

RESOLUTION NO. R-09-29

A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF GRANT COUNTY, NEW MEXICO GENERAL OBLIGATION BONDS, SERIES 2009, IN THE PRINCIPAL AMOUNT OF \$4,000,000 TO PROVIDE FUNDS TO DEMOLISH EXISTING STRUCTURES FOR AND DESIGN, CONSTRUCT, IMPROVE, EQUIP AND FURNISH A COUNTY DETENTION AND LAW ENFORCEMENT CENTER, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

WHEREAS, the Board of County Commissioners (the "Board") of Grant County, New Mexico (the "County") has determined and does hereby determine that the County, at its special election of August 23, 2005, was given authority to issue general obligation bonds in a principal amount of up to \$10,000,000 (the "Authorized Bonds"); and

WHEREAS, the County has issued \$6,000,000 of the Authorized Bonds in its General Obligation Bonds, Series 2005 (the "2005 Bonds"), and has expended \$400,000 of those funds; and

WHEREAS, the County has determined that \$4,000,000 of the Authorized Bonds shall be issued as the Grant County, New Mexico General Obligation Bonds, Series 2009 (the "Bonds") under the authority of the New Mexico Constitution and applicable law as hereinafter set forth, and desires to fix the form and details of the Bonds and to provide for the levy of taxes for the payment of the principal of and interest on the Bonds; and

WHEREAS, the net effective interest rate on the Bonds is 2.9312%, which is not more than ten percent (10%) a year and which does not exceed the maximum permitted by the Public Securities Act; and

WHEREAS, no action or suit has been commenced by any person or corporation contesting the validity of any of the proceedings directed toward the issuance and sale of the Bonds heretofore taken by the Board and the officers of the County; and

WHEREAS, the Board has determined to demolish existing structures for and design, construct, improve, equip and furnish a County detention and law enforcement center (the "Project"); and

WHEREAS, the Board is authorized by Sections 6-15-1 through 6-15-22, NMSA 1978, as amended and supplemented (the "Act"), to issue bonds for the purpose of financing the Project in the manner herein provided; and

WHEREAS, the Board determined by resolution at a meeting duly held on June 25, 2009, that the Bonds should be offered for sale and authorized the publication of a notice of bond sale

(the "Notice of Bond Sale") in such resolution stating the terms and the place of public sale of the Bonds; and

WHEREAS, pursuant to the Notice of Bond Sale, the Board has, by resolution previously adopted on the date of this Bond Resolution, awarded the Bonds to the bidder (the "Original Purchaser") offering the best price for the Bonds (the "Purchase Price") and ratified and approved \$4,000,000 as the aggregate principal amount of the Bonds; and

WHEREAS, the Act gives the Board discretion to determine the terms, covenants and conditions of the Bonds, including, but not limited to, date of issue, denominations, maturities, rate or rates of interest, redemption provisions, including premiums for optional redemption, registration, refundability and other covenants covering the general and technical aspects of the issuance of the Bonds, subject to the limitations set forth in the Act; and

WHEREAS, the Board determines and finds that all conditions set forth in the Act, the State Constitution and otherwise required by law, for the sale and issuance of the Bonds, have been fully satisfied; and

WHEREAS, the interests of the County and the residents of the County require the sale and issuance of the Bonds to the Original Purchaser at the Purchase Price; and

WHEREAS, there has been presented to the Board and there has been on deposit with the County Clerk a proposed form of Official Statement; and

WHEREAS, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct for federal income tax purposes a portion of such institution's interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Section 265 and 291 of the Code; and

WHEREAS, this Board hereby represents that: (1) the Bonds authorized by this resolution are not private activity bonds within the meaning of Section 141 of the Code; (2) the County, together with all of subordinate entities, heretofore issued no obligations in calendar year 2009 the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code; and (3) the County anticipates that it, together with its subordinate entities, will issue during the remainder of calendar year 2009 obligations the interest on which is exempt from federal income tax under Section 103 of the Code which, when aggregated with all obligations described in clause (2) above, will not exceed an aggregate principal amount of \$30,000,000;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Ratification. All actions heretofore taken by the Board and the officers and employees of the County directed toward the issuance and sale of the Bonds to secure funds for the purposes stated above be, and the same hereby are, ratified, approved and confirmed, including the sale of the Bonds in the amount of \$4,000,000 to the Original Purchaser.

Section 2. The Bonds. In order to provide funds for the purposes stated above, the Board, on behalf of the County and upon the full faith and credit thereof, shall issue the County's general obligation bonds maturing and bearing interest as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
September 1, 2010	\$500,000	4.00%
September 1, 2011	600,000	4.00%
September 1, 2012	600,000	3.00%
September 1, 2013	600,000	2.70%
September 1, 2014	500,000	2.55%
September 1, 2015	500,000	2.75%
September 1, 2016	500,000	2.90%
September 1, 2017	<u>200,000</u>	3.00%
	\$4,000,000	

The Bonds shall be dated as of the date of initial delivery (herein the "Series Date"), will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to their respective maturity dates at the respective rates per annum set forth above for the Bonds, payable to the registered owner thereof, or registered assigns, on March 1, 2010, and semiannually thereafter on March 1 and September 1 in each year in which the Bonds are outstanding and shall mature on September 1 of each year set forth above. The Bonds shall bear interest until maturity from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from the date of the Bonds, on the basis of a 360-day year of twelve 30-day months. In any case, if the date of maturity or the date for payment of interest on the Bonds is not a business day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding business day with the same force and effect as if made on the scheduled date, and no interest shall accrue for the intervening period.

Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by Grant County Treasurer, Silver City, New Mexico as paying agent and registrar (the "Paying Agent/Registrar") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the

registration books kept by the Paying Agent/Registrar. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month preceding an interest payment date. The person in whose name any Bond is registered at the close of business on any 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 Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Paying Agent/Registrar for the payment of any such overdue interest. The Special Record Date shall be fixed by the Paying Agent/Registrar whenever moneys become available for payment of overdue 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 registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Paying Agent/Registrar, stating the Special Record Date and the date fixed for the payment of overdue interest.

Section 3. No Optional Redemption. The Bonds will not be subject to optional or mandatory redemption prior to maturity.

Section 4. General Obligations. The Bonds shall constitute the general obligation bonds of the County payable, unless paid from other legally available sources, from general ad valorem taxes which shall be levied without limitation as to rate or amount. The full faith and credit of the County shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 5. Execution and Custody of Bonds. The Bonds shall bear the manual or facsimile signature of the Chairman of the Board and shall be attested by the manual or facsimile signature of the County Clerk and shall bear the manual or facsimile seal of the County. The Bonds shall be authenticated by the manual signature of an authorized officer of the Paying Agent/Registrar. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Chairman of the Board and the County Clerk shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Chairman of the Board and the County Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. The Chairman of the Board and the County Clerk, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, shall each forthwith file his manual signature, certified by him under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

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

Paying Agent/Registrar. The Paying Agent/Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Paying Agent/Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6. Registration, Transfer, Exchange and Ownership of Bonds

A. Registration, Transfer and Exchange. Books for the registration and transfer of the Bonds shall be kept by the Paying Agent/Registrar, which is hereby appointed by the County as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal corporate trust office of the Paying Agent/Registrar for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered 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 Paying Agent/Registrar 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. Owner of Bonds. The person in whose name any Bond shall be registered on the registration books kept by the Paying Agent/Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of overdue interest as is provided in Section 2 hereof and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, 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.

C. Replacement Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Paying Agent/Registrar shall, upon receipt of the mutilated Bond or other proof of loss or destruction, proof of ownership, a surety bond in the face amount of the Bond, payment of the cost of preparing and issuing the new Bond, and other such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Paying Agent/Registrar may pay such Bond in lieu of replacement.

D. Unauthenticated Bonds. The officers of the County are authorized to deliver to the Paying Agent/Registrar fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Paying Agent/Registrar pending use as herein provided.

E. Cancellation of Bonds. Whenever any Bond shall be surrendered to the Paying Agent/Registrar upon payment thereof, or to the Paying Agent/Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly cancelled by the Paying Agent/Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent/Registrar to the County.

F. Securities Depository. Notwithstanding any other provision herein, the Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with The Depository Trust Company of New York, New York ("Depository"), acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the Depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the Depository and its participants ("Participants"). As a condition to delivery of the Bonds in book-entry form, the purchaser will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the Depository, registered in the name of the Depository or its nominee. Principal and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal and interest payments to Participants will be the responsibility of the Depository; the transfer of principal and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, Participants or Indirect Participants.

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

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

Notwithstanding any other provision herein, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal and interest on the Bonds,

and all notices with respect to the Bonds, shall be made and given by the Paying Agent/Registrar or the County to the Depository as provided in this Resolution and by the Depository to its Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner provided in an agreement or letter of the County to the Depository.

Section 7. Paying Agent/Registrar. If the Paying Agent/Registrar initially appointed hereunder shall resign, or if the County shall, in its discretion, determine to replace said Paying Agent/Registrar, the County may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor Paying Agent/Registrar. Every such successor Paying Agent/Registrar shall either be the County Treasurer or a bank or trust company located in and in good standing in the United States and having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 8. Negotiability. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 9. Form of Bonds. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED
NO. R-_____

REGISTERED
\$_____

GRANT COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS,
SERIES 2009

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

<u>Interest Rate:</u>	<u>Maturity Date:</u>	<u>Series Date:</u>	<u>CUSIP</u>
___% per annum	September 1, ____	August 21, 2009	_____

The Board of County Commissioners (the "Board") of Grant County, New Mexico (the "County"), on the faith, credit and behalf of the County, for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on March 1, 2010, and thereafter on March 1 and September 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as

shown on the registration books kept by the Grant County Treasurer, Silver City, New Mexico as "Paying Agent/Registrar" (the "Paying Agent/Registrar") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar. The Bonds shall bear interest until maturity from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from the date of the Bonds, on the basis of a 360-day year of twelve 30-day months. In any case, if the date of maturity or the date for payment of interest on the Bonds is not a business day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding business day with the same force and effect as if made on the scheduled date, and no interest shall accrue for the intervening period.

If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Paying Agent/Registrar (or by such other arrangement as may be mutually agreed to by the Paying Agent/Registrar and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Paying Agent/Registrar. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding an Interest Payment Date. The person in whose name any Bond is registered at the close of business on any 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 Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Paying Agent/Registrar for the payment of any such overdue interest. The Special Record Date shall be fixed by the Paying Agent/Registrar whenever moneys become available for payment of overdue 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 registered owners of the Bonds as of the fifth (5th) day preceding the mailing of such notice by the Paying Agent/Registrar, stating the Special Record Date and the date fixed for the payment of overdue interest.

The Bonds are fully registered and are issuable in denominations of \$5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of \$4,000,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by Grant County, New Mexico, for the purpose of demolishing existing structures for, and designing, constructing, improving, equipping and furnishing, a County Detention and Law Enforcement Center, under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 6-15-1 et seq., NMSA 1978, and acts

amendatory and supplemental thereto), and pursuant to a resolution of the Board duly adopted and made a law of the County prior to the issuance of this bond (the "Bond Resolution").

The Bonds will not be subject to optional or mandatory redemption prior to maturity.

The Paying Agent/Registrar will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal corporate trust office of the Paying Agent/Registrar for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Paying Agent/Registrar shall authenticate and deliver not more than three (3) business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered 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 Paying Agent/Registrar 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.

The person in whose name any Bond shall be registered on the registration books kept by the Paying Agent/Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, 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.

If any Bond shall be lost, stolen, destroyed or mutilated, the Paying Agent/Registrar shall, upon receipt of the mutilated Bond or other proof of loss or destruction, proof of ownership, a surety bond in the face amount of the Bond, payment of the cost of preparing and issuing the new Bond, and such other evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a, replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Paying Agent/Registrar may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the County is hereby irrevocably pledged. The Board has, by

the Bond Resolution, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the County in the issuance of this bond; that the total indebtedness of the County, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Paying Agent/Registrar shall have manually signed the certificate of authentication hereon.

DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATION

By the Bond Resolution duly adopted by the Board of the County, this bond has been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN TESTIMONY WHEREOF, the Board of County Commissioners of Grant County, New Mexico has caused the manual or facsimile of the seal of the County to be hereto affixed and this bond to be signed and executed with the manual or facsimile signature of the Chairman, and attested with the manual or facsimile signature of the County Clerk, all as of the Series Date.

GRANT COUNTY, NEW MEXICO

[MANUAL or FACSIMILE SEAL]

By _____
Chairman
Board of County Commissioners

ATTEST:

By _____
County Clerk

[Form of Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Resolution and has been duly registered on the registration books kept by the undersigned as Paying Agent/Registrar for the Bonds.

Date of Authentication and Registration: _____

GRANT COUNTY TREASURER, as Paying
Agent/Registrar

By _____
Authorized Officer

[End of Form of Certificate of Authentication]

[Form of Assignment]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____ whose social security or tax identification number is _____ the within bond and irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Assignment]

[End of Form of Bond]

Section 10. When the Bonds have been duly executed and authenticated, upon receipt of the purchase price, they shall be delivered to the Original Purchaser thereof named in Section 1 of this Resolution. The funds realized from the sale of the Bonds shall be applied solely to the specified purpose for the Bonds and to the payment of debt service on the Bonds, but the

Original Purchaser shall in no manner be responsible for the application of or disposal by the County, or any of its officers, of any of the funds derived from the sale thereof.

Section 11. Tax Levy for Payment of the Bonds. There shall be levied on all taxable property in the County, at the time and in the manner provided by law, in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest accruing on the Bonds promptly as the same shall become due. This Resolution is hereby declared to be the certificate to the Board as to the amount of taxes necessary to be levied for the purposes herein stated and said taxes shall be certified, levied and extended upon the tax rolls and collected in the same manner, at the same time and subject to the same penalties as general state and county taxes are certified, levied and collected. Said taxes, when collected, shall be kept by the County in an interest and sinking fund, which is hereby created, to be to be used solely for the purpose of paying the principal of and interest on the Bonds as the same become due or mature; provided that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the County and available for that purpose, to the payment of the Bonds or the interest or premium thereon, as the same become due and upon such payment, except as provided in the following sentence, the levy or levies of tax provided for in this Section may thereupon to that extent be diminished. If the taxes herein provided for shall not be levied or collected in time to pay the interest on or principal of the Bonds as the same become due or mature, then such interest or principal shall be paid from any funds belonging to the County, which funds may be reimbursed from the taxes herein provided for when the same are collected.

Section 12. Approval of Official Statement. The form of the Official Statement presented to the Board is hereby approved. The Board hereby authorizes the completion of the Official Statement and its distribution and use by the Original Purchaser. The Chairman of the Board is hereby authorized to execute the Official Statement. The County shall provide copies of the Official Statement in reasonable quantities as requested by the Original Purchaser. The Chairman of the Board, County Clerk, County Treasurer and other officers and employees of the County are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, and the Board hereby ratifies all such actions previously taken as provided herein, including without limiting the generality of the foregoing, the execution of letters and agreements with the Depository, and such certificates as may be required by the Original Purchaser or bond counsel relating to, among other things, the signing of the Bonds, the tenure and identity of County officials, the receipt of the purchase price of the Bonds from the Original Purchaser and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 13. Tax Covenant. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Chairman of the Board, County Clerk and any other officer and employee of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the

proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

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

Section 14. Investment of Funds. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations; provided that the Board and the County hereby covenant to the purchasers and the holders of the Bonds from time to time that the County will make no use of any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 15. Continuing Disclosure Undertaking. To assist the purchaser in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), at the time of delivery of the Bonds, the County will undertake, as described herein, to provide annual financial information and notices of certain material events while the Bonds are outstanding.

A. Annual Reports. The County shall provide annually to the Municipal Securities Rulemaking Board Electronic Municipal Market Access ("EMMA") system and any person designated by the State of New Mexico or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time (each, a "SID"), no later than March 31 of each fiscal year ending in or after 2009, financial information and operating data with respect to the County of the general type included in the Official Statement under the headings "DEBT AND OTHER FINANCIAL OBLIGATIONS," "TAX BASE," and "FINANCES OF THE COUNTY." Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the County may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the County commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the County shall provide unaudited financial statements and shall provide audited financial statements for the applicable fiscal year to EMMA and any SID when and if the audit report on such statements become available.

If the County changes its fiscal year, it will notify EMMA and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the County otherwise would be required to provide financial information and operating data pursuant to this section.

The financial information and operating data to be provided pursuant to this section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the Municipal Securities Rulemaking Board) that theretofore has been provided to EMMA and any SID or filed with the SEC.

B. Event Notices. The County shall notify any SID and EMMA, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (vii) modifications to rights of owners of the Bonds; (viii) Bond calls; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds; and (xi) rating changes.

The County shall notify any SID and EMMA, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with this section by the time required by such section.

C. Obligations. The County shall be obligated to observe and perform the covenants specified in this section for so long as, but only for so long as, the County remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the County in any event will give notice of any deposit that causes the Bonds no longer to be outstanding.

The provisions of this section are for the sole benefit of the owners and beneficial owners of the Bonds, and nothing in this section, express or implied, shall give any benefit or any legal or equitable right, remedy or claim hereunder to any other person. The County undertakes to provide only the financial information, operating data, financial statements and notices that it has expressly agreed to provide pursuant to this section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the County's financial results, condition or prospects or hereby undertake to update any information provided in accordance with this section or otherwise, except as expressly provided herein. The County does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

No default by the County in observing or performing their obligations under this section shall comprise a breach of or default under this Resolution for purposes of any other provision of this Resolution. Nothing in this section is intended or shall act to disclaim, waive, or otherwise limit the duties of the County under federal and state securities laws.

The provisions of this section may be amended by the County from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a

change in the identity, nature, status, or type of operations of the County, but only if (1) the provisions of this section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the owners and beneficial owners of the Bonds. If the County so amend the provisions of this section, it shall include with any amended financial information or operating data next provided in accordance with this section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The County may also amend or repeal the provisions of this continuing disclosure undertaking if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 16. Satisfaction and Discharge.

A. Release of Bond Resolution. If the County shall pay all of the outstanding Bonds, or shall cause them to be paid and discharged in accordance with paragraph B of this section, or if all payments of principal of and interest on the Bonds, due or to become due, shall otherwise be paid to the owners of the outstanding Bonds, then this Bond Resolution shall cease and become null and void (except for those provisions surviving in accordance with paragraph C of this section), and the covenants, agreements and obligations of the County under this Bond Resolution shall be released, discharged and satisfied.

B. Payment and Discharge of Bonds. All or any part of the Bonds shall be deemed to have been paid and discharged if the Registrar/Paying Agent shall, in advance of any payment to the owners of the outstanding Bonds, have received sufficient moneys for the payment in full of the principal of and interest on the Bonds, or part thereof.

C. Survival of Certain Provisions. Notwithstanding that Bonds may be deemed to have been paid pursuant to paragraph B of this section, any provisions of this Bond Resolution which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, and the duties of the Registrar/Paying Agent in connection with all of the foregoing, shall remain in effect and be binding upon the County and the Registrar/Paying Agent until final payment of all Bonds notwithstanding the release and discharge of this Bond Resolution. Notwithstanding any provision of this Bond Resolution to the contrary, any provisions of this Bond Resolution which relate to the exclusion of interest from gross income for federal tax purposes shall remain in effect and be binding upon the State and the Registrar/Paying Agent. The provisions of this paragraph C shall survive the release, discharge and satisfaction of this Bond Resolution.

D. DTC. In the event of an advance refunding of all or part of the Bonds outstanding, DTC shall be given notice of such event as set forth in the Letter of Representation.

Section 17. Amendment of Bond Resolution. This Bond Resolution may be amended or supplemented from time to time without the consent of or notice to the holders of the Bonds for any of the following purposes:

- A. to cure any ambiguity, omission, formal defect or inconsistency, or
- B. to make any change that, in the judgment of the County, in reliance upon an opinion of counsel, does not have a material adverse effect on the rights of the owners of any Bonds, or
- C. to achieve compliance with any applicable federal securities or tax laws or to ensure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes.

Section 18. Additional Bonds. Nothing in this Resolution shall be construed to prevent the issuance by the County of additional bonds or other obligations payable from general ad valorem taxes, or otherwise on a parity with the Bonds, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds. Nothing in this Resolution shall be construed to permit the County to issue bonds or other obligations payable from general ad valorem taxes and being, or having a claim or lien, prior or superior to the Bonds. Nothing in this Resolution shall render the claim or lien of the owner of the Bonds superior or inferior to the claim or lien respecting previously issued and outstanding general obligations bonds of the County.

Section 19. Remedies of Holders of Bonds. The registered owners or Beneficial Owners of not less than twenty five percent (25%) in aggregate principal amount of the Bonds then outstanding may bring an action to protect the rights of the registered owners and Beneficial Owners of Bonds under this Resolution in any court of competent jurisdiction, for the specific performance of any covenant or agreement contained in this Resolution or to enjoin any act or thing which may be unlawful or in violation of any right of any owner of the Bonds. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds then outstanding. The failure of any registered owner or owners or Beneficial Owner or Beneficial Owners of Bonds to so proceed shall not relieve the County or the Board of any obligation to perform any duty under this Resolution. Each right or privilege of such owner and Beneficial 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 any registered owner or Beneficial Owner shall not be deemed a waiver of any other right or privilege.

Section 20. Recitals True and Correct. All recitals in this Resolution above are true and correct and the Board so finds, determines and represents.

Section 21. Qualified Tax-Exempt Obligations. The Board hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Appropriate officials of the County are hereby authorized and directed to take such other actions as may be necessary to designate such Bonds as "qualified tax-exempt obligations,"

including, if either deemed necessary or appropriate, placing a legend to such effect of the form of Bond in such form as either deemed necessary or appropriate.

Section 22. Resolution Irrepealable. After any of the Bonds have been issued, this resolution shall constitute a contract between the County and the holder or holders of the Bonds and shall be and remain irrepealable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 23. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 24. Publication, Availability for Public Inspection. The following notice shall be published in substantially the following form one time in a newspaper having general circulation in the County as soon as is practicable after the adoption hereof.

[Form of Notice]

NOTICE OF ADOPTION OF RESOLUTION

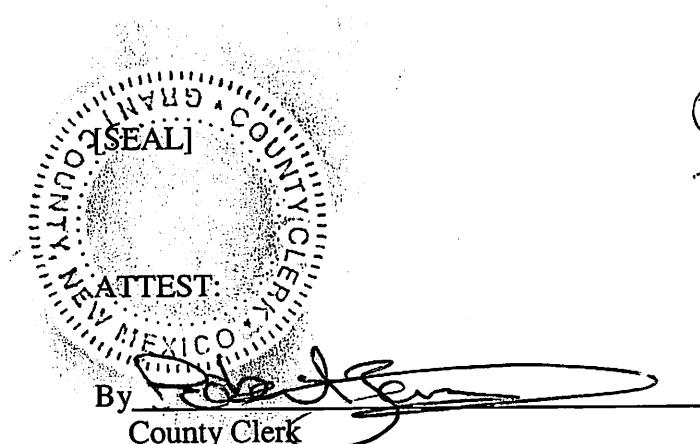
NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Grant County, New Mexico, did on the 16th day of July, 2009, adopt a resolution entitled:

A RESOLUTION AUTHORIZING THE ISSUANCE AND DELIVERY OF GRANT COUNTY, NEW MEXICO GENERAL OBLIGATION BONDS, SERIES 2009, IN THE PRINCIPAL AMOUNT OF \$4,000,000 TO PROVIDE FUNDS TO DEMOLISH EXISTING STRUCTURES FOR AND DESIGN, CONSTRUCT, IMPROVE, EQUIP AND FURNISH A COUNTY DETENTION AND LAW ENFORCEMENT CENTER, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Resolution directs and authorizes the issuance of Grant County, New Mexico General Obligation Bonds, Series 2009, in the aggregate principal amount of \$4,000,000; authorizes the sale of the bonds to the highest bidder and provides for the delivery thereof; provides for the form of the bonds; provides for levy of taxes to pay the principal of and interest on the bonds; makes certain covenants with the bond purchaser; and provides other details concerning the bonds. Complete copies of the Resolution are available for public inspection during normal and regular business hours at the office of the County Clerk, Grant County, New Mexico, 1400 E. US Highway 180, Silver City, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

DATED this 16th day of July, 2009.

GRANT COUNTY, NEW MEXICO



Chairman
Board of County Commissioners

ATTEST:
MEXICO
By 
County Clerk

[End of Form of Notice]

Section 24. Repealer. All acts and resolutions in conflict with this Resolution are hereby rescinded, annulled and repealed.

PASSED, ADOPTED, AND APPROVED this 16th day of July, 2009.

BOARD OF COUNTY COMMISSIONERS
GRANT COUNTY, NEW MEXICO

By Jovita Gonzales
Jovita Gonzales, Chairperson

Christy Miller

~~Mary Ann Sedillo~~

(SEAL)



ATTEST,

~~Robert Zamarripa, County Clerk~~

I, Robert Zamarripa, County Clerk of Grant County, New Mexico, do hereby certify that the foregoing is a true and correct copy of Resolution No. R-09-29, which was duly adopted by the Board of County Commissioners of Grant County at a meeting thereof held on the 16th day of July, 2009, and that it was so adopted by the following vote:

AYES: Christy Miller
Mary Ann Sedillo

NOES: None

ABSENT: Jovita Gonzales

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of July, 2009.



Robert Zamarripa, County Clerk
Grant County, New Mexico