

ORDINANCE NO. 06-01

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ROOSEVELT COUNTY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2006 IN THE PRINCIPAL AMOUNT OF \$3,375,000 FOR THE PURPOSE OF DEFRAYING THE COST OF CONSTRUCTING, PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS (WHICH MAY INCLUDE, BUT IS NOT NECESSARILY LIMITED TO, THE ROOSEVELT COUNTY DETENTION CENTER) OR PURCHASING OR IMPROVING GROUNDS RELATING THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND IMPROVING PARKING LOTS, OR ANY COMBINATION OF THE FOREGOING; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE REVENUE ATTRIBUTABLE TO THE FIRST 1/8TH OF 1% AND THE THIRD 1/8TH OF 1% OF THE COUNTY'S GROSS RECEIPTS TAX WHICH CURRENTLY ARE LEVIED PURSUANT TO ORDINANCE NO. 94-2 (ADOPTED MAY 31, 1994), ORDINANCE NO. 04-01 (ADOPTED JULY 6, 2004), AND THIS ORDINANCE AND PURSUANT TO SECTIONS 7-20E-1 THROUGH 7-20E-11, NMSA 1978 AS AMENDED AND SUPPLEMENTED; PROVIDING FOR MUNICIPAL BOND INSURANCE; PROVIDING FOR THE DISPOSITION OF THE RECEIPTS DERIVED FROM SAID TAX PROCEEDS; PRESCRIBING OTHER DETAILS CONCERNING SAID BONDS AND SAID TAX PROCEEDS, INCLUDING BUT NOT LIMITED TO COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH AND THE FORM, TERMS, CONDITIONS, AND MANNER OF EXECUTION OF SAID BONDS AND CONCERNING THE PROJECT; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AMENDING SECTION 4 OF ORDINANCE NO. 94-2 AND SECTION 4 OF ORDINANCE NO. 04-01; AND DECLARING AN EMERGENCY.

Capitalized terms in the following preambles have the same definitions as set forth in Section 1, unless the content provides otherwise.

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

(2) WHEREAS, pursuant to Sections 7-20E-1 through 7-20E-11, NMSA 1978, as amended and supplemented, the County is authorized to impose a County gross receipts tax (with certain specified exemptions) of up to 7/16th of 1% of the gross receipts of persons engaging in business within all of the County (with certain specified exemptions); and

(3) WHEREAS, pursuant to the predecessor and existing provisions of Sections 7-20E-1 and 7-20E-11, NMSA 1978, the Board on August 1, 1983 adopted an ordinance which subsequently has been amended and superseded by Ordinance No. 94-2 adopted



on May 31, 1994 and which imposes a County gross receipts tax of 1/8 of 1% of the gross receipts of persons engaging in business within the County (the "first one-eighth increment"); and

(4) WHEREAS, pursuant to the provisions of Sections 7-20E-1 through 7-20E-11, NMSA 1978, the Board on July 6, 2004 adopted Ordinance 04-01 which imposes an additional County gross receipts tax of 1/8 of 1% of the gross receipts of persons engaging in business within all of the County (the "third one-eighth increment"); and

(5) WHEREAS, all of the County's gross receipts taxes are collected by the Revenue Division of the New Mexico Taxation and Revenue Department, and are remitted to the County after minor deductions for administrative costs pursuant to Sections 7-1-6.13, 7-1-6.16 and 7-20E-7, NMSA 1978; and

(6) WHEREAS, Section 4-62-1B, NMSA 1978, permits the County to pledge to the payment of County's proposed Gross Receipts Tax Revenue Bonds, Series 2006, issued for the Project the amount of money received from the first one-eighth increment and third one-eighth increment, including the equalization distribution related to the first one-eighth increment, distributed to it pursuant to Sections 7-1-6.13 and 7-1-6.16, NMSA 1978, and attributable to the County gross receipts tax imposed pursuant to Section 7-20E-9A, NMSA 1978; and

(7) WHEREAS, the County intends to pledge revenues received from the imposition of the first one-eighth increment and third one-eighth increment as security for the payment of the Bonds herein authorized (the "Pledged Revenues" or "Pledged Gross Receipts Tax Revenues" as hereafter defined in Section 1 hereof); and

(8) WHEREAS, the Pledged Revenues have never been pledged or hypothecated to the payment of any obligations which remain outstanding and no other obligations are payable from the Pledged Revenues; and

(9) WHEREAS, the County has determined that there is an urgent need for the Project and that issuance of the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006" (the "Bonds" or "2006 Bonds") for the Project will benefit the County, and consequently will provide for the public health, peace, and safety of the County and its citizens; and

(10) WHEREAS, the Bonds herein authorized shall be issued pursuant to Sections 4-62-1 through 4-62-10, NMSA 1978, and with an irrevocable and valid lien on the Pledged Revenues; and

(11) WHEREAS, other than the Pledged Revenues, no tax revenues collected by the County will be pledged to the 2006 Bonds; and

(12) WHEREAS, after negotiation, the Board has determined and hereby determines that it is in the best interests of the County and its citizens that the Bonds be sold at negotiated sale to the Purchaser at a purchase price of par (\$3,375,000) plus a net reoffering premium of \$27,529.85 and less an underwriters discount of \$64,125 plus accrued interest (if any) to the delivery date pursuant to the Bond Purchase Agreement dated March 8, 2006,



between the Purchaser and the County ("Bond Purchase Agreement") and the Board hereby determines to sell, and hereby does sell such Bonds to the Purchaser pursuant to the Bond Purchase Agreement which is hereby accepted; and

(13) WHEREAS, Section 4-62-6C, NMSA 1978, provides as follows:

"C. Any law that authorized the pledge of any or all of the pledged revenues to the payment of any revenue bonds issued pursuant to Chapter 4, Article 62 NMSA 1978 or that affects the pledged revenues, or any law supplemental thereto or otherwise appertaining thereto, shall not be repealed or amended or otherwise modified in such a manner as to impair any outstanding revenue bonds, unless such outstanding revenue bonds have been discharged in full or provision has been fully made therefor"; and

(14) WHEREAS, there have been presented to the Board and there presently are on file with the County Clerk (a) the Bond Purchase Agreement, (b) the Preliminary Official Statement dated February 28, 2006 (the "Preliminary Official Statement") previously distributed by the Purchaser to prospective purchasers of the Bonds (c) the Continuing Disclosure Undertaking and (d) the Commitment from Ambac Assurance Corporation for the Municipal Bond Insurance Policy for the Bonds (the "Commitment"), each of which documents is incorporated by reference and considered to be a part hereof; and

(15) WHEREAS, the Board hereby determines that the Project to be acquired with the proceeds of the Bonds is a governmental purpose 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 to the date of delivery of the Bonds (the "Tax Code"), and the Board hereby further determines that neither the County nor any subordinate entity thereof reasonably expects to issue more than \$5,000,000 face amount of bonds or any other similar obligations during calendar year 2006.

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

Section 1. Definitions. The terms in this section defined for all purposes of this ordinance and of any ordinance amendatory hereof or supplemental hereto, or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication herein otherwise requires, shall have meanings herein specified:

"Acquisition Fund" means the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006 Acquisition Fund" created in Section 16.B.3. hereof.

"Ambac Assurance" means Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

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



"Bonds" or "2006 Bonds" means the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006," which are herein authorized.

"Bond Account" or "2006 Bond Account" means the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006, Interest and Bond Retirement Account", established in Section 18A hereof which is an account within the Income Fund.

"Bond Insurer" means Ambac Assurance.

"Bond Purchase Agreement" has the same meaning as such term has in preamble (12) hereof.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in Albuquerque, New Mexico are required or authorized to be closed.

"Commitment" means the commitment from Ambac Assurance to the County for the Municipal Bond Insurance as recited in preamble (14) hereof.

"Continuing Disclosure Undertaking" means the agreement of the County to provide certain annual financial information for the benefit of the owners of the Bonds and to be dated the date of issuance and delivery of the Bonds.

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

"Debt Service Coverage Ratio" has that meaning set forth in Section 18B hereof.

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

"Fiscal Year" for the purposes of this ordinance means the twelve months commencing on the first day of July of any calendar year and ending on the last day of June of the next calendar year; but it may mean any other 12-month period which any appropriate authority hereafter may establish.

"Income Fund" means the "Roosevelt County First and Third One-Eighth Gross Receipts Tax Income Fund" which is created in Section 18 hereof.

"Independent Accountant" means any registered or certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State of New Mexico, appointed and paid by the County, who (1) is, in fact, independent and not under the domination of the County, (2) does not have any substantial interest, direct or indirect, with the County, and (3) 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 which is a member of the Federal Deposit Insurance Corporation.

"Minimum Reserve" means \$255,657 which is to be funded only upon the occurrence of the event as provided in Section 18B hereof.

"Municipal Bond Insurance Policy" means the Financial Guaranty Insurance Policy issued by Ambac Assurance insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"Parity Lien Bonds" or "Parity Obligations" means bonds or other obligations payable from the Pledged Revenues hereafter issued with a lien on the Pledged Revenues on a parity with the Bonds.

"Paying Agent" means the County Treasurer (or successor in function) of Roosevelt County, in Portales, New Mexico, as agent for the County for the payment of the Bonds, the interest thereon.

"Permitted Investments" shall mean the following, but only if authorized by New Mexico law.

A. Permitted Investments for all purposes, except as limited by Section 25 hereof which relates to defeasance, means:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:

- U.S. treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration
- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association (GNMA)
- State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts means:

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
- Obligations of the Resolution Funding Corporation (REFCORP);
- Senior debt obligations of the Federal Home Loan Bank System; and
- Senior debt obligations of other Government Sponsored Agencies approved by Ambac Assurance.

(3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(7) Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P;

(8) Investment agreements approved in writing by Ambac Assurance (supported by appropriate opinions of counsel); and

(9) Other forms of investments (including repurchase agreements) approved in writing by Ambac Assurance.

C. The value of the above investments shall be determined as follows:

(1) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Paying Agent shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Citigroup Global Markets Inc., Bear Stearns, or Lehman Brothers.

(2) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and

(3) As to any investment not specified above: the value thereof established by prior agreement among the County, the Paying Agent and Ambac Assurance.

"Pledged Gross Receipts Tax Revenues" or "Pledged Revenues" means the amounts of money derived from (1) all of the revenue attributable to the first one-eighth of one percent increment of the County gross receipts tax transferred to the County pursuant to Section 7-1-6.13, NMSA 1978 and any distributions related to the first one-eighth of one percent made pursuant to Section 7-1-6.16, NMSA 1978 and Section 7-1-6.47, NMSA 1978, which County gross receipts tax is imposed on all persons



engaging in business in the County pursuant to Ordinance No. 94-2 adopted and approved on May 31, 1994 (amending and superseding an ordinance adopted on August 1, 1983), as amended hereby and as authorized by Sections 7-20E-1 through 7-20E-11, NMSA 1978, and (2) all the revenue attributable to the third one-eighth of one percent increment of the County gross receipts tax transferred to the County pursuant to Section 7-1-6.13, NMSA 1978 and any distributions related to the third one-eighth of one percent made pursuant to Section 7-1-6.47, NMSA 1978, which County gross receipts tax is imposed on all persons engaging in business in the County pursuant to Ordinance 04-01 adopted and approved on July 6, 2004, as amended hereby and as authorized by Sections 7-20E-1 through 7-20E-11, NMSA 1978, (a) which taxes equal, subject to the exemptions specified in Section 7-20E-5, NMSA 1978 and the exemptions and deductions referred to in Section 7-20E-7, NMSA 1978, two-eighths of one percent of the gross receipts of all persons engaging in business in the County for the privilege of engaging in business in the County, and (b) which amounts are collected and, after any deductions for administrative costs, any additional administrative fee and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15, NMSA 1978, are distributed monthly (together with the balance of the County's gross receipts tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Sections 7-1-6.13 and 7-1-6.16 NMSA 1978 (provided that "Pledged County Gross Receipts Tax Revenues" does not include and the County is not pledging to the Bonds any of such County gross receipts tax revenues received pursuant to such Sections 7-1-6.13 and 7-1-6.16, NMSA 1978, which exceed the aforesaid, and does not include any gross receipts or excise tax revenues received pursuant to any other statute).

"Project" means constructing, purchasing, furnishing, equipping, rehabilitating, making additions to or making improvements to one or more public buildings (which may include, but is not necessarily limited to the Roosevelt County detention facility) or purchasing or improving ground relating thereto, including but not necessarily limited to acquiring and improving parking lots, or any combination of the foregoing, and all costs incidental to the foregoing and the issuance of the Bonds.

"Purchaser" means RBC Dain Rauscher Inc., doing business as RBC Capital Markets, Albuquerque, New Mexico.

"Registrar" means the County Treasurer (or successor in function) of Roosevelt County, in Portales, New Mexico, as registrar and transfer agent for the Bonds.

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

"Reserve Account" or "2006 Reserve Account" means the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006, Reserve Account", created in Section 18B hereof, which is an account within the Income Fund.



"Series Date" means the date of initial issuance and delivery of the Bonds.

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

"Tax Code" means the Internal Revenue Code of 1986, as amended to the original date of delivery of the Bonds.

Section 2. Ratification. All action heretofore taken (not inconsistent with the express provisions of this ordinance) by the Board and officers of the County directed toward the Project, the enactment of Ordinances Nos. 94-2 and 04-01 and toward the authorization, sale and issuance of the Bonds to the Purchaser herein authorized (including but not necessarily limited to the prior distribution of the Preliminary Official Statement) be, and the same hereby is ratified, approved and confirmed.

Section 3. Authorization of Project. The Project is hereby authorized at a total cost of \$3,375,000 and the necessity thereof is hereby so declared, excluding any such cost defrayed or to be defrayed by any source other than the Bonds.

Section 4. Authorization of Bonds. For the purpose of protecting the public health, conserving the property and advancing the general welfare of the citizens of the County, and for the purpose of defraying the cost of the Project, it is hereby declared that the interest or necessity of the County and the inhabitants thereof demand the issuance by said County of its fully registered (*i.e.*, registered as to payment of both principal and interest) revenue bonds without coupons to be designated "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006," in the aggregate principal amount of \$3,375,000 to be payable and collectible, both as to principal and interest, solely from the Pledged Revenues and constituting special obligations of the County.

Section 5. Bond Details.

A. Basic Details. The Bonds shall be dated as of Series Date, 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), numbered consecutively from 1 upwards, shall bear interest from the Series Date until maturity at the rates hereinafter designated payable on December 1, 2006 and semiannually thereafter on June 1 and December 1 in each year, and shall mature on June 1 in each of the years hereinafter designated, as follows:

<u>Amounts</u> <u>Maturing</u>	<u>Interest Rate</u> <u>(Per Annum)</u>	<u>Years</u> <u>Maturing</u>
\$ 95,000	3.750%	2007
120,000	3.750%	2008
125,000	3.750%	2009
130,000	3.750%	2010
130,000	3.750%	2011
135,000	4.000%	2012
450,000	4.000%	2015
330,000	4.250%	2017
355,000	4.250%	2019
190,000	4.000%	2020
195,000	4.100%	2021
205,000	4.150%	2022
215,000	4.200%	2023
225,000	4.250%	2024
230,000	4.300%	2025
245,000	4.350%	2026

provided, however, the individual Bonds shall bear interest from the most recent interest payment date to which interest has been fully paid or duly provided for in full or, if no interest has been paid, from the Series Date.

B. Payment-Regular Record Date. The principal of any Bond shall be payable to the registered owner thereof as shown on the registration books kept by Registrar which is hereby appointed as registrar (and transfer agent) for the Bonds, upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent which also is hereby appointed as the paying agent for the Bonds. If any Bond shall not be paid upon such presentation and surrender at or after maturity or on a designated prior redemption date on which the County may have exercised its right to prior redeem any Bond pursuant to Section 6 hereof, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the registered owner thereof as of the Regular Record Date (as herein defined) by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof on the Regular Record Date at his address as it last appears on the registration books kept by the Registrar on the Regular Record Date (or by such other arrangement as may be mutually agreed to by the Paying Agent and any registered owner on such Regular Record Date). All such payments shall be made in lawful money of the United States of America. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Regular Record Date and prior to such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name any Bond is registered at the

close of business on a Special Record Date fixed by the Registrar for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for defaulted interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of a date selected by the Registrar, stating the Special Record Date and the date fixed for the payment of such defaulted interest.

Section 6. Prior Redemption.

A. Optional Prior Redemption. Bonds maturing on and after June 1, 2017, are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after June 1, 2016, in whole or in part at any time, in such order of maturities as the County may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as the Registrar shall consider appropriate and fair), for the principal amount of each \$5,000 unit so redeemed, accrued interest thereon to the redemption date.

B. Sinking Fund Redemption. The Bonds maturing on June 1, 2015, June 1, 2017 and June 1, 2019 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. As and for a sinking fund for the redemption of the Bonds maturing on June 1, 2015, the County shall cause to be deposited in the Bond Account a sum which is sufficient to redeem and there shall be redeemed (after credit as provided below) on the following dates the following principal amounts of such Bonds maturing on June 1, 2015:

<u>June 1 of the Year</u>	<u>Principal Amount</u>
2013	\$145,000
2014	150,000
2015 (Maturity)	155,000

As and for a sinking fund for the redemption of the Bonds maturing on June 1, 2017, the County shall cause to be deposited in the Bond Account a sum which is sufficient to redeem and there shall be redeemed (after credit as provided below) on the following dates the following principal amounts of such Bonds maturing on June 1, 2017:

<u>June 1 of the Year</u>	<u>Principal Amount</u>
2016	\$160,000
2017 (Maturity)	170,000

As and for a sinking fund for the redemption of the Bonds maturing on June 1, 2019, the County shall cause to be deposited in the Bond Account a sum which is sufficient to

redeem and there shall be redeemed (after credit as provided below) on the following dates the following principal amounts of such Bonds maturing on June 1, 2019.

<u>June 1 of the Year</u>	<u>Principal Amount</u>
2018	\$175,000
2019 (Maturity)	180,000

On or before the fortieth day prior to the sinking fund redemption date, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar shall deem equitable and fair) from all Bonds outstanding maturing on June 1, 2015, June 1, 2017 or June 1, 2019, whichever is applicable, \$5,000 units of such Bonds equal in the aggregate to the total principal amount of such Bonds redeemable with the required sinking fund payment, and shall call such Bonds, or portions thereof, for redemption from the sinking fund on the next June 1, and give notice of such call, as provided below. At the option of the County to be exercised by delivery of a written certificate to the Registrar on or before the forty-fifth day next preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Bonds maturing on June 1, 2015, June 1, 2017 or June 1, 2019, whichever is applicable, or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the County or (ii) specify a principal amount of Bonds maturing on June 1, 2015, June 1, 2017 or June 1, 2019, whichever is applicable, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the County on such sinking fund redemption date and any excess over such amount shall be credited against future sinking fund redemption obligations for the Bonds of such maturity in chronological order or any other order specified by the County. In the event the County shall avail itself of the provisions of clause (i) of the second sentence of this paragraph, the certificate required by the second sentence of this paragraph shall be accompanied by the Bonds or portions thereof to be cancelled.

C. Notice by County. At least 60 days prior to any date selected by the County for optional prior redemption of any of the Bonds (unless waived by the Paying Agent/Registrar), the County shall give written instructions to the Registrar with respect to optional prior redemption, pursuant to paragraph A of this Section, unless waived by the Registrar. The provisions of the preceding sentence shall not apply to the redemption of Bonds pursuant to sinking fund redemption as provided by paragraph B of this Section which shall be called for redemption by the Registrar as provided in paragraph D without any additional action by the County. Notice of redemption shall be given by the County by sending a copy of such notice by registered or certified first-class, postage prepaid mail, not less than thirty days prior to the redemption date to the Purchaser and if the Registrar is not the Paying Agent, to the Paying Agent.



D. Notice by Registrar. Notice of prior redemption shall be given by the Registrar by delivery or by sending a copy of such notice by registered or certified first-class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to each registered owner as shown on the registration books kept by the Registrar as of the date of selection of units of principal for redemption. The Registrar shall not be required to give notice of any optional prior redemption pursuant to paragraph A of this Section unless it has received written instructions from the County in regard thereto at least 45 days prior to such redemption date or unless it waives such 60 day written instructions requirement. Failure to give such notice by mailing to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any of the Bonds.

E. Other Redemption Details. The notice required by paragraph D of this Section shall specify the number or numbers of the Bond or Bonds or portions thereof to be so redeemed if less than all are to be redeemed (provided that inclusion of the number or numbers or such Bonds to be redeemed is not necessary with respect to the instructions prescribed in paragraph C hereof); and all notices required by paragraph D of this Section shall specify the date fixed for redemption, and shall further state that on such redemption date there will become and be due and payable upon each \$5,000 unit of principal so to be redeemed at the Paying Agent the principal thereof and that from and after such date interest will cease to accrue. Notwithstanding the provisions of this section, any notice of optional prior redemption pursuant to paragraph A shall either (1) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the registered owner of the Bonds called for redemption in the same manner as the original redemption notice was mailed, or (2) be given only if funds sufficient to pay the redemption price of the Bonds so called for redemption are on deposit with the Paying Agent in the applicable fund or account. Accrued interest to the redemption date will be paid by check or draft mailed to the registered owner (or by alternative means if so agreed to by the Paying Agent and the registered owner). Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the Paying Agent, the County will pay the Bond or Bonds so called for redemption. In the event that only a portion of the principal amount of a Bond is so redeemed, a new Bond representing the unredeemed principal shall be duly completed, authenticated and delivered by the Registrar to the registered owner pursuant to Section 9 hereof and without charge to the registered owner thereof.

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



Section 8. Execution.

A. Filing Manual Signatures. Prior to the execution and authentication of any Bond by facsimile signatures pursuant to Sections 6-9-1 through 6-9-6, both inclusive, NMSA 1978, the Chairman and County Clerk shall each forthwith file with the Secretary of State of New Mexico, his or her manual signature certified by him or her under oath; provided, that such filing shall not be necessary for any officer where any previous such filing may have legal application to the Bonds.

B. Method of Execution. Each Bond of said issue shall be signed and executed by the manual or facsimile signature of the Chairman and executed and attested with the manual or facsimile signature of the County Clerk; the official seal of the County or a printed, stamped, engraved or an otherwise reproduced facsimile thereof, shall be affixed to each Bond; and each Bond shall be authenticated by the manual signature by an authorized officer of the Registrar as hereafter provided. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the authorization thereof shall be the valid and binding obligations of the County (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. If facsimile signatures are used, the Chairman and County Clerk shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the manual or facsimile signature thereof appearing on the Bonds; and, at the time of the execution of said signature certificate, said Chairman and County Clerk may each adopt as and for his or her facsimile signature the manual or facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds.

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

Section 9. Provisions Relating to Registration, Transfer, Exchange, Replacement and Cancellation of and Registration Records for the Bonds.

A. Registration Books - Transfer and Exchange Authentication. Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bonds at the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of



Bonds of the same maturity of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. Times When Transfer or Exchange Not Required. The Registrar shall not be required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period of fifteen days next preceding the mailing of notice to the registered owners calling any Bonds for prior redemption pursuant to Section 6B hereof or (2) to transfer or exchange all or a portion of a Bond after the mailing to registered owners of notice calling such Bond or portion thereof for prior redemption.

C. Payment - Registered Owners. The person in whose name any Bond shall be 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 as is provided in Section 5 B thereof; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Replacement Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, 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.

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

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



Section 10. Depository for the Bonds.

A. Procedures Relating to Registration and Depository.

Notwithstanding the foregoing provisions of Sections 5 through 9 hereof, the Bonds shall initially be evidenced by one Bond for each stated maturity in a denomination equal to the aggregate principal amount of such maturity for the Bonds. Such initially delivered Bond shall be registered in the name of "Cede & Co.," as nominee for The Depository Trust Company, New York, New York, the depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

1. To any successor of The Depository Trust Company, or any nominee of such successor, upon the merger, consolidation, sale of substantially all of the assets or other reorganization of The Depository Trust Company, or its successor, which successor of The Depository Trust Company must be both a "clearing corporation" as defined in Section 55-8-102(3), NMSA 1978, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended;

2. To any new depository (a) upon the resignation of (i) The Depository Trust Company or a successor or new depository pursuant to clause 1 hereof or (ii) any new depository under this clause 2 or (b) upon a determination by the County that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions and the designation by the County of another depository institution acceptable to the depository then holding the Bond or Bonds which new depository institution must be both a "clearing corporation" as defined in Section 55-8-102(3), NMSA 1978, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

3. To any registered owner as specified in the transfer instructions in Subsection B hereof (a)(i) upon the resignation of The Depository Trust Company or any successor depository under clause 1 hereof or of any new depository under clause 2 hereof or (ii) upon a determination by the County that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions or (iii) upon a determination of the County that continuation of the book-entry only transfers through The Depository Trust Company or such successor or new depository is not in the best interests of the beneficial owners of the Bonds or the County and (b) upon the failure by the County, after reasonable investigation, to locate another qualified depository institution under clause 2 to carry out the functions of The Depository Trust Company or such successor or new depository.

B. Procedures Relating to New Bonds. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause 1 of Subsection A hereof or in the case of the designation of a new depository pursuant to clause 2 of Subsection A hereof, upon receipt of the outstanding Bond or Bonds by the



Registrar together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause 3 of Subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause 3 of Subsection A hereof, and upon receipt of the outstanding Bond by the Registrar together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 5 hereof, registered in the names of such persons, and in such denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 30 days from the date of receipt of such written transfer instructions.

C. Responsibilities of the County and Registrar. The County and the Registrar shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for any purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them, and the County and the Registrar shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to Subsection A hereof.

D. Cooperation of the County and Registrar. The County and the Registrar shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause 1 or 2 of Subsection A hereof in effectuating payment of principal of and interest on the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Partial Redemption. Upon any partial redemption of any maturity of the Bonds, Cede & Co., (or its successor) in its discretion may request the County to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Registrar prior to payment.

Section 11. 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 \$10,000,000. It shall not be required that the same institution serve 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. Notice of



resignation of the Registrar or Paying Agent and of the appointment of a successor Registrar or Paying Agent shall be given to Ambac Assurance as provided in Section 33J hereof.

Section 12. Special Obligations. All of the Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Pledged Revenues, which are irrevocably so pledged; the registered owner or owners thereof may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor; and the Bonds shall not constitute an indebtedness or a debt within the meaning of any constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the County; and each of the Bonds herein authorized to be issued shall recite on its face that it is payable and collectible solely from the Pledged Revenues, the income from which is so pledged, and that the registered owner thereof may not look to any general or other fund for the payment of principal and interest on, and prior redemption premium due in connection with, the Bonds.

Section 13. Forms of Bonds, Certificate of Authentication, Assignment and Legal Opinion Certificate. The Bonds, Registrar's Certificate of Authentication, Form of Assignment and the Legal Opinion Certificate shall be in substantially the following forms (provided that any of the text on the face of the Bond may, with appropriate reference, be printed on the back of the Bond):



(Form of Bond)

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
ROOSEVELT COUNTY

No. ____

\$ _____

GROSS RECEIPTS TAX REVENUE BONDS
SERIES 2006

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>SERIES DATE</u>	<u>CUSIP</u>
____ % per annum	June 1, ____		

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Roosevelt County (herein "County"), in the State of New Mexico, for value received, hereby promises to pay upon presentation and surrender of this bond, solely from the special funds provided therefor as hereinafter set forth, to the registered owner named above, or registered assigns, on the Maturity Date specified above (unless this bond, if subject to prior redemption, shall have been called for prior redemption in which case on such redemption date), upon the presentation and surrender hereof at the Office of the County Treasurer (or successor in function) of Roosevelt County, in Portales, New Mexico, or successor (herein the "Paying Agent"), the Principal Amount stated above, in lawful money of the United States of America, and to pay to the registered owner hereof as of the Regular Record Date (being the 15th day of the calendar month [whether or not a business day] preceding each regularly scheduled interest payment date as defined in the Bond Ordinance No. 06-01 as ratified by Resolution No. 06-07, both adopted March 8, 2006, which authorizes this bond and which together are referred to herein as the "Bond Ordinance"), by check or draft mailed to such registered owner, on or before each interest payment date as hereinafter provided (or, if such interest payment date is not a business day, on or before the next succeeding business day), at his address as it last appears on the Regular Record Date on the registration books kept for that purpose by the County Treasurer (or successor in function) of Roosevelt County, in Portales, New Mexico, as registrar (*i.e.*, transfer agent) for the bonds, or successor (herein the "Registrar") or by such other arrangement as may be agreed to by the Paying Agent and the registered owner hereof, interest on said sum in lawful money of the United States of America from the Series Date specified above or the most recent interest payment date to which interest has been fully paid or duly provided for in full (as more fully provided in the Bond Ordinance) until maturity at the per annum Interest Rate specified above, payable on December 1, 2006 and semiannually thereafter on June 1 and December 1 in each year. Any such interest not so timely paid or duly provided for shall cease to be payable to the registered owner as of the Regular Record Date and shall be payable to the

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

The bonds of the series of which this bond is a part maturing on and after June 1, 2017, are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after June 1, 2016, in whole or in part at any time, in such order of maturities as the County may determine (and by lot within a maturity if less than all of the bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as the Registrar shall consider appropriate and fair) for the principal amount of each \$5,000 of principal so redeemed and accrued interest to the redemption date. Additionally, the bonds of the series of which this bond is one maturing on June 1, 2015, June 1, 2017 and June 1, 2019, are subject to redemption by lot in such manner as the Registrar may determine pursuant to the terms of the mandatory sinking fund provided in the Bond Ordinance at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, all as further provided in the Bond Ordinance. Redemption shall be made upon prior mailed notice to each registered owner of each bond selected for redemption as shown on the registration books kept by the Registrar in the manner and upon the conditions provided in the Bond Ordinance.

FOR PURPOSES OF SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED TO THE DATE OF ORIGINAL DELIVERY OF THIS BOND THE COUNTY HAS DESIGNATED THIS BOND AS A QUALIFIED TAX EXEMPT OBLIGATION.

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

This bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration books kept by the Registrar upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon such transfer a new fully registered bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this bond, subject to such terms and conditions as set forth in the Bond Ordinance. The County and the Registrar and Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of making payment and for all other purposes.



The bonds of the series of which this is one are not transferable or exchangeable, except as set forth in the Bond Ordinance.

Upon any partial prior redemption of this bond, Cede & Co., in its discretion, may request the Registrar to authenticate a new bond or shall make an appropriate notation on this bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this bond must be presented to the Paying Agent prior to payment.

The Registrar shall not be required (1) to transfer or exchange all or a portion of any bond subject to optional prior redemption during the period of fifteen days next preceding the mailing of notice to the registered owners calling any bonds for prior redemption pursuant to the bond Ordinance or (2) to transfer or exchange all or a portion of a bond after the mailing to registered owners of notice calling such bond or portion thereof for prior redemption.

This bond is one of a series of bonds designated "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006," of like tenor and date, except as to interest rate, number and maturity, authorized for the purpose of constructing, purchasing, furnishing, equipping, rehabilitating, making additions to or making improvements to one or more public buildings (which may include, but is not necessarily limited to the Roosevelt County detention facility) or purchasing or improving ground relating thereto, including but not necessarily limited to acquiring and improving parking lots, or any combination of the foregoing, and paying all costs incidental to the foregoing and the issuance of the Bonds, as provided in the Bond Ordinance.

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

This bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the County, and is payable and collectible solely from the "Pledged Revenues" which constitute the amounts of money derived from (1) all of the revenue attributable to the first one-eighth of one percent increment of the County gross receipts tax transferred to the County pursuant to Section 7-1-6.13, NMSA 1978 and any distributions related to the first one-eighth of one percent made pursuant to Section 7-1-6.16, NMSA 1978 and Section 7-1-6.47, NMSA 1978, which County gross receipts tax is imposed on all persons engaging in business in the County pursuant to Ordinance No. 94-2 adopted and approved on May 31, 1994 (amending and superseding an ordinance adopted on August 1, 1983), as amended by the Bond Ordinance, and as authorized by Sections 7-20E-1 through 7-20E-11, NMSA 1978, and (2) all of the revenue attributable to the third one-eighth of one percent increment of the County gross receipts tax transferred to the County pursuant to Section 7-1-6.13, NMSA 1978, and any distributions related to the third one-eighth of one percent made pursuant to Section 7-1-6.47, NMSA 1978 which County gross receipts tax is imposed on all persons engaging in business in the County pursuant to Ordinance No. 04-01 adopted and approved on July 6, 2004, as amended by the Bond Ordinance and as authorized by Sections 7-20E-1 through 7-20E-11, NMSA 1978 (a) which taxes equal, subject to the exemptions specified in Section 7-20E-5, NMSA 1978 and the exemptions and deductions referred to in Section 7-20E-7, NMSA 1978, two-eighths of one percent of the gross receipts of all persons engaging in business in the

County for the privilege of engaging in business in the County and (b) which amounts are collected and, after any deductions for administrative costs, any additional administrative fee and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15, NMSA 1978, are distributed monthly (together with the balance of the County's gross receipts tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Sections 7-1-6.13 and 7-1-6.16 NMSA 1978 (provided that "Pledged Revenues" does not include and the County is not pledging to the Bonds any of such County gross receipts received pursuant to such Sections 7-1-6.13 and 7-1-6.16, NMSA, 1978, which exceeds the aforesaid, and does not include any gross receipts or excise tax revenues received pursuant to any other statute); and the registered owner may not look to any general or other fund for the payment of the principal of, premium, if any, or interest on, this bond except 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, two special accounts identified as the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006, Interest and Bond Retirement Account" (the "Bond Account") and the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006, Reserve Account" ("the Reserve Account") into which accounts the County covenants to pay from the Pledged Revenues, sums sufficient to pay when due the principal of and the interest on the bonds and to create (except to the extent created from other funds) and maintain a reasonable and specified reserve for such purpose, provided that such Reserve Account is to be funded only upon the occurrence of the event provided in Section 18B of the Bond Ordinance, and from monthly accumulations of the Pledged Revenues. Reference is made to said Bond Ordinance for a description of said fund and accounts and the nature and extent of the security afforded thereby for the payment of the principal of any prior redemption premium in connection with 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 valid lien upon the Pledged Revenues. Additional obligations may be issued and made payable from the Pledged Revenues and having a lien thereon inferior and junior to the lien, or, subject to designated conditions, having a lien thereon on a parity with the lien of the bonds of the series of which this bond is a part, in accordance with the provisions of the Bond Ordinance.

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

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

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the Board of County Commissioners and officers of the County in the issue of this bond; and that it is issued pursuant to and in strict conformity with the Constitution and laws of the State of New Mexico, and particularly the terms and provisions of

Sections 4-62-1 through 4-62-10, NMSA 1978, as amended, and all laws thereunto enabling and supplemental thereto.

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

IN WITNESS WHEREOF, Roosevelt County has caused this bond to be signed, subscribed, and executed, and attested with the manual or facsimile signatures of the Chairman of the Board of County Commissioners and its County Clerk and has caused its corporate seal to be affixed hereon either manually or by facsimile all as of the Series Date.

(Manual or Facsimile Signature)

Chairman

(MANUAL OR FACSIMILE SEAL)

Attest: _____
(Manual or Facsimile Signature)
County Clerk

- _____
- * Insert only if Bonds are not initially delivered to The Depository Trust Company pursuant to the Bond Ordinance.
 - ** Insert only if Bonds are initially delivered to the Depository Trust Company pursuant to the Bond Ordinance.

(End of Form of Bond)

Note: The appropriate reference on the face of the Bond may be substantially as follows:

“Reference is hereby made to the further provisions of this bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.”



132715 03/08/2006 04:44P BK148 PG920 MISC
23 of 50 R 0.00 Roosevelt Cty NM E. Janet Collin

(Form of Registrar's Certificate of Authentication)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

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

COUNTY TREASURER (OR SUCCESSOR
IN FUNCTION) OF ROOSEVELT COUNTY
Portales, New Mexico
as Registrar

By: _____
Authorized Officer

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



132715 03/08/2006 04:44P BK148 PG921 MISC
24 of 50 R 0.00 Roosevelt Cty NM E. Janet Collin

**(Form of Prepayment Panel)

The following installments of principal (or portion thereof) of this Bond have been prepaid by the County, in accordance with the terms of the Bond Ordinance authorizing the issuance of this Bond.

<u>Date of</u> <u>Prepayment</u>	<u>Principal</u> <u>Prepaid</u>	<u>Signature of</u> <u>Authorized</u> <u>Representative of the Depository</u>

(End of Form of Prepayment Panel)**

132715 03/08/2006 04:44P BK148 PG922 MISC
25 of 50 R 0.00 Roosevelt Cty NM E. Janet Collins

(Form of Assignment)

ASSIGNMENT

For value received, _____ hereby sells, assigns and transfers
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.

Dated: _____

Signature Guaranteed:

Name and Address of Transferee

Social Security Number or
other Tax Identification Number

NOTE: The 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. The signature must be guaranteed by an eligible guarantor institution as defined in 17 C.F.R. § 240.17 Ad-15(a)(2).

(End of Form of Assignment)



132715 03/08/2006 04:44P BK148 PG923 MISC
26 of 50 R 0.00 Roosevelt Cty NM E. Janet Collin

(Form of Legal Opinion Certificate)

STATE OF NEW MEXICO)
) SS. LEGAL OPINION CERTIFICATE
COUNTY OF ROOSEVELT)

I, the County Clerk of Roosevelt County, in the State of New Mexico, do hereby certify that the following approving legal opinion of Sherman & Howard L.L.C., Attorneys at Law, Denver, Colorado, to wit:

(Attorneys' approving opinion was inserted in submargins,
including complimentary closing and "/s/ Sherman & Howard
L.L.C.")

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

IN WITNESS WHEREOF, I have caused to be hereunto set my manual or facsimile signature and having affixed hereto a manual or facsimile impression of the official seal of the County of Roosevelt.

(Manual or Facsimile Signature)

County Clerk
Roosevelt County, New Mexico

(MANUAL OR FACSIMILE SEAL)

132715 03/08/2006 04:44P BK148 PG924 MISC
27 of 50 R 0.00 Roosevelt Cty NM E. Janet Collin

Section 14. Designation as Tax-Exempt Obligation. For the purposes of Section 265(b)(3)(B) of the Tax Code, the County hereby designates the Bonds as qualified tax-exempt obligations.

Section 15. Sale and Delivery of Bonds; Approval of Documents. The County hereby agrees to sell the Bonds to the Purchaser in accordance with the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement, the Preliminary Official Statement, the Continuing Disclosure Undertaking and the Commitment from Ambac Assurance, in the forms heretofore on file with the County Clerk and presented at this meeting, are in all respects approved, authorized and confirmed. The information in the Preliminary Official Statement was "deemed final by the County as of its date for purposes within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934 except for omission of information described in paragraph (b)(1) of such rule 15c2-12. The Chairman of the Board is authorized and directed to execute, and the County Clerk is authorized and directed to affix the seal of the County to and attest, the Bond Purchase Agreement, the Continuing Disclosure Undertaking, the Commitment from Ambac Assurance (if applicable), the Preliminary Official Statement, and the final Official Statement in substantially the same form as the Preliminary Official Statement with such changes therein as are not inconsistent with this ordinance and as shall be approved by the Chairman of the Board, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions thereof from the form now before this meeting. From and after the execution and delivery of the Bond Purchase Agreement and the Continuing Disclosure Undertaking, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed. The use and distribution of the Preliminary Official Statement and the Official Statement in connection with the sale of the Bonds to the public are hereby authorized and acknowledged.

Section 16. Delivery of Bonds, Disposition of Proceeds and Initial Registration, and Use of Other Legally Available Funds.

A. Delivery to Purchaser; Registration. When the Bonds have been duly executed, authenticated, registered and sold, the County Treasurer shall deliver them to the Depository Trust Company on behalf of the Purchaser on receipt of the agreed purchase price unless otherwise provided in writing by the Purchaser. The Registrar shall initially register the Bonds in the name of "Cede & Co."

B. Disposition of Proceeds. The proceeds of the Bonds (net of the total discount, including underwriting discount, certain costs of issuance and original issue discount), promptly upon receipt thereof, will be deposited and applied by the County in the following manner and priority:

1. Accrued Interest. First, all moneys received as accrued interest from the sale of the Bonds shall be deposited into the Bond Account, to be applied to the payment of interest next due on the Bonds.

2. Municipal Bond Insurance Premium. Second, but only if not paid by the Purchaser, such amount of the proceeds of the Bonds (immediately upon issuance of the Bonds) shall be used to pay (simultaneously with the issuance of the Bonds) the required municipal bond insurance premium to Ambac Assurance for the Municipal Bond Insurance Policy.

3. Acquisition Fund. Third, the remaining proceeds derived from the sale of the Bonds shall be deposited promptly upon the receipt thereof into a separate account hereby created which shall be known as the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006 Acquisition Fund" (the "Acquisition Fund"). The moneys in the Acquisition Fund shall be used solely for the Project, except that after the Project is completed, any money remaining in the Acquisition Fund shall be credited to the Bond Account.

C. Use 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 purpose of acquiring the Project.

Section 17. Purchaser Not Responsible. The validity of the Bonds is not dependent on nor affected by the validity or regularity of any proceedings related to the completion of the Project. The Purchaser of the Bonds, and any subsequent owner of any Bonds, shall in no manner be responsible for the application or disposal by the County or by any officer or any employee or other agent of the County of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 18. Income Fund and Administration of Income Fund. So long as any of the Bonds shall be outstanding, either as to principal or interest, or both, the Pledged Revenues shall be set aside and deposited monthly into a separate fund (which shall be a segregated account) hereby created and to be known as the "Roosevelt County First and Third One-Eighth Gross Receipts Tax Income Fund" (the "Income Fund") which constitutes a special bond fund as required by Section 4-62-1B, NMSA 1978. So long as any of the 2006 Bonds shall be outstanding, either as to principal or interest or both, the following payments shall be made from the Income Fund:

A. Bond Account Payments. First, as a first charge on the Income Fund, and on a parity with any periodic deposits for payment of principal of and interest on any additional Parity Obligations hereafter issued, there shall be continuously credited to a separate account hereby created and to be known as the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006, Interest and Bond Retirement Account" (herein, the "Bond Account" or the "2006 Bond Account"), the following:

1. Monthly, commencing on the first day of the first month following the delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the next maturing installment of interest on the Bonds then outstanding and monthly thereafter on the first day of each month commencing on said interest

payment date, one-sixth (1/6th) of the amount necessary to pay the next maturing installment of interest on the outstanding Bonds.

2. Monthly, commencing on the first day of the first month following delivery of the Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the next maturing installment of principal on the outstanding Bonds and monthly thereafter on the first day of each month commencing on said principal payment date, one-twelfth (1/12th) of the amount necessary to pay the next maturing installment of principal on the Bonds.

Nothing herein shall prevent the County, in its discretion, from making any of the foregoing deposits from other legally available funds. If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraph (1) or (2) (whichever is applicable) of this paragraph, may be appropriately reduced and the required annual or semiannual amounts again shall be so credited to such account commencing on such interest payment date or principal payment date (whichever is applicable). The moneys in the Bond Account are irrevocably and exclusively pledged to the payment of principal of and interest on the Bonds. This ordinance creates a lien on the Bond Account.

B. Reserve Account Payments. There is created a separate account to be known as the "Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006, Reserve Account" (herein "Reserve Account" or "2006 Reserve Account"). The County Treasurer or successor, on or before the 150th day after the close of each Fiscal Year, shall determine the ratio of coverage of Pledged Revenues to the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on the outstanding Bonds and other Parity Obligations (the "Debt Service Coverage Ratio"); and if such annual determination indicates that the Pledged Revenues for such Fiscal Year are less than 2.0 times the maximum annual principal and interest requirements in any subsequent Fiscal Year of all Bonds and any additional Parity Obligations then outstanding or if there occurs an event of default under Section 27 hereof as to any payment obligation, the County shall immediately proceed to accumulate the Minimum Reserve in the Reserve Account by 12 substantially equal monthly deposits made on the first day of each month commencing on the first day of the first month following such determination and such accumulations shall be made from the Pledged Revenues second and subordinate to the payments required by paragraph A of this Section. After the funding of the Reserve Account as aforesaid, if such determinations for two consecutive Fiscal Years indicate that the Debt Service Coverage Ratio for two consecutive Fiscal Years is at least 2.0 of the maximum annual principal and interest coming due in any subsequent Fiscal Year on then outstanding Bonds and other Parity Obligations, any money or securities in the Reserve Account may be transferred to other County funds or accounts, and the procedure provided in the second sentence of this paragraph B shall be reinstated. The amounts in the Reserve Account are pledged exclusively as additional security for payment of the principal of and interest on the Bonds. After accumulation of the Minimum Reserve, second and subordinate to the payments required by paragraph A



hereof, there shall be credited monthly to the Reserve Account from the Income Fund, such amount or amounts, if any, as are necessary to maintain the Reserve Account as a continuing reserve in an amount not less than the Minimum Reserve to meet possible deficiencies in the Bond Account. The moneys (if any) in the Reserve Account shall be accumulated and maintained as a continuing reserve to be used, except as hereinafter provided in said paragraphs C and D of this Section, only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from the failure to credit to the Bond Account sufficient funds to pay said principal and interest as the same accrue. Amounts (if any) in the Reserve Account in excess of the Minimum Reserve shall be withdrawn from the Reserve Account and deposited into the Bond Account (including investment income therefrom) and shall be used to pay the principal of or interest on the Bonds or any obligations refunding the Bonds. The payments hereunder shall be made from the Income Fund, second and subject to the payments made pursuant to paragraph A of this Section. Also, second and subordinate to the payments required by paragraph A of this Section and coequal and on a parity with payments into the Reserve Account, there may be credited on a periodic basis of not more frequently than monthly, amounts necessary to establish, maintain or reestablish reasonable reserve funds for additional Parity Obligations or necessary to reimburse a credit facility provider for amounts due in connection with a draw on any debt service reserve surety bond or similar credit facility for any such additional Parity Obligations.

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

D. Defraying Delinquencies in 2006 Bond and 2006 Reserve Accounts. If, at any designated time, the County shall, for any reason, fail to pay into the Bond Account the full amount above stipulated from the Pledged Revenues, then an amount shall be paid into said Bond Account at the designated time from the moneys, if any, in the Reserve Account (if funded) equal to the difference between that paid from said Pledged Revenues and the full amount so stipulated. The money so used shall be replaced in the Reserve Account from the available Pledged Revenues then on deposit in the Income Fund and from the first revenues thereafter received from the Pledged Revenues. If the County shall, for any reason, fail to pay into the Reserve Account the full amount above stipulated from the Pledged Revenues as provided in subsection B of this section, the difference between the amount paid and the amount so stipulated shall in like manner be paid therein from the first revenues thereafter available in the Income Fund. The moneys in the Bond Account and the Reserve Account shall be used solely and only for the purpose of paying the principal of and the interest on the Bonds issued hereunder subject to the provisions of paragraph 1 of Subsection A of this Section; provided, however, that any moneys in the Bond Account and the Reserve Account in

excess of accrued and unaccrued principal and interest requirements to the respective maturities of the outstanding Bonds may be used as hereinabove provided in paragraph C of this Section.

E. Subordinate Obligations. Third, but after and subordinate to the payments required by paragraphs A through D hereof, any balance in the Income Fund shall be used to pay principal of, interest on and any reserve fund for obligations payable from the Pledged Revenues having a lien thereon which is subordinate and junior to the lien of the Bonds.

F. Use of Surplus Revenues. At the end of each Fiscal Year, all amounts remaining in the Income Fund after all annual obligations of principal or interest on and expenses relating to the Bonds and additional bonds payable from the Pledged Revenues have been fully met and any necessary payments into the Reserve Account and the reserve account and rebate account, if any, for additional bonds payable from the Pledged Revenues shall be made pursuant to the foregoing paragraphs of this Section, all remaining amounts shall be transferred to any other fund or account as may be required or permitted by Constitution and laws of the State of New Mexico, as the Board may direct. The foregoing is subject to the exceptions that if Section 4-62-1B, NMSA 1978 is amended, modified or construed by a competent Court (1) so as to permit such transfer of Pledged Revenues to any other fund or account prior to the end of each Fiscal Year without restriction, then such transfers to any other fund or account may be made monthly after the aforesaid monthly deposits into the Bond Account and Reserve Account have been made or (2) so as to permit such transfer of Pledged Revenues to any other fund or account prior to the end of each Fiscal Year but after the required annual accumulations into any required bond and reserve fund and accounts have been fully made, then such transfers may be made after the aforesaid annual deposits into the Bond Account and Reserve Account have been made. The owners of the Bonds (including beneficial owners thereof) consent that if during any Fiscal Year the monthly or annual accumulations (as the case may be) provided under (1) or (2) of the preceding sentence have been made, such owners waive any rights which they may have to require that such excess amounts not be transferred from the Income to any other County fund or account until the end of such Fiscal Year.

Section 19. General Administration of Funds. The funds and accounts designated in Sections 16 and 18 of this ordinance shall be administered as follows:

A. Investment of Money. Any moneys in any fund or account designated in Sections 16 and 18 may be invested in any Permitted Investment, provided that investment of amounts in the Reserve Account (if any) shall have maturities of not exceeding five years from the date of their acquisition and their value shall be determined annually at the end of each Fiscal Year (except that with the written approval of Ambac Assurance the term and frequency of valuation of such Reserve Account investments may be changed). The obligations so purchased as an investment of moneys in said fund or account shall be deemed at all times to be part of said fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to the fund or account, and any loss resulting from each investment shall be charged to the 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 whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund or account.

B. Deposits of Funds. The moneys and investments comprising each of the funds and accounts hereinabove designated in Sections 16 and 18, both inclusive, of this ordinance shall be maintained and kept separate from all other funds and accounts in an Insured Bank or Insured Banks. The amounts prescribed shall be paid to the appropriate funds or accounts as specified in Section 18. Each payment shall be made into the proper bank account and credited to the proper fund or account not later than the last day designated; provided that when the designated date is a Sunday or a legal holiday, then such payment shall be made on the next preceding secular day. Nothing herein shall prevent the establishment of one such bank account or more (or consolidation with any existing bank account), for all of the funds and accounts in said Sections 16 and 18, both inclusive, of this ordinance.

C. Notice To Ambac Assurance. The Paying Agent shall notify Ambac Assurance not less than five business days prior to each interest payment date as to whether sufficient amounts have been deposited into the Bond Account to pay all interest and principal, if any, on such interest payment date.

Section 20. Lien on Pledged Revenues. The Bonds constitute an irrevocable and valid lien on the Pledged Revenues.

Section 21. Additional Bonds and Other Obligations.

A. Limitations Upon Issuance and Other Obligations. Nothing in this ordinance contained shall be construed in such a manner as to prevent the issuance by the County of additional bonds or other obligations payable from the Pledged Revenues and constituting a lien upon said revenues on a parity with, but not prior nor superior to, the lien of the Bonds, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds herein authorized, provided, however, that before any such additional parity lien bonds or other parity lien obligations are authorized or actually issued, including those parity lien refunding obligations which refund subordinate bonds or other subordinate lien obligations, as permitted in paragraph B of Section 22 hereof (but excluding any Parity Obligations which refund outstanding Parity Obligations as permitted by Sections 22B(1) and 22D(1) hereof):

1. The County is then current in all of the accumulations required to be made into the Bond Account and Reserve Account (if the Reserve Account is then required to be funded pursuant to Section 18B hereof) pursuant to Section 18A and B hereof; and

2. The Pledged Revenues received by the County for the Fiscal Year immediately preceding the date of the issuance of such additional parity lien obligations shall have been sufficient to pay an amount representing at

least 200% of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on the then outstanding Bonds, all other then outstanding obligations payable from and constituting a lien on the Pledged Revenues on a parity with the lien thereon of the Bonds and the Parity Lien Bonds or other Parity Obligations proposed to be issued (excluding accumulation of any reserves therefor).

For purposes of the tests set forth in clauses (1) and (2) above, if on the date of issuance of any such Parity Obligations the full amount of a reserve fund requirement or minimum reserve for the Parity Obligations is immediately funded or capitalized from the proceeds of such Parity Obligations, the amount of such reserve fund requirement or minimum reserve so funded shall be deducted from the principal and interest coming due in the final Fiscal Year for the proposed additional parity lien bonds or other parity lien obligations.

B. Certificate or Opinion of Earnings. A written certification or opinion by an Independent Accountant that said annual Pledged Revenues for such preceding Fiscal Year are sufficient to pay said amounts, shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver said additional Parity Obligations.

C. Subordinate Obligations Permitted. Nothing in this ordinance contained shall be construed in such a manner as to prevent the issuance by the County of additional bonds or other obligations payable from the Pledged Revenues and constituting a lien upon said Pledged Revenues subordinate or junior to the lien of the Bonds herein authorized.

D. Superior Obligations Prohibited. Nothing herein contained shall be construed so as to permit the County to issue bonds payable from the Pledged Revenues having a lien thereon prior and superior to the Bonds herein authorized to be issued.

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

A. Privilege of Issuing Refunding Obligations. If at any time after the Bonds, or any part thereof, shall have been issued and remain outstanding, the County shall find it desirable to refund any outstanding bonds or other outstanding obligations payable from the said Pledged Revenues, said bonds or other obligations, or any part thereof, may be refunded (but only with the consent of the registered owner or owners thereof, unless the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the County's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed (except as provided in paragraph D of Section 21 and in paragraphs B and C of this Section).

B. Limitations Upon Issuance of Parity Refunding Obligations. Subject to the provisions of paragraph C. of this Section, no refunding bonds or other

refunding obligations payable from the Pledged Revenues shall be issued on a parity with the Bonds herein authorized, unless:

1. The lien on the Pledged Revenues of the outstanding obligations so refunded is on a parity with the lien thereon of the Bonds herein authorized; or

2. The refunding bonds or other refunding obligations are issued in compliance with paragraph A [including subparagraphs (1) and (2) thereof] of Section 21 hereof.

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

D. Limitations Upon Issuance of any Refunding Obligations. Any refunding bonds or other refunding obligations payable from the 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 any impairment of any contractual obligations imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including but not necessarily limited to the issue herein authorized). If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Revenues is refunded, then such obligations may not be refunded without the consent of the registered owner or owners of the unrefunded portion of such obligations, unless:

1. The refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest requirements evidenced by such refunding obligations and by the outstanding obligations not refunded on and prior to the last maturity date of such unrefunded obligations, or

2. The refunding bonds or other refunding obligations are issued in compliance with paragraph A [including paragraphs 1 and 2 thereof] of Section 21 hereof, or

3. The lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

Section 23. Equality of Bonds. The Bonds authorized to be issued hereunder and from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of their issuance, it being the intention of the Board that there shall be no priority among the Bonds regardless of the fact that they may be actually issued and delivered at different times.



Section 24. Protective Covenants. The County hereby covenants and agrees with each and every registered owner of the Bonds that:

A. Payment of Bonds Herein Authorized. The County will promptly pay the principal of and the interest on every Bond issued hereunder and secured hereby at the place, on the dates and in the manner specified herein and in said Bonds according to the true intent and meaning hereof. Such principal and interest are payable solely from the Pledged Revenues, provided that nothing herein shall prevent the County, in its discretion, from paying such principal, interest and prior redemption premium (if any) from any other legally available sources.

B. 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.

C. Audits. The County will, within 180 days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged Revenues to be made showing the receipts and disbursements in connection with the Pledged Revenues unless the audit cannot be conducted within 180 days following the close of each Fiscal Year because the State Auditor or other authority of the State with superintending control of the audit directs that the audit be made by a designated auditor under different time deadlines or by the State Auditor's office and staff, in which case, the County will use its best efforts to have the audit completed as soon as possible following the close of the Fiscal Year.

D. Extending 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 extension of time for the payment of any claim for interest on any of the Bonds and it will not directly or indirectly be a party to or approve any arrangement for any such extension or for the purpose of keeping alive any of said interest; and in case the time for payment of any such interest shall be extended, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or security of this ordinance except subject to the prior payment in full of the principal of all Bonds issued hereunder and then outstanding, and of matured interest on such Bonds the payment of which has not been extended.

E. Performing Duties. The County will faithfully and punctually perform all duties with respect to the Project and the Bonds required by the Constitution and laws of the State of New Mexico and the ordinances and resolutions of the County, including but not limited to the proper segregation of the Pledged Revenues and their application to the respective funds.

F. Other Liens. Other than as recited in this ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

G. County's Existence. The County will maintain its corporate identity and existence so long as any of the Bonds herein authorized remain outstanding unless another political subdivision by operation of law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the County and is obligated by law to receive and distribute the Pledged Revenues in place of the County, without affecting to any substantial degree the privileges and rights of any registered owner of any outstanding Bonds.

H. Duty With Respect to Pledged Revenues. If the statutes or any ordinance which materially affects the Pledged Revenues or any part of said ordinances, shall ever be held to be invalid or unenforceable, it shall be the duty of the County to immediately take any 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 or ordinance or resolution of the County in any manner affecting the Pledged Revenues or the Bonds, or otherwise appertaining thereto, 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 consent of the required percentage of the registered owners of the then outstanding Bonds and Ambac Assurance is obtained pursuant to Section 31 of this ordinance.

J. Tax Covenant. The County covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the County or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code and (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the County in fulfilling the above covenants under the Tax Code have been met.

Section 25. Defeasance. When all principal, any applicable prior redemption premium and interest in connection with the Bonds hereby authorized have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of this ordinance. There shall be deemed to be such due payment as to any Bond when the County has placed in escrow and in trust with a commercial bank located within or without the State of New Mexico and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may initially be invested) to meet all requirements of principal, interest and any applicable prior redemption premium, if any, as the same become due to its maturity or



designated redemption date as of which the County shall have exercised or obligated itself to exercise its option to call such Bond. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Board and such bank at the time of the creation of the escrow or the Federal Securities shall be subject to the redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. Federal Securities within the meaning of this Section shall include only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America and which are not callable prior to maturity by the issuer of such obligations. Operation of this Section shall not amend, repeal, or in any manner affect Section 35 hereof.

The provisions of Section 33N of this Ordinance with respect to Ambac Assurance shall apply to this Section.

Section 26. 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 printing and reprinting of said Bonds, the original and (if necessary) subsequent delivery to the Registrar of a number (as determined by the responsible officer) of fully or partially executed Bonds to be held by the Registrar for use as herein provided, the execution of the Bond Purchase Agreement and the execution of such certificates as may be required by the Purchaser or the Bond Purchase Agreement, the Continuing Disclosure Undertaking, and the Final Official Statement in substantially the form presented at this meeting subject to such changes, corrections, deletions and additions as they may determine, and the execution of such certificates as may be required by the Purchaser.

Section 27. Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal. If payment of the principal of any of the Bonds herein authorized to be issued shall not be made when the same become due and payable, either at maturity, or by proceedings for prior redemption, or otherwise; or

B. Nonpayment of Interest. If payment of any installment of interest shall not be made when the same becomes due and payable or within 30 days thereafter; or

C. Incapable to Perform. If the County shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

D. Default of any Provision. If the County shall make default 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 if such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the County by the registered owners of 25% in principal amount of the Bonds then outstanding.

E. Ambac Assurance. Section 33M relating to Ambac Assurance shall also constitute an event of default.

Section 28. Remedies upon Default. Upon the happening and continuance of any of the events of default as provided in Section 27 of this ordinance, then and in every case the registered owner or owners of not less than 25% in principal amount of the Bonds then outstanding, including but not limited to a trustee or trustees therefor, may proceed against the County, its Board, and its agents, officers and employees to protect and enforce the rights of any registered owner of Bonds under this ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for specific performance of any covenant or agreement contained herein or in an award or execution of any power herein granted for the enforcement of any power, legal or equitable remedy as such registered owner or owners may deem most effectual to protect and enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any registered owner, or to require the Board of the County to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all registered owners of the Bonds then outstanding. The failure of any such registered owner 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 any such registered owner (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 registered owner shall not be deemed a waiver of any other right or privilege thereof.

Section 33D relating to Ambac Assurance shall apply to this Section.

Section 29. Duties Upon Default. Upon the happening of any of the events of default as provided in Section 27 of this ordinance, the County, in addition, will do and perform all proper acts on behalf of and for the registered owners of the Bonds to protect and preserve the security created for the payment of the principal of and interest on said Bonds promptly as the same become due. All proceeds derived from the Pledged Revenues, so long as any of the Bonds herein authorized, either as to principal or interest, are outstanding and unpaid, shall be paid into the Income Fund and used for the purposes therein provided. In the event the County fails or refuses to proceed as in this Section provided, the registered owner or registered owners of not less than 25% in principal amount of the Bonds then outstanding or so long as it is not in default in its obligation under the Municipal Bond Insurance Policy, Ambac Assurance, after demand in writing, may proceed to protect and enforce the rights of the registered owners and itself as hereinabove provided. This Section is subject to the provisions of Section 33D relating to Ambac Assurance.

Section 30. Enforcement. Any registered owner of any one or more of said Bonds, may, either by law or in equity, by suit, action, mandamus or other appropriate proceedings in any court of competent jurisdiction enforce the payment of, interest on, or any prior redemption premium due in connection with any Bond on or after the date on which such payment is due, and may by suit, action, mandamus or other appropriate proceeding or proceedings enforce and compel the performance of such payment in accordance with the



provisions of this ordinance; provided, that this Section is subject to Section 33D relating to Ambac Assurance.

Section 31. Amendment. This ordinance may be amended or supplemented by ordinance adopted by the Board in accordance with the laws of the State of New Mexico, as follows:

A. Without Consent of the Registered Owners. The County without the consent of or notice to the registered owners of the Bonds, may adopt an ordinance supplemental hereto (which supplemental ordinance shall thereafter form a part hereof) for any one or more or all of the following purposes:

1. To add to the covenants and agreements in this ordinance thereafter to be observed for the protection or benefit of the registered owners of the Bonds;
2. To cure any ambiguity, to cure, correct or supplement any defect or inconsistent provision contained in this ordinance, or to make any provision with respect to matters arising under this ordinance or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the owners of the Bonds; or
3. To subject to this ordinance additional revenues, properties or collateral.

B. With Consent of the Registered Owners and Ambac Assurance. The County, without receipt by the County of any additional consideration but with the written consent of the registered owners of 75% of the Bonds authorized by this ordinance and outstanding at the time of the adoption of such amendatory or supplemental ordinance also may amend this ordinance in any other manner not permitted by paragraph A of this Section; provided, however, that no such ordinance shall have the effect of permitting:

1. An extension of the maturity of any Bond authorized by this ordinance; or
2. A reduction in the principal amount of any Bond, the rate of interest thereon; or
3. The creation of a lien upon or pledge of Pledged Revenues ranking prior to the lien or pledge created by this ordinance; or
4. A reduction of the principal amount of Bonds required for consent to such amendatory or supplemental ordinance; or
5. The establishment of priorities as between Bonds issued and outstanding under the provisions of this ordinance; or

6. The modification of or otherwise affecting the rights of the registered owners of less than all of the Bonds then outstanding;

C. Ambac Assurance. The consent of Ambac Assurance shall be required as provided in Section 33B hereof.

Section 32. Continuing Disclosure. For the benefit of the owners of the Bonds (including beneficial owners), the County will enter into and comply with all of the provisions of the Continuing Disclosure Undertaking; provided, however, that the Continuing Disclosure Undertaking may be amended from time to time in accordance with its terms and without action by the Board, the County approval of any such amendment to be evidenced by the signature of the Chairman of the Board. 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 27 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 33. Provisions Relating to Ambac Assurance. The provisions of this Section apply only to the extent that Ambac Assurance is not in default under the Municipal Bond Insurance Policy and only if and to the extent permitted or authorized by New Mexico law.

A. Consent of Ambac Assurance. Any provision of this Ordinance expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance.

B. Consent of Ambac Assurance in Addition to Bond Owner Consent. Unless otherwise provided in this Section, Ambac Assurance's consent shall be required in addition to Bond owner consent, when required, for the following purposes: (i) execution and delivery of any supplemental ordinance pursuant to Section 31 hereof, (ii) removal of the Paying Agent and appointment and selection of any successor Paying Agent, and (iii) initiation or approval of any action not described in (i) above which requires Bond owner consent.

C. Consent of Ambac Assurance in the Event of Insolvency. Any reorganization or liquidation plan with respect to the County must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Bond owners who hold Ambac Assurance-insured bonds absent a default by Ambac Assurance under the Municipal Bond Insurance Policy insuring such Bonds.

D. Consent of Ambac Assurance Upon Default. Anything in this Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined in Section 27 hereof, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bond owners for the benefit of the Bond owners under the Ordinance.

E. County to Annually Furnish Material to Ambac Assurance - Surveillance. While the Municipal Bond Insurance Policy is in effect, the County shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated):

1. as soon as practicable after the filing thereof and to the extent permitted by New Mexico law, a copy of the audited financial statements of the County as approved by the New Mexico State Auditor if still then required by New Mexico law and a copy of any annual report of the County;

2. a copy of any notice to be given to the registered owners of the Bonds by the Paying Agent, including, without limitation, notice of any optional prior redemption to be given by the Registrar of or defeasance of Bonds, and any certificate rendered pursuant to the Ordinance relating to the security for the Bonds;

3. such additional information it may reasonably request.

F. Notice to Ambac Assurance - General Counsel's Office. The County shall notify Ambac Assurance of any failure of the County to provide relevant notices, certificates, etc.;

G. Additional Notice to Ambac Assurance - General Counsel's Office. Notwithstanding any other provision of this Ordinance, the County shall immediately notify Ambac Assurance, Attention General Counsel's Office, if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

H. Finances of County. To the extent permitted by law, the County will permit Ambac Assurance to discuss the affairs, finances and accounts of the County or any information Ambac Assurance may reasonably request regarding the security for the Bonds with appropriate officers of the County. To the extent permitted by law, the County will permit Ambac Assurance to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

I. Continuing Disclosure. Ambac Assurance shall be included as party to be notified with respect to the continuing disclosure notification pursuant to the Continuing Disclosure Undertaking, but failure to do so shall not constitute an "event of default" as provided in Section 27 hereof.

J. Paying Agent Related Provisions.

1. The Paying Agent may be removed at any time, at the request of Ambac Assurance, for any breach of the trust set forth herein.

2. Ambac Assurance shall receive prior written notice of any Paying Agent resignation.



3. Any successor Paying Agent shall not be appointed unless Ambac Assurance approves such successor in writing.

4. Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bond owners will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Paying Agent shall consider the effect on the Bond owners as if there were no Municipal Bond Insurance Policy.

5. Notwithstanding any other provision of the Ordinance, no removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to Ambac Assurance, shall be appointed.

K. Ambac Assurance as Third Party Beneficiary. To the extent that this Ordinance confers upon or gives or grants to Ambac Assurance any right, remedy or claim under or by reason of the Ordinance, Ambac Assurance is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder to any Bond owner.

L. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the County, Ambac Assurance, the Paying Agent and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, Ambac Assurance, the Paying Agent and the registered owners of the Bonds.

M. Ambac Directed Accounting. Only if permitted by New Mexico law, Ambac Assurance shall have the right to direct an accounting at the County's expense, and the County's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed an event of default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Bonds.

N. Defeasance. Notwithstanding anything in Section 25 hereof or otherwise herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by Ambac Assurance pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County, and the assignment and pledge of the Pledged Revenues and all covenants, agreements and other obligations of the County to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

O. "Paying Agent" in this Section. As used in this Section, "Paying Agent" means both Paying Agent and Registrar.

P. Notice to Ambac Assurance. Notice hereunder to Ambac Assurance may be given to:

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attn: Manager of Surveillance Department (or)
Office of the General Counsel (as provided in this Section)

or such other address as Ambac Assurance may give in writing to the County.

Section 34. Payment Procedure Pursuant to The Municipal Bond Insurance Policy. As long as the bond insurance shall be in full force and effect, the County and the Paying Agent agree to comply with the following provisions:

A. Notice To and Payment By Ambac Assurance. At least one (1) day prior to all interest payment dates the Paying Agent will determine whether there will be sufficient funds in the funds and accounts to pay the principal of or interest on the Bonds on such interest payment date. If the Paying Agent determines that there will be insufficient funds in such funds or accounts, the Paying Agent shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the Paying Agent has not so notified Ambac Assurance at least one (1) day prior to an interest payment date, Ambac Assurance will make payments of principal or interest due on the Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Paying Agent.

B. Registration Books and Funds and Accounts To Be Made Available. The Paying Agent shall, after giving notice to Ambac Assurance as provided in A. above, make available to Ambac Assurance and, at Ambac Assurance's direction, to the Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the County maintained by the Registrar, and all records relating to the funds and accounts maintained under this ordinance.

C. Payment by Ambac Assurance. The Registrar shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (1) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from Ambac Assurance and (2) to pay principal upon Bonds surrendered to the Insurance Trustee by the registered owners of Bonds entitled to receive full or partial principal payments from Ambac Assurance.



D. Notice To Bond Owners As To Payment By Ambac Assurance.

The Registrar shall, at the time the Paying Agent provides notice to Ambac Assurance pursuant to A. above, notify registered owners of Bonds entitled to receive the payment of principal or interest thereon from Ambac Assurance (1) as to the fact of such entitlement, (2) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (3) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Paying Agent, and (4) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Bonds for payment thereon first to the Paying Agent, who shall note on such Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

E. Payments To Bond Owners and Bankruptcy.

In the event that the Paying Agent has notice that any payment of principal or interest on a Bond which has become due for payment and which is made to a registered owner by or on behalf of the County has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time Ambac Assurance is notified pursuant to A. above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Paying Agent shall furnish to Ambac Assurance its records evidencing the payments of principal or interest on the Bonds which have been made by the Paying Agent and subsequently recovered from registered owners and the dates on which such payments were made.

F. Subrogation.

In addition to those rights granted Ambac Assurance under this ordinance, Ambac Assurance shall, to the extent it makes payment of principal or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (1) in the case of subrogation as to claims for past due interest, Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the County maintained by the Registrar, upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Bonds, and (2) in the case of subrogation as to claims for past due principal, the Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the County maintained by the Registrar, upon surrender of the Bonds by the registered owners thereof together with proof of the payment of principal thereof.



Section 35. Amendment of Ordinances Nos. 94-2 and 04-01.

A. Ordinance No. 94-2. Section 4 of Ordinance No. 94-2 is hereby amended to read:

“Section 4. Dedication. A portion of the revenue collected under foregoing County gross receipts tax will be dedicated toward a specific purpose or area of County governmental services listed below as to purposes and amounts of such dedication. All of the revenue derived from the foregoing gross receipts tax shall be used in the following order of priority: (1) first to pay debt service, to the extent not paid from other legally available sources, on any bonds or other obligation payable from the gross receipts tax imposed by this ordinance and issued for any purposes authorized by statute or otherwise by law and (2) second, the balance of the monthly net receipts shall be deposited in the County’s General Fund and appropriated at the discretion of the Board of County Commissioners. Nothing in this ordinance or in Ordinance No. 06-01 shall prevent the County from modifying or eliminating the dedication designated under (2) second of this Section if then authorized or permitted by New Mexico statute as hereafter adopted or amended from time to time.”

B. Ordinance No. 04-01. Section 4 of Ordinance No. 04-01 is hereby amended to read:

“Section 4. Dedication. The revenue derived from the foregoing gross receipts tax shall be used in the following order of priority: (1) first to pay debt service, to the extent not paid from other legally available sources, on any bonds or other obligation payable from the gross receipts tax imposed by this ordinance and issued for any purposes authorized by statute or otherwise by law and (2) second, the balance shall be deposited in the County General Fund to be utilized for general operating purposes. Nothing in this ordinance or in Ordinance No. 06-01 shall prevent the County from modifying or eliminating the dedication designated under (2) second of this Section if then authorized or permitted by New Mexico statute as hereafter adopted or amended from time to time.”

Section 36. Separability. If any section, paragraph, clause or provision shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 37. Repealer Clause. All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance or part of any ordinance heretofore repealed.

Section 38. Ordinance Irrepealable. After any of the Bonds herein authorized are issued, this ordinance shall be and remain irrepealable until the Bonds and interest thereon shall be fully paid, cancelled and discharged as therein provided, or there has been defeasance as provided in Section 25 hereof.

Section 39. Emergency Clause and Effective Date. This ordinance is necessary for the preservation of the public health, peace and safety of the inhabitants of the County; by reason of the fact that the County is in great need of the Project, this ordinance is hereby declared to be an emergency measure on the ground of urgent public need and therefore, immediately upon its adoption by at least four-fifths of all of the fully authorized members of the entire Board and upon its final passage, shall be recorded in the book of ordinances of the County kept for that purpose, authenticated by the signatures of the Chairman of the Board and County Clerk, and said ordinance shall be in full force and effect immediately after this ordinance has been recorded in the book kept by the County for that purpose.

Section 40. Publication Of Notice. The following notice shall be published one time in the *Portales News-Tribune*, being a legal newspaper published in and of general circulation in the County, as soon as is practicable following the adoption hereof:



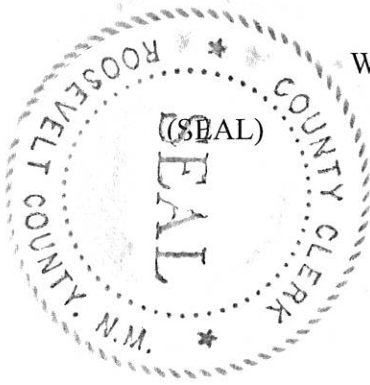
COUNTY OF ROOSEVELT, NEW MEXICO
NOTICE OF ADOPTION OF ORDINANCE NO. 06-01
AND RESOLUTION NO. 06-07

NOTICE IS HEREBY GIVEN that on March 8, 2006 the Board of County Commissioners of Roosevelt County duly adopted and approved its Ordinance No. 06-01 and Resolution No. 06-07 relating to the Roosevelt County Gross Receipts Tax Revenue Bonds, Series 2006 and the County gross receipts tax imposed by Ordinances Nos. 94-2 and 04-01. The title of Ordinance No. 06-01 is:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ROOSEVELT COUNTY GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2006 IN THE PRINCIPAL AMOUNT OF \$3,375,000 FOR THE PURPOSE OF DEFRAYING THE COST OF CONSTRUCTING, PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO OR MAKING IMPROVEMENTS TO ONE OR MORE PUBLIC BUILDINGS (WHICH MAY INCLUDE, BUT IS NOT NECESSARILY LIMITED TO, THE ROOSEVELT COUNTY DETENTION CENTER) OR PURCHASING OR IMPROVING GROUNDS RELATING THERETO, INCLUDING BUT NOT NECESSARILY LIMITED TO ACQUIRING AND IMPROVING PARKING LOTS, OR ANY COMBINATION OF THE FOREGOING; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE REVENUE ATTRIBUTABLE TO THE FIRST 1/8TH OF 1% AND THE THIRD 1/8TH OF 1% OF THE COUNTY'S GROSS RECEIPTS TAX WHICH CURRENTLY ARE LEVIED PURSUANT TO ORDINANCE NO. 94-2 (ADOPTED MAY 31, 1994), ORDINANCE NO. 04-01 (ADOPTED JULY 6, 2004), AND THIS ORDINANCE AND PURSUANT TO SECTIONS 7-20E-1 THROUGH 7-20E-11, NMSA 1978 AS AMENDED AND SUPPLEMENTED; PROVIDING FOR MUNICIPAL BOND INSURANCE; PROVIDING FOR THE DISPOSITION OF THE RECEIPTS DERIVED FROM SAID TAX PROCEEDS; PRESCRIBING OTHER DETAILS CONCERNING SAID BONDS AND SAID TAX PROCEEDS, INCLUDING BUT NOT LIMITED TO COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH AND THE FORM, TERMS, CONDITIONS, AND MANNER OF EXECUTION OF SAID BONDS AND CONCERNING THE PROJECT; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AMENDING SECTION 4 OF ORDINANCE NO. 94-2 AND SECTION 4 OF ORDINANCE NO. 04-01; AND DECLARING AN EMERGENCY.

COMPLETE COPIES OF THE ORDINANCE AND RESOLUTION ARE ON FILE IN THE OFFICE OF THE COUNTY CLERK AT THE ROOSEVELT COUNTY COURTHOUSE, 109 WEST FIRST STREET, IN PORTALES, NEW MEXICO, AND ARE AVAILABLE FOR INSPECTION AND/OR PURCHASE DURING REGULAR OFFICE HOURS. THIS NOTICE ALSO CONSTITUTES COMPLIANCE WITH SECTIONS 6-14-4 THROUGH 6-14-7, NMSA 1978.



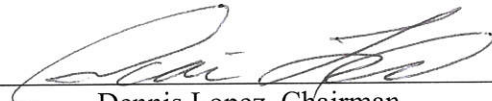



WITNESS my hand and the seal of the County of Roosevelt this March 8, 2006.

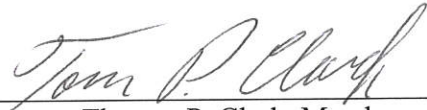
E. Janet Collins
County Clerk

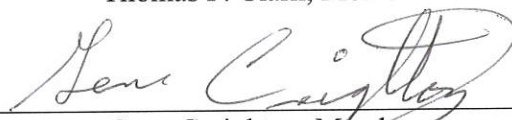


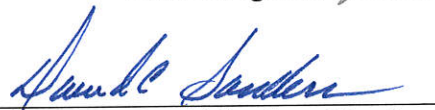
PASSED, ADOPTED, SIGNED AND APPROVED THIS March 8, 2006.


Dennis Lopez, Chairman


Paul Grider, Vice Chairman

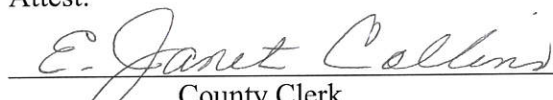

Thomas P. Clark, Member


Gene Creighton, Member


David Sanders, Member



Attest:


County Clerk

132715 03/08/2006 04:44P BK148 PG947 MISC
50 of 50 R 0.00 Roosevelt Cty NM E. Janet Collins

