

1                                   **GRANT COUNTY, NEW MEXICO**  
2                                   **RESOLUTION NO. R-14-34**  
3

4                                   **APPROVING PUBLICATION OF NOTICE OF INTENT**  
5                                   **TO ADOPT GROSS RECEIPTS TAX BOND ORDINANCE**  
6

7               **WHEREAS**, the Board of County Commissioners (the "Commission") of Grant  
8 County, New Mexico (the "County") has adopted the County Hold Harmless Gross  
9 Receipts Tax (the "Tax"), effective January 1, 2015; and

10           **WHEREAS**, the Commission desires to consider an ordinance under which the  
11 County would issue its Gross Receipts Tax Revenue Bonds, in one or more tax-exempt or  
12 taxable series, in the aggregate principal amount not to exceed \$5,000,000 (the "Bonds")  
13 secured by the Tax, for the purposes of improving County buildings and related uses; and

14           **WHEREAS**, in order to consider an ordinance, the Commission must publish  
15 notice of its intention to do so at least 14 days before the meeting at which the ordinance  
16 will be considered;

17           **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY**  
18 **COMMISSIONERS OF GRANT COUNTY, NEW MEXICO:**

19           Section 1. All actions not inconsistent with this resolution heretofore taken by the  
20 Commission, its members, and the officers, employees and agents of the County with  
21 respect to the Bonds are ratified, approved and confirmed.

22           Section 2. An ordinance with respect to the Bonds to be introduced before the  
23 Commission shall be filed with the County Clerk, and shall be considered by the  
24 Commission at a regular meeting of the Commission on Thursday, July 10, 2014 at 9:00  
25 a.m., or as soon thereafter as the matter may be heard, in the Conference Room of the  
26 Grant County Administration Building, 1400 Highway 180 East, Silver City, New  
27 Mexico, in the County, being the regular meeting place of the Board.

28           Section 3. The following notice shall be published one time in the *Silver City Sun*  
29 *News*, a newspaper of general circulation in the County, as soon as is practicable  
30 following the adoption of this resolution:

31                                   (Form of Notice)

32                                   **GRANT COUNTY, NEW MEXICO**  
33

34                                   **NOTICE OF INTENT TO ADOPT GROSS RECEIPTS TAX**  
35                                   **REVENUE BOND ORDINANCE**  
36

37           Notice is hereby given of the title and general subject matter contained in an  
38 ordinance which the Board of County Commissioners of Grant County, New Mexico, the  
39 governing body of the County, intends to adopt at a regular meeting on August 14, 2014 at

1 the hour of 9:00 a.m. at the Commission Chambers, 1400 Highway 180 East, Silver City,  
2 New Mexico 88061, relating to the authorization, issuance and sale by Grant County, New  
3 Mexico of its gross receipts tax revenue bonds.

4  
5 The title of the Ordinance is:

6  
7 **GRANT COUNTY, NEW MEXICO**  
8 **ORDINANCE NO.**  
9

10 AUTHORIZING THE ISSUANCE AND SALE OF GRANT COUNTY,  
11 NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, IN ONE OR  
12 MORE TAX EXEMPT OR TAXABLE SERIES, IN THE AGGREGATE  
13 PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 (THE "BONDS")  
14 FOR THE PURPOSES OF CONSTRUCTING, PURCHASING,  
15 FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS  
16 TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC  
17 BUILDINGS OR PURCHASING OR IMPROVING GROUND RELATING  
18 THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO  
19 ACQUIRING AND IMPROVING PARKING LOTS, OR ANY  
20 COMBINATION OF THE FOREGOING; ALL WITHIN THE COUNTY;  
21 PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS  
22 CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO  
23 AND FOR A SUPPLEMENTAL RESOLUTION OF THE COUNTY  
24 ESTABLISHING CERTAIN DETAILS OF THE BONDS; PROVIDING  
25 FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS;  
26 APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING  
27 TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN  
28 CONNECTION THEREWITH.  
29

30 A general summary of the ordinance is contained in its title. Complete copies of the  
31 proposed ordinance will be on file and available for inspection at the offices of the County  
32 Clerk during regular business hours.  
33

34 Dated this 10<sup>th</sup> day of July, 2014.

35 **GRANT COUNTY, NEW MEXICO**

36 By: /s/ Robert Zamarripa

37  
38 County Clerk  
39

40 (End of Form of Notice)

PASSED, ADOPTED, SIGNED AND APPROVED THIS 10TH DAY OF JULY, 2014.

GRANT COUNTY, NEW MEXICO  
BOARD OF COUNTY COMMISSIONERS



Brett Kasten, Chairman



Robert Zamarripa, County Clerk

GRANT COUNTY, NEW MEXICO

ORDINANCE NO.

AUTHORIZING THE ISSUANCE AND SALE OF GRANT COUNTY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, IN ONE OR MORE TAX EXEMPT OR TAXABLE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 (THE "BONDS") FOR THE PURPOSES OF CONSTRUCTING, PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS OR PURCHASING OR IMPROVING GROUND RELATING THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND IMPROVING PARKING LOTS, OR ANY COMBINATION OF THE FOREGOING; ALL WITHIN THE COUNTY; PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO AND FOR A SUPPLEMENTAL RESOLUTION OF THE COUNTY ESTABLISHING CERTAIN DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

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

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

**WHEREAS**, the County is authorized by the Act, to issue gross receipts tax revenue bonds for the purpose of providing funds, together with other funds of the County, to acquire the Project and to adopt any ordinance to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the County and its inhabitants; and

**WHEREAS**, the Pledged Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding; and

1       **WHEREAS**, the Board has determined and hereby determines that it is in the best interests of  
2       the County and its residents that the Bonds be issued with a first lien, but not an exclusive first lien,  
3       on the Pledged Revenues; and

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

5       **WHEREAS**, the Purchaser will purchase the Bonds upon such terms and conditions as will be  
6       established in a Sale Resolution to be adopted by the County pursuant to this Ordinance; and

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

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

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

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

19      ***“Acquisition Fund”*** means the fund used to acquire the Project created in Section 15 of this  
20      Ordinance.

21      ***“Act”*** means collectively, Section 4-37-1, NMSA 1978, and Section 7-20E-28, NMSA  
22      1978.

1           ***“Beneficial Owner”*** shall mean those entities from time to time for whose account the  
2 Participants hold Bonds.

3           ***“Board”*** means the Board of County Commissioners of Grant County, New Mexico or any  
4 future successor governing body of the County.

5           ***“Bond”, “Bonds”*** or the ***“Bonds”*** means the “Grant County, New Mexico Gross Receipts  
6 Tax Revenue Bonds,” issued in one or more tax-exempt or taxable series.

7           ***“Bond Counsel”*** means Hughes Law, LLC, Albuquerque, New Mexico.

8           ***“Bond Fund”*** means the debt service fund established by Section 15 of this Bond  
9 Ordinance.

10          ***“Bond Ordinance”*** or ***“Ordinance”*** means this Ordinance, as amended or supplemented  
11 from time to time.

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

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

20          ***“Chairman of the Board”*** or ***“Chairman”*** means the duly elected Chairman of the Board or  
21 the Vice Chairman of the Board acting in the absence of the Chairman.

22          ***“Code”*** means the Internal Revenue Code of 1986, as amended, the federal income tax  
23 regulations of the United States Treasury Department (whether proposed, temporary or final) and

1 any amendments of, or successor provisions to, the foregoing and any official rulings,  
2 announcements, notices, procedures and judicial determinations regarding any of the foregoing, all  
3 as and to the extent applicable. Unless otherwise indicated, reference to a section of the Code in this  
4 Bond Ordinance means that section of the Code and such applicable regulations, rulings,  
5 announcements, notices, procedures and determinations pertinent to that section.

6 ***“County”*** means Grant County, New Mexico.

7 ***“County Clerk”*** means the duly elected Clerk of the County or a duly appointed deputy  
8 County Clerk acting in the absence of the Clerk.

9 ***“County Gross Receipts Tax Revenues”*** means the revenues derived from the three-eighths  
10 increment of the county hold harmless gross receipts tax levied by the County pursuant to Section  
11 7-20E-28, NMSA 1978, imposed on persons engaging in business in the County, which revenues  
12 are remitted monthly by the Revenue Division of the Department to the County as authorized by  
13 Sections 7-1-6.1 and 7-1-6.13, NMSA 1978, and which remittances currently equal 3/8ths of one  
14 percent (. 375 %) of the taxable gross receipts reported for the County for the month for which such  
15 remittance is made.

16 ***“County Local Option Gross Receipts Taxes Act”*** means Sections 7-20E-1 through  
17 7-20E-28, NMSA 1978.

18 ***“Department”*** means the Taxation and Revenue Department of the State.

19 ***“Event of Default”*** means any of the events stated in Section 24 of this Bond Ordinance.

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

1           ***“Financial Advisor”*** means George K. Baum & Company, Albuquerque, New Mexico.

2           ***“Fiscal Year”*** means the period commencing on July 1 in each calendar year and ending on  
3 the last day of June of the next succeeding calendar year, or any other twelve-month period which  
4 any appropriate authority may hereafter establish for the County as its fiscal year.

5           ***“Gross Receipts Tax”*** means the excise tax imposed pursuant to the Gross Receipts Tax  
6 Ordinance authorized by the County Local Option Gross Receipts Taxes Act.

7           ***“Gross Receipts Tax Revenue Bonds”*** means bonds or other obligations of the County,  
8 payable in whole or in part, from Gross Receipts Tax Revenues.

9           ***“Gross Receipts Tax Ordinance”*** means, County Ordinance No. 14-05 adopted on July 10,  
10 2014.

11           ***“Herein”, “hereby”, “hereunder”, “hereof”, “herein-above” and “hereafter”*** refer to the  
12 entire Bond Ordinance and not solely to the particular section or paragraph of this Bond Ordinance  
13 in which such word is used.

14           ***“Independent Accountant”*** means any certified public accountant, or firm of such  
15 accountants, duly licensed to practice and practicing as such under the laws of the State of New  
16 Mexico, appointed and paid by the County who (a) is, in fact, independent and not under the  
17 domination of the County, (b) does not have any substantial interest, direct or indirect, with the  
18 County, and (c) is not connected with the County as an officer or employee of the County, but who  
19 may be regularly retained to make annual or similar audits of the books or records of the County.

20           ***“Insured Bank”*** means a bank or savings and loan association insured by an agency of the  
21 United States.

22           ***“Interest Payment Date”*** means a particular day of each month to be established in the Sale  
23 Resolution for payment of interest on the Bonds.



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

3           **"Official Statement"** means the final disclosure document relating to the issuance and sale  
4 of the Bonds.

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

7                   A.     those canceled at or prior to such date or delivered or acquired by the County  
8 at or prior to such date for cancellation;

9                   B.     those otherwise deemed to be paid in accordance with Section 27 or Section  
10 32 of this Bond Ordinance;

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

15                  D.     those Bonds which have been refunded in accordance with this Bonds  
16 Ordinance or other ordinance of the County authorizing the issuance of the applicable bonds.

17           **"Parity Bonds"** means any bonds or other obligations, now or hereafter issued or incurred,  
18 payable from or secured by a lien or a pledge of the Pledged Revenues on a parity with the Bonds.

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

21           **"Paying Agent"** means the County Treasurer or any successor to the County Treasurer  
22 which shall be a trust company, national or state banking association or financial institution at the  
23 time appointed Paying Agent by resolution of the Board.

24           **"Pledged Revenues"** means the County Gross Receipts Tax Revenues.

1           ***“Preliminary Official Statement”*** means the preliminary disclosure document setting  
2           forth information concerning the Bonds and the County omitting the offering price(s), interest  
3           rate(s), selling compensation, aggregate principal amount per maturity, delivery dates, ratings, and  
4           other terms of the Bonds depending on such matters.

5           ***“Project”*** means the constructing, purchasing, furnishing, equipping, rehabilitating, making  
6           additions to or making improvements to one or more public buildings or purchasing or improving  
7           ground relating thereto, including but not necessarily limited to acquiring and improving parking  
8           lots, or any combination of the foregoing; all within the County; and paying expenses.

9           ***“Purchaser”*** means the entity or entities named in the Sale Resolution to whom the Bonds  
10          will be originally sold in accordance with the Sale Resolution.

11          ***“Rebate Fund”*** means the “Grant County, New Mexico Gross Receipts Tax Revenue Bonds  
12          Rebate Fund” established pursuant to Section 18 of this Bond Ordinance.

13          ***“Registrar”*** means the County Treasurer or any successor to the County Treasurer which  
14          shall be a trust company, national or state banking association or financial institution at the time  
15          appointed by resolution of the Board.

16          ***“Reserve Fund”*** means the “Grant County, New Mexico Gross Receipts Tax Revenue  
17          Bonds Reserve Fund” established by Section 18 of this Bond Ordinance.

18          ***“Revenue Fund”*** means the Revenue Fund established by Section 17 of this Bond  
19          Ordinance.

20          ***“Sale Resolution”*** means one or more resolutions supplementing this Bond Ordinance by  
21          setting out certain terms and provisions of the Bonds to be adopted by the Board subsequent to the  
22          date hereof.

1        “*Securities Depository*” shall mean the Depository Trust Company, 711 Stewart Avenue,  
2        Garden City, New York 11530, Fax (516) 227-4039 or 4190 (“DTC”); or, in accordance with the  
3        then current guidelines of the Securities and Exchange Commission, to other addresses and/or other  
4        such securities depositories, or to any other such depositories as the County may designate in  
5        writing.

6        “*State*” means the State of New Mexico.

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

12       3.     *Authorization of Project.* The Project is hereby authorized and ordered at a total  
13       cost not to exceed \$5,000,000 excluding any such cost defrayed or to be defrayed by any source  
14       other than Bond proceeds.

15       4.     *Findings.* The Board hereby declares that it has considered all relevant information  
16       and data and hereby makes the following findings:

17             A.     The acquisition of the Project is needed to meet the future needs of the  
18       County and its inhabitants.

19             B.     Moneys available for acquiring the Project from all sources other than the  
20       issuance of the Bonds are not sufficient to defray the cost of acquiring the Project.

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

23             D.     The issuance of the Bonds pursuant to the Act, to provide funds for acquiring  
24       the Project is necessary and in the interest of the future public health, safety, morals and welfare of  
25       the residents of the County. The exact principal amount of the Bonds, the interest rates and sale

1 prices of the Bonds will be established in a Sale Resolution from time to time, but in no event shall  
2 the net effective interest rate on the Bonds exceed twelve percent per annum as required by Section  
3 6-14-3, NMSA 1978.

4 5. *Bonds - Authorization and Detail.*

5 A. *Authorization.* This Bond Ordinance has been adopted by the affirmative  
6 vote of a majority of the members of the Board. For the purpose of protecting the public health,  
7 conserving the property, protecting the general welfare and prosperity of the citizens of the County,  
8 it is hereby declared necessary that the County, pursuant to the Act, issue its negotiable, fully  
9 registered, Gross Receipts Tax Revenue Bonds to be designated Grant County, New Mexico Gross  
10 Receipts Tax Revenue Bonds, in one or more series, in an aggregate principal amount not to exceed  
11 \$5,000,000 and the issuance, sale and delivery of the Bonds is hereby authorized. The Bonds may  
12 be sold from time to time, but not later than two (2) years from the effective date of this Ordinance,  
13 at a negotiated sale to the Purchaser.

14 B. *Details of the Bonds.*

15 (1) The form, terms, and provisions of the Bonds, as set forth in Section  
16 13, are hereby approved with only such changes therein as are not inconsistent with this Bond  
17 Ordinance and the Sale Resolution.

18 (2) The Bonds shall be negotiable instruments but shall be issued only as  
19 fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, in such numbers  
20 and denominations, subject to Section 11 of this Bond Ordinance, as may be requested by the  
21 Purchaser, but exchangeable for other fully registered Bonds. The Bonds shall be numbered  
22 separately and consecutively and shall be dated as of a date to be established in the Sale Resolution.  
23 The Bonds shall bear interest from their date payable on the dates to be established in the Sale  
24 Resolution, commencing on the date established in the Sale Resolution until maturity at the rate of  
25 interest to be established in the Sale Resolution. The exact principal amount, authorized

1 denominations, transfer restrictions, if any, and maturity schedule and/or mandatory sinking fund  
2 schedule for the Bonds shall be established in the Sale Resolution.

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

8 6. *Prior Redemption.*

9 A. *Optional Redemption, Date and Price.* The Bonds may be subject to prior  
10 redemption as established in the Sale Resolution.

11 B. *Notice.* Notice of redemption shall be given by the Registrar by sending a  
12 copy of such notice by registered or certified first-class mail, postage prepaid, at least thirty (30)  
13 days prior to the redemption date, to the registered owners of the Bonds to be redeemed at the  
14 address shown on the registration books kept by the Registrar as of the close of business of the  
15 Registrar on the fifth day prior to the mailing of notice. The County shall give the Registrar written  
16 instructions to give notice of redemption to the registered owners of the Bonds to be redeemed at  
17 least forty-five (45) days prior to such redemption date. If the Bonds are subject to mandatory  
18 sinking fund redemption pursuant to the Sale Resolution, no notice from the County to the Registrar  
19 shall be required for mandatory sinking fund redemptions. Neither the County's failure to give  
20 such notice nor the Registrar's failure to give such notice to the registered owners of the Bonds, or  
21 any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for  
22 which proper notice was given. Notice of redemption shall specify the amount being redeemed, the  
23 date fixed for redemption, and that on such redemption date there will become and be due and  
24 payable upon the Bonds to be redeemed at the office of the Paying Agent the principal amount to be  
25 redeemed plus accrued interest to the redemption date and that from and after such date interest will

1 cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the  
2 Bonds so called for redemption shall become due and payable on the redemption date so designated  
3 and if an amount of money sufficient to redeem the Bonds called for redemption shall on the  
4 redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not  
5 Outstanding and shall cease to bear interest from and after such redemption date. Upon  
6 presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will  
7 pay the Bonds so called for redemption with funds deposited with the Paying Agent by the County.

8       7. *Filing of Signatures.* Pursuant to Sections 6-9-2 to 6-9-6, NMSA 1978, the  
9 Chairman of the Board and County Clerk may each file with the New Mexico Secretary of State his  
10 or her manual signature certified by him or her under oath; provided that filing shall not be  
11 necessary for any officer where any previous filing may have legal application to the Bonds.

12       8. *Execution and Authentication of the Bonds.*

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

1           B.     *Authentication.* No Bond shall be valid or obligatory for any purpose unless  
2 the certificate of authentication has been duly executed by the Registrar. The Registrar's certificate  
3 of authentication shall be deemed to have been fully executed if manually signed and inscribed by  
4 an authorized officer of the Registrar.

5           9.     *Negotiability.* The Bonds shall be fully negotiable and shall have all the qualities of  
6 negotiable paper, and the registered owners of the Bonds shall possess all rights enjoyed by the  
7 holders of negotiable instruments under the provisions of the Uniform Commercial  
8 Code-Investment Securities.

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

11. *Registration, Transfer, Exchange and Ownership Of Bonds.*

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

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

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

D. *Lost Bonds.* If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed,



1 authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of  
2 the same series, maturity and interest rate. If any such lost, stolen, destroyed or mutilated Bond  
3 shall have matured or have been called for redemption, the Registrar may request the Paying Agent  
4 to pay such Bond in lieu of replacement.

5 E. *Additional Bonds.* Executed but unauthenticated Bonds are hereby  
6 authorized to be delivered to the Registrar in such quantities as may be convenient to be held in  
7 custody by the Registrar pending delivery upon transfer or exchange as herein provided.

8 F. *Charges.* For each new Bond issued in connection with a transfer or  
9 exchange, the Registrar may make a charge to the owner of the Bond requesting such exchange or  
10 transfer sufficient to reimburse the Registrar for any tax, fee or other governmental charge required  
11 to be paid with respect to such transfer or exchange.

12 G. *Book-Entry Bonds.*

13 (1) The registered bondholder of all of the Bonds shall be a  
14 Securities Depository and such Bonds shall be registered in the name of the nominee for the  
15 Securities Depository. The Bonds referred to in this subsection 11.G shall refer to the Bonds  
16 registered in the name of the Securities Depository.

17 (2) The Bonds shall be initially issued in the form of separate,  
18 single, authenticated fully-registered Bonds in the amount of each separately stated maturity of the  
19 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the  
20 registration books kept by the Registrar in the name of the nominee of the Securities Depository.  
21 The Registrar, Paying Agent and the County may treat the Securities Depository (or its nominee) as  
22 the sole and exclusive Holder of the Bonds registered in its name for the purposes of (a) payment of  
23 the principal or redemption price of or interest on the Bonds, (b) selecting the Bonds or portions  
24 thereof to be redeemed, (c) giving any notice permitted or required to be given to Bondholders under

1 this Ordinance, (d) registering the transfer of Bonds, and (e) obtaining any consent or other action to  
2 be taken by Bondholders and for all other purposes whatsoever and neither the Registrar, Paying  
3 Agent or the County shall be affected by any notice to the contrary (except as provided in  
4 subparagraph (3) below). Neither the Registrar, Paying Agent or the County shall have any  
5 responsibility or obligation to any Participant, any Beneficial Owner or any other person claiming a  
6 beneficial ownership interest in the Bonds under or through the Securities Depository or any  
7 Participant, or any other person which is not shown on the registration books of the Registrar as  
8 being a Bondholder, with respect to the accuracy of any records maintained by the Securities  
9 Depository or any Participant, the payment to the Securities Depository of any amount in respect of  
10 the principal or redemption price of or interest on the Bonds; any notice which is permitted or  
11 required to be given to Bondholders under this Ordinance; the selection by the Securities Depository  
12 or any Participant of any person to receive payment in the event of a partial redemption of the  
13 Bonds; or any consent given or other action taken by the Securities Depository as Bondholder.  
14 Paying Agent shall pay all principal and redemption price of and interest on the Bonds only to or  
15 "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State)  
16 the Securities Depository . All such payments shall be valid and effective to fully satisfy and  
17 discharge the County's obligations with respect to the principal, purchase price or redemption price  
18 of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in  
19 subparagraph (3) below, no person other than the Securities Depository shall receive an  
20 authenticated Bond for each separate stated maturity evidencing the obligation of the County to  
21 make payment of principal or redemption price and interest pursuant to this Ordinance. Upon  
22 delivery by the Securities Depository to the Registrar of written notice to the effect that the  
23 Securities Depository has determined to substitute a new nominee in place of the preceding

1 nominee, the Bonds will be transferable to such new nominee in accordance with subparagraph (6)  
2 below.

3                               (3)     In the event the County determines that it is in the best interest  
4 of the County not to continue the book-entry system of transfer or that the interest of the Beneficial  
5 Owners might be adversely affected if the book-entry system of transfer is continued, the County  
6 may notify the Securities Depository, whereupon the Securities Depository will notify the  
7 Participants of the availability through the Securities Depository of Bond certificates. In such  
8 event, the Registrar shall authenticate, transfer and exchange Bond certificates as requested by the  
9 Securities Depository in appropriate amounts in accordance with subparagraph (6) below. The  
10 Securities Depository may determine to discontinue providing its services with respect to the Bonds  
11 at any time by giving notice to the County and discharging its responsibilities with respect thereto  
12 under applicable law, or the County may determine that the Securities Depository is incapable of  
13 discharging its responsibilities and may so advise the Securities Depository. In either such event,  
14 the County shall either establish its own book-entry system or use reasonable efforts to locate  
15 another Securities Depository. Under such circumstances (if there is no successor Securities  
16 Depository) the County and the Registrar shall be obligated to deliver Bond certificates as described  
17 in this Ordinance and in accordance with subparagraph (6) below. In the event Bond certificates  
18 are issued, the provisions of this Ordinance shall apply to such Bond certificates in all respects,  
19 including, among other things, the transfer and exchange of such certificates and the method of  
20 payment of principal or redemption price of and interest on such certificates. Whenever the  
21 Securities Depository requests the County and the Registrar to do so, the Registrar and the County  
22 will cooperate with the Securities Depository in taking appropriate action after reasonable notice (a)  
23 to make available one or more separate certificates evidencing the Bonds to any Participant having

1 Bonds credited to its account with the Securities Depository or (b) to arrange for another securities  
2 depository to maintain custody of certificates evidencing the Bonds.

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

8 (5) In connection with any notice or other communication to be  
9 provided to Bondholders pursuant to this Ordinance by the County, the Registrar, or the Paying  
10 Agent with respect to any consent or other action to be taken by Bondholders, the County, the  
11 Registrar, or the Paying Agent, as the case may be, shall establish a record date for such consent or  
12 other action and give the Securities Depository notice of such record date not less than fifteen (15)  
13 calendar days in advance of such record date to the extent possible. Such notice to the Securities  
14 Depository shall be given only when the Securities Depository is the sole Bondholder.

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

1 (7) Notwithstanding any provision of this Ordinance to the  
2 contrary, in connection with any redemption of Bonds while the DTC is the sole Bondholder, the  
3 County shall give notice of such redemption to the Registrar at least forty-five (45) days prior to the  
4 date fixed for redemption and the Registrar shall give notice of redemption to DTC as holder of such  
5 Bonds at least thirty (30) days and not more than sixty (60) days prior to the date fixed for  
6 redemption.

7 12. *Special Limited Obligations.* All of the Bonds and all payments of principal,  
8 premium, if any, and interest thereon whether at maturity or on a redemption date, together with any  
9 interest accruing thereon, shall be special limited obligations of the County and shall be payable and  
10 collectible solely from the Pledged Revenues which revenues are so pledged and are payable as set  
11 forth in Section 20 of this Bond Ordinance. The owner of the Bonds may not look to any general or  
12 other fund for the payment of the principal of or interest on such obligations, except the designated  
13 special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the  
14 County within the meaning of any constitutional, charter or statutory provision or limitation, nor  
15 shall it be considered or held to be a general obligation of the County, and each of the Bonds shall  
16 recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in  
17 this Bond Ordinance, and that the holder thereof may not look to any general or other County fund  
18 for the payment of the principal of and interest on the Bonds. Nothing herein shall prevent the  
19 County, in its sole discretion, from applying other funds of the County legally available therefor to  
20 the payment of the Bonds.

21 13. *Form of the Bonds.* The form, terms and provisions of the Bonds shall be  
22 substantially as set forth below, with such changes therein as are not inconsistent with this Bond  
23 Ordinance and the Sale Resolution:

## [FORM OF BOND]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

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

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

## GRANT COUNTY, NEW MEXICO

## GROSS RECEIPTS TAX REVENUE BOND

SERIES \_\_\_\_

Bond No. R-\_\_\_\_

\$ \_\_\_\_\_

Interest RateMaturity DateDate of BondCusip

\_\_\_\_\_% per annum

\_\_\_\_\_, \_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The County of Grant (the "County"), in the State of New Mexico, a county duly organized and existing under the Constitution and laws of the State of New Mexico, for value received, hereby promises to pay, solely from the special funds available for the purpose as hereinafter set forth, to

1 CEDE & Co. or registered assigns, no later than the Maturity Date stated above (unless this bond is  
2 called for prior redemption, in which case on such redemption date), upon presentation and  
3 surrender hereof at the principal office of the County Treasurer as paying agent, or any successor  
4 paying agent (the "Paying Agent"), the sum of \_\_\_\_\_ DOLLARS  
5 (\$\_\_\_\_\_) and to pay from said sources interest on the unpaid principal amount at the Interest  
6 Rate stated above on \_\_\_\_\_, and on \_\_\_\_\_ and \_\_\_\_\_ of each year (each an  
7 "Interest Payment Date") thereafter to its maturity, or until redeemed if called for redemption prior  
8 to maturity. This bond will bear interest from the most recent date to which interest has been paid  
9 or provided for or, if no interest has been paid or provided for, from its date. Interest on this bond is  
10 payable by check mailed to the registered owner hereof (or by such other arrangement as may be  
11 mutually agreed to by the Paying Agent and the registered owner) as shown on the registration  
12 books for this issue maintained by the County Treasurer as registrar, or any successor registrar (the  
13 "Registrar") at the address appearing therein at the close of business on the fifteenth day of the  
14 calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which  
15 is not timely paid or duly provided for shall cease to be payable to the owner hereof as of the Record  
16 Date but shall be payable to the owner hereof at the close of business on a special record date to be  
17 fixed by the Paying Agent for the payment of interest. The special record date shall be fixed by the  
18 Paying Agent whenever moneys become available for payment of the overdue interest, and notice of  
19 the special record date shall be given to the owner of the Bonds (defined below) as then shown on  
20 the Registrar's registration books not less than ten days prior to the special record date. If, upon  
21 presentation at maturity or redemption, payment of this bond is not made as herein provided, interest  
22 hereon shall continue at the Interest Rate stated above until the principal hereof is paid in full. The

principal, premium, if any, and interest on this bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar.

This bond is one of a duly authorized issue of fully registered bonds of the County in the aggregate principal amount of \$\_\_\_\_\_, issued in denominations of \$5,000 or integral multiples thereof, designated as Grant County, New Mexico Gross Receipts Tax Revenue Bonds, Series \_\_\_\_\_ (the "Bonds"), issued under and pursuant to County Ordinance No. \_\_\_\_\_ and County Resolution No. \_\_\_\_ (collectively, the "Bond Ordinance").

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

Bonds maturing on \_\_\_\_\_ are subject to mandatory sinking fund redemption at the times and in the amounts as follows:

***[INSERT SINKING FUND REDEMPTION]***

Notice of redemption of this bond will be given by providing at least 30 days prior written notice by registered or certified first-class mail, postage prepaid, to the owner hereof or portion hereof to be redeemed at the address shown on the registration books as of the fifth day prior to the mailing of notice as provided in the Bond Ordinance. Notice of redemption will specify the amount being redeemed, and shall further state that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent, the principal amount thereof plus accrued interest to the redemption date and the stipulated premium, if any, and that from and after such date, the redemption amount having been deposited and notice having been given, interest will cease to accrue.

Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer or exchange of this bond at the principal office of the Registrar, duly endorsed



1 or accompanied by an assignment duly executed by the registered owner or his attorney duly  
2 authorized in writing, the Registrar shall authenticate and deliver, not more than three (3) business  
3 days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or owner, a  
4 new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and  
5 interest rate. Exchanges and transfers of the Bonds shall be without charge to the owner or any  
6 transferee, but the Registrar may require the payment by the owner of any Bonds of any tax or other  
7 similar governmental charge required to be paid with respect to such exchange or transfer. The  
8 Registrar shall not be required (i) to transfer or exchange any Bond during the period of fifteen days  
9 next preceding the mailing of notice calling any Bond for redemption, or (ii) to transfer or exchange  
10 any Bond or part thereof called for redemption. The Registrar will close the books for change of  
11 registered owners' addresses on each Record Date; transfers will be permitted within the period  
12 from each Record Date to each interest payment date, but such transfers shall not include a transfer  
13 of accrued interest payable.

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

21 If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar will, upon receipt of  
22 such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the  
23 Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement

1 Bond, or Bonds, of a like aggregate principal amount and of the same maturity and interest rate,  
2 bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or  
3 mutilated Bond shall have matured or have been called for redemption, the Registrar may direct the  
4 Paying Agent to pay such Bond in lieu of replacement.

5 This Bond does not constitute an indebtedness of the County within the meaning of any  
6 constitutional or statutory provision or limitation, shall not be considered or held to be a general  
7 obligation of the County, and is payable and collectible solely from the one- fourth increment of  
8 the hold harmless county gross receipts tax levied by the County pursuant to Section 7-20E-28,  
9 NMSA 1978, which equals three-eighths of one percent (.375%) of the taxable gross receipts  
10 reported for the County and remitted to the County by the State pursuant to Sections 7-1-6.1 and  
11 7-1-6.13, NMSA 1978, (the "Pledged Revenues"), County Ordinance No. \_\_\_\_, as amended, and  
12 County Resolution No. \_\_\_\_\_ and the bondholders may not look to any general or other County  
13 fund other than those described above for the payment of the interest and principal of this bond.  
14 Additional bonds may be issued and made payable from the Pledged Revenues, upon satisfaction of  
15 the conditions set forth in the Bond Ordinance, having a lien thereon either on a parity with, or  
16 subordinate and junior to, the lien on the Pledged Revenues, but additional bonds may not be issued  
17 with a lien thereon superior to the lien thereon of the Bonds.

18 The Bonds are issued to provide funds for various County capital improvement projects as  
19 defined in the Bond Ordinance.

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

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

5 It is hereby certified that all acts and conditions necessary to be done or performed by the  
6 County or to have happened precedent to and in the issuance of the Bonds to make them legal, valid  
7 and binding special obligations of the County, have been performed and have happened as required  
8 by law, and that the Bonds do not exceed or violate any constitutional or statutory limitation of or  
9 pertaining to the County.

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

12 **IN WITNESS WHEREOF**, the County of Grant, New Mexico has caused this bond to be  
13 signed and executed on the County's behalf with the manual or facsimile signature of the Chairman  
14 of the Board, to be countersigned with the manual or facsimile signature of the County Clerk and  
15 has caused a facsimile of the corporate seal of the County to be affixed hereon, all as of the Date of  
16 Bond.

17 **GRANT COUNTY, NEW MEXICO,**  
18 **Board of County Commissioners**  
19

20  
21 By \_\_\_\_\_  
22 Chairman

23 SEAL

24  
25  
26 By \_\_\_\_\_  
27 County Clerk  
28 (FACSIMILE SEAL)  
29

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

**[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 Registrar/Paying Agent for the Bonds.

Date of Authentication and  
Registration: \_\_\_\_\_

**GRANT COUNTY TREASURER**  
as Registrar/Paying Agent

By \_\_\_\_\_  
Authorized Officer

[END OF FORM OF CERTIFICATE OF AUTHENTICATION]  
[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Please print or typewrite Name and Address,  
including Zip Code, of Assignee)

\_\_\_\_\_  
(Social Security or Federal Taxpayer Identification Number)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Registrar under the Bond Resolution as attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed by:

\_\_\_\_\_  
NOTICE: Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

[END OF FORM OF ASSIGNMENT]

[END OF FORM OF BOND]

1           14.    *Disposition of Bond Proceeds.* Except as herein otherwise specifically provided the  
2 proceeds from the sale of the Bonds shall be used as follows:

3                   A.    *Accrued Interest.* First, all moneys received as accrued interest from the  
4 sale of the Bonds shall be deposited into the Bond Fund, to be applied to the payment of interest next  
5 due on the Bonds.

6                   B.    *Reserve Fund.* Second, as may be established in a Sale Resolution, an  
7 amount equal to the lesser of: (1) ten percent (10%) of the principal amount of the Bonds; (2) the  
8 maximum annual debt service of the Bonds; or (3) one hundred twenty five percent (125%) of the  
9 average annual debt service of the Bonds shall be credited to the Reserve Fund.

10                  C.    *Expenses.* Third, an amount necessary to pay expenses shall be paid on  
11 behalf of the County.

12                  D.    *Acquisition Account.* Fourth, an amount necessary, together with funds  
13 transferred to the Acquisition Account pursuant to Section 15.A, if any, to finance the Project in  
14 whole or in part from the proceeds derived from the sale of the Bonds shall be credited to the  
15 Acquisition Account, which is hereby created.

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

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

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

4           15.    *Acquisition Account.*

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

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

14          C.     *Use of the Acquisition Account.* Moneys shall be withdrawn by the County  
15 from the Acquisition Account in sufficient amounts and at times to permit the payment without  
16 default of the costs of the Project. Any moneys remaining in the Acquisition Account after  
17 provision shall have been made for the payment in full of the costs of the Project shall, subject to the  
18 provision of Section 18.D, be paid to the County Treasurer to be applied to any lawful purposes as  
19 the County may hereafter determine.

20          D.     *Insufficiency of the Acquisition Account.* If, for any reason, the amount in  
21 the Acquisition Account shall at any time be insufficient for the purposes of paragraphs B and C of  
22 this Section 15, the County shall forthwith, from the first legally available revenues, deposit in the  
23 Acquisition Account such additional moneys as shall be necessary to permit the payment in full of  
24 the costs of the Project.

25          16.    *Purchaser Not Responsible.* The Purchaser, or any subsequent owner of any Bonds,  
26 shall in no manner be responsible for the application or disposal by the County, or by any officer or

1 any employee or other agent of the County, of the moneys derived from the sale of the Bonds or of  
2 any other moneys designated in this Ordinance.

3 17. *Revenue Fund.* So long as the Bonds are outstanding, the Pledged Revenues shall be  
4 set aside and deposited monthly in to the Revenue Fund hereby established and thereafter  
5 transferred to the Bond Fund, as hereinafter provided.

6 18. *Administration of Revenue Fund.* So long as any of the Bonds shall be outstanding,  
7 whether as to principal or interest or both, the following payments shall be made from the Pledged  
8 Revenues:

9 A. *Bond Fund Created.* The following amounts shall be withdrawn from the  
10 Revenue Fund, and shall be concurrently credited to the Bond Fund, which is hereby created:

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

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

23 If prior to any interest payment date or principal payment date, there has been accumulated  
24 in the Bond Fund the entire amount necessary to pay the next maturing installment of the interest or  
25 principal, or both, the payment required under subparagraph (1) or (2) (whichever is applicable) of



1 this paragraph A, may be appropriately reduced and the required monthly amounts again shall be so  
2 credited to such account commencing on such interest payment date or principal payment date  
3 (whichever is applicable).

4           B.     *Payment of Parity Bonds.* Concurrently with the payment of the Pledged  
5 Revenues required by paragraph A of this Section 18, any amounts on deposit in the Revenue Fund  
6 shall be used by the County for the payment of principal of and interest on the Parity Bonds, if any,  
7 currently, or hereafter authorized to be, issued and payable from the Pledged Revenues as the same  
8 are required to be paid or deposited.

9           C.     *Termination Upon Deposits to Maturity.* No payment need be made into the  
10 Bond Fund if the amount in the Bond Fund is a sum at least equal to the entire amount of the Bonds  
11 then outstanding, both as to principal and interest to their respective maturities, and both accrued  
12 and not accrued, in which case, moneys in the Bond Fund in an amount at least equal to such  
13 principal and interest requirements shall be used solely to pay such as the same accrue and any  
14 moneys in excess thereof in the Bond Fund and any other moneys derived from the Pledged  
15 Revenues may be used in any lawful manner determined by the County. The sufficiency of such  
16 sum shall be verified by an opinion addressed to the County from an independent accountant.

17           D.     *Use of Moneys in the Bond Fund.* The moneys in the Bond Fund shall be  
18 used solely and only for the purpose of paying the principal of and the interest on the Bonds;  
19 provided, however, that any moneys in the Bond Fund in excess of accrued and unaccrued principal  
20 and interest requirements to the respective maturities of the outstanding Bonds may be used as  
21 provided in paragraph B of this Section 18.

22           E.     *Reserve Fund Created.* There is hereby created the Reserve Fund, to be held  
23 by the County. After the payments required by paragraphs A and B of this Section 18, there shall  
24 be withdrawn from the Revenue Fund, and there shall be concurrently credited to the Reserve Fund,  
25 to the extent such amounts are available in the Revenue Fund, such amounts as may be necessary in

1 order that the balance in the Reserve Fund is equal to the lesser of an amount equal to: (1) ten  
2 percent (10%) of the original principal amount of Bonds delivered to and purchased by the  
3 Purchaser; (2) the maximum annual debt service of the Bonds; or (3) one hundred twenty five  
4 percent (125%) of the average annual debt service of the Bonds. If the balance in the Reserve Fund  
5 exceeds the amount so determined, the excess shall be withdrawn from the Reserve Fund and  
6 concurrently credited to the Bond Fund. Moneys in the Reserve Fund shall be withdrawn from the  
7 Reserve Fund and concurrently credited to the Bond Fund, to the extent and at the times necessary,  
8 and to the extent such amounts are available in the Reserve Fund, to prevent deficiencies in the  
9 payments required to be made pursuant to paragraph A of this Section 18.

10 F. *Use of Surplus Pledged Revenues.* After making the payments required to  
11 be made by paragraphs A, B and D of this Section 18, the remaining Pledged Revenues, if any, may  
12 be paid to the County Treasurer and applied to any other lawful purposes.

13 19. *General Administration Of Funds.* The funds and accounts designated in Sections  
14 14, 15, 17 and 18 shall be administered and invested as follows:

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

1           B.     *Investment of Moneys.* Moneys in any fund or account not immediately  
2 needed may be invested in any investment permitted by law. The obligations so purchased as an  
3 investment of moneys in any fund or account shall be deemed to be part of such fund or account, and  
4 the interest accruing thereon and any profit realized therefrom shall be credited to such fund or  
5 account, and any loss resulting from such investment shall be charged to such fund or account. The  
6 County Treasurer shall present for redemption or sale on the prevailing market any obligations so  
7 purchased as an investment of moneys in the fund or account whenever it shall be necessary to do so  
8 in order to provide moneys to meet any payment or transfer from such fund.

9           20.    *Lien on Pledged Revenues.* The Pledged Revenues, the amounts and securities on  
10 deposit in the Bond Fund and the Reserve Fund, and the proceeds thereof, are hereby authorized to  
11 be pledged to, and are hereby pledged, and the County grants a security interest therein for the  
12 payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof  
13 permitted by, and the priorities set forth in, this Bond Ordinance. The Bonds constitute an  
14 irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set  
15 forth herein.

16           21.    *Bonds or Other Obligations Payable From Pledged Revenues.*

17           A.     *Limitations Upon Issuance of Parity Revenue Bonds.* No provision of this  
18 Bond Ordinance shall be construed in such a manner as to prevent the issuance by the County of  
19 additional bonds or other obligations payable from Pledged Revenues constituting a lien upon such  
20 Pledged Revenues equal to or on a parity with the Bonds, nor to prevent the issuance of bonds or  
21 other obligations refunding all or a part of the Bonds; provided, however, that before any such  
22 additional bonds are actually issued, including parity refunding bonds and obligations which  
23 refund subordinate obligations as provided in Section 20 hereof, it must be determined that:  
24 The County is then current in all of the accumulations required to be made into the Bond Fund and  
25 the Reserve Fund as provided in Section 18 of this Bond Ordinance; and

1 No default shall exist in connection with any of the covenants or requirements of this Bond  
2 Ordinance; and

3 The Pledged Revenues received by the County for the twelve months immediately preceding the  
4 date of the issuance of such additional Bonds shall have been sufficient to pay an amount  
5 representing one hundred twenty five percent (125%) of the combined maximum annual principal  
6 and interest coming due in any subsequent Fiscal Year on the then outstanding Bonds and the Parity  
7 Bonds proposed to be issued.

8 B. *Certificate or Opinion of Revenues.* A written certificate by the County  
9 Manager that such annual Pledged Revenues are sufficient to pay such amounts shall be  
10 conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell  
11 and deliver such additional bonds or other obligations on a parity with the Bonds herein authorized.

12 C. *Subordinate Obligations Permitted.* No provision of this Bond Ordinance  
13 shall be construed in such a manner as to prevent the issuance by the County of additional bonds or  
14 other obligations payable from the Pledged Revenues constituting a lien upon such Pledged  
15 Revenues subordinate and junior to the lien of the Bonds nor to prevent the issuance of bonds or  
16 other obligations refunding all or part of the Bonds herein authorized as permitted by Section 20  
17 hereof.

18 D. *Superior Obligations Prohibited.* The County shall not issue bonds payable  
19 from the Pledged Revenues having a lien thereon prior and superior to the Bonds.

20 22. *Refunding Bonds Payable From Pledged Revenues.* The provisions of Section 21  
21 hereof are subject to the following exceptions:

22 A. *Privilege of Issuing Refunding Obligations.* If at any time after the Bonds  
23 shall have been issued and remain outstanding, the County shall find it desirable to refund any  
24 outstanding bonds or other outstanding obligations payable from the Pledged Revenues, such bonds  
25 or other obligations, or any part thereof, may be refunded (but the holders of bonds to be refunded

1 may not be compelled to surrender their bonds, unless the bonds or other obligations, at the time of  
2 their required surrender for payment, shall then mature, or shall then be callable for prior  
3 redemption at the County's option), regardless of whether the priority of the lien for the payment of  
4 the refunding obligations on the Pledged Revenues is changed, except as provided in subparagraph  
5 D of Section 21 hereof and in subparagraphs B and C of this Section 22.

6           B.     *Limitations Upon Issuance of Parity Refunding Obligations.* No refunding  
7 bonds or other refunding obligations payable from the Pledged Revenues shall be issued on a parity  
8 with the Bonds herein authorized, unless the refunding bonds or other refunding obligations are  
9 issued in compliance with subparagraph A of this Section 22.

10           C.     *Refunding Part of an Issue.* The refunding bonds or other obligations so  
11 issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any bonds  
12 or other obligations of the same issue which is not refunded, if any; and the holder or holders of such  
13 refunding bonds or such other refunding obligations shall be subrogated to all of the rights and  
14 privileges enjoyed by the holder or holders of the bonds or other obligations of the same issue  
15 refunded thereby. If only a part of the outstanding bonds and any other outstanding obligations of  
16 any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not  
17 be refunded without the consent of the holder or holders of the unrefunded portion of such  
18 obligations, unless the refunding bonds or other refunding obligations are issued in compliance with  
19 subparagraph A of this Section 22.

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

1           23.    *Protective Covenants.* The County hereby covenants and agrees with each and  
2 every holder of the Bonds issued hereunder:

3                   A.    *Use of Bond Proceeds.* The County will proceed without delay to apply the  
4 proceeds of the Bonds to acquiring the Project.

5                   B.    *Payment of the Bonds Herein Authorized.* The County will promptly pay  
6 the principal of interest on, and premium, if any, on the Bonds at the place, on the date and in the  
7 manner specified herein and in the Bonds according to the true intent and meaning hereof.

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

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

21                  E.    *Records for Pledged Revenues.* So long as the Bonds remain Outstanding,  
22 proper books of record and account will be kept by the County, separate and apart from all other  
23 records and accounts, showing complete and correct entries of all transactions relating to the  
24 Pledged Revenues.

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

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

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

7 H. *Duty to Impose Gross Receipts Tax.* If any County ordinance or part thereof,  
8 which in any manner affects the Pledged Revenues, shall ever be held to be invalid or  
9 unenforceable, it shall be the duty of the County to immediately take any action necessary to  
10 produce sufficient Pledged Revenues to comply with the contracted obligations of this Bond  
11 Ordinance, except as is provided in paragraph I of this Section 23.

12 I. *Impairment of Contract.* The County agrees that any law, ordinance or  
13 resolution of the County that in any manner affects the Pledged Revenues or the Bonds shall not be  
14 repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely the  
15 Bonds Outstanding, unless such Bonds have been discharged in full or provision has been fully  
16 made therefor, or unless the required consents of the holders of the then Outstanding Bonds are  
17 obtained pursuant to Section 31 of this Bond Ordinance.

18 24. *Events of Default.* Each of the following events is hereby declared an "Event of  
19 Default":

20 A. *Nonpayment of Principal or Interest.* Failure to pay the principal of or  
21 interest on the Bonds when the same becomes due and payable.

22 B. *Incapable to Perform.* The County shall, for any reason, be rendered  
23 incapable of fulfilling its obligations hereunder.

24 C. *Default of any Provision.* Default by the County in the due and punctual  
25 performance of its covenants or conditions, agreements and provisions contained in the Bonds, in  
26 this Bond Ordinance, or in the Sale Resolution on its part to be performed, and the continuance of

1 such default (other than a default set forth in subparagraph A of this Section 24) for sixty (60) days  
2 after written notice specifying such default and requiring the same to be remedied has been given to  
3 the County by the holder of any Bonds then Outstanding.

4 25. *Remedies Upon Default.* Upon the happening and continuance of any of the events  
5 of default as provided in Section 24 of this Bond Ordinance, then in every case , the holder,  
6 including, but not limited to, a trustee or trustees therefor, may proceed against the County, the  
7 Board and its agents, officers and employees to protect and enforce the rights of any holder of the  
8 Bonds under this Bond Ordinance by mandamus or other suit, action or special proceedings in  
9 equity or at law, in the District Court for the State of New Mexico, Sixth Judicial District either  
10 for the appointment of a receiver or for the specific performance of any covenant or agreement  
11 contained herein, or in an award relating to the execution of any power herein granted for the  
12 enforcement of any legal or equitable remedy as such holder or holders may deem most effectual to  
13 protect and enforce the rights provided above, or to enjoin any act or thing which may be unlawful  
14 or in violation of any right of any Bondholder, or to require the Board to act as if it were the trustee  
15 of an express trust, or any combination of such remedies. All such proceedings at law or in equity  
16 shall be instituted, had and maintained for the equal benefit of the holders of the Bonds then  
17 Outstanding. The failure of any Bondholder so to proceed shall not relieve the County or any of its  
18 officers, agents or employees of any liability for failure to perform any duty. Each right or  
19 privilege of such holder (or trustee thereof) is in addition and cumulative to any other right or  
20 privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed  
21 a waiver of any other right or privilege.

22 26. *Duties Upon Default.* Upon the happening of any of the Events of Default provided  
23 in Section 24 of this Bond Ordinance, the County will do and perform all proper acts on behalf of the  
24 owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to  
25 insure the payment of the principal of and interest on the Bonds promptly as the same become due.  
26 All proceeds derived therefrom, so long as the Bonds, either as to principal or interest, are



1 Outstanding and unpaid, shall be applied as set forth in Section 18 of this Bond Ordinance. In the  
2 event the County fails or refuses to proceed as provided in this Section 26, the owners of the Bonds  
3 then outstanding, after demand in writing, may proceed, protect and enforce the rights of the owners  
4 of the Bonds as hereinabove provided.

5 27. *Bonds Not Presented when Due.* If the Bonds shall not be duly presented for  
6 payment when due at maturity or on the redemption date thereof, and if moneys sufficient to pay  
7 such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds, all  
8 liability of the County to such owners for the payment of such Bonds shall be completely  
9 discharged, such Bonds shall not be deemed to be Outstanding and it shall be the duty of the Paying  
10 Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the  
11 benefit of the owners of such Bonds as may be provided in any agreement hereafter entered into  
12 between the Paying Agent and an officer of the County.

13 28. *Tax and Arbitrage Covenants.* The County covenants that it will restrict the use of  
14 the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the  
15 Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986,  
16 as amended (the "Code"). The Chairman, County Clerk, County Manager or any other officer of  
17 the County having responsibility for the issuance of the Bonds shall give an appropriate certificate  
18 of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the  
19 reasonable expectations of the County regarding the amount and use of all the proceeds of the  
20 Bonds, the facts, circumstances and estimates on which they are based, and other facts and  
21 circumstances relevant to the tax treatment of interest on the Bonds.

22 The County covenants that it (a) will take or cause to be taken such actions which may be  
23 required of it for the interest on the Bonds to be and remain excluded from gross income for federal  
24 income tax purposes, and (b) will not take or permit to be taken any actions which would adversely  
25 affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i)

1 apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield  
2 on investment property acquired with those proceeds, (iii) make timely rebate payments to the  
3 federal government, (iv) maintain books and records and make calculations and reports, and (v)  
4 refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such  
5 exclusion of that interest under the Code. The Chairman, County Clerk, County Manager and other  
6 appropriate officers are hereby authorized and directed to take any and all actions, make  
7 calculations and rebate payments, and make or give reports and certifications, as may be appropriate  
8 to assure such exclusion of that interest.

9 The County hereby designates the Bonds as “Qualified Tax-Exempt Obligations” for the  
10 purposes of Section 265 of the Internal Revenue Code of 1986, as amended (“Code”). Section 265  
11 of the Code permits the designation of governmental bonds such as these Bonds as qualified  
12 tax-exempt obligations based upon certain representations made herein below (and certain  
13 representations by the initial purchaser of the Bonds):

14 A. The Bonds are not private activity bonds;

15 B. The County does not reasonably expect to issue qualified tax-exempt  
16 obligations in an aggregate principal amount exceeding \$10,000,000 during calendar year 2014; and

17 C. The County has not and will not designate more than \$10,000,000 in  
18 aggregate principal amount of tax-exempt obligations during calendar year 2014.

19 29. *Continuing Disclosure Undertaking.* The County will make a written undertaking by  
20 the Board on behalf of the County for the benefit of the holders of the Bonds required by  
21 Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities  
22 Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240. 15c2-12) (the “Rule”) in the form  
23 submitted to the Board

1           30.     *Delegated Powers.* The officers of the County be, and they hereby are, authorized  
2 and directed to take all action necessary or appropriate to effectuate the provisions of this Bond  
3 Ordinance, including, without limiting the generality of the foregoing, the publication of the  
4 summary set out in Section 37 of this Bond Ordinance (with such changes, additions and deletions  
5 as they may determine), the distribution of material relating to the Bonds, the printing of the Bonds,  
6 the printing, execution and distribution of disclosure documents relating to the Bonds, the  
7 execution, of a purchase agreement for the Bonds, and of such other documents as may be required  
8 by the Purchaser or bond counsel.

9           31.     *Amendment Of Bond Ordinance.* This Bond Ordinance may be amended without  
10 the consent of the holder of any Bonds to cure any ambiguity or to cure, correct or supplement any  
11 defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the  
12 Bonds to the Purchaser, the provisions of this Bond Ordinance may be amended without the written  
13 consent of the Purchaser by any Sale Resolution or other resolution of the Board with respect to any  
14 changes which are not inconsistent with the substantive provisions of this Bond Ordinance. Except  
15 as provided above, this Bond Ordinance may be amended without receipt by the County of any  
16 additional consideration, but with the written consent of two-thirds of all holders of the Bonds then  
17 Outstanding; but no amendment adopted without the written consent of the holders of all  
18 Outstanding Bonds shall have the effect of permitting:

19 An extension of the maturity or scheduled payment of any Bonds;

20 A reduction of the principal amount or interest rate or prior redemption premium of any Bond;

21 The creation of a lien upon the Pledged Revenues ranking prior to the lien or pledge created by this  
22 Bond Ordinance; or

23 A reduction of the principal amount of the Bonds required for consent to such amendatory  
24 ordinance. Any amendment to this Bond Ordinance which is not inconsistent with the terms

1 hereof, may be made by resolution of the Board; any other amendment to this Bond Ordinance shall  
2 be made by subsequent ordinance of the Board.

3 32. *Defeasance.* When all principal, interest and prior redemption premiums, if any, in  
4 connection with the Bonds hereby authorized have been duly paid, the pledge and lien for the  
5 payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be  
6 outstanding within the meaning of this Bond Ordinance. The County shall receive an opinion from  
7 nationally recognized bond counsel that the defeasance does not adversely affect the exclusion from  
8 income of interest on the Bonds for federal income tax purposes. Payment shall be deemed made  
9 with respect to the Bonds when the Board has placed in escrow with a commercial bank exercising  
10 trust powers, an amount sufficient (including the known minimum yield from federal securities) to  
11 meet all requirements of principal, interest and prior redemption premiums, if any, as the same  
12 become due to their final maturities or upon designated redemption dates. The sufficiency of such  
13 amount shall be verified by an opinion, which opinion shall be conclusively presumed accurate as to  
14 the sufficiency of said deposit, addressed to the County from an Independent Accountant. Any  
15 federal securities shall become due when needed in accordance with a schedule agreed upon  
16 between the Board and such bank at the time of the creation of the escrow. Federal securities  
17 within the meaning of this Section 32 shall include only direct obligations of, or obligations the  
18 principal of and interest on which are unconditionally guaranteed by, the United States of America.

19 33. *Ordinance Irrepealable.* After the Bonds are issued, this Bond Ordinance shall be  
20 and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and  
21 discharged, as herein provided, or there has been defeasance as herein provided.

22 34. *Severability Clause.* If any section, paragraph, clause or provision of this Bond  
23 Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or  
24 unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining  
25 provisions of this Bond Ordinance.

35. *Repealer Clause.* All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

36. *Effective Date.* An emergency is hereby declared in order to preserve the health, welfare, and economy of the County and it is therefore necessary that this Ordinance become effective immediately upon filing with the County Clerk.

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

**GRANT COUNTY, NEW MEXICO**

**NOTICE OF ADOPTION OF COUNTY ORDINANCE No.14-05**

Notice is hereby given of the title and of a general summary of the subject matter contained in an ordinance duly adopted and approved by the Board of County Commissioners of Grant County, New Mexico, on August 14, 2014 relating to the authorization and issuance of the County's Gross Receipts Tax Revenue Bonds, in one or more series. Complete copies of the ordinance are available for public inspection during the normal and regular business hours of the County Clerk, 1400 Highway 180 East, Silver City, New Mexico 88061.

**THE TITLE OF THE ORDINANCE IS:**

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

AUTHORIZING THE ISSUANCE AND SALE OF GRANT COUNTY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BONDS, IN ONE OR MORE TAX EXEMPT OR TAXABLE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 (THE "BONDS") FOR THE PURPOSES OF CONSTRUCTING, PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS OR

PURCHASING OR IMPROVING GROUND RELATING THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND IMPROVING PARKING LOTS, OR ANY COMBINATION OF THE FOREGOING; ALL WITHIN THE COUNTY; PROVIDING FOR THE FORM, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO AND FOR A SUPPLEMENTAL RESOLUTION OF THE COUNTY ESTABLISHING CERTAIN DETAILS OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE COSTS OF ISSUANCE OF THE BONDS; APPROVING DISCLOSURE AND OTHER DOCUMENTS RELATING TO THE BONDS; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

Preambles recite or include such matters as: the status of the gross receipts tax revenues under State law; the County Commission's determination that it is in the best interests of the County and its residents to issue the Bonds secured by a first lien, but not an exclusive first lien, on the Pledged Revenues.

**SECTIONS 1 THROUGH 4** define terms used in the Ordinance; ratify and confirm all previous actions taken by the County directed toward the authorization of the Bonds; authorize the issuance of the Bonds for the Project and paying costs and expenses incidental thereto; and set forth certain findings of the Board, including, moneys available for acquiring the Project other than from the issuance of revenue bonds are not sufficient to defray the cost of acquiring the Project.

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

**SECTIONS 6 THROUGH 9** provide that details with respect to the prior redemption of the Bonds will be as stated in the Sale Resolution; provide details with respect to the notice of

1 redemption; for the filing of signatures, execution and authentication of the Bonds; and that the  
2 Bonds are fully negotiable.

3       **SECTIONS 10 THROUGH 13** provide details relating to payment of the Bonds and  
4 presentation of the Bonds for payment; for the registration, transfer, exchange and ownership of the  
5 Bonds; that the Bonds constitute special limited obligations of the County; for the form of the  
6 Bonds; and provide that the Bonds are issued in book entry form; and designate the Bonds a  
7 qualified tax-exempt obligations.

8       **SECTIONS 14 THROUGH 20** provide details relating to disposition of the proceeds of the  
9 Bonds; for creation and administration of special funds and accounts for deposit of the revenues  
10 pledged to the payment of the Bonds; provide for the deposit and flow of funds to pay the Bonds,  
11 security for the payment of the Bonds and other obligations of the County relating thereto.

12       **SECTIONS 21 THROUGH 22** provide details relating to the issuance of additional bonds and  
13 refunding bonds secured by Pledged Revenues.

14       **SECTIONS 23 THROUGH 26** provide protective covenants relating to such matters as the use  
15 of Bond proceeds, the payment of the Bonds, the existence of the County, other gross receipts tax  
16 liens, impairment of contract; define events of default; and provide for remedies and duties upon  
17 default.

18       **SECTIONS 27 THROUGH 28** relate to the extent of liability for the Bonds not presented when  
19 due; provide for amendments to the Ordinance and the defeasance of the Bonds; provide for  
20 compliance with certain provisions of the Internal Revenue Code of 1986.

21       **SECTION 29** contains the County's undertaking to provide continuing disclosure with regard  
22 to the Bonds.

**This notice constitutes compliance with § 6-14-6, NMSA 1978, as amended.**

/s/ Denise Guerra

**[END OF NOTICE FOR PUBLICATION]**



**PASSED, ADOPTED, AND APPROVED** this 14<sup>th</sup> day of August, 2014.

**BOARD OF COUNTY COMMISSIONERS  
GRANT COUNTY, NEW MEXICO**

By

\_\_\_\_\_  
**BRETT KASTEN, Chairman**

\_\_\_\_\_  
**RON HALL, Member**

\_\_\_\_\_  
**GABRIEL RAMOS, Member**

**ATTEST:**

\_\_\_\_\_  
**COUNTY CLERK**