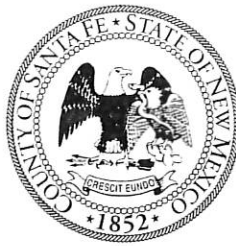


Henry P. Roybal
Commissioner, District 1

Anna Hansen
Commissioner, District 2

Robert A. Anaya
Commissioner, District 3



Anna T. Hamilton
Commissioner, District 4

Ed Moreno
Commissioner, District 5

Katherine Miller
County Manager

Office of the County Attorney

To: Board of County Commissioners
From: Gregory S. Shaffer, County Attorney
Date: October 27, 2017

Re: Agenda Item No. IX(A): Ordinance No. 2017-___, An Ordinance Authorizing the Issuance and Sale of the Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, in an Aggregate Principal Amount Not to Exceed \$29,000,000

Issue. At its October 10, 2017, meeting, the Board of County Commissioners (BCC) authorized publishing title and general summary of the above-referenced ordinance. This is the first and only public hearing on the proposed ordinance, which would authorize the issuance and sale of the Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017 (“Refunding Bonds”), in an aggregate principal amount not to exceed \$29,000,000.

Background.

Why should Santa Fe County (“County”) issue the Refunding Bonds? To save money on debt service because of today’s low interest rates. More specifically, proceeds of the Refunding Bonds would be used to discharge some existing revenue bonds with a higher interest rate.

What outstanding bonds would be refunded? All or a portion of the callable maturities of the County’s Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009, Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A, and Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B.

Is there anything new or different about this proposed ordinance versus previous bond ordinances? Yes. Based upon newly enacted legislative authority, this ordinance would delegate authority to the County Manager to establish the final terms of the Refunding Bonds, within the parameters established in the ordinance. In other words, unlike with previous bonds recently issued and sold by the County, the Board of County Commissioners (“Board”) would not take another official action to approve the final terms and issuance of the Refunding Bonds at a future public meeting. Instead, the County Manager would.

In addition, Section 29 of the proposed ordinance authorizes the Chair and other County officials to execute an Escrow Agreement and specified Related Documents to implement the refunding transaction.

What are the attachments to this memo?

- Exhibit A – the proposed ordinance.
- Exhibit B – a memo from the County Manager concerning the Preliminary Official Statement.

- Exhibit C – the Preliminary Official Statement concerning the Refunding Bonds, which the Board must carefully review, as explained in the County Manager’s memo. In the proposed ordinance, the Board approves the Preliminary Official Statement.
- Exhibit D – the current form of the Escrow Agreement between the County and BOKF, NA, pursuant to which BOKF, NA will hold proceeds from the Refunding Bonds in various escrow accounts until they are needed to pay interest on and principal of the bonds to be refunded. Section 29 of the proposed ordinance authorizes the Chair of the Board and other County officials to execute the Escrow Agreement and other specified Related Documents.

Recommendation. Adopt the proposed ordinance, so as to allow the County to efficiently and effectively issue the Refunding Bonds and save the County money on debt service.

Attachments.

- Exhibit A – the proposed ordinance.
- Exhibit B – a memo from the County Manager concerning the Preliminary Official Statement.
- Exhibit C – the Preliminary Official Statement concerning the Refunding Bonds.
- Exhibit D – the current form of the Escrow Agreement between Santa Fe County and BOKF, NA.

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

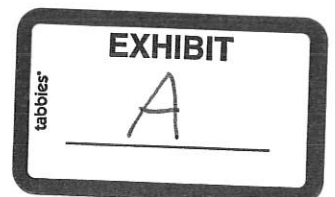
The Board of County Commissioners (the "Board") of Santa Fe County in the State of New Mexico, met in regular session in full conformity with law and the rules and regulations of the County at the County Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico, being the regular meeting place of the Board, on the 31st day of October, 2017, at the hour of 2:00 p.m. Upon roll call, the following members were found to be present:

Present:

Absent:

Also Present:

Thereupon, there was officially filed with the County Clerk, the Chairman and each Commissioner a copy of a proposed ordinance in final form.



ORDINANCE NO. 2017-___

AN ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF THE SANTA FE COUNTY, NEW MEXICO CAPITAL OUTLAY GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 2017, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$29,000,000 FOR PURPOSES OF DEFRAYING THE COSTS OF DEFEASING, REFUNDING, REFINANCING, DISCHARGING, AND PAYING THE PRINCIPAL OF AND ACCRUED INTEREST ON ALL OR A PORTION OF THE CALLABLE MATURITIES OF THE COUNTY'S CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2009, CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2010A, AND CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2010B, AND PAYING THE COSTS OF ISSUANCE OF THE SERIES 2017 REFUNDING BONDS; DELEGATING AUTHORITY TO THE COUNTY MANAGER TO EXECUTE AND DELIVER A BOND PURCHASE AGREEMENT WHICH WILL SPECIFY THE EXACT PRINCIPAL AMOUNTS, MATURITIES, PRICES, REDEMPTION FEATURES, AND OTHER DETAILS OF THE SERIES 2017 REFUNDING BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE SERIES 2017 REFUNDING BONDS; PROVIDING THAT THE SERIES 2017 REFUNDING BONDS SHALL BE SPECIAL, LIMITED OBLIGATIONS, AND FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2017 REFUNDING BONDS FROM THE DISTRIBUTIONS TO THE COUNTY OF THE REVENUES OF THE COUNTY CAPITAL OUTLAY GROSS RECEIPTS TAX (CONSISTING OF A ONE QUARTER OF ONE PERCENT (0.25%) INCREMENT ENACTED PURSUANT TO SECTION 7-20E-21 NMSA 1978) WHICH ARE DISTRIBUTED TO THE COUNTY BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO SECTION 7-1-6.13 NMSA 1978; PROVIDING FOR THE PLEDGE OF SUCH REVENUES BY THE COUNTY; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; AND REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE.

WHEREAS, capitalized terms used in the following preambles have the same meanings as defined in Section 1 of this Ordinance unless the context requires otherwise; and

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, pursuant to Section 7-20E-21 NMSA 1978, the County adopted Santa Fe County Ordinance No. 2002-5 ("Ordinance No. 2002-5") enacting the one-fourth of one percent (0.25%) County Capital Outlay Gross Receipts Tax (the "Capital Outlay Gross Receipts Tax") effective as of January 1, 2003, which provides for the Pledged Revenues; and

WHEREAS, Section 5 of Ordinance No. 2002-5 provided in pertinent part that at least one-half of the revenues generated from the County Capital Outlay Gross Receipts Tax shall be used for projects that benefit residents within the incorporated boundaries of the City of Santa Fe (the “Joint Project Allocation”), up to 75% of which could be used for water or wastewater projects (the “Joint Water Project Allocation”); and

WHEREAS, Ordinance No. 2002-5 provided that up to one-half of the County Capital Outlay Gross Receipts Tax revenues could be used for projects that benefited unincorporated portions of the County (the “County-Only Allocation”), up to 75% of which could be used for water or wastewater projects (the “County-Only Water Project Allocation”); and

WHEREAS, Ordinance No. 2010-15, in pertinent part, repealed Section 5 of Ordinance No. 2002-5; and

WHEREAS, pursuant to Section 7-1-6.13 NMSA 1978, the County receives monthly distributions of the Pledged Revenues from the New Mexico Taxation and Revenue Department; and

WHEREAS, on October 21, 2009, the County issued its Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009 in the aggregate principal amount of \$12,090,000 (the “Series 2009 Bonds”) payable from and secured by an irrevocable and first lien (but not an exclusive first lien) on the County-Only Water Project Allocation portion of the Pledged Revenues; and

WHEREAS, on March 24, 2010, the County issued its Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A in the aggregate principal amount of \$21,215,000 (the “Series 2010A Bonds”) payable from and secured by an irrevocable and first lien (but not an exclusive first lien) on the Joint Project Allocation portion of the Pledged Revenues; and

WHEREAS, on March 24, 2010, the County issued its Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B in the aggregate principal amount of \$10,195,000 (the “Series 2010B Bonds”) payable from and secured by an irrevocable and first lien (but not an exclusive first lien) on the County-Only Water Project Allocation portion of the Pledged Revenues; and

WHEREAS, pursuant to the redemption provisions contained therein, the Series 2009 Bonds maturing on and after June 1, 2020 (the “Refunded 2009 Bonds”), are subject to redemption at the option of the County on or after June 1, 2019, without penalty or optional redemption premium; and

WHEREAS, pursuant to the redemption provisions contained therein, the Series 2010A Bonds maturing on and after June 1, 2021 (the “Refunded 2010A Bonds”), are subject to redemption at the option of the County on June 1, 2020, without penalty or optional redemption premium; and

WHEREAS, pursuant to the redemption provisions contained therein, the Series 2010B Bonds maturing on and after June 1, 2021 (the “Refunded 2010B Bonds” and, together with the

Refunded 2009 Bonds and Refunded 2010A Bonds, the “Refunded Bonds”), are subject to redemption at the option of the County on June 1, 2020, without penalty or optional redemption premium; and

WHEREAS, the Board desires to pledge the full amount of the Pledged Revenues to payment of the Unrefunded Bonds; and

WHEREAS, other than the Series 2009 Bonds, the Series 2010A Bonds, and the Series 2010B Bonds, the Pledged Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding and unpaid; and

WHEREAS, the Board has determined that the refunding of the Refunded Bonds (the “Project” as more particularly defined in Section 1 of this Ordinance) will result in interest cost savings and other economies which will benefit the County and its residents; and

WHEREAS, the Board has determined and hereby determines that it is in the best interest of the County and its residents that the Bonds be issued with a first lien, but not an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of Parity Bonds; and

WHEREAS, the Bonds will be sold competitively pursuant to an Official Notice of Bond Sale, following which the County Manager and/or Finance Director will approve the final principal amounts, maturity dates, interest rates, prices, redemption features and other terms of the Bonds in the Pricing Certificate, as permitted by Section 6-14-10.2 NMSA 1978, which shall supplement this Ordinance; and

WHEREAS, there has been presented to the Board and there presently is on file with the County Clerk a form of Preliminary Official Statement; and

WHEREAS, the Board hereby determines that there is an urgent need for the Project and that the Bonds shall be issued for the Project which consequently will provide for the public health, peace, and safety of the County and its residents; and

WHEREAS, the Board hereby determines that the Project to be financed by the Bonds is for governmental purposes and is not a project which would cause the Bonds to be “private activity bonds” as defined by the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD:

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

“Act” means the general laws of the State, including Sections 4-62-1 through 4-62-10 and 7-20E-21, NMSA 1978, as amended, and enactments of the Board relating to the issuance of the Bonds, including this Ordinance.

“Board” means the Board of County Commissioners of the County or any future successor governing body of the County.

“Bond Insurance Commitment” means, if applicable, the Municipal Bond Insurance Commitment issued to the County by the Bond Insurer.

“Bond Insurer” means, if applicable, the issuer of the Policy.

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

“Bonds” mean the “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017” authorized by this Ordinance.

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

“Chairperson” means the Chairperson of the Board.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable to the Bonds, and under the statutory predecessor of the Code and any successor provisions to those sections or regulations.

“Continuing Disclosure Undertaking” means the continuing disclosure undertaking with respect to the Bonds to be executed by the County on the day of issuance and delivery of the Bonds to the Purchaser.

“County” means Santa Fe County in the State of New Mexico.

“Debt Service Fund” means the “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Debt Service Fund” established by Section 16 of this Ordinance.

“Depository” means The Depository Trust Company, New York, New York, or such other securities depository as may be designated by an officer of the County.

“Escrow Agent” means BOKF, NA.

“Escrow Agreement” means the agreement authorized as a Related Document in Section 29 of this Ordinance to be entered into by and between the County and BOKF, NA, as Escrow Agent, to provide for the deposit, investment and administration of proceeds of the Bonds in connection with the Project.

“Event of Default” means any of the events stated in Section 25 of this Ordinance.

“Expenses” means the reasonable and necessary fees, costs and expenses incurred by the County with respect to the issuance of the Bonds, including the fees, compensation, costs and expenses paid or to be paid to the Bond Insurer, Paying Agent, Registrar, Purchaser, attorney’s fees and financial advisor’s fees, verification agent fees, and escrow fees.

“Federal Securities” as used in this Ordinance shall include only direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America.

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

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to the entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

“Independent Accountant” means (A) an accountant employed by the State and under supervision of the State Auditor, or (B) any certified public accountant, registered accountant, or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the County who (i) is, in fact, independent and not under the domination of the County, (ii) does not have any substantial interest, direct or indirect, with the County, and (iii) is not connected with the County as an officer or employee of the County, but who may be regularly retained to make annual or similar audits of the books or records of the County.

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

“Interest Payment Date” means each June 1 and December 1, commencing on June 1, 2018.

“NMSA” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

“Obligations” means bonds, notes or any other instrument which evidence a borrowing or other obligation of the County secured by Pledged Revenues issued or incurred for any purpose permitted by the Act.

“Official Notice of Bond Sale” means the notice of competitive sale of the Bonds which shall be included in the Preliminary Official Statement for the Bonds.

“Ordinance” or “Bond Ordinance” means this Ordinance as amended or supplemented from time to time.

“Outstanding” or “outstanding” when used in reference to the Bonds means, on any particular date, the aggregate of all Bonds delivered under this Ordinance except:

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

B. those otherwise deemed to be paid in accordance with Section 31 of this Ordinance;

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

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

“Parity Bonds” or “Parity Obligations” means the Unrefunded Bonds, the Bonds and any other Obligations hereafter issued or incurred payable from the Pledged Revenues and issued with a lien on the Pledged Revenues on parity with the lien thereon of the Bonds.

“Paying Agent” means the County Treasurer and any successor paying agent.

“Pledged Revenues” means the County Capital Outlay Gross Receipts Tax imposed on persons engaging in business in the County pursuant to Section 7-20E-21, NMSA 1978 and County Ordinance No. 2002-5, as amended by County Ordinance No. 2010-15, which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13, NMSA 1978, and which remittances currently equal one-fourth of one percent (0.250%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.47, NMSA 1978; provided that if an additional amount of such gross receipts tax revenues or other equivalent funds are hereafter provided to be remitted to the County in connection with the County Capital Outlay Gross Receipts Tax under applicable laws of the State, such additional amounts shall be included as Pledged Revenues pursuant to this Bond Ordinance.

“Policy” means an insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“Preliminary Official Statement” and “Official Statement” mean the disclosure documents used by the Purchaser in connection with the sale of the Bonds to the public.

“Pricing Certificate” means one or more certificates executed by the County Manager, pursuant to and as authorized by Section 6-14-10.2 NMSA 1978, dated on or before the date of delivery of the Bonds, setting forth the following final terms of the Bonds: (i) the interest and principal payment dates; (ii) the principal amounts, denominations, and maturity amortization; (iii) the sale prices; (iv) the interest rate or rates; (v) the interest payment periods; (vi) the redemption and tender provisions; (vii) the creation of any capitalized interest fund, including the size and funding of such fund(s); (viii) the amount of underwriting discount, if any; and (ix) the final terms of agreements, if any, with agents or service providers required for the purchase, sale, issuance and delivery of the Bonds, all subject to the parameters and conditions contained in this Bond Ordinance.

“Principal Payment Date” means June 1 in each year beginning June 1, 2018.

“Project” means the defeasance, refunding, refinancing, discharging, payment and redemption of the Refunded Bonds.

“Rebate Fund” means the “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Rebate Fund” established by Section 24(N) of this Ordinance.

“Refunded Bonds” means the Series 2009 Bonds maturing on and after June 1, 2020, the Series 2010A Bonds maturing on and after June 1, 2021, and the Series 2010B Bonds maturing on and after June 1, 2021.

“Refunding Escrow Account” means the Refunding Escrow Account authorized to be established in Section 16 of this Ordinance pursuant to the Escrow Agreement.

“Registrar” means the County Treasurer, as registrar and transfer agent for the Bonds, and any successor.

“Related Documents” means the Bond Purchase Agreement, the Continuing Disclosure Undertaking, the Bond Insurance Commitment, the Reserve Insurance Commitment, the Tax Compliance Certificate, the Escrow Agreement, and any other document or agreement containing an obligation of the County as may be required in connection with the issuance of the Bonds and the application of the proceeds thereof to the Project.

“Reserve Fund” means the “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Reserve Fund” established by Section 16 of this Ordinance, and to be maintained by the County.

“Reserve Fund Insurance Policy” means any policy of insurance, surety bond, letter of credit, or other financial instrument issued to the County, the proceeds of which shall be used to prevent deficiencies in the payment of the principal of or interest on the Bonds resulting from insufficient amounts being on deposit in the Debt Service Fund to make the payment of principal of and interest on the Bonds as the same become due. If the Reserve Fund Insurance Policy is in the form of a surety bond, the surety bond must be from an insurance company experienced in insuring municipal bonds whose policies of insurance would not in and of itself

adversely affect the rating on the Bonds by Moody's or by S&P in effect at the time such policy is initially deposited in or credited to the Reserve Fund.

"Reserve Requirement" means an amount which is equal to the least of (i) ten percent (10%) of the proceeds of the Bonds as the term proceeds is used in Section 148(d)(1) of the Code; (ii) the maximum annual debt service on the Bonds; or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds.

"Revenue Fund" means the "Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds Revenue Fund" established by Section 16 of this Ordinance into which the County shall deposit the Pledged Revenues.

"Series 2009 Bonds" means the County's Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009, issued in the original aggregate principal amount of \$12,090,000.

"Series 2010A Bonds" means the County's Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A, issued in the original aggregate principal amount of \$21,215,000.

"Series 2010B Bonds" means the County's Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B, issued in the original aggregate principal amount of \$10,195,000.

"State" means the State of New Mexico.

"Tax Compliance Certificate" means the Tax Compliance Certificate to be delivered by the County at the time of issuance of the Bonds, as the same may be supplemented in accordance with its terms.

"Unrefunded Bonds" means the Unrefunded 2009 Bonds, the Unrefunded 2010A Bonds and the Unrefunded 2010B Bonds.

"Unrefunded 2009 Bonds" means the Series 2009 Bonds maturing on June 1, 2018 and June 1, 2019.

"Unrefunded 2010A Bonds" means the Series 2010A Bonds maturing on June 1, 2018, June 1, 2019 and June 1, 2020.

"Unrefunded 2010B Bonds" means the Series 2010B Bonds maturing on June 1, 2018, June 1, 2019 and June 1, 2020.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Board and the officers of the County, directed toward the Project, the issuance of the Bonds for the Project, and the sale of the Bonds to the Purchaser be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project. The Project and the method of financing the Project are hereby authorized and ordered at a total cost not to exceed \$29,000,000, and the

necessity thereof is hereby so declared, excluding any such cost defrayed or to be defrayed by any source other than Bond proceeds.

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

A. Moneys available for the Project from all sources other than the issuance of revenue bonds are not sufficient to defray the cost of the Project.

B. The Pledged Revenues may lawfully be pledged to secure the payment of the Bonds.

C. It is economically feasible to defray the cost of the Project by the issuance of the Bonds.

D. The Project will reduce interest costs and effect other economies for the benefit of the County and its residents.

E. The issuance of the Bonds pursuant to the Act to provide funds for the financing of the Project is necessary and in the interest of the public health, safety and welfare of the residents of the County.

F. The net effective interest rate on the Bonds shall not exceed the statutory maximum of twelve percent (12%).

Section 5. Bonds - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a two-thirds majority of all of the members of the Board. For the purpose of protecting the public health, safety and welfare of the residents of the County, it is hereby declared necessary that the County, pursuant to the Act, issue its negotiable, fully registered, revenue bonds to be designated "Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017," in an aggregate principal amount not to exceed \$29,000,000, and the issuance, sale and delivery of the Bonds are hereby authorized. The Bonds shall be sold in a competitive sale to the best bidder for the Bonds pursuant to the Official Notice of Bond Sale, which shall be substantially in the form attached to this Ordinance as Exhibit "A", with such modifications as approved by the County Manager in consultation with the Financial Advisor and Bond Counsel to the County.

B. Details of Bonds. The Bonds shall be dated the date of their issuance and delivery to the Purchaser (herein "Series Date"), and are issuable in the denomination of \$5,000 each or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond will be issued for more than one maturity). The Bonds shall be numbered consecutively from 1 upwards.

The Bonds shall bear interest from the Series Date, payable semi-annually on June 1 and December 1 each year, commencing on June 1, 2018, until their respective maturity dates. The exact principal amounts, maturity dates, interest rates, prices, redemption features, and other terms of the Bonds shall be determined by the County Manager and specified in the Pricing Certificate.

Section 6. Prior Redemption. The optional redemption features of the Bonds and mandatory sinking fund provisions, if any, shall be established in the Pricing Certificate.

Section 7. Filing of Signatures. Prior to the execution of any Bond, the Chairperson and County Clerk may each file, pursuant to Sections 6-9-1 to 6-9-6 NMSA 1978, as amended, with the New Mexico Secretary of State his or her manual signature certified by him or her under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the Bonds.

Section 8. Execution and Authentication of Bonds.

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

B. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar.

Section 9. Negotiability. The Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Bondholders shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code—Investment Securities. Except as set forth herein, the Bonds outstanding shall in all respects be equally and ratably secured, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds.

Section 10. Payment and Presentation of Bonds for Payment. Principal and interest on the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Principal shall be payable in immediately available funds at maturity thereof upon presentation and surrender of such Bond at the principal office of the Paying Agent or at the designated office of any successor Paying Agent. Interest on the Bonds

shall be payable by check or draft mailed to the registered owner thereof (or in such other manner as may be agreed upon by the Paying Agent and the registered owner), as shown on the registration books maintained by the Registrar at the address appearing therein on the 15th day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be payable to the owner thereof (or of one or more predecessor Bonds) as of the Record Date, but shall be payable to the owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to Bond owners not less than ten days prior thereto. If any Bond presented for payment remains unpaid at maturity, it shall continue to bear interest at the rate or rates designated in, and applicable to, such Bond from time to time. If any Bond is not presented for payment at maturity when funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest on and from the date of maturity.

Section 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 authorized denominations, in fully registered form of the same aggregate principal amount, maturity, and interest rate.

B. Limitations. 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. Owner 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 or interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative as stated 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. Replacement Bonds. If any Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information, or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not

contemporaneously outstanding. If any such lost, stolen, destroyed, or mutilated Bond shall have matured, the Registrar may request the Paying Agent to pay such bond in lieu of replacement.

E. Additional Bonds. Executed but unauthenticated Bonds are hereby authorized to be delivered to the Registrar in such quantities as may be convenient to be held in custody by the Registrar pending delivery as herein provided.

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

G. Successor Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign or is prohibited by law from continuing as Registrar or Paying Agent, or if the County shall reasonably determine that said Registrar or Paying Agent has become incapable of fulfilling its duties hereunder, the County may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$50,000,000. It shall not be required that the same institution serves as both Registrar and Paying Agent hereunder, but the County shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

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

If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository determines to discontinue providing its services with respect to the Bonds, or (iii) the County determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the County or the Beneficial Owners, the County will either

identify another Depository or Bonds certificates will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the County shall mail an appropriate notice to the Depository for notification to Participants, Indirect Participants, and Beneficial Owners of the substitute Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

The County Manager is authorized to sign agreements with the Depository relating to the matters set forth in this Section, provided that such agreements are approved as to form by the County Attorney or County's Bond Counsel.

Notwithstanding any other provision of this Ordinance, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Paying Agent, Registrar, or the County to the Depository as provided in this Ordinance, and by the Depository to its Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner provided in an agreement between the County and Depository or letter of the County to the Depository.

Section 12. Special Limited Obligations; Pledge of Pledged Revenues to Unrefunded Bonds. All of the Bonds and all payments of principal, premium, if any, and interest thereon at maturity, together with any interest accruing thereon, shall be special limited obligations of the County and shall be payable and collectible solely from the Pledged Revenues, which revenues are so pledged and are payable as set forth in Section 18 of this Ordinance. The owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the County within the meaning of any constitutional, charter or statutory provision or limitation, nor shall they be considered or held to be general obligations of the County, and each of the Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in this Ordinance, and that the holders thereof may not look to any general or other municipal fund for the payment of the principal of and interest on the Bonds. Nothing herein shall prevent the County from applying other funds of the County legally available therefor to the payment of the principal, premium, if any, and interest on the Bonds, in its sole discretion. The Pledged Revenues are hereby pledged to payment of the Unrefunded Bonds, which pledge shall replace and supersede the pledge of (i) the County-Only Water Project Allocation as security for the Unrefunded 2009 Bonds and the Unrefunded 2010B Bonds, and the (ii) the Joint Water Project Allocation as security for the Unrefunded 2010A Bonds.

Section 13. Form of Bonds. The forms, terms and provisions of the Bonds shall be substantially in the form set forth below, with such changes therein as are not inconsistent with this Ordinance.

[Form of Bond]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

COUNTY OF SANTA FE

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

Bond No. _____ \$ _____

INTEREST RATE	MATURITY DATE	DATE OF BOND	CUSIP
_____ % per annum	June 1, 20__	____, 2017	_____

PRINCIPAL AMOUNT: _____ DOLLARS

REGISTERED OWNER: CEDE & CO.

The Santa Fe County (the "County"), in the State of New Mexico (the "State"), a political subdivision duly organized and existing under the Constitution and laws of the State, for value received, promises to pay, solely from the special funds available for the purpose set forth below, to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (unless this Bond may be and is called for prior redemption, in whole or in part, in which case on such redemption date), upon presentation and surrender of this Bond to the County Treasurer, or any successor (as such, the "Paying Agent"), the Principal Amount stated above and premium, if any, and to pay interest on the unpaid Principal Amount at the Interest Rate stated above on June 1 and December 1 of each year, beginning on June 1, 2018 (each, an "Interest Payment Date"), to the Maturity Date stated above, or until redeemed if called for redemption prior to maturity. If, upon presentation and surrender at maturity or for prior redemption, payment of this Bond is not made, interest shall continue at the Interest Rate stated above until the Principal Amount is paid in full. This Bond will bear interest from the most recent date to which interest has been paid or provided for or if no interest has been paid or provided for, from the Date of Bond stated above. Interest on this Bond is payable by check or draft mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by the County Treasurer or any successor (as such, the "Registrar"), at the address appearing therein at the close of business on the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the owner hereof (or of one or more predecessor Bonds, defined below) as of the Record Date, but shall be payable to the owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date to be fixed by the Paying Agent for the payment of interest. Notice of the special record date shall be given to owners of Bonds as then shown on the Registrar's registration books not less than ten days prior to the special record date. The principal of, premium, if any, and interest on this Bond are payable in

lawful money of the United States of America, without deduction for exchange or collection charges.

This Bond is one of a duly authorized series 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 Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017 (the "Bonds"), issued under and pursuant to County Ordinance No. 2017-__, as supplemented by the Pricing Certificate (as defined in the Bond Ordinance) (the "Bond Ordinance").

The Bonds maturing on and after June 1, 20__, are subject to prior redemption at the option of the County, in one or more units of principal of \$5,000 on and after June 1, 20__, in whole or in part on any date. If the Bonds are optionally redeemed in part, the Bonds to be so redeemed shall be selected by lot by the Registrar in such manner as the Registrar shall consider appropriate and fair.

Notice of redemption shall be given by the Registrar by sending a copy of such notice by electronic means or by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. Neither the County's failure to give such notice nor the Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and, if less than the full amount of any Bond is to be redeemed, the amount of such Bonds to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and, if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the County.

Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer or exchange of a Bond at the principal office of the Registrar, duly endorsed or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, 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 owner a new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds shall be without charge to the owner or any transferee, but the

Registrar may require the payment by the owner of any Bond of any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar will close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each Interest Payment Date, but such transfers shall not include a transfer of accrued interest payable.

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

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

This Bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the County, and is payable and collectible solely out of the Pledged Revenues pursuant to the pledge made by and as defined in the Bond Ordinance. Payment of the bonds of the series of which this Bond is one and the interest thereon shall be made solely from, and as security for such payment, there are pledged pursuant to the Bond Ordinance the amounts of money derived from all of the revenues attributable to the County Capital Outlay Gross Receipts Tax imposed on persons engaging in business in the County pursuant to Section 7-20E-21, NMSA 1978 and County Ordinance No. 2002-5, as amended by County Ordinance No. 2010-15, which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13, NMSA 1978, and which remittances currently equal one-fourth of one percent (0.250%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.47, NMSA 1978; provided that if an additional amount of such gross receipts tax revenues or other equivalent funds are hereafter provided to be remitted to the County in connection with the County Capital Outlay Gross Receipts Tax under applicable laws of the State, such additional amounts shall be included as Pledged Revenues pursuant to the Bond Ordinance.

The registered owner may not look to any general or other fund for the payment of the principal of, interest upon, and any prior redemption premium in connection with this obligation except the special funds (i.e., the Pledged Revenues) pledged therefor. Payment of this Bond and the interest thereon shall be made solely from, and as security for such payment there are pledged, pursuant to the Bond Ordinance, a special fund identified as the "Santa Fe County, New

Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Debt Service Fund” into which the County covenants to pay from the Pledged Revenues sums sufficient to pay when due the principal of and interest on the bonds of the series of which this is one. Under the conditions specified in the Bond Ordinance, the County will deposit amounts and sufficient to create and maintain the “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Reserve Fund” as a reasonable and specified reserve for the payment of principal of and interest on such bonds. Reference is made to the Bond Ordinance for a description of said funds and the nature and extent of the security afforded thereby for the payment of the principal of and the interest on the bonds. The bonds are equitably and ratably secured by a lien on the Pledged Revenues, and the bonds constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Pledged Revenues and on parity with the lien thereon of any Parity Obligations. Additional bonds may be issued and made payable from the Pledged Revenues, upon satisfaction of the conditions set forth in the Bond Ordinance, having a lien thereon either on a parity with, or subordinate and junior to, the lien on the Pledged Revenues of the Bonds, but additional bonds may not be issued with a lien thereon superior to the lien thereon of the Bonds.

The Bonds are issued to provide funds for the purposes of (1) the defeasance, refunding, refinancing, discharging, payment, and redemption of the principal of and accrued interest on the County’s (a) Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009 maturing on and after June 1, 2019, (b) Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A maturing on and after June 1, 2020 and Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010B maturing on and after June 1, 2020 (the “Project”), and (2) paying the Expenses relating to the Project.

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

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

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

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the Certificate of Authentication.

IN WITNESS WHEREOF, Santa Fe County, New Mexico, has caused this Bond to be signed and executed on the County’s behalf with the facsimile or manual signature of the

Chairperson and the facsimile or manual signature of the County Clerk and has caused the corporate seal or a facsimile thereof of the County to be affixed hereon, all as of the Date of Bond.

SANTA FE COUNTY, NEW MEXICO

[SEAL]

By: _____
Chairperson, Board of County Commissioners

By: _____
County Clerk

[Form of Registrar's Certificate of Authentication]

Certificate of Authentication

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

Date of Authentication: _____

Santa Fe County Treasurer

By: _____
Authorized Officer

[End of Form of Registrar's Certificate of Authentication]

[Form of Assignment]

Assignment

For value received, _____ hereby sells, assigns, and transfer unto _____ the within bond and hereby irrevocably constitutes and

appoints _____ attorney, to transfer the same on the books of the Registrar, with full power of substitution in the premises.

Social Security or Tax Identification No. of Assignee _____

Dated: _____

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

[End of Form of Assignment]

[End of Form of Bond]

Section 14. Period of Usefulness of Projects Financed by Refunded Bonds. It is hereby provided that the weighted average maturity of the Bonds shall not exceed 120 percent of the average reasonably expected economic life of the projects financed with the Refunded Bonds.

Section 15. Disposition of Proceeds. Except as herein otherwise specifically provided, the proceeds derived from the sale of the Bonds shall be used and paid solely for the valid costs of the Project. Upon the sale and delivery of the Bonds, the following deposits and other disposition of proceeds shall be made:

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

B. Expenses. An amount necessary to pay Expenses shall be used for payment of the Expenses in compliance with applicable law.

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

D. Reserve Fund. The amount specified in Subsection (E) of Section 18 hereof shall be deposited in the Reserve Fund.

E. Purchaser Not Responsible. The Purchaser of the Bonds shall in no manner be responsible for the application or disposal by the County or by its officers of the proceeds derived from the sale thereof or of any other funds herein designated.

Section 16. Funds and Accounts. The County hereby creates the following special and separate funds, which shall be under the control of the County, except as otherwise specified:

A. Revenue Fund. The “Santa Fe County, New Mexico Gross Receipts Tax Revenue Fund” to be maintained by the County into which the County shall deposit the Pledged Revenues.

B. Debt Service Fund. The “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Debt Service Fund” to be maintained by the County.

C. Reserve Fund. The “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Reserve Fund” to be maintained by the County.

D. Refunding Escrow Account. The “Santa Fe County, New Mexico Capital Outlay Gross Receipts Tax Refunding Escrow Account, Series 2017” to be established, maintained, and administered as provided in the Escrow Agreement.

Section 17. Deposit of Pledged Revenues. So long as any Bonds are outstanding, the Pledged Revenues shall, immediately upon receipt thereof by the County, be set aside and deposited into the Revenue Fund. All money deposited into the Revenue Fund shall be held separate and apart from the County’s general fund and applied only in accordance with the provisions of this Ordinance and any other County ordinance authorizing the issuance of Parity Obligations.

Section 18. Administration of Pledged Revenue Fund.

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

(1) To the Debt Service Fund, the following:

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

(b) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the first maturing installment of principal of the outstanding Bonds and monthly thereafter, commencing

on each Principal Payment Date, one-twelfth (1/12) of the amount necessary to pay the next maturing installment of principal on the Bonds then outstanding.

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

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

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

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

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

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

H. Interest on and Expenses relating to any Reserve Fund Insurance Policy Draws. Subordinate and subsequent to the payments required by Subsection A, and subject to the terms of Subsections D and E of this Section, Pledged Revenues shall be used to pay interest on amounts advanced under any Reserve Insurance Policy and reasonable expenses relating thereto under, and in accordance with, any agreement relating to any Reserve Fund Insurance Policy.

I. Use of Surplus Pledged Revenues. After making all the payments hereinabove required to be made by this Section, the remaining Pledged Revenues, if any, may be applied to any other lawful purpose, as the County may from time to time determine.

Section 19. General Administration of Funds. The funds designated in Section 16 shall be administered and invested as follows:

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

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

Section 20. Lien on Pledged Revenues. The Pledged Revenues and the amounts and securities on deposit in the Debt Service Fund, and the proceeds thereof, are hereby authorized to be pledged to, and are hereby pledged, and the County grants a security interest therein for, the payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, this Ordinance. The Bonds constitute an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of Parity Obligations.

Section 21. Additional Bonds Payable from Pledged Revenues.

A. Parity Bonds Test. This Ordinance shall not prevent the issuance of additional Parity Obligations payable from and constituting a lien upon the Pledged Revenues on parity with the lien of the Bonds. Before any additional Parity Obligations are actually issued, it must be determined that:

(1) The County is then current in the accumulation of all amounts which are required to have then been accumulated in the Debt Service Fund as required by Section 18 of this Ordinance; and

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

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

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

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

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

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

Section 22. Refunding Bonds. The provisions of Section 21 of this Ordinance are subject to the following exceptions:

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

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

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

(2) The refunding obligations are issued in compliance with Paragraph B of Section 21 of this Ordinance.

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

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

(2) The refunding bonds or other refunding obligations are issued in compliance with Paragraph A of Section 21 of this Ordinance.

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

Section 23. Equality of Parity Bonds. The Parity Bonds, for any source of the Pledged Revenues, from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, as applicable, regardless of the time or times of their issuance or the date incurred, it being the intention of the Board that, except as set forth herein,

there shall be no priority among Parity Bonds regardless of whether they are actually issued and delivered or incurred at different times.

Section 24. Protective Covenants. The County hereby covenants and agrees with each and every holder of the Bonds issued hereunder:

A. Use of Bond Proceeds. The County will proceed without delay to apply the proceeds of the Bonds as set forth in Section 15 of this Ordinance.

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

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

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

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

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

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

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

I. Impairment of Contract. The County agrees that any law, ordinance or resolution of the County that in any manner affects the Pledged Revenues or the Bonds shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any Bonds outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor or unless the required consents of the holders of the then outstanding Bonds are obtained pursuant to Section 30 of this Ordinance.

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

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

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

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

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

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

O. Continuing Disclosure Obligations. The officers of the County are authorized to sign such documents and to take such actions in the future with respect to the County's continuing disclosure obligations as are necessary or desirable to comply with the Continuing Disclosure Undertaking and the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Notwithstanding any other provisions of this Ordinance, failure of the County to comply with the Continuing Disclosure Undertaking shall not be considered an "event of default" under Section 25 hereof, and holders and beneficial owners of Bonds shall be entitled to exercise only such rights with respect thereto as are provided in the Continuing Disclosure Undertaking.

Section 25. Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal. Failure to pay the principal of any of the Bonds when the same becomes due and payable, either at maturity or otherwise.

B. Nonpayment of Interest. Failure to pay any installment of interest when the same becomes due and payable.

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

D. Bankruptcy. The County (i) files a petition or application seeking reorganization, arrangement under Federal bankruptcy law, or other debtor relief under the laws

of any jurisdiction, or (ii) is the subject of such petition or application which the County does not contest or is not dismissed or discharged with sixty (60) days.

Section 26. Remedies Upon Default. Upon the happening and continuance of any of the events of default as provided in Section 25 of this Ordinance, then in every case the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, including, but not limited to, a trustee or trustees therefor, may proceed against the County, the Board and its agents, officers, and employees to protect and enforce the rights of any holder of Bonds under this Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award relating to the execution of any power herein granted for the enforcement of any legal or equitable remedy as such holder or holders may deem most effectual to protect and enforce the rights provided above, or to enjoin any act or thing which may be unlawful or in violation of any right of any Bondholder, or to require the Board to act as if it were the trustee of an express trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all holders of the Bonds then outstanding. The failure of any Bondholder so to proceed shall not relieve the County or any of its officers, agents, or employees of any liability for failure to perform any duty. Each right or privilege of such holder (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any holder shall not be deemed a waiver of any other right or privilege.

Section 27. Duties Upon Default. Upon the happening of any of the events of default provided in Section 25 of this Ordinance, the County, in addition, will do and perform all proper acts on behalf of and for the owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived therefrom, so long as any of the Bonds, either as to principal or interest, are outstanding and unpaid, shall be applied as set forth in Section 18 of this Ordinance. In the event the County fails or refuses to proceed as provided in this Section, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owners of the Bonds as hereinabove provided.

Section 28. Bonds Not Presented When Due. If any Bonds shall not be duly presented for payment when due at maturity, and if moneys sufficient to pay such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds, all liability of the County to such owners for the payments of such Bonds shall be completely discharged, such Bonds shall not be deemed to be outstanding, and it shall be the duty of the Paying Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owners of such Bonds as may be provided in any agreement hereafter entered into between the Paying Agent and an officer of the County.

Section 29. Approval of Documents; Delegated Powers. The officers of the County be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the

foregoing, the publication of the summary of this Ordinance set out in Section 39 (with such changes, additions and deletions as they may determine). The Chairperson is authorized and directed to execute and the County Clerk is authorized and directed to affix the seal of the County to and attest, where applicable, the Related Documents and the final Official Statement, in substantially the form as hereby approved or with such changes therein as are not inconsistent with this Ordinance and as shall be approved by the Chairperson, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions thereof from the form presented to the Board. From and after adoption of this Ordinance and the execution and delivery of the Related Documents and the final Official Statement, the officers, agents and employees of the County are hereby authorized, empowered, and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of the Related Documents and the final Official Statement as executed. Pursuant to Section 6-14-10.2, NMSA 1978, the County Manager are each hereby delegated authority to accept one or more binding bids and select the Purchasers, to execute the Sale Certificate, and to determine any or all of the final terms of the Bonds, subject to the parameters and conditions contained in this Bond Ordinance. The County Manager or the Deputy County Manager shall present the Sale Certificate to the Board in a timely manner, before or after delivery of the Bonds, at a regularly scheduled public meeting of the Board.

Section 30. Amendment of Ordinance. This Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the Bonds to the Purchaser, the provisions of this Ordinance may be supplemented with the written consent of the Purchaser with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. Except as provided above, this Ordinance may be amended without receipt by the County of any additional consideration, but with the written consent of the holders of three-fourths (3/4ths) of the Bonds then outstanding (not including Bonds which may be held for the account of the County); but no ordinance adopted without the written consent of the holders of all outstanding Bonds shall have the effect of permitting:

- A. An extension of the maturity of any Bond; or
- B. A reduction of the principal amount or interest rate of any Bond; or
- C. A reduction of the principal amount of Bonds required for consent to such amendatory ordinance; or
- E. The establishment of priorities as between Bonds issued and outstanding under the provisions of this Ordinance; or
- F. The modification of or otherwise affecting the rights of the holders of less than all the outstanding Bonds.

Section 31. Defeasance. When all principal and interest in connection with the Bonds hereby authorized have been duly paid, the pledge and lien for the payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the

meaning of this Ordinance. Payment shall be deemed made with respect to any Bond or Bonds when the County has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities) to meet all requirements of principal and interest as the same become due to their final maturities. Any Federal Securities shall become due when needed in accordance with a schedule agreed upon between the County and such bank at the time of the creation of the escrow.

Section 32. Approval and Use of Preliminary Official Statement, Official Statement and Official Notice of Bond Sale. The Preliminary Official Statement and its use in the marketing and sale of the Bonds is hereby approved. The Chair of the Board of County Commissioners is authorized and directed to execute and deliver the Official Statement to the Purchaser. The County Manager, the County Treasurer, the County Finance Director, the County Assessor, and any other County officials and employees are hereby authorized to coordinate with the County's Bond Counsel and financial advisor in the preparation and distribution of the Preliminary Official Statement and the Official Notice of Bond Sale.

Section 33. Bond Insurance Provisions. If applicable, the Bond Insurer's provisions relating to the Bond Insurance Policy and the Reserve Insurance Policy shall be as set forth in the Pricing Certificate, which requirements and procedures set forth therein shall control and supersede any conflicting or inconsistent provision in this Ordinance. Any and all financial obligations of the County described in this Section 33 are limited to available Pledged Revenues.

Section 34. Ordinance Irrepealable. After any of the Bonds are issued, this Ordinance shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

Section 35. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 36. 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.

Section 37. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in the book of ordinances of the County kept for that purpose, authenticated by the signatures of the Chairperson and County Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 38 below) shall be published in a newspaper which maintains an office and is of general circulation in the County, or posted in accordance with law, and said Ordinance shall be in full force and effect thirty days after recording.

Section 38. Limitation of Action Period. After the passage of thirty (30) days from the publication required by Section 39 hereof, any action attacking the validity of any proceedings

had or taken by the County preliminary to and in the authorization and issuance of the Bonds shall be perpetually barred.

Section 39. 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 Ordinance shall be published in substantially the following form:

[Form of Summary of Ordinance for Publication]

Santa Fe County, New Mexico
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in County Ordinance No. 2017-___, duly adopted and approved by the Board of County Commissioners of Santa Fe County, New Mexico, on October 31, 2017, relating to the authorization and issuance of the County's Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the County Clerk, 102 Grant Avenue, Santa Fe, New Mexico.

The title of the Ordinance is:

AN ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF THE SANTA FE COUNTY, NEW MEXICO CAPITAL OUTLAY GROSS RECEIPTS TAX REFUNDING REVENUE BONDS, SERIES 2017, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$29,000,000 FOR PURPOSES OF DEFRAYING THE COSTS OF DEFEASING, REFUNDING, REFINANCING, DISCHARGING, AND PAYING THE PRINCIPAL OF AND ACCRUED INTEREST ON ALL OR A PORTION OF THE CALLABLE MATURITIES OF THE COUNTY'S CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2009, CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2010A, AND CAPITAL OUTLAY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2010B, AND PAYING THE COSTS OF ISSUANCE OF THE SERIES 2017 REFUNDING BONDS; DELEGATING AUTHORITY TO THE COUNTY MANAGER TO EXECUTE AND DELIVER A BOND PURCHASE AGREEMENT WHICH WILL SPECIFY THE EXACT PRINCIPAL AMOUNTS, MATURITIES, PRICES, REDEMPTION FEATURES, AND OTHER DETAILS OF THE SERIES 2017 REFUNDING BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE SERIES 2017 REFUNDING BONDS; PROVIDING THAT THE SERIES 2017 REFUNDING BONDS SHALL BE SPECIAL, LIMITED OBLIGATIONS, AND FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2017 REFUNDING BONDS FROM THE

DISTRIBUTIONS TO THE COUNTY OF THE REVENUES OF THE COUNTY CAPITAL OUTLAY GROSS RECEIPTS TAX (CONSISTING OF A ONE QUARTER OF ONE PERCENT (0.25%) INCREMENT ENACTED PURSUANT TO SECTION 7-20E-21 NMSA 1978) WHICH ARE DISTRIBUTED TO THE COUNTY BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO SECTION 7-1-6.13 NMSA 1978; PROVIDING FOR THE PLEDGE OF SUCH REVENUES BY THE COUNTY; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; AND REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE.

The title sets forth a general summary of the subject matter contained in the Ordinance. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

[End of Form of Summary for Publication]

PASSED, APPROVED, AND ADOPTED THIS 31ST DAY OF OCTOBER, 2017.

SANTA FE COUNTY, NEW MEXICO

[SEAL]

By: _____
Henry P. Roybal, Chairperson
Board of County Commissioners

ATTEST:

By: _____
Geraldine Salazar, County Clerk

APPROVED AS TO LEGAL FORM AND SUFFICIENCY:

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.
as Bond Counsel to Santa Fe County

By: _____
Peter Franklin, Shareholder

Commissioner _____ moved adoption of the foregoing ordinance, duly seconded by Commissioner _____.

The motion to adopt said ordinance, as amended, upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye: _____

Those Voting Nay: _____

Those Absent: _____

____ () Commissioners having voted in favor of said motion, the Chairperson declared said motion carried and said ordinance adopted, whereupon the Chairperson and County Clerk signed the ordinance upon the records of the minutes of the Board.

After consideration of the matters not relating to the ordinance, the meeting on motion duly made, seconded and unanimously carried, was adjourned.

SANTA FE COUNTY, NEW MEXICO

[SEAL]

By: _____
Henry P. Roybal, Chairperson
Board of County Commissioners

ATTEST:

By: _____
Geraldine Salazar, County Clerk

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Geraldine Salazar, the duly elected, qualified, and acting County Clerk of Santa Fe County, New Mexico (the "County"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of County Commissioners of Santa Fe County, New Mexico (the "Board"), constituting the governing board of the County, had and taken at a duly called regular, open meeting held in the County Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico, being the regular meeting place of the Board, on the 31st day of October, 2017, at the hour of 2:00 p.m. insofar as the same relate to the proposed bond issue, a copy of which is set forth in the official records of the proceedings of the County kept in my office.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of said meeting was given in accordance with the open meetings standards of the Board presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of October, 2017.

SANTA FE COUNTY, NEW MEXICO

[SEAL]

By: _____
County Clerk

EXHIBIT "A"

OFFICIAL NOTICE OF BOND SALE

\$29,000,000

**SANTA FE COUNTY, NEW MEXICO
Capital Outlay Gross Receipts Tax Refunding Revenue Bonds
Series 2017**

PUBLIC NOTICE IS HEREBY GIVEN that electronic bids will be received by the Board of County Commissioners (the "Board") of Santa Fe County, New Mexico (the "County"), for the purchase of all of the County's Gross Receipts Refunding Bonds, Series 2017 (the "2017 Bonds"), more particularly described below.

Bids for the purchase of the 2017 Bonds will be accepted through the Grant Street Group electronic bidding web site ("Grant Street Group") at www.grantstreet.com. No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

Bid Date: November __, 2017
Bid Time: Between 11:30 a.m. and 12:00 p.m. Eastern Time
(Between 9:30 a.m. and 10:00 a.m. Mountain Time)
Submit Bid to: www.grantstreet.com

Information related to this auction can be obtained from Grant Street Group Auction Support at (412) 391-5555 (x370), attention John Carver.

To bid, bidders must have both (1) completed the registration form on the Grant Street Group website and (2) requested and received admission to the County's auction, as described under "TERMS OF SALE - Submission of Bids" below. The use of Grant Street Group shall be at the bidder's risk and expense, and the County shall have no liability with respect thereto.

Neither the County, Grant Street Group, the Financial Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Grant Street Group time stamp will govern the receipt of all bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.

This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the 2017 Bonds. The information set forth herein is subject, in all respects, to a more complete description

of the 2017 Bonds and the security therefore set forth in the Preliminary Official Statement, dated November __, 2017 (the “Preliminary Official Statement”).

BOND DETAILS

The 2017 Bonds will be issued in the aggregate principal amount of \$29,000,000. The 2017 Bonds and the interest thereon are special, limited obligations of the County. The County has prepared the Preliminary Official Statement relating to the 2017 Bonds, which is deemed by the County to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission (“the Rule”), except for the omission of certain information as permitted by the Rule. Details of the 2017 Bonds, including maturities, redemption provisions, payment dates, and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment, and completion in a Final Official Statement.

Official Statement. The Preliminary Official Statement may be viewed and downloaded from www.grantstreet.com or a physical copy may be obtained by contacting the County’s Financial Advisor, see “Information” below.

The County will make available to the winning bidder, within seven business days after the award of the sale of the 2017 Bonds, the Final Official Statement which is to be downloaded from www.grantstreet.com. One physical copy of the Final Official Statement also will be provided to the winning bidder at that time; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

TERMS OF SALE

Submission of Bids. All bids must be submitted only by electronic bidding on Grant Street Group at www.grantstreet.com. No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the 2017 Bonds will begin at 11:30 a.m., Eastern Time (9:30 a.m. Mountain Time), as indicated above. The receipt of bids will end promptly at 12:00 p.m., Eastern Time (10:00 a.m. Mountain Time), unless extended in accordance with the two-minute rule described herein. If any bid becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by Grant Street Group. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

To bid, bidders must first visit the Grant Street Group website where, if they have not previously registered with Grant Street Group, they can register and then request admission to bid on the 2017 Bonds. Bidders will be notified prior to the scheduled bidding time of their

eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group may call (412) 391-5555, x 370, attention John Carver, for their ID Number or password.

Rules of Grant Street Group. Bidders must comply with, and all bids must be made in accordance with, the Rules of Grant Street Group in addition to the requirements of this Official Notice of Bond Sale. The Rules of Grant Street Group can be viewed on the Grant Street Group website and are incorporated herein by reference. In the event the Rules of Grant Street Group conflict with this Official Notice of Bond Sale, this Official Notice of Bond Sale shall prevail.

Bidding Parameters. Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the 2017 Bonds. Interest shall be bid in multiples of 1/20th or 1/8th percentum and only one interest rate may be bid for each maturity of the 2017 Bonds. The maximum interest rate may not exceed 5% and the maximum interest rate specified for any maturity of the 2017 Bonds may not exceed the minimum interest rate specified for any maturity of the 2017 Bonds by more than 3 percent (3%). The maximum net effective interest rate of the 2017 Bonds shall not exceed ten percent (10%) per annum. The underwriter's discount on the Bonds shall not exceed 1% of the aggregate principal amount of the Bonds. The final maturity of the Bonds shall not be later than June 1, 2030. The Bonds will not be sold for less than 100% of par.

Term Bonds. A bidder may elect to have all or a portion of the 2017 Bonds scheduled to mature in consecutive years issued as one or more term bonds ("Term Bonds") scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement; however, not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

Adjustment of principal amounts, modification, or clarification prior to examination of bids. The County Manager, in consultation with the County's financial and bond advisors, in the County Manager's sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the 2017 Bonds will be received, by issuing a notification of the adjusted series, amounts, modification, or clarification via Thomson Municipal News ("TM3") and/or Grant Street Group platform and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

Adjustments to principal amounts after determination of best bid. The aggregate principal amount of the 2017 Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the County Manager after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the County. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Katherine Miller at kmiller@santafecountynm.gov or such

other address as may be indicated by the County Manager within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the 2017 Bonds, the initial offering price of each maturity, the cost of bond insurance, if any, and the amount received from the sale of the 2017 Bonds to the public that will be retained by the Purchaser as its compensation.

The County Manager, in consultation with the County's financial and bond advisors, may change the dollar amount bid by the Purchaser if the aggregate principal amount of the 2017 Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The County Manager, in consultation with the County's financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the 2017 Bonds to the public and the price to be paid to the County, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the 2017 Bonds) does not increase or decrease from the amount of such compensation if no adjustment was made to principal amounts shown in the maturity schedule. The County will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. Mountain Time on the day of the sale and award of the 2017 Bonds. THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE COUNTY FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE 2017 BONDS.

Information Regarding Bids. Bidders may change and submit bids as many times as they wish during the bidding, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (i.e., "Leader," "Cover," "3rd," etc.).

Bids Constitute an Irrevocable Offer. Each bid submitted through Grant Street Group shall be deemed an irrevocable offer to purchase the 2017 Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

Basis of Award. The 2017 Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the 2017 Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2017 Bonds as of the date of sale, produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a semiannual interval for compounding.

The winning bid or bids will be indicated on Grant Street Group and the auction results, as posted on such website, will be subject to verification by the County. The County will verify the auction results immediately following the close of the bidding period and notice of confirmation by the County of the winning bidder or bidders will be made by a posting on Grant Street Group stating "Auction Results Verified and Confirmed".

An award may be made by the County to any bidder in a principal amount less than the principal amount of the 2017 Bonds for which the bid is submitted. Further, in the event of an award by the County for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Grant Street Group, shall be deemed to be the leading bid.

Sale Reservations. The County reserves the right (a) to reject any and all bids for any Bonds, (b) to reoffer any Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

Good Faith Deposit Not Required to Bid. A good faith deposit will not be required in connection with the submission of any bid for the 2017 Bonds. The winning bidder will be required to submit a Bid Award Deposit (see “Bid Award Deposit” below).

Bid Award Deposit. Not later than 12:00 p.m., Mountain Time on November __, 2017, the winning bidder is required to submit a Bid Award Deposit of \$580,000.00. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the County Manager and provided to the winning bidder after the sale of the 2017 Bonds.

No interest will be paid by the County on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the 2017 Bonds, or in the event of the failure of a winning bidder to take up and pay for the 2017 Bonds in compliance with the terms of the bid, at the option of the County, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages, or as security for any other remedy available to the County.

Manner and Time of Delivery. The 2017 Bonds will be delivered to DTC for the account of the winning bidder or bidders at the expense of the County on or about December 17, 2017, or such later date as the County and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the County.

Continuing Disclosure Undertaking. The County has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The County has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as may be disclosed in the Preliminary Official Statement.

State Securities Laws. The County has taken no action to qualify the offer or sale of the 2017 Bonds under the securities laws of any state. Should any such qualification be necessary, the County agrees to cooperate with the winning bidder in such matters, provided that the County reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

CUSIP Numbers. CUSIP numbers will be issued and printed on the 2017 Bonds at the expense of the County. Any error or omission in printing such numbers on the 2017 Bonds will not constitute cause for any winning bidder to refuse delivery of any Bond.

Legal Opinion, Certificates and Transcript. The validity and enforceability of the 2017 Bonds will be approved by the County's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The purchaser of the 2017 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

(a) a certificate of the County to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;

(b) a certificate of the County to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the 2017 Bonds as of the date of their delivery; and

(c) a certificate of the County to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2017 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Establishment of Issue Price (Hold-the-Offering Price Rule May Apply if Competitive Sale Requirements are Not Satisfied): The winning bidder shall assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County, and Bond Counsel. All actions to be taken by the County to establish the issue price of the Bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

(a) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(i) the County shall disseminate a Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(ii) all bidders shall have an equal opportunity to bid;

(iii) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(iv) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements described above in subparagraph (a) are not satisfied, the County shall so advise the winning bidder. The County may determine to treat (i) the first price at which 10% of each maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the County if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The County shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule during the Holding Period, as defined in subparagraph (d)(i) below. Bids will not be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.

(b) The County acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(c) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity

allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(d) The following terms are defined below:

(i) Hold-the-Offering-Price Maturity means a maturity of the Bonds of which less than 10% has been sold to the Public on the Sale Date.

(ii) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date, or (b) the date on which the winning bidder sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(iii) Maturity means Bonds with the same credit and payment terms. Bond with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(v) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is expected to be November 16, 2017.

(vi) Underwriter means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the to the Public).

Postponement of Sale. The County reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Grant Street Group prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2017 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2017 Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Grant Street Group at the time the sale date and time are announced, or in accordance with the section of this Official Notice of Bond Sale entitled ***Adjustment of principal amounts, modification, or clarification prior to examination of bids.***

Rating. A rating has been applied for to Standard and Poor's Ratings Services.

Information. Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the County and the 2017 Bonds may be obtained from:

Erik Harrigan, Director
RBC Capital Markets
6301 Uptown Blvd., Ste. 110
Albuquerque, NM 87110
Phone: (505) 872-5999
Fax: (505) 872-5979

The date of this Official Notice of Bond Sale is October 31, 2017.

SANTA FE COUNTY, NEW MEXICO

