Gross Receipts Tax under applicable laws of the State, such additional amounts shall be included as Pledged Revenues

The Bonds are being issued to provide funds for the Project. See "THE PROJECT" herein.

Pursuant to the Bond Ordinance, the County has covenanted not to repeal or amend any law, ordinance, or resolution in a manner that impairs any of the outstanding Bonds.

Additional bonds may hereafter be issued and secured by the Pledged Revenues having a lien on the Pledged Revenues on parity with, or subordinate and junior to, the lien on the Pledged Revenues securing the Bonds. Additional Obligations may not be issued with a lien superior to the lien on the Pledged Revenues securing the Bonds. See "ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES – Outstanding Obligations Secured by Pledged Revenues" herein.

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as in the Bond Ordinance.

THE PROJECT

The Bonds are being issued for the purpose of providing funds for (1) defeasance, refunding, refinancing, discharging, payment, and redemption of the principal of and accrued interest on the County's Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009 maturing on and after June 1, 2020, Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A maturing on and after June 1, 2021 and Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B maturing on and after June 1, 2021; and (2) paying all costs pertaining to the issuance of the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein.

SPECIAL FACTORS RELATING TO THE BONDS

The purchase of the Bonds involves special risks and the Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Bonds and could affect the market price of the Bonds to an extent that cannot be determined at this time. The Bonds may not be suitable investments for all persons and prospective purchasers should evaluate the risks and merits of an investment in the Bonds, and should confer with their own legal and financial advisors before deciding to purchase the Bonds.

Gross Receipts Tax Collections are Subject to Fluctuation

Gross receipts tax collections are subject to the fluctuations in spending related, in part, to national and local economic conditions which influence the amount of gross receipts taxes collected. This causes gross receipts tax revenues to increase along with the increasing prices brought about by inflation, but also causes collections to be vulnerable to adverse economic conditions and reduced spending. The County's economic base and the future collections of Pledged Revenues are directly affected by economic activities in the County. The County's retail sales are affected by general economic circumstances.

The Pledged Revenues are based on the total gross receipts of the County. Various circumstances and developments, most of which are beyond the control of the County, may have an adverse effect on the future level of Pledged Revenues. Such circumstances may include, among others, adverse changes in national and local economic and financial conditions generally, reductions in the rates of employment and economic growth in the County, the State, and the region, a decrease in rates of population growth and rates of residential and commercial development in the County, the State and the region, and various other factors.

Bankruptcy and Foreclosure

The ability and willingness of an owner or operator of business to pay gross receipts taxes may be adversely affected by the filing of a bankruptcy proceeding by the owner. The ability to collect delinquent gross receipts taxes using foreclosure and sale for non-payment of taxes may be forestalled or delayed by bankruptcy, reorganization, insolvency or other similar proceedings affecting the owner or operator of a business. The Federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period. Delays in the exercise of remedies could result in gross receipts tax collections that may be insufficient to pay debt service on bonds when due.

Limited Obligations

The Bonds constitute a first lien (but not necessarily an exclusive first lien) solely on the Pledged Revenues. Therefore, the security for the punctual payment of the principal of and interest on the Bonds is dependent on the County's receipt of the Pledged Revenues in amounts sufficient to meet the debt service requirements of the Bonds. See "SECURITY FOR THE BONDS" and "PLEDGED REVENUES" herein. The Bonds and the interest thereon do not constitute a debt or indebtedness of the County within the meaning of any provision or limitation of the Constitution or laws of the State and do not give rise to a pecuniary liability of the County or a charge against its general credit or taxing power. Further, the Bonds are not obligations of the State, and the owners of the Bonds may not look to the State for payment of the principal of or interest on the Bonds.

Additional Parity Obligations

The County may issue additional Parity Obligations without Bondholder consent, upon meeting coverage or other financial tests. See "ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES" herein. Parity Obligations would have a lien on the Pledged Revenues on parity with the lien thereon of the Bonds. If Pledged Revenues are insufficient to pay debt service on the Parity Obligations in any year, debt service on Parity Obligations will be paid on a proportionate basis among the Bonds and such other Parity Obligations.

State Legislation

The State Legislature of the State of New Mexico (the "Legislature") may amend the laws relating to the levy, calculation and/or the distribution of, or otherwise impacting, the County's gross receipts tax revenues. In some cases, the Legislature has made amendments which negatively impacted the amount of gross receipts tax revenues received by local governments.

In 2004, the Legislature adopted legislation creating a deduction from gross receipts tax for receipts from retail sales of food (not including restaurant sales and certain sales of prepared foods) as defined for federal food stamp program purposes, effective January 1, 2005. The Legislature also created a deduction from gross receipts tax for receipts of licensed medical care providers from Medicare Part C and managed health plans that by contract do not reimburse providers for gross receipts tax, effective January 1, 2005. Taxpayers are required to report receipts from sales of such groceries and then claim the deduction. The statute provides for payments to be made from the State general fund to reimburse local governments for revenues lost as a result of the new deductions (the "Hold Harmless Distributions"). Section 7-1-6.47 NMSA 1978. Those distributions with respect to the County Gross Receipts tax increment included in Pledged Revenues are also included within the Pledged Revenues. As described below, the Hold Harmless Distributions are being phased out over a 15-year period, which period began July 1, 2015.

Phase-out of Hold Harmless Distributions

In 2013, the Legislature enacted House Bill 641, which amended several provisions of New Mexico's tax code, including a phased reduction in the Hold Harmless Distributions to certain municipalities and counties over 15 years beginning July 1, 2015. The portion of the County's Hold

Harmless Distribution that constituted Pledged Revenues for the period July 1, 2016 through June 30, 2017 was $913,578.

The law as currently enacted will result in annual reductions and ultimately the elimination of the Hold Harmless Distributions to the County, which began on July 1 2015, as follows:

Fiscal year beginning July 1	% of Total Hold Harmless Distribution*
2015	94%
2016	88%
2017	82%
2018	76%
2019	70%
2020	63%
2021	56%
2022	49%
2023	42%
2024	35%
2025	28%
2026	21%
2027	14%
2028	7%
2029	-0-

*Based on percentage of total deductions from gross receipts claimed for sale of food at retail food stores and services provided by health care practitioners.

It is possible that the Legislature will further make changes impacting gross receipts taxes. During the Regular Legislative Sessions in 2015, 2016 and 2017, a number of proposed bills were considered which attempted to rescind or otherwise modify the Hold Harmless Gross Receipts Tax. While none of the proposed bills was enacted, interim legislative committees have been tasked with developing approaches for eliminating or reducing the Hold Harmless Gross Receipts Tax. Proposals could include additional decreases in Hold Harmless Distributions in the event that a municipality or county imposes any increment of the Hold Harmless Gross Receipts Tax. There is no assurance that any future revisions to State laws will not adversely affect activities now subject to the gross receipts tax or distribution of gross receipts tax revenues to the County. Notwithstanding the foregoing, the State statute authorizing the imposition of the county hold harmless gross receipts tax includes a provision stating: "Any law that imposes or authorizes the imposition of county hold harmless gross receipts tax or that affects the county hold harmless gross receipts tax, or any law supplemental thereto or otherwise appertaining to, shall not be repealed or amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding revenue bonds that may be secured by a pledge of such county hold harmless gross receipts tax unless such outstanding revenue bonds have been discharged in full or provision has been made therefor." See Section 7-20E-28 NMSA 1978. The County makes a similar covenant in the Bond Ordinance, subject to provisions permitting amendment with consent of owners of a requisite percentage of Bonds.

County Cannot Increase Distribution of Taxes

The County has no control over the rate at which the Pledged Revenues are distributed to the County; the rate of distribution can be increased only by action of the Legislature. Although it is possible that the Legislature will increase the rate of distribution to the County, there is currently no legislation proposed or pending to increase the rate of distribution to the County.

Bond Rating

There is no assurance that the rating assigned to the Bonds will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price or the marketability of the Bonds. See the information herein under the caption "RATING."

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect," and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of Pledged Revenues to pay debt service on the Bonds.

DESCRIPTION OF THE BONDS

General

The Bonds are being issued in the aggregate principal amount of $25,470,000 in order to provide funds for the Project. See "PURPOSE AND PLAN OF FINANCING" herein.

The Bonds will be dated the date of delivery. The Bonds will bear interest from their dated date at the rates, and will mature in the amounts and on the dates, as set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2018. The Bonds will bear interest from the most recent interest payment date to which interest has been fully paid or duly provided for or, if no interest has been paid, from the date of issuance. The Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof.

Payment-Regular Record Date

The principal of any Bond shall be payable to the registered owner thereof as shown on the registration books kept by the County Treasurer (the "Registrar") for the Bonds, upon maturity or prior redemption thereof and upon presentation and surrender at the office of the County Treasurer (the "Paying Agent"). If any Bond shall not be paid upon such presentation and surrender at or after maturity or on a designated prior redemption date on which the County may have exercised its right to prior redeem any Bond, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on any Bond will be made by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the fifteenth (15^{th}) day of the calendar month (whether or not a business day) preceding each regularly scheduled interest payment date on the Bonds (the "Regular Record Date") at the address as it last appears on the registration books with respect to the Bonds on the Regular Record Date (or by such other arrangements as may be mutually agreed to by the Paying Agent and any registered owner on such Regular Record Date) notwithstanding any transfer or exchange thereof subsequent to such Regular Record Date and prior to such interest payment date. Any interest not so timely paid or duly provided for will cease to be payable as described above and will be payable to the person in whose name any Bond is registered at the close of business on a special record date to be fixed by the Registrar (the "Special Record Date") whenever moneys become available for payment of any such defaulted interest. Notice of the Special Record Date will be given not less than ten (10) days prior thereto, by first-class mail, to the registered owners of the Bonds.

All payments of principal and interest on the Bonds will be made in lawful money of the United States of America. The County and the Registrar may treat the registered owner of a Bond as the absolute owner thereof for all purposes except as otherwise provided in the Bond Ordinance with respect to the Regular Record Date and the Special Record Date for the payment of interest. Payment of or on account of either principal or redemption price or interest on any Bond will be made only to or upon the written order of the registered owner thereof or his legal representative. All such payments will be valid and effectual to discharge the liability upon the Bond to the extent of the sum or sums so paid.

Optional Redemption of Bonds

The Bonds maturing on or after June 1, 2027 are subject to prior redemption at the County's option in one or more units of principal of $5,000 on and after June 1, 2026 in whole or in part at any time, in such order of maturities as the County may determine (and by lot if less than all Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as considered appropriate and fair) for the principal amount of each $5,000 unit of principal so redeemed plus accrued interest to the redemption date. Redemption shall be made upon prior notice mailed to each registered owner of each Bond selected for redemption as shown on the registration books kept by the Registrar in the manner and upon the conditions provided in the Bond Ordinance

Redemption Procedures

Notice of redemption shall be given by the Registrar by sending a copy of such notice in the manner required by the Depository Trust Corporation or by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth (5^{th}) day prior to the mailing of notice on the registration books kept by the Registrar. The County shall give notice of optional redemption of the Bonds to the Registrar at least forty-five (45) days prior to the redemption date (unless such deadline is waived by the Registrar). The Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and, if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and, if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the County.

Conditional Redemption

If money or defeasance obligations sufficient to pay the optional redemption price of the Bonds to be called for optional redemption are not on deposit with the Paying Agent prior to the giving of notice of optional redemption referred to above, such notice shall state such Bonds will be redeemed in whole or in part on the optional redemption date in a principal amount equal to that part of the optional redemption price received by the Paying Agent on the applicable optional redemption date. If the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the optional redemption price is on deposit with the Paying Agent. If all Bonds called for optional redemption cannot be redeemed, the Bonds to be redeemed shall be selected in the manner deemed reasonable and fair by the County and the Registrar shall give notice, in the manner in which the original notice of optional redemption was given, that such money was not received. In that event, the Registrar shall promptly return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof which have not been optionally redeemed.

Registration, Transfer and Exchange of Bonds

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

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

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

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

Book-Entry System

Unless otherwise noted, the information contained under the caption "General" below has been provided by DTC. The County makes no representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Bonds should confirm the following information with DTC, the Direct Participants, or the Indirect Participants.

NEITHER THE COUNTY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE BOND ORDINANCE; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Bonds will be issued in book entry form. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The County undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on that website as described in the preceding sentence, including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the Bonds under the DTC system must be made by or through Direct or Indirect Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC will mail an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and sinking fund and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, on each payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the date payable. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC or the Paying Agent, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Ordinance.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered as described in the Bond Ordinance.

The County cannot and does not give any assurances that DTC will distribute to Participants, or that Participants or others will distribute to the Beneficial Owners, payments of principal of and interest and premium, if any, on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The County is not responsible or liable for the failure of DTC or any Direct Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

The foregoing description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments with respect to the Bonds to Direct Participants, Indirect Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in such Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the Direct Participants, the Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the Participants, as the case may be.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The information in this Official Statement concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source of Payment

The Bonds are payable and collectible solely from the Pledged Revenues, with a first lien (though not necessarily an exclusive first lien) on the Pledged Revenues on parity with the lien thereon of Parity Obligations. See "SECURITY FOR THE BONDS" herein.

All of the Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Pledged Revenues, which are irrevocably so pledged by the Bond Ordinance. The registered owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the County; and each of the Bonds shall recite that it is payable and collectible solely from the Pledged Revenues, the income from which is so pledged, and that the registered owners thereof may not look to any general or other fund for the payment of principal and interest on the Bonds.

Funds and Accounts

The Bond Ordinance creates or continues a Revenue Fund, a Debt Service Fund, and a Reserve Fund, and authorizes the creation of a Refunding Escrow Account pursuant to an Escrow Agreement for the Project.

Disposition of Bond Proceeds

The Bond Ordinance provides that proceeds from the sale of the Bonds shall be applied by the County simultaneously with the delivery of the Bonds to the Purchaser in the following manner and priority:

Accrued Interest. First, all moneys received as accrued interest shall be deposited into the Debt Service Fund to apply on the payment of interest next due on the Bonds.

Expenses. Second, an amount necessary to pay Expenses shall be used for payment of the Expenses in compliance with applicable law.

Refunding Escrow Deposit. Third, the amount specified in the Escrow Agreement shall be deposited to the Refunding Escrow Account and applied as provided in the Escrow Agreement.

Reserve Fund. No deposit of proceeds of the Bonds or other County moneys into the Reserve Fund shall be required on the date of issuance of the Bonds or at any time thereafter, except in the circumstances and on the conditions described in the Bond Ordinance.

Deposit of Pledged Revenues and Flow of Funds

So long as any Bonds are outstanding, the Pledged Revenues shall, immediately upon receipt thereof by the County, be set aside and deposited into the Revenue Fund. All money deposited into the Revenue Fund shall be held separate and apart from the County's general fund and applied only in accordance with the provisions of the Bond Ordinance and any other County ordinance authorizing the issuance of Parity Obligations.

(A) Debt Service Fund. As a first charge on the Revenue Fund, the following amounts shall be withdrawn from the Revenue Fund and shall be credited to the Debt Service Fund:

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

(2) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the next maturing installment of principal of the outstanding Bonds and monthly thereafter, commencing on each principal payment date, one-twelfth (1/12) of the amount necessary to pay the next maturing installment of principal on the Bonds then outstanding.

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

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

(D) Payment of Parity Obligations. Concurrently with the payment of the Pledged Revenues as described in subparagraphs (A), (E) and (G) under the heading "Deposit of Pledged Revenues and Flow of Funds," any amounts on deposit in the Pledged Revenue Fund shall be used by the County for the payment of principal of, interest on and debt service reserve fund deposits relating to Parity Obligations, if any, authorized to be issued and payable from the Pledged Revenues, as applicable, as the same accrue. If funds on deposit in the Pledged Revenue Fund are not sufficient to pay when due the required payments of principal of, interest on and debt service reserve fund deposits relating to the Bonds and any outstanding Parity Obligations, then the available funds in the Pledged Revenue Fund will be used, first, on a pro rata basis, based on the amount of principal and interest then due with respect to each series of outstanding Parity Obligations, for the payment of principal of and interest on all series of outstanding Parity Obligations and, second, to the extent of remaining available funds in the Pledged Revenue Fund on a pro rata basis, based on the amount of debt service reserve fund deposits then required with respect to each series of outstanding Parity Obligations, for the required debt service reserve fund deposits for all series of outstanding Parity Obligations.

(E) Reserve Fund. No deposit shall be required in the Reserve Fund so long as the Pledged Revenues in each Fiscal Year equal or exceed 125% of the maximum annual principal and interest coming due in any subsequent Fiscal Year on all outstanding Parity Bonds. If the Pledged Revenues in any Fiscal Year are insufficient to meet the test set forth in the preceding sentence, the County shall acquire a Reserve Fund Insurance Policy in an amount equal to the Minimum Reserve or shall begin making substantially equal monthly deposits in the Reserve Fund from the first legally available Pledged Revenues so that after 24 months an amount equal to the Minimum Reserve will be held in the Reserve Fund. Notwithstanding anything to the contrary set forth in the Bond Ordinance, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Bonds. After funding the Reserve Fund in an amount equal to the Minimum Reserve, no additional payments need be made into the Reserve Fund so long as the moneys therein shall equal not less than the Minimum Reserve. The moneys in the Reserve Fund shall be accumulated and maintained as a continuing reserve to be used, except as hereinafter provided in paragraph F of this Section, only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from failure to deposit into the Debt Service Fund sufficient funds to pay the principal and interest as the same accrue.

(F) Termination Upon Deposits to Maturity. No payment need be made into the Debt Service Fund, the Reserve Fund, or both, if the amount in such funds (excluding the amount of any Reserve Fund Insurance Policy) totals a sum at least equal to the entire amount of Bonds then outstanding, both as to principal and interest to their respective maturities, and both accrued and unaccrued, in which case, moneys in the Debt Service Fund and Reserve Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue and any moneys in excess thereof in the Debt Service Fund and Reserve Fund and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the County.

(G) Defraying Delinquencies in Debt Service Fund and Reserve Fund. If, in any month, the County shall, for any reason, fail to pay into the Debt Service Fund the full amount above stipulated from the Pledged Revenues, then an amount shall be paid into the Debt Service Fund in such month from the Reserve Fund (if moneys are then on deposit in the Reserve Fund) equal to the difference between that paid from the Pledged Revenues and the full amount so stipulated. If the moneys paid into the Debt Service Fund from the Reserve Fund are not equal to the amount required to be paid into the Debt Service Fund for such month, then in the following month, an amount equal to the difference between the amount paid and the amount required shall be deposited into the Debt Service Fund, in addition to the normal payment required to be paid in such month, from the first Pledged Revenues thereafter received and not required to be otherwise applied. The money deposited in the Debt Service Fund from the Reserve Fund, if any, shall be replaced in the Reserve Fund from the first Pledged Revenues thereafter received not required to be otherwise applied. If, in any month, the County shall, for any reason, fail to pay into the Reserve Fund the full amount required, the difference between the amount paid and the amount so stipulated shall in a like manner be paid therein from the first Pledged Revenues thereafter received and not required to be otherwise applied. The moneys in the Reserve Fund shall be used solely and only for the purpose of paying any deficiencies in the payment of the principal of and the interest on the Bonds; provided, however, that any moneys at any time in excess of the Minimum Reserve in the Reserve Fund may be withdrawn therefrom and applied to any other lawful purpose. Cash accumulated in the Reserve Fund shall not be invested in a manner which could cause the Bonds to become arbitrage bonds within the meaning of the Code. Any investments held in the Reserve Fund shall be valued annually, on or about June 1, at their current fair market value and, if the amount then on deposit in the Reserve Fund exceeds the Minimum Reserve, all amounts in excess of the Minimum Reserve shall be transferred to the Debt Service Fund and used to pay principal of and interest on the Bonds.

(H) Interest on and Expenses relating to any Reserve Fund Insurance Policy Draws. Subordinate and subsequent to the payments required as described in subparagraph (A), and subject to the terms described in subparagraphs (D) and (E) above, Pledged Revenues shall be used to pay interest on amounts advanced under any Reserve Insurance Policy and reasonable expenses relating thereto under, and in accordance with, any agreement relating to any Reserve Fund Insurance Policy.

(I) Use of Surplus Pledged Revenues. After making all the payments described under the heading "Deposit of Pledged Revenues and Flow of Funds" above, the remaining Pledged Revenues, if any, may be applied to any other lawful purpose, as the County may from time to time determine.

General Administration of Funds

Pursuant to the Bond Ordinance, the funds designated above shall be administered and invested as follows:

(A) Places and Times of Deposits. The funds shall be separately maintained as a trust fund or funds for the purposes established and shall be deposited in one or more bank accounts in an Insured Bank or Bank. Each account shall be continuously secured to the extent required by law and shall be irrevocable and not withdrawable by anyone for any purpose other than the designated purpose. Payments shall be made into the proper account on the first day of the month except when the first day shall not be a Business Day, then payment shall be made on the next succeeding Business Day. No later than four Business Days prior to each Interest Payment Date, moneys sufficient to pay interest and principal then due on the Bonds shall be transferred to the Paying Agent. Nothing in this Ordinance shall prevent the County from establishing one or more bank accounts in an Insured Bank or Banks for all the funds required by this Ordinance or shall prevent the combination of such funds and accounts with any other bank account or accounts for other funds and accounts of the County.

(B) Investment of Moneys. Moneys in any fund or account not immediately needed may be invested in any investment permitted by law. Investments of amounts in the Reserve Fund, if any, shall have maturities not exceeding five years from their date of acquisition and their value shall be determined annually at the end of each Fiscal Year or more frequently if required by accounting standards applicable to the County. The obligations so purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, and any loss resulting from such investment shall be charged to such fund or account. The County Treasurer shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund or account whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

Lien on Pledged Revenues

The Bond Ordinance provides that the Pledged Revenues and the amounts and securities on deposit in the Debt Service Fund, and the proceeds thereof, are authorized to be pledged to, and are thereby pledged, and that the County grants a security interest therein for, the payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, this Ordinance. The Bonds constitute an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of Parity Obligations.

Default, Remedies and County Duties

Each of the following events is declared in the Bond Ordinance to be an "Event of Default":

(A) Failure to pay the principal of any of the Bonds when the same becomes due and payable, either at maturity or otherwise; or

(B) Failure to pay any installment of interest when the same becomes due and payable; or

(C) Default by the County in the due and punctual performance of its covenants or conditions, agreements, and provisions contained in the Bonds or in this Ordinance on its part to be performed, and the continuance of such default (other than a default set forth in subparagraphs A and B of this Section) for sixty (60) days after written notice specifying such default and requiring the same to be remedied has been given to the County by the holders of twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding; or

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

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

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

Defeasance

When all principal and interest in connection with the Bonds have been duly paid, the pledge and lien for the payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of the Ordinance. Payment shall be deemed made with respect to any Bond or Bonds when the County has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities) to meet all requirements of principal and interest as the same become due to their final maturities. Any Federal Securities shall become due when needed in accordance with a schedule agreed upon between the County and such bank at the time of the creation of the escrow.

Amendment of Bond Ordinance

The Bond Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained in the Bond Ordinance. Prior to the date of the initial delivery of the Bonds to the Purchaser, the provisions of the Bond Ordinance may be amended with the written consent of the Purchaser with respect to any changes which are not inconsistent with the substantive provisions of the Bond Ordinance. Except as provided above, the Bond Ordinance may be amended without receipt by the County of any additional consideration, but with the written consent of the holders of three-fourths (3/4ths) of the Bonds then outstanding (not including Bonds which may be held for the account of the County); but no ordinance adopted without the written consent of the holders of all outstanding Bonds shall have the effect of permitting:

(A) An extension of the maturity of any Bond; or

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

(C) The creation of a lien upon the Pledged Revenues ranking prior to the lien or pledge created by the Bond Ordinance; or

(D) A reduction of the principal amount of Bonds required for consent to such amendatory ordinance; or

(E) The establishment of priorities as between Bonds issued and outstanding under the provisions of the Bond Ordinance; or

(F) The modification of or otherwise affecting the rights of the holders of less than all the outstanding Bonds.

SECURITY FOR THE BONDS

Pledge and Security

Subject to the uses permitted by, and the priorities set forth in the Bond Ordinance, the County will pledge and grant a security interest in the Pledged Revenues and the amounts and securities on deposit in the Debt Service Fund and the Reserve Fund (if funded) and the proceeds thereof are pledged to, and the County will grant a security interest therein, for the payment of principal of and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, the Bond Ordinance. The Bonds constitute an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth in the Bond Ordinance.

Special Limited Obligations

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

PURPOSE AND PLAN OF FINANCING

Purpose

The net proceeds received by the County from the sale of the Bonds, together with other available funds of the County, will be used to provide funds for the Project. See "THE PROJECT" herein.

Sources and Uses of Funds

The sources and uses for the Bonds are as follows:

SOURCES OF FUNDS	
Par Amount of Bonds	$25,470,000.00
Net Original Issue Premium (Discount) on the Bonds	3,151,667.50
TOTAL SOURCES	$28,621,667.50

USES OF FUNDS	
Deposit to Refunding Escrow Account	$28,162,005.97
Costs of Issuance(1)	459,661.53
TOTAL USES	$28,621,667.50

(1) Includes legal fees and other miscellaneous costs and contingencies.

ANNUAL DEBT SERVICE SUMMARY

The following table sets forth for each fiscal year from 2018 through 2030 the amounts required in each such fiscal year to pay scheduled annual debt service on the Bonds, as well as the debt service coverage ratio, based on unaudited fiscal year 2017 Pledged Revenues.

Santa Fe County, New Mexico
Debt Service/Coverage

Year Ending June 30	Series 2009 Bonds	Series 2010A Bonds	Series 2010B Bonds	Series 2017 Bonds	Total Debt Service	Estimated Pledged Revenues[1]	Coverage Ratio
2018	$ 583,500	$ 972,200	$ 440,800	$ 501,673	$ 2,498,173	$10,012,010	4.01x
2019	614,250	1,032,800	465,000	1,062,150	3,174,200	9,950,213	3.13x
2020	-	1,029,600	462,800	1,541,850	3,034,250	9,888,415	3.26x
2021	-	-	-	3,037,100	3,037,100	9,816,317	3.23x
2022	-	-	-	3,031,350	3,031,350	9,744,220	3.21x
2023	-	-	-	3,030,850	3,030,850	9,672,122	3.19x
2024	-	-	-	3,035,100	3,035,100	9,600,025	3.16x
2025	-	-	-	3,033,600	3,033,600	9,527,927	3.14x
2026	-	-	-	3,031,350	3,031,350	9,455,830	3.12x
2027	-	-	-	3,033,100	3,033,100	9,383,732	3.09x
2028	-	-	-	3,032,250	3,032,250	9,311,635	3.07x
2029	-	-	-	3,034,000	3,034,000	9,239,537	3.05x
2030	-	-	-	3,028,200	3,028,200	9,167,440	3.03x
Total	$1,197,750	$3,034,600	$1,368,600	$33,432,573	$39,033,523		

[1] Pledged Revenues are based on unaudited capital outlay gross receipts tax collections for fiscal year ending June 30, 2017 and projected hold harmless distribution reductions in FY 2018 through 2030. There is no assurance that Pledged Revenues received in the future will equal the Pledged Revenues used in coverage computations. See "PLEDGED REVENUES" herein.

PLEDGED REVENUES

The Bonds are special obligations of the County payable from the Pledged Revenues and moneys in the Debt Service Fund and Reserve Fund created under the Bond Ordinance. The Bonds have a first lien, but not necessarily an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of any Parity Bonds now or subsequently outstanding. "Pledged Revenues" means the County Capital Outlay Gross Receipts Tax imposed on persons engaging in business in the County pursuant to Section 7-20E-21, NMSA 1978 and County Ordinance No. 2002-5, which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13, NMSA 1978, and which remittances currently equal one-fourth of one percent (0.250%) of the taxable gross receipts reported by persons engaging in business in the County; provided that if an additional amount of such gross receipts tax revenues or other equivalent funds are hereafter provided to be remitted to the County in connection with the County Capital Outlay Gross Receipts Tax under applicable laws of the State, such additional amounts shall be included as Pledged Revenues pursuant to the Bond Ordinance

Taxed Activities

For the privilege of engaging in business in the State, the gross receipts tax is imposed upon any person engaging in business in the County. "Gross Receipts" is defined in the Gross Receipts and Compensating Tax Act as the total amount of money or value of other consideration received from selling property in the State (including tangible personal property handled on consignment in the State), from leasing property employed in the State, from selling certain research and development services performed outside the State the product of which is initially used in the State, and from performing services in the State.

Exemptions and Deductions

Some activities and industries are exempt from the gross receipts tax, many by virtue of their taxation under other laws. Exemptions include but are not limited to receipts of governmental agencies and certain organizations (some of which are taxable by the State, with no local distribution), receipts from the sale of vehicles, occasional sales of property or services, wages, certain agricultural products, dividends, receipts from the sale of prescription drugs and certain federal government paid medical expenses, and interest and receipts from the sale of or leasing of natural gas, oil or mineral interests. Various deductions are also allowed, including, but not limited to, receipts from various types of sales or leases of tangible personal property or services, receipts from sales to governmental agencies or certain organizations, receipts from processing certain agricultural products, receipts from certain publication sales, certain receipts from interstate commerce transactions and receipts from the sale of certain food and certain medical services. In spite of the numerous specified exemptions and deductions from gross receipts taxation, the general presumption is that all receipts of a person engaging in business in the County are subject to the gross receipts tax.

Administration of the Tax

Businesses must make their payments of gross receipts tax on or before the twenty-fifth day of each month for taxable events in the prior month. Collection of the gross receipts tax is administered by the Revenue Division of the Taxation and Revenue Department of the State (the "Revenue Division"), pursuant to Section 7-1-6 NMSA 1978. Collections are first deposited into a suspense fund for the purpose of making disbursements for refunds, among other items. The Revenue Division remits monthly to counties, including the County, the moneys derived from the gross receipts tax, less applicable deductions and disbursements, attributable to the gross receipts tax of businesses located in the County.

Legislative Changes

Revisions to laws of the State affecting taxed activities and distributions of gross receipts tax revenues could be adopted in the future by the State Legislature. Proposals affecting taxed activities and distributions are frequently considered by the State Legislature. There is no assurance that any future revisions to State laws will not adversely affect activities now subject to the gross receipts tax or distribution of gross receipts tax revenues to the County. See "SPECIAL FACTORS RELATING TO THE BONDS – State Legislation" herein.

Remedies for Delinquent Taxes

The Department may assess gross receipts taxes to a taxpayer who has not paid the taxes due to the State. If any taxpayer to whom gross receipts taxes have been assessed does not make payment (or protest the assessment or furnish security for payment) before 30 days after the date of the assessment, the taxpayer becomes a delinquent taxpayer. A delinquent taxpayer remains delinquent until payment of all taxes due, including interest and penalties, or until security is furnished for the payment. The Department may, under certain circumstances, enter into an agreement with a delinquent taxpayer to permit monthly installment payments for a period of not more than 60 months. Interest is due on any delinquent taxes from the first day following the day on which it is due at the rate of 15.0% per year, computed on a daily basis until paid, without regard to any installment agreement. However, if the gross receipts taxes are paid within 10 days after the demand is made, no interest accrues.

The Department may levy upon all property or rights to property of a delinquent taxpayer and sell the same in order to collect all the delinquent tax. The amount of delinquent gross receipts taxes is also a lien in favor of the State upon all property and rights to property of the delinquent taxpayer, which lien may be foreclosed as provided by the State statutes.

¼ Percent Increment Gross Receipts Tax Report. Set forth below is a 5-year history of the Capital Outlay Gross Receipts Tax Revenues received by the County which are derived from the 1/4 of one percent Capital Outlay Gross Receipts Tax increments imposed by the County.

Fiscal Year Ended June 30	Capital Outlay Gross Receipts Tax Rate	Capital Outlay Gross Receipts Tax Revenues(1)	Percent Increase (Decrease)
2017*	0.25%	$10,081,018	1.01%
2016	0.25%	9,980,419	3.58%
2015	0.25%	9,635,152	1.12%
2014	0.25%	9,528,695	5.17%
2013	0.25%	9,060,278	0.22%

Source: Santa Fe County Financial Director.
(1) Does not include other gross receipts taxes imposed by the County, which are not part of Pledged Revenues and, other than Fiscal Year Ended June 30, 2017, does not reflect the phase-out of Hold Harmless Distributions. See "SPECIAL FACTORS RELATING TO THE BONDS—State Legislation- *Phase-out of Hold Harmless Distributions"* herein.
*Unaudited.

Other Gross Receipts Taxes (not pledged)

The County also imposes certain other gross receipts taxes which are not pledged to the repayment of the Bonds. These include the 0.4375% County Gross Receipts Tax; the 0.125% County Infrastructure Gross Receipts Tax; the 0.250% Emergency Communications and Medical Services Gross

Receipts Tax; the 0.0625% County Health Care Gross Receipts Tax; the 0.125% Corrections Gross Receipts Tax; the 0.125% County Environmental Gross Receipts Tax; the 0.250% County Fire Gross Receipts Tax; and the 0.125% County Regional Transportation Gross Receipts Tax. The total gross receipts tax rate within the unincorporated area of the County is 7.000% (combined State (5.125%) and County (1.875%) gross receipts tax rates). The total gross receipts tax rate within other areas of the County ranges from 7.000% to 8.9375%. The current Gross Receipts Tax Rate Schedule for the various areas within the County (and the rest of the State) is available at http://www.tax.newmexico.gov/gross-receipts-tax-historic-rates.aspx.

Gross Receipts Reported by Standard Industrial Classification

The following represents total taxable gross receipts reported in the County for the last five fiscal years, by Standard Industrial Classification, as well as the total gross receipts reported in the County:

	Fiscal Year Ended June 30				
Santa Fe County	2013	2014	2015	2016	2017*
Agriculture, Forestry, Fishing and Hunting	$ 8,480,487	$ 8,063,354	$ 9,058,940	$ 8,133,391	$ 5,182,853
Mining	1,022,661	1,290,287	1,284,505	1,624,705	531,345
Utilities	158,842,159	159,839,897	171,543,810	172,351,258	103,611,272
Construction	436,951,021	482,857,008	482,277,569	483,115,987	329,510,594
Manufacturing	60,585,771	69,803,532	70,083,665	61,276,318	41,346,839
Wholesale Trade	49,698,986	56,660,045	77,125,697	68,185,241	44,153,559
Retail Trade	987,387,082	1,002,372,207	1,169,372,861	1,066,936,366	704,199,152
Transportation and Warehousing	9,214,685	9,144,268	12,450,393	15,456,124	12,470,172
Information	197,371,433	210,570,358	216,345,790	210,392,884	137,144,576
Finance and Insurance	39,892,557	43,479,466	48,356,700	45,370,327	29,587,941
Real Estate Rental and Leasing	84,425,302	86,021,402	109,128,731	104,399,182	74,443,283
Professional, Scientific, and Technical Services	294,436,844	304,207,877	337,689,124	321,854,351	228,923,960
Management of Companies and Enterprises	7,091,523	5,777,816	5,552,131	4,298,421	2,548,219
Administration/Support/Waste Management	31,569,387	33,592,801	39,613,459	40,039,486	31,837,557
Educational Services	19,801,096	24,289,360	30,628,422	27,626,164	17,373,976
Health Care and Social Assistance	154,899,099	168,526,263	203,822,180	183,542,306	129,329,202
Arts, Entertainment, and Recreation	29,091,040	31,375,703	37,741,280	45,573,491	37,244,632
Accommodation and Food Services	414,036,667	447,145,049	556,642,687	514,258,496	337,781,845
Other Services (except Public Administration)	377,380,882	379,912,588	433,450,770	369,784,225	276,314,661
Public Administration	1,624,200	1,870,790	1,957,851	2,449,562	1,670,138
Unclassified	7,423,591	23,555,770	29,571,445	40,887,515	15,048,170
Total Taxable	$ 3,371,226,473	$ 3,550,355,839	$ 4,043,698,010	$ 3,787,555,801	$ 2,560,253,947
Total Reported	$ 5,884,347,250	$ 6,071,042,365	$ 6,667,684,125	$ 6,185,403,050	$ 4,183,335,153
State of New Mexico					
Total Taxable	$49,947,373,946	$51,174,138,495	$59,811,838,324	$52,727,453,839	$34,045,165,890

Source: New Mexico Taxation and Revenue Department (RP-80 Quarterly Reports).
* Through First Quarter 2017.

Historical Total Gross Receipts Reported For County and State

The following table shows the gross receipts generated (both in retail trade only and in total) in the County and the State for the last five fiscal years. For the purposes of this table, gross receipts means the total amount of money received from selling property within the State, from leasing property located in the State and from performing services in the State. Gross Receipts includes, among other things, food sales and services such as legal and medical services.

	Santa Fe County		State of New Mexico	
Fiscal Year	Total	Retail Trade	Total	Retail Trade
2017*	$4,183,335,153	$1,392,277,549	$ 68,808,348,917	$16,322,218,796
2016	6,185,403,050	2,136,907,970	108,784,679,530	24,532,529,977
2015	6,667,684,125	2,300,270,704	119,726,977,705	27,481,308,742
2014	6,071,042,365	2,139,843,625	107,584,699,939	24,395,913,091
2013	5,884,347,250	1,877,184,451	106,300,014,071	23,873,876,704

Source: New Mexico Taxation and Revenue Department (RP-80 Quarterly Reports).
* Through First Quarter 2017.

Historical Taxable Gross Receipts Reported For County and State

Fiscal Year Ended June 30	Taxable Gross Receipts Reported in Santa Fe County	Taxable Gross Receipts Reported in the State of New Mexico
2017*	$2,560,253,947	$34,045,165,890
2016	3,787,555,801	52,727,453,839
2015	4,043,698,010	59,811,838,324
2014	3,550,355,839	51,174,138,495
2013	3,371,226,473	49,947,373,946

Source: New Mexico Taxation and Revenue Department (RP-80 Quarterly Reports).
* Through First Quarter 2017.

ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES

Other Liens

Following the defeasance of the Refunded Series 2009 Bonds, the Refunded 2010A Bonds and the Refunded 2010B Bonds with proceeds of the Bonds, at the time of delivery of the Bonds, the County will have the following outstanding Parity Obligations*:

GRT Bonds Series	Original Issue	Outstanding Principal	Final Maturity
2009	$12,090,000	$1,140,000	June 1, 2019
2010A	31,740,000	2,860,000	June 1, 2020
2010B	11,415,000	1,290,000	June 1, 2020
TOTAL		**$5,290,000**	

*The Bond Ordinance provides that the Unrefunded 2009 Bonds, the Unrefunded 2010A Bonds and the Unrefunded 2010B Bonds (the "Unrefunded Bonds") shall be secured with a lien on the Pledged Revenues on parity with the lien thereon of the Bonds, which pledge shall supersede the partial pledge of Capital Outlay Gross Receipts Tax revenues that had previously secured the Unrefunded Bonds.

Parity Bonds Test

The Bond Ordinance does not prevent the issuance of additional Parity Obligations payable from and constituting a lien upon the Pledged Revenues on parity with the lien of the Bonds.

(A) Before any additional Parity Obligations are actually issued, it must be determined that:

(1) The County is then current in the accumulation of all amounts which are required to have then been accumulated in the Debt Service Fund as required by the Bond Ordinance; and

(2) The requirements described in either of the following subparagraphs (a) or (b) of this subparagraph (A)(2) are met and a certificate or opinion as provided for in Paragraph (B) below has been obtained:

(a) The annual Pledged Revenues for the Fiscal Year immediately preceding the date of the ordinance authorizing the issuance of any Parity Bonds shall have been sufficient to pay an amount representing at least one hundred fifty percent (150%) of the maximum annual principal and interest coming due in subsequent Fiscal Years on (1) the outstanding Bonds, (2) other outstanding Parity Obligations payable from and constituting a lien upon the Pledged Revenues, and (3) the Parity Obligations proposed to be issued, excluding reserves therefor; or

(b) If, during the period beginning on the first day of the completed Fiscal Year immediately preceding the date of the ordinance authorizing the issuance of the Parity Obligations proposed to be issued and ending on the date of such ordinance, a change in the rate of Pledged Revenues has been adopted by law, the estimate of the Pledged Revenues (sometimes herein the "Estimated Revenues"), determined by changing the actual Pledged Revenues for the preceding Fiscal Year by the percentage of rate increase or decrease in the gross receipts tax rate, shall have been sufficient to pay an amount representing at least one hundred fifty percent (150%) of the maximum annual principal and interest coming due in subsequent Fiscal Years on (1) the outstanding Bonds, (2) other outstanding Parity Obligations payable from and constituting a lien upon the Pledged Revenues, and (3) the Parity Obligations proposed to be issued, excluding reserves therefor. The preceding Fiscal Year shall be determined as aforesaid from the date of adoption of the ordinance authorizing the issuance of additional Parity Obligations and shall not be determined from the date of publication of such ordinance or adoption of any ordinance which amends or supplements such ordinance.

(B) Certification or Opinion Regarding Revenues. A written certificate or opinion by an Independent Accountant or the County Treasurer that the Pledged Revenues or the Estimated Revenues, when determined as provided in Paragraph (A) above, are sufficient to pay the required amounts under the applicable test in Paragraph (A) above, shall conclusively determine the right of the County to issue additional Parity Obligations. The Independent Accountant or the County Treasurer may utilize the results of any annual audit to the extent it covers the applicable period.

(C) Subordinate Obligations Permitted. Nothing in the Bond Ordinance shall prevent the County from issuing bonds or other obligations payable from the Pledged Revenues and having a lien on the Pledged Revenues subordinate to the lien of the Bonds.

(D) Superior Obligations Prohibited. The Bond Ordinance provides that the County shall not issue any obligation having a lien on the Pledged Revenues which is prior and superior to the Bonds.

Refunding Bonds

The provisions concerning the issuance of additional bonds payable from Pledged Revenues in the Bond Ordinance are subject to the following exceptions:

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

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

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

(2) The refunding obligations are issued in compliance with the provisions described in Paragraph (A) under the heading "ADDITIONAL BONDS PAYABLE FROM PLEDGED REVENUES – Parity Bonds Test" above.

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

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

(2) The refunding bonds or other refunding obligations are issued in compliance with the provisions described in Paragraph (A) under the heading "ADDITIONAL BONDS PAYABLE FROM PLEDGED REVENUES – Parity Bonds Test" above.

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

Equality of Parity Bonds

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

COUNTY COVENANTS IN THE BOND ORDINANCE

The County covenants in the Bond Ordinance, among other things, that:

Use of Bond Proceeds. The County will proceed without delay to apply the proceeds of the Bonds as set forth in the Bond Ordinance.

Payment of Bonds. The County will promptly pay the principal of and the interest on every Bond at the place, on the date and in the manner specified in the Bond Ordinance and in the Bonds according to the true intent and meaning of the Bond Ordinance.

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

Extension of Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the County will not directly or indirectly extend or assent to the extension of time for the payment of any claim for interest on any of the Bonds, and the County will not directly or indirectly be a party to or approve any arrangements for any such extension. If the time for payment of any such interest shall be extended, such installment or installments of interest, after such extension or arrangement, shall not be entitled in case of default hereunder to the benefit or security hereof, except subject to the prior payment in full of the principal of all Bonds hereunder and then outstanding and of the matured interest on such Bonds, the payment of which has not been extended.

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

Audits and Budgets. The County will, within two hundred and seventy (270) days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged Revenues to be commenced by an Independent Accountant showing the receipts and disbursements in connection with such revenues. The County agrees to furnish forthwith a copy of each such audits and reports to the Purchaser and the holder of any of the Bonds at its written request.

Other Liens. Other than as described and identified by the Bond Ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues. The Bond Ordinance does not prohibit the issuance of Parity Obligations with a lien on the Pledged Revenues on parity with the lien thereon of the Bonds consistent with the requirements herein

Duty to Impose Capital Outlay Gross Receipts Tax. If State law or any County ordinance or part thereof, which in any manner affects the Pledged Revenues shall ever be held to be invalid or unenforceable, it shall be the duty of the County to take any legally permissible action necessary to produce sufficient Pledged Revenues to comply with the contracted obligations of the Bond Ordinance, except as is provided in Paragraph I of this Section.

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

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

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

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

Tax Covenants. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. The Chairperson of the Governing Body and other officers of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The County covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield on investment property acquired with those proceeds, (iii) make timely rebate payments to the federal government, if required, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chairperson of the Governing Body and appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, if any, as may be required or appropriate to assure such exclusion of that interest.

Rebate Fund. In furtherance of the covenants set forth in the preceding paragraph, the County hereby establishes a fund separate from any other funds established and maintained hereunder designated as the Rebate Fund. Money and investments in the Rebate Fund shall not be used for the payment of the Bonds and amounts credited to the Rebate Fund shall be free and clear under any pledge under the Bond Ordinance. Money in the Rebate Fund shall be invested pursuant to the procedures in the manner provided in Section 19(B) of the Bond Ordinance for investment of money, and all amounts on deposit in the Rebate Fund shall be held by the County, or a designated trustee, in trust, to the extent required to pay rebatable arbitrage to the United States of America. The County shall unconditionally be entitled to accept and rely upon the recommendation, advice, calculation and opinion of an accounting firm or other person or firm with knowledge of or experience in advising with respect to the provisions of the Code relating to rebatable arbitrage. The County shall remit all rebate installments and the final rebate payment to the United States of America as required by the provisions of the Code. Any moneys remaining in the Rebate Fund after redemption and payment of all the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and remitted to the County.

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

THE COUNTY

General

Santa Fe County (pop. 144.170, estimated 2010) is located in north central New Mexico and occupies a land area of 1,909 square miles. The City of Santa Fe, which is the state capital and a popular tourist community, is located within the County. Also located in the County are a variety of Native American Pueblos, agricultural villages, bedroom communities and ranching communities, spread over terrain that includes river valleys and mountain ranges. Forty percent of the land within the County is comprised of federal land (Native American, National Forest and Bureau of Land Management). The County offers year-round tourism possibilities, with a dry climate, national parks and forests, and historic landmarks as the principal attractions.

The economy of the County is based upon government and related activities, retail trade, tourism, arts and entertainment, and recreation.

Governing Body

The Board of County Commissioners consists of five individuals elected for four-year terms. The County is divided into five districts, each represented by an elected Commissioner. The function of the County is briefly addressed in the grant of powers provided all New Mexico counties pursuant to Section 4-37-1 NMSA 1978. The function is "to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the county or its inhabitants...." Among other governmental functions, the Board oversees:

1. the assessment, collection and distribution of *ad valorem* taxes by an elected Assessor and Treasurer;
2. law enforcement by an elected Sheriff;
3. recording and filing by an elected County Clerk;
4. fire protection and emergency medical services by paid staff and Volunteer Fire Districts;
5. road maintenance by the Roads Division of the Public Works Department;
6. managerial and administrative services by an appointed County Manager; and
7. planning, health, welfare, recreation and cultural affairs, with advice by appointed citizen advisory boards.

The members of the Board of County Commissioners, County Assessor, County Clerk and County Treasurer, and their respective terms, are as follows:

Member	Position	Term Expires
Henry P. Roybal	Chair	12/31/18
Anna Hansen	Vice-Chair	12/31/20
Robert A. Anaya	Commissioner	12/31/18
Anna Hamilton	Commissioner	12/31/20
Ed Moreno	Commissioner	12/31/20
Gus Martinez	County Assessor	12/31/18
Geraldine Salazar	County Clerk	12/31/20
Patrick J. Varela	County Treasurer	12/31/20

Administrative Officers

The current members of the County Administration are as follows:

Katherine Miller has served as the County Manager since September, 2010. From 2006 through August 2010, Ms. Miller was the Secretary of the Department of Finance and Administration under Governor Bill Richardson. She had previously served as director of the Mortgage Finance Authority as well as Deputy Chief of Staff of Policy and Projects under Governor Richardson. Ms. Miller has extensive experience in local, state and federal government finance and policy and has worked in the private sector managing finance programs and government contracts. Ms. Miller has a bachelor's degree in business from Wright State University in Dayton, Ohio. She previously worked as Santa Fe County's procurement manager from 1997 to 1999 and as finance director from 1999 to 2003.

Patrick Varela has served as County Treasurer since January, 2013. Mr. Varela is a fifth generation Santa Fean, who has worked in both the private sector and government. Mr. Varela received his Bachelor's Degree in Business Administration from Colorado Technical University and is a member of Sigma Beta Delta honors society in Business.

Stephanie Schardin Clarke became the Santa Fe County Finance Director on November 11, 2017. She joins the county after serving 14 years with the State of New Mexico. Most recently, Stephanie was the Deputy Cabinet Secretary for the Department of Finance and Administration. She has also served as an economist for both the Department of Finance and Administration and the Legislative Finance Committee, and as Deputy Director and Director of the State Board of Finance. She has extensive expertise on bond issuance and debt management, capital outlay administration, and regulatory oversight. Additionally, she served as a board member on the New Mexico Finance Authority, the Public School Capital Outlay Council, and Chair of the Community Development Council and the Substitute Care Advisory Council. Stephanie received her Bachelor of Arts in Economics from George Washington University, and Masters of Arts in economics from the University of New Mexico.

Bruce Frederick became the Santa Fe County Attorney on November 11, 2017 after serving as Assistant County Attorney for approximately 3 years. Mr. Frederick received his law degree from the University of New Mexico in 1993 and also received a master's degree in groundwater hydrology from New Mexico Tech. Mr. Frederick has worked for the New Mexico Environmental Improvement Division, in private practice and for non-profits, local governments and state agencies. His practice includes water law, natural resources and environmental law, real estate, land use, and oil and gas, including litigation and transactional work throughout his my career.

Other Employees

The County has approximately 997 full-time employees.

Retirement Plan; Other Post-Employment Benefits

Public Employees Retirement Association

The County participates in a pension plan organized on a statewide basis and operated by the State of New Mexico. The Public Employees' Retirement Association of New Mexico ("PERA"), established by Section 10-11-1 *et seq.* NMSA 1978, as amended, requires contributions to its plan (the "Plan"), computed as a percentage of salary, from both employee and employer for all full-time employees. The majority of State and municipal employees in New Mexico participate in the Plan. As required by State law, the County contributes to the plan amounts which vary from 9.15% to 21.25% of eligible employees' salaries. The County's contractual obligation under the Plan is limited to the periodic employer contributions that it is required to make for its participating employees. The contribution requirements of the plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2016, 2015 and 2014 were approximately \$8.9M, \$8.7M and \$8.3M, respectively, which were equal to the amount of the contributions due for each year.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 requires governmental participants in cost-sharing multi-employer plans, such as the County, to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Statement No. 68 became effective for fiscal years beginning after June 15, 2014. As reported in the County's fiscal year 2016 audited financial statements, the County's proportionate share of PERA's net pension liability was \$36,409,439 at June 30, 2016. These amounts were reported in the County's audited financial statements for Fiscal Year 2016 along with other information required by GASB Statement No. 68.

PERA issues a publicly available financial report that includes financial statements and additional information. A copy of this report can be obtained from PERA at www.nmpera.org/financial-overview.

Actuarial information is shown below:

State of New Mexico Public Employees Retirement Fund
Summary Information as of June 30, 2016

Membership(1)	100,974
Actuarial Information	
Actuarial Accrued Liability(2)	\$19,474,241,384
Actuarial Value of Assets	14,654,814,373
Unfunded Actuarial Accrued Liability	4,819,427,011

Source: PERA Annual Actuarial Valuation
(1) Includes active, inactive and retired members from all divisions.
(2) Includes accrued liability of both the retired and active members.

In Fiscal Year 2013, PERA reported an Unfunded Actuarial Accrued Liability ("UAAL") of $4.6 billion, approximately $1.6 billion less than the previous fiscal year. The decline in the UAAL was the result of comprehensive pension reform legislation proposed by the PERA Board and enacted by the State Legislature during the 2013 legislative session. Senate Bill 27 significantly amended the Public Employees' Retirement Act by creating a new tier of reduced benefits for new hires. The law reduces the cost of living adjustments for all current and future retirees; delays the application of cost of living adjustments for certain future retirees; suspends the cost of living adjustments for certain return-to-work retirees; provides for an increase in the statutory employee contribution rate of 1.5% (subject to certain requirements) for employees earning $20,000 or more in annual salary; provides for an increase in the statutory employer contribution of 0.4% beginning in Fiscal year 2015; increases age and service requirements; lengthens the base average salary calculation amount from three to five years for future employees; increases the vesting period for employees from five to eight years for most members; lowers the annual service credit by 0.5% for most members; and makes several other clarifying and technical changes. Also as a result of the passage of pension reform legislation, PERA's 30 year projected funded ratio increased from 29% to 108.8%. PERA saw a further $300 million decline in the UAAL, and increase in the 30-year projected funded ratio to 133% at the end of Fiscal Year 2014. The improvement in Fiscal Year 2014 was due largely to excess investment returns. PERA's Fiscal Year 2014 return was 17.03%, higher than the 7.75% return assumption.

In Fiscal Year 2016, PERA reported an audited Net Pension Liability ("NPL") of $6.2 billion, using methods and assumptions required under GASB Statement No. 67, the reporting standard applicable to pension plans. PERA annually prepares a "Schedule of Employer Allocations and Pension Amounts" that provides employer participants the information they need to comply with GASB Statement No. 68, including each employer's proportionate share of the NPL. This Schedule is audited by PERA's independent auditors and is reviewed by the New Mexico State Auditor.

New Mexico Retiree Health Care Authority

The County contributes to the State-sponsored New Mexico Retiree Health Care Fund, a cost-sharing multiple employer defined benefit postemployment healthcare plan administered by the Retiree Health Care Authority ("NMRHCA"). The NMRHCA administers the New Mexico Retiree Health Care Act, Sections 10-7C-1 through 10-7C-19 NMSA 1978, for the purpose of providing comprehensive group health insurance coverage for persons who have retired from certain public service in the State and eligible dependents. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The Retiree Health Care Act establishes the required contributions of participating employers. For employees who were members of an enhanced retirement plan during fiscal year 2015, the statute required each participating employer to contribute 2.50% of each participating employee's annual salary, and each participating employee to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during fiscal year 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary, and each participating employee to contribute 1.0% of their salary. The County's contributions to the NMRHCA for the years ended June 30, 2016, 2015 and 2014 were $816,514, $799,879 and $780,883, respectively, which equal the required contributions for each of those years.

County Budgets

The County's budget is based on a fiscal year beginning July 1 and ending June 30 of the following year. The County Administration is responsible for preparing the budget. Prior to June 1, the Board is required to submit a working draft of the budget to the Local Government Division of the State Department of Finance and Administration (the "Finance Department") for its approval. By July 1 of the new fiscal year, the Finance Department approves and certifies to the County an operating budget for use pending approval of the final budget. Prior to August 1, the County submits a final budget to the Finance Department for approval. Prior to the first Monday in September, the Finance Department must certify the final budget with whatever adjustments it deems necessary to comply with State statutes. Approval of the Finance Department is required for all budget increases, cash transfers between funds, and budget transfers between departments or between funds. If adequate fund balances are available from the prior year, the County budgets expenditures in excess revenues. The County was awarded the National Government Finance Officers Association award for its Fiscal Years 2012, 2013, 2014, and 2016 budget presentations.

County Investments

Statutory Authority

The Board of County Commissioners, acting as the County Board of Finance, is charged with the ultimate supervision and control of all County funds pursuant to Sections 6-10-8, 6-10-10, and 6-10-35(G) NMSA 1978. The statutory duties of the County Board of Finance include the selection of financial institutions for deposit of County funds, setting collateral requirements for such deposits, and selection of custodians for collateral required of depository financial institutions. The County Treasurer is charged with responsibility for day-to-day management of County deposits and investments pursuant to Sections 4-43-2, 6-10-8 and 6-10-10 NMSA 1978, which responsibilities include the maintenance of accurate books and records and regular reporting of the County's financial condition to the County Board of Finance. Pursuant to Sections 6-10-10 and 6-10-31 NMSA 1978, the County Board of Finance and the County Treasurer are jointly responsible for establishing investment strategies for County funds not required to meet the immediate cash flow needs of the County, and the selection of suitable securities and other investments.

County Investment Policy

In October, 2016, meeting, the Board of County Commissioners, acting as the County Board of Finance, approved the current Investment Policy (the "Policy"), which governs the investment activities of the County and applies to all financial assets held by the County Treasurer. The paramount objective of the Policy is to preserve and protect County funds while earning a market rate of interest on all money not immediately needed to meet operational needs. To enable the County Board of Finance and the Treasurer to discharge their statutory duties, the Policy establishes the County Investment Committee, consisting of the Chair and Vice Chair of the Board of County Commissioners, the County Treasurer, the County Manager, the County Finance Director and the County Attorney or their respective designees, and one member of the private sector.

The Policy establishes permissible investments, maturity limits, and diversification limits. A copy of the Policy is available upon request.

Education

Santa Fe Public Schools

The Santa Fe Public School District is a political subdivision of the State organized for the purpose of operating and maintaining an education program for school-age children residing within its boundaries. Currently the District operates and maintains a variety of facilities in meeting its obligation to provide an educational program within its boundaries that cover 1,016 square miles with an estimated population of 125,000. The District is the 5th largest school district in the State with a 2016-2017 enrollment of 13,275 students. The District operates 31 school sites, including 21 elementary schools, 6 middle schools, 3 high schools, and 1 international magnet school. These schools include 5 community schools, 4 charter schools, 1 academy, and 1 early childhood center. The District's educational program includes vocational, technical, and occupational training.

Santa Fe Community College

Santa Fe Community College is a co-educational community college offering 2-year Associate of Arts, Associate of Science, and Associate of Applied Science degrees. The Community College occupies 366 acres within the County of Santa Fe, with a faculty of approximately 425 (full and part-time), serving approximately 6,500 students (credit enrollment).

St. John's College

St. John's College is a private, co-educational 4-year liberal arts college. The College's undergraduate program is an all-required course of study based on the classic works of western civilization. The College has an enrollment of approximately 475 students, with a faculty-student ratio of 1:8. The College offers a graduate degree program leading to a Master of Arts in Liberal Arts degree.

Santa Fe University of Art and Design

Formerly known as the College of Santa Fe, the Santa Fe University of Art and Design is a private, co-educational 4-year liberal arts college. The University offers Bachelor of Arts degrees in contemporary music, creative writing and literature, moving image arts, performing arts, photography and studio arts; Bachelor of Fine Arts degrees in graphic design, performing arts, photography and studio arts; and Master degrees in arts in education. The University is operated by Laureate International Universities and leases the campus from the City of Santa Fe. The University is expected to close in the spring of 2018 and is not accepting applications for admission at this time.

New Mexico School for the Deaf

The New Mexico School for the Deaf is a state institution serving New Mexico children with permanent hearing loss from birth through age 22. The School provides a rigorous academic program that focuses on language and literacy development and critical thinking skills. The School's curriculum conforms to New Mexico state standards and benchmarks. The School's 30-acre campus is located in the City of Santa Fe and provides housing for up to 96 residential students.

Institute Of American Indian Arts

The Institute of American Indian Arts ("IAIA") is a tribal college chartered by the U.S. Congress, offering Associate of Arts, Associate of Fine Arts, Bachelor of Arts and Bachelor of Fine Arts degrees to both native and non-native students. IAIA also offers numerous certificate programs, including Business and Entrepreneurship. IAIA operates the Museum of Contemporary Native Arts in Santa Fe, which maintains a collection of nearly 8,000 pieces of artwork. As a 1994 Tribal and Land Grant Institution, IAIA is also responsible for promoting New Mexico tribal programs in the area of food and agricultural science. The school enrolls approximately 700 students.

Santa Fe Indian School

The Santa Fe Indian School ("SFIS") is owned by the 19 pueblos of New Mexico and enrolls approximately 700 middle- and high school students, including day students and dorm students who live on campus. SFIS offers academic preparation for both college and career readiness, while maintaining Native American Cultural values.

Transportation

The County is served by interstate highways and county roads, several public transportation services, including the Santa Fe Trails Transit System, which is run by the City of Santa Fe, and the Santa Fe Municipal Airport, which is also run by the City of Santa Fe. The State's New Mexico Rail Runner Express provides commuter train service between Santa Fe and communities to the south, including the City of Albuquerque.

Labor Force and Percent Unemployed

The following table, derived from information supplied by the New Mexico Department of Workforce Solutions, presents information on employment within Santa Fe County, the State and the United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

	Santa Fe County		State of New Mexico		United States
Year	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2017*	73,154	5.4%	930,711	6.6%	4.6%
2016	72,574	5.4%	927,355	6.7%	4.9%
2015	72,553	5.4%	924,114	6.6%	5.3%
2014	72,277	5.5%	922,388	6.7%	6.2%
2013	73,200	5.6%	923,571	7.0%	7.4%
2012	73,667	5.8%	927,795	7.1%	8.1%
2011	73,636	6.2%	930,356	7.5%	8.9%
2010	74,281	6.8%	936,088	8.1%	9.6%
2009	76,501	6.6%	940,352	7.5%	9.3%
2008	78,172	3.8%	944,548	4.5%	5.8%

Source: New Mexico Department of Workforce Solutions.
* Average, January through August 2017.

Non-Agricultural Wage and Salary

The following is a history of average yearly nonagricultural wage and salary employment for Santa Fe County as reported by the New Mexico Department of Workforce Solutions.

	Calendar Year				
Industry	2013	2014	2015	2016	2017*
Mining	86	102	146	141	158
Utilities	124	125	131	136	118
Construction	2,789	2,566	2,588	2,639	2,497
Manufacturing	828	839	865	851	891
Wholesale Trade	947	921	985	1,000	949
Retail Trade	8,934	8,799	8,648	8,592	8,248
Transportation & Warehousing	559	602	558	540	512
Information	846	785	816	849	838
Finance & Insurance	1,781	1,649	1,583	1,558	1,529
Real Estate & Rental & Leasing	799	815	798	837	809
Professional & Technical Services	2,389	2,342	2,432	2,394	2,374
Management of Companies and Enterprises	194	182	230	229	236
Administrative & Waste Services	1,830	1,754	1,845	1,889	1,757
Educational Services	1,492	1,561	1,624	1,698	1,680
Health Care & Social Assistance	8,220	8,288	8,693	8,865	8,775
Arts, Entertainment & Recreation	969	1,060	1,116	1,173	1,268
Accommodation & Food Services	8,379	8,444	8,703	9,206	8,860
Other Services, Except Public Administration	2,452	2,491	2,555	2,570	2,449
Total Private Sector	43,617	43,324	44,315	45,167	43,949
Public Administration	16,907	16,931	16,748	15,663	15,714
Grand Total	60,524	60,255	61,063	60,830	59,663

Source: New Mexico Department of Workforce Solutions (Quarterly Census of Employment and Wages).
* Average, First Quarter 2017.

Major Employers

Some of the largest employers in the Santa Fe MSA are set forth below. No independent investigation into their affairs has been made and consequently there can be no representation as to the stability or financial condition of the companies listed hereafter, or the likelihood that such companies will maintain their status as major employers in the area.

Employer	**Business Type**	**Number of Employees**
State of New Mexico	Government	21,911
Los Alamos National Laboratory	Government	10,920
Christus St. Vincent Hospital	Health Care	2,132
Santa Fe School District	Education	2,000
City of Santa Fe	Government	1,402
Presbyterian Medical Services	Health Care	1,400
Buffalo Thunder	Casino	1,060
Santa Fe County	Government	950
Santa Fe Opera	Fine Arts	641
Santa Fe Community College	Education	439
Total		42,855

Source: Santa Fe Chamber of Commerce, 2015.

Per Capita Income

The following table sets forth per capita personal income levels for the County, the State and the United States.

Per Capita Personal Income

Year	Santa Fe County	New Mexico	United States
2016	n/a	$38,807	$49,571
2015	$50,684	38,025	48,190
2014	49,037	36,701	46,464
2013	46,368	34,752	44,493
2012	46,620	35,427	44,282
2011	44,773	34,737	42,461
2010	42,540	33,109	40,277
2009	42,765	32,523	39,376
2008	45,032	33,447	41,082
2007	43,746	31,703	39,821

Source: New Mexico Department of Workforce Solutions.

Effective Buying Income

The following table shows Effective Buying Income by income group for Santa Fe County, the State of New Mexico, and the United States:

Percent of Households by Effective Buying Income Groups

Effective Buying Income Group	Santa Fe MSA	New Mexico	United States
Under $25,000	22.0%	27.9%	21.9%
$25,000 - $34,999	10.6%	10.8%	9.7%
$35,000 - $49,999	12.7%	14.1%	13.2%
$50,000 - $74,999	18.0%	16.3%	17.4%
$75,000 and over	36.7%	30.6%	37.8%
2013 Est. Median Household Income	$42,553	$43,273	$49,297
2014 Est. Median Household Income	$48,526	$44,292	$51,579
2015 Est. Median Household Income	$51,473	$45,633	$53,706
2016 Est. Median Household Income	$54,229	$45,445	$55,551
2017 Est. Median Household Income	$55,881	$47,043	$57,462

Source: Spotlight, 2017.

Age Distribution

The following table sets forth a comparative age distribution profile for the Santa Fe County MSA, the State of New Mexico, and the United States.

Percentage of Population

Age Group	Santa Fe MSA	New Mexico	United States
0 - 17	19.2%	23.9%	22.8%
18 - 24	7.8%	9.8%	9.8%
25 - 34	11.1%	13.3%	13.4%
35 – 44	11.6%	11.9%	12.6%
45 - 54	12.9%	11.9%	13.1%
55 and Older	37.5%	29.2%	28.3%

Source: Spotlight, 2017.

Population

The following chart sets forth historical population data for the City of Santa Fe, Santa Fe Metropolitan Statistical Area ("MSA"), and the State.

Census Year	City of Santa Fe	Santa Fe MSA	State of New Mexico
1940	20,325	30,826	531,818
1950	27,998	38,153	681,187
1960	33,394	44,970	951,023
1970	41,167	53,756	1,017,055
1980	49,160	75,360	1,303,303
1990	57,605	98,928	1,515,069
2000	62,203	129,292	1,819,046
2010	67,947	144,170	2,065,826
2020*	n/a	164,006	2,351,724
2030*	n/a	178,124	2,613,332

Source: U.S. Department of Commerce, Bureau of the Census.
* Projected.

Historical General Fund Balance Sheet

The following Historical General Fund Balance Sheet and Statement of Historical Revenues, Expenditures and Changes in Fund Balances have been included herein for informational purposes only. Except as otherwise noted, figures were taken from the audit reports prepared by the County's independent auditors. Audited figures are excerpts of the audit reports and do not purport to be complete. Reference is made to the complete audit reports which are available upon request. The County has not requested the consent of Heinfeld, Meech & Co., P.C., which performed the audit of the County's Financial Statements for Fiscal Year 2012, Axiom Certified Public Accountants and Business Advisors, which performed the audit of the County's Financial Statements for Fiscal Years 2013, 2014 and 2015, or REDW LLC, which performed the audit of the County's Financial Statements for Fiscal Year 2016 to the inclusion of the audit reports and excerpts thereof in this Official Statement, and the auditors have not conducted post-audit reviews of those Financial Statements.

General Fund - Balance Sheet, Fiscal Years Ended June 30, 2012 through 2016

	2012	2013	2014	2015	2016
ASSETS					
Cash and investments	$55,378,765	$54,372,546	$62,719,467	$64,883,357	$71,120,321
Cash and investments - restricted	8,315,290	6,500,000	8,099,490	7,873,099	7,718,777
Receivables	819,060	626,366	587,429	543,843	215,394
Taxes receivable	7,494,690	7,243,583	6,950,608	6,854,870	6,105,611
Interest receivable	-	-	-	-	281,486
Grantor agencies receivable	-	-	-	-	37,867
Prepaids & other	-	48,450	122,035	130,298	211,881
Due from other funds	6,395,766	8,491,887	1,345,930	1,475,458	130,629
Total assets	$78,403,571	$77,282,832	$79,824,959	$81,760,925	$85,821,966
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 1,084,000	$ 1,128,867	$ 907,243	$ 1,089,211	$ 987,012
Accrued payroll (wages & benefits)	649,361	679,394	828,959	955,737	1,178,532
Due to other funds	-	-	6,062	6,062	-
Deferred revenue	4,911,836	5,868,456	5,033,410	4,844,498	4,308,829
Deposits held for others	131,477	142,589	119,671	192,423	143,179
Other current liabilities	24,509	22,991	22,427	6,465	18,307
Total Liabilities	6,801,183	7,842,297	6,917,772	7,094,396	6,635,859
FUND BALANCE					
Nonspendable	-	48,450	112,035	130,298	211,881
Restricted	27,022,089	30,269,798	28,659,177	21,136,967	20,494,028
Committed	21,000,000	33,800,000	37,800,000	20,468,186	25,351,705
Assigned	-	-	-	26,834,420	27,630,343
Unassigned	23,580,299	5,322,287	6,325,975	6,096,658	5,498,150
Total fund balances	71,602,388	69,440,535	72,907,187	74,666,529	79,186,107
Total liabilities and fund balances	$78,403,571	$77,282,832	$79,824,959	$81,760,925	$85,821,966

Source: Santa Fe County Annual Audit Reports for the fiscal years ended June 30, 2016, 2015, 2014, 2013 and 2012; these figures are excerpts only and do not purport to be complete.

Historical General Fund Revenues, Expenditures and Changes in Fund Balances

Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Years Ended June 30, 2012 through 2017

	2012	2013	2014	2015	2016	2017*
REVENUES						
Property taxes	$28,008,593	$45,631,432	$48,196,257	$49,591,262	$50,589,623	$50,302,866
Gross receipts taxes	7,882,901	8,291,976	8,572,788	7,965,027	8,860,000	14,172,928
Other taxes & assessments	1,303,214	992,488	1,262,783	1,208,574	1,359,218	1,396,993
Licenses, permits & fees	503,423	587,595	703,243	704,766	694,899	682,121
Charges for services	1,938,303	1,923,265	1,849,949	1,643,483	1,220,900	1,276,271
Fines & forfeitures	1,705	1,518	660	300	160	100
Interest income	1,608,197	1,886,843	1,576,111	1,754,926	2,175,770	1,103,328
Grants (federal and state)	862,173	939,382	477,289	134,429	371,736	263,193
Other	301,856	224,575	845,126	184,856	191,758	-
Intergovernmental	741,488	682,763	668,483	698,926	845,349	914,782
Total Revenues	$43,151,853	$61,161,837	$64,152,689	$63,886,549	$66,309,413	$70,112,582
EXPENDITURES						
Current						
General government	$18,558,010	$20,404,024	$21,102,917	$23,262,055	$24,051,047	$24,313,233
Public safety	-	395,226	212,281	34,395	49,984	14,410
Culture & recreation	931,569	1,102,763	910,187	1,011,500	1,190,550	1,289,013
Public works	4,287,209	5,227,894	5,693,737	5,084,907	4,666,662	4,924,609
Highways & streets	555,547	166,315	-	-	-	-
Health & welfare	2,207,956	1,984,886	1,804,825	1,772,798	1,874,476	1,935,582
Housing	47,256	54,114	173,059	147,686	84,481	83,272
Capital Outlays	1,841,533	1,943,334	916,729	501,217	1,644,674	241
Total expenditures	$28,429,080	$31,278,556	$30,813,735	$31,814,558	$33,561,874	$32,560,360
Excess (deficiency) of revenues over expenditures	$14,722,773	$29,883,281	$33,338,954	$32,071,991	$32,747,539	$37,552,222
Other financing sources (uses):						
Transfers from other funds	2,376,100	341,490	640,520	658,000	672,440	670,289
Transfers to other funds	(3,706,891)	(32,290,271)	(30,512,822)	(30,970,649)	(28,900,401)	(32,343,443)
Net other financing sources (uses)	(1,330,791)	(31,948,781)	(29,872,302)	(30,312,649)	(28,227,961)	(31,673,154)
Net Change in Fund Balance	**13,391,982**	**(2,065,500)**	**3,466,652**	**1,759,342**	**4,519,578**	**5,879,068**
Restatement	-	(96,353)	-	-	-	-
Fund balance beginning of year	58,210,406	71,602,388	69,440,535	72,907,187	74,666,529	79,186,107
Fund balance, end of year	**$71,602,388**	**$69,440,535**	**$72,907,187**	**$74,666,529**	**$79,186,107**	**$85,065,175**

Source: Santa Fe County Annual Audit Reports for the fiscal years ended June 30, 2016, 2015, 2014, 2013 and 2012; these figures are excerpts only and do not purport to be complete.

* Unaudited; estimated, subject to change.

Direct and Overlapping Debt and Mill Levies

The following calculation analyzes the debt load and per capita debt of the County payable from property taxes. In addition to outstanding debt of the County, the calculation takes into account debt attributable to taxing entities that is the responsibility of taxpayers within the boundaries of the County.

Entity	2017 Assessed Valuation[1]	GO Debt Outstanding	Percent Applicable	Amount
State of New Mexico[2]	$56,922,567,412	$326,755,000	12.25%	$ 40,014,476
Santa Fe County	6,970,747,909	130,440,000	100.00%	130,440,000
City of Santa Fe	4,022,772,806	37,170,000	100.00%	37,170,000
Town of Edgewood	108,019,506	3,415,000	99.94%	3,412,853
City of Española	178,840,087	-	27.39%	-
Española Schools	586,574,089	27,415,000	19.25%	5,277,956
Moriarty Schools	564,989,518	20,650,000	48.36%	9,986,010
Pojoaque Schools	176,808,029	5,945,000	100.00%	5,945,000
Santa Fe Community College	6,407,792,288	18,215,000	100.00%	18,215,000
Santa Fe Schools	6,407,792,288	176,375,000	100.00%	176,375,000

Total Direct and Overlapping Debt	$426,836,296
Ratio of Estimated Direct & Overlapping Debt to 2016 Assessed Valuation:	6.12%
Ratio of Estimated Direct & Overlapping Debt to 2016 Estimated Actual Valuation:	1.99%
Per Capita Direct & Overlapping Debt:	$2,960.65

(1) Preliminary. Excludes certain protested property.
(2) 2016 Actual Assessed Valuation.

Selected Debt Ratios and Values

The following table sets forth details relating to the ratio of general debt and overlapping debt to population and assessed valuation:

Estimated County Population (2016)	144,170
Total Estimated General Obligation Direct and Overlapping Debt	$ 426,836,296
Per Capita Direct and Overlapping Debt	$ 2,960.65
2017 Assessed Valuation	$6,970,747,909
Ratio of Estimated Direct and Overlapping Debt to 2017 Assessed Valuation	6.12%

Other County Obligations

The table below summarizes all outstanding revenue bonds and other obligations of the County as of June 30, 2017, except as otherwise noted.

Type and Series of Revenue Obligations	Original Principal Amount	Interest Rate	Date of Final Maturity	Amount Outstanding as of 6/30/17	Pledged Revenues
Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2016	$30,365,000	2.00-5.00%	6/1/2035	$30,365,000	5/16 of one percent gross receipts tax and 1/8 of one percent HHGRT
Santa Fe Studio Loan Guaranty*	$6,500,000	n/a	4/2037	$5,901,083	n/a*
Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A-B	$31,410,000	2.00-5.00%	6/1/2030	$4,150,000†	0.25 of one percent gross receipts tax
Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009	$12,090,000	2.00-5.00%	6/1/2029	$1,140,000	0.25 of one percent gross receipts tax††
County Gross Receipts Tax Revenue Bonds, Series 2008	$30,000,000	3.50-5.00%	6/1/2033	$1,255,000	5/16 of one percent gross receipts tax
Correctional System Revenue Bonds, Series 1997	$30,000,000	5.00-6.00%	2/1/2027	$18,905,000	5/16 of one percent gross receipts tax
Gross Receipts Tax Revenue Bonds, Subordinate Series 1997A	$6,000,000	5.00-6.00%	2/1/2027	$3,555,000	5/16 of one percent gross receipts tax
New Mexico Finance Authority/Water Trust Board Loan Grant Sharing Agreement with the City of Santa Fe	$500,000	0.25%**	6/1/2029	$354,814	Revenue not pledged by ordinance but is paid from ¼ of one percent capital outlay gross receipts tax

* The Loan Guaranty is that certain Pledge of Deposit Account Agreement, dated October 26, 2010, pursuant to which the County pledged an account (the "Lockbox Account") holding $6,500,000, to Los Alamos National Bank (the "Bank") as security for repayment of a loan (the "Bank Loan") made by the Bank to Santa Fe Film and Media Studios, Inc. and La Luz Holdings, LLC (collectively, the "Studio Developer") in connection with a local economic development act project undertaken by the County, the State, and the Studio Developer pursuant to the Local Economic Development Act, Sections 5-10-1 through 5-10-14 NMSA 1978, as amended. The Lockbox Account was funded with surplus County revenue in excess of the reserve requirements established by Section 7-20E-11 NMSA 1978 and policy of the State Department of Finance and Administration. Under the Loan Guaranty, the maximum amount that the Bank can draw annually from the Lockbox Account is $900,000. The County has no obligation to replenish any amounts drawn from the Lockbox Account by the Bank, and does not have the right to utilize the Lockbox funds for other County purposes while the Bank Loan is outstanding. The Studio Developer is obligated to reimburse the County for any amounts drawn from the Lockbox Account, which obligations are secured by a mortgage on the project property. The Studio Developer has made all payments required under the Bank Loan.

** Santa Fe County does not pay interest on the Loan/Grant Sharing Agreement, but pays a 0.25% annual administrative cost on the outstanding balance.

† Following defeasance of callable maturities of the Series 2009 and 2010A-B Bonds with proceeds of the Bonds.

†† Pursuant to the Bond Ordinance, the 0.25 of one percent gross receipts tax replaced the partial pledge of Capital Outlay Gross Receipts tax revenues which previously secured the unrefunded Series 2009 and 2010A-B Bonds, in order to enable the Bonds to be issued on parity with the unrefunded Series 2009 and 2010A-B Bonds.

LITIGATION AND INSURANCE

At the time of the original delivery of the Bonds, the County will deliver a certificate to the effect that no litigation or administrative action of proceedings is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the effectiveness of the Bond Ordinance, the levying or collecting of taxes to pay the principal of and interest on the Bonds or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds (the "No Litigation Certificate").

The County maintains insurance on its assets and operations as is customary and adequate, in its opinion, for similar entities insuring similar operations and assets. The County carries general liability insurance, auto damage and workers compensation with the New Mexico County Insurance Authority for its errors and omissions coverage, emergency medical, volunteer fire fighters and law enforcement liability coverage. There can be no assurance, however, that the County will continue to maintain the present level of coverage or that the insurance maintained will be sufficient.

TRANSCRIPT AND CLOSING STATEMENTS

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION AND INSURANCE") will be delivered by the County when the Bonds are delivered. The County will at that time also provide a certificate of the County relating to the accuracy and completeness of this Official Statement.

TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Bonds, under existing laws, regulations rulings and judicial decisions, and assuming compliance with covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax for individual corporations. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Bonds. The County has made various representations and warranties with respect to, and has covenanted in the Bond Ordinance and other documents, instruments and certificates to comply with the applicable provisions of the Code to assure that interest on the Bonds will not become includible in gross income. Failure to comply with these covenants or the inaccuracy of these representations and warranties may result in interest on the Bonds being included in gross income from the date of issue of the Bonds. The opinion of Bond Counsel assumes compliance with the covenants and the accuracy of such representations and warranties.

Although Bond Counsel has opined that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions contained in the Code, interest on the Bonds will be included in the adjusted current earnings of certain corporations, and such corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses).

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations are advised to consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

The opinions expressed by Bond Counsel are based upon existing law as of the date of issuance and delivery of the Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Internal Revenue Service Audit Program

The Internal Revenue Service (the "Service") has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the County as the taxpayer and the Bond owners may have no right to participate in such procedure. Neither the initial purchasers of the Bonds nor Bond Counsel is obligated to defend the tax-exempt status of the Bonds. The County has covenanted in the Bond Ordinance not to take any action that would cause the interest on the Bonds to become includable in gross income except to the extent described above for the owners thereof for federal income tax purposes. None of the County, the initial purchasers of the Bonds, or Bond Counsel is responsible to pay or reimburse the costs of any Bond owner with respect to any audit or litigation relating to the Bonds.

Original Issue Premium

The Bonds have been offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the holders' tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisors for an explanation of the amortization rules.

Post-Issuance Tax Compliance Procedures

The Board of County Commissioners has previously adopted post-issuance tax compliance procedures which will be utilized in connection with investment and expenditure of the proceeds of the Bonds and the use of projects funded with such proceeds.

FINANCIAL STATEMENTS

Appendix A contains excerpts from audited Financial Statements of the County for the fiscal year ended June 30, 2016. The Bonds are not payable from any revenues or funds of the County other than as set forth in the Official Statement. The financial statements are included for informational purposes only.

FINANCIAL ADVISOR

RBC Capital Markets, LLC (RBC CM) is employed as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

LEGAL MATTERS

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, will render an opinion with respect to the validity of the Bonds and with respect to tax matters described above under "TAX EXEMPTION." The proposed form of such opinion is attached hereto as Appendix B. Certain legal matters will be certified for the County by interim or permanent County Attorney.

RATINGS

Standard & Poor's Ratings Services ("S&P") has assigned a municipal bond rating of "AA" to the Bonds. An explanation of the significance of such ratings may be obtained from S&P.

Such rating reflects only the views of S&P. The rating is not a recommendation to buy, sell or hold the Bonds and there is no assurance that such rating will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating given to the Bonds may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

In connection with its issuance of the Bonds, the County will execute a Continuing Disclosure Undertaking, a form of which is attached as Appendix C hereto, under which it will agree for the benefit of the owners of the Bonds (i) to provide audited annual financial statements of the County when available after the end of each Fiscal Year, including Fiscal Year 2017, and to provide certain annual financial information and operating data relating to the County by March 31 of each year, and (ii) to provide timely notice of certain enumerated events, if material.

Compliance with Prior Undertakings

The County has previously entered into continuing disclosure agreements in accordance with SEC Rule 15c2-12. The County did not timely file a Moody's rating change in August 2013 related to its County Gross Receipts Tax Bonds and Capital Outlay Gross Receipts Tax Bonds. The rating change resulted from a Moody's surveillance rating process. The rating change was disclosed on EMMA immediately following the discovery that the rating change had not been filed. The County did not timely file audited financial statements for Fiscal Years 2011 through 2015 related to its Correctional System Revenue Bonds, Series 1997 and Gross Receipts Tax Revenue Bonds, Subordinate Series 1997A. The County filed the audited financial statements for those years with respect to the Series 1997 Bonds and Subordinate Series 1997 Bonds on July 11, 2016, as well as a notice of failure to file. The County adopted a Continuing Disclosure compliance procedure policy on April 14, 2015. Except as indicated in this paragraph, the County believes that it has been in material compliance with the requirements of outstanding continuing disclosure agreements entered into in connection with bonds issued by the County over the past five years.

ADDITIONAL INFORMATION

All of the summaries of the statutes, ordinances, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such document, copies of which are either publicly available or available for inspection during normal business hours at the offices of the County Clerk of Santa Fe County, 102 Grant Avenue, Santa Fe, New Mexico 87501, or at the offices of RBC Capital Markets, Financial Advisor to the County, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, New Mexico 87110.

OFFICIAL STATEMENT CERTIFICATION

As of the date hereof, to my knowledge and belief, this Official Statement is true, complete and correct in all material respects, and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The preparation of this Official Statement and its distribution has been authorized by the Board of County Commissioners of Santa Fe County. The Official Statement is hereby duly approved by the Commissioners as of the date on the cover page hereof.

SANTA FE COUNTY, NEW MEXICO

By ___________/s/___________________
Henry P. Roybal, Chair
Board of County Commissioners

ATTEST:

By: _________/s/____________________
Geraldine Salazar, County Clerk

APPENDIX A

EXCERPTS FROM AUDITED FINANCIAL STATEMENTS OF
SANTA FE COUNTY, NEW MEXICO
FOR THE YEAR ENDING JUNE 30, 2016

The County has not requested the consent of REDW LLC, which performed the audit of the County's financial Statements, to the inclusion of the audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those financial statements.

APPENDIX B

FORM OF BOND COUNSEL OPINION

___________, 2017

$25,470,000
Santa Fe County, New Mexico
Capital Outlay Gross Receipts Tax Refunding Revenue Bonds
Series 2017

Ladies and Gentlemen:

We have acted as bond counsel to Santa Fe County, New Mexico (the "County") in connection with the issuance and sale by the County of its $25,470,000 Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017 (the "Bonds"). The Bonds are issued pursuant to the Constitution and laws of the State of New Mexico (the "State") and Bond Ordinance No. 2017-6, adopted on October 31, 2017 (the "Bond Ordinance"). Except as expressly defined herein, capitalized terms used herein have the same meanings as such terms have in the Bond Ordinance.

We have examined the laws of the State and the United States of America relevant to the opinions herein, and other proceedings and documents relevant to the issuance by the County of the Bonds. As to the questions of fact material to our opinion, we have relied upon representations of the County contained in the certified proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, we are of the opinion that:

1. The Bonds are valid and binding special, limited obligations of the County under and in accordance with the Bond Ordinance.

2. The Bond Ordinance has been duly authorized, executed and delivered by the County and the provisions of the Bond Ordinance are valid and binding on the County.

3. The Bonds are payable as to principal, interest and any prior redemption premium, solely from, and are secured by a first lien (but not an exclusive first lien) on certain Pledged Revenues, as defined and more fully described in the Bond Ordinance. The owners of the Bonds have no right to have ad valorem property taxes levied by the County for the payment of principal and interest on the Bonds and the Bonds do not represent or constitute a debt or pledge of, or a charge against, the general credit of the County.

4. The Bond Ordinance creates the lien on the Pledged Revenues that it purports to create.

5. Under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes. We are also of the opinion that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions contained in the Internal Revenue Code of 1986, as amended (the "Code"); however, such interest on the Bonds will be included in the adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum tax 75% of the excess of a corporation's adjusted current earnings over its alternative minimum taxable income (determined without

regard to this adjustment and prior to reduction for certain net operating losses). Although we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

6. Based on existing laws of the State of New Mexico as enacted and construed, the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

The opinions set forth above in paragraph 5 are subject to continuing compliance by the County with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance by the County of the Bonds. Failure to comply with these covenants may result in interest on the Bonds being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing legislation as of the date of issuance and delivery of the Bonds, and we express no opinion as of any date subsequent thereto or with respect to any pending legislation.

The obligations of the County related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the County and the security provided therefore, as contained in the Bond Ordinance, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of result.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual of interest on, or the ownership of, the Bonds except those specifically addressed in Paragraphs 5 and 6 above.

Respectfully submitted,

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Board of County Commissioners of Santa Fe County, New Mexico (the "County"), in connection with the issuance of the Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017 (the "Bonds"). The Bonds are being issued pursuant to County Ordinance No. 2017-6, adopted by the Board of County Commissioner on October 31, 2017 (the "Bond Ordinance"). Pursuant to the Bond Ordinance, to allow the Purchaser of the Bonds to comply with the Rule (defined below), the County is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the "Owners"). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) "Annual Financial Information" means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time ("GAAP"), for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB")) and operating data with respect to the County, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions "PLEDGED REVENUES," "ADDITIONAL OBLIGATIONS PAYABLE FROM PLEDGED REVENUES," and "THE COUNTY – Historical General Fund Balance Sheet" in the Official Statement.

(b) "Audited Financial Statements" means the County's annual financial statements which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) "EMMA" means the MSRB's Electronic Municipal Market Access system located on its website at emma.msrb.org.

(d) "Event Information" means the information delivered pursuant to Section 3(d) of this Undertaking.

(e) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1300 I Street NW #1000, Washington, D.C. 20005, phone (202) 838-1500, fax (202) 898-1500.

(f) "Official Statement" means the Official Statement dated November 16, 2017, delivered in connection with the original issue and sale of the Bonds.

(g) "Report Date" means March 31 of each year, beginning in 2018.

(h) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, Section 240.15c2-12), as the same may be amended from time to time.

(i) "SEC" means the Securities and Exchange Commission.

(j) "State" means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The County, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the County will provide Audited Financial Statements to EMMA when and if available.

(c) The County, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the County, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a "final official statement" within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) At any time the Bonds are outstanding and the County obtains knowledge of the occurrence of any of the following events with respect to the Bonds, the County shall file, in a timely manner not in excess of ten (10) business days after the occurrence of the event, a notice of such occurrence with EMMA:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of Bondholders, if material;

(viii) bond calls, if material, or tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Bond, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or a similar event with respect to the District or an obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee, or a change of name of a trustee, if material.

(e) The County or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the County to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. Unless otherwise required by law and subject to technical and economic feasibility, the County, or its designated agent, will employ such methods of electronic or physical information transmission as is requested or recommended from time to time by EMMA, the MSRB, and the SEC.

Section 5. Enforcement. The obligations of the County under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the County to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The County's breach of its obligations under this Undertaking will not constitute an event of default under the Bond Ordinance or the Bonds and none of the rights and remedies provided by the Bond Ordinance will be available to the Owners with respect to such a breach.

Section 6. Term. The County's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Bond Ordinance; (ii) the date on which the County is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments. The County may amend this Undertaking from time to time, without the consent of any Owner, upon the County's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the County and the Owners and creates no rights in any other person or entity.

Section 9. Requesting Information. Persons seeking to obtain the Annual Financial Information, including the Audited Financial Statements, may obtain such information by contacting the County Manager at 102 Grant Avenue, Santa Fe, NM 87501.

Section 10. Special Funds. This Undertaking is subject to the availability of necessary funds from annual Pledged Revenues (as defined in the Bond Ordinance) and shall not constitute a general obligation of the County.

Section 11. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: ___________, 2017

SANTA FE COUNTY, NEW MEXICO

By: _________________________________
Chair, Board of County Commissioners

ATTEST:

By: _______________________________
County Clerk