

START OF BOOK

MINUTES OF THE BOARD OF COUNTY
COMMISSIONERS

DATE OF MINUTES-----1-28-98-----

DATE OF FILMING-----

CAMERA OPERATOR YVONNE SANCHEZ

SPECIAL MEETING

1459385

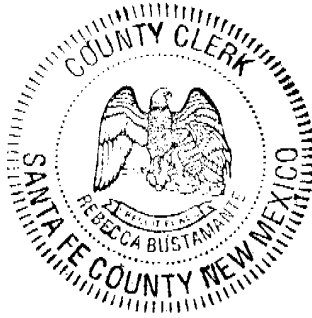
BOARD OF COUNTY COMMISSIONERS

SANTA FE, NEW MEXICO

SPECIAL MEETING

JANUARY 28, 1998

Javier Gonzales, Chairman
Paul Duran, Vice Chairman
Richard Anaya, Commissioner
Joe Griñé, Commissioner
Marcos Trujillo, Commissioner [excused]



COUNTY OF SANTA FE
STATE OF NEW MEXICO 10/13/98 SS 546
I hereby certify that this instrument was filed
for record on the 25 day of Feb A.D.
19 98, at 9:06 o'clock a m
and was duly recorded in book 1459,
page 385 of the records of
Santa Fe County.

Witness my Hand and Seal of Office
Rebecca Bustamante
County Clerk, Santa Fe County, N.M.

Marcella Salazar
Deputy

SANTA FE COUNTY

SPECIAL MEETING

1459385

BOARD OF COUNTY COMMISSIONERS

January 28, 1998

This special meeting of the Santa Fe Board of County Commissioners was called to order at 4:20 p.m. by Chairman Javier Gonzales in the Santa Fe County Commission Chambers.

Roll Call indicated the presence of a quorum as follows:

Members Present

Commissioner Javier Gonzales, Chairman
Commissioner Paul Duran, Vice Chairman
Commissioner Richard Anaya
Commissioner Joe Griñé

Members Absent

Commissioner Marcos Trujillo

III. APPROVAL OF THE AGENDA

CHAIRMAN GONZALES: Are there any changes at this time?

Commissioner Anaya moved to approve the agenda as presented. Commissioner Griñé seconded his motion which passed by unanimous voice vote.

IV. PUBLIC HEARING:

1. Ordinance No. 1998-02. An ordinance to amend and restate Ordinance No. 1997-13; authorizing the issuance and sale of one or more series of Santa Fe County. New Mexico Gross Receipts Tax Refunding and Improvement Revenue Bonds, in the aggregate principal amount not to exceed fifteen million dollars (\$15,000,000) [Exhibit 1]

DOMINGO SÁNCHEZ (County Manager): Mr. Chairman, I guess I'm a little confused and want to just ask some questions, maybe it's appropriate to ask the County

Attorney. We were being asked for an ordinance number, 1998-02, but we're amending an Ordinance No. 1997-13. That just confuses me and I was wondering if we could clarify that. What are we doing, amending that one? Or amending it to give it a new number?

STEVE KOPELMAN (County Attorney): Mr. Chairman, members of the Commission and County Manager Sanchez. When you amend an ordinance you actually have to do it by a new ordinance. And so even though in effect it's the same thing with a very minor change, now we'll have 1997-13, 1998-02 that will virtually be identical.

MR. SÁNCHEZ: Okay. Then, Mr. Chairman, I'm told by the clerk that it's -02.

CHAIRMAN GONZALES: Mr. Sanchez, would you like to do a review of the ordinance?

MR. SÁNCHEZ: Thank you, Mr. Chairman. What we have before you is an amendment to Ordinance 1997-13. We had a public hearing on this a few weeks back and what we did is we amended the original ordinance which was for \$2,750,000 and we amended the amount up to \$15 million. Let me explain just briefly why. We subsequently then discussed the issuance of bonds for a new administration building. Rather than go through the exercise of doing two separate issuances and the associated costs, we said why not just amend the ordinance to include what was first identified in the \$2,750,000 amount and then the additional amount for the admin building.

That's really all we're doing is rather than doing everything over again or having two separate exercises or ordinances, we're amending that initial one.

CHAIRMAN GONZALES: If I understand it, maybe Mr. Swerdling could address the Commission on this, but if I understand the reason for this, is because of the current interest rates in the market. Is that correct, Mr. Swerdling?

BOB SWERDLING: Bob Swedling with Piper Jaffrey. We are, as you pointed out, we are at a historical low on interest rates. In fact we did some financing for another New Mexico county a week ago and received a rate in the marketplace of 4.8 percent for thirty-year debt. The market has come up a little bit since then, only to we believe, the talk on Wall Street is the president's foibles are responsible for the jump, weakening the stock market and we expect that will resolve itself then perhaps go down a little bit. But even at today's rate we are within five or ten basis points of historical lows and we believe that we can get money for Santa Fe County right now at a rate at or around 5 percent plus or minus a few basis points.

Looking historically, it's probably the lowest rates that have been available since before the 1986 tax change went to a much higher marginal rate on income taxes. Treasury rates today are around 5.90. They dropped as low as 5.68. That, 5.68 was the lowest rate since anybody's kept track in thirty years of treasury bonds being sold. So it's an extraordinarily favorable time for you to be taking advantage of borrowing.

CHAIRMAN GONZALES: Let me ask you this. This Commission has not even begun to begin a study or look at whether we would -- we understand we need a new

1459385

administration building, really move towards those steps, but the bonds being issued now, if they're not used, are there any costs to the County if they're refunded or how would that work if the Commission decided that it did not want to build a new administration building? What would happen to those bonds that are out there? What would be the costs to the County?

MR. SWERDLING: Mr. Chairman, the way that this bond ordinance is structured is pretty broadly with respect to use. If there were another project that you needed, you would probably be able to use the proceeds for that other project. If, however, the Commission were to determine that it did not want to spend those monies at all, what we will do for you is set the monies up in an account where they are earning just as much as it costs you to borrow the money, exactly to the fifth decimal. It will be exactly the same amount as what it costs you to borrow the money. So the proceeds that you deposit into that account, you will be able to take the money out and pay off the bonds if that's the choice that you make.

CHAIRMAN GONZALES: So in effect it would be a wash and there would be no cost.

MR. SWERDLING: It would be a wash outside the minimal amount associated with the cost of issuance. There you are putting at risk maybe one percent of the principal in order to save probably 10 percent if you go ahead and use it where the interest rates normally are, perhaps 20 percent.

CHAIRMAN GONZALES: Let me ask you this. I guess I don't understand, when you talk about basis points and things of that nature, can you maybe possibly give an example of what you mean of what the market was, maybe when we issued the bonds. Real easy and what it is, when we issued the bonds for the jail and what it is today, and really what kind of savings we would see by capturing it.

MR. SWERDLING: When you issued the bonds, Commissioner, for the jail, we were quite proud. We thought we had got about the lowest rate we had seen in many, many years and that was about a 5.25 to 5.30, if memory serves.

CHAIRMAN GONZALES: That means that for every \$1,000 of bonds you pay \$5.25?

MR. SWERDLING: For every thousand dollars of bonds outstanding, your interest on an annual basis would have been about \$53.00. The savings of thirty basis points, that market to this market is a third of a point. A third of a point will save you on a per million dollars, one percent of ten thousand, so say \$3,500 per year approximately, per million. On \$15 million in borrowing \$50,000 a year over the term of the borrowing, you're saving -- if my reasoning is correct, it's over a million dollars in interest savings. About a million and a half dollars.

COMMISSIONER DURAN: At borrowing at this rate as opposed to what rate --

MR. SWERDLING: As opposed to what rates were on your last borrowing,

which also was a very low rate. The average rate over the past five years has been around 6 percent, perhaps a little bit higher. At one point, for a \$15 million deal, we're talking \$150,000 per year, \$150,000 over a thirty-year period is over four and a half million dollars. In present value terms you're still talking significant, significant dollars. Present value terms is the difference in the amount that you have available for projects if you were doing the borrowing today and that's probably about \$1.8 million, maybe \$2 million more in projects being able to borrow at this interest rate environment as opposed to what the historical norm has been for the past seven years.

CHAIRMAN GONZALES: Any other questions?

COMMISSIONER DURAN: Mr. Chairman, Domingo, do you concur with Mr. Swerdlung on those rates? The history of the rates over the last several years?

MR. SÁNCHEZ: Mr. Chairman, Commissioner Duran, I feel comfortable with the information that Mr. Swerdlung has represented to the Commission and I feel comfortable with the direction that we're going in terms of the risk or the avenues that we would pursue in the event that you chose not to go forward with the new administration building because we're covered. And that's my biggest concern is, I don't have an interest in seeing the County exposed financially in any way, shape or form, so I do feel comfortable with what you're hearing.

COMMISSIONER DURAN: Can we use these funds if we decide not to do the administration building, but something else that could be used for other County public buildings?

MR. SÁNCHEZ: Mr. Chairman, again, the language is, I want to say, broad enough to encompass a number of different types of projects and we did that so that we didn't tie our hands unnecessarily because we you may choose tomorrow to dismiss our going ahead with the admin building but there might be something else that we want to expand on that we already have in the mill. So it gives us a flexibility I think we need and I believe Mr. Strumor can talk to the language a little more to explain to you why that does that.

COMMISSIONER DURAN: Can this money also be used for, say, an economic development program that we might want to --

ROBERT STRUMOR: Let me jump in here. Bob Strumor, Hughes and Strumor Limited Co. Mr. Chairman, Commissioner Duran, this basically is a general authorizing ordinance for any projects permitted under essentially that Gross Receipts Taxes can be used for under the Revenue Bond Act. Essentially, it's public project type projects, but if let's say you wanted to do a roadway in an industrial park, you probably could do it under that, but it wouldn't encompass, necessarily an economic development project as a whole. It's infrastructure-related -- it's buildings, it's roads, streets, water, sewer. But I don't think we mentioned water and sewer. Yes, drainage, maintaining, bettering, repairing, otherwise improving storm sewers or other drainage.

So it's very, very broad, but I would also point out that that's in the ordinance only

authority to issue these bonds for the next two years so you'd have to come back and actually decide to issue the amount that you would want to issue for an admin building or some other project.

COMMISSIONER DURAN: I'm sorry. We'd have to --

MR. STRUMOR: In other words, there's another action required by the board and that would be the actual sale resolution. This isn't the final step. This is essentially the first major step. The noticing of the public hearing was the first step. This hearing today is the second step, but these bonds aren't going to get issued or sold until there's an actual sale resolution.

MR. SÁNCHEZ: Mr. Chairman, Commissioner Duran, the other thing I also wanted to point out in addition to that two-year window, is you mentioned can we use it for an economic development program. To the extent that we're talking about a capital expenditure, that falls within the scope of what we can spend this money for. We could do that. But we could not use this for operating expenditures, like say, we need FTE for an economic development division to pursue this park in more detail, because we want more resources dedicated to it. It's not for FTE or operational expenditures; just capital.

MR. SWERDLING: If I might add one comment. The County, I'm sure, has some ongoing capital monies that you spend out of your regular operating budget. These monies could supplant in your operating budget, if you chose those qualified projects, freeing up that money to be used for purposes that you would have to spend non-bond proceeds for. So while directly the bonds are restricted under the federal code to be used as well as state statute, to be used for bricks, mortar, and related costs, not for operations, the County Manager -- the budget can be made to accommodate capital, freeing up some other funds, if that was the choice you made.

MR. SÁNCHEZ: And I would agree. That then becomes a shell game where you're displacing funds in one object into another. But, as we've looked at this issue of a new administration building that's essentially what we're doing. We're displacing one for the other and we're looking what our operating budget already includes. We tried to fashion this in such a way that we didn't have to rely on revenues generated from this facility or any other facility in order to service the debt. So we're playing within our operating budget to do that. So we're doing exactly what Mr. Swerdling is saying.

The other thing that I want to mention is, if we're successful at doing this, and -- which we can within the operating budget, we free up this facility. We have no pressure to generate revenues from it, but any revenues we do generate is a windfall for the County. We can use programs like you're saying. So it is -- you're kind of moving things around here, around there. But the way we try to structure this as we were developing this in our thought process was to minimize any unnecessary risk or pressure on us to continue going forward and I think we've been able to do that, the way we've structured this.

COMMISSIONER DURAN: I just have one more question. That is, the original ordinance was for \$2 million and we're increasing it to \$15 million. Could you

1459385

explain a little more. Do you know what the first two million was for?

MR. SÁNCHEZ: Mr. Chairman, Commissioner Duran, I know you listened the first time too, and the second, but we had, in that first \$2.7 million amount approximately \$700,000-ish for the economic development park infrastructure, roads and the water, sewer related expenditures. Then approximately \$2 million for public works facilities and then our fees and things like that. Those were really the two primary things that were in that first amount. Then we added what we thought we would need for the new administration building. Let's say that's ten million. We're up to twelve and a half. Then we identified again what we thought our fees and things would be and put in a little extra in case we decided to go into Phase II of the public works facilities or if there were additional infrastructure costs or expenditures that we had not anticipated in the building of a new admin site -- additional land costs, depending on where we end up locating. But if everything goes within the dollar amount and we have that additional flexibility and we don't go forward with let's say Phase II of the public works facilities, it gives the Commission some flexibility for other projects, which is why again the language is so broadly written.

COMMISSIONER DURAN: So the public works facility that we've been talking about that's going to go by the Caja del Rio site, that's the money, the \$2 million, that's where the \$2 million is going to come from? That's where the construction money is coming from?

MR. SÁNCHEZ: That's correct.

COMMISSIONER DURAN: Okay. I have no more questions.

CHAIRMAN GONZALES: Mr. Swerdling, you might, just for the Commission, maybe give us an overview of how we're viewed in the bond market. How Santa Fe County is and maybe give us a comparative just so we have an idea as to how the market looks at us.

MR. SWERDLING: Yes, Mr. Chairman, members of the Commission, the objective this time for the financing was to create maximum, maximum authority for the Commissioners to determine how much debt they may want to issue and what I'm saying is to try and make the bond covenants as lenient as possible, as favorable as possible for the County. What we have negotiated on your behalf with a bond insurer, to insure triple-A rating, Santa Fe County is a double-A credit, which puts you at the same level as Bernalillo County, probably no other counties in the state of New Mexico and perhaps 75 counties nation-wide are rated double-A or better.

So you're certainly a top tier county with respect to how the credit markets view you. What we were able to do was to take that stellar reputation in the markets and ask the insurers to guarantee your bonds at a reasonable cost with only what we call a 110-coverage ratio. Normally in the industry, 125 is the level that an insurer is willing to talk with a client about insuring their bonds. When I say 125, what I mean is they want to see that you have in place, 125 percent of the revenues that you're pledging necessary to make your debt service, so that if your economy falls off, or something goes wrong or if you don't grow,

1459385

whatever the case, they want a cushion.

That cushion is usually one-quarter of your debt service. Because of your reputation, because of your credit quality in the marketplace, we were able to skinny them down, if you will, to 110 percent which is about a low, it is as low as any other government I've ever been able to negotiate from an insurance company. You are currently rated double-A on your general obligation bonds by Moody's. That is an extremely high rating again for a county. General obligation bond is a better representation of what your credit is worth -- it looks to your general taxing power, your management, and so on and so forth, including your ability to pay.

Revenue bonds, people will look at coverage levels and a weak government can get a very high rating simply by pledging ten times the amount of revenue that is needed. Standard and Poors, I have asked to look at your credit quality. They have assured me that you're in the double-A category. They have not determined yet whether it is a minus or straight double-A. Again, extremely high ratings, and I've indicated that the County would likely not accept a rating other than double-A and I'm still in those negotiations. With the double-A already at Moody's we see no reason to bring in another rating unless it is at least as high if not higher.

But generally, the name "Santa Fe" on top of that people around the country like to own Santa Fe, because there are people from the funds that want to come visit and look at where their bonds are. The kind of fund balances that you keep from year to year and the skill with which the budget is managed here, the good job that both the Commission has done and staff has done with respect to protecting the finances, which is the most important thing for a rating, is outstanding. Just because I talk too much let me add that any economy that has a large dependence on tourism is usually penalized very, very heavily in the credit market. Santa Fe is not, because of your financial performance being what it is year to year.

COMMISSIONER GRINÉ: Could you repeat that?

MR. SWERDLING: Santa Fe County is not penalized in the marketplace. You don't take a credit hit for being tourist-based because your finances have stood up so well year to year in spite of the fact that, you get a bad year on snow or the Indian gaming opens up and you don't have the growth in your revenues, normally, that's reflected in lower ratings, but because you've done such a good job with the budget here -- New Mexico counties are shining much brighter than New Mexico cities these days with respect to their ability to manage the budget and it's being recognized in the credit market.

COMMISSIONER DURAN: Mr. Swerdling, how much more money can we borrow?

MR. SWERDLING: Under your Gross Receipts Tax bonding capacity, under your general obligation bonding capacity, we can -- you can borrow a lot of money. The question is how much will it cost you. There are special revenues that you have that through what we refer to as special fund doctrine in the industry are not general revenues of the County therefore you could promise them to somebody from contract to give them away.

1459385

We could probably generate a lot more money for you than you would want to hear. But at a reasonable rate, I think your G.O. bonding capacity is --

MR. SÁNCHEZ: Right now, our unused portion of G.O. bond capacity is approximately \$100 million. So, to respond to -- and I'd like to give a little more than what Bob gave, Commissioner Duran, \$100 million in G.O. bonding capacity means that we have to go out and ask the voters to tax themselves. But that's how much capacity we still have on the G.O. bonds and it's growing. Because our assessed value continues to grow. With respect to Gross Receipts, which is what we're talking about in this, the way we've looked at again in terms of our operating budget, you're going to be limited by how much money you have in your operating budget that hasn't been committed to different types of programs.

That's why I was saying when we look at a percentage of the new money coming in for next year and as we refinance a portion of the debt for the public works equipment we're able to live within the operating budget amounts and minimize the additional commitment to Gross Receipts or operating revenues for the payment of these bonds. In order to maintain a 1.4 coverage ratio, we would be limited, at least as the revenues are today, to about \$650,000 to \$700,000 more of Gross Receipts in order to maintain that coverage ratio.

The issue is though, not the ratio in my book. It's do we have \$650,000 that we haven't committed within County operations to spend? And the answer is no, we don't have that. That's why I have to work within our budget to make sure, even though we can maintain those ratios, we have other commitments that we have also. So it's freeing up those commitments in order to direct them to pay these. But we worked through our operating budget just because of expenditures we have and how we've moved things around that we have such a minimal impact that I'm not worried about being able to service the debt on these bonds.

Theoretically, if we wanted to cut in other areas, we could continue to issue Gross Receipts but it's not something I would have a real strong interest in bringing forward to the Commission unless the Commission really had a strong interest in that.

COMMISSIONER DURAN: Our ability to pay these bonds really isn't affected -- we have the capacity to pay the bonds back without any problem at all. Right?

MR. SÁNCHEZ: Mr. Chairman, Commissioner Duran, I feel very comfortable and I'm not an easy sell most times on what we can afford and what we can't. I feel very comfortable again, given the parameters that I was given by the Commission to look at this, that we can service this debt and again, we're doing it with just a minimal hit toward any new money we have for next year and I mean minimal. And then we're also not relying on any revenues that we might generate from this facility or the Anacon. That's icing on the cake in my opinion. So once the Sheriff admin is completed and we free up that building, and once a new admin building is completed and we free up this one, anything we make on these two buildings was not relied on. There's no pressure on us. It's available for us to address capital needs throughout the County, or to issue more bonds if we want to at that time, pledge those revenues and then we can go out and issue more bonds. So we're

1459385

sitting very well financially. I feel real comfortable.

COMMISSIONER DURAN: I believe we need a new admin building too. I just want to make sure, just like buying a new car, we can afford it. It's in simple terms, but that's basically it. If we can afford it, I think we should go for it.

MR. SÁNCHEZ: I think the analogy of buying a new car is a good analogy. It's what you can afford. You want to live within your means. I think that we're trying to do that and we've done that. I think we've done a very good job of that.

COMMISSIONER ANAYA: Domingo, are we about ready to retire some bonds that are out there now too?

MR. SÁNCHEZ: Mr. Chairman, the bonds that I'm talking about us refinancing and they are the ones that are going to be retired like three years, a few years down the road. But we're going to have paid almost all of it off in the interim. We've got a portion of that in our operating budget this year. So, yes, we do have some that are going to be retired and another issuance that we're looking at retiring in addition to those, and have a Gross Receipts commitment that we're doing a switch on here, is the Environmental Gross Receipts.

We were looking at doing that. I was not as lucky when I found out what the actual cash balances were, to be what I would have liked to, but that's something that I think within the next year and a half to two years that we're going to be able to really approach and then get that off our debt also. So, those are the only things I'm aware of unless Bob's aware of any others that we have issued that we can, that we're close to be able to write off our books.

CHAIRMAN GONZALES: Any other questions? All right, what's the pleasure of the Commission?

COMMISSIONER ANAYA: Mr. Chairman, move approval of the ordinance to amend the previous ordinance as presented.

MR. STRUMOR: Mr. Chairman, Commissioner Anaya, there's one little technical point I'd like to bring out. On page 7 of the ordinance as presented, it refers under the definition of Gross Receipts Tax to an ordinance number and a date where there was an election enacting what we call the third one-eighth Gross Receipts Tax and it was Ordinance No. 1987-06, adopted on October 6, 1987. Prior to the meeting, we still have to get the actual date of the election. What I would like in the record is that as bond council, we're directed to insert that in the ordinance prior to the delivery to the Clerk for recordation. In other words, basically to fill in the blank.

COMMISSIONER ANAYA: Thank you, Mr. Strumor. So noted.

CHAIRMAN GONZALES: Okay then, there's been a motion to approve Ordinance No. 1998-02 with the recommendation of Mr. Strumor. Is there a second?

COMMISSIONER GRINÉ: Second.

CHAIRMAN GONZALES: There's a second. Okay. Any discussion? This is an ordinance, actually we did not have the public hearing so just for the record, is there

1459385

anyone who'd like to address the Commission concerning this issue? Okay.

COMMISSIONER ANAYA: Mr. Chairman, my previous motion stands.

COMMISSIONER GRINÉ: Second.

CHAIRMAN GONZALES: Okay. Any discussion?

Upon roll call vote, Ordinance No. 1998-02 passed unanimously with Commissioners Anaya, Griné and Duran all voting in the affirmative.

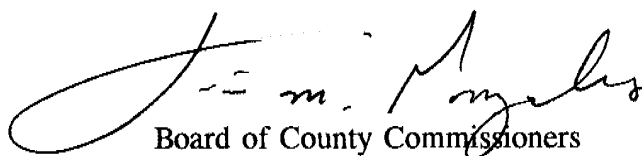
COMMISSIONER ANAYA: Just a note, Mr. Chairman, we have so much flexibility with the Territorial Building and the Anacon Building, there's so much potential to cover anything that we do. I feel very comfortable with it. I'd like to note that for the record.

CHAIRMAN GONZALES: Thank you.

ADJOURNMENT

Chairman Gonzales declared this meeting adjourned at approximately 4:50 p.m.

Approved by:



Board of County Commissioners
Javier Gonzales, Chairman

Respectfully submitted:

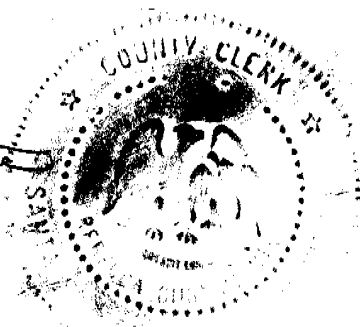


Karen Farrell, Commission Reporter

ATTEST TO:

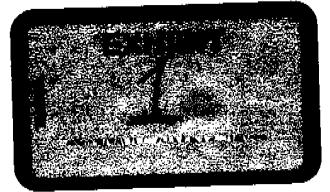


REBECCA BUSTAMANTE
SANTA FE COUNTY CLERK



SANTA FE COUNTY, NEW MEXICO

ORDINANCE NO.



AMENDING AND RESTATING ORDINANCE NO. 97-13; AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF SANTA FE COUNTY, NEW MEXICO GROSS RECEIPTS TAX REFUNDING AND IMPROVEMENT REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FIFTEEN MILLION DOLLARS (\$15,000,000) (THE "BONDS") FOR ANY ONE OR MORE OF THE PURPOSES OF: (1) CONSTRUCTING, PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS OR PURCHASING OR IMPROVING ANY GROUND RELATED THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND IMPROVING PARKING LOTS OR ANY COMBINATION OF THE FOREGOING; (2) RECONSTRUCTING, RESURFACING, MAINTAINING, REPAIRING OR OTHERWISE IMPROVING EXISTING ALLEYS, STREETS, ROADS OR BRIDGES OR ANY COMBINATION OF THE FOREGOING, OR LAYING OFF, OPENING, CONSTRUCTING OR OTHERWISE ACQUIRING NEW ALLEYS, STREETS, ROADS OR BRIDGES OR ANY COMBINATION OF THE FOREGOING, PROVIDED THAT ANY OF THE FOREGOING IMPROVEMENTS MAY INCLUDE BUT IS NOT LIMITED TO THE ACQUISITION OF RIGHTS OF WAY; (3) PURCHASING OR OTHERWISE ACQUIRING OR CLEARING LAND OR PURCHASING, OTHERWISE ACQUIRING AND BEAUTIFYING LAND FOR OPEN SPACE; (4) ACQUIRING, CONSTRUCTING, PURCHASING, EQUIPPING, FURNISHING, MAKING ADDITIONS TO, RENOVATING, REHABILITATING, BEAUTIFYING OR OTHERWISE IMPROVING PUBLIC PARKS, PUBLIC RECREATIONAL BUILDINGS OR OTHER PUBLIC RECREATIONAL FACILITIES OR ANY COMBINATION OF THE FOREGOING; AND (5) ACQUIRING, EXTENDING, ENLARGING, BETTERING, REPAIRING, OTHERWISE IMPROVING OR MAINTAINING STORM SEWERS, AND OTHER DRAINAGE IMPROVEMENTS, SANITARY SEWERS, SEWAGE TREATMENT PLANTS OR WATER UTILITIES, INCLUDING BUT NOT LIMITED TO THE ACQUISITION OF RIGHTS OF WAY AND WATER AND WATER RIGHTS OR ANY COMBINATION OF THE FOREGOING; ALL WITHIN THE COUNTY; AND REFUNDING THE OUTSTANDING NEW MEXICO FINANCE AUTHORITY 1995 EQUIPMENT LOAN; PROVIDING FOR THE PAYMENT OF THE BONDS FROM THE COUNTY'S GROSS RECEIPTS TAX REVENUES REMITTED TO THE COUNTY BY THE STATE OF NEW MEXICO AND WHICH MAY BE DEDICATED TO SAID PURPOSES SUBORDINATE TO (1) SANTA FE COUNTY, NEW MEXICO CORRECTIONAL SYSTEM REVENUE BONDS, SERIES 1997, DATED FEBRUARY 1, 1997; (2) SANTA FE COUNTY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, SUBORDINATE SERIES 1997A DATED FEBRUARY 1, 1997; AND (3) TO ANY GROSS RECEIPTS TAX REVENUE BONDS THE COUNTY MAY ISSUE AFTER THE DATE OF ISSUANCE OF THE BONDS WHICH THE COUNTY MAY DESIGNATE AS HAVING A SENIOR PRIORITY OVER THE BONDS, PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO INCLUDING A RESERVE FUND AND FOR A SUPPLEMENTAL RESOLUTION OF THE COUNTY ESTABLISHING CERTAIN DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

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

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

WHEREAS, the County is authorized by the Act, to issue gross receipts tax revenue bonds to provide funds, together with other funds of the County, for one or more of the purposes of: (1) constructing, furnishing and equipping one or more buildings, (2) repairing, or otherwise improving existing roads and constructing or otherwise acquiring new roads, including acquisition of rights of way, (3) purchasing or otherwise acquiring land for open space, (4) improving or acquiring public recreational facilities, and (5) improving, constructing, or otherwise acquiring storm sewers, sanitary sewers, and water utilities, including water rights, all within the County, refunding any outstanding gross receipts tax obligations, and adopt any ordinance to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the County and its inhabitants; and

WHEREAS, the Pledged Revenues are currently pledged to the payment of the outstanding Senior Obligations; and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the County and its residents that the Bonds be issued with a lien on the Pledged Revenues subordinate to the lien of the Senior Obligations; and

WHEREAS, the Bonds shall be issued pursuant to the Act; and

WHEREAS, the Board will sell the Bonds to the Purchaser upon such terms and conditions as will be established in a Sale

1 Resolution to be adopted by the County pursuant to this Ordinance;
2 and

3 **WHEREAS**, all required authorizations, consents or approvals of
4 any state, governmental body, agency or authority, in connection
5 with the authorization, execution and delivery of the Bonds which
6 are required to have been obtained by the date hereof have been
7 obtained, and which will be required to be obtained prior to the
8 date of issuance of the Bonds, will have been obtained by such
9 date; and

10 **WHEREAS**, there has been on deposit with the County Clerk the
11 proposed form of Bond Ordinance;

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

14 1 **Section . Definitions.** As used in this Bond Ordinance,
15 the following terms shall, for all purposes, have the meanings
16 herein specified, unless the context clearly requires otherwise
17 (such meanings to be equally applicable to both the singular and
18 the plural forms of the terms defined):

19 "Acquisition Account" means the "Santa Fe County, New
20 Mexico Gross Receipts Tax Refunding and Improvement Revenue Bonds,
21 Second Subordinate Series 1998 Acquisition Account" created in
22 Section 14 of this Ordinance.

23 "Act" means the County Revenue Bond Act, Sections 4-62-1
24 et seq., NMSA 1978, and Section 4-37-1, NMSA 1978.

25 "Beneficial Owner" shall mean those entities from time to
26 time for whose account the Participants hold Bonds.

27 "Board" means the Board of County Commissioners of Santa
28 Fe County, New Mexico or any future successor governing body of the
29 County.

1 "Bond," or the "Bonds" means the "Santa Fe County, New
2 Mexico Gross Receipts Tax Revenue Bonds, Second Subordinate Series
3 1998."

4 "Bond Fund" means the "Santa Fe County, New Mexico Gross
5 Receipts Tax Refunding and Improvement Revenue Bonds, Second
6 Subordinate Series 1998 Bond Fund" established by Section 18 of
7 this Bond Ordinance.

8 "Bondholder," "holder," "owner" or "Owner" means the
9 registered owner of any Bond as shown on the registration books of
10 the County for the Bonds, from time to time, maintained by the
11 Registrar. Any reference to a majority or a particular percentage
12 or proportion of the Bondholders shall mean the Holders at the
13 particular time of a majority or of the specified percentage or
14 proportion in aggregate principal amount of all Bonds then
15 Outstanding.

16 "Bond Ordinance" or "Ordinance" means this County
17 Ordinance, as amended or supplemented from time to time.

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

22 "Chairman of the Board" or "Chairman" means the duly
23 elected Chairman of the Board or the Vice Chairman of the Board
24 acting in the absence of the Chairman.

25 "Code" means the Internal Revenue Code of 1986, as
26 amended, the federal income tax regulations of the United States
27 Treasury Department (whether proposed, temporary or final) and any
28 amendments of, or successor provisions to, the foregoing and any
29 official rulings, announcements, notices, procedures and judicial
30 determinations regarding any of the foregoing, all as and to the
31 extent applicable. Unless otherwise indicated, reference to a
32 section of the Code in this Bond Ordinance means that section of

1 the Code and such applicable regulations, rulings, announcements,
2 notices, procedures and determinations pertinent to that section.

3 "County" means Santa Fe County, New Mexico.

4 "County Clerk" means the duly elected Clerk of the County
5 or a duly appointed deputy County Clerk acting in the absence of
6 the Clerk.

7 "County Gross Receipts Tax Revenues" means the revenues
8 derived from the first one-eighth increment and one-half of the
9 third one-eighth increment county gross receipts tax levied by the
10 County pursuant to Section 7-20E-9, NMSA 1978, imposed on persons
11 engaging in business in the County, which revenues are remitted
12 monthly by the Revenue Division of the Taxation and Revenue
13 Department of the State to the County as authorized by Sections
14 7-1-6 and 7-1-6.13, NMSA 1978, and which remittances currently
15 equal three sixteenths of one percent (.1875%) of the taxable gross
16 receipts reported for the County for the month for which such
17 remittance is made.

18 "Event of Default" means any of the events stated in
19 Section 24 of this Bond Ordinance.

20 "Expenses" means the reasonable and necessary fees,
21 commissions, costs and expenses incurred by the County with respect
22 to the issuance of the Bonds, including but not limited to the
23 fees, commissions, costs and expenses paid to or to be paid by the
24 County directly or to the Paying Agent, Registrar, rating agencies,
25 financial printers, bond counsel and other attorneys' fees.

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

31 "Gross Receipts Tax" means the first one-eighth increment
32 and one-half of the third one-eighth increment of one percent

1 (1875%) gross receipts tax imposed pursuant to the Gross Receipts
2 Tax Ordinances authorized by the County Local Option Gross Receipts
3 Taxes Act.

4 "Gross Receipts Tax Revenue Bonds" means bonds or other
5 obligations of the County, payable in whole or in part, from the
6 Pledged County Gross Receipts Tax Revenues.

7 "Gross Receipts Tax Ordinance" means County Ordinance
8 No. 1983-7 adopted on August 8, 1983 as amended by No. 1991-4
9 adopted on March 12, 1991 and County Ordinance No. ____ adopted on
10 and approved by a majority of the qualified
11 electorate on .

12 "Gross Receipts Tax Revenues" means the monthly
13 distributions of the proceeds from the Gross Receipts Tax received
14 by the County from the New Mexico Taxation and Revenue Department.

15 "Gross Receipts Tax Revenue Act" means the County Local
16 Option Gross Receipts Taxes Act, Sections 7-20E-1 through 7-20E-18,
17 NMSA 1978.

18 "Herein," "hereby," "hereunder," "hereof," "herein-above"
19 and "hereafter" refer to the entire Bond Ordinance and not solely
20 to the particular section or paragraph of this Bond Ordinance in
21 which such word is used.

22 "Independent Accountant" means any certified public
23 accountant, or firm of such accountants, duly licensed to practice
24 and practicing as such under the laws of the State of New Mexico,
25 appointed and paid by the County who (a) is, in fact, independent
26 and not under the domination of the County, (b) does not have any
27 substantial interest, direct or indirect, with the County, and (c)
28 is not connected with the County as an officer or employee of the
29 County, but who may be regularly retained to make annual or similar
30 audits of the books or records of the County.

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

1 "Interest Payment Date" means a particular day of each
2 month to be established in the Sale Resolution for payment of
3 interest on the Bonds.

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

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

8 "Outstanding" when used in reference to Bonds means, on
9 any particular date, the aggregate of all Bonds delivered under
10 this Bond Ordinance except:

11 A. those canceled at or prior to such date or
12 delivered or acquired by the County at or prior to such date for
13 cancellation;

14 B. those otherwise deemed to be paid in accordance
15 with Section 27 or Section 32 of this Bond Ordinance;

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

21 D. those Bonds which have been refunded in
22 accordance with this Bond Ordinance or other ordinance of the
23 County authorizing the issuance of the applicable bonds.

24 "Participants" shall mean those broker-dealers, banks and
25 other financial institutions from time to time for which DTC holds
26 Bonds as Securities Depository.

27 "Paying Agent" means the County Treasurer or an entity to
28 be designated in the Sale Resolution as agent for the County for
29 the payment of the Bonds or any successor to the County Treasurer
30 which shall be a trust company, national or state banking
31 association or financial institution at the time appointed Paying
32 Agent by resolution of the Board.

1 "Pledged County Gross Receipts Tax Revenues" means the
2 County Gross Receipts Tax Revenues but only to the extent that
3 twenty-five percent (25%) of the first one-eighth increment of such
4 revenues (the "reserve revenues") are not otherwise deposited in
5 the County reserve fund pursuant to Section 7-20E-11, NMSA 1978, as
6 amended, and, if still available, such reserve revenues upon their
7 release from the County reserve fund after the end of each Fiscal
8 Year, pledged to the Bonds.

9 "Pledged Revenues" shall mean the Pledged County Gross
10 Receipts Tax Revenues.

11 "Preliminary Official Statement" means the preliminary
12 disclosure document setting forth information concerning the Bonds
13 and the County omitting the offering price(s), interest rate(s),
14 selling compensation, aggregate principal amount per maturity,
15 delivery dates, ratings, and other terms of the Bonds depending on
16 such matters.

17 "Project" means constructing, furnishing and equipping
18 one or more public buildings, for any one or more of the purposes
19 of: (1) constructing, purchasing, furnishing, equipping,
20 rehabilitating, making additions to or making improvements to one
21 or more public buildings or purchasing or improving any ground
22 related thereto, including but not necessarily limited to acquiring
23 and improving parking lots or any combination of the foregoing; (2)
24 reconstructing, resurfacing, maintaining, repairing or otherwise
25 improving existing alleys, streets, roads or bridges or any
26 combination of the foregoing, or laying off, opening, constructing
27 or otherwise acquiring new alleys, streets, roads or bridges or any
28 combination of the foregoing, provided that any of the foregoing
29 improvements may include but is not limited to the acquisition of
30 rights of way; (3) purchasing or otherwise acquiring or clearing
31 land or purchasing, otherwise acquiring and beautifying land for
32 open space; (4) acquiring, constructing, purchasing, equipping,

1 furnishing, making additions to, renovating, rehabilitating,
2 beautifying or otherwise improving public parks, public
3 recreational buildings or other public recreational facilities or
4 any combination of the foregoing; and (5) acquiring, extending,
5 enlarging, bettering, repairing, otherwise improving or maintaining
6 storm sewers, and other drainage improvements, sanitary sewers,
7 sewage treatment plants or water utilities, including but not
8 limited to the acquisition of rights of way and water and water
9 rights or any combination of the foregoing; all within the County;
10 including but not limited to the reimbursement of certain costs
11 incurred by the County related to the foregoing prior to the
12 adoption of this Ordinance and refunding the Refunded Obligations.

13 "Purchaser" means Piper Jaffray Inc., or such other
14 entity named in a Sale Resolution to whom the Bonds will be
15 originally sold in accordance with a Sale Resolution.

16 "Rebate Fund" means the "Santa Fe County, New Mexico
17 Gross Receipts Tax Refunding and Improvement Revenue Bonds, Second
18 Subordinate Series 1998 Rebate Fund" established pursuant to
19 Section 14 of this Bond Ordinance.

20 "Record Date" means the fifteenth (15th) day of the
21 calendar month next preceding the Interest Payment Date.

22 "Refunding Sub-Account" means the subaccount established
23 in Section 15 of this Bond Ordinance.

24 "Refunded Obligations" means the New Mexico Finance
25 Authority 1995 Equipment Loan.

26 "Registrar" means the County Treasurer or an entity to be
27 designated in the Sale Resolution as agent for the County for
28 transfer and exchange of the Bonds or any successor to the County
29 Treasurer which shall be a trust company, national or state banking
30 association or financial institution at the time appointed by
Resolution of the Board.

1 "Reserve Fund" means the "Santa Fe County, New Mexico
2 Gross Receipts Tax Refunding and Improvement Revenue Bonds, Second
3 Subordinate Series 1998 Reserve Fund" established by Section 18 of
4 this Bond Ordinance.

5 "Sale Resolution" means one or more resolutions
6 supplementing this Bond Ordinance by setting out certain terms and
7 provisions of the Bonds to be adopted by the Board subsequent to
8 the date hereof.

9 "Securities Depository" shall mean the Depository Trust
10 Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516)
11 227-4039 or 4190 ("DTC"); Midwest Securities Trust Company, Capital
12 Structures-Call Notification, 440 South La Sable Street, Chicago,
13 Illinois 50504, Fax (312) 663-2343; Pacific Securities Depository
14 Trust Company, Pacific and Company, P.O. Box 7041, San Francisco,
15 California 94120, Fax (415) 393-4128; Philadelphia; Depository
16 Trust Company, Reorganization Division, 1900 Market Street,
17 Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax
18 (215) 496-5058; or, in accordance with the then current guidelines
19 of the Securities and Exchange Commission, to other addresses
20 and/or other such securities depositories, or to any other such
21 depositories as the County may designate in writing.

22 "Senior Obligations" means, collectively, the Santa Fe
23 County, New Mexico Correctional System Revenue Bonds, Series 1997,
24 the Santa Fe County, New Mexico Gross Receipts Tax Revenue Bonds,
25 Subordinate Series 1997A, and any Gross Receipts Tax Revenue Bonds
26 the County may issue after the date of issuance of the Bonds which
27 the County may designate as having a senior priority over the
28 Bonds.

29 "State" means the State of New Mexico.

30 "Subordinate Series 1997A Revenue Fund" means the
31 "Santa Fe County, New Mexico Gross Receipts Tax Revenue Bonds,

1 Subordinate Series 1997A Revenue Fund" established by Section 17 of
2 County Ordinance No. 1996-18.

3 1 **Section .** Ratification. All action heretofore taken
4 (not inconsistent with the provisions of this Bond Ordinance) by
5 the Board and officers of the County directed toward the Project,
6 and toward the authorization, sale and issuance of the Bonds to the
7 Purchaser (including, but not necessarily limited to the
8 distribution of the Preliminary Official Statement) be, and the
9 same hereby is, ratified, approved and confirmed. •

10 2 **Section .** Authorization of Project. The Project is
11 hereby authorized and ordered at a total cost not to exceed
12 \$15,000,000 excluding any such cost defrayed or to be defrayed by
13 any source other than Bond proceeds.

14 3 **Section .** Findings. The Board hereby declares,
15 including refunding the Refunded Obligations, that it has
16 considered all relevant information and data and hereby makes the
17 following findings:

18 A. The acquisition of the Project, including
19 refunding the Refunded Obligations, is needed to meet the future
20 needs of the County and its inhabitants.

21 B. Moneys available for acquiring the Project from
22 all sources other than the issuance of Gross Receipts Tax Revenue
23 Bonds are not sufficient to defray the cost of acquiring the
24 Project, including refunding the Refunded Obligations,

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

27 D. The issuance of the Bonds pursuant to the Act,
28 to provide funds for acquiring the Project, including refunding the
29 Refunded Obligations, is necessary and in the interest of the
30 future public health, safety, morals and welfare of the residents
31 of the County.

1 E. The exact principal amount of the Bonds, the
2 interest rate and sale price of the Bonds will be established in
3 the Sale Resolution, but in no event shall the net effective
4 interest rate on the Bonds exceed twelve percent per annum as
5 required by Section 6-14-3, NMSA 1978.

6 **4 Section . Bonds - Authorization and Detail.**

7 A. Authorization. This Bond Ordinance has been
8 adopted by the affirmative vote of at least three-fourths of all
9 the members of the Board. For the purpose of protecting the public
10 health, conserving the property, protecting the general welfare and
11 prosperity of the citizens of the County, it is hereby declared
12 necessary that the County, pursuant to the Act, issue its
13 negotiable, fully registered, Gross Receipts Tax Revenue Bonds to
14 be designated Santa Fe County, New Mexico Gross Receipts Tax
15 Refunding and Improvement Revenue Bonds, Second Subordinate Series
16 1998 in an aggregate principal amount not to exceed \$15,000,000 and
17 the issuance, sale and delivery of the Bonds is hereby authorized.
18 The Bonds shall be sold from time to time, but not later than two
19 (2) years from the effective date of this Ordinance, at a
20 negotiated sale to the Purchaser.

21 B. Details of the Bonds.

22 1 () The form, terms, and provisions of the
23 Bonds, as set forth in Section 13, are hereby approved with only
24 such changes therein as are not inconsistent with this Bond
25 Ordinance and the Sale Resolution.

26 2 () The Bonds shall be negotiable instruments
27 but shall be issued only as fully registered bonds, in
28 denominations of \$5,000 or any integral multiple thereof, in such
29 numbers and denominations, subject to Section 11 of this Bond
30 Ordinance, as may be requested by the Purchaser but exchangeable
31 for other fully registered Bonds. The Bonds shall be numbered

1 separately and consecutively and shall be dated as of a date to be
2 established in the Sale Resolution. The Bonds shall bear interest
3 from their date payable on the dates to be established in the Sale
4 Resolution, commencing on the date established in the Sale
5 Resolution until maturity at the rate of interest to be established
6 in the Sale Resolution. The exact principal amount, authorized
7 denominations, transfer restrictions, if any, and maturity schedule
8 and/or mandatory sinking fund redemption schedule for the Bonds
9 shall be established in the Sale Resolution as recommended by Bond
10 Counsel and approved by the Chairman.

11 In no event shall any Bonds mature later than fifty
12 years from the date of their issuance except for Bonds issued for
13 reconstructing, resurfacing or repairing existing streets which
14 shall mature not later than twenty years from their date of
15 issuance. The Bonds shall be sold for cash, at, above or below par
16 at a price or prices that result in net effective interest rates
17 that do not exceed the maximum permitted by the Public Securities
18 Act, Sections 6-14-1 to 6-14-3, NMSA 1978.

19 **5 Section . Prior Redemption.**

20 A. Optional Redemption, Date and Price. The Bonds
21 may be subject to prior redemption at the option of the County, in
22 whole or in part, on the date or dates and at the redemption
23 price(s) to be established in the Sale Resolution.

24 B. Notice. Notice of redemption shall be given by
25 the Registrar by sending a copy of such notice by registered or
26 certified first-class mail, postage prepaid, at least thirty (30)
27 days prior to the redemption date, to the registered owners of the
28 Bonds to be redeemed at the address shown on the registration books
29 kept by the Registrar as of the close of business of the Registrar
30 on the fifth day prior to the mailing of notice. The County shall
31 give the Registrar written instructions to give notice of

1 redemption to the registered owners of the Bonds to be redeemed at
2 least forty-five (45) days prior to such redemption date. If the
3 Bonds are subject to mandatory sinking fund redemption pursuant to
4 the Sale Resolution, no notice from the County to the Registrar
5 shall be required for mandatory sinking fund redemptions. Neither
6 the County's failure to give such notice nor the Registrar's
7 failure to give such notice to the registered owners of the Bonds,
8 or any defect therein, shall affect the validity of the proceedings
9 for the redemption of any Bonds for which proper notice was given.
10 Notice of redemption shall specify the amount being redeemed, the
11 date fixed for redemption, and that on such redemption date there
12 will become and be due and payable upon the Bonds to be redeemed at
13 the office of the Paying Agent the principal amount to be redeemed
14 plus accrued interest to the redemption date and that from and
15 after such date interest will cease to accrue on such amount.
16 Notice having been given in the manner hereinbefore provided, the
17 Bonds so called for redemption shall become due and payable on the
18 redemption date so designated and if an amount of money sufficient
19 to redeem the Bonds called for redemption shall on the redemption
20 date be on deposit with the Paying Agent, the Bonds to be redeemed
21 shall be deemed not Outstanding and shall cease to bear interest
22 from and after such redemption date. Upon presentation of the
23 Bonds to be redeemed at the office of the Paying Agent, the Paying
24 Agent will pay the Bonds so called for redemption with funds
25 deposited with the Paying Agent by the County.

26 6 **Section . Filing of Signatures.** Prior to the execution
27 of any Bond, pursuant to Sections 6-9-2 to 6-9-6, NMSA 1978, the
28 Chairman of the Board and County Clerk shall each file with the New
29 Mexico Secretary of State his or her manual signature certified by
30 him or her under oath; provided that filing shall not be necessary

1 for any officer where any previous filing may have legal
2 application to the Bonds.

3 7 **Section .** Execution and Authentication of the Bonds.

4 A. Execution. The Bonds shall be signed with the
5 engraved, imprinted, stamped or otherwise reproduced facsimile of
6 the signature, or the manual signature, of the Chairman of the
7 Board and shall be attested with the facsimile or manual signature
8 of the County Clerk. There shall be affixed to the Bonds the
9 printed, engraved, stamped or otherwise placed facsimile of, or
10 imprint of, the County's corporate seal. The Bonds shall be
11 authenticated by the manual signature of an authorized officer of
12 the Registrar. The Bonds, when authenticated and bearing the
13 manual or facsimile signatures of the officers in office at the
14 time of signing thereof, shall be valid and binding special
15 obligations of the County, notwithstanding that before delivery
16 thereof and payment therefor, any or all of the persons whose
17 signatures appear thereon shall have ceased to fill their
18 respective offices. The Chairman of the Board and County Clerk, at
19 the time of the execution of the Bonds and the signature
20 certificate, each may adopt as and for his or her own facsimile
21 signature, the facsimile signature of his or her predecessor in
22 office if such facsimile signature appears upon the Bonds or any
23 certificates pertaining to the Bonds.

24 B. Authentication. No Bond shall be valid or
25 obligatory for any purpose unless the certificate of authentication
26 has been duly executed by the Registrar. The Registrar's
27 certificate of authentication shall be deemed to have been fully
28 executed if manually signed and inscribed by an authorized officer
29 of the Registrar.

30 8 **Section .** Negotiability. The Bonds shall be fully
31 negotiable and shall have all the qualities of negotiable paper,

1 and the registered owners of the Bonds shall possess all rights
2 enjoyed by the holders of negotiable instruments under the
3 provisions of the Uniform Commercial Code-Investment Securities.

4 9 **Section .** Payment and Presentation of Bonds for Payment.

5 Principal and interest on the Bonds shall be payable in lawful
6 money of the United States of America, without deduction for
7 exchange or collection charges. Principal and interest on the
8 Bonds shall be payable by check or draft mailed to the registered
9 owners thereof (or in such other manner as may be agreed upon by
10 the Paying Agent and the registered owners), as shown on the
11 registration books maintained by the Registrar at the address
12 appearing therein on the 15th day of the calendar month next
13 preceding the interest payment date which is the Record Date. Any
14 interest which is not timely paid or provided for shall cease to be
15 payable to the owner thereof (or of one or more predecessor Bonds)
16 as of the Record Date, but shall be payable to the owner thereof
17 (or of one or more predecessor Bonds) at the close of business on
18 a special record date for the payment of that overdue interest.
19 The special record date shall be fixed by the Paying Agent whenever
20 moneys become available for payment of the overdue interest, and
21 notice of the special record date shall be given to Bond owners not
22 less than ten days prior thereto. If any Bond, when presented for
23 payment remains unpaid at maturity or redemption, it shall continue
24 to bear interest at the rate designated in, and applicable to, such
25 Bond from time to time. If any Bond is not presented for payment
26 at maturity or redemption when funds available therefor have been
27 deposited with the Paying Agent, it shall cease bearing interest on
28 and from the date of maturity or redemption.

29 10 **Section .** Registration, Transfer, Exchange and Ownership
30 Of Bonds.

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

14 B. Limitations. The Registrar shall not be
15 required to transfer or exchange the Bond (i) during the period of
16 fifteen (15) days next preceding the mailing of notice calling any
17 Bonds for redemption as herein provided, or (ii) after the mailing
18 to the registered owner of notice calling such Bonds as herein
19 provided. The Registrar shall close books for change of registered
20 owners' addresses on each Record Date; transfers will be permitted
21 within the period from each Record Date to each interest payment
22 date, but such transfers shall not include a transfer of accrued
23 interest payable.

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

1 D. Lost Bonds. If any Bond shall be lost, stolen,
2 destroyed or mutilated, the Registrar shall, upon receipt of such
3 Bond, if mutilated, and such evidence, information or indemnity
4 relating thereto as the Registrar may reasonably require, if lost,
5 stolen or destroyed, authenticate and deliver a replacement Bond or
6 Bonds of a like aggregate principal amount and of the same series,
7 maturity and interest rate. If any such lost, stolen, destroyed or
8 mutilated Bond shall have matured or have been called for
9 redemption, the Registrar may request the Paying Agent to pay such
10 Bond in lieu of replacement.

11 E. Additional Bonds. Executed but unauthenticated
12 Bonds are hereby authorized to be delivered to the Registrar in
13 such quantities as may be convenient to be held in custody by the
14 Registrar pending delivery upon transfer or exchange as herein
15 provided.

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

22 G. Book-Entry Bonds.

23 1. () The registered bondholder of all of the
24 Bonds shall be a Securities Depository and such Bonds shall be
25 registered in the name of the nominee for the Securities
26 Depository. The Bonds referred to in this subsection 11.G shall
27 refer to the Bonds registered in the name of the Securities
28 Depository.

29 2. () The Bonds shall be initially issued in the
30 form of separate, single, authenticated fully-registered Bonds in
31 the amount or each separately stated maturity of the Bonds. Upon
32 initial issuance, the ownership of each such Bond shall be

1 registered in the registration books kept by the Registrar in the
2 name of the nominee of the Securities Depository. The Registrar,
3 Paying Agent and the County may treat the Securities Depository (or
4 its nominee) as the sole and exclusive Holder of the Bonds
5 registered in its name for the purposes of (a) payment of the
6 principal or redemption price of or interest on the Bonds, (b)
7 selecting the Bonds or portions thereof to be redeemed, (c) giving
8 any notice permitted or required to be given to Bondholders under
9 this Ordinance, (d) registering the transfer of Bonds, and (e)
10 obtaining any consent or other action to be taken by Bondholders
11 and for all other purposes whatsoever and neither the Registrar,
12 Paying Agent or the County shall be affected by any notice to the
13 contrary (except as provided in subparagraph (3) below). Neither
14 the Registrar, Paying Agent or the County shall have any
15 responsibility or obligation to any Participant, any Beneficial
16 Owner or any other person claiming a beneficial ownership interest
17 in the Bonds under or through the Securities Depository or any
18 Participant, or any other person which is not shown on the
19 registration books of the Registrar as being a Bondholder, with
20 respect to the accuracy of any records maintained by the Securities
21 Depository or any Participant, the payment to the Securities
22 Depository of any amount in respect of the principal or redemption
23 price of or interest on the Bonds; any notice which is permitted or
24 required to be given to Bondholders under this Ordinance; the
25 selection by the Securities Depository or any Participant of any
26 person to receive payment in the event of a partial redemption of
27 the Bonds; or any consent given or other action taken by the
28 Securities Depository as Bondholder. Paying Agent shall pay all
29 principal and redemption price of and interest on the Bonds only to
30 or "upon the order of" (as that term is used in the Uniform
31 Commercial Code as adopted in the State) the Securities Depository.
32 All such payments shall be valid and effective to fully satisfy and

1 discharge the County's obligations with respect to the principal,
2 purchase price or redemption price of and interest on the Bonds to
3 the extent of the sum or sums so paid. Except as provided in
4 subparagraph (3) below, no person other than the Securities
5 Depository shall receive an authenticated Bond for each separate
6 stated maturity evidencing the obligation of the County to make
7 payment of principal or redemption price and interest pursuant to
8 this Ordinance. Upon delivery by the Securities Depository to the
9 Registrar of written notice to the effect that the Securities
10 Depository has determined to substitute a new nominee in place of
11 the preceding nominee, the Bonds will be transferable to such new
12 nominee in accordance with subparagraph (6) below.

13 3 () In the event the County determines that it
14 is in the best interest of the County not to continue the book-
15 entry system of transfer or that the interest of the Beneficial
16 Owners might be adversely affected if the book-entry system of
17 transfer is continued, the County may notify the Securities
18 Depository, whereupon the Securities Depository will notify the
19 Participants of the availability through the Securities Depository
20 of Bond certificates. In such event, the Registrar shall
21 authenticate, transfer and exchange Bond certificates as requested
22 by the Securities Depository in appropriate amounts in accordance
23 with paragraph (6) below. The Securities Depository may determine
24 to discontinue providing its services with respect to the Bonds at
25 any time by giving notice to the County and discharging its
26 responsibilities with respect thereto under applicable law, or the
27 County may determine that the Securities Depository is incapable of
28 discharging its responsibilities and may so advise the Securities
29 Depository. In either such event, the County shall either
30 establish its own book-entry system or use reasonable efforts to
31 locate another Securities Depository. Under such circumstances (if
32 there is no successor Securities Depository) the County and the

1 Registrar shall be obligated to deliver Bond certificates as
2 described in this Ordinance and in accordance with subparagraph (6)
3 below. In the event Bond certificates are issued, the provisions
4 of this Ordinance shall apply to such Bond certificates in all
5 respects, including, among other things, the transfer and exchange
6 of such certificates and the method of payment of principal or
7 redemption price of and interest on such certificates. Whenever
8 the Securities Depository requests the County and the Registrar to
9 do so, the Registrar and the County will cooperate with the
10 Securities Depository in taking appropriate action after reasonable
11 notice (a) to make available one or more separate certificates
12 evidencing the Senior Obligations Bonds to any Participant having
13 Bonds credited to its account with the Securities Depository or (b)
14 to arrange for another securities depository to maintain custody of
15 certificates evidencing the Bonds.

16 4 () Notwithstanding any other provision of
17 this Ordinance to the contrary, so long as any Bond is registered
18 in the name of the nominee of the Securities Depository, all
19 payment with respect to the principal or redemption price of and
20 interest on such Bond and all notices with respect to such Bond
21 shall be made and given to the Securities Depository as provided in
22 its Representation Letter.

23 5 () In connection with any notice or other
24 communication to be provided to Bondholders pursuant to this
25 Ordinance by the County, the Registrar, or the Paying Agent with
26 respect to any consent or other action to be taken by Bondholders,
27 the County, the Registrar, or the Paying Agent, as the case may be,
28 shall establish a record date for such consent or other action and
29 give the Securities Depository notice of such record date not less
30 than fifteen (15) calendar days in advance of such record date to
31 the extent possible. Such notice to the Securities Depository

1 shall be given only when the Securities Depository is the sole
2 Bondholder.

3 6 () In the event that any transfer or exchange
4 of Bonds is permitted under subparagraphs (2) and (3) hereof, such
5 transfer or exchange shall be accomplished upon receipt by the
6 Registrar from the registered owner thereof of the Bonds to be
7 transferred or exchanged and appropriate instruments of transfer to
8 the permitted transferee, all in accordance with the applicable
9 provisions of this Ordinance. In the event Bond certificates are
10 issued to owners other than the nominee of the Securities
11 Depository, or another securities depository as holder of all the
12 Bonds, the provisions of this Ordinance shall also apply to, among
13 other things, the printing of such certificates and the methods of
14 payment of principal or redemption price of and interest on such
15 certificates.

16 7 () Notwithstanding any provision of this
17 Ordinance to the contrary, in connection with any redemption of
18 Bonds while the DTC is the sole Bondholder, the County shall give
19 notice of such redemption to the Registrar at least forty-five (45)
20 days prior to the date fixed for redemption and the Registrar shall
21 give notice of redemption to DTC as holder of such Bonds at least
22 thirty (30) days and not more than sixty (60) days prior to the
23 date fixed for redemption.

24 11 **Section . Special Limited Obligations.** All of the Bonds
25 and all payments of principal, premium, if any, and interest
26 thereon whether at maturity or on a redemption date, together with
27 any interest accruing thereon, shall be special limited obligations
28 of the County and shall be payable and collectible solely from the
29 Pledged Revenues which revenues are so pledged and are payable as
30 set forth in Section 20 of this Bond Ordinance. The owner of the
31 Bonds may not look to any general or other fund for the payment of

1 the principal of or interest on such obligations, except the
2 designated special funds pledged therefor. The Bonds shall not
3 constitute an indebtedness or a debt of the County within the
4 meaning of any constitutional, charter or statutory provision or
5 limitation, nor shall it be considered or held to be a general
6 obligation of the County, and each of the Bonds shall recite that
7 it is payable and collectible solely out of the Pledged Revenues,
8 pledged as set forth in this Bond Ordinance, and that the holder
9 thereof may not look to any general or other County fund for the
10 payment of the principal of and interest on the Bonds. Nothing
11 herein shall prevent the County, in its sole discretion, from
12 applying other funds of the County legally available therefor to
13 the payment of the Bonds.

14 **12 Section .** Form of the Bonds. The form, terms and
15 provisions of the Bonds shall be substantially as set forth below,
16 with such changes therein as are not inconsistent with this Bond
17 Ordinance and the Sale Resolution:

18 (Form of Bond)

19 AS PROVIDED IN THE BOND ORDINANCE REFERRED TO HEREIN,
20 UNTIL THE TERMINATION OF REGISTERED OWNERSHIP OF ALL OF THE BONDS
21 THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR
22 SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE BOND ORDINANCE,
23 "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE BOND
24 ORDINANCE TO THE CONTRARY, THE PRINCIPAL AMOUNT OUTSTANDING UNDER
25 THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE
26 REGISTRAR. DTC OR A TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY
27 NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE
28 PRINCIPAL AMOUNT HEREOF OUTSTANDING AND TO BE PAID. THE PRINCIPAL
29 AMOUNT OUTSTANDING AND TO BE PAID ON THIS BOND SHALL FOR ALL
30 PURPOSES BE THE AMOUNT INDICATED ON THE BOOKS OF THE REGISTRAR.

31
32 UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED
33 REPRESENTATIVE OF DTC TO THE REGISTRAR FOR REGISTRATION OF
34 TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN
35 THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN
36 AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE &
37 CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR
38 OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED
39 OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

1
2 UNITED STATES OF AMERICA STATE OF NEW MEXICO

1459385

3 SANTA FE COUNTY, NEW MEXICO
4 GROSS RECEIPTS TAX REVENUE BOND
5 SECOND SUBORDINATE REFUNDING AND IMPROVEMENT
6 SERIES 1998
7

8 Bond No. R-___ \$

9
10 INTEREST RATE MATURITY DATE DATE OF BOND CUSIP
11 ___% per annum , ___ January ___, 1998
12

13 The County of Santa Fe (the "County"), in the State of New
14 Mexico, a county duly organized and existing under the Constitution
15 and laws of the State of New Mexico, for value received, hereby
16 promises to pay, solely from the special funds available for the
17 purpose as hereinafter set forth, to CEDE & Co. or registered
18 assigns, no later than the Maturity Date stated above (unless this
19 bond is called for prior redemption, in which case on such
20 redemption date), upon presentation and surrender hereof at the
21 principal office of the County Treasurer as paying agent, or any
22 successor paying agent (the "Paying Agent"), the sum of
23 THOUSAND DOLLARS (\$) and to pay from
24 said sources interest on the unpaid principal amount at the
25 Interest Rate stated above on , and on the and
26 of each year (each an "Interest Payment Date")
27 thereafter to its maturity, or until redeemed if called for
28 redemption prior to maturity. This bond will bear interest from
29 the most recent date to which interest has been paid or provided
30 for or, if no interest has been paid or provided for, from its
31 date. Interest on this bond is payable by check mailed to the
32 registered owner hereof (or by such other arrangement as may be
33 mutually agreed to by the Paying Agent and the registered owner) as
34 shown on the registration books for this issue maintained by the
35 County Treasurer as registrar, or any successor registrar (the
36 "Registrar") at the address appearing therein at the close of

1 business on the fifteenth day of the calendar month next preceding
2 the Interest Payment Date (the "Record Date"). Any interest which
3 is not timely paid or duly provided for shall cease to be payable
4 to the owner hereof as of the Record Date but shall be payable to
5 the owner hereof at the close of business on a special record date
6 to be fixed by the Paying Agent for the payment of interest. The
7 special record date shall be fixed by the Paying Agent whenever
8 moneys become available for payment of the overdue interest, and
9 notice of the special record date shall be given to the owner of
10 the Bonds (defined below) as then shown on the Registrar's
11 registration books not less than ten days prior to the special
12 record date. If, upon presentation at maturity or redemption,
13 payment of this bond is not made as herein provided, interest
14 hereon shall continue at the Interest Rate stated above until the
15 principal hereof is paid in full. The principal, premium, if any,
16 and interest on this bond are payable in lawful money of the United
17 States of America, without deduction for the services of the Paying
18 Agent or the Registrar.

19 This bond is one of a duly authorized issue of fully
20 registered bonds of the County in the aggregate principal amount of
21 \$15,000,000, issued in denominations of \$5,000 or integral
22 multiples thereof, designated as Santa Fe County, New Mexico Gross
23 Receipts Tax Refunding and Improvement Revenue Bonds, Second
24 Subordinate Series 1998 (the "Bonds") issued under and pursuant to
25 County Ordinance No. and County Resolution No.
26 (collectively, the "Bond Ordinance").

27 The Bonds are subject to prior redemption at the option of the
28 County, in whole or in part, as more particularly described below:

29 (Insert Redemption Provisions)

30

1 Notice of redemption, except mandatory sinking fund redemption
2 for which no notice shall be given, of this bond will be given by
3 providing at least 30 days prior written notice by registered or
4 certified first-class mail, postage prepaid, to the owner hereof or
5 portion hereof to be redeemed at the address shown on the
6 registration books as of the fifth day prior to the mailing of
7 notice as provided in the Bond Ordinance. Notice of redemption
8 will specify the amount being redeemed, and shall further state
9 that on such redemption date there will become and be due and
10 payable upon each Bond to be redeemed at the office of the Paying
11 Agent, the principal amount thereof plus accrued interest to the
12 redemption date and the stipulated premium, if any, and that from
13 and after such date, the redemption amount having been deposited
14 and notice having been given, interest will cease to accrue.

15 Books for the registration and transfer of the Bonds shall be
16 kept by the Registrar. Upon the surrender for transfer or exchange
17 of this bond at the principal office of the Registrar, duly
18 endorsed or accompanied by an assignment duly executed by the
19 registered owner or his attorney duly authorized in writing, the
20 Registrar shall authenticate and deliver, not more than three (3)
21 business days after receipt of the Bond or Bonds to be transferred,
22 in the name of the transferee or owner, a new Bond or Bonds in
23 fully registered form of the same aggregate principal amount,
24 maturity and interest rate. Exchanges and transfers of the Bonds
25 shall be without charge to the owner or any transferee, but the
26 Registrar may require the payment by the owner of any Bonds of any
27 tax or other similar governmental charge required to be paid with
28 respect to such exchange or transfer. The Registrar shall not be
29 required (i) to transfer or exchange any Bond during the period of
30 fifteen days next preceding the mailing of notice calling any Bond
31 for redemption, or (ii) to transfer or exchange any Bond or part
32 thereof called for redemption. The Registrar will close the books

1 for change of registered owners' addresses on each Record Date;
2 transfers will be permitted within the period from each Record Date
3 to each interest payment date, but such transfers shall not include
4 a transfer of accrued interest payable.

5 The person in whose name any Bond is registered on the
6 registration books kept by the Registrar shall be deemed and
7 regarded as the absolute owner thereof for the purpose of making
8 payment thereof and for all other purposes, except as may otherwise
9 be provided with respect to payment of overdue interest in the Bond
10 Ordinance; and payment of or on account of either principal or
11 interest on any Bond shall be made only to or upon the written
12 order of the registered owner thereof or his legal representative.
13 All such payments shall be valid and effectual to discharge the
14 liability upon such Bond to the extent of the sum or sums so paid.

15 If any Bond shall be lost, stolen, destroyed or mutilated, the
16 Registrar will, upon receipt of such Bond, if mutilated, and such
17 evidence, information or indemnity relating thereto as the
18 Registrar may reasonably require, if lost, stolen or destroyed,
19 authenticate and deliver a replacement Bond, or Bonds, of a like
20 aggregate principal amount and of the same maturity and interest
21 rate, bearing a number or numbers not contemporaneously out-
22 standing. If such lost, stolen, destroyed or mutilated Bond shall
23 have matured or have been called for redemption, the Registrar may
24 direct the Paying Agent to pay such Bond in lieu of replacement.

25 This Bond does not constitute an indebtedness of the County
26 within the meaning of any constitutional or statutory provision or
27 limitation, shall not be considered or held to be a general
28 obligation of the County, and is payable and collectible solely
29 from the first one-eighth and one-half of the third one-eighth
30 increment county gross receipts tax levied by the County pursuant
31 to Sections 7-20E-9 to 7-20E-11, NMSA 1978, which equals three
32 sixteenths of one percent (.1875%) of the taxable gross receipts

1 reported for the County and remitted to the County by the State
2 pursuant to Sections 7-1-6 and 7-1-6.13, NMSA 1978 (the "Pledged
3 County Gross Receipts Tax Revenues"), and the Bond Ordinance and
4 the bondholders may not look to any general or other County fund
5 other than those described above for the payment of the interest
6 and principal of this Bond. Additional bonds may be issued and
7 made payable from the Pledged Revenues, upon satisfaction of the
8 conditions set forth in the Bond Ordinance, having a lien thereon
9 either superior to or on a parity with, or subordinate and junior
10 to, the lien on the Pledged Revenues. The lien of the Bonds on the
11 Pledged Revenues is subordinate and junior to liens on the Pledged
12 Revenues of the, Santa Fe County, New Mexico Correctional System
13 Revenue Bonds, Series 1997, dated February 1, 1997, the Santa Fe
14 County, New Mexico Gross Receipts Tax Revenue Bonds, Subordinate
15 Series 1997A, dated February 1, 1997 and to any gross receipts tax
16 revenue bonds issued by the County after the date of the Bonds
17 which the County designates as having a superior lien on the
18 Pledged Revenues.

19 The Bonds are issued to provide funds for any one or more of
20 the purposes of: (1) constructing, purchasing, furnishing,
21 equipping, rehabilitating, making additions to or making
22 improvements to one or more public buildings or purchasing or
23 improving any ground related thereto, including but not necessarily
24 limited to acquiring and improving parking lots or any combination
25 of the foregoing; (2) reconstructing, resurfacing, maintaining,
26 repairing or otherwise improving existing, alleys, streets, roads
27 or bridges or any combination of the foregoing, or laying off,
28 opening, constructing or otherwise acquiring new alleys, streets,
29 roads or bridges or any combination of the foregoing, provided that
30 any of the foregoing improvements may include but is not limited to
31 the acquisition of rights of way; (3) purchasing or otherwise
32 acquiring or clearing land or purchasing, otherwise acquiring and

1 beautifying land for open space; (4) acquiring, constructing,
2 purchasing, equipping, furnishing, making additions to, renovating,
3 rehabilitating, beautifying or otherwise improving public parks,
4 public recreational buildings or other public recreational
5 facilities or any combination of the foregoing; and (5) acquiring,
6 extending, enlarging, bettering, repairing, otherwise improving or
7 maintaining storm sewers, and other drainage improvements, sanitary
8 sewers, sewage treatment plants or water utilities, including but
9 not limited to the acquisition of rights of way and water and water
10 rights or any combination of the foregoing; all within the County,
11 including reimbursing the County for any costs incurred by it for
12 the foregoing prior to the Date of this bond; refunding the New
13 Mexico Finance Authority 1995 Equipment loan; and paying the costs
14 of issuance of the Bonds.

15 The County covenants and agrees with the owner of this bond
16 and with each and every person who may become the owner hereof that
17 it will keep and perform all of the covenants of the Bond
18 Ordinance.

19 This bond is subject to the condition, and every owner hereof
20 by accepting the same agrees with the obligor and every subsequent
21 owner hereof, that the principal of and interest on this bond shall
22 be paid, and this bond is transferable, free from and without
23 regard to any equities, set-offs or crossclaims between the obligor
24 and the original or any other owner hereof.

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

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

4 IN WITNESS WHEREOF, the County of Santa Fe, New Mexico has
5 caused this bond to be signed and executed on the County's behalf
6 with the manual or facsimile signature of the Chairman of the
7 Board, to be countersigned with the manual or facsimile signature
8 of the County Clerk and has caused a facsimile of the corporate
9 seal of the County to be affixed hereon, all as of the date of this
10 bond.

11 SANTA FE COUNTY, NEW

12 MEXICO

13 By /s/
14 Chairman, Board of County
15 Commissioners

16 [SEAL]

17 By /s/
18 County Clerk

19
20 (Form of Registrar's Certificate of Authentication)

21 Certificate of Authentication

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

25 /s/

26 Registrar
27

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

2 (Form of Assignment)

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

8 Dated:

9 Social Security or Tax
10 Identification No. of Assignee
11
12

13 NOTE: The assignor's signature to this Assignment must correspond
14 with the name as written on the face of the within bond in every
15 particular, without alteration or enlargement or any change
16 whatsoever.

17 (End of Form of Assignment)

18 (End of Form of Bond)

19 1 Section . Disposition of Bond Proceeds. Except as
20 herein otherwise specifically provided the proceeds from the sale
21 of the Bonds shall be used as follows:

22 A. Accrued Interest. First, all moneys received
23 as accrued interest from the sale of the Bonds shall be deposited
24 into the Bond Fund, to be applied to the payment of interest next
25 due on the Bonds.

26 B. Reserve Fund. Second, an amount equal to the
27 lesser of: (1) ten percent (10%) of the principal amount of the
28 Bonds; (2) the maximum annual debt service of the Bonds; or (3) one
29 hundred twenty five percent (125%) of the average annual debt
30 service of the Bonds; shall be credited to the Reserve Fund.

31 C. Acquisition Account. Third, an amount
32 necessary, together with funds transferred to the Acquisition

1 Account pursuant to Section 15A, if any, to finance the Project in
2 whole or in part from the proceeds derived from the sale of the
3 Bonds shall be credited to the Acquisition Account, which is hereby
4 created.

5 D. Issuance Fund. Fourth, except as otherwise
6 provided in this Ordinance, the remaining proceeds derived from the
7 sale of the Bonds shall be deposited promptly upon the receipt
8 thereof into the Issuance Fund, maintained by the Purchaser, which
9 is hereby created. The moneys in the Issuance Fund shall be used
10 solely for the payment of costs relating to issuance of the Bonds.
11 All money remaining in the Issuance Fund, if any, after payment of
12 such costs shall be credited to the Acquisition Fund.

13 E. Rebate Fund. There is hereby created the
14 Rebate Fund within the treasury of the County for the purpose of
15 payment to the United States Department of the Treasury of any
16 rebatable arbitrage due.

17 The County shall deposit into the Rebate Fund any amounts
18 available from the proceeds of the Bonds, as specified in the Tax
19 Matters Certificate of the County, in the Rebate Fund, as will be
20 sufficient to pay any rebate due to the United States Department of
21 the Treasury for the applicable rebate period. Moneys in the
22 Rebate Fund shall be invested in accordance with the Tax Matters
23 Certificate. Excess moneys shall be released from the Rebate Fund
24 at the end of the applicable rebate period.

1 Use of Proceeds. Except as otherwise specifi-
2 cally provided in this Ordinance, the proceeds derived from the
3 sale of the Bonds shall be used and paid solely for one or more of
4 the purposes of the Project.

5 **2 Section . Acquisition Account.**

6 A. Additional Acquisition Account Deposit. Upon
7 the issuance of the Bonds, the County Treasurer shall cause to be
8 withdrawn from funds legally available therefor and transferred and
9 credited to the Acquisition Account such amount as he or she
10 determines shall be necessary to assure that the amount in the
11 Acquisition Account will be sufficient for the purposes set forth
12 in paragraph B of this Section 15.

13 B. Maintenance of the Acquisition Account. The
14 Acquisition Account shall be maintained by the County in an amount
15 at the time of the deposit and at all times subsequently at least
16 sufficient to pay the costs of the Project, both accrued and not
17 accrued, as the same become due.

18 C. Refunding Subaccount. There is hereby
19 established the Refunding Subaccount into which the County shall
20 deposit an amount equal to the outstanding principal of and accrued
21 and unpaid interest on, the New Mexico Finance Authority 1995
22 Equipment Loan, to the next prepayment date. The County shall pay
23 from the moneys deposited in the Refunding Subaccount, on the next
24 prepayment date as provided in the loan documents for the New
25 Mexico Finance Authority 1995 Equipment Loan, all unpaid principal
26 of and interest on said obligation.

27 D. Use of the Acquisition Account. Moneys shall
28 be withdrawn by the County from the Acquisition Account in
29 sufficient amounts and at times to permit the payment without
30 default of the costs of the Project. Any moneys remaining in the
31 Acquisition Account after provision shall have been made for the

1 payment in full of the costs of the Project shall, subject to the
2 provision of Section 18D, be paid to the County Treasurer to be
3 applied to any lawful purposes as the County may hereafter
4 determine.

5 E. Insufficiency of the Acquisition Account. If,
6 for any reason, the amount in the Acquisition Account shall at any
7 time be insufficient for the purpose of paragraphs B and C of this
8 Section 15, the County shall forthwith, from the first legally
9 available revenues, deposit in the Acquisition Account such
10 additional moneys as shall be necessary to permit the payment in
11 full of the costs of the Project.

12 3 Section . Purchaser Not Responsible. The Purchaser, or
13 any subsequent owner of any Bonds, shall in no manner be
14 responsible for the application or disposal by the County, or by
15 any officer or any employee or other agent of the County, of the
16 moneys derived from the sale of the Bonds or of any other moneys
17 designated in this Ordinance.

18 4 Section . The Subordinate Series 1997A Revenue Fund.
19 Pursuant to County Ordinance No. 1996-18, the County previously
20 created the Subordinate Series 1997A Revenue Fund into which the
21 County deposits the Pledged Revenues as received by the County.

22 5 Section . Administration of Subordinate Series 1997A
23 Revenue Fund. So long as any of the Senior Obligations and the
24 Bonds shall be outstanding, whether as to principal or interest or
25 both, the following payments shall be made from the Pledged
26 Revenues:

27 A. Bond Fund Created. Firstly, after monthly
28 deposits of the amounts required for payment of principal of
29 premium, if any, and interest on the Senior Obligations to their
30 respective debt service funds, sinking funds, if any, and reserve
31 funds payments, if any, as a charge on the remaining Pledged

1 Revenues, the following amounts shall be withdrawn from the
2 Subordinate Series 1997A Revenue Fund, and shall be concurrently
3 credited to the Bond Fund, which is hereby created:

4 1 () Interest Payments. Monthly, commencing on
5 the first day of the first month following the delivery of any of
6 the Bonds, an amount in equal monthly installments necessary,
7 together with any moneys in the Bond Fund available therefor, to
8 pay the next maturing installment of interest on the Bonds then
9 outstanding and monthly thereafter commencing on each interest
10 payment date, one-sixth (1/6th) of the amount necessary to pay the
11 next maturing installment of interest on the outstanding Bonds; and
12

13 2 () Principal Payments. Monthly, commencing
14 on the first day of the first month following the delivery of any
15 of the Bonds, an amount in equal monthly installments necessary,
16 together with any moneys in the Bond Fund available therefor, to
17 pay the next maturing installment of principal on the Bonds and
18 monthly thereafter commencing on each principal payment date, one-
19 twelfth (1/12th) of the amount necessary to pay the next maturing
20 installment of principal on the Bonds.

21 If prior to any interest payment date or principal
22 payment date, there has been accumulated in the Bond Fund the
23 entire amount necessary to pay the next maturing installment of the
24 interest or principal, or both, the payment required under subpara-
25 graph (1) or (2) (whichever is applicable) of this paragraph A, may
26 be appropriately reduced and the required monthly amounts again
27 shall be so credited to such account commencing on such interest
28 payment date or principal payment date (whichever is applicable).

29 B. Termination Upon Deposits to Maturity. No
30 payment need be made into the Bond Fund if the amount in the Bond
31 Fund is a sum at least equal to the entire amount of the Bonds then
32 outstanding, both as to principal and interest to their respective

1 maturities, and both accrued and not accrued, in which case, moneys
2 in the Bond Fund in an amount at least equal to such principal and
3 interest requirements shall be used solely to pay such as the same
4 accrue and any moneys in excess thereof in the Bond Fund and any
5 other moneys derived from the Pledged Revenues may be used in any
6 lawful manner determined by the County. The sufficiency of such
7 sum shall be verified by an opinion addressed to the County from an
8 independent accountant.

9 C. Use of Moneys in the Bond Fund. The moneys in
10 the Bond Fund shall be used solely and only for the purpose of
11 paying the principal of and the interest on the Bonds; provided,
12 however, that any moneys in the Bond Fund in excess of accrued and
13 unaccrued principal and interest requirements to the respective
14 maturities of the outstanding Bonds may be used as provided in
15 paragraph B of this Section 18.

16 D. Reserve Fund Created. There is hereby created
17 the Reserve Fund, to be held by the County. After the payments
18 required by paragraph A of this Section 18, there shall be
19 withdrawn from the Subordinate Series 1997A Revenue Fund, and there
20 shall be concurrently credited to the Reserve Fund, to the extent
21 such amounts are available in the Subordinate Series 1997A Revenue
22 Fund, such amounts as may be necessary in order that the balance in
23 the Reserve Fund is equal to the lesser of an amount equal to: (1)
24 ten percent (10%) of the original principal amount of Bonds
25 delivered to and purchased by the Purchaser; (2) the maximum annual
26 debt service of the Bonds; or (3) one hundred twenty five percent
27 (125%) of the average annual debt service of the Bonds. If the
28 balance in the Reserve Fund exceeds the amount so determined, the
29 excess shall be withdrawn from the Reserve Fund and concurrently
30 credited to the Bond Fund. Moneys in the Reserve Fund shall be
31 withdrawn from the Reserve Fund and concurrently credited to the
32 Bond Fund, to the extent and at the times necessary, and to the

1 extent such amounts are available in the Reserve Fund, to prevent
2 deficiencies in the payments required to be made pursuant to
3 paragraph A of this Section 18.

4 E. Use of Surplus Pledged Revenues. After making the
5 payments required to be made by paragraphs A and D of this
6 Section 18, the remaining Pledged Revenues, if any, may be paid to
7 the County Treasurer and applied to any other lawful purposes.

8 6 Section . General Administration of Funds. The funds
9 and accounts designated in Sections 14, 15, 17 and 18 shall be
10 administered and invested as follows:

11 A. Places and Times of Deposits. The funds shall
12 be separately maintained as a trust fund or funds for the purposes
13 established and shall be deposited in one or more bank accounts in
14 an Insured Bank or Banks. Each account shall be continuously
15 secured to the extent required by law and shall be irrevocable and
16 not withdrawable by anyone for any purpose other than the
17 designated purpose. Payments shall be made into the proper fund or
18 account on the first day of the month except when the first day
19 shall not be a Business Day, then payment shall be made on the next
20 succeeding Business Day. No later than two Business Days prior to
21 each interest and principal payment date, moneys sufficient to pay
22 interest and principal then due on the Bonds shall be transferred
23 to the Paying Agent. Nothing in this Bond Ordinance shall prevent
24 the County from establishing one or more bank accounts in an
25 Insured Bank or Banks for all the funds required by this Bond
26 Ordinance or shall prevent the combination of such funds and
27 accounts with any other bank account or accounts or other funds and
28 accounts of the County.

29 B. Investment of Moneys. Moneys in any fund or
30 account not immediately needed may be invested in any investment
31 permitted by law. The obligations so purchased as an investment of

1 moneys in any fund or account shall be deemed to be part of such
2 fund or account, and the interest accruing thereon and any profit
3 realized therefrom shall be credited to such fund or account, and
4 any loss resulting from such investment shall be charged to such
5 fund or account. The County Treasurer shall present for redemption
6 or sale on the prevailing market any obligations so purchased as an
7 investment of moneys in the fund or account whenever it shall be
8 necessary to do so in order to provide moneys to meet any payment
9 or transfer from such fund.

10 7 **Section .** Lien on Pledged Revenues. The Pledged
11 Revenues, the amounts and securities on deposit in the Bond Fund
12 and the Reserve Fund, and the proceeds thereof, are hereby
13 authorized to be pledged to, and are hereby pledged, and the County
14 grants a security interest therein for the payment of the principal
15 of, premium, if any, and interest on the Bonds, subject to the uses
16 thereof permitted by, and the priorities of the Senior Obligations
17 set forth in this Bond Ordinance. The Bonds constitute an
18 irrevocable junior and subordinate lien on the Pledged Revenues to
19 the lien of the Senior Obligations on the Pledged Revenues as set
20 forth herein.

21 8 **Section .** Bonds or Other Obligations Payable From
22 Pledged Revenues.

23 A. Issuance of Superior Obligations and Parity
24 County Gross Receipts Tax Revenue Bonds. No provision of this Bond
25 Ordinance shall be construed in such a manner as to prevent the
26 issuance by the County of additional bonds or other obligations
27 payable from Pledged County Gross Receipts Tax Revenues
28 constituting a lien upon such Pledged County Gross Receipts Tax
29 Revenues superior and senior or equal to or on a parity with the
30 Bonds, nor to prevent the issuance of bonds or other obligations
31 refunding all or a part of the Bonds; provided, however, that

1 before any such additional bonds are actually issued, including
2 parity refunding bonds and obligations which refund subordinate
3 obligations as provided in Section 20 hereof, it must be determined
4 that:

5 1 () The County is then current in all of the
6 accumulations required to be made into the Bond Fund and the
7 Reserve Fund as provided in Section 18 of this Bond Ordinance; and

8 2 () No default shall exist in connection with
9 any of the covenants or requirements of this Bond Ordinance; and.

10 3 () The Pledged County Gross Receipts Tax
11 Revenues received by the County for the twelve months immediately
12 preceding the date of the issuance of such additional Bonds shall
13 have been sufficient to pay an amount representing one hundred ten
14 percent (110%) of the combined maximum annual principal and
15 interest coming due in any subsequent Fiscal Year on the then
16 outstanding Bonds and the additional bonds proposed to be issued.

17 B. Certificate or Opinion of Revenues. A written
18 certificate or opinion by an Independent Accountant that such
19 annual Pledged County Gross Receipts Tax Revenues are sufficient to
20 pay such amounts shall be conclusively presumed to be accurate in
21 determining the right of the County to authorize, issue, sell and
22 deliver such additional bonds or other obligations senior to or on
23 a parity with the Bonds herein authorized.

24 C. Subordinate Obligations Permitted. No
25 provision of this Bond Ordinance shall be construed in such a
26 manner as to prevent the issuance by the County of additional bonds
27 or other obligations payable from the Pledged Revenues constituting
28 a lien upon such Pledged Revenues subordinate and junior to the
29 lien of the Bonds nor to prevent the issuance of bonds or other
30 obligations refunding all or part of the Bonds herein authorized as
31 permitted by Section 20 hereof.

1 **Section . Refunding Bonds Payable From Pledged Revenues.**

2 The provisions of Section 21 hereof are subject to the following
3 exceptions:

4 A. Privilege of Issuing Refunding Obligations. If
5 at any time after the Bonds shall have been issued and remain
6 outstanding, the County shall find it desirable to refund any
7 outstanding bonds or other outstanding obligations payable from the
8 Pledged Revenues, such bonds or other obligations, or any part
9 thereof, may be refunded (but the holders of Bonds to be refunded
10 may not be compelled to surrender their Bonds, unless the Bonds or
11 other obligations, at the time of their required surrender for
12 payment, shall then mature, or shall then be callable for prior
13 redemption at the County's option), regardless of whether the
14 priority of the lien for the payment of the refunding obligations
15 on the Pledged Revenues is changed, except as provided in
16 subparagraph D of Section 21 hereof and in subparagraphs B and C of
17 this Section 22.

18 B. Limitations Upon Issuance of Parity Refunding
19 Obligations. No refunding bonds or other refunding obligations
20 payable from the Pledged Revenues shall be issued on a parity with
21 the Bonds herein authorized, unless:

22 1 () The outstanding obligations so refunded
23 are parity bonds and the refunding bonds or other refunding
24 obligations do not increase any aggregate annual principal and
25 interest obligations evidenced by such refunded obligations; or

26 2 () The refunding bonds or other refunding
27 obligations are issued in compliance with paragraph A of Section 22
28 hereof.

29 C. Refunding Part of an Issue. The refunding
30 bonds or other obligations so issued shall enjoy complete equality
31 of lien on the Pledged Revenues with the portion of any Bonds or

1 other obligations of the same issue which is not refunded, if any;
2 and the holder or holders of such refunding bonds or such other
3 refunding obligations shall be subrogated to all of the rights and
4 privileges enjoyed by the holder or holders of the Bonds or other
5 obligations of the same issue refunded thereby. If only a part of
6 the outstanding Bonds and any other outstanding obligations of any
7 issue or issues payable from the Pledged Revenues is refunded, then
8 such obligations may not be refunded without the consent of the
9 holder or holders of the unrefunded portion of such obligations.
10 unless:

11 1 () The refunding bonds or other refunding
12 obligations are issued in compliance with paragraph A of Section 22
13 hereof; or

14 2 () The lien on the Pledged Revenues for the
15 payment of the refunding obligations is subordinate to each such
16 lien for the payment of any obligations not refunded.

17 D. Limitations Upon Issuance of Refunding Obligations.
18 tions. Any refunding bonds or other refunding obligations payable
19 from the Pledged Revenues shall be issued with such details as the
20 County may provide by ordinance, but without any impairment of any
21 contractual obligations imposed upon the County by any proceedings
22 authorizing the issuance of any unrefunded portion of such
23 outstanding obligations of any one or more issues (including, but
24 not necessarily limited to, the Bonds).

25 10 **Section .** Protective Covenants. The County hereby
26 covenants and agrees with each and every holder of the Bonds issued
27 hereunder:

28 A. Use of Bond Proceeds. The County will proceed
29 without delay to apply the proceeds of the Bonds to acquiring the
30 Project.

1 F. Payment of the Bonds Herein Authorized. The
2 County will promptly pay the principal or interest on and premium,
3 if any, on the Bonds at the place, on the date and in the manner
4 specified herein and in the Bonds according to the true intent and
5 meaning hereof.

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

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

25 E. Records for Pledged Revenues. So long as the
26 Bonds remain Outstanding, proper books of record and account will
27 be kept by the County, separate and apart from all other records
28 and accounts, showing complete and correct entries of all
29 transactions relating to the Pledged Revenues.

30 F. Audits. The County will, at the time of the
31 annual audit required by law, cause an audit of its books and
32 accounts relating to the Pledged Revenues to be performed by an

1 Independent Accountant showing the receipts and disbursements in
2 connection with the such Pledged Revenues. The County agrees to
3 furnish forthwith a copy of each of such audits and reports to the
4 owners of the Bonds upon written request.

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

9 H. Duty to Impose Gross Receipts Tax. If any
10 County ordinance or part thereof, which in any manner affects the
11 Pledged County Gross Receipts Tax Revenues, shall ever be held to
12 be invalid or unenforceable, it shall be the duty of the County to
13 immediately take any action necessary to produce sufficient Pledged
14 County Gross Receipts Tax Revenues to comply with the contracted
15 obligations of this Bond Ordinance, except as is provided in
16 paragraph I of this Section.

17 I. Impairment of Contract. The County agrees that
18 any law, ordinance or resolution of the County that in any manner
19 affects the Pledged County Gross Receipts Tax Revenues or the Bonds
20 shall not be repealed or otherwise directly or indirectly modified,
21 in such a manner as to impair adversely the Bonds Outstanding,
22 unless such Bonds have been discharged in full or provision has
23 been fully made therefor, or unless the required consents of the
24 holders of the then Outstanding Bonds are obtained pursuant to
25 Section 31 of this Bond Ordinance.

26 11 Section . Events of Default. Each of the following
27 events is hereby declared an "Event of Default":

28 A. Nonpayment of Principal or Interest. Failure
29 to pay the principal of or interest on the Bonds when the same
30 becomes due and payable.

1 B. Incapable to Perform. The County shall, for
2 any reason, be rendered incapable of fulfilling its obligations
3 hereunder.

4 C. Default of any Provision. Default by the County
5 in the due and punctual performance of its covenants or conditions,
6 agreements and provisions contained in the Bonds, in this Bond
7 Ordinance, or in the Sale Resolution on its part to be performed,
8 and the continuance of such default (other than a default set forth
9 in subparagraph A of this Section 24) for sixty (60) days after
10 written notice specifying such default and requiring the same to be
11 remedied has been given to the County by the registered owners of
12 at least twenty-five percent (25%) in aggregate principal amount of
13 the Bonds outstanding.

14 12 Section . Remedies Upon Default. Upon the happening and
15 continuance of any of the events of default as provided in Section
16 24 of this Bond Ordinance, then in every case, a holder, but not
17 limited to, a trustee or trustees therefor, may proceed against the
18 County, the Board and its agents, officers and employees to protect
19 and enforce the rights of any holder of the Bonds under this Bond
20 Ordinance by mandamus or other suit, action or special proceedings
21 in equity or at law, in the District Court for the State of New
22 Mexico, First Judicial District either for the appointment of a
23 receiver or for the specific performance of any covenant or
24 agreement contained herein, or in an award relating to the
25 execution of any power herein granted for the enforcement of any
26 legal or equitable remedy as such holder or holders may deem most
27 effectual to protect and enforce the rights provided above, or to
28 enjoin any act or thing which may be unlawful or in violation of
29 any right of any Bondholder, or to require the Board to act as if
30 it were the trustee of an express trust, or any combination of such
31 remedies. All such proceedings at law or in equity shall be

1 instituted, had and maintained for the equal benefit of the holders
2 of the Bonds then Outstanding. The failure of any Bondholder so to
3 proceed shall not relieve the County or any of its officers, agents
4 or employees of any liability for failure to perform any duty.
5 Each right or privilege of such holder (or trustee thereof) is in
6 addition and cumulative to any other right or privilege, and the
7 exercise of any right or privilege by or on behalf of any holder
8 shall not be deemed a waiver of any other right or privilege.

9 **13 Section . Duties Upon Default.** Upon the happening of
10 any of the events of default provided in Section 24 of this Bond
11 Ordinance, the County, in addition, will do and perform all proper
12 acts on behalf of and for the owners of the Bonds to protect and
13 preserve the security created for the payment of the Bonds and to
14 insure the payment of the principal of and interest on the Bonds
15 promptly as the same become due. All proceeds derived therefrom,
16 so long as the Bonds, either as to principal or interest, are
17 Outstanding and unpaid, shall be applied as set forth in Section 18
18 of this Bond Ordinance. In the event the County fails or refuses
19 to proceed as provided in this Section 26, the owners of the Bonds
20 then outstanding, after demand in writing, may proceed to protect
21 and enforce the rights of the owners of the Bonds as hereinabove
22 provided.

23 **Section 26A. Provisions Relating to Bond Insurance.** So long
24 as there is a valid, binding, and enforceable municipal bond
25 insurance policy guaranteeing the scheduled payment of principal of
26 and interest on the Bonds, and there is no Bond Insurer Event of
27 Default, the provisions of this Section 26A shall govern the Bonds,
28 notwithstanding anything to the contrary set forth in this
29 Ordinance.

30 A. "AMBAC Assurance" shall mean AMBAC Assurance
31 Corporation, a Wisconsin domiciled stock insurance company.

1 B. "AMBAC Assurance Default" means any one of the
2 following events shall have occurred and be continuing:

3 1 () AMBAC Assurance fails to make or provide
4 for any payment required under the Municipal Bond Insurance Policy
5 in accordance with its terms;

6 2 () AMBAC Assurance (i) files any petition or
7 commences any case or proceeding under any provision or chapter of
8 the United States Bankruptcy Code or any other similar federal or
9 state law relating to insolvency, bankruptcy, rehabilitation,
10 liquidation or reorganization; (ii) makes a general assignment for
11 the benefit of its creditors; or (iii) has an order for relief
12 entered against it under the United States Bankruptcy Code or any
13 other similar federal or state law relating to insolvency,
14 bankruptcy, rehabilitation, liquidation or reorganization which is
15 final and nonappealable; or

16 3 () a court of competent jurisdiction, the New
17 York Department of Insurance or other competent regulatory
18 authority enters a final and nonappealable order, judgment or
19 decree (i) appointing a custodian, trustee, agent or receiver for
20 AMBAC Assurance or for all or any material portion of its property,
21 or (ii) authorizing the taking of possession by a custodian,
22 trustee, agent or receiver of AMBAC Assurance, or the taking of
23 possession of all or any material portion of the property of AMBAC
24 Assurance.

25 C. "Municipal Bond Insurance Policy" shall mean
26 the municipal bond insurance policy issued by AMBAC Assurance
27 insuring the payment when due of the principal of and interest on
28 the Bonds as provided therein.

29 D. Any provision of this Ordinance expressly
30 recognizing or granting rights in or to AMBAC Assurance may not be
31 amended in any manner which affects the rights of AMBAC Assurance
32 hereunder without the prior written consent of AMBAC Assurance.

1 E. Unless otherwise provided in this Section,
2 AMBAC Assurance's consent shall be required in addition to
3 Bondholder consent, when required, for the following purposes: (i)
4 execution and delivery of any supplemental ordinance or any
5 amendment, supplement or change to or modification of this
6 Ordinance; (ii) removal of the Paying Agent and selection and
7 appointment of any successor paying agent; and (iii) initiation or
8 approval of any action not described in (i) or (ii) above which
9 requires Bondholder consent. .

10 F. Any reorganization or liquidation plan with
11 respect to the County must be acceptable to AMBAC Assurance. In
12 the event of any reorganization or liquidation, AMBAC Assurance
13 shall have the right to vote on behalf of all bondholders who hold
14 AMBAC Assurance-insured bonds absent a default by AMBAC Assurance
15 under the applicable Municipal Bond Insurance Policy insuring such
16 Bonds.

17 G. Anything in this Ordinance to the contrary
18 notwithstanding, upon the occurrence and continuance of an Event of
19 Default, AMBAC Assurance shall be entitled to control and direct
20 the enforcement of all rights and remedies granted to the
21 Bondholders under this Ordinance.

22 H. While the Municipal Bond Insurance Policy is
23 in effect, the County shall furnish to AMBAC Assurance (to the
24 attention of the Surveillance Department, unless otherwise
25 indicated):

26 1. () as soon as practicable after the filing
27 thereof, a copy of any financial statement of the County and a copy
28 of any audit and annual report of the County;

29 2. () a copy of any notice to be given to the
30 registered owners of the Bonds, including, without limitation,
notice of any redemption or defeasance of Bonds, and any

1 certificate rendered pursuant to this Ordinance relating to the
2 security for the Bonds; and

3 3 () such additional information as it may
4 reasonably request.

5 I. The County shall notify AMBAC Assurance of any
6 failure of the County to provide relevant notices, certificates, or
7 other documents.

8 J. The County will permit AMBAC Assurance to
9 discuss the affairs, finances and accounts of the County or any
10 information AMBAC Assurance may reasonably request regarding the
11 security for the Bonds with appropriate officers of the County.
12 The County will permit AMBAC Assurance to have access to the
13 Project and have access to and to make copies of all books and
14 records relating to the Bonds at any reasonable time.

15 K. AMBAC Assurance shall have the right to direct
16 an accounting at the County's expense, and the County's failure to
17 comply with such direction within thirty (30) days after receipt of
18 written notice of the direction from AMBAC Assurance shall be
19 deemed a default hereunder; provided, however, that if compliance
20 cannot occur within such period, then such period will be extended
21 so long as compliance is begun within such period and diligently
22 pursued, but only if such extension would not materially adversely
23 affect the interest of any registered owner of the Bonds.

24 L. Notwithstanding any other provision of this
25 Ordinance, the County shall immediately notify AMBAC Assurance if
26 at any time there are insufficient moneys to make any payments of
27 principal and/or interest as required and immediately upon the
28 occurrence of any Event of Default hereunder.

29 M. To the extent that the County has entered into
30 a continuing disclosure agreement with respect to the Bonds, AMBAC
31 Assurance shall be included as a party to be notified.

1 N. As long as the Municipal Bond Insurance Policy
2 shall be in full force and effect, the County and Paying Agent
3 agree to comply with the following provisions:

4 1 () At least one (1) day prior to all Interest
5 Payment Dates, the Paying Agent will determine whether there will
6 be sufficient funds in the Funds and Accounts to pay the principal
7 of or interest on the Bonds on such Interest Payment Date. If the
8 Paying Agent determines that there will be insufficient funds in
9 such Funds or Accounts, the Paying Agent shall so notify AMBAC
10 Assurance. Such notice shall specify the amount of the anticipated
11 deficiency, the Bonds to which such deficiency is applicable and
12 whether such Bonds will be deficient as to principal or interest,
13 or both. If the Paying Agent has not so notified AMBAC Assurance
14 at least one (1) day prior to an Interest Payment Date, AMBAC
15 Assurance will make payments of principal or interest due on the
16 Bonds on or before the first day next following the date on which
17 AMBAC Assurance shall have received notice of nonpayment from the
18 Paying Agent;

19 2 () The Paying Agent shall, after giving
20 notice to AMBAC Assurance as provided in (1) above, make available
21 to AMBAC Assurance and, at AMBAC Assurance's direction, to the
22 United States Trust Company of New York, as insurance trustee for
23 AMBAC Assurance or any successor insurance trustee (the "Insurance
24 Trustee"), the registration books of the County maintained by the
25 Paying Agent and all records relating to the Funds and Accounts
26 maintained under this Ordinance;

27 3 () The Paying Agent, shall provide AMBAC
28 Assurance and the Insurance Trustee with a list of registered
29 owners of Bonds entitled to receive principal or interest payments
30 from AMBAC Assurance under the terms of the Municipal Bond
Insurance Policy, and shall make arrangements with the Insurance
Trustee (1) to mail checks or drafts to the registered owners of

1 Bonds entitled to receive full or partial interest payments from
2 AMBAC Assurance and (ii) to pay principal upon Bonds surrendered to
3 the Insurance Trustee by the registered owners of Bonds entitled to
4 receive full or partial principal payments from AMBAC Assurance;

5 4 () The Paying Agent shall at the time it
6 provides notice to AMBAC Assurance pursuant to paragraph (1) above,
7 notify registered owners of Bonds entitled to receive the payment
8 of principal or interest thereon from AMBAC Assurance (i) as to the
9 fact of such entitlement, (ii) that AMBAC Assurance will remit to
10 them all or a part of the interest payments next coming due upon
11 proof of Bondholder entitlement to interest payments and delivery
12 to the Insurance Trustee, in form satisfactory to the Insurance
13 Trustee, of an appropriate assignment of the registered owner's
14 right to payment, (iii) that should they be entitled to receive
15 full payment of principal from AMBAC Assurance, they must surrender
16 their Bonds (along with an appropriate instrument of assignment in
17 form satisfactory to the Insurance Trustee to permit ownership of
18 such Bonds to be registered in the name of AMBAC Assurance) for
19 payment to the Insurance Trustee, and the Paying Agent, and (iv)
20 that should they be entitled to receive partial payment of
21 principal from AMBAC Assurance, they must surrender their Bonds for
22 payment thereon first to the Paying Agent who shall note on such
23 Bonds the portion of the principal paid by the Paying Agent and
24 then, along with an appropriate instrument of assignment in form
25 satisfactory to the Insurance Trustee, to the Insurance Trustee,
26 which will then pay the unpaid portion of principal;

27 5 () In the event that the Paying Agent has
28 notice that any payment of principal or interest on a Bond which
29 has become due for payment which is made to a Bondholder by or on
30 behalf of the County has been deemed to be a preferential transfer
31 and recovered from its registered owner pursuant to the United
32 States Bankruptcy Code by a trustee in bankruptcy in accordance

1 with the final, nonappealable order of a court having competent
2 jurisdiction, the Paying Agent, shall, at the time AMBAC Assurance
3 is notified pursuant to paragraph (1) above, notify all registered
4 owners that in the event that any registered owner's payment is so
5 recovered, such registered owner will be entitled to payment from
6 AMBAC Assurance to the extent of such recovery if sufficient funds
7 are not otherwise available, and the Paying Agent shall furnish to
8 AMBAC Assurance its records evidencing the payments of principal of
9 and interest on the Bonds which have been made by the Paying Agent
10 and subsequently recovered from registered owners and the dates on
11 which such payments were made;

12 6 () In addition to those rights granted AMBAC
13 Assurance under this Ordinance, AMBAC Assurance shall, to the
14 extent it makes payment of principal of or interest on Bonds,
15 become subrogated to the rights of the recipients of such payments
16 in accordance with the terms of the Municipal Bond Insurance
17 Policy, and to evidence such subrogation (i) in the case of
18 subrogation as to claims for past due interest, the Paying Agent
19 shall note AMBAC Assurance's rights as subrogee on the registration
20 books of the County maintained by the Paying Agent upon receipt
21 from AMBAC Assurance of proof of the payment of interest thereon to
22 the registered owners of the Bonds, and (ii) in the case of
23 subrogation as to claims for past due principal, the Paying Agent
24 shall note AMBAC Assurance's rights as subrogee on the registration
25 books of the County maintained by the Paying Agent, upon surrender
26 of the Bonds by the registered owners thereof together with proof
27 of the payment of principal thereof;

28 C. To the extent that this Ordinance confers upon
29 or gives or grants to AMBAC Assurance any right, remedy or claim
30 under or by reason of this Ordinance, AMBAC Assurance is hereby
31 explicitly recognized as being a third-party beneficiary hereunder

1 and may enforce any such right, remedy or claim conferred, given or
2 granted hereunder.

3 P. Nothing in this Ordinance expressed or implied
4 is intended or shall be construed to confer upon, or to give or
5 grant to, any person or entity, other than the County, AMBAC
6 Assurance, the Paying Agent, and the registered owners of the
7 Bonds, any right, remedy or claim under or by reason of this
8 Ordinance or any covenant, condition or stipulation hereof, and all
9 covenants, stipulations, promises and agreements in this Ordinance
10 contained by and on behalf of the County shall be for the sole and
11 exclusive benefit of the County, AMBAC Assurance, the Paying Agent,
12 and the registered owners of the Bonds.

13 14 Section . Bonds Not Presented when Due. If the Bonds
14 shall not be duly presented for payment when due at maturity or on
15 the redemption date thereof, and if moneys sufficient to pay such
16 Bonds are on deposit with the Paying Agent for the benefit of the
17 owners of such Bonds, all liability of the County to such owners
18 for the payment of such Bonds shall be completely discharged, such
19 Bonds shall not be deemed to be Outstanding and it shall be the
20 duty of the Paying Agent to segregate and to hold such moneys in
21 trust, without liability for interest thereon, for the benefit of
22 the owners of such Bonds as may be provided in any agreement
23 hereafter entered into between the Paying Agent and an officer of
24 the County.

25 15 Section . Tax and Arbitrage Covenants. The County
26 covenants that it will restrict the use of the proceeds of the
27 Bonds in such manner and to such extent, if any, as may be
28 necessary so that the Bonds will not constitute arbitrage bonds
29 under Section 148 of the Internal Revenue Code of 1986, as amended
30 (the "Code"). The Chairman, County Clerk, County Manager or any
31 other officer of the County having responsibility for the issuance

1 of the Bonds shall give an appropriate certificate of the County,
2 for inclusion in the transcript of proceedings for the Bonds,
3 setting forth the reasonable expectations of the County regarding
4 the amount and use of all the proceeds of the Bonds, the facts,
5 circumstances and estimates on which they are based, and other
6 facts and circumstances relevant to the tax treatment of interest
7 on the Bonds.

8 The County covenants that it (a) will take or cause to be
9 taken such actions which may be required of it for the interest on
10 the Bonds to be and remain excluded from gross income for federal
11 income tax purposes, and (b) will not take or permit to be taken
12 any actions which would adversely affect that exclusion, and that
13 it, or persons acting for it, will, among other acts of compliance,
14 (i) apply the proceeds of the Bonds to the governmental purpose of
15 the borrowing, (ii) restrict the yield on investment property
16 acquired with those proceeds, (iii) make timely rebate payments to
17 the federal government, (iv) maintain books and records and make
18 calculations and reports, and (v) refrain from certain uses of
19 proceeds, all in such manner and to the extent necessary to assure
20 such exclusion of that interest under the Code. The Chairman,
21 County Clerk, County Manager and other appropriate officers are
22 hereby authorized and directed to take any and all actions, make
23 calculations and rebate payments, and make or give reports and
24 certifications, as may be appropriate to assure such exclusion of
25 that interest.

26 For purposes of complying with the covenants of the County set
27 forth in the preceding paragraph, excess earnings (defined in the
28 Code), if any, shall be deposited to the Rebate Fund. Any
29 provision hereof to the contrary notwithstanding, amounts credited
30 to the Rebate Fund shall be free and clear of any lien hereunder or
31 in any other resolution authorizing the issuance of bonds of the
32 County.

1 Amounts in the Rebate Fund will be used at the times and in
2 the manner required by the Code to pay amounts due the United
3 States under the applicable provisions of the Code. Any moneys
4 remaining in the Rebate fund following such payments shall be
5 transferred to the Bond Fund or, if no Bonds payable from the Bond
6 Fund are then Outstanding, to such other fund or account of the
7 County as the County may determine.

8 The requirements of any part of this Section 28 may be
9 modified, if and to the extent, at any time, the County receives an
10 opinion of nationally recognized bond counsel that such action will
11 not adversely affect the exclusion from gross income of interest on
12 the Bonds for federal income tax purposes under Section 103(a) of
13 the Code.

14 16 Section . Continuing Disclosure Undertaking. This
15 Section 29 constitutes the written undertaking by the County for
16 the benefit of the holders of the Bonds required by Section
17 (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under
18 the Securities Exchange Act of 1934, as amended (17 C.F.R. Part
19 240, § 240.15c2-12) (the "Rule"). Capitalized terms used in this
20 undertaking and not otherwise defined in this Bond Ordinance shall
21 have the meanings assigned such terms in subsection C hereof.

22 A. The County undertakes to provide the following
23 information as provided herein:

- 24 1. Annual Financial Information;
25 2. Audited Financial Statements, if any; and
26 3. Material Event Notices.

27 B. 1. The County shall, while any Bonds are
28 Outstanding, provide the Annual Financial Information on or before
29 December 31 of each year (the "Report Date"), beginning in 1998, to
30 each then existing NRMSIR and the SID if any. The County may
31 adjust the Report Date if the County changes its fiscal year by

1 providing written notice of the change of fiscal year and the new
2 Report Date to each then existing NRMSIR and the SID, if any;
3 provided that the new Report Date shall be 180 days after the end
4 of the new fiscal year and provided further that the period between
5 the final Report Date relating to the former fiscal year and the
6 initial Report Date relating to the new fiscal year shall not
7 exceed one year in duration. It shall be sufficient if the County
8 provides to each then existing NRMSIR and the SID, if any, the
9 Annual Financial Information by specific reference to documents
10 previously provided to each NRMSIR and the SID, if any, or filed
11 with the Securities and Exchange Commission and, if such a document
12 is a final official statement within the meaning of the Rule,
13 available from the Municipal Securities Rulemaking Board.

14 2. If not provided as part of the Annual Financial
15 Information, the County shall provide the Audited Financial
16 Statements when and if available while any Bonds are Outstanding to
17 each then existing NRMSIR and the SID, if any.

18 3. If a Material Event occurs while any Bonds are
19 Outstanding, the County shall provide a Material Event Notice in a
20 timely manner to the Municipal Securities Rulemaking Board and the
21 SID, if any. Each Material Event Notice shall be so captioned and
22 shall prominently state the date, title and CUSIP numbers of the
23 Bonds.

24 4. The County shall provide in a timely manner to
25 the Municipal Securities Rulemaking Board and to the SID, if any,
26 notice of any failure by the County while any Bonds are Outstanding
27 to provide to each then existing NRMSIR and the SID, if any, Annual
28 Financial Information on or before the Report Date.

29 C. The following are the definitions of the
30 capitalized terms used herein and not otherwise defined in this
31 Bond Ordinance:

1 1. "Annual Financial Information" means the
2 financial information (which shall be based on financial statements
3 prepared in accordance with generally accepted accounting
4 principles ("GAAP") for governmental units as prescribed by the
5 Governmental Accounting Standards Board ("GASB")) or operating data
6 with respect to the County, provided at least annually, of the type
7 included in the final official statement with respect to the Bonds;
8 which Annual Financial Information may, but is not required to,
9 include Audited Financial Statements.

10 2. "Audited Financial Statements" means the
11 County's annual financial statements, prepared in accordance with
12 GAAP for governmental units as prescribed by GASB, which financial
13 statements shall have been audited by such auditor as shall be then
14 required or permitted by the laws of the State.

15 3. "Material Event" means any of the following
16 events, if material, with respect to the Bonds:

17 (1) Principal and interest payment delinquen-
18 cies;

19 (2) Non-payment related defaults;

20 (3) Unscheduled draws on debt service reserves
21 reflecting financial difficulties;

22 (4) Unscheduled draws on credit enhancements
23 reflecting financial difficulties;

24 (5) Substitution of credit or liquidity
25 providers, or their failure to perform;

26 (6) Adverse tax opinions or events affecting
27 the tax-exempt status of the security;

28 (7) Modifications to rights of security
29 holders;

30 (8) Bond calls;

31 (9) Defeasances;

1 (10) Release, substitution, or sale of property
2 securing repayment of the securities; and

3 (11) Rating changes.

4 4. "Material Event Notice" means written or
5 electronic notice of a Material Event.

6 5. "NRMSIR" means a nationally recognized
7 municipal securities information repository, as recognized from
8 time to time by the Securities and Exchange Commission for the
9 purposes referred to in the Rule. The NRMSIRs as of the date
10 hereof are:

- 11 (1) Bloomberg Municipal Repositories
12 P.O. Box 840
13 Princeton, NJ 08542-0840
14 Telephone: (609) 279-3200
15 Fax: (609) 279-5962
16 E-mail: Munis@Bloomberg.com
17
- 18 (2) Thomson NRMSIR
19 Attn: Municipal Disclosure
20 395 Hudson Street, 3rd Floor
21 New York, NY 10014
22 Telephone: (212) 807-5001 or (800) 689-8466
23 Fax: (212) 989-2078
24 E-mail: Disclosure@Muller.com
25
- 26 (3) Moody's NRMSIR
27 Public Finance Information Center
28 99 Church Street
29 New York, NY 10007
30 Telephone: (800) 339-6306
31 Fax: (212) 553-1460
32
- 33 (4) Kenny Information Systems, Inc.
34 65 Broadway, 16th Floor
35 New York, NY 10006
36 Attn: Kenny Repository Service
37 Telephone: (212) 770-4595
38 Fax: (212) 797-7994
39
- 40 (5) Donnelley Financial
41 Municipal Securities Disclosure Archive
42 559 Main Street
43 Hudson, MA 01749
44 Telephone: (800) 580-3670
45 Fax: (508) 562-1969
46 E-mail: Sspotkill@rrdfin.com

(6) DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Telephone: (201) 346-0701
Fax: (201) 947-0107
E-mail: nrmsir@dpcdatata.com

1459385

6. "SID" means a state information depository as operated or designated by the State as such for the purposes referred to in the Rule. There is currently no designated SID for the State.

D. Unless otherwise required by law and subject to technical and economic feasibility, the County shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the County's information.

E. The continuing obligation hereunder of the County to provide Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices shall terminate immediately once Bonds no longer are Outstanding. This undertaking, or any provision hereof, shall be null and void in the event that the County delivers to each then existing NRMSIR and the SID, if any, an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. This undertaking may be amended without the consent of the Bondholders, but only upon the delivery by the County to each then existing NRMSIR and the SID, if any, of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this undertaking by the County with the Rule.

1 F. Any failure by the County to perform in accordance
2 herewith shall not constitute an "Event of Default" under the Bonds
3 and this Bond Ordinance, and the rights and remedies provided by
4 this Bond Ordinance upon the occurrence of an "Event of Default"
5 shall not apply to any such failure; however, Bondholders may sue
6 to enforce performance of the undertakings set forth in this
7 Section 29.

8 17 Section . Delegated Powers. The officers of the County
9 be, and they hereby are, authorized and directed to take all action
10 necessary or appropriate to effectuate the provisions of this Bond
11 Ordinance, including, without limiting the generality of the
12 foregoing, the publication of the summary of publication set out in
13 Section 37 of this Bond Ordinance (with such changes, additions and
14 deletions as they may determine), the distribution of material
15 relating to the Bonds, the printing of the Bonds, the printing,
16 execution and distribution of disclosure documents relating to the
17 Bonds, and the execution thereof, of a purchase agreement for the
18 Bonds and of such other documents as may be required by the
19 Purchaser or bond counsel.

20 18 Section . Amendment Of Bond Ordinance. This Bond
21 Ordinance may be amended without the consent of the holder of any
22 Bonds to cure any ambiguity or to cure, correct or supplement any
23 defect or inconsistent provision contained herein. Prior to the
24 date of the initial delivery of the Bonds to the Purchaser, the
25 provisions of this Bond Ordinance may be amended without the
26 written consent of the Purchaser by any Sale Resolution or other
27 resolution of the Board with respect to any changes which are not
28 inconsistent with the substantive provisions of this Bond
29 Ordinance. Except as provided above, this Bond Ordinance may be
30 amended without receipt by the County of any additional
31 consideration, but with the written consent of two-thirds of all

1 holders of the Bonds then Outstanding; but no amendment adopted
2 without the written consent of the holders of all Outstanding Bonds
3 shall have the effect of permitting:

4 A. An extension of the maturity or scheduled
5 payment of any Bonds;

6 B. A reduction of the principal amount or interest
7 rate or prior redemption premium of any Bond; or

8 C. A reduction of the principal amount of the
9 Bonds required for consent to such amendatory ordinance. Any
10 amendment to this Bond Ordinance which is not inconsistent with the
11 terms hereof, may be made by resolution of the Board; any other
12 amendment to this Bond Ordinance shall be made by subsequent
13 ordinance of the Board.

14 19 Section . Defeasance. When all principal, interest and
15 prior redemption premiums, if any, in connection with the Bonds
16 hereby authorized have been duly paid, the pledge and lien for the
17 payment of the Bonds shall thereby be discharged and the Bonds
18 shall no longer be deemed to be outstanding within the meaning of
19 this Bond Ordinance. The County shall receive an opinion from Bond
20 Counsel that the defeasance does not adversely affect the exclusion
21 from income of interest on the Bonds for federal income tax
22 purposes. Payment shall be deemed made with respect to the Bonds
23 when the Board has placed in escrow with a commercial bank
24 exercising trust powers, an amount sufficient (including the known
25 minimum yield from federal securities) to meet all requirements of
26 principal, interest and prior redemption premiums, if any, as the
27 same become due to their final maturities or upon designated
28 redemption dates. The sufficiency of such amount shall be verified
29 by an opinion, which opinion shall be conclusively presumed
30 accurate as to the sufficiency of said deposit, addressed to the
31 County from an Independent Accountant. Any federal securities

1 shall become due when needed in accordance with a schedule agreed
2 upon between the Board and such bank at the time of the creation of
3 the escrow. Federal securities within the meaning of this Section
4 32 shall include only direct obligations of, or obligations the
5 principal of and interest on which are unconditionally guaranteed
6 by the United States of America.

7 20 **Section . Ordinance Irrepealable.** After the Bonds are
8 issued, this Bond Ordinance shall be and remain irrepealable until
9 the Bonds and the interest thereon shall be fully paid, canceled
10 and discharged, as herein provided, or there has been defeasance as
11 herein provided.

12 21 **Section . Severability Clause.** If any section,
13 paragraph, clause or provision of this Bond Ordinance shall for any
14 reason be held to be invalid or unenforceable, the invalidity or
15 unenforceability of such section, paragraph, clause or provision
16 shall not affect any of the remaining provisions of this Bond
17 Ordinance.

18 22 **Section . Repealer Clause.** All bylaws, orders, resolu-
19 tions and ordinances, or parts thereof, inconsistent herewith are
20 hereby repealed to the extent only of such inconsistency. This
21 repealer shall not be construed to revive any bylaw, order,
22 resolution or ordinance, or part thereof, heretofore repealed.

23 23 **Section . Effective Date.** Upon due adoption of this
24 Bond Ordinance, it shall be recorded in the book of ordinances of
25 the County kept for that purpose, authenticated by the signatures
26 of the Chairman of the Board and County Clerk, and the title and
27 general summary of the subject matter contained in this Bond
28 Ordinance (set out in Section 37 below) shall be published in a
29 newspaper which maintains an office and is of general circulation
30 in the County, or posted in accordance with law, and this Bond

1 Ordinance shall be in full force and effect 30 days thereafter, in
2 accordance with law.

3 **24 Section .** General Summary for Publication. Pursuant to
4 the general laws of the State, the title and a general summary of
5 the subject matter contained in this Bond Ordinance shall be
6 published in substantially the following form:

7 **Santa Fe County, New Mexico**

8 **Notice of Adoption of County Ordinance No. ____**

9 Notice is hereby given of the title and of a general
10 summary of the subject matter contained in an ordinance duly
11 adopted and approved by the Board of County Commissioners of Santa
12 Fe County, New Mexico, on _____, 19____, relating to
13 the authorization and issuance of the County's Gross Receipts Tax
14 Refunding and Improvement Revenue Bonds, Second Subordinate Series
15 1998. Complete copies of the ordinance are available for public
16 inspection during the normal and regular business hours of the
17 County Clerk, 102 Grant Avenue, Santa Fe, New Mexico.

18 **The title of the Ordinance is:**

19 AMENDING AND RESTATING ORDINANCE NO. 97-13; AUTHORIZING
20 THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF SANTA FE
21 COUNTY, NEW MEXICO GROSS RECEIPTS TAX REFUNDING AND
22 IMPROVEMENT REVENUE BONDS IN THE AGGREGATE PRINCIPAL
23 AMOUNT NOT TO EXCEED FIFTEEN MILLION DOLLARS
24 (\$15,000,000) (THE "BONDS") FOR ANY ONE OR MORE OF THE
25 PURPOSES OF: (1) CONSTRUCTING, PURCHASING, FURNISHING,
26 EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING
27 IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS OR
28 PURCHASING OR IMPROVING ANY GROUND RELATED THERETO,
29 INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND
30 IMPROVING PARKING LOTS OR ANY COMBINATION OF THE FORE-
31 GOING; (2) RECONSTRUCTING, RESURFACING, MAINTAINING,
32 REPAIRING OR OTHERWISE IMPROVING EXISTING ALLEYS,
33 STREETS, ROADS OR BRIDGES OR ANY COMBINATION OF THE
34 FOREGOING, OR LAYING OFF, OPENING, CONSTRUCTING OR
35 OTHERWISE ACQUIRING NEW ALLEYS, STREETS, ROADS OR BRIDGES
36 OR ANY COMBINATION OF THE FOREGOING, PROVIDED THAT ANY OF
37 THE FOREGOING IMPROVEMENTS MAY INCLUDE BUT IS NOT LIMITED
38 TO THE ACQUISITION OF RIGHTS OF WAY; (3) PURCHASING OR
39 OTHERWISE ACQUIRING OR CLEARING LAND OR PURCHASING,
40 OTHERWISE ACQUIRING AND BEAUTIFYING LAND FOR OPEN SPACE;
41 ACQUIRING, CONSTRUCTING, PURCHASING, EQUIPPING,
42 FURNISHING, MAKING ADDITIONS TO, RENOVATING,
43 REHABILITATING, BEAUTIFYING OR OTHERWISE IMPROVING PUBLIC

1 PARKS, PUBLIC RECREATIONAL BUILDINGS OR OTHER PUBLIC
2 RECREATIONAL FACILITIES OR ANY COMBINATION OF THE
3 FOREGOING; AND (5) ACQUIRING, EXTENDING, ENLARGING,
4 BETTERING, REPAIRING, OTHERWISE IMPROVING OR MAINTAINING
5 STORM SEWERS, AND OTHER DRAINAGE IMPROVEMENTS, SANITARY
6 SEWERS, SEWAGE TREATMENT PLANTS OR WATER UTILITIES,
7 INCLUDING BUT NOT LIMITED TO THE ACQUISITION OF RIGHTS OF
8 WAY AND WATER AND WATER RIGHTS OR ANY COMBINATION OF THE
9 FOREGOING; ALL WITHIN THE COUNTY; AND REFUNDING THE
10 OUTSTANDING NEW MEXICO FINANCE AUTHORITY 1995 EQUIPMENT
11 LOAN; PROVIDING FOR THE PAYMENT OF THE BONDS FROM THE
12 COUNTY'S GROSS RECEIPTS TAX REVENUES REMITTED TO THE
13 COUNTY BY THE STATE OF NEW MEXICO AND WHICH MAY BE
14 DEDICATED TO SAID PURPOSES SUBORDINATE TO (1) SANTA FE
15 COUNTY, NEW MEXICO CORRECTIONAL SYSTEM REVENUE BONDS,
16 SERIES 1997, DATED FEBRUARY 1, 1997; (2) SANTA FE COUNTY,
17 NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, SUBORDINATE
18 SERIES 1997A DATED FEBRUARY 1, 1997; AND (3) TO ANY GROSS
19 RECEIPTS TAX REVENUE BONDS THE COUNTY MAY ISSUE AFTER THE
20 DATE OF ISSUANCE OF THE BONDS WHICH THE COUNTY MAY
21 DESIGNATE AS HAVING A SENIOR PRIORITY OVER THE BONDS,
22 PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CON-
23 CERNING THE BONDS, THE FUNDS APPERTAINING THERETO
24 INCLUDING A RESERVE FUND AND FOR A SUPPLEMENTAL
25 RESOLUTION OF THE COUNTY ESTABLISHING CERTAIN DETAILS OF
26 THE BONDS; PROVIDING FOR THE PAYMENT OF THE COSTS OF
27 ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER
28 DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION
29 PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

30
31 The following is a general summary of the subject matter
32 contained in the ordinance:

33 Preambles recite or include such matters as: the status
34 of the gross receipts tax revenues under State law; the County's
35 receipt of the proposed ordinance which relates to the issuance and
36 sale of the County's Gross Receipts Tax Refunding and Improvement
37 Revenue Bonds, Second Subordinate Series 1998 (the "Bonds"); the
38 County Commission's determination that it is in the best interests
39 of the County and its residents to issue the Bonds secured by a
40 subordinate and junior lien, on the Pledged Revenues, and the
41 County Commission's determination that it is in the best interest
42 of the County to authorize issuance of the Bonds.

43 Sections 1 through 4 define terms used in the Ordinance;
44 ratify and confirm all previous actions taken by the County
45 directed toward the authorization of the Bonds; authorize the
46 issuance of the Bonds for any one or more of the purposes of:

1 (1) constructing, purchasing, furnishing, equipping, rehabilita-
2 ting, making additions to or making improvements to one or more
3 public buildings or purchasing or improving any ground related
4 thereto, including but not necessarily limited to acquiring and
5 improving parking lots or any combination of the foregoing; (2)
6 reconstructing, resurfacing, maintaining, repairing or otherwise
7 improving existing alleys, streets, roads or bridges or any
8 combination of the foregoing, or laying off, opening, constructing
9 or otherwise acquiring new alleys, streets, roads or bridges or any
10 combination of the foregoing, provided that any of the foregoing
11 improvements may include but is not limited to the acquisition of
12 rights of way; (3) purchasing or otherwise acquiring or clearing
13 land or purchasing, otherwise acquiring and beautifying land for
14 open space; (4) acquiring, constructing, purchasing, equipping,
15 furnishing, making additions to, renovating, rehabilitating,
16 beautifying or otherwise improving public parks, public recrea-
17 tional buildings or other public recreational facilities or any
18 combination of the foregoing; and (5) acquiring, extending,
19 enlarging, bettering, repairing, otherwise improving or maintaining
20 storm sewers, and other drainage improvements, sanitary sewers,
21 sewage treatment plants or water utilities, including but not
22 limited to the acquisition of rights of way and water and water
23 rights or any combination of the foregoing; all within the County,
24 paying costs of issuance of the Bonds; including but not limited to
25 the reimbursement of certain costs incurred by the County related
26 to the foregoing prior to the adoption of the Ordinance and
27 refunding the Refunded Obligations (the "Project"); set forth
28 certain findings of the County Commission which include: moneys
29 available for acquiring the Project other than from the issuance of
30 revenue bonds are not sufficient to defray the cost of acquiring
31 the Project.

1 **Section 5** authorizes the issuance of the Bonds in the
2 principal amount not to exceed \$15,000,000 to be payable and
3 collectible from gross receipts tax revenues received by the
4 County; provides for the negotiated sale of the Bonds to the
5 Purchaser at a price to be approved in a subsequent resolution (the
6 "Sale Resolution"); provides that the maturity schedule and
7 interest for the Bonds will be established in the Sale Resolution,
8 and that the Bonds shall be issued as fully registered bonds.

9 **Sections 6 through 9** provide that details with respect to
10 the prior redemption of the Bonds will be as stated in the Sale
11 Resolution; provide details with respect to the notice of
12 redemption; for the filing of signatures, execution and authenti-
13 cation of the Bonds; and that the Bonds are fully negotiable.

14 **Sections 10 through 13** provide details relating to payment
15 of the Bonds and presentation of the Bonds for payment; for the
16 registration, transfer, exchange and ownership of the Bonds; that
17 the Bonds constitute special limited obligations of the County; for
18 the form of the Bonds; and provide that the Bonds are issued in book
19 entry form.

20 **Sections 14 through 20** provide details relating to
21 disposition of the proceeds of the Bonds; for creation and
22 administration of special funds and accounts for deposit of the
23 revenues pledged to the payment of the Bonds; provide for the
24 deposit and flow of funds to pay the Bonds, security for the payment
25 of the Bonds and other obligations of the County relating thereto.

26 **Sections 21 through 22** provide details relating to the
27 issuance of additional bonds and refunding bonds secured by Pledged
28 Revenues.

29 **Sections 23 through 26A** provide protective covenants
relating to such matters as the use of Bond proceeds, the payment of

1 the Bonds, the existence of the County, other gross receipts tax
2 liens, impairment of contract; define events of default; and provide
3 for remedies and duties upon default and provisions relating to the
4 bond insurance.

5 **Sections 27 through 28** relate to the extent of liability
6 for the Bonds not presented when due; provide for the payment of
7 rebatable arbitrage to the United States.

8 **Section 29** contains the County's undertaking to provide
9 continuing disclosure with regard to the Bonds.

10 **Sections 30 through 37** delegate powers to the officers of
11 the County to effectuate the provisions of the Ordinance; provide
12 for amendments to the Ordinance and the defeasance of the Bonds;
13 provide a limitation of action period; state that the Ordinance is
14 irrevocable; provide for severability and repealer clauses; provide
15 an effective date for the Ordinance; and provide a form for
16 publication.

17 This notice constitutes compliance with § 6-14-6 NMSA
18 1978.

19 **WITNESS** my hand and the seal of the County of Santa Fe,
20 New Mexico, this 28th day of January, 1998.

21

22 /s/ REBECCA BUSTAMANTE
23 County Clerk
24

25 **(END OF FORM OF NOTICE FOR PUBLICATION)**
26

27 **PASSED, ADOPTED, AND APPROVED** this 28th day of January, 1998.
28

29 **BOARD OF COUNTY COMMISSIONERS**
30 **SANTA FE COUNTY, NEW MEXICO**
31

32

33

34

35

36 **Attest:**

JAVIER GONZALES, Chairman

1
2 REBECCA BUSTAMANTE, County Clerk

3

4

1459385

5 APPROVED AS TO FORM:

6

7

8

9

10 Steven G. Kopelman, County Attorney

11

END
OF
BOOK

MINUTES OF THE BOARD OF COUNTY
COMMISSIONERS

DATE OF MINUTES 1-28-98

DATE OF FILMING _____

CAMERA OPERATOR YVONNE SANCHEZ

SPECIAL MEETING