

ORDINANCE NO. O-08-02

AMENDING AND RESTATING ORDINANCE NO. O-08-01; AUTHORIZING THE ISSUANCE OF GRANT COUNTY, NEW MEXICO STATE OF NEW MEXICO DEPARTMENT OF HEALTH LEASE APPROPRIATION BONDS (FT. BAYARD PROJECT), SERIES 2008 IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$65,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF DESIGNING, ACQUIRING, CONSTRUCTING AND EQUIPPING A HEALTHCARE FACILITY; PROVIDING THAT THE BONDS SHALL BE PAYABLE FROM THE NET REVENUES OF THE FACILITY, CERTAIN PROCEEDS OF THE SALE OF THE BONDS AND OTHER SPECIFIED REVENUE RELATED THERETO; PRESCRIBING OTHER DETAILS CONCERNING THE BONDS AND THE NET REVENUES OF THE FACILITY, INCLUDING BUT NOT LIMITED TO COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH AND THE FORM, TERMS, CONDITIONS AND MANNER OF EXECUTION OF SAID BONDS AND CONCERNING THE FACILITY; PROVIDING THAT CERTAIN DETAILS RELATING TO THE BONDS SHALL BE ESTABLISHED IN A SUBSEQUENT RESOLUTION TO BE ADOPTED BY THE COUNTY; RATIFYING ALL ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AND REPEALING ORDINANCES IN CONFLICT HEREWITH.

WHEREAS, Grant County, New Mexico (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, Sections 4-62-1(G), 4-62-3 and 4-62-4 NMSA 1978, permit the County to issue project revenue bonds for acquiring, extending, enlarging, bettering, repairing, improving, constructing, purchasing, furnishing, equipping or rehabilitating any revenue-producing project and to pledge irrevocably any or all of the net revenues from the operation of the revenue-producing project for which the particular project revenue bonds are issued to the payment of the interest on and principal of the project revenue bonds; and

WHEREAS, the County intends to issue the revenue bonds authorized hereby for the design, acquisition, construction and equipping of a healthcare facility and to pledge the net revenues received from the operation of the Facility to the payment of the revenue bonds; and

WHEREAS, the Board determines that there is an urgent need for the Facility and that such revenue bonds shall be issued for the design, acquisition, construction and equipping of the Facility and consequently also will provide for the public health, peace and safety of the County and its citizens; and

WHEREAS, the revenue bonds shall be issued pursuant to Sections 4-62-1 through 4-62-10 NMSA 1978, and secured by first (but not necessarily exclusively first) lien on the Net Revenues of the Facility; and

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WHEREAS, the Board adopted Ordinance No. O-08-01 (the "Prior Ordinance") on August 23, 2007; and

WHEREAS, the Board wishes to amend and restate the Prior Ordinance in its entirety,

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

Section 1. Definitions. As used in ordinance and any ordinance or resolution amendatory hereof or supplemental hereto, or relating hereto:

"Acquisition Account" has the meaning specified in Section 18.

"Authorized Officer" means (i) with respect to Progress Payments, the Department Secretary of the Lessee or any other person who is designated in writing by the Department Secretary of the Lessee as an Authorized Officer for purposes of this ordinance, and (ii) for all other purposes, the Chairman of the Board or any other person who is designated in writing by the Chairman of the Board as an Authorized Officer for purposes of this ordinance.

"Board" means the Board of County Commissioners of the County.

"Bond Account" has the meaning specified in Section 19.

"Bond Counsel" means an attorney or firm of attorneys nationally recognized as bond counsel.

"Bonds" means the Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008.

"Certificate of Substantial Completion" means a certificate of the Lessee, approved by the County, indicating that the design, acquisition, construction and equipping of the Facility have been substantially completed and that the Facility is available for use and occupancy by the County.

"Certificate of Final Completion" means a certificate of the Lessee, approved by the County, indicating that all work on the Facility, has been finished, and showing the amount of the final Progress Payment to be paid in connection therewith.

"Code" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

"Costs" means costs related to the issuance of the Bonds and all costs that under generally accepted accounting principles constitute capital costs of the design, acquisition, construction and equipping of the Facility.

"County" means the county and body corporate and politic known as Grant County, New Mexico.

“Determination of Taxability” means: (i) the issuance of a “30-day letter,” a revenue agent’s report or a statutory notice of deficiency by the Internal Revenue Service, or a decision of a court of competent jurisdiction or the receipt by the County or the Trustee of an opinion of Bond Counsel which asserts, holds or provides in effect that interest on the Bonds is includable in the gross income of the Owners for federal income tax purposes; (ii) the failure of the Trustee to receive, within 30 days after receipt by the Trustee of a written request from the Owners of not less than a majority in principal amount of the Bonds then Outstanding, an opinion of Bond Counsel to the effect that interest on the Bonds is excludable from gross income of the Owners for federal income tax purposes; or (iii) the assessment by the Internal Revenue Service, pursuant to a statutory notice of deficiency, of a tax based on the assertion that the Bonds are specified as private activity bonds described in Section 57(a)(5)(C) of the Code.

“Event of Default” has the meaning provided in Section 34.

“Facility” means the healthcare facility, all or a portion of which will be produced by the Project.

“Federal Securities” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Hazardous Materials” means: (i) any “hazardous waste” as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 *et seq.*), as amended from time to time (“RCRA”), and regulations promulgated thereunder; (ii) any “hazardous substance” as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 *et seq.*) as amended from time to time (“CERCLA”), and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) any substance the presence of which on the Facility in a material concentration or amount is prohibited by any applicable Law; (vi) any petroleum-based products which are deemed hazardous under any applicable Law; (vii) underground storage tanks which are deemed hazardous by any applicable Law; and (viii) any other substance which, pursuant to any applicable Law, requires special handling or notification of any federal, state or local governmental entity in its collection, storage, treatment, or disposal.

“Hazardous Materials Contamination” means the contamination (whether now existing or hereafter occurring) of the Facility, soil, groundwater, air or other elements on or of the Facility by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater air or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of adoption of this ordinance) emanating from the Facility.

“Independent Accountant” means: (i) an accountant employed by the State and under supervision of the State Auditor of the State; or (ii) any registered or certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the County, who (A) is, in fact, independent and not under the domination of the County, (B) does not have any substantial interest, direct or indirect, with the County, and (c) is not connected with the County as an officer or employee of the

County, but who may be regularly retained to make annual or similar audits of the books or records of the County.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the State who is not a full time employee of the County.

“Insurance and Condemnation Award Account” has the meaning specified in Section 20.

“Land” means the parcel of land on which the Facility is to be constructed.

“Law” means the Constitution and laws of the State, and any ordinance, rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

“Lease” means the Lease-Purchase Agreement between the County and the Lessee under which the County will lease the Land and the Facility to the Lessee and grant an option to the Lessee to purchase the Land and the Facility during the term of the Lease, at a price equal to the amount necessary to pay the Bonds in full plus the then-appraised value of the Land, with title to be conveyed to the Property Control Division of the New Mexico General Services Department, as the same may be amended from time to time in accordance with the terms thereof.

“Lessee” means the New Mexico Department of Health.

“Net Proceeds” means any insurance proceeds or condemnation award paid with respect to the Facility remaining after payment therefrom of all expenses incurred in the collection.

“Net Revenues” means: (i) the Revenues after deducting Operating Expenses; plus (ii) any Net Proceeds.

“Operating Expenses” means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining and repairing the Facility, including without limitation, as applicable, the charges of any operator of the Facility, reimbursement to any operator of the Facility for advances made by the operator to the Trustee for deposit in the Bond Account, insurance premiums, Trustee’s fees and expenses, professional services and the cost of materials and supplies, but does not include: (i) any liabilities incurred by the County as a result of its negligence or willful misconduct in the operation of the Facility; or (ii) except to the extent included in the charges of the operator of the Facility, any allowance for depreciation, any improvements or enlargements of the Facility, any charges for the accumulation of reserves for capital replacements or any payments to the County’s general fund as payments in lieu of taxes.

“Outstanding,” when used with reference to the Bonds and as of any particular date, means all Bonds theretofore executed by the County and authenticated by the Trustee except: (i) any Bonds cancelled or fully paid on or before such date; (ii) any Bond in lieu of or in substitution for which another Bond has been delivered pursuant to this ordinance; (iii) any Bond for the payment or redemption of which funds or securities permitted by Section 6 in the

necessary amount have theretofore been deposited with the Trustee (whether upon or prior to the maturity or redemption date of such Bond); and (iv) for the sole purpose of determining the percentage of Owners consenting to any amendment to this ordinance or authorizing or requiring any action by the Trustee or the exercise of any remedy hereunder, any Bonds owned by the County. For all other purposes, Bonds owned by the County which are not described in clauses (i), (ii) or (iii) shall be treated as Outstanding.

“Owner” means the registered owner of any Bond.

“Payment Date” means any date upon which any payment of principal of or interest on any Bond is scheduled to be made.

“Permitted Encumbrances” means, as of any particular time: (i) liens for taxes and assessments not then delinquent, or which the County may, pursuant to Section 31(h), permit to remain unpaid; (ii) any mechanic’s, laborer’s, materialmen’s, supplier’s or vendor’s lien or right, which do not in the aggregate materially impair the use of the Project incurred in the construction of the Facility or incurred in the ordinary course of the County’s business, which are not filed or perfected in the manner prescribed by law, or which the County may, pursuant to Section 31(g), permit to remain unpaid; (iii) minor defects and irregularities in the title to the Land which do not in the aggregate materially impair the use of the Facility for the purposes for which it is or may reasonably be expected to be held; (iv) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not and shall not in the aggregate materially impair the use of the Facility for the purposes for which it is or may reasonably be expected to be held; (v) present and future valid zoning laws and ordinances which do not and shall not in the aggregate materially impair the use of the Facility for the purposes for which it is or may reasonably be expected to be held; and (vi) liens securing the Bonds or additional debt issued in accordance with Section 28.

“Permitted Investments” means, to the extent permitted by applicable Law:

(i) Federal Securities;

(ii) stripped securities, consisting of: (a) U.S. Treasury STRIPS; (b) REFCORP STRIPS (stripped by the Federal Reserve Bank of New York); (c) Financing Corp. (FICO) STRIPS (stripped by the Federal Reserve Bank of New York which have CUSIP prefixes of 317705, 31772J, and 31771K); and (d) any stripped securities assessed or rated “AAA” by Standard & Poor’s Ratings Services or “Aaa” by Moody’s Investor Investors Service;

(iii) bonds, debentures, notes or other evidences of indebtedness that are issued by any of the following agencies or such other like governmental or government-sponsored agencies which may be hereafter created: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export-Import Bank of the United States; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal

Land Banks; the Government National Mortgage Association; the Tennessee Valley Agency; or the Resolution Trust Funding Corporation;

(iv) obligations of any person, provided that (A) such obligations are secured by cash, Federal Securities or a combination thereof (1) which have been deposited into a segregated escrow account for and irrevocably pledged to the payment, when due, of the principal or redemption price of and interest on such obligations and (2) which are sufficient, without reinvestment, to provide for the payment, when due, of the principal or redemption price of and interest on such obligations, and (B) such obligations are rated "AAA" by Standard & Poor's Ratings Services and "Aaa" by Moody's Investors Service at the time of their purchase by the Trustee;

(v) obligations described in Section 103(a) of the Code which are rated by Standard & Poor's Ratings Services and Moody's Investors Service in one of its three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(vi) certificates of deposit or time deposits of any bank (including the Trustee), trust company, or savings and loan association which certificates of deposit or time deposits are fully insured by the Federal Deposit Insurance Corporation;

(vii) certificates of deposit or time deposits of any bank (including the Trustee), trust company, or savings and loan association whose direct, unsecured debt obligations are rated by Standard & Poor's Ratings Services and Moody's Investors Service, if all of the direct, unsecured debt obligations of such bank, trust company or savings and loan association at the time of purchase of such certificates of deposit or time deposits which are rated by each Standard & Poor's Ratings Service and Moody's Investors Service are rated in one of the two highest rating categories assigned by them (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), or which certificates of deposit or time deposits are fully secured by a security interest in obligations described in clauses (i), (ii), or (iii) of this definition; provided, however, that if such certificates of deposit or time deposits are so secured (1) the Trustee shall have a perfected first security interest in the obligations securing such certificates of deposit or time deposits, and (2) the obligations securing such certificates of deposit or time deposits shall be held by the Trustee (or an independent intermediary bank, trust company or savings and loan association acting solely as agent for the Trustee) free and clear of any lien or claims by a third party, and (3) the Trustee or its appointed agent shall hold such obligations free and clear of the liens or claims of third parties, which conclusion, upon the request of the Trustee, shall be confirmed by an opinion of Independent Counsel acceptable to the Trustee; and provided further that such certificates of deposit shall have a term not greater than 365 days;

(viii) securities of the types described in clauses (i), (ii) or (iii) above purchased under agreements to resell such securities to any registered broker/dealer subject to Securities Investors Protection Corporation jurisdiction or to any commercial bank, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rating at the time of purchase in one of the two highest rating categories by Standard & Poor's Ratings Services and Moody's Investors Service, provided: (1) a master repurchase agreement or specific written

repurchase agreement governs the transaction; (2) the obligations are held by the Trustee (or an independent third party acting solely as agent for the Trustee which agent is (A) a Federal Reserve Bank, or (B) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than \$50,000,000 and the Trustee shall have received written confirmation from such agent that it holds such securities free and clear of any lien or claim, as agent for the Trustee) free and clear of any lien or claims by a third party; (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 *et seq.* or 31 CFR 350.0 *et seq.* in such securities is created for the benefit of the Trustee; (4) the repurchase agreement has a term of 30 days or less; (5) the repurchase agreement matures at least ten days (or other commercially reasonable liquidation period) prior to the date on which the moneys invested therein are reasonably expected to be needed; and (6) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 100%;

(ix) investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by Standard & Poor's Ratings Services and "Aa3" by Moody's Investors Service; provided that, by the terms of the investment agreement:

(1) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice;

(3) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof; or, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks pari passu with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors;

(4) the Trustee receives the opinion of domestic counsel that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) to the same effect;

(5) the investment agreement shall provide that if during its term (A) the provider's rating by either Standard & Poor's Ratings Services or Moody's Investors Service falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within ten days of receipt of publication of such downgrade, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to Standard & Poor's Ratings Services and

Moody's Investors Service to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (2) repay the principal of and accrued but unpaid interest on the investment, and (B) the provider's rating by either Standard & Poor's Ratings Services or Moody's Investors Service is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Trustee, within ten days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee;

(6) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(7) the investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee;

(x) repurchase agreements involving the purchase and sale of, and guaranteed investment contracts, the par value of which is collateralized by a perfected first pledge of, or security interest in, or the payments of which are unconditionally guaranteed by, securities described in paragraphs (i), (ii) or (iii), which collateral is held by the County, or for the benefit of the County, by a party other than the provider of the guaranteed investment contract or repurchase agreement, with a collateralized value of at least 102% of the par value of such repurchase agreement or guaranteed investment contract or 102% of the market value thereof, valued at intervals of no less than monthly and which collateral is not subject to any other pledge or security interest, entered into with any domestic bank, or domestic branch of a foreign bank, or any broker-dealer or any other entity, rated at least "A-" by Standard and Poor's Ratings Services and "A3" by Moody's Investors Service;

(xi) shares in any investment company which is rated by Standard & Poor's Ratings Services and Moody's Investors Service in one of its three highest rating categories, registered under the federal Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, and the majority of whose investment in principal amount (valued on a cost basis) are investments described in clauses (i) through (ix) above; and

(xii) Pooled or common trust funds of the Trustee or an affiliate of the Trustee consisting of investments described in clauses (i) through (x) above including those funds from which the Trustee or any of its affiliates receives advisory or other fees.

Each reference to Standard & Poor's Ratings Services or Moody's Investors Service is deemed to include a reference to their respective successors. Each reference to a particular rating is deemed to include a reference to an equivalent rating under any successor rating system promulgated by the relevant rating agency.

"Principal Office" means the principal corporate trust office of Trustee, which at the date of this ordinance is located at 950 Seventeenth Street, 12th Floor, in Denver, Colorado provided that with respect to the payments on the Bonds and any exchange, transfer, tender, or surrender of the Bonds, means c/o U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107, or such other location designated in writing by the Trustee.

"Progress Payment" means a payment to be made from the Acquisition Account in connection with the acquisition, construction or equipping of the Facility.

"Project" means designing, acquiring, constructing and equipping a healthcare facility, and all costs incidental to the foregoing and the issuance of the Bonds, including but not limited to the initial funding of the Reserve Account as provided in Section 14.

"Purchaser" means the original purchaser or purchasers of the Bonds.

"Rebate Fund" has the meaning specified in Section 24.

"Redemption Account" has the meaning specified in Section 21.

"Regular Record Date" means the 15th day of the calendar month (whether or not a business day) preceding each regularly scheduled interest payment date on the Bonds.

"Reserve Account" has the meaning specified in Section 22.

"Reserve Requirement" means the amount required to be maintained in the Reserve Account, which is equal to the lesser of: (i) 10% of the proceeds of the sale of the Bonds; (ii) the maximum annual debt service payable with respect to the Bonds during the then current or any succeeding fiscal year of the County; and (iii) 125% of the average annual debt service payable with respect to the Bonds during the then current or any succeeding fiscal year of the County.

"Revenue Fund" has the meaning specified in Section 16.

"Revenues" means the gross revenues paid or payable to the County in connection with the operation of the Facility, including the Basic Rent (as defined in the Lease) and earnings on amounts held by the Trustee in the Trust Fund. For the avoidance of doubt, Revenues do not include amounts received by the Lessee from the operation of the Facility unless appropriated by the State Legislature for the payment of Basic Rent and subject to the provisions of Section 5.9 of the Lease.

"Sale Resolution" means the resolution, to be adopted by the Board subsequent to this ordinance, specifying certain details of the Bonds and sale of the Bonds as provided in this ordinance.

“Series Date” means the date of original issuance of the Bonds.

“Special Record Date” means a special date fixed to determine the names and addresses of registered owners of the Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest thereon, all as further provided in Section 5(b).

“State” means the State of New Mexico.

“Surplus Account” has the meaning specified in Section 23.

“Trust Fund” has the meaning specified in Section 17.

“Trustee” means a U.S. Bank National Association and any successor Trustee appointed pursuant to Section 37 or 38.

“Yield” means the discount rate at which aggregate payments of principal and interest on the Bonds have a present value equal to the issue price, calculated in accordance with the Code.

Section 2. Ratification. All action heretofore taken (not inconsistent with the express provisions of this ordinance) by the Board and officers of the County directed toward the Project, and toward the authorization, sale and issuance of the Bonds is ratified, approved and confirmed.

Section 3. Authorization of Project. The Project is authorized at a total cost not exceeding \$65,000,000, excluding any such cost defrayed or to be defrayed from proceeds of investments of Bond proceeds and by any source other than the Bonds. The Project is found and declared to be necessary.

Section 4. Authorization of Bonds. For the purpose of protecting the public health, conserving the property and advancing the general welfare of the citizens of the County, and for the purpose of defraying the cost of the Project, it is declared that the interest or necessity of the County and the inhabitants thereof demand the issuance by the County of its fully registered (i.e., registered as to payment of both principal and interest) revenue bonds without coupons to be designated “Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008” in an aggregate principal amount not exceeding \$65,000,000 to be payable and collectible, both as to principal and interest solely from the Net Revenues, the proceeds of the Bonds and moneys held by the Trustee in the Trust Fund.

Section 5. Bond Details.

(a) Basic Details. The Bonds shall be dated as of Series Date, issued in the denomination of \$5,000 each or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond shall be issued for more than one maturity), numbered consecutively from 1 upwards, shall bear interest from the Series Date until maturity at the rates and payable at the times hereafter designated in the Sale Resolution, and shall mature on the dates and in the amounts designated in the Sale Resolution; provided, however, the individual Bonds shall bear interest from the most

recent interest payment date to which interest has been fully paid or duly provided for in full or, if no interest has been paid, from the Series Date. The net effective interest rate (as such term is defined in Section 6-14-3 NMSA 1978) for any maturity of the Bonds shall not exceed 12% per year. Interest shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each.

(b) Payment. The principal of and any prior redemption premium applicable to any Bond shall be payable to the Owner thereof as shown on the registration books kept by the Trustee for the Bonds, upon maturity or prior redemption thereof and upon presentation and surrender at the Principal Office of the Trustee. If any Bond shall not be paid upon such presentation and surrender at or after maturity or on a designated prior redemption date on which the County may have exercised its right to prior redeem any Bond pursuant to Section 6, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the registered owner thereof as of the Regular Record Date by check or draft mailed by the Trustee, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the Owner thereof on the Regular Record Date at his address as it last appears on the registration books kept by the Trustee on the Regular Record Date (or to Owners of \$1,000,000 or more in aggregate principal amount of Bonds by wire transfer to a bank account designated by such Owners in written instructions furnished to the Trustee). All such payments shall be made in lawful money of the United States of America. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Regular Record Date and prior to such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name any Bond is registered at the close of business on a Special Record Date fixed by the Trustee for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for defaulted interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the Owners of the Bonds as of a date selected by the Trustee, stating the Special Record Date and the date fixed for the payment of such defaulted interest.

(c) Bonds Not Presented for Payment. If any Bond is not presented for payment when the principal thereof becomes due at maturity, on redemption, or otherwise, if funds sufficient to pay such Bond have been made available to the Trustee for the benefit of the Owner thereof, all liability of the County to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability to such Owner for the interest thereon, for the benefit of such Owner who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this ordinance or on, or with respect to, such Bond. Any such moneys so deposited with the Trustee that remain unclaimed by the Owners of the Bonds after the period provided by applicable Law for escheatment to a governmental authority, shall be transferred to the appropriate governmental authorities upon the expiration of the applicable period in accordance with the abandoned property Law applicable to each such Owner; provided that the Trustee, before making such transfer, may cause a notice to be given to such Owners at

their registered addresses, stating that the moneys remaining unclaimed shall be so transferred after a specified date.

Section 6. Prior Redemption.

(a) Redemption. The Bonds are subject to redemption at the option of the County in whole but not in part, on any date, at the principal amount thereof plus accrued interest thereon, but without premium, upon damage, destruction or condemnation of the Facility. The Bonds are subject to mandatory redemption in whole but not in part, as promptly as practicable following the occurrence of a Determination of Taxability. The Bonds shall also be subject to mandatory sinking fund redemption and redemption at the County's option on the dates, in the principal amounts and at the redemption prices established in the Sale Resolution.

(b) Notice by County. Unless waived by the Trustee, at least 40 days prior to any date selected by the County for prior redemption of any of the Bonds, the County shall give written instructions to the Trustee with respect to such prior redemption. The County shall give notice to the Trustee for the prior redemption of all of the Bonds then Outstanding on the earliest date for the redemption thereof promptly upon receipt by the County of a notice given by the Lessee under Article IX of the Lease (relating to the Lessee's election to purchase the Project).

(c) Notice by Trustee. Additionally, notice of redemption shall be given by the Trustee by sending a copy of such notice by first class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to each Owner as shown on the registration books kept by the Trustee as of the date of selection of units of principal for redemption. The Trustee shall not be required to give notice of any prior redemption unless it has received written instructions from the County in regard thereto, at least 40 days prior to such redemption date or unless waived by the Trustee. Failure to give such notice by mailing to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any of the Bonds.

(d) Other Redemption Details. The notice required by Section 6(c) shall specify the number or numbers of the Bond or Bonds or portions thereof to be so redeemed (if less than all are to be redeemed); and all notices required by this Section 6 shall specify the date fixed for redemption, and shall further state that on such redemption date there will become and be due and payable upon each \$5,000 unit of principal so to be redeemed at the Principal Office of the Trustee the principal thereof and the applicable prior redemption premium thereon (if any), and that from and after such date interest shall cease to accrue. Accrued interest to the redemption date shall be paid by check or draft mailed to the Owner (or to Owners of \$1,000,000 or more in aggregate principal amount of Bonds by wire transfer to a bank account designated by such Owners in written instructions furnished to the Trustee). Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the Principal Office of the Trustee, the County shall pay the Bond or Bonds so called for redemption and the applicable prior redemption premium (if any). In the event that only a portion of the principal amount of a Bond is so redeemed, a new Bond representing the unredeemed principal shall be duly completed, authenticated and delivered by the Trustee to the registered owner pursuant to Section 9 and without charge to the registered owner thereof.

Section 7. Negotiability. Subject to the provisions specifically made or implied herein, the Bonds shall be fully negotiable, and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 8. Execution.

(a) Method of Execution. Each Bond shall be executed by the manual signature of the Chairman under the seal of the County, each Bond shall be executed and attested with the manual signature of the County Clerk; and each Bond shall be authenticated by the manual signature of an authorized officer of the Trustee as hereafter provided. The Bonds bearing the signatures of the officers in office at the time of the authorization thereof shall be the valid and binding obligations of the County (subject to the requirement of authentication by the Trustee) notwithstanding that before the delivery thereof and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear thereon shall have to ceased to fill their respective offices.

(b) Certificate of Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Trustee. The Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 9. Registration, Transfer, Exchange, Replacement and Cancellation.

(a) Registration Books; Transfer and Exchange. Books for the registration and transfer of the Bonds shall be kept by the Trustee. Upon the surrender for transfer of any Bonds at the Principal Office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the Principal Office of the Trustee for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Trustee shall authenticate and deliver a Bond or Bonds that the Owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the Owner or any transferee, but the Trustee may require the payment by the Owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

(b) When Transfer or Exchange Not Required. The Trustee shall not be required: (i) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period of fifteen days next preceding the mailing of notice to the Owners calling any Bonds for prior redemption pursuant to Section 6; or (ii) to transfer or exchange all or a portion of a Bond after the mailing to registered owners of notice calling such Bond or portion thereof for prior redemption.

(c) Payment to Registered Owners. The person in whose name any Bond shall be registered on the registration books kept by the Trustee shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest in Section 5(b), and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) Replacement Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Trustee shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Trustee may pay such Bond in lieu of replacement.

(e) Delivery of Bond Certificates to Trustee. The officers of the County are authorized to deliver to the Trustee fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Trustee pending use as herein provided.

(f) Cancellation of Bonds. Whenever any Bond shall be surrendered to the Trustee upon payment thereof, or for transfer, exchange or replacement as provided herein, such Bond shall be promptly cancelled by the Trustee, and counterparts of a certificate of such cancellation shall be furnished by the Trustee to the County.

Section 10. Securities Depository. Except as set forth in this ordinance, the Bonds shall be issued in book-entry form with no physical distribution of Bonds made to the public. The Depository Trust Company or any successor securities depository ("DTC") shall act as securities depository for the Bonds. A single certificate for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. The book-entry system shall evidence ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants (the "Participants") pursuant to rules and procedures established by DTC and the Participants. As a condition to delivery of the Bonds, the Purchaser shall, immediately after acceptance of delivery thereof, deposit the Bonds with DTC, registered in the name of DTC or its nominee. Principal and interest shall be paid to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to the Participants shall be the responsibility of DTC; transfer of principal and interest payment to beneficial owners of the Bonds (the "Beneficial Owners") by the Participants shall be the responsibility of the Participants and other nominees of the Beneficial Owners maintaining a relationship with the Participants. Neither the County nor the Trustee shall be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, the Participants or persons acting through the Participants. If (i) the Bonds are not eligible for DTC services, (ii) DTC determines to discontinue providing its services with respect to the Bonds, or (iii) the Trustee determines that a continuation of the system of book-entry transfers through DTC is not in the best interest of the Trustee or the Beneficial Owners, the Trustee shall either identify another qualified securities depository or cause physical Bonds

to be delivered to the Beneficial Owners or their nominees and thereupon the Beneficial Owners or their nominees, upon authentication of the Bonds and registration of the Bonds in the Beneficial Owners' or nominees' name, shall become the Owners of the Bonds for all purposes. Upon the occurrence of any such event, the Trustee shall mail an appropriate notice to DTC for notification to the Participants and the Beneficial Owners of the substitute depository or the issuance of Bonds to the Beneficial Owners or their nominees, as applicable. All notices and payments addressed to DTC shall contain the information required by, and sent as set forth in, the Letter of Representation executed by the County and the Trustee. Notices of redemption shall be given to DTC as provided in such Letter of Representation.

Section 11. Special Obligations. All of the Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Net Revenues, the proceeds of the Bonds and any moneys held by the Trustee in the Trust Fund, which are irrevocably so pledged; the registered owner or owners thereof may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor; and the Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the County; and each of the Bonds shall recite that it is payable and collectible solely from the Net Revenues, the proceeds of the Bonds and any moneys held by the Trustee in the Trust Fund, the income from which is so pledged, and that the registered owner thereof may not look to any general or other fund for the payment of principal and interest on, and prior redemption premium due in connection with, the Bonds.

Section 12. Forms of Bonds, Certificate of Authentication, Assignment and Legal Opinion Certificate. The Bonds and the related Certificate of Authentication, Form of Assignment and the Legal Opinion Certificate shall be in substantially the following forms:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
COUNTY OF GRANT

No. R-_____ \$_____

STATE OF NEW MEXICO DEPARTMENT OF HEALTH
LEASE APPROPRIATION BOND
(FT. BAYARD PROJECT)
SERIES 2008

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Series Date</u>	<u>CUSIP</u>
_____ % per annum	_____ 1, 20____	_____ , 2008	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Grant County, New Mexico (the "County"), for value received, promises to pay upon presentation and surrender of this bond, solely from the special funds provided therefor as hereinafter set forth, to the registered owner named above, or registered assigns, on the Maturity Date specified above (unless this bond, if subject to prior redemption, shall have been called for prior redemption in which case on such redemption date), upon the presentation and surrender hereof at the Principal Office (as defined in the Bond Ordinance (defined below)) of U.S. Bank National Association, or its successor (the "Trustee"), the Principal Amount stated above, in lawful money of the United States of America, and to pay to the registered owner hereof as of the Regular Record Date (being the 15th day of the calendar month preceding each regularly scheduled interest payment date as defined in Ordinance No. O-08-_____ adopted on August _____, 2008 and as supplemented by Resolution No. R-08-_____ adopted on _____, 2008 (which authorizes this bond and which, as so amended, restated and supplemented is referred to herein as the "Bond Ordinance")), by check or draft mailed to such registered owner (or to registered owners of \$1,000,000 or more in aggregate principal amount of Bonds by wire transfer to a bank account designated by such registered owners in written instructions furnished to the Trustee), on or before each interest payment date as hereinafter provided (or, if such interest payment date is not a business day, on or before the next succeeding business day), at his address as it last appears on the Regular Record Date on the registration books kept for that purpose by the Trustee for the bonds or by such other arrangement as may be agreed to by the Trustee and the registered owner hereof, interest on said sum in lawful money of the United States of America from the Series Date specified above or the most recent interest payment date to which interest has been fully paid or duly provided for in full (as more fully provided in the Bond Ordinance) until maturity at the per annum Interest Rate specified above, payable on _____ 1, 200_____ and semiannually thereafter on _____ 1 and _____ 1 in each year. Any such interest not so timely paid or duly provided for shall cease to be payable to the registered owner as of the

Regular Record Date and shall be payable to the registered owner as of a Special Record Date (as defined in the Bond Ordinance), as further provided in the Bond Ordinance. If upon presentation and surrender to the Trustee at or after maturity or on a designated prior redemption date on which the County may have exercised its right to prior redeem this bond pursuant to the Bond Ordinance, payment of this bond is not made as herein provided, interest hereon shall continue at the rate herein designated until the principal hereof is paid in full.

The bonds of the series of which this bond is a part are subject to redemption at the option of the County in whole but not in part, on any date, at the principal amount thereof plus accrued interest thereon, but without premium, upon damage, destruction or condemnation of the Facility (defined below). The bonds of the series of which this bond is a part are subject to mandatory redemption in whole but not in part, at the principal amount thereof plus accrued interest thereon, but without premium, as promptly as practicable following the occurrence of a Determination of Taxability (as defined in the Bond Ordinance). The bonds of the series of which this bond is a part maturing on and after _____ 1, 20____ are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after _____ 1, 20____ in whole at any time, or in part on any interest payment date thereafter in such order of maturities as the County may determine (and by lot if less than all of the bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as it shall consider appropriate and fair), for the principal amount of each \$5,000 unit of principal so redeemed, accrued interest to the redemption date and a premium computed as follows (expressed as percentages of principal amounts of bonds so redeemed):

<u>Dates When Redeemed (Both Dates Inclusive)</u>	<u>Redemption Premium</u>
_____ 1, 20__ to _____, 20__	_____ %
_____ 1, 20__ to _____, 20__	_____ %
_____ 1, 20__ and thereafter	

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

The bonds of the series of which this is one are fully registered (i.e., registered as to payment of both principal and interest), and are issuable in the denomination of \$5,000 or any denomination which is an integral multiple of \$5,000 (provided that no bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual bond shall be issued for more than one maturity). Upon surrender of any of such bonds at the Principal Office of the Trustee with a written instrument satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, such bond may, at the option of the registered owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of such bonds of the same maturity and interest rate of other authorized denominations, subject to such terms and conditions as set forth in the Bond Ordinance.

This bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration books kept by the Trustee upon surrender of this bond

together with a duly executed written instrument of transfer satisfactory to the Trustee. Upon such transfer a new fully registered bond of authorized denomination or denominations of the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange for this bond, subject to such terms and conditions as set forth in the Bond Ordinance. The County and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of making payment and for all other purposes.

This bond is one of a series of bonds designated "Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008" of like tenor and date, except as to interest rate, number and maturity, authorized for the purpose of: (i) designing, acquiring, constructing and equipping a healthcare facility (the "Facility"); and (ii) all costs incidental to the foregoing and the issuance of the Bonds, including but not limited to the initial funding of the Reserve Account as provided in the Bond Ordinance.

This bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of New Mexico.

This bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the County, and is payable and collectible solely from the "Net Revenues" of the Facility, proceeds of the bonds of the series of which this is one and moneys held by the Trustee in the Trust Fund created under the Bond Ordinance. "Net Revenues" means: (i) the Revenues after deducting Operating Expenses; plus (ii) any Net Proceeds. "Revenues" means the gross revenues paid or payable to the County in connection with the operation of the Facility, including the Basic Rent (as defined in the Lease) and earnings on amounts held by the Trustee in the Trust Fund created under the Bond Ordinance. For the avoidance of doubt, Revenues do not include amounts received by the New Mexico Department of Health from the operation of the Facility unless appropriated by the State Legislature for the payment of Basic Rent (as defined in the Lease) and subject to the provisions of Section 5.9 of the Lease. "Operating Expenses" means all reasonable and necessary current expenses of the County, paid or accrued, of operating, maintaining and repairing the Facility, including without limitation, as applicable, the charges of any operator of the Facility, reimbursement to any operator of the Facility for advances made by the operator to the Trustee for deposit in the Bond Account created under the Bond Ordinance, insurance premiums, Trustee's fees and expenses, professional services and the cost of materials and supplies, but does not include: (i) any liabilities incurred by the County as a result of its negligence or willful misconduct in the operation of the Facility; or (ii) except to the extent included in the charges of the operator of the Facility, any allowance for depreciation, any improvements or enlargements of the Facility, any charges for the accumulation of reserves for capital replacements or any payments to the County's general fund as payments in lieu of taxes. "Net Proceeds" means any insurance proceeds or condemnation award paid with respect to the Facility remaining after payment therefrom of all expenses incurred in the collection.

The bonds are equitably and ratably secured by a lien on the Net Revenues; and the bonds constitute an irrevocable and first lien (but not necessarily an exclusively first lien) upon the Net Revenues. Additional obligations may be issued and made payable from the Net Revenues and having a lien thereon inferior and junior to the lien, or, subject to designated conditions, having a

lien thereon on a parity with the lien of the bonds of the series of which this bond is a part, in accordance with the provisions of the Bond Ordinance.

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

This bond is subject to the conditions, and every registered owner hereof by accepting the same agrees with the obligor and every subsequent registered owner hereof that the principal of and the interest on this bond shall be paid, and this bond is transferable, free from, and without regard to any equities between the obligor and the original or any intermediate registered owner hereof for any set-offs or cross-claims.

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the Board of County Commissioners and officers of the County in the issue of this bond; and that it is issued pursuant to and in strict conformity with the Constitution and laws of the State of New Mexico, and particularly the terms and provisions of Sections 4-62-1 through 4-62-10 NMSA 1978, as amended, and all laws thereunto enabling and supplemental thereto.

This bond shall not be valid or obligatory for any purpose until the Trustee shall have manually signed the certificate of authentication herein.

IN WITNESS WHEREOF, Grant County, New Mexico has caused this bond to be signed, subscribed, and executed, and attested with the manual signatures of the Chairman of the Board of County Commissioners and its County Clerk, respectively; and has caused its corporate seal to be affixed hereon; all as of the Series Date.

Chairman

(SEAL)

Attest:

County Clerk

(End of Form of Bond)

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This is one of the bonds described in the within-mentioned Bond Ordinance, and this bond has been duly registered on the registration books kept by the undersigned as Trustee for such Bonds.

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By _____
Authorized Officer

(End of Form of Certificate of Authentication)

(Form of Assignment)

ASSIGNMENT

For value received, hereby sells, assigns and transfers unto the transferee named below the within bond and hereby irrevocably constitutes and appoints the transferee as attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Signature Guaranteed:

Name and Address of Transferee:

Dated:

Social Security Number or Other Tax Identification Number:

(End of Form of Assignment)

(Form of Legal Opinion Certificate)

STATE OF NEW MEXICO)
) ss.
COUNTY OF GRANT)

LEGAL OPINION CERTIFICATE

I, Robert Zamarripa, County Clerk of Grant County, New Mexico, do hereby certify that the following approving legal opinion of Brownstein Hyatt Farber Schreck, LLP, to wit:

(Approving opinion to be inserted)

is a true, perfect and complete copy of a manually executed and dated copy thereof on file in the records of the County in my office; that manually executed and dated copies of the opinion were forwarded to a representative of the original purchaser or purchasers, and that the opinion was dated and issued as of the date of delivery of and the payment for the bonds of the series of which this bond is one.

IN WITNESS WHEREOF, I have caused to be hereunto set my manual signature and having affixed hereto the official seal of Grant County, New Mexico.

County Clerk
Grant County, New Mexico

(SEAL)

(End of Form of Legal Opinion Certificate)

Section 13. Delivery of Bonds and Initial Registration. When the Bonds have been duly executed, authenticated, registered and sold, the County shall deliver them to the Purchaser on receipt of the agreed purchase price.

Section 14. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be paid to the Trustee. Upon the Trustee's receipt of such proceeds, the Trustee shall deposit an amount equal to the Reserve Requirement in the Reserve Account and shall deposit the balance as directed in the Sale Resolution. Except as otherwise specifically provided in this ordinance, the proceeds derived from the sale of the Bonds shall be used and paid solely for the purposes of the Project.

Section 15. Purchaser Not Responsible. The validity of the Bonds is not dependent on nor affected by the validity or regularity of any proceedings related to the completion of the Project. The Purchaser, and any subsequent Owner of any Bonds, shall in no manner be responsible for the application or disposal by the County or by any officer or any employee or other agent of the County of the moneys derived from the sale of the Bonds or of any other moneys designated in this ordinance.

Section 16. Revenue Fund.

(a) Establishment. There is established with the Trustee a special trust fund to be designated as the "Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008 Revenue Fund" and referred to as the "Revenue Fund." The Trustee shall keep the Revenue Fund separate and apart from all other funds and moneys held by it.

(b) Payment of Revenues. The County shall use its best efforts to cause all of the Revenues (including, for the avoidance of doubt, that portion of the Purchase Price (as defined in the Lease) corresponding to the amount necessary to defease the Bonds) to be paid directly to the Trustee for deposit in the Revenue Fund. Each agreement between the County and any lessee or other user of the Facility shall provide that all payments due to the County thereunder shall be paid timely and directly to the Trustee. The County shall promptly pay to the Trustee for deposit in the Revenue Fund any Revenues received by the County.

(c) Deposits. The Trustee shall deposit all Revenues, any Net Proceeds of business interruption insurance designated for deposit in the Revenue Fund, that portion of the Purchase Price corresponding to the amount necessary to defease the Bonds and any other moneys received by Trustee with respect to the Facility that are not specifically designated in this ordinance for deposit in any other fund or account in the Revenue Fund immediately upon receipt.

(d) First Claim for Operating Expenses. As a first claim on moneys in the Revenue Fund, the Trustee shall pay all Operating Expenses, to the extent, if any, not paid or caused to be paid by the Lessee under the Lease or otherwise. Disbursements from the Revenue Fund for Operating Expenses shall be made by the Trustee upon receipt of a written request for disbursement executed by an Authorized Officer. Each such requisition for payments shall be substantially in a form agreed upon between the County and the Trustee. So long as the Trustee

relies in good faith upon such a request for disbursement, it shall have no liability on account of disbursements from the Revenue Fund made in accordance with such request for disbursement.

(e) Second Claim for Bond Payments. As a second claim on moneys in the Revenue Fund, the Trustee shall withdraw from the Revenue Fund, on the first day of each calendar month, beginning on the date specified in the Sale Resolution that portion of the next installment of interest on the Bonds specified in the Sale Resolution and that portion of the next principal payment on the Bonds specified in the Sale Resolution (provided that if the next principal payment is the final scheduled principal payment, the principal payment may be calculated by subtracting amounts held in the Reserve Account and the Surplus Account) and deposit such amounts in the Bond Account.

(f) Third Claim for Rebate Payments. As a third claim on moneys in the Revenue Fund, the Trustee shall withdraw from the Revenue Fund and deposit in the Rebate Fund the amounts required pursuant to Section 24.

(g) Fourth Claim for Redemption Payments. As a fourth claim on moneys in the Revenue Fund, the Trustee shall transfer to the Redemption Account from the Revenue Fund all moneys on hand or received in the Revenue Fund that are to be used for the redemption of Bonds in accordance with Section 6.

(h) Fifth Claim for Reserve Requirement. As a fifth claim on moneys in the Revenue Fund, the Trustee shall transfer to the Reserve Account from the Revenue Fund such amounts as may be necessary from time to time in order that the amount in the Reserve Account be not less than the Reserve Requirement.

(i) Sixth Claim for Surplus Account. As a sixth claim on moneys in the Revenue Fund, on the first day of each calendar month, the Trustee shall withdraw from the Revenue Fund all moneys remaining in the Revenue Fund that are not required for the payment of reasonably anticipated Operating Expenses during such calendar month and deposit such moneys in the Surplus Account.

(j) Payment for Additional Obligations. Concurrently with or after the payments required by Sections 16(e) and 16(h), depending upon whether the additional obligations are parity or subordinate as herein provided, any balance remaining in the Revenue Fund after making the payments hereinabove provided shall be used by the County for the payment of interest on and the principal of additional obligations, if any, hereafter authorized to be issued and payable from the Net Revenues as the same accrue. In the event that such additional obligations are on a parity with the Bonds, the payments of interest on and principal of such additional obligations and any reserve fund therefor shall be made concurrently with the payments required by Sections 16(e) and 16(h) (provided that such payments may be made at any intervals as may be provided in the ordinance or resolution authorizing such additional obligations). In the event that such additional obligations are subordinate to the Bonds, the payments of interest on and principal of such additional obligations and any reserve fund therefore shall be made after the payments required by Sections 16(e) and 16(h).

(k) No Other Transfers. No amounts shall be withdrawn; or transferred from or paid out of the Revenue Fund except as provided in this Section 16 and Section 19(e).

Section 17. Trust Fund. There is established with Trustee a special trust fund to be designated as the “Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008 Trust Fund” and referred to as the “Trust Fund.” In consideration of the payment by the Purchaser for the Bonds, the County grants, bargains, sells, assigns and transfers the Trust Fund and all moneys from time to time therein to the Trustee in trust for the Owners as provided in this ordinance. The Trustee shall keep the Trust Fund separate and apart from all other funds and moneys held by it. Within the Trust Fund, there are established the Acquisition Account more particularly described in Section 18, the Bond Account more particularly described in Section 19, the Insurance and Condemnation Award Account more particularly described in Section 20, the Redemption Account more particularly described in Section 21, the Reserve Account more particularly described in Section 22, and the Surplus Account more particularly described in Section 23. On the Closing Date Trustee shall receive and deposit the proceeds of the sale of the Bonds in the Trust Fund and such accounts, in accordance with Section 14.

Section 18. Acquisition Account.

(a) Establishment. Within the Trust Fund, there is established a special account to be designated and referred to as the “Acquisition Account.” The Trustee shall administer the Acquisition Account as provided in this Section 18 and Section 25.

(b) Deposit. The Trustee shall deposit in the Acquisition Account the amounts required to be deposited therein pursuant to Section 14 and all proceeds of insurance and payment and performance bonds maintained pursuant to this ordinance pertaining to the period of construction and installation. Except as provided in Sections 18(d) and 19(e), all moneys deposited in or transferred to the Acquisition Account shall be disbursed only for the payment of Costs.

(c) Disbursements. Disbursements from the Acquisition Account shall be made by the Trustee upon receipt of a written request for disbursement executed by an Authorized Officer. Each such request with respect to Progress Payments shall be in substantially the following form:

(Form of Written Request for Disbursement)

PAYMENT APPROVAL SHEET

U.S. BANK NATIONAL ASSOCIATION, as Trustee under Ordinance No. O-08- adopted by the Board on August , 2008 and as supplemented by Resolution No. R- adopted by the Board on , 2008 (as so amended, restated and supplemented, the “Bond Ordinance”), is requested to pay, from the Acquisition Account held under the Bond Ordinance, to the persons, firms or corporations designated below as payee, the amount set forth opposite each such person’s, firm’s or corporations name, in payment of the

Costs described on the attached page(s) designated opposite such payee's name and account. Terms are used herein as defined in the Bond Ordinance.

The undersigned certifies that: (a) the amounts to be disbursed constitute Costs, that said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the County or were necessarily and reasonably incurred and that said amounts are not being paid in advance of the time, if any, fixed for payment; (b) that the amount requested for payment has not been included in any earlier Payment Request Form where payment of which was validly made by Trustee; (c) that any construction for which reimbursement is being requested has been performed in accordance with the approved plans and specifications; (d) that after payment of the amount of this request, there will be sufficient amounts remaining in the Acquisition Account to complete the Project in accordance with such plans and specifications; (e) for amounts payable to _____ (the "Construction Contractor"), the attached AIA Application and Certificate for Payment executed by the Construction Contractor is approved; and (f) no Event of Default has occurred and is continuing.

Dated: _____, 20____.

NEW MEXICO DEPARTMENT OF
HEALTH

By _____
Authorized Officer

<u>Payee</u>	<u>Amount</u>
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(End of Written Request for Disbursement)

Each other such requisition shall be in a form reasonably acceptable to the Trustee. So long as the Trustee reasonably relies in good faith upon such a request for disbursement, it shall have no liability on account of disbursements from the Acquisition Account made in accordance with such request for disbursement. From the date the first Progress Payment is made until the final Progress Payment is made, the Trustee will provide the Issuer with a monthly report of Progress Payments made.

(d) Transfer to Bond Account Upon Completion. After completion of the construction of the Project, the County and the Lessee shall deliver the Certificate of Final Completion to the Trustee. Upon the earlier of (i) receipt by the Trustee of such certificate, or (ii) February 1, 2011, the Trustee shall pay from the Acquisition Account the amount indicated on the Certificate of Final Completion, if applicable, and transfer any amounts remaining in the Acquisition Account into the Bond Account, and the Acquisition Account shall be closed. Upon deposit of such amounts into the Bond Account, such amounts shall be segregated into a separate subaccount and applied as a credit against the next succeeding principal payment on the Bonds following the date of such deposit. In the event that the amount so deposited exceeds such principal payment, it shall be applied as a credit against the next subsequent principal payment on the Bonds.

(e) No Other Transfers. No amounts shall be withdrawn or transferred from or paid out of the Acquisition Account except as provided in this Section 18 and Sections 19(e) and 24.

Section 19. Bond Account.

(a) Establishment. Within the Trust Fund, there is established a separate account to be designated and referred to as the "Bond Account." The Bond Account shall be maintained by the Trustee until the principal of and interest on the Bonds are paid in full pursuant to the terms of this ordinance or the Bonds have been deemed paid in accordance with Section 32. The Trustee shall administer the Bond Account as provided in this Section 19 and Section 25.

(b) Deposits. In addition to the moneys required to be deposited in the Bond Account pursuant to Sections 16(e), 18(d), 22(c), 23(e) and 25, except as provided in Section 21, all amounts advanced from time to time by any third party operator of the Facility, and all other moneys received by the Trustee with respect to the Facility shall be deposited by the Trustee in the Bond Account immediately upon their receipt.

(c) Payment on Bonds. The Trustee shall withdraw from the Bond Account, on each Payment Date, an amount equal to the principal and interest payments due with respect to the Bonds on such Payment Date, and shall cause the same to be applied to the payment of principal and interest payments due with respect to the Bonds on such Payment Date.

(d) Transfer on Redemption. The Trustee shall transfer to the Redemption Account from the Bond Account all moneys on hand or received in the Bond Account that are to be used for the redemption in whole, but not in part, of Bonds in accordance with Section 6.

(e) Transfers on Event of Default. Notwithstanding any other provision of this ordinance to the contrary, if an Event of Default occurs and is continuing prior to the payment in full of the Bonds, the Trustee may and, upon the written request of the Owners of 25% of the principal amount of Bonds then Outstanding, shall deposit into the Bond Account all moneys on hand in the Revenue Fund after payment of all Operating Expenses then due or accrued and all other accounts of the Trust Fund, and distribute such moneys from the Bond Account to the registered holders of the Bonds in proportion to the total amount of principal and interest due on their Bonds on the distribution date, and for this purpose the principal of all Bonds shall be deemed to be immediately due and payable (without regard to the stated maturity thereof). Upon payment in full of all amounts owed on the Bonds and all items of expense with respect to the Project, the excess, if any, shall be paid to the Lessee.

(f) No Other Transfers. No amounts shall be withdrawn or transferred from or paid out of the Bond Account except as provided in this Section 19 and Section 24.

(g) Shortfall. So long as any Bonds remain outstanding, if on any Payment Date, the amount of all payments due and payable on the Bonds exceeds the amount on hand in the Bond Account, taking into account any transfers made from the Reserve Account pursuant to Sections 22(c) and 22(d), the Trustee shall apply the moneys on hand therein first to the payment of all interest due with respect to all Bonds, pro rata if necessary, and second to the payment of the portion of the unpaid principal balance of each Bond which is then due, pro rata if necessary.

Section 20. Insurance and Condemnation Award Account.

(a) Establishment. Within the Trust Fund there is established a separate account to be designated and referred to as the "Insurance and Condemnation Award Account." The Trustee shall administer the Insurance and Condemnation Award Account as provided in this Section 20 and Section 25.

(b) Deposits. Upon receipt of any Net Proceeds of any insurance claim or condemnation award paid to the Trustee, such Net Proceeds shall be deposited in the Insurance and Condemnation Award Account, except as provided in Section 16(c).

(c) Use for Restoration. Moneys deposited in the Insurance and Condemnation Award Account shall, unless the same are not, in the opinion of the Lessee or such experts as the Lessee may designate for such purpose, sufficient for such purpose, be applied to the prompt replacement, repair, restoration or improvement of the Facility by the County, or, if not so applied, transferred to the Redemption Account and applied to the redemption of Bonds in accordance with the provisions of Section 6. Until so used, such moneys shall be held and invested in the manner provided in Section 25.

(d) No Other Transfers. No amounts shall be withdrawn or transferred from or paid out of the Insurance and Condemnation Award Account except as provided in this Section 20 and Sections 19(e) and 24.

Section 21. Redemption Account.

(a) Establishment. Within the Trust Fund there is established a separate account to be designated and referred to as the "Redemption Account." The Trustee shall administer the Redemption Account as provided in this Section 21 and Section 25.

(b) Deposits. The Trustee shall deposit in the Redemption Account as received, all moneys paid to it pursuant to Section 6, 16(g), 20(c), 22(e) and 23(f). All of said moneys shall be set aside in the Redemption Account for the purpose of redeeming the Bonds in advance of their maturity and shall be applied on or after the date of redemption designated pursuant to Section 6 to the payment of principal and interest with respect to the Bonds to be redeemed upon presentation and surrender of such Bonds.

(c) Investment Yield. Except as provided in the following sentence, moneys held by the Trustee for the payment of Bonds that have been called for redemption and the interest thereon, after the date of redemption, may be invested in Permitted Investments without restriction as to Yield. All moneys in the Redemption Account that shall not be used for the redemption of Bonds within 30 days after the date of their deposit or transfer to the Redemption Account, shall be invested at a Yield not exceeding the Yield on the Bonds unless the County obtains and delivers to the Trustee an opinion of Bond Counsel stating that the investment of such moneys may be made without restriction as to yield or may be made subject to another yield limitation, in which event the moneys in the Redemption Account may be invested in accordance with such opinion. Investment of moneys subject to the yield restrictions herein provided shall be made by the purchase of Permitted Investments maturing on or immediately preceding the date of redemption of the Bonds to be redeemed.

(d) Use of Excess Moneys. Moneys held in the Redemption Account after the date on which such moneys are to be applied for the redemption of Bonds shall, upon redemption of all outstanding Bonds, be paid to the Lessee.

(e) No Other Transfers. No amounts shall be withdrawn or transferred from or paid out of the Redemption Account except as provided in this Section 21 and Sections 19(e) and 24.

Section 22. Reserve Account.

(a) Establishment. Within the Trust Fund there is established a separate account to be designated and referred to as the "Reserve Account." Such account shall be maintained by the Trustee until the Bonds are paid in full. The Trustee shall administer the Reserve Account as provided in this Section 22 and Section 25.

(b) Deposits. The Trustee shall deposit in the Reserve Account the moneys required to be deposited therein pursuant to Sections 14, 16(h) and 23(c).

(c) Transfers to Bond Account. If on any Payment Date the amounts in the Bond Account are less than the amounts of principal and interest payments due with respect to the Bonds on such Payment Date after giving effect to any payment into the Bond Account from the Surplus Account pursuant to Section 23(e), the Trustee shall transfer from the Reserve

Account to the Bond Account an amount sufficient to make up such deficiency. In the event of any such transfer, the Trustee shall, within five days after making such transfer, give notice to the County of the amount and date of such transfer.

(d) Use. Moneys in the Reserve Account shall be: (i) used for the purpose of making payments on the Bonds on behalf of the County to the extent necessary to make up deficiencies in the Bond Account in the event that moneys in the Bond Account are less than the amounts of the principal and interest payments due with respect to the Bonds on any Payment Date, and for that purpose moneys may be withdrawn from the Reserve Account and transferred to the Bond Account, as provided in Section 22(c); (ii) transferred to the Redemption Account pursuant to Section 22(e); or (iii) as provided in this Section 21 and Section 19(e).

(e) Redemption. Amounts on deposit in the Reserve Account shall be available to the County for redemption in whole, but not in part, of the Bonds and shall be transferred by the Trustee to the Redemption Account for this purpose on any Payment Date if redemption is then authorized and upon written direction of the County.

(f) No Other Transfers. No amounts shall be withdrawn or transferred from or paid out of the Reserve Account except as provided in this Section 22 and Sections 19(e) and 24.

(g) Valuation. The Trustee shall, not less than semiannually, determine the aggregate value of cash and the fair market value of securities in the Reserve Fund. In determining the fair market value of securities in the Reserve Fund, the Trustee shall use reasonable methods, including, without limitation, the use of quoted prices for recent transactions in such securities on established exchanges, as reported by sources deemed by the Trustee to be reasonably reliable.

Section 23. Surplus Account.

(a) Establishment; Subaccounts. Within the Trust Fund there is established a separate account to be designated and referred to as the "Surplus Account." The Trustee shall administer the Surplus Account as provided in this Section 23 and Section 25. The Trustee shall hold each deposit into the Surplus Account that has not been in the Surplus Account for twelve calendar months in a separate subaccount and shall not commingle such deposits with any other moneys held in the Surplus Account.

(b) Deposits. The Trustee shall deposit in the Surplus Account moneys required to be deposited therein pursuant to Section 16(i).

(c) Transfers to Reserve Account. To the extent that moneys are not available for such purpose in the Revenue Account, the Trustee shall transfer to the Reserve Account such amounts as may be necessary from time to time in order that the amount in the Reserve Account be not less than the Reserve Requirement.

(d) Use for Capital Costs. Amounts on deposit in the Surplus Account may be applied, at the written direction of the County, to pay costs which under generally accepted accounting principles constitute capital costs necessarily incurred for the maintenance and

betterment of the Facility, including without limitation buildings, structures and equipment, the related costs of all architectural, engineering, legal and other professional services and other costs reasonably necessary and incidental thereto.

(e) Transfers to Bond Account. If on any Payment Date, before taking into account transfers to the Bond Account from the Reserve Account pursuant to Section 22(c), the amounts in the Bond Account are less than the amounts of principal and interest payments due with respect to the Bonds on such Payment Date, the Trustee shall transfer from the Surplus Account to the Bond Account, from moneys on deposit in the Surplus Account for twelve calendar months or less, an amount sufficient to make up such difference.

(f) Use for Redemption. Amounts on deposit in the Surplus Account shall be available to the County upon exercise of its option to redeem Bonds and shall be transferred by the Trustee to the Redemption Account for this purpose on any Payment Date if redemption is then authorized and upon written direction of County.

(g) No Other Transfers. No amounts shall be withdrawn or transferred from or paid out of the Surplus Account except as provided in this Section 23 and Sections 19(e) and 24.

Section 24. Rebate Fund. There is established with the Trustee a special trust fund to be designated as the “Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008 Rebate Fund” and referred to as the “Rebate Fund.” Money and investments in the Rebate Fund shall not be used for the payment of the Bonds and amounts credited to the Rebate Fund shall be free and clear of any lien or pledge under this ordinance. Money in the Rebate Fund shall be held by the Trustee, in trust, to the extent required to pay rebatable arbitration to the United States of America. The County and the Trustee shall unconditionally be entitled to accept and rely upon the recommendation, advice, calculation and opinion of an accounting firm or other person or firm with knowledge of or experience in advising with respect to the provisions of the Code relating to rebatable arbitration. The County shall pay into the Rebate Fund and the Trustee shall remit all rebate installments and the final rebate payment to the United States of America as required by the provisions of the Code. All income on any account in the Trust Fund that constitutes rebatable arbitration shall be paid into the Rebate Fund. The County shall calculate or shall cause a person or firm with knowledge of or experience in advising with respect to the provisions of the Code relating to rebatable arbitration to calculate the amount of rebatable arbitration. Such calculation shall be made not less than annually until the balance in the Acquisition Account is zero and not less than every five years thereafter and again within 60 days after the sooner of the redemption in whole or final maturity of the Bonds, at such time as may be necessary in order to make timely rebate of any rebatable arbitration. If the amount shown by any such calculation is more than the amount then held in the Rebate Fund, moneys shall be transferred to the Rebate Fund from the following funds and accounts in the following order until the amount then held in the Rebate Fund is not less than the amount shown by such calculation: first from the Revenue Fund, then from the Surplus Account, then from the Reserve Account, then from the Redemption Account, then from the Acquisition Account, then from the Insurance and Condemnation Award Account. Any moneys remaining in the Rebate Fund after redemption and payment of all the Bonds and payment and satisfaction of any rebatable arbitration shall be withdrawn and remitted to the Lessee.

Section 25. Deposit and Investment of Moneys in Funds.

(a) Investment. All moneys held by the Trustee in the Trust Fund and the Rebate Fund shall be deposited or invested in Permitted Investments maturing not later than the times necessary to make the payments called for under this ordinance (unless otherwise specified herein), pursuant to written instructions of an Authorized Officer. If the Authorized Officer of the relevant party does not provide the Trustee with written instructions for such investment, the Trustee may invest such moneys in Permitted Investments that the Trustee deems practicable, having due regard for the safety of such moneys and for the dates upon which such moneys shall be required for uses and purposes specified in this ordinance. Such Permitted Investments shall be registered in the name of and held by the Trustee. The Trustee may purchase from or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 25. The Trustee shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions herein. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment that at the time of purchase is a Permitted Investment remains a Permitted Investment

(b) Acquisition Account. All interest or income on the Acquisition Account shall be retained in the Acquisition Account until the Acquisition Account is closed pursuant to Section 18(d).

(c) Bond Account. All interest or income received by the Trustee on investment of the Bond Account shall be retained in the Bond Account and be applied to the payment of delinquent payments on the Bonds, if any, and otherwise shall be applied as set forth in Section 25(f).

(d) Reserve Account. All interest or income on the Reserve Account shall, to the extent not needed to be retained in the Reserve Account in order that the amount in the Reserve Account equals the Reserve Requirement, be transferred to the Bond Account at least semiannually.

(e) Surplus Account. All interest or income on the Surplus Account shall be retained in the Surplus Account and applied as provided in Section 23.

(f) Application to Bond Payments. Provided that there are no delinquent payments on the Bonds, amounts retained or deposited in or transferred to the Bond Account pursuant to Sections 25(c) and 25(d) shall be applied as a credit against the next payment of principal of and/or interest on the Bonds following the date of deposit or transfer. At the time of deposit or transfer of said moneys in or to the Bond Account, the Trustee shall report the amount thereof to the County and the amount of the next payment payable by the County under this ordinance shall be reduced by an amount equal to the amount of said deposit or transfer.

(g) Rebate Fund. All interest or income on the Rebate Fund shall be retained in the Rebate Fund. Notwithstanding any other provision of this Section 25, all income on any account in the Trust Fund that constitutes rebatable arbitrage shall be paid into the Rebate Fund.

(h) Trustee Not Liable. The Trustee shall not be liable for any loss resulting from the making or disposition of any investment pursuant to this Section 25, except where such

loss arises out of the Trustee's wrongful or grossly negligent act or failure to act. Any loss not resulting from the Trustee's wrongful or grossly negligent conduct shall be charged to the account with respect to which such investment was made.

(i) Investment Directions. The County shall at all times direct the Trustee to invest the moneys held in the Trust Fund in accordance with applicable Law and this ordinance and in a manner which shall maintain the exemption from gross income of the interest payable on the Bonds for federal income tax purposes.

(j) Other Income. All interest income on amounts credited to any account not specifically provided for under this Section 25 shall be deposited in such account and used for the purposes of such account. All interest income in any account created hereunder, remaining after all payments or disbursements required by the Trustee have been made and the Bonds have been paid in full shall be paid to the Lessee.

(k) Confirmations and Statements. The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of the security transactions as they occur. The County specifically waives such notification to the extent permitted by law. The County shall receive periodic cash transaction statements from the Trustee that shall detail all investment transactions.

(l) Disposition of Excess Moneys. All moneys remaining in any funds or accounts after payment of the Bonds in full and payment and satisfaction of any rebatable arbitrage pursuant to Section 24 shall be paid to the Lessee.

Section 26. Termination Upon Deposits to Maturity. No payment need be made into the Bond Account, the Reserve Account or both if the amounts in the Bond Account, the Reserve Account and the Surplus Account total a sum at least equal to the entire amount of the Bonds then Outstanding, both as to principal and interest to their respective maturities, and both accrued and not accrued, in which case, moneys in said funds in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue and any moneys in excess thereof in said funds and any other moneys derived from the Revenues may be used in any lawful manner determined by the Lessee.

Section 27. First Lien on Net Revenues. The Bonds constitute an irrevocable and first lien (but not necessarily an exclusively first lien, upon compliance with the provisions of Section 28 for issuance of additional parity lien obligations) on the Net Revenues.

Section 28. Additional Bonds and Other Obligations.

(a) Limitations Upon Issuance. The County may issue additional bonds or other obligations payable from the Net Revenues and constituting a lien upon the Net Revenues on a parity with, but not prior nor superior to, the lien of the Bonds (collectively, "Parity Bonds") only to finance improvements or additions to or equipment for the Facility or portions thereof or to refund all or a part of the Bonds or any Parity Bonds. Before any Parity Bonds are authorized or actually issued, including those parity lien refunding obligations which refund subordinate bonds or other subordinate lien obligations as permitted in Section 28(b) (but excluding any

parity lien refunding obligations which refund outstanding parity lien bonds and other parity lien obligations as permitted by Sections 29(b) and 29(d):

(i) the County must then be current in all of the accumulations required to be made pursuant to Sections 16(e), 16(f), 16(g) and 16(h); and

(ii) the County must obtain: (A) a written report of an Independent Accountant to the effect that the ratio of Net Revenues to debt service on the Bonds and any previously issued Additional Bonds was not less than 1.00:1 for each of the two most recently ended fiscal years of the County (or, if shorter, the period, if any, from the date of the delivery of the Certificate of Substantial Completion until the end of the last full calendar month before such Additional Bonds are issued); (B) a written report from an independent consultant satisfactory to the County who is qualified to study operations of healthcare facilities and has a reputation for skill and experience in such work, which report sets forth and states that the estimated ratio of Net Revenues to debt service on the Bonds and any Additional Bonds (including the Additional Bonds sought to be issued, but excluding the last payment of principal of and interest on the Bonds), for each of the three complete fiscal years of the County following the fiscal year of the County in which the new Additional Obligations are to be issued, shall not be less than 1.00:1; and (C) an opinion of Bond Counsel to the effect that the issuance of the Additional Bonds shall not cause interest on the Bonds to be includable in the gross income of the Owners for federal income tax purposes.

(b) Subordinate Obligations Permitted. Nothing in this ordinance shall be construed so as to prevent the issuance by the County of additional bonds or other obligations payable from the Net Revenues and constituting a lien thereon subordinate or junior to the lien of the Bonds.

(c) Superior Obligations Prohibited. Nothing in this ordinance shall be construed so as to permit the County to issue bonds or other obligations payable from the Net Revenues having a lien thereon prior and superior to the Bonds.

Section 29. Refunding Bonds. The provisions of Section 28 are subject to the following exceptions:

(a) Privilege of Issuing Refunding Obligations. If at any time after the Bonds, or any part thereof, shall have been issued and remain outstanding, the County shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the Net Revenues, such bonds or other obligations, or any part thereof, may be refunded (but only with the consent of the registered owner or owners thereof, unless the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the County's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Net Revenues is changed (except as provided in Section 28 or this Section 29).

(b) Limitations Upon Issuance of Parity Refunding Obligations. Subject to the provisions of Section 29(d), no refunding bonds or other refunding obligations payable from the Net Revenues shall be issued on a parity with the Bonds, unless:

(i) the lien on the Net Revenues of the outstanding obligations so refunded is on a parity with the lien thereon of the Bonds; or

(ii) the refunding bonds or other refunding obligations are issued in compliance with Section 28(a).

(c) Refunding Part of an Issue. The refunding bonds or other obligations so issued shall enjoy complete equality of lien with the portion of any bonds or other obligations of the same issue which is not refunded, if any there be; and the registered owner or owners of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the registered owner or owners of the bonds or other obligations of the same issue refunded thereby.

(d) Limitations Upon Issuance of any Refunding Obligations. Any refunding bonds or other refunding obligations payable from the Net Revenues shall be issued with such details as the County may by ordinance provide, subject to the inclusion of any such rights and privileges designated in Section 29(c), but without any impairment of any contractual obligations imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including, without limitation, the Bonds). If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Net Revenues is refunded, then such obligations may not be refunded without the consent of the registered owner or owners of the unrefunded portion of such obligations, unless:

(i) the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest requirements evidenced by such refunding obligations and by the outstanding obligations not refunded on and prior to the last maturity date of such unrefunded obligations; or

(ii) the refunding bonds or other refunding obligations are issued in compliance with Section 28(a); or

(iii) the lien on the Net Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

Section 30. Equality of Bonds. No Bond shall be entitled to any priority over another in the application of the Net Revenues, regardless of the time or times of their issuance, it being the intention of the Board that there shall be no priority among the Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 31. Protective Covenants. The County covenants and agrees with each and every registered owner of the Bonds that, so long as any of the Bonds remains Outstanding:

(a) Payment of Bonds. The County shall promptly pay, or cause to be paid, the principal of and the interest on every Bond at the place, on the dates and in the manner specified herein and in said Bonds according to the true intent and meaning hereof.

(b) Extending Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the County shall not directly or indirectly extend or assent to extension of time for the payment of any claim for interest on any of the Bonds and it shall not directly or indirectly be a party to or approve any arrangement for any such extension or for the purpose of keeping alive any of said interest; and in case the time for payment of any such interest shall be extended, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or security of this ordinance except subject to the prior payment in full of the principal of all Bonds issued hereunder and then outstanding, and of matured interest on such Bonds the payment of which has not been extended.

(c) Performing Duties. The County shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Project and the Bonds required by the Constitution and laws of the State of New Mexico and the ordinances and resolutions of the County.

(d) County's Existence. The County shall maintain its corporate identity and existence outstanding unless another political subdivision by operation of Law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the County and is obligated by law to receive and distribute the Revenues in place of the County, without affecting to any substantial degree the privileges and rights of any Owner of any Outstanding Bonds.

(e) Impairment of Contract. No law or ordinance or resolution of the County in any manner affecting the Net Revenues or the Bonds, or otherwise appertaining thereto, shall be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any Bonds Outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor, or unless the consent of the required percentage of the registered owners of the then Outstanding Bonds is obtained pursuant to Section 48.

(f) Tax Covenant. The County shall not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the County or any facilities financed with the proceeds Bonds if such action or omission: (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code; (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income; or (iii) would cause interest on the Bonds to lose its exclusion from net income under present New Mexico income tax laws, the State Income Tax Act and the Corporate Income and Franchise Tax Act. Notwithstanding the generality of the foregoing, the County shall: (A) enter into no management contract with respect to the Facility unless such contract meets the requirements of Section 1301(e) of the Tax Reform Act of 1986, Rev. Proc. 97-13 and any other applicable Code requirements; (B) make no use of the Facility that would cause the Bonds to be deemed "federally guaranteed" with in the meaning of Section 149(d) of the Code; (C) make no use of the Facility that would cause the Bonds to be deemed "private activity bonds" within the meaning of Section 141 of the Code; (D) take no action that would cause the Bonds to become "arbitrage bonds" within the meaning of

Section 103(b)(2) of the Code; and (E) comply with all requirements of the Code relating to the rebate of arbitrage profit to the United States government. This Section 31(f) shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the County in fulfilling the above covenant under the Code have been met.

(g) Maintenance and Modification of Facility. The County shall maintain, preserve and keep the Facility, or cause the Facility to be maintained, preserved and kept, in good repair, working order and condition, and shall from time to time make all repairs, replacements and improvements necessary to keep the Facility in such condition. In addition, the County shall, at its own expense, have the right to remodel the Facility or to make additions, modifications and improvements thereto. All such additions, modifications and improvements shall thereafter comprise part of the Project and be subject to the provisions of this ordinance. Such additions, modifications and improvements shall not in any way damage the Facility nor cause it to be used for purposes other than those authorized under the provisions of applicable Law. Any property for which a substitution or replacement is made pursuant to this Section 31(g) may be disposed of by the County in such manner and on such terms as are determined by the County. The County shall not permit any mechanic's or other lien to be established or remain against the Facility for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the County pursuant to this Section 31(g); provided that if any such lien is established and the County shall first notify the Trustee of the County's intention to do so and shall maintain at all relevant times adequate reserves in the respect to such lien, the County may in good faith contest any lien filed or established against the Facility, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the County that, in the opinion of Independent Counsel, by nonpayment of any such item the interest of the County in the Facility shall be materially endangered or the Facility or any part thereof shall be subject to loss or forfeiture, in which event the County shall promptly pay, or cause to be paid, and cause to be satisfied and discharged all such unpaid items or provide the Trustee with full security against any such loss or forfeiture, in form satisfactory to the Trustee.

(h) Taxes Other Governmental Charges and Utility Charges. The County shall also pay or cause to be paid when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facility. The County shall also pay all property and excise taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility or any part thereof, and which become due while any Bonds are Outstanding with respect thereto and before any fine, penalty, interest or cost may be added thereto or be imposed by operation of law for the nonpayment thereof; and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Facility; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid while any Bonds are Outstanding as and when the same become due. The County may, at the County's expense and in the County's name, and so long as the County maintains at all relevant times adequate reserves against such taxes, assessments, utility and other charges, in good faith contest

any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the County that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of the County in the Facility shall be materially endangered or the Facility or any part thereof shall be subject to loss or forfeiture, in which event the County shall promptly pay such taxes, assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment, in form satisfactory to the Trustee.

(i) Liability Insurance. The County shall procure and maintain, or shall cause to be procured and maintained, continuously in effect with respect to the Facility, beginning, in the case of the Project, upon execution of the Certificate of Substantial Completion, insurance against liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the maintenance, use or operation of the Project or any part thereof, and shall cause all contractors to maintain similar insurance against all similar liabilities on their part. Such insurance shall be in the amount of \$5,000,000. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds may be paid.

(j) Property Insurance. Upon execution of the Certificate of Substantial Completion the County shall have and assume the risk of loss with respect to the Project, and shall procure and maintain, or shall cause to be procured and maintained, continuously in effect with respect to the Facility, to the extent of the full insurable value of the Facility, other than the Land and building foundations, all-risk insurance, subject only to the standard and customary exclusions contained in the policy, in such amount as shall be at least sufficient so that a claim may be made for the then aggregate unpaid principal amount of the Bonds then Outstanding. All policies (or endorsements or riders) evidencing insurance required in this Section 31(j) shall be carried in the names of the County and the Trustee as their respective interests may appear. The Net Proceeds of insurance required by this Section 31(j) shall be paid to the Trustee and applied as provided in Section 20.

(k) Worker's Compensation Insurance. If required by applicable Law, the County shall carry, or cause to be carried, worker's compensation insurance covering all employees on, in, near or about the Facility, and upon request, shall furnish, or cause to be furnished, to the Trustee certificates evidencing such coverage.

(l) Business Interruption Insurance. Upon the execution of the Certificate of Substantial Completion, the County shall procure and maintain, or shall cause to be procured and maintained, continuously in effect with respect to the Facility, insurance against business interruptions. Such insurance shall be in such amount as an independent insurance consultant shall advise is appropriate under the circumstances but in any event not less at any time than the greater of: (i) the amount of Revenues expected to be received in the following two years; and (ii) the principal of and interest on the Bonds scheduled to be paid in the following two years.

(m) Other Insurance and Requirements for All Insurance. The County shall maintain, or shall cause to be maintained, such other or additional insurance and in such amounts as may from time to time be required by applicable Law or be customary for similar projects.

All insurance required by this Section 31 may be carried under a separate policy or a rider or endorsement; shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to all parties at least 30 days before the cancellation or revision becomes effective; and shall name the County and the Trustee as insured parties. The County shall deposit, or cause to be deposited, with the Trustee policies evidencing any such insurance procured by or for it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect and will provide or cause to be provided to the Trustee an annual certificate to the effect that all required by this Section 31 is in full force and effect. Before the expiration of any such policy, the County shall furnish, or cause to be furnished, to the Trustee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Section 31(m), unless such insurance is no longer obtainable in which event the County shall notify the Trustee of this fact. None of the insurance to be provided under this Section 31 is to be provided through any program of self-insurance by the County or any affiliate of the County. The Trustee shall have no responsibility as to the sufficiency of any insurance procured or maintained pursuant to this Section 31.

(n) Liens. The County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facility, other than the Permitted Encumbrances. Except as expressly provided in this Section 31, the County shall promptly take, or cause to be taken, such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The County shall reimburse the Trustee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

(o) Performance Bonds and Other Guaranty. The County shall cause the Lessee to cause the general contractor engaged by the Lessee for the construction of the Project to provide a payment and performance bond or bonds or another form of financial guaranty satisfactory to the County, the Lessee and the Trustee covering performance of the general contractor's obligations with respect to the Project and payment for labor and materials and to subcontractors. Such payment and performance bond shall name the County, the Lessee and the Trustee as obligees and shall be in an amount at least equal to the amount required to be paid to the general contractor.

(p) Default in Lessee's Performance. In the event of default of the Lessee, the general contractor or any subcontractor with respect to the Project, the County shall promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the County against the Lessee, the general contractor or any subcontractor so in default and against each surety for the performance of the Lessee, the general contractor or subcontractor. The County shall advise the Trustee in writing, of the steps it intends to take in connection with any such default. Any net amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of any expenses of recovery, shall be paid to the Trustee.

(q) Indemnity. The County shall require the Lessee to require the general contractor engaged by the Lessee for the construction of the Project to protect, defend, and hold the County and the Trustee and their employees harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to the Project by the general contractor unless (i) such injury, death or damage is caused by the gross negligence or willful misconduct of the County (with respect to such indemnity of the County) or the Trustee (with respect to such indemnity of the Trustee), or (ii) such indemnity is otherwise prohibited by law. The County or the Trustee shall give to the general contractor reasonable notice of any such claims or actions.

(r) Construction Public Liability Insurance. The County shall require the Lessee to require the general contractor engaged by the Lessee for the construction of the Project, at its expense, to procure and keep in force at all times during the construction period from a financially sound and reputable company, public liability insurance, with independent contractor's coverage and contractual liability endorsement, insuring the County and the Trustee and naming the County and the Trustee, their officers and employees as additional insureds, for personal injury and property damage, and such other insurance necessary to protect the County and the Trustee from such claims and actions specified in Section 31(q). Such policy shall be underwritten by an insurance company authorized to do business in the State. Without limiting its liability, the general contractor shall carry and keep in force insurance with single limit liability for personal injury or death and property damage in a sum not less than \$5,000,000. The general contractor shall furnish the County and the Trustee with a certificate of insurance as evidence of coverage. Said insurance shall not be cancelled or materially modified or non-renewed except upon 30 days advance written notice to the County and the Trustee. Coverage is to be written on the broadest liability form which is customarily available at reasonable cost.

(s) Title Insurance. The County shall obtain policies of title insurance covering its interest in the Land in the amount of the aggregate principal amount of the Bonds, which shall insure good and marketable fee simple title to the Land in the County subject only to Permitted Encumbrances.

(t) Damage Destruction and Condemnation. If after execution of the Certificate of Substantial Completion: (i) the Facility or any portion thereof is destroyed or is damaged by fire or other casualty; or (ii) title to or the temporary use of the Facility or any part thereof, or the interest of the County in the Facility or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Net Proceeds of any insurance or condemnation award shall be paid to the Trustee, which shall, at the written direction of the County, either: (A) apply such Net Proceeds to the prompt repair, restoration, modification or improvement of the Facility by the County; (B) use such proceeds to pay the redemption price of all or a portion of the Bonds in accordance with Section 6; or (C) in the case of Net Proceeds of business interruption issuance only, deposit such Net Proceeds into the Revenue Fund. If the Net Proceeds are to be used to pay the cost of any repair, restoration, modification or improvement of the Project and are insufficient for such purpose, the County shall complete the work and pay any cost in excess of the amount of the Net Proceeds.

(u) Environmental Matters. The County shall: (i) give notice to the Trustee immediately upon the County's acquiring knowledge of the presence of any Hazardous Materials on the Facility, or of any Hazardous Materials Contamination in violation of applicable Law, with a full description thereof; and (ii) use its best efforts to comply promptly with any applicable Law requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination and, upon request, provide the Trustee with satisfactory evidence of such compliance. The Trustee shall have the right but not the obligation, without exercising control over the management of the Project, to enter onto the Facility or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of or otherwise deal with, any Hazardous Materials or Hazardous Materials Contamination on the Facility following receipt of any notice from any person or entity asserting the existence of any Hazardous Materials or Hazardous Materials Contamination pertaining to the Facility or any part thereof in violation of applicable Law which, if true, could result in an order, notice, suit, imposition of a lien on the Facility or other action and/or which, in the Trustee's reasonable opinion, could jeopardize the interests of the Owners; however, the Trustee shall have no right to proceed with any of the rights granted to it in this Section 31(u) until the Trustee has provided the County with written notice of the Trustee's intent to take any of the actions described in this Section 31(u) and the County fails to commence within 60 days following the County's receipt of such notice, diligently proceed thereafter to complete all action necessary to clean-up, remove or resolve any of the foregoing. The County shall comply with all applicable Laws in connection with the possession, operation and maintenance of the Facility.

(v) Imposition of Charges. For all periods from and after the execution of the Certificate of Substantial Completion, the County shall impose and collect reasonable rates, fees and charges for the use and operation of the Facility according to schedules calculated to produce Net Revenues of not less than 100% of the amounts necessary to pay all payments of principal of and interest on the Bonds when due (the "Cash Flow Requirement"). If the Cash Flow Requirement is not met during any two consecutive calendar quarters, the County shall retain a management consultant experienced in the healthcare industry to study and make recommendations to the County with respect to rates, fees and charge for the use and operation of the Facility with a view to meeting or exceeding the Cash Flow Requirement. The County shall use its best efforts to promptly implement the recommendations of such management consultant. If, in the reasonable opinion of the County (as set forth in a resolution of the Board), the County is prevented by Law from imposing or collecting rates, fees and charges at the level required in this Section 31(v), the County shall impose and collect rates, fees and charges that shall produce the maximum Revenues permitted by Law.

(w) Books of Account. The County shall at all times keep proper and adequate books of account showing all receipts derived from and disbursements of moneys with respect to the Facility. Such records shall be available for inspection and copying by the Trustee and its employees and agents at all times during normal business hours and shall be audited annually by an Independent Accountant acceptable to the Trustee. The Trustee shall have no duty to inspect such books of account.

(x) Management Agreements. The County shall use its best reasonable efforts to have in force, directly or indirectly through any tenant of the Facility, with all approvals required under applicable Law and complying with Section 31(f), a management agreement for

the management of the Facility by a private company experienced in the management of healthcare facilities such as the Facility at all times.

Any of the obligations of the County under this Section 31 may, to the extent it is possible for the same to be performed by a third party, be performed by the Lessee or its contractors and the performance by the Lessee or its contractors of any of the obligations of the County under this Section 31 shall be deemed to satisfy such obligations of the County hereunder.

Section 32. Defeasance. When all principal and interest in connection with the Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be Outstanding within the meaning of this ordinance. There shall be deemed to be such due payment as to any Bond when:

(a) the County has placed in escrow and in trust with a commercial bank located within or without the State and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities or Permitted Investments of the types described in clause (ii) of the definition thereof (collectively, "Defeasance Securities") in which such amount may initially be invested) to meet all requirements of principal and interest as the same become due to its maturity or designated redemption date as of which the County shall have exercised or obligated itself to exercise its option to call such Bond;

(b) the County has caused to be delivered to the Trustee a report (a "Verification Report") from an independent firm of nationally recognized certified public accountants or such other accountants as are acceptable to the Trustee verifying that the Defeasance Securities shall become due at or prior to the respective times at which the proceeds thereof shall be needed, in accordance with the schedule established and agreed upon between the County and such bank at the time of the creation of the escrow, to pay such principal and interest when the same becomes due without reinvestment; and

(c) the County has caused to be delivered to the Trustee: (i) an opinion of Bond Counsel to the effect that the Bonds are no longer Outstanding and the defeasance (and refunding, if applicable) of the Bonds does not adversely impact the exclusion from gross income for federal income tax purposes of the Bonds; (ii) an opinion of counsel experienced in bankruptcy matters to the effect that (A) the escrow deposit of the Defeasance Securities does not constitute a voidable preference under the Federal Bankruptcy Code, as amended, or any similar state or federal statute in the event the County becomes a debtor within the meaning of the Federal Bankruptcy Code, as amended, or comes within the protection of such similar state or federal statute (an "Insolvency Event"), and (B) in such Insolvency Event, the Defeasance Securities held under the escrow agreement will not be treated as a part of the estate of the County; and (iii) opinions as to the validity and enforceability of the escrow agreement.

The escrow agreement shall provide that (i) no substitution of a Defeasance Security shall be permitted except with the prior written consent of the Trustee and then only with another Defeasance Security and upon delivery of a new Verification Report; (ii) no reinvestment of a Defeasance Security shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report; and (iii) the County shall not exercise any optional redemption of the Bonds secured by the escrow agreement or any other redemption

other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for any refunding bonds, and (B) as a condition to any such redemption a new Verification Report, taking into account such redemption, shall be delivered to the Trustee. The escrow agreement, each Verification Report and each such opinion shall be acceptable in form and substance to, and each Verification Report and each such opinion shall be addressed to the County and the Trustee. The Defeasance Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County and such bank at the time of the creation of the escrow, to pay principal and interest when the same become due without reinvestment. Defeasance Securities within the meaning of this Section 32 shall include only obligations that are not callable prior to maturity by the issuer of such obligations.

Section 33. Delegated Powers. The officers of the County are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance, including, without limiting the generality of the foregoing, the printing and reprinting of the Bonds, the original and (if necessary) subsequent delivery to the Trustee of a number (as determined by the responsible officer) of fully or partially executed Bonds to be held by the Trustee for use as herein provided, the execution of a bond purchase agreement between the County and the Purchaser, a continuing disclosure agreement for benefit of the holders of the Bonds, an agreement between the County and the Trustee, the final official statement and other documents and agreements related to the Bonds and the use of a preliminary official statement related to the Bonds as may be approved in the Sale Resolution.

Section 34. Events of Default. Each of the following events is an "Event of Default":

(a) Nonpayment of Principal. Any payment of the principal of any of the Bonds is not made when due and payable, either at maturity, upon acceleration, by proceedings for prior redemption, or otherwise.

(b) Nonpayment of Interest. Any payment of any installment of interest on the Bonds is not be made when the same becomes due and payable.

(c) Default of any Provision. Any failure by the County to observe or perform any covenant, condition or agreement in this ordinance on its part to be observed or performed (other than as referred to in Section 34(a) or Section 34(b), and other than the failure by the County to observe and perform the covenants, conditions and agreements which result solely in a Determination of Taxability), which failure continues for a period of 30 days after written notice specifying the failure and requesting that it be remedied has been given to the County by the Trustee or by the registered owners of 25% in principal amount of the Bonds then Outstanding.

(d) Falsity of Representation. Any representation by the County in this ordinance proves to have been incorrect in any material respect when made.

(e) Bankruptcy. The filing by the County of a voluntary petition in bankruptcy, or the failure by the County to promptly lift any execution, garnishment or

attachment of such consequence as would impair the ability of the County to carry on its operations at the Facility, or adjudication of the County as a bankrupt, or assignment by the County for the benefit of its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the County in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or any similar acts that may hereafter be enacted.

The Trustee shall give to all registered owners of the Bonds notice of all Events of Default known to the Trustee by virtue of actual knowledge by an officer of the Trustee, and indicating what, if any, actions have been taken to cure such Event of Default, within thirty (30) days after the occurrence of an Event of Default; provided that, except in the case of default in the payment of principal and interest on any of the Bonds, the Trustee shall be protected in withholding such notice from the Bondholders if and so long as its board of directors, an executive committee or trust default committee or chief executive officer of the Trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders; and further provided that no such notice shall be given unless and until any such default becomes an Event of Default.

Section 35. Remedies Upon Default. Upon the happening and continuance of any Event of Default, the Trustee may, and, upon the written request of the registered owner or owners of not less than 25% in principal amount of the Bonds then outstanding, the Trustee shall, without further notice, take whatever action at law or in equity may appear necessary or desirable to protect and enforce the rights of any registered owner of Bonds under this ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for specific performance of any covenant or agreement contained herein or in an award or execution of any power herein granted for the enforcement of any power, legal or equitable remedy as such registered owner or owners may deem most effectual to protect and enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any registered owner, or to require the County to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all registered owners of the Bonds then outstanding.

The registered owner of not less than 25% in aggregate principal amount of Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken under this ordinance; provided, that such direction shall not be otherwise than in accordance with the provisions of law and that the Trustee shall be indemnified as provided in Section 42. The Trustee shall not be liable for actions taken at the direction of the registered owners pursuant to this Section 35. All rights of action (including the right to file proof of claim) under this ordinance or under any of the Bonds, may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any registered owners of the Bonds hereby secured, and any recovery of judgment shall be for the equal benefit of the registered owners of the Bonds then outstanding. In case the Trustee or Bondholders shall have proceeded to enforce any right under this ordinance and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or Bondholders, then and in every such case the Issuer, the Trustee and the Bondholders

shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceedings had been taken. The failure so to proceed shall not relieve the County or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of the Trustee or any such registered owner is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of the Trustee or any registered owner shall not be deemed a waiver of any other right or privilege thereof.

Section 36. Trustee Standard of Care. In carrying out its duties and exercising its powers under this ordinance upon the occurrence and during the continuance of an Event of Default, the Trustee shall exercise that degree of care under the circumstances then prevailing which men of prudence and discretion exercise in the management of their own business affairs. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default as may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this ordinance and in a trust agreement to be entered into by the County and the Trustee. Any permissive right of the Trustee enumerated in this ordinance shall not be construed as a duty of the Trustee, and no implied covenants or obligations shall be read against the Trustee in this ordinance. The Trustee shall be answerable only for its own negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of its obligations under this ordinance or otherwise in respect of the premises.

Section 37. Removal of Trustee. The Owners of a majority in aggregate principal amount of all Bonds Outstanding may by written request, remove the original Trustee and any successor thereto, and may appoint a successor Trustee, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 37 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 38. Resignation of Trustee. The Trustee may at any time resign by giving notice to the County and the Owners of such resignation. Upon receiving such notice of resignation, if there is a single Owner, the Owner shall, and, otherwise the County shall, with the written consent of the Owners of a majority in principal amount of the Bonds Outstanding, promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the County does not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor Trustee, and any resignation or removal of the Trustee and appointment of a successor Trustee shall only become effective upon acceptance of appointment by the successor Trustee.

Section 39. Acceptance of Appointment by Successor Trustee. Any successor Trustee appointed as provided hereunder shall execute, acknowledge and deliver to the County and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor

Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named herein; but, nevertheless, on the request of the County or of the successor Trustee, upon payment of its charges for compensation, expenses, disbursements and advances then unpaid, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee all the rights and powers of Trustee so ceasing to act. Upon request of any such successor Trustee, the County shall execute any and all instruments in writing for more fully and certainly vesting in and conforming to such successor Trustee all such rights and powers. Any Trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such Trustee to secure any amounts then due to it pursuant to this ordinance. No successor Trustee shall accept appointment as provided in this Section 39 unless at the time of acceptance such successor Trustee shall be qualified under the provisions of Section 37. Upon acceptance of appointment by a successor Trustee, the successor Trustee shall give notice of such succession to each Owner.

Section 40. Compensation of Trustee. The County shall from time to time pay to Trustee reasonable compensation for the acceptance, administration and performance of the trust created by this ordinance, including reasonable Trustee fees and expenses during an Event of Default in accordance with Section 34 as well as any extraordinary services rendered, and shall reimburse the Trustee for all its advances and expenditures made in accordance with the provisions of this ordinance (including the reasonable expenses and disbursements of its counsel); provided that such amount may be deducted by the Trustee from amounts credited to the Revenue Fund. The Trustee's right to receive compensation, reimbursement and indemnification of money due and owing hereunder shall survive the Trustee's resignation or removal, the payment of the Bonds and the defeasance of this ordinance

Section 41. Limited Liability of Trustee. The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment character of the Bonds, for the sufficiency or collection of any Revenues or other moneys required to be paid to it under this ordinance, or for the actions or representations of any other party. The Trustee shall have no obligation or liability to the County or the Owners with respect to this ordinance itself or the failure or refusal of any other party to perform any covenant or agreement made by any of them hereunder, but shall be responsible solely for the business-like performance of the duties expressly imposed upon it hereunder. The recitals of facts, covenants and agreements contained herein and in the Bonds shall be taken as statements, covenants and agreements of the County, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this ordinance or the Bonds, and shall incur no responsibility with respect thereto, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence, bad faith or willful misconduct. The Trustee shall not be responsible for the value of or title to the Project. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it under the terms of and in accordance with this ordinance, except where such loss arises out of Trustee's wrongful or grossly negligent act or failure to act. The Trustee shall have no responsibility with respect to any information statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds. Except in instances of its own negligence or willful misconduct, the Trustee shall not be

personally liable for any debts contracted or for damages to persons or personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Project

Section 42. Indemnification of Trustee. To the extent permitted by law, the County shall indemnify and save the Trustee harmless from and against all claims, losses and damages, including reasonable legal fees and expenses, arising out of: (i) the use, maintenance, condition or management of or from any work or thing done on the Facility by the County; (ii) any breach or default on the part of the County in the performance of any of its obligations under this ordinance, if such breach or default is reduced to a written settlement or a judgment favorable to the Trustee; (iii) any tortious act or failure to act of the County or of any officer, servant or employee of County with respect to the Facility; or (iv) the authorization of payment of the Costs by the County. No indemnification shall be made under this Section 42 or elsewhere in this ordinance for willful misconduct, gross negligence, or breach of duty under this ordinance by the Trustee, its officers, agents, employees, successors or assigns. Further, to the extent, if at all, Section 56-7-1 NMSA 1978 is applicable to this ordinance, no indemnity obligation provided in this ordinance shall extend to liability, claims, damages, losses or expenses, including attorney fees, arising out of bodily injury to persons or damage to property caused by or resulting from, in whole or in part, the negligence, act or omission of the indemnitee, its officers, employees or agents.

Section 43. Protection of Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any written resolution, notice, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or provided pursuant to any of the provisions of this ordinance, and Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless such Bond shall be deposited with Trustee or satisfactory evidence of the ownership of such Bond shall be furnished to the Trustee. The Trustee may consult with Independent Counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith. Whenever in the administration of its duties under this ordinance, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of an Authorized Officer and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this ordinance upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 44. Trustee Ownership of Bonds. The Trustee may buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not acting as such under this ordinance. The Trustee, either as principal or agent, may also engage in or be interested in any other unrelated financial

or other transaction with the County, and may act as depositary, trustee, or agent for any committee or body of Owners or other obligations of the County as freely as if it were not the Trustee hereunder.

Section 45. Use of Agents. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care. The Trustee shall not be required to risk or expend its own funds hereunder and shall not be answerable for the exercise of any discretion or power under this ordinance or for anything whatever in connection with the funds and accounts established hereunder, except only for its own bad faith, willful misconduct or negligence.

Section 46. Separability. If any section, paragraph, clause or provision shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 47. Repealer Clause. All ordinances or resolutions or parts of ordinances or resolutions inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution or part of any ordinance or resolution heretofore repealed.

Section 48. Amendment. This ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained herein, or to comply with the provisions of the Code, or to comply with any rule or regulation of the Securities and Exchange Commission relating to the Bonds. Except as provided above, this ordinance and the Lease may be amended or supplemented by ordinance adopted by the Board in accordance with the laws of the State, without receipt by the County of any additional consideration but with the written consent of the Owners of 75% of the Bonds authorized by this ordinance and Outstanding at the time of the adoption of such amendatory or supplemental ordinance; provided, however, that no such ordinance (without the consent of the registered owners of all of the Bonds authorized by this ordinance and outstanding at the time of adoption of such amendatory or supplemental ordinance) shall have the effect of permitting:

- (a) An extension of the maturity of any Bond; or
- (b) A reduction in the principal amount of any Bond, the rate of interest thereon or the prior redemption premium due in connection therewith; or
- (c) The creation of a lien upon or pledge of Net Revenues ranking prior to the lien or pledge created by this ordinance; or
- (d) A reduction of the principal amount of Bonds required for consent to such amendatory or supplemental ordinance; or

| (e) The establishment of priorities as between Bonds issued and outstanding under the provisions of this ordinance; or

(f) The modification of or otherwise affecting the rights of the registered owners of less than all of the Bonds then outstanding.

Notwithstanding the foregoing, this ordinance may be amended or supplemented by the Sale Resolution at any time before the issuance of the Bonds in any manner not inconsistent with this ordinance. Without limiting the generality of the foregoing, this ordinance may be amended or supplemented by the Sale Resolution to provide for insurance of the Bonds or of the provision of insurance of debt service reserve payments, or as may be required by any insurer of the Bonds or the issuer of any insurance of debt service reserve payments, or any rating agency issuing a rating (including any underlying or "shadow" rating) of the Bonds.

Section 49. Notices. All notices to be given under this ordinance shall be in writing and given by mail to the party entitled thereto at its address set forth below, or at such address as the party may specify by notice to the other parties from time to time, provided that notices to the Owners shall be given by mail at their addresses shown in the Bond register maintained by the Trustee:

If to the County:

Grant County
Grant County Administration Building
1400 Highway 180 East
Silver City, New Mexico 88062
Attn: County Manager

If to the Trustee:

U.S. Bank National Association
950 17th Street, 12th Floor
Mail Stop DN-CO-T12CT
Denver, Colorado 80202
Attn: Corporate Trust

Section 50. Ordinance Irrepealable. After any of the Bonds are issued, this ordinance shall be and remain irrepealable until the Bonds and interest thereon shall be fully paid, cancelled and discharged as therein provided, or have been deemed paid as provided in Section 32.

Section 51. Publication of Notice. The following notice shall be published one time in the Silver City Daily Press, being a legal newspaper published and of general circulation in the County, as soon as is practicable following the adoption hereof.

(Form of Notice of Adoption)

GRANT COUNTY, NEW MEXICO
NOTICE OF ADOPTION OF ORDINANCE NO. O-08-__

Notice is given of the adoption by the Board of County Commissioners of Grant County, New Mexico of its Ordinance No. O-08-02 on August 28, 2008, relating to Grant County, New

Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008. The title of the Ordinance is:

AMENDING AND RESTATING ORDINANCE NO. O-08-01; AUTHORIZING THE ISSUANCE OF GRANT COUNTY, NEW MEXICO STATE OF NEW MEXICO DEPARTMENT OF HEALTH LEASE APPROPRIATION BONDS (FT. BAYARD PROJECT), SERIES 2008 IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$65,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF DESIGNING, ACQUIRING, CONSTRUCTING AND EQUIPPING A HEALTHCARE FACILITY; PROVIDING THAT THE BONDS SHALL BE PAYABLE FROM THE NET REVENUES OF THE FACILITY, CERTAIN PROCEEDS OF THE SALE OF THE BONDS AND OTHER SPECIFIED REVENUE RELATED THERETO; PRESCRIBING OTHER DETAILS CONCERNING THE BONDS AND THE NET REVENUES OF THE FACILITY, INCLUDING BUT NOT LIMITED TO COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH AND THE FORM, TERMS, CONDITIONS AND MANNER OF EXECUTION OF SAID BONDS AND CONCERNING THE FACILITY; PROVIDING THAT CERTAIN DETAILS RELATING TO THE BONDS SHALL BE ESTABLISHED IN A SUBSEQUENT RESOLUTION TO BE ADOPTED BY THE COUNTY; RATIFYING ALL ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AND REPEALING ORDINANCES IN CONFLICT HEREWITH.

A general summary of the subject matter of the Ordinance is contained in its title.

Complete copies of the Ordinance are on file in the Office of the County Clerk at the Grant County Administration Building, 1400 Highway 180 East, Silver City, New Mexico, and are available for inspection and/or purchase during regular office hours. This Notice constitutes compliance with Sections 6-14-4 through 6-14-7 NMSA 1978.

DATED: August 28, 2008.

(SEAL)

Robert Zamarripa
County Clerk

(End of Form of Notice of Adoption)

Section 52. Lease. The form, terms and provisions of the Lease, in the form presented at this meeting, are in all respects approved, authorized and confirmed. The Chairman of the Board and each other officer of the County is authorized and directed, singly or together, as they may deem appropriate, to execute and deliver the Lease in substantially such form and with such changes not inconsistent with this ordinance or the Sale Resolution as he or she may approve, such approval to be conclusively evidenced by his or her execution of the same.

Notwithstanding the generality of the foregoing, the Lease shall not be effective until the last to occur of: (a) the execution and delivery of the Lease by the County and the Lessee; (b) the approval of the Lease by the New Mexico State Board of Finance pursuant to Section 13-6-2.1 NMSA 1978; and (c) the approval of the ratification and approval of the Lease by the New Mexico State Legislature pursuant to Section 15-3-35 NMSA 1978 and N.M. Laws 2008, Chp. 4. Unless and until the Lease is terminated: (a) the County shall neither incur nor seek payment or reimbursement for any Operating Expenses; (b) therefore, the Basic Rent (as defined in the Lease) shall constitute the Net Revenues; and (c) the County shall make no use of the Basic Rent other than causing the Lessee to pay the same directly to the Trustee for deposit into the Bond Account and the Reserve Account.

Section 53. Interested Parties. Nothing in this ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the County, the Trustee, the Lessee, the Purchaser and the registered owners of the Bonds, any right, remedy or claim under or by reason of this ordinance or any covenant, condition or stipulation hereof.

Section 54. Limitation on County's Liability. NOTWITHSTANDING ANY PROVISION OF THIS ORDINANCE TO THE CONTRARY, THE OBLIGATIONS OF THE COUNTY UNDER THIS ORDINANCE ARE SPECIAL, LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM THE NET REVENUES AND MONEYS HELD BY THE TRUSTEE IN THE TRUST FUND CREATED HEREUNDER AND CERTAIN PROCEEDS OF THE SALE OF THE BONDS. NEITHER THE FAITH AND CREDIT, NOR THE TAXING POWER OF THE STATE OF NEW MEXICO OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE COUNTY, IS PLEDGED TO THE PAYMENT OR PERFORMANCE OF SUCH OBLIGATIONS. NO AGREEMENTS OR PROVISIONS CONTAINED IN THIS ORDINANCE OR ANY OTHER DOCUMENT OR INSTRUMENT RELATED TO THE BONDS SHALL GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COUNTY, ITS OFFICERS, ITS EMPLOYEES OR MEMBERS OF ITS GOVERNING BODY OR CONSTITUTE A CHARGE AGAINST THE COUNTY'S GENERAL CREDIT, OR OBLIGATE THE COUNTY FINANCIALLY IN ANY WAY, EXCEPT WITH RESPECT TO THE NET REVENUES, AND THEIR APPLICATION AS PROVIDED IN THIS ORDINANCE. NO FAILURE OF THE COUNTY TO COMPLY WITH ANY TERMS, COVENANTS OR AGREEMENTS IN THIS ORDINANCE OR IN ANY OTHER DOCUMENT OR INSTRUMENT RELATED TO THE BONDS SHALL SUBJECT THE COUNTY, ITS OFFICERS, ITS EMPLOYEES OR MEMBERS OF ITS GOVERNING BODY TO ANY PECUNIARY CHARGE OR LIABILITY EXCEPT TO THE EXTENT THAT THE SAME CAN BE PAID OR RECOVERED FROM THE NET REVENUES AND CERTAIN PROCEEDS OF THE SALE OF THE BONDS.

Section 55. Governing Law. All rights and obligations of the parties with respect to the Bonds and this ordinance shall be construed, enforced, and interpreted according to the laws of the State. Venue with regard to any action relating to the Bonds or this ordinance shall be in federal or state district court located in the State.

Section 56. Amendment and Restatement. This ordinance amends, restates and supersedes the Prior Ordinance in its entirety.

PASSED AND ADOPTED THIS 28th DAY OF AUGUST, 2008 BY A VOTE OF __
FOR AND ____ AGAINST.

Henry Torres, Chairman

Mary Ann Sedillo, Member

Jovita Gonzales, Member

(SEAL)

Attest:

Robert Zamarripa, County Clerk

Commissioner _____ then moved that the ordinance as filed with the County Clerk at this meeting be passed and adopted. Commissioner _____ seconded the motion.

The question being upon the passage and adoption of the ordinance, the motion was voted upon with the following result:

Those Voting Yea:

Those Voting Nay:

Those Absent:

The Chairman thereupon declared that at least two-thirds of all the members of that Board having voted in favor thereof, the motion was carried and the ordinance duly passed and adopted.

After consideration of matters not relating to the Grant County, New Mexico State of New Mexico Department of Health Lease Appropriation Bonds (Ft. Bayard Project), Series 2008, the meeting on motion duly made, seconded and unanimously carried, was adjourned.

Henry Torres, Chairman

(SEAL)

Attest:

Robert Zamarripa, County Clerk

STATE OF NEW MEXICO)
) ss.
COUNTY OF GRANT)

I, Robert Zamarripa, County Clerk of Grant County, New Mexico (the "County"), certify:

1. The foregoing pages numbered 1 through 52, both inclusive, constitute a full and correct copy of the record of the proceedings taken by the Board of County Commissioners of the County (the "Commission") at a regular meeting thereof held on August 28, 2008 so far as said minutes relate to an ordinance, a copy of which is therein set forth (the "Ordinance"). The Ordinance has been duly authenticated by the signatures of the Chairman of the Commission and myself as County Clerk, sealed with the corporate seal of said County, and recorded in my office on August 28, 2008.

2. Notice of such meeting of August 28, 2008, was given by publishing a notice of the Commission's intent to consider the Ordinance by publication in the *Silver City Daily Press* on August __, 2008. An affidavit of publication with respect to such notice is attached as Exhibit A. In addition, notice of the meeting was given in compliance with the permitted methods of giving notice of meetings of the Commission as required by the open meetings standards then in effect, i.e., the County's Open Meetings Resolution.

3. The Chairman and members of the Commission were present at said meeting, and the members of the Commission voted on the passage of such ordinance as set forth in such record of proceedings.

4. A notice of adoption of the Ordinance was published in the *Silver City Daily Press*, a newspaper that maintains an office in and is of general circulation within said County, on August __, 2008. A copy of an affidavit of publication with respect to such notice is attached as Exhibit B.

5. No other business concerning the Ordinance was taken at said meeting.

DATED: _____, 2008.

Robert Zamarripa
County Clerk

EXHIBIT A

(Attach Affidavit of Publication of Notice of
August 28, 2008 Meeting as published on
August __, 2008 in the *Silver City Daily Press*)

EXHIBIT B

(Attach Affidavit of Publication of Notice of Adoption of Ordinance
as published in the *Silver City Daily Press* on August __, 2008)