

ORDINANCE NO. 9

AUTHORIZING THE ISSUANCE AND SALE OF THE COUNTY OF QUAY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BOND, SERIES DECEMBER, 1989, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$369,000 FOR THE PURPOSE OF ACQUIRING DETENTION FACILITIES INCLUDING, WITHOUT LIMITATION, TO THE EXTENT NECESSARY, THE ACQUISITION OF LAND AND RIGHTS-OF-WAY THEREFOR AND RELATED THERETO; PROVIDING FOR THE PAYMENT OF SUCH BONDS SOLELY FROM THE ONE-EIGHTH PERCENT OF THE GROSS RECEIPTS TAX REMITTED TO THE COUNTY BY THE STATE OF NEW MEXICO AND WHICH IS DEDICATED TO SAID PURPOSE; PROVIDING FOR THE FORM, TERMS, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO; THE APPROVAL, EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND APPROVING A DISCLOSURE DOCUMENT AND THE USE AND DISTRIBUTION THEREOF; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

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

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

WHEREAS, the Pledged County Gross Receipts Tax Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding and unpaid; and

WHEREAS, the County has received a proposed form of the Bond Purchase Agreement, pursuant to which the Purchaser agrees to purchase the Bond; and

WHEREAS, the Board of County Commissioners has determined and hereby determines that it is in the best interests of the County and its residents that the Bond be issued with a first lien, but not an exclusive first lien, on the Pledged County Gross Receipts Tax Revenues on a parity with the lien of future Parity Gross Receipts Tax Obligations; and

WHEREAS, there has been on deposit with the County Clerk and presented to the Board:

- 1. the proposed form of Bond Ordinance; and
- 2. the proposed form of Bond Purchase Agreement; and
- 3. the proposed form of the Disclosure Document.

WHEREAS, the Board has determined that it is in the best interest of the County to accept the offer of the Purchaser.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE COUNTY OF QUAY:

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

"Acquisition Fund" means the "County of Quay Gross Receipts Tax Revenue Bond, Series December, 1989, Project Acquisition Fund" established by Section 16 of the Bond Ordinance.

"Act" means the general laws of the State, including Sections 4-62-1 et seq., and 3-31-1 to 3-31-12 NMSA 1978, as amended, and enactments of the Board relating to the issuance of the Bonds, including the Bond Ordinance.

"Board" means the Board of County Commissioners of Quay County, New Mexico or any future successor governing body of the County.

"Bond Ordinance" means this County Ordinance No. 9, as amended or supplemented from time to time.

"Bond Purchase Agreement" means the bond purchase agreement to be entered into between the County and the Purchaser.

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

"Bond" means the "County of Quay, New Mexico Gross Receipts Tax Revenue Bond, Series December, 1989" authorized by this Bond Ordinance.

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

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

"Completion Date" means the date of acquisition of the Project as certified pursuant to Section 15 of the Bond Ordinance.

"County" means Quay County, New Mexico.

"County Gross Receipts Tax Revenues" means the revenues derived from the county gross receipts tax derived pursuant to Section 7-20-1 to 7-20-9 NMSA 1978, imposed on persons engaging in business in the County, which revenues are remitted monthly by the Revenue Division of the Taxation and Revenue Department of the State to the County as authorized by Sections 7-1-6 and 7-1-6.4 NMSA 1978, and which remittances currently equal 1/8th of one percent (.125%) of the taxable gross receipts reported for the County for the month for which such remittance is made.

"Debt Service Fund" means the "County of Quay Gross Receipts Tax Revenue Bonds, Series December, 1989, Debt Service Fund" created in Section 16 of the Bond Ordinance.

"Disclosure Document" means the document to be used by the Board in connection with the sale of the Bonds to the public.

"event of default" means any of the events stated in Section 27 of the Bond Ordinance.

"Expenses" means the reasonable and necessary fees, costs and expenses incurred by the County with respect to the issuance of the Bond, including the fees, compensation, costs and expenses paid or to be paid to the Paying Agent, Registrar, Purchaser, and attorneys' fees.

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

"Gross Receipts Tax Income Fund" means the "County of Quay Gross Receipts Tax Income Fund" established pursuant to Section 16 of the Bond Ordinance.

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

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

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

"Interest Payment Date" means the 20th day of each month.

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

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

- A. those cancelled at or prior to such date or delivered or acquired by the County at or prior to such date for cancellation;
- B. those otherwise deemed to be paid in accordance with Section 30 or Section 33 of the Bond Ordinance;
- C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the County

and the Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder or in due course; and

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

"Parity County Gross Receipts Tax Bonds" and "Parity County Gross Receipts Tax Obligations" mean the Bond, and any other bonds and other obligations, now or hereafter issued or incurred, payable from or secured by a lien or a pledge of the Pledged County Gross Receipts Tax Revenues and issued with a lien on the Pledged County Gross Receipts Tax Revenues on a parity with the Bonds.

"Paying Agent" means Quay County, Tucumcari, New Mexico, as agent for the County for the payment of the Bonds or any successor trust company, national or state banking association or financial institution at the time appointed Paying Agent by resolution of the Board.

"Pledged County Gross Receipts Tax Revenues" means that portion of County Gross Receipts Tax Revenues which equals one-eighth of one percent (.125%) of the taxable gross receipts reported for the County for the month for which such remittance is made.

"Project" means acquiring detention or jail facilities, including, without limitation, to the extent necessary, the acquisition of land and rights-of-way therefor and related thereto, all costs incidental to the foregoing, and Expenses.

"Purchaser" means The First National Bank, Tucumcari, New Mexico.

"Registrar" means Quay County, Tucumcari, New Mexico, as agent for the County for transfer and exchange of the Bonds or any successor trust company, national or state banking association or financial institution at the time appointed by resolution of the Board.

"State" means the State of New Mexico.

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

Section 3. Authorization of Project. The Project and the method of financing the Project are hereby authorized and ordered at a total cost of \$369,000 excluding any such cost defrayed or to be defrayed by any source other than Bond proceeds. The County will become owner of the Project, and the location of the Project is in the County.

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

A. The Project is needed to meet the needs of the County and its inhabitants.

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

C. The Pledged County Gross Receipts Tax may lawfully be pledged to secure the payment and redemption of the Bonds.

D. It is economically feasible to defray, in part, the cost of the Project by the issuance of the Bond.

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

Section 5. Bonds - Authorization and Detail.

A. Authorization. This Bond Ordinance has been adopted by the affirmative vote of at least three-fourths of all of the members of the Board. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the citizens of the County and acquiring the Project, it is hereby declared necessary that the County, pursuant to the Act, issue its negotiable, fully registered, revenue bonds to be designated "County of Quay, New Mexico Gross Receipts Tax Revenue Bond, Series December, 1989," in the aggregate principal amount of \$369,000 and the issuance, sale and delivery of the Bonds is hereby authorized. The Bond shall be sold to the Purchaser pursuant to the Bond Purchase Agreement at a negotiated sale.

B. Details of the Bond. There is hereby authorized and created a bond designated as the County of Quay, New Mexico, Gross Receipts Tax Revenue Bond, Series December, 1989.

The Bond shall be issued in the aggregate principal amount of \$369,000 for the acquisition of the Project. The form, terms, and provisions of the Bond, in the form set forth in Section 13 are hereby approved with only such changes therein as are not inconsistent with this Bond Ordinance.

The Bond shall be a negotiable instrument but shall be issued only as a fully registered bond, exchangeable for other fully registered Bonds of any denominations which are multiples of \$1,000. The Bond shall be dated as of

December 20, 1989. The Bond shall bear interest from December 20, 1989, payable monthly on the 20th day of each month commencing on December 20, 1990 (or the actual date of execution and delivery by the County if such date is not December 20, 1989) until maturity at the rate of seven and seventy-five hundreds percent (7.75%).

C. The Bond. Ppayments of principal and interest on the Bond shall be as set forth below:

<u>Payment Date</u>	<u>Payment Number</u>	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Optional Redemption Price</u>
					369,000.00
01-20-1990	1	0.00	2,383.12	2,383.12-	371,383.12
02-20-1990	2	0.00	2,398.52	2,398.52-	373,781.64
03-20-1990	3	0.00	2,414.01	2,414.01-	376,195.65
04-20-1990	4	0.00	2,429.60	2,429.60-	378,625.25
05-20-1990	5	0.00	2,445.29	2,445.29-	381,070.54
06-20-1990	6	0.00	2,461.08	2,461.08-	383,531.62
07-20-1990	7	0.00	2,476.98	2,476.98-	386,008.60
08-20-1990	8	0.00	2,492.97	2,492.97-	388,501.57
09-20-1990	9	0.00	2,509.07	2,509.07-	391,010.64
10-20-1990	10	0.00	2,525.28	2,525.28-	393,535.92
11-20-1990	11	0.00	2,541.59	2,541.59-	396,077.51
12-20-1990	12	6,124.13	2,558.00	3,566.13	392,511.38
01-20-1991	13	6,124.13	2,534.97	3,589.16	388,922.22
02-20-1991	14	6,124.13	2,511.79	3,612.34	385,309.88
03-20-1991	15	6,124.13	2,488.46	3,635.67	381,674.21
04-20-1991	16	6,124.13	2,464.98	3,659.15	378,015.06
05-20-1991	17	6,124.13	2,441.35	3,682.78	374,332.28
06-20-1991	18	6,124.13	2,417.56	3,706.57	370,625.71
07-20-1991	19	6,124.13	2,393.62	3,730.51	366,895.20
08-20-1991	20	6,124.13	2,369.53	3,754.60	363,140.60
09-20-1991	21	6,124.13	2,345.28	3,778.85	359,361.75
10-20-1991	22	6,124.13	2,320.88	3,803.25	355,558.50
11-20-1991	23	6,124.13	2,296.32	3,827.81	351,730.69
12-20-1991	24	6,124.13	2,271.59	3,852.54	347,878.15
01-20-1992	25	6,124.13	2,246.71	3,877.42	344,000.73
02-20-1992	26	6,124.13	2,221.67	3,902.46	340,098.27
03-20-1992	27	6,124.13	2,196.47	3,927.66	336,170.61
04-20-1992	28	6,124.13	2,171.10	3,953.03	332,217.58
05-20-1992	29	6,124.13	2,145.57	3,978.56	328,239.02

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<u>Payment Date</u>	<u>Payment Number</u>	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Optional Redemption Price</u>
06-20-1992	30	6,124.13	2,119.88	4,004.25	324,234.77
07-20-1992	31	6,124.13	2,094.02	4,030.11	320,204.66
08-20-1992	32	6,124.13	2,067.99	4,056.14	316,148.52
09-20-1992	33	6,124.13	2,041.79	4,082.34	312,066.18
10-20-1992	34	6,124.13	2,015.43	4,108.70	307,957.48
11-20-1992	35	6,124.13	1,988.89	4,135.24	303,822.24
12-20-1992	36	6,124.13	1,962.19	4,161.94	299,660.30
01-20-1993	37	6,124.13	1,935.31	4,188.82	295,471.48
02-20-1993	38	6,124.13	1,908.25	4,215.88	291,255.60
03-20-1993	39	6,124.13	1,881.03	4,243.10	287,012.50
04-20-1993	40	6,124.13	1,853.62	4,270.51	282,741.99
05-20-1993	41	6,124.13	1,826.04	4,298.09	278,443.90
06-20-1993	42	6,124.13	1,798.28	4,325.85	274,118.05
07-20-1993	43	6,124.13	1,770.35	4,353.78	269,764.27
08-20-1993	44	6,124.13	1,742.23	4,381.90	265,382.37
09-20-1993	45	6,124.13	1,713.93	4,410.20	260,972.17
10-20-1993	46	6,124.13	1,685.45	4,438.68	256,533.49
11-20-1993	47	6,124.13	1,656.78	4,467.35	252,066.14
12-20-1993	48	6,124.13	1,627.93	4,496.20	247,569.94
01-20-1994	49	6,124.13	1,598.89	4,525.24	243,044.70
02-20-1994	50	6,124.13	1,569.66	4,554.47	238,490.23
03-20-1994	51	6,124.13	1,540.25	4,583.88	233,906.35
04-20-1994	52	6,124.13	1,510.65	4,613.48	229,292.87
05-20-1994	53	6,124.13	1,480.85	4,643.28	224,649.59
06-20-1994	54	6,124.13	1,450.86	4,673.27	219,976.32
07-20-1994	55	6,124.13	1,420.68	4,703.45	215,272.87
08-20-1994	56	6,124.13	1,390.30	4,733.83	210,539.04
09-20-1994	57	6,124.13	1,359.73	4,764.40	205,774.64
10-20-1994	58	6,124.13	1,328.96	4,795.17	200,979.47
11-20-1994	59	6,124.13	1,297.99	4,826.14	196,153.33
12-20-1994	60	6,124.13	1,266.82	4,857.31	191,296.02
01-20-1995	61	6,124.13	1,235.45	4,888.68	186,407.34
02-20-1995	62	6,124.13	1,203.88	4,920.25	181,487.09
03-20-1995	63	6,124.13	1,172.10	4,952.03	176,535.06
04-20-1995	64	6,124.13	1,140.12	4,984.01	171,551.05
05-20-1995	65	6,124.13	1,107.93	5,016.20	166,534.85
06-20-1995	66	6,124.13	1,075.54	5,048.59	161,486.26
07-20-1995	67	6,124.13	1,042.93	5,081.20	156,405.06
08-20-1995	68	6,124.13	1,010.12	5,114.01	151,291.05
09-20-1995	69	6,124.13	977.09	5,147.04	146,144.01
10-20-1995	70	6,124.13	943.85	5,180.28	140,963.73
11-20-1995	71	6,124.13	910.39	5,213.74	135,749.99
12-20-1995	72	6,124.13	876.72	5,247.41	130,502.58
01-20-1996	73	6,124.13	842.83	5,281.30	125,221.28
02-20-1996	74	6,124.13	808.72	5,315.41	119,905.87
03-20-1996	75	6,124.13	774.39	5,349.74	114,556.13

<u>Payment Date</u>	<u>Payment Number</u>	<u>Total Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Optional Redemption Price</u>
04-20-1996	76	6,124.13	739.84	5,384.29	109,171.84
05-20-1996	77	6,124.13	705.07	5,419.06	103,752.78
06-20-1996	78	6,124.13	670.07	5,454.06	98,298.72
07-20-1996	79	6,124.13	634.85	5,489.28	92,809.44
08-20-1996	80	6,124.13	599.39	5,524.74	87,284.70
09-20-1996	81	6,124.13	563.71	5,560.42	81,724.28
10-20-1996	82	6,124.13	527.80	5,596.33	76,127.95
11-20-1996	83	6,124.13	491.66	5,632.47	70,495.48
12-20-1996	84	6,124.13	455.28	5,668.85	64,826.63
01-20-1997	85	6,124.13	418.67	5,705.46	59,121.17
02-20-1997	86	6,124.13	381.82	5,742.31	53,378.86
03-20-1997	87	6,124.13	344.74	5,779.39	47,599.47
04-20-1997	88	6,124.13	307.41	5,816.72	41,782.75
05-20-1997	89	6,124.13	269.85	5,854.28	35,928.47
06-20-1997	90	6,124.13	232.04	5,892.09	30,036.38
07-20-1997	91	6,124.13	193.98	5,930.15	24,106.23
08-20-1997	92	6,124.13	155.69	5,968.44	18,137.79
09-20-1997	93	6,124.13	117.14	6,006.99	12,130.80
10-20-1997	94	6,124.13	78.34	6,045.79	6,085.01
11-20-1997	95	6,124.13	39.12	6,085.01	0.00
Grand Totals		514,426.92	145,426.92	369,000.00	

Section 6. Prior Redemption.

A. Optional Redemption, Date and Price. The Bond is subject to prior redemption at the option of the County, in whole, on December 20, 1990, and on any interest payment date thereafter at the redemption price set forth in Section 5C.

B. Notice. Notice of redemption shall be given by the Registrar by sending a copy of such notice by registered or certified first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of the Bond, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The County shall give

the Registrar written instructions to give notice of redemption to the owner of the Bond to be redeemed at least forty-five (45) days prior to such redemption date. Neither the County's failure to give such notice nor the Registrar's failure to give such notice to the registered owner of the Bond, or any defect therein, shall affect the validity of the proceedings for the redemption of the Bond for which proper notice was given. Notice of redemption shall specify the amount being redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon the Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem the Bond called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bond to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bond to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond so called for redemption with funds deposited with the Paying Agent by the County.

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

Section 8. Execution and Authentication of the Bond.

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

B. Authentication. The Bond shall not be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been fully executed if manually signed and inscribed by an authorized officer of the Registrar.

Section 9. Negotiability. The Bond shall be fully negotiable and shall have all the qualities of negotiable paper, and the Bondholder shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities.

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

Section 11. Registration, Transfer, Exchange and Ownership of Bonds.

A. Registration, Transfer and Exchange. The County shall cause books for registration, transfer, and exchange of the Bond as provided herein to be kept at the principal office of the Registrar. Upon surrender for

transfer or exchange of any fully registered Bond at the principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond to be transferred, in the name of the transferee or registered owner, as appropriate, a new Bond in fully registered form of the same aggregate principal amount, maturity and interest rate.

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

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

D. Lost Bond. If the Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond of a like aggregate principal amount and of the same series, maturity and interest rate. If any such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, the Registrar may request the Paying Agent to pay such bond in lieu of replacement.

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

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

Section 12. Special Limited Obligations. The Bond and all payments of principal, premium, if any, and interest thereon whether at maturity or on a redemption date, together with any interest accruing thereon, shall be special limited obligations of the County and shall be payable and collectible solely from the Pledged County Gross Receipts Tax Revenues, which revenues are so pledged and are payable as set forth in Sections 16 and 17 of this Bond Ordinance. The owner of the Bond may not look to any general or other fund for the payment of the principal of or interest on such obligations, except

the designated special funds pledged therefor. The Bond shall not constitute an indebtedness or a debt of the County within the meaning of any constitutional, charter or statutory provision or limitation, nor shall it be considered or held to be a general obligation of the County, and the Bond shall recite that it is payable and collectible solely out of the Pledged County Gross Receipts Tax Revenues, pledged as set forth in the Bond Ordinance, and that the holder thereof may not look to any general or other county fund for the payment of the principal of and interest on the Bond. Nothing herein shall prevent the County from applying other funds of the County legally available therefor to the payment of the Bond, in its sole discretion.

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

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(Form of Face of Bond)

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

COUNTY OF QUAY

COUNTY OF QUAY, NEW MEXICO

GROSS RECEIPTS TAX REVENUE BOND

SERIES _____, 1989

Bond No. _____ \$ _____

INTEREST RATE	MATURITY DATE	DATE OF BOND	CUSIP
_____% per annum	_____	_____, 1989	

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

or registered assigns, on the Maturity Date stated above (unless this bond is called for prior redemption, in which case on such redemption date), upon presentation and surrender hereof at the principal office of _____

_____, as paying agent, or any successor paying agent (the "Paying Agent"), the sum of _____ THOUSAND DOLLARS \$ _____

and to pay from said sources interest on the unpaid principal amount at the Interest Rate stated above on December 20, 1990, and on the 20th day of each month (each an "Interest Payment Date") thereafter to its maturity, or until redeemed if called for redemption prior to maturity. This bond will bear

interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Interest on this bond is payable by check mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by _____, as registrar, or any successor registrar (the "Registrar") at the address appearing therein at the close of business on the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the owner hereof as of the Record Date but shall be payable to the owner hereof at the close of business on a special record date to be fixed by the Paying Agent for the payment of interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to owner of the Bond (defined below) as then shown on the Registrar's registration books not less than ten days prior to the special record date. If, upon presentation at maturity or redemption, payment of this bond is not made as herein provided, interest hereon shall continue at the Interest Rate stated above until the principal hereof is paid in full. The principal, premium, if any, and interest on this bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar.

This bond is a duly authorized fully registered bond of the County in the aggregate principal amount of \$369,000, designated as County of Quay, New

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Mexico Gross Receipts Tax Revenue Bond, Series December, 1989 (the "Bond") issued under and pursuant to County Ordinance No. _____ (the "Bond Ordinance").

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

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

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

IN WITNESS WHEREOF, the County of Quay, New Mexico has caused this bond to be signed and executed on the County's behalf with the facsimile signature of the Chairman of the Board, to be countersigned with the facsimile signature of the County Clerk and has caused a facsimile of the corporate seal of the County to be affixed hereon, all as of the Date of Bond stated above.

COUNTY OF QUAY, NEW MEXICO

By _____
Chairman, Board of County Commissioners

By _____
Clerk

(FACSIMILE SEAL)

(Form of Registrar's Certificate of Authentication)

Certificate of Authentication

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

Registrar

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

(End of Form of Face of Bond)

(Form of Reverse of Bond)

The Bond is subject to prior redemption at the option of the County, in whole, on December 20, 1990 and on any interest payment date thereafter at the redemption price set forth on the schedule attached to this Bond.

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

Books for the registration and transfer of the Bond shall be kept by the Registrar. Upon the surrender for transfer or exchange of the Bond at the principal office of the Registrar, duly endorsed or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond to be transferred, in the name of the transferee or owner a new Bond in fully registered form of the same aggregate principal amount, maturity and interest rate. Exchanges and transfers of the Bond shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of any Bond of any tax or other similar governmental charge required to be paid with respect to such exchange or transfer. The Registrar shall not be required (i) to transfer or exchange any Bond during the period of fifteen days next preceding the mailing of notice calling any Bond for redemption, or (ii) to transfer or exchange any

Bond or part thereof called for redemption. The Registrar will close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each interest payment date, but such transfers shall not include a transfer of accrued interest payable.

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

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

This bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not

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be considered or held to be a general obligation of the County, from that portion of county gross receipts tax revenues which portion equals one-eighth of one percent (.125%) of the taxable gross receipts reported for the County and remitted to the County by the State pursuant to Sections 7-1-6 and 7-1-6.4 NMSA 1978 and County Ordinances (the "Pledged County Gross Receipts Tax Revenues"), and the bondholders may not look to any general or other county fund other than those described above for the payment of the interest and principal of this bond. Additional bonds may be issued and made payable from the Pledged County Gross Receipts Tax Revenues, upon satisfaction of the conditions set forth in the Bond Ordinance, having a lien thereon either on a parity with, or subordinate and junior to, the lien on the Pledged County Gross Receipts Tax Revenues of the Bond, but additional bonds may not be issued with a lien thereon superior to the lien thereon of the Bond.

The Bond is issued to provide funds to defray in part the cost of acquiring detention facilities, including, without limitation, to the extent necessary, the acquisition of land and any rights-of-way therefor and related thereto, all costs incidental to the foregoing, and the costs of the issuance of the Bond. The Bond is secured by the Pledged County Gross Receipts Tax Revenues.

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

This bond is subject to the condition, and every owner hereof by accepting the same agrees with the obligor and every subsequent owner hereof, that the principal of and interest on this bond shall be paid, and this bond is

transferable, free from and without regard to any equities, set-offs or crossclaims between the obligor and the original or any other owner hereof.

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(Form of Legal Opinion Certificate)

STATE OF NEW MEXICO)
) ss.
COUNTY OF QUAY) LEGAL OPINION CERTIFICATE

I, _____, County Clerk of the County of Quay, in the State of New Mexico, do hereby certify that the following approving legal opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, to-wit:

[Form of Attorney's Approving Opinion]

is a full, true and correct copy of manually executed and dated copies 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, and premised on the facts and law in effect on the date of original delivery of, the bonds of the series of which this bond is one.

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

(Facsimile Signature)
County Clerk
County of Quay, New Mexico

(FACSIMILE SEAL)

(End of Form of Legal Opinion Certificate)

(Form of Assignment)

For value received, _____ hereby sells,
 assigns and transfer unto _____ the within
 bond and hereby irrevocably constitutes and appoints _____
 attorney, to transfer the same on the books of the Registrar, with full power
 of substitution in the premises.

 Social Security or Tax Identification No. of Assignee _____

Dated: _____

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

(End of Form of Assignment)

(End of Form of Reverse of Bond)

ATTACH PAYMENT SCHEDULE TO BOND

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Section 14. Period of Project's Usefulness. It is hereby determined and recited that the period of usefulness of the Project to be acquired with the proceeds of the Bond is not less than 20 years from the date of initial delivery and issuance of the Bond.

Section 15. Disposition of Proceeds; Completion of Project. Except as herein otherwise specifically provided, the proceeds derived from the sale of the Bond, shall be used and paid solely for the valid costs of acquiring the Project.

A. Accrued Interest and Premium. Upon the sale of the Bond, all moneys received as accrued interest and any premium therefor, shall be deposited into the Debt Service Fund, to apply on the payment of interest next due on the Bond.

B. Acquisition Fund. Except as provided above, the proceeds derived from the sale of the Bond shall be deposited promptly upon the receipt thereof in the Acquisition Fund.

Until the Completion Date, the money in the Acquisition Fund shall be used and paid out solely for the purpose of acquiring the Project and payment of the Expenses in compliance with applicable law.

C. Project Completion. The Completion Date shall be evidenced by a certificate signed by a consulting contractor, consulting engineer or a consulting architect stating that acquisition of the Project has been completed. As soon as practicable, and in any event not more than 60 days from the Completion Date, any balance remaining in the Acquisition Fund (other than any amount retained by the County for any Project costs not then due and payable) shall be transferred from the Acquisition Fund and deposited in the

Debt Service Fund and used by the County to pay principal and interest as same become due.

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

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

A. Acquisition Fund. Creates the "County of Quay Gross Receipts Tax Revenue Bond, Series December, 1989, Project Acquisition Fund" to be maintained by the County.

B. Gross Receipts Tax Income Fund. Creates the "County of Quay Gross Receipts Tax Income Fund" for the deposit of the Pledged County Gross Receipts Tax Revenues.

C. Debt Service Fund. Creates the "County of Quay Gross Receipts Tax Revenue Bond, Series December, 1989, Debt Service Fund" to be maintained by the County.

Section 17. Deposit of Pledged County Gross Receipts Tax Revenues and Flow of Funds.

A. So long as any of the Bond is outstanding, the Pledged County Gross Receipts Tax Revenues shall be set aside and deposited monthly into the Gross Receipts Tax Income Fund, and thereafter transferred to the Debt Service Fund, as hereinafter provided.

B. Debt Service Fund. From moneys in the Gross Receipts Tax Income Fund there shall be transferred to the Debt Service Fund the following:

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(1) Monthly, commencing in the month immediately preceding the first date for payment of interest, an amount which is necessary to pay the first maturing installment of interest on the Bond, and monthly thereafter commencing in the month of said interest payment date and in the month of each interest payment date thereafter, the amount necessary to pay the next maturing installment of interest on the Bond.

(2) Monthly, commencing on the month immediately preceding the first date for payment of principal, an amount which is necessary to pay the first maturing principal amount of the Bond, and monthly thereafter commencing in the month of each principal payment date, the amount which is necessary to pay the next maturing principal amount on the Bond.

C. Deficiency. After deposits from the Gross Receipts Tax Income Fund set forth in paragraph B above, if any monthly deposit made into the Debt Service Fund is less than the amount required to be deposited pursuant to paragraph B above, the County shall include in addition to the next monthly deposit, on a cumulative basis, the sum of any such deficiency.

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

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

F. Payment of Additional Parity County Gross Receipts Tax Obligations. Concurrently with the payment of the Pledged County Gross Receipts Tax Revenues required by paragraph B of this Section, any amounts on deposit in the County of Quay County Gross Receipts Tax Income Fund shall be used by the County for the payment of principal of and interest on Parity County Gross Receipts Tax Obligations, if any, hereafter authorized to be issued and payable from the Pledged County Gross Receipts Tax Revenues as the same accrue.

G. Termination Upon Deposits to Maturity. No payment shall be made into the Debt Service Fund if the amount in such fund totals a sum at least equal to the entire aggregate amount due as to principal, premium, if any, and interest, on the Bond to their respective maturities or applicable redemption dates, in which case moneys in the Debt Service Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same accrue, and any moneys in excess thereof in the Debt Service Fund may be used as provided below.

H. Use of Surplus Revenues. After making all the payments hereinabove required to be made by this Section, any moneys remaining in the Gross Receipts Tax Income Fund and the Debt Service Fund may be applied to any other lawful purpose, including, but not limited to the payment of any bonds or obligations subordinate and junior to the Bond, or purposes authorized by the County, the Constitution and laws of the State, as the County may from time to time determine.

Section 18. General Administration of Funds. The funds designated in Sections 16 and 17 shall be administered and invested as follows:

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

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

Section 19. Lien on Pledged County Gross Receipts Tax Revenues. The Pledged County Gross Receipts Tax Revenues and the amounts and securities on deposit in the Debt Service Fund, and the proceeds thereof, are hereby authorized to be pledged to, and are hereby pledged, and the County grants a security interest therein for, the payment of the principal of, premium, if any, and interest on the Bond, subject to the uses thereof permitted by, and the priorities set forth in, the Bond Ordinance. The Bond constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged County Gross Receipts Tax Revenues as set forth herein.

The County hereby pledges and grants a security interest in the moneys on deposit in the Acquisition Fund for the payment of the Bond with a priority thereon (relative to the use of the money in the Acquisition Fund for the purposes of acquiring the Project) as set forth in Section 15 of the Bond Ordinance.

Section 20. Bonds or Other Obligations Payable From Pledged County Gross Receipts Tax Revenues.

A. Limitations Upon Issuance of Parity County Gross Receipts Tax Obligations. No provision of the Bond Ordinance shall be construed in such a manner as to prevent the issuance by the County of additional Parity County Gross Receipts Tax Obligations, nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bond; provided, however, that before any such additional Parity County Gross Receipts Tax Obligations are actually issued (excluding refunding bonds or refunding obligations which refund Parity County Gross Receipts Tax Obligations but including parity refunding bonds and obligations which refund subordinate obligations as provided in Section 21 hereof), it must be determined that:

(1) The County is then current in all of the accumulations required to be made into the Debt Service Fund as provided in Section 17 A, B and C of the Bond Ordinance; and

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

(3) The Pledged County Gross Receipts Tax Revenues received by the County for the Fiscal Year immediately preceding the date of the issuance of such additional Parity County Gross Receipt Tax Obligations shall have been sufficient to pay an amount representing one hundred and twenty-five percent (125%) of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on the then outstanding Parity County Gross Receipts Tax Obligations and the Parity County Gross Receipts Tax Obligations proposed to be issued (excluding any reserves therefor).

B. Bond or Opinion of Revenues. A written certificate or opinion by an Independent Accountant that such annual Pledged County Gross Receipts Tax Revenues are sufficient to pay such amounts shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver such additional bonds or other obligations on a parity with the Bond herein authorized.

C. Subordinate Obligations Permitted. No provision of the Bond Ordinance 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 County Gross County Receipts Tax Revenues constituting a lien upon such Pledged County Gross Receipts Tax Revenues subordinate and junior to the lien of the Bond nor to prevent the issuance of bonds or other obligations

refunding all or part of the Bond herein authorized as permitted by Section 21 hereof.

D. Superior Obligations Prohibited. The County shall not issue bonds payable from the Pledged County Gross Receipts Tax Revenues having a lien thereon prior and superior to the Bond.

Section 21. Refunding Bonds Payable From Pledged County Gross Receipts Tax Revenues. The provisions of Section 20 hereof are subject to the following exceptions:

A. Privilege of Issuing Refunding Obligations. If at any time after the Bond, 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 Pledged County Gross Receipts Tax Revenues, such bond or other obligations, or any part thereof, may be refunded (but the holders of bonds to be refunded may not be compelled to surrender their bonds, 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 County Gross Receipts Tax Revenues is changed, except as provided in subparagraph D of Section 20 hereof and in subparagraphs B and C of this Section.

B. Limitations Upon Issuance of Parity Refunding Obligations. No refunding bonds or other refunding obligations payable from the Pledged County Gross Receipts Tax Revenues shall be issued on a parity with the Bond herein authorized, unless:

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(1) The outstanding obligations so refunded are Parity County Gross Receipts Tax Bond and the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations; or

(2) The refunding bonds or other refunding obligations are issued in compliance with paragraph A of Section 20 hereof.

C. Refunding Part of an Issue. The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged County Gross Receipts Tax Revenues with the portion of any bonds or other obligations of the same issue which is not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of the bonds or other obligations of the same issue refunded thereby. If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged County Gross Receipts Tax Revenues is refunded, then such obligations may not be refunded without the consent of the holder or holders 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 obligations evidenced by such refunded 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 of Section 20 hereof; or

(3) The lien on the Pledged County Gross Receipts Tax Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

D. Limitations Upon Issuance of Refunding Obligations. Any refunding bonds or other refunding obligations payable from the Pledged County Gross Receipts Tax Revenues shall be issued with such details as the County may provide by ordinance, 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 Bond).

Section 22. Protective Covenants. The County hereby covenants and agrees with each and every holder of the Bond issued hereunder:

A. Use of Bond Proceeds. The County will proceed without delay to apply the proceeds of the Bond to the acquisition of the Project.

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

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

D. Prohibition of any Extension of Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the County

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

E. Records for Pledged County Gross Receipts Tax Revenues. So long as the Bond remains 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 County Gross Receipts Tax Revenues.

F. Audits. The County will, within ninety (90) days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged County Gross Receipts Tax Revenues to be commenced by an Independent Accountant showing the receipts and disbursements in connection with the such revenues. The County agrees to furnish forthwith a copy of each of such audits and reports to the Purchaser and the holder of the Bond at his written request.

G. Other Pledged County Gross Receipts Tax Revenues Liens. Other than as described and identified by the Bond Ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged County Gross Receipts Tax Revenues.

H. Duty to Impose Gross Receipts Tax. If State law or any County ordinance or part thereof, which in any manner affect the Pledged County Gross Receipts Tax Revenues, 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 County Gross Receipts Tax Revenues to comply with the contracted obligations of the Bond Ordinance, except as is provided in paragraph I of this Section.

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

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

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

Section 23. Qualified Tax-Exempt Obligations. The Bond is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In that connection, the County hereby covenants that the County, it having no "subordinate entities" with authority to issue obligations within the meaning of that Section of the Code, in or during the calendar year in which the Bond is issued, (i) will not designate as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, tax-exempt obligations, including the Bond, in an aggregate principal amount in excess of \$10,000,000, and (ii) will not issue tax-exempt obligations within the meaning of Section 265(b)(4) of the Code, including the

Bond and any qualified 501(c)(3) bonds as defined in Section 145 of the Code (but excluding obligations, other than qualified 501(c)(3) bonds, that are private activity bonds as defined in Section 141 of the Code), in an aggregate principal amount exceeding \$10,000,000, unless the County receives an opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not cause the Bond to cease to be "qualified tax-exempt obligations."

Section 24. Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal. Failure to pay the principal of any of the Bond when the same becomes due and payable, either at maturity, or by proceedings for redemption, or otherwise.

B. Nonpayment of Interest. Failure to pay any installment of interest within thirty (30) days of the due date thereof.

C. Incapable to Perform. The County shall for any reason be rendered incapable of fulfilling its obligations hereunder.

D. Default of any Provision. Default by the County in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bond or in the Bond Ordinance on its part to be performed, and the continuance of such default (other than a default set forth in subparagraphs A and B of this Section) for sixty (60) days after written notice specifying such default and requiring the same to be remedied has been given to the County by the holder of the Bond then outstanding.

Section 25. Remedies Upon Default. Upon the happening and continuance of any of the events of default as provided in Section 24 of the Bond Ordinance,

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

Section 26. Duties Upon Default. Upon the happening of any of the events of default provided in Section 24 of the Bond Ordinance, the County, in addition, will do and perform all proper acts on behalf of and for the owner of the Bond to protect and preserve the security created for the payment of the Bond and to insure the payment of the principal of and interest on the

Bond promptly as the same become due. All proceeds derived therefrom, so long as the Bond, either as to principal or interest, is outstanding and unpaid, shall be applied as set forth in Section 17 of the Bond Ordinance. In the event the County fails or refuses to proceed as provided in this Section, the holder of the Bond then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owner of the Bond as hereinabove provided.

Section 27. Bond Not Presented When Due. If the Bond shall not be duly presented for payment when due at maturity or on the redemption date thereof, and if moneys sufficient to pay such Bond are on deposit with the Paying Agent for the benefit of the owner of such Bond, all liability of the County to such owner for the payment of such Bond shall be completely discharged, such Bond shall not be deemed to be outstanding and it shall be the duty of the Paying Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owner of such Bond as may be provided in any agreement hereafter entered into between the Paying Agent and an officer of the County.

Section 28. 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 the Bond Ordinance, including, without limiting the generality of the foregoing, the publication of the summary of publication set out in Section 35 of the Bond Ordinance (with such changes, additions and deletions as they may determine), the distribution of material relating to the Bond, the printing of the Bond, the printing, execution and distribution of a Disclosure Statement, and the execution

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thereof, of the Bond Purchase Agreement and of such bond as may be required by the Purchaser or bond counsel. The use and distribution of the Disclosure Statement in connection with the sale of the Bond is hereby ratified, authorized, approved and acknowledged.

Section 29. Amendment of Ordinance. This Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein. Prior to the date of the initial delivery of the Bond to the Purchaser, the provisions of this Ordinance may be amended with the written consent of the Purchaser, by resolution of the Board with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. Except as provided above, this Ordinance may be amended without receipt by the County of any additional consideration, but with the written consent of the holder of the Bond then outstanding; but no ordinance adopted without the written consent of the holder of the outstanding Bond shall have the effect of permitting:

A. An extension of the maturity or mandatory sinking fund redemption requirement of any Bond; or

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

C. The creation of a lien upon the Pledged County Gross Receipts Tax Revenues ranking prior to the lien or pledge created by this Ordinance; or

D. A reduction of the principal amount of the Bond required for consent to such amendatory ordinance; or

Any amendment to this Ordinance which is not inconsistent with the terms

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

Section 30. Defeasance. When all principal, interest and prior redemption premium, if any, in connection with the Bond hereby authorized has been duly paid, the pledge and lien for the payment of the Bond shall thereby be discharged and the Bond shall no longer be deemed to be outstanding within the meaning of the Bond Ordinance. Payment shall be deemed made with respect to the Bond when the Board has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from federal securities) to meet all requirements of principal, interest and prior redemption premium, if any, as the same become due to their final maturities or upon designated redemption dates. Any federal securities shall become due when needed in accordance with a schedule agreed upon between the Board and such bank at the time of the creation of the escrow. Federal securities within the meaning of this Section shall include only direct obligations of, or obligations the principal of and interest of which are unconditionally guaranteed by the United States of America or as otherwise may be prescribed by the legislature of the State of New Mexico.

Section 31. Ordinance Irrepealable. After the Bond is issued, the Bond Ordinance shall be and remain irrepealable until the Bond and the interest thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

Section 32. Severability Clause. If any section, paragraph, clause or provision of the Bond Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph,

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clause or provision shall not affect any of the remaining provisions of the Bond Ordinance.

Section 33. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 34. Effective Date. Upon due adoption of this Bond Ordinance, it 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 the title and general summary of the subject matter contained in the Bond Ordinance (set out in Section 35 below) shall be published in a newspaper which maintains an office and is of general circulation in the County, or posted in accordance with law, and said Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 35. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in the Bond Ordinance shall be published in substantially the following form:

Quay County, New Mexico

Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in County Ordinance No. 9, duly adopted and approved by the Board of County Commissioners of Quay County, New Mexico, on November 20th, 1989, relating to the authorization and issuance of the County's Gross Receipts Tax Revenue Bond, Series December, 1989 (the "Bond"). Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the County Clerk, Quay County Courthouse, Tucumcari, New Mexico.

The title of the Ordinance is:

AUTHORIZING THE ISSUANCE AND SALE OF THE COUNTY OF QUAY, NEW MEXICO GROSS RECEIPTS TAX REVENUE BOND, SERIES DECEMBER, 1989, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$369,000 FOR THE PURPOSE OF ACQUIRING DETENTION FACILITIES INCLUDING, WITHOUT LIMITATION, TO THE EXTENT NECESSARY, THE ACQUISITION OF LAND AND RIGHTS-OF-WAY THEREFOR AND RELATED THERETO; PROVIDING FOR THE PAYMENT OF SUCH BONDS SOLELY FROM THE ONE-EIGHTH PERCENT OF THE GROSS RECEIPTS TAX REMITTED TO THE COUNTY BY THE STATE OF NEW MEXICO AND WHICH IS DEDICATED TO SAID PURPOSE; PROVIDING FOR THE FORM, TERMS, EXECUTION AND OTHER DETAILS CONCERNING THE BONDS, THE FUNDS APPERTAINING THERETO; THE APPROVAL, EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND APPROVING A DISCLOSURE DOCUMENT AND THE USE AND DISTRIBUTION THEREOF; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

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

Preambles recite or include such matters as: the status of the gross receipts tax revenues under State law; the County's receipt of the proposed form of disclosure document which relates to the issuance and sale of the County's Gross Receipts Tax Revenue Bond, Series December, 1989 (the "Bond"); the County Commission has determined that it is in the best interests of the County and its residents to issue Bond secured by a first lien on the pledged revenues, and the County Commission has determined that it is in the best interest of the County to enter into the bond purchase agreement with, and sell the bonds to The First National Bank, Tucumcari, New Mexico (the "Purchaser").

Sections 1 through 4 define the terms used in the Ordinance; ratify and confirm all previous actions taken by the County directed toward the authorization of the Bond; authorize the issuance of the Bond for the purpose of acquiring detention facilities, including, without limitation, to the extent necessary, the acquisition of land and rights-of-way therefor and related thereto (the "Project"); and set forth certain findings of the County Commission which include: the need for the Project; moneys available for the Project from all sources other than the issuance of revenue bonds are not sufficient to defray the cost of the Project.

Section 5 authorizes the issuance of the Bond in the principal amount of \$369,000 to be payable and collectable from gross receipts tax revenues received by the County; authorizes and approves the negotiated sale of the Bond to the Purchaser pursuant to the Bond Purchase Agreement; provides a

maturity schedule for the Bond, and that the Bond shall be issued as a fully registered bond.

Sections 6 through 9 provide details with respect to the prior redemption of the Bond; provide details with respect to the notice of redemption; for the filing of signatures and execution and authentication of the Bond; and that the Bond are fully negotiable.

Sections 10 through 14 provide details relating to payment of the Bond and presentation of the Bond for payment; for the registration, transfer and exchange and ownership of the Bond; that the Bond constitutes a special limited obligation of the County; for the form of the Bond; and determine the period of usefulness of the Project.

Sections 15 through 19 provide details relating to disposition of the proceeds of the Bond and acquisition of the Project; for creation and administration of special funds and accounts for deposit of the revenues pledged to the payment of the Bond; provide for the deposit and flow of funds to pay the Bond, security for the payment of the Bond and other obligations of the County relating thereto.

Sections 20 through 21 provide details relating to the issuance of additional bonds and refunding bonds secured by pledged revenues.

Sections 22 through 26 provide protective covenants relating to such matters as the use of Bond proceeds, the payment of the Bond, the existence of the County, other gross receipts tax revenue liens, impairment of contract, and the exemption of interest paid on the Bond from federal income taxation; designate the Bond as qualified tax-exempt obligations; define events of default; and provide for remedies and duties upon default.

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Sections 27 through 30 relate to the extent of liability for the Bond not presented when due; provide for amendments to the Ordinance and the defeasance of the Bond; and delegate powers to the officers of the County to effectuate the provisions of the Ordinance.

Sections 31 through 35 provide a limitation of action period; state that the Ordinance is irrepealable; provide for severability and repealer clauses; provide an effective date for the Ordinance; and provide a form for publication.

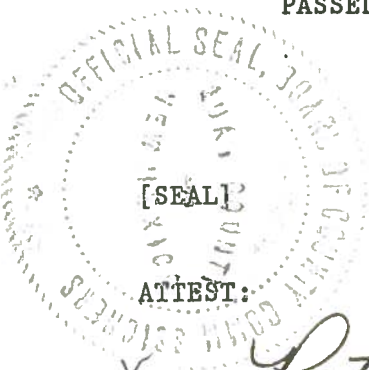
This notice constitutes compliance with § 6-14-6 N.M.S.A. 1978.

WITNESS my hand and the seal of the County of Quay, New Mexico, this 20th day of November, 1989.

Pat Clark
County Clerk

PASSED, APPROVED AND ADOPTED THIS 20th DAY OF November, 1989.

Robert Theisen
CHAIRMAN, COUNTY COMMISSION



Pat Clark
COUNTY CLERK

A motion to temporarily suspend any and all rules and regulations of the Board which might prohibit the immediate adoption and passage of said ordinance was made by Commissioner Huntow, duly seconded by Commissioner Moya, and upon being put to a vote, was passed and adopted on the following recorded vote:

Those Voting Aye: Robert Thrasher
Charlie Moya
Brad Huntow

Those Voting Nay: _____

Those Absent: _____

3 Commissioners having voted in favor of said motion, the motion to suspend the rules was thereupon declared by the Chairman to have passed.

Commissioner Moya then moved adoption of the foregoing ordinance, duly seconded by Commissioner Huntow.

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

Those Voting Aye: Robert Thrasher
Charlie Moya
Brad Huntow

Those Voting Nay: _____

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Those Absent: _____

_____ Commissioners having voted in favor of said motion, the Chairman declared said motion carried and said ordinance adopted, whereupon the Chairman and County Clerk signed the ordinance upon the records of the minutes of the Commission.

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

Robert Throaster
CHAIRMAN, BOARD OF COUNTY COMMISSIONERS



ATTEST:
Pat Clark
COUNTY CLERK

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

I, Pat Clark, the duly elected, qualified, and acting County Clerk of the County of Quay, New Mexico (the "County"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Board of County Commissioners of the County of Quay, New Mexico (the "Board"), constituting the governing board of the County, had and taken at a duly called special, open meeting held in the Quay County Courthouse in Tucumcari, New Mexico, on November 20, 1989, at the hour of 10:00 a.m., insofar as the same relate to the proposed bond issue, a copy of which is set forth in the official records of the proceedings of the Board kept in my office. None of the action taken has been rescinded, repealed, or modified.

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

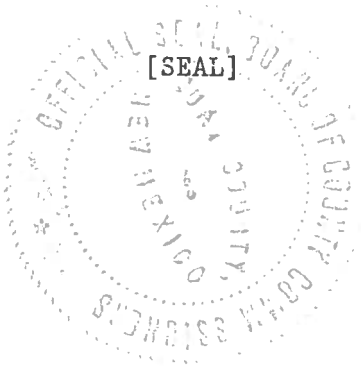
3. Notice of said meeting was given by publication of a notice of such meeting in The Quay County Sun, a newspaper of general circulation in the County and by posting notice of such meeting at the office of the County Clerk at least three days in advance of such meeting. Such notice constitutes compliance with one of the permitted methods of giving notice of meetings of the Board as required by the open meetings standards presently in effect, i.e., County Resolution No. 12.

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IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of November,
1989.

Pat Clark

Pat Clark, County Clerk



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