

1 AN ABSTRACT OF PROCEEDINGS

2 STATE OF NEW MEXICO)

3) ss.

4 COUNTY OF SANTA FE)

5 The Governing Body of the City (the "Governing Body") of the City of Santa Fe (the "City")
6 in the County of Santa Fe, State of New Mexico, met in regular session in full conformity with law
7 and ordinances and rules of the City, at City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico, being
8 the regular meeting place of the Governing Body, at the hour of 7:00 p.m., on Wednesday, the 27th
9 day of August, 2014.

10 Upon roll call the following were found to be present, constituting a quorum of the
11 Governing Body:

- | | | | |
|----|----------|------------|--------------------------------|
| 12 | PRESENT: | Mayor: | <u>Javier M. Gonzales</u> |
| 13 | | Councilor: | <u>Patti J. Bushee</u> |
| 14 | | Councilor: | <u>Bill Dimas</u> |
| 15 | | Councilor: | <u>Carmichael A. Dominguez</u> |
| 16 | | Councilor: | <u>Peter N. Ives</u> |
| 17 | | Councilor: | <u>Signe I. Lindell</u> |
| 18 | | Councilor: | <u>Joseph M. Maestas</u> |
| 19 | | Councilor: | <u>Christopher M. Rivera</u> |
| 20 | | Councilor: | <u>Ronald S. Trujillo</u> |
| 21 | ABSENT: | | <u>None</u> |

22 Thereupon the following proceedings, among others, were had and taken:

23 PUBLIC HEARINGS

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25 CONSIDERATION OF BILL NO. 2014-22

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ADOPTION OF ORDINANCE NO. 2014-27

Issuance of Gross Receipts Tax Improvement Revenue Bonds, Series 2014

1 CITY OF SANTA FE, NEW MEXICO

2 ORDINANCE NO. 2014-27

3
4
5 AN ORDINANCE

6 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW
7 MEXICO GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS IN AN
8 AGGREGATE PRINCIPAL AMOUNT OF \$15,460,000 FOR THE PURPOSE OF
9 DEFRAYING THE COST OF PUBLIC PROJECTS RELATED TO PUBLIC UTILITIES,
10 PUBLIC WORKS, PARKS AND RECREATION, AND COMMUNITY SERVICES AS
11 AUTHORIZED BY LAW AND THE CITY'S HOME RULE POWERS; PROVIDING THAT
12 THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE GROSS RECEIPTS
13 TAX REVENUES DISTRIBUTED TO THE CITY; ESTABLISHING THE FORM, TERMS,
14 MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING
15 THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT;
16 APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION
17 WITH THE BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION
18 WITH THE BONDS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND
19 RELATED MATTERS.

20
21 Capitalized terms used in the following preambles have the same meaning as set forth in
22 Section 1 of this Ordinance unless the context requires otherwise.

23 WHEREAS, the City of Santa Fe, New Mexico (the "City") is a legally created, established,
24 organized and existing incorporated city under the constitution and laws of the State of New Mexico;
25 and

1 **WHEREAS**, pursuant to Section 7-1-6.4 NMSA 1978 the City receives monthly State-
2 Shared Gross Receipts Tax Revenues from the New Mexico Department of Taxation and Revenue
3 equal to one and two hundred and twenty-five thousandths percent (1.225%) of the gross receipts of
4 persons engaging in business within the City, as determined and adjusted under the Gross Receipts
5 and Compensating Tax Act, Chapter 7, Article 9 NMSA 1978; and

6 **WHEREAS**, pursuant to the Municipal Local Option Gross Receipts Taxes Act, Sections 7-
7 19D-1 through 7-19D-16, NMSA 1978, and the One-Half Percent Municipal Gross Receipts Tax
8 Ordinance, the City has imposed a municipal gross receipts tax on persons engaging in business in the
9 City in the amount of one-half of one percent (0.50%) and receives monthly One-Half Percent
10 Municipal Gross Receipts Tax Revenues from the New Mexico Department of Taxation and Revenue
11 equal to one-half of one percent (0.50%) of the gross receipts of persons engaging in business within
12 the City, as determined and adjusted under the Municipal Local Option Gross Receipts Taxes Act.
13 The One-Half Percent Municipal Gross Receipts Tax was imposed by City Ordinance No. 1981-45
14 and is dedicated for capital improvements to City facilities and street and road construction and
15 reconstruction as authorized by the Municipal Gross Receipts Tax Act. Other increments of
16 Municipal Gross Receipts Tax are imposed by the City which are not pledged for payment of Parity
17 Obligations or Subordinate Obligations; and

18 **WHEREAS**, pursuant to Section 7-19D-11 NMSA 1978 and City Ordinance No. 1993-21,
19 the City has imposed an infrastructure gross receipts tax on persons engaging in business in the City
20 and receives monthly distributions of Infrastructure Gross Receipts Tax Revenues from the New
21 Mexico Department of Taxation and Revenue equal to 1/16th of one percent (0.0625%) of the gross
22 receipts of persons engaging in business within the City, as determined and adjusted under the
23 Municipal Local Option Gross Receipts Taxes Act and the Tax Administration Act. The
24 Infrastructure Gross Receipts Tax is dedicated for purposes authorized by Section 7-19D-11 NMSA
25 1978; and

1 **WHEREAS**, pursuant to Section 7-19D-10 NMSA 1978, and City Ordinance No. 1993-20,
2 the City has imposed an environmental services gross receipts tax on persons engaging in business in
3 the City and receives monthly distributions of Environmental Services Gross Receipts Tax Revenues
4 from the New Mexico Department of Taxation and Revenue equal to 1/16th of one percent (0.0625%)
5 of the gross receipts of persons engaging in business within the City, as determined and adjusted
6 under the Municipal Local Option Gross Receipts Taxes Act and the Tax Administration Act. The
7 Environmental Services Gross Receipts Tax is dedicated for purposes authorized by Section 7-19D-
8 10 NMSA 1978; and

9 **WHEREAS**, pursuant to Ordinance No. 2004-28, passed and adopted by the Governing
10 Body on August 11, 2004, the City has entered into a Taxable Loan Agreement dated September 24,
11 2004 with the New Mexico Finance Authority in an aggregate principal amount of \$579,025 (herein,
12 the “2004 Railyard Project Finance Authority Taxable Loan”) payable from and constituting a
13 subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues,
14 the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts
15 Tax Revenues (of which \$401,798 of such 2004 Railyard Project Finance Authority Taxable Loan
16 remains unpaid); and

17 **WHEREAS**, pursuant to Ordinance No. 2005-30, passed and adopted by the Governing
18 Body on July 27, 2005, the City has issued its “City of Santa Fe Municipal Recreation
19 Complex/Subordinate Lien Gross Receipts Tax Refunding Bonds, Series 2005” (herein the “Series
20 2005 Bonds”) in an aggregate principal amount of \$15,315,000 payable from and constituting a
21 subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues,
22 the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts
23 Tax Revenues (of which \$8,265,000 of such Series 2005 Bonds remain outstanding); and

24 **WHEREAS**, pursuant to Ordinance No. 2006-04, passed and adopted by the Governing
25 Body on January 11, 2006, the City has issued its “City of Santa Fe Gross Receipts Tax Improvement

1 Revenue Bonds, Series 2006” (herein the “Series 2006 Bonds”) in an aggregate principal amount of
2 \$17,710,000, payable from and constituting a first (but not an exclusive first) lien on the State-Shared
3 Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, and
4 the Infrastructure Gross Receipts Tax Revenues (of which \$2,045,000 of such Series 2006 Bonds
5 remain outstanding); and

6 **WHEREAS**, pursuant to Ordinance No. 2006-27, passed and adopted by the Governing
7 Body on June 26, 2006, the City has issued its “City of Santa Fe Gross Receipts Tax Refunding
8 Revenue Bonds, Series 2006B” (herein the “Series 2006B Bonds”) in an aggregate principal amount
9 of \$15,160,000, payable from and constituting a first (but not an exclusive first) lien on the State-
10 Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues,
11 the Infrastructure Gross Receipts Tax Revenues and the Environmental Services Gross Receipts Tax
12 (of which \$9,360,000 of such Series 2006B Bonds remain outstanding); and

13 **WHEREAS**, pursuant to Ordinance No. 2006-51, passed and adopted by the Governing
14 Body on August 28, 2006, the City has issued its “City of Santa Fe Subordinate Lien Gross Receipts
15 Tax/Wastewater System Improvement Revenue Bonds, Series 2006C” (herein the “Series 2006C
16 Bonds”) in an aggregate principal amount of \$9,780,000, payable from and constituting a subordinate
17 (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-
18 Half Percent Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax
19 Revenues and the Environmental Services Gross Receipts Tax Revenues (of which \$5,430,000 of
20 such Series 2006C Bonds remain outstanding); and

21 **WHEREAS**, pursuant to Ordinance No. 2006-54, passed and adopted by the Governing
22 Body on September 13, 2006, the City has entered into a Taxable Loan Agreement dated October 20,
23 2006 with the New Mexico Finance Authority in an aggregate principal amount of \$892,227 (herein
24 the “2006 Railyard Project Finance Authority Taxable Loan”) payable from and constituting a
25 subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues,

1 the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts
2 Tax Revenues (of which \$712,409 of such 2006 Railyard Project Finance Authority Taxable Loan
3 remains unpaid); and

4 **WHEREAS**, pursuant to Ordinance No. 2008-11, passed and adopted by the Governing
5 Body on February 27, 2008, the City has issued its "City of Santa Fe Gross Receipts Tax Revenue
6 Bonds, Series 2008" (herein the "Series 2008 Bonds") in an aggregate principal amount of
7 \$28,705,000, payable from and constituting a first (but not an exclusive first) lien on the State-Shared
8 Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the
9 Infrastructure Gross Receipts Tax Revenues (of which \$27,040,000 of such Series 2008 Bonds
10 remain outstanding); and

11 **WHEREAS**, pursuant to Ordinance No. 2008-35, passed and adopted by the Governing
12 Body on June 25, 2008, the City has entered into a Loan Agreement dated August 1, 2008, with the
13 New Mexico Finance Authority in an aggregate principal amount of \$3,610,000 (herein the "2008
14 Land Acquisition Finance Authority Loan") payable from and constituting a subordinate (but not an
15 exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent
16 Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of
17 which \$2,817,334 of such 2008 Land Acquisition Finance Authority Loan remains unpaid); and

18 **WHEREAS**, pursuant to Ordinance No. 2009-35, passed and adopted by the Governing
19 Body on July 29, 2009, Resolution No. 2009-85 adopted on August 26, 2009 and Resolution 2009-94
20 adopted on September 30, 2009, the City has entered into a Loan Agreement dated September 14,
21 2009, with the New Mexico Finance Authority in an aggregate principal amount of \$29,615,000
22 (herein the "2009 College Acquisition Finance Authority Loan") payable from and constituting a
23 subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues,
24 the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts
25 Tax Revenues (of which \$27,060,000 of such 2009 College Acquisition Finance Authority Loan

1 remains unpaid); and

2 **WHEREAS**, pursuant to Ordinance No. 2010-27, passed and adopted by the Governing
3 Body on November 10, 2010, the City issued its “City of Santa Fe Gross Receipts Tax Refunding
4 Revenue Bonds, Series 2010A” (herein the “Series 2010A Bonds”) in an aggregate principal amount
5 of \$15,005,000 payable from and constituting a first (but not an exclusive first) lien on the State-
6 Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues,
7 the Infrastructure Gross Receipts Tax Revenues (of which \$3,945,000 of such Series 2010A Bonds
8 remain outstanding); and

9 **WHEREAS**, pursuant to Ordinance No. 2010-26, passed and adopted by the Governing
10 Body on November 10, 2010, the City issued its “City of Santa Fe, New Mexico Subordinate Lien
11 Gross Receipts Tax Refunding Revenue Bonds, Series 2010B (herein the “Series 2010B Bonds”) in
12 an aggregate principal amount of \$10,490,000 payable from and constituting a subordinate (but not an
13 exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent
14 Municipal Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues (of
15 which \$9,175,000 of such Series 2010B Bonds remains outstanding); and

16 **WHEREAS**, pursuant to Ordinance No. 2012-7, passed and adopted by the Governing Body
17 on January 25, 2012, the City issued its “City of Santa Fe, New Mexico Gross Receipts Tax
18 Improvement and Refunding Revenue Bonds, Series 2012A (herein the “Series 2012A Bonds”) in an
19 aggregate principal amount of \$32,725,000 (of which \$32,475,000 of such Series 2012A Bonds
20 remain outstanding); and

21 **WHEREAS**, pursuant to Ordinance No. 2012-6, passed and adopted by the Governing Body
22 on January 25, 2012, the City issued its “City of Santa Fe, New Mexico Gross Receipts Tax
23 (Subordinate Lien)/Wastewater Systems Refunding Revenue Bonds, Series 2012B (“herein the
24 “Series 2012B Bonds”) in an aggregate principal amount of \$14,280,000 payable from and
25 constituting a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts

1 Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, the Environmental
2 Services Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues and a
3 first (but not an exclusive first) lien on the Waste Water System Revenues (of which \$11,665,000 of
4 such Series 2012B Bonds remain outstanding); and

5 **WHEREAS**, pursuant to Ordinance No. 2012-35, passed and adopted by the Governing
6 Body on November 14, 2012, the City issued its “City of Santa Fe, New Mexico Subordinate Lien
7 Gross Receipts Tax Improvement Revenue Bonds, Series 2012C (herein the “Series 2012C Bonds”)
8 in an aggregate principal amount of \$4,685,000 payable from and constituting a subordinate (but not
9 an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half
10 Percent Municipal Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues
11 (of which \$4,600,000 of such Series 2012C Bonds remain outstanding); and

12 **WHEREAS**, pursuant to Ordinance No. 2013-18, passed and adopted by the Governing
13 Body on June 18, 2013, the City issued its “City of Santa Fe, New Mexico Gross Receipts Tax
14 Refunding Revenue Bonds, Series 2013A (“herein the “Series 2013A Bonds”) in an aggregate
15 principal amount of \$10,880,000 (of which \$10,800,000 of such Series 2013A Bonds remain
16 outstanding); and

17 **WHEREAS**, pursuant to Ordinance No. 2013-19, passed and adopted by the Governing
18 Body on May 8, 2013, the City issued its “City of Santa Fe, New Mexico Subordinate Lien Gross
19 Receipts Tax Refunding Revenue Bonds, Series 2013B (herein the “Series 2013B Bonds”) in an
20 aggregate principal amount of \$13,780,000 payable from and constituting a subordinate (but not an
21 exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent
22 Municipal Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues (of
23 which \$13,575,000 of such Series 2013B Bonds remain outstanding); and

24 **WHEREAS**, except for the outstanding 2004 Railyard Project Finance Authority Taxable
25 Loan, the Series 2005 Bonds, the Series 2006 Bonds, the Series 2006B Bonds, the Series 2006C

1 Bonds, the 2006 Railyard Project Finance Authority Taxable Loan, the Series 2008 Bonds, the 2008
2 Land Acquisition Finance Authority Loan, the 2009 College Acquisition Finance Authority Loan, the
3 Series 2010A Bonds, the Series 2010B Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the
4 Series 2012C Bonds, the Series 2013A Bonds, and the Series 2013B Bonds, there are no obligations
5 presently outstanding to which the State-Shared Gross Receipts Tax Revenues, the One-Half Percent
6 Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax Revenues or the
7 Environmental Services Gross Receipts Tax Revenues have been pledged by the City; and

8 **WHEREAS**, the Governing Body hereby determines that issuance of the "City of Santa Fe
9 Gross Receipts Tax Improvement Revenue Bonds, Series 2014" (the "Bonds" or the "Series 2014
10 Bonds") to pay the cost of public projects related to public utilities, public works, parks and
11 recreation, and community services as authorized by law and the City's home rule charter (the
12 "Improvement Project"), will provide for the public health, peace and safety of the City and its
13 citizens and will reduce debt service costs for the City; and

14 **WHEREAS**, the Bonds shall be issued pursuant to Sections 3-31-1 through 3-31-12, NMSA
15 1978, and with a first (but not an exclusive first) lien on the Pledged Revenues; and

16 **WHEREAS**, the City has received an offer to purchase the Bonds from George K. Baum &
17 Company, as representative of the underwriters of the Bonds pursuant to a Bond Purchase
18 Agreement; and

19 **WHEREAS**, Section 3-31-6(C) NMSA 1978, provides:

20 "C. Any law which authorizes the pledge of any or all of the pledged
21 revenues to the payment of any revenue bonds issued pursuant to Sections 3-31-1
22 through 3-31-12, NMSA 1978, or which affects the pledged revenues, or any law
23 supplemental thereto or otherwise appertaining thereto, shall not be repealed or
24 amended or otherwise directly or indirectly modified in such a manner as to impair
25 adversely any such outstanding revenue bonds, unless such outstanding revenue

1 bonds have been discharged in full or provision has been fully made therefor;" and

2 **WHEREAS**, the Exchange Act permits a municipality, including the City, that has issued or
3 proposes to issue bonds to enter into an agreement for an exchange of interest rates as provided
4 therein; and

5 **WHEREAS**, in connection with the Bonds or Parity Obligations which may be issued in the
6 future by the City, the Governing Body may determine to enter into a Qualified Exchange Agreement
7 for all or a portion of the Bonds or Parity Obligations which may provide for the payment by the City
8 of a Variable Exchange Rate or a Fixed Exchange Rate and the payment by the Qualified
9 Counterparty of a Fixed Exchange Rate or Variable Exchange Rate; and

10 **WHEREAS**, there has been on deposit with the City Clerk and presented to the Governing
11 Body:

12 (A) the proposed form of Bond Purchase Agreement;

13 (B) the proposed form of Continuing Disclosure Undertaking; and

14 (C) the proposed forms of the Preliminary Official Statement and Official
15 Statement; and

16 **WHEREAS**, the Governing Body has determined that it is in the best interest of the City to
17 accept the offer of the Underwriter to purchase the Bonds and to enter into the Related Documents.

18 **NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF**
19 **SANTA FE, NEW MEXICO:**

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

24 "2004 Railyard Project Finance Authority Taxable Loan" means the Loan with the New
25 Mexico Finance Authority, dated September 24, 2004 and authorized by Ordinance No. 2004-28.

1 "2006 Railyard Project Finance Authority Taxable Loan" means the Loan with the New
2 Mexico Finance Authority, dated October 20, 2006 and authorized by Ordinance No. 2006-54.

3 "2008 Land Acquisition Finance Authority Loan" means the Loan with the New Mexico
4 Finance Authority, dated August 1, 2008 and authorized by Ordinance No. 2008-35.

5 "2009 College Acquisition Finance Authority Loan" means the Loan with the New Mexico
6 Finance Authority, dated September 14, 2009 and authorized by Ordinance No. 2009-35, Resolution
7 2009-85 and Resolution No. 2009-94.

8 "Act" means the general laws of the State, including Sections 3-31-1 through 3-31-12 NMSA
9 1978, as amended, and enactments of the Governing Body relating to the issuance of the Bonds,
10 including this ordinance.

11 "Acquisition Fund" means the "City of Santa Fe, New Mexico Gross Receipts Tax
12 Improvement Revenue Bonds, Series 2014 Improvement Project Acquisition Fund" created in
13 Section 17 of this ordinance.

14 "Authorized Officer" means the following officers of the City: Mayor, City Manager, Finance
15 Director, or other officer of the City when designated by a certificate signed by the Mayor of the City
16 from time to time, a certified copy of which shall be delivered to the Paying Agent and the Registrar.

17 "Bonds," or "Series 2014 Bonds" means the "City of Santa Fe Gross Receipts Tax
18 Improvement Revenue Bonds, Series 2014" which are authorized by this ordinance.

19 "Bond Counsel" means an attorney or firm of attorneys nationally recognized for expertise in
20 the area of municipal bonds and the exemption of interest on municipal bonds from federal income
21 taxation.

22 "Bond Fund" or "Bond Service Fund" means the "City of Santa Fe Gross Receipts Tax
23 Improvement Revenue Bonds, Series 2014, Bond Service Fund," established in Paragraph A of
24 Section 18 of this ordinance.

25 "Bond Purchase Agreement" means the bond purchase agreement between the City and the

1 Underwriter.

2 "Business Day" means any day other than (i) a Saturday or Sunday, (ii) any day on which the
3 following offices are authorized or required to remain closed: offices of the City and of banks located
4 in the cities in which the principal offices of the Paying Agent, Registrar, and Escrow Bank are
5 located or (iii) a day on which the New York Stock Exchange is closed.

6 "City," "Municipal," or "Municipality" means the municipal corporation and body corporate
7 and politic known as the City of Santa Fe, Santa Fe County, New Mexico.

8 "Continuing Disclosure Undertaking" means the continuing disclosure undertaking with
9 respect to the Bonds to be executed on the day of issuance and delivery of the Bonds to the
10 Underwriter.

11 "Costs of Issuance" means all costs relating to issuance of the Bonds, including, without
12 limitation, costs of advertising and publication, costs of preparing the Bonds, fees and expenses of the
13 financial advisor, bond counsel, the Paying Agent, the Registrar, the Escrow Bank, rating fees and
14 other reasonable and necessary fees and costs, including applicable gross receipts taxes, related to the
15 issuance of the Bonds.

16 "Credit Facility" means a letter of credit, standby bond purchase agreement, line of credit,
17 bond insurance policy or reserve account insurance policy, guaranty or similar agreement provided by
18 a bank, insurer or other provider of a Credit Facility rated, at the time the Credit Facility is provided,
19 "A" or better by Fitch and S&P (if such rating agencies are then rating the Bonds), including any
20 substitute therefor, to provide support to pay the purchase price of, or the payment of the principal of
21 and interest on, Obligations.

22 "Cross-over Refunding Bonds" means bonds or obligations issued for the purpose of
23 refunding Obligations if the proceeds thereof are irrevocably deposited in escrow to secure repayment
24 on an applicable redemption date or maturity date of the principal of and redemption premium on the
25 related Obligations being refunded and the earnings on such escrow are required to be used to pay

1 interest on the Cross-over Refunding Bonds.

2 "Debt Service Requirements" for any period means the sum of: (i) the amount required to pay
3 the interest, or to make reimbursements for payments of interest, becoming due on the applicable
4 Obligations during such period; plus (ii) the amount required to pay the principal or accreted value, or
5 to make reimbursements for the payment of principal or accreted value, becoming due on the
6 applicable Obligations during that period, whether at maturity, an accretion term date or upon
7 mandatory sinking fund redemption dates, plus (iii) any net periodic payments on a notional amount
8 required to be made by the City pursuant to a Qualified Exchange Agreement minus (iv) any net
9 periodic payments on a notional amount to be received by the City pursuant to a Qualified Exchange
10 Agreement.

11 (a) No payments required on the applicable Obligations shall be included in any
12 computation of Debt Service Requirements for any computation period prior to the maturity or
13 otherwise certain due dates thereof which may occur because of the exercise of an option by the City,
14 or which may otherwise become due by reason of any other circumstance or contingency, including
15 acceleration, which constitute other than regularly scheduled payments of principal, accreted value,
16 interest or other regularly scheduled payments on the applicable Obligations.

17 (b) Debt Service Requirements required to be made pursuant to a Qualified
18 Exchange Agreement shall be based upon the actual amount required to be paid by the City, if any, to
19 the Qualified Counterparty. In determining that amount, any payments required to be made by either
20 party to the Qualified Exchange Agreement at a Variable Exchange Rate shall be computed, in
21 determining the obligation of the City under the Qualified Exchange Agreement, using the procedures
22 set forth in the applicable sections of this ordinance.

23 (c) The computation of interest for the purposes of this definition shall be made
24 without considering the interest rate payable pursuant to a Credit Facility, unless, at the time of
25 computation of Debt Service Requirements, payments on Obligations are owed to, or Obligations are

1 owned or held by, the provider of a Credit Facility pursuant to the provisions of that Credit Facility.

2 (d) The accreted value of capital appreciation bonds shall be included in the
3 calculation of interest and principal only for the applicable year during which the accreted value
4 becomes payable.

5 (e) In any computation of Debt Service Requirements relating to the issuance of
6 additional Parity Obligations:

7 (1) There shall be deducted from that computation (i) amounts on
8 deposit in an escrow account related to an issue of Cross-over Refunding Bonds and (ii) proceeds of a
9 series of Obligations deposited to the credit of an account for the payment of capitalized interest on
10 Obligations included as part of the computation during the applicable period.

11 (2) There may be made the adjustment to the Debt Service Requirements
12 applicable to Bond Anticipation Notes described in Paragraph E of Section 21 of this ordinance.

13 (f) Except as provided in Paragraph F of Section 21, the purchase or tender price
14 of Put Obligations resulting from the optional or mandatory tender or presentment for purchase of
15 those Put Obligations shall not be included in any computation of Debt Service Requirements.

16 "Depository" means The Depository Trust Company, New York, New York, or such other
17 securities depository as may be designated by an officer of the City.

18 "Environmental Services Gross Receipts Tax" means the environmental services gross
19 receipts tax imposed pursuant to Section 7-19D-10 NMSA 1978 by the Environmental Services Gross
20 Receipts Tax Ordinance on persons engaging in business in the City in the amount of 1/16th of one
21 percent (0.0625%) of the gross receipts of such persons.

22 "Environmental Services Gross Receipts Tax Ordinance" means the City Ordinance No.
23 1993-20 imposing the Environmental Services Gross Receipts Tax, as amended.

24 "Environmental Services Gross Receipts Tax Revenue Fund" means the "City of Santa Fe,
25 New Mexico Environmental Services Gross Receipts Tax Revenue Fund," maintained by the City and

1 continued by Paragraph D of Section 17 of this ordinance, into which the City shall deposit the
2 Environmental Services Gross Receipts Tax Revenues.

3 "Environmental Services Gross Receipts Tax Revenues" means the environmental services
4 gross receipts tax revenues received by the City pursuant to Section 7-19D-10 NMSA 1978 and the
5 Environmental Services Gross Receipt Tax Ordinance.

6 "Exchange Act" means Section 6-18-8.1 NMSA 1978, as amended and supplemented.

7 "Exchange Termination Payment" means the net amount payable pursuant to a Qualified
8 Exchange Agreement by the City or a Qualified Counterparty to compensate the other party for any
9 losses and costs that such other party may incur as a result of the early termination of the obligations,
10 in whole or in part, of the parties under such Qualified Exchange Agreement.

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

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

16 "Fitch" means Fitch Ratings Group, its successors and their assigns, and, if such corporation
17 is dissolved or liquidated or no longer performs the functions of a securities rating agency, any other
18 nationally recognized securities rating agency designated by the City.

19 "Fixed Exchange Rate" means a fixed rate of interest payable by the City or a Qualified
20 Counterparty pursuant to a Qualified Exchange Agreement.

21 "Governing Body" means the members of the governing body designated as councilors who,
22 together with the mayor, are the governing body of the City.

23 "Government Obligations" means direct obligations of, or obligations the principal of and
24 interest on which are unconditionally guaranteed by, the United States of America or certificates or
25 receipts established by the United States Government or its agencies or instrumentalities representing

1 direct ownership of future interests or principal payments on direct obligations of, or obligations fully
2 guaranteed by, the United States of America or any of its agencies or instrumentalities the obligations
3 of which are backed by the full faith and credit of the United States.

4 "Historic Test Period" means any twelve consecutive calendar months designated by an
5 Authorized Officer from time to time out of the eighteen-calendar months next preceding the date of
6 adoption of the City ordinance authorizing the issuance of Parity Obligations without regard to any
7 resolution or ordinance supplementing or amending the authorizing ordinance.

8 "Improvement Project" means defraying the cost of public projects related to public utilities,
9 public works, parks and recreation, and community services as authorized by law and the City's
10 Home Rule Powers.

11 "Independent Accountant" means (A) an accountant employed by the State of New Mexico
12 and under supervision of the State Auditor of the State of New Mexico, or (B) any registered or
13 certified public accountant or firm of such accountants duly licensed to practice and practicing as
14 such under the laws of the State of New Mexico, appointed and paid by the City, who (1) is, in fact,
15 independent and not under the domination of the City, (2) does not have any substantial interest,
16 direct or indirect, with the City, and (3) is not connected with the City as an officer or employee of
17 the City, but who may be regularly retained to make annual or similar audits of the books or records
18 of the City.

19 "Infrastructure Gross Receipts Tax" means the infrastructure gross receipts tax imposed
20 pursuant to Section 7-19D-11 NMSA 1978 by the Infrastructure Gross Receipts Tax Ordinance on
21 persons engaged in business in the City in an amount of 1/16th of one percent (0.0625%) of the gross
22 receipts of such persons.

23 "Infrastructure Gross Receipts Tax Ordinance" means City Ordinance No. 1993-21 imposing
24 the Infrastructure Gross Receipts Tax, as amended.

25 "Infrastructure Gross Receipts Tax Revenue Fund" means the "City of Santa Fe Infrastructure

1 Gross Receipts Tax Revenue Fund" maintained by the City and continued by Paragraph C of Section
2 17 of this ordinance, into which the City shall deposit the Infrastructure Gross Receipts Tax
3 Revenues.

4 "Infrastructure Gross Receipts Tax Revenues" means the infrastructure gross receipts tax
5 revenues received by the City pursuant to Section 7-19D-11 NMSA 1978 and the Infrastructure Gross
6 Receipts Tax Ordinance.

7 "Insured Bank" means any federally or state-chartered savings and loan association or
8 federally or state-chartered commercial bank, the deposits of which are insured by the Federal
9 Deposit Insurance Corporation and which has, or is the lead bank of a parent holding company which
10 has (i) unsecured, uninsured and unguaranteed obligations which are rated AA or better by Fitch and
11 S&P or (ii) combined capital, surplus and undivided profits of not less than \$10,000,000.

12 "Moody's" means Moody's Investors Service, its successors and their assigns, and, if such
13 corporation is dissolved or liquidated or no longer performs the functions of a securities rating
14 agency, any other nationally recognized securities rating agency designated by the City.

15 "Obligations" means bonds, notes or any other instrument which evidences a borrowing or
16 other obligation of the City, including Qualified Exchange Agreements, secured by Pledged
17 Revenues, issued or incurred for any purpose permitted by the Act or the Exchange Act, as amended
18 from time to time.

19 "One-Half Percent Municipal Gross Receipts Tax Ordinance" means the City of Santa Fe
20 Ordinance No. 1981-45 imposing a one-half of one percent municipal gross receipts tax.

21 "One-Half Percent Municipal Gross Receipts Tax Revenue Fund" means the "City of Santa
22 Fe, New Mexico One-Half Percent Municipal Gross Receipts Tax Revenue Fund" maintained by the
23 City and continued by Paragraph B of Section 18 of this ordinance, into which the City shall deposit
24 the One-Half Percent Municipal Gross Receipts Tax Revenues.

25 "One-Half Percent Municipal Gross Receipts Tax Revenues" means those revenues received

1 by the City pursuant to the Municipal Local Option Gross Receipts Taxes Act, Sections 7-19D-1
2 through 7-19D-12 NMSA 1978, and the One-Half Percent Municipal Gross Receipts Tax Ordinance.

3 "Parity Obligations" means the Bonds, the Series 2013A Bonds, the Series 2012A Bonds, the
4 Series 2010A Bonds, the Series 2008 Bonds, the Series 2006B Bonds, and the Series 2006 Bonds,
5 scheduled periodic payments (but not Exchange Termination Payments) required to be made by the
6 City pursuant to a Qualified Exchange Agreement, and any other Obligations hereafter issued or
7 incurred payable from the Pledged Revenues and issued with a lien on the Pledged Revenues on
8 parity with the lien thereon of the Bonds.

9 "Paying Agent" means BOKF, N.A., dba Bank of Albuquerque., as agent for the City for the
10 payment of the Bonds, the interest thereon, and any successor.

11 "Permitted Investments" means any of the following which at the time of such investment are
12 legal investments for the City pursuant to adopted City investment policies and the laws of the State:

13 (a) Government Obligations;

14 (b) Obligations of, or obligations guaranteed as to principal and interest by any
15 agency or instrumentality of the United States which are backed by the full faith and credit of the
16 United States, including, but not limited to: General Services Administration--participation
17 certificates; Government National Mortgage Association (GNMA)--GNMA guaranteed mortgage-
18 backed securities and GNMA guaranteed participation certificates; U.S. Department of Housing &
19 Urban Development--local authority bonds; and U.S. Export-Import Bank--all fully guaranteed
20 obligations;

21 (c) Obligations of the following government-sponsored agencies: Federal Home
22 Loan Mortgage Corporation--participation certificates and senior debt obligations; Farm Credit
23 System (formerly: Federal Land Banks and Banks for Cooperatives)--consolidated system-wide
24 bonds and notes; Federal Home Loan Banks--consolidated debt obligations; Federal National
25 Mortgage Association--senior debt obligations and mortgage-backed securities (excluding stripped

1 mortgage securities which are valued greater than par on the portion of unpaid principal); Student
2 Loan Marketing Association--senior debt obligations (excluding securities that do not have a fixed
3 par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) and letter
4 of credit backed issues; Financing Corporation--debt obligations; and Resolution Funding
5 Corporation--debt obligations;

6 (d) Bank time deposits evidenced by certificates of deposit and bankers
7 acceptances issued by an Insured Bank, provided that such time deposits and bankers' acceptances (1)
8 do not exceed at any one time in the aggregate five percent (5%) of the combined total of the capital,
9 surplus and undivided profits of such Insured Bank, or (2) are secured by obligations described in
10 paragraphs (a), (b), (c) and (h) of this definition which obligations at all times have a market value
11 (exclusive of accrued interest) at least equal to 102% of such time deposits so secured;

12 (e) Obligations, other than specified private activity bonds (as defined in Section
13 57(a)(5)(C) of the Internal Revenue Code, as amended (the "Tax Code")), the interest on which is
14 excluded from gross income of the recipient for federal income tax purposes and any other instrument
15 which does not constitute "investment property" under Section 148 of the Tax Code (excluding
16 securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount
17 at maturity or call date), as amended from time to time, which is rated in the highest major Rating
18 Category by S&P and Fitch (if such rating agency is then rating the Bonds);

19 (f) Money market instruments and other securities of commercial banks, broker-
20 dealers or recognized financial institutions, which securities or instruments are rated in the highest
21 Rating Category by S&P and Fitch, (if such rating agency is then rating the Bonds), or which
22 securities are guaranteed by a person or entity whose long-term debt obligations are rated in the
23 highest Rating Category by S&P and Fitch (if such rating agency is then rating the Bonds) including,
24 without limitation, securities of, or other interests in, any open-end or closed-end management type
25 investment company or investment trust registered under the provisions or 15 U.S.C. Sections 80(a)-1

1 et. seq., which invest only in, or whose securities are secured only by, obligations of the type set forth
2 in paragraphs (a), (b), (c) and (h) of this definition;

3 (g) Stripped Securities: (1) U.S. Treasury STRIPS and (2) REFCORP STRIPS
4 (stripped by Federal Reserve Bank of New York);

5 (h) Repurchase agreements involving the purchase and sale of, and guaranteed
6 investment contracts, the par value of which is collateralized by a perfected first pledge of, or security
7 interest in, or the payments of which are unconditionally guaranteed by, securities described in parts
8 (a), (b), (c) and (h) of this definition, which collateral is held by the City, or for the benefit of the
9 City, by a party other than the provider of the guaranteed investment contract or repurchase
10 agreement, with a collateralized value of at least 102% of the par value of such repurchase agreement
11 or guaranteed investment contract or 102% of the market value thereof, valued at intervals of no less
12 than monthly and which collateral is not subject to any other pledge or security interest; and

13 (i) Such other investments as are now or may be hereafter authorized as legal
14 investments for the City by the legislature of the State under Section 6-10-10, NMSA 1978, or a
15 similar statutory provision applicable to the City, provided that such investment is rated, at the time of
16 purchase, "A" or better by Fitch and "A" or better by S&P (if such rating agency is then rating the
17 Bonds).

18 "Pledged Gross Receipts Tax Revenues" or "Pledged Revenues" means (1) the State-Shared
19 Gross Receipts Tax Revenues; (2) the One-Half Percent Municipal Gross Receipts Tax Revenues; (3)
20 the Infrastructure Gross Receipts Tax Revenues; (4) the portion of the gross receipts tax distribution
21 to the City made pursuant to Section 7-1-6.46 NMSA 1978, which represents the amount of State-
22 Shared Gross Receipts Tax Revenues, One-Half Percent Municipal Gross Receipts Tax Revenues,
23 and Infrastructure Gross Receipts Tax Revenues that would have been remitted to the City but for the
24 deductions (effective January 1, 2005) provided by Section 7-9-92 and 7-9-93 NMSA 1978 and any
25 similar distributions made to the City in lieu of State-Shared Gross Receipts Tax Revenues, One-Half

1 Percent Municipal Gross Receipts Tax Revenues and Infrastructure Gross Receipts Tax Revenues
2 pursuant to law; and (5) any other gross receipts tax revenues received by the City, whether from
3 distribution by the State or pursuant to gross receipts taxes imposed by the City, and hereafter (i.e.
4 after the adoption of this ordinance) pledged to the payment of the Bonds by affirmative act of the
5 Governing Body.

6 "Preliminary Official Statement" and "Official Statement" mean the disclosure documents
7 utilized by the Underwriter in connection with the offer and sale of the Bonds to investors.

8 "Put Obligations" means any Obligations which have put or similar features requiring the
9 City to purchase such Obligations upon notice from the owners thereof.

10 "Qualified Counterparty" means, with respect to a Qualified Exchange Agreement, any party
11 whose senior long term debt obligations, or whose obligations under a Qualified Exchange
12 Agreement are guaranteed by a party whose senior long term debt obligations, are rated (at the time
13 of execution of the Qualified Exchange Agreement) in one of the top two Rating Categories by Fitch
14 and S&P.

15 "Qualified Exchange Agreement" means any financial arrangement between the City and a
16 Qualified Counterparty which satisfies the requirements of the Exchange Act at the time the
17 agreement is entered into.

18 "Rating Category" means a generic securities rating category, without regard, in the case of a
19 long-term rating category, to any refinement or gradation of such long-term rating category by a
20 numerical modifier or otherwise.

21 "Registrar" means BOKF, N.A. dba Bank of Albuquerque, as registrar and transfer agent for
22 the Bonds, and any successor.

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

25 "Related Documents" means the Bond Purchase Agreement, the Continuing Disclosure

1 Undertaking and any other document or agreement containing an obligation of the City as may be
2 required in connection with the issuance of the Bonds.

3 "S&P" means Standard & Poor's Ratings Service, its successors and their assigns, and, if such
4 entity is dissolved or liquidated or no longer performs the functions of a securities rating agency, any
5 other nationally recognized securities rating agency designated by the City.

6 "Series 2005 Bonds" or "2005 Bonds" means the "City of Santa Fe Municipal Recreation
7 Complex/Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2005" authorized
8 by Ordinance No. 2005-30.

9 "Series 2006 Bonds" or "2006 Bonds" means the "City of Santa Fe Gross Receipts Tax
10 Improvement Revenue Bonds, Series 2006" authorized by Ordinance No. 2006-04.

11 "Series 2006B Bonds" or "2006B Bonds" means the "City of Santa Fe Gross Receipts Tax
12 Refunding Revenue Bonds, Series 2006B" authorized by Ordinance No. 2006-27.

13 "Series 2006C Bonds" or "2006C Bonds" means the "City of Santa Fe Subordinate Lien
14 Gross Receipts Tax/Wastewater System Improvement Revenue Bonds, Series 2006C" authorized by
15 Ordinance No. 2006-51.

16 "Series 2008 Bonds" or "2008 Bonds" means the "City of Santa Fe Gross Receipts Tax
17 Revenue Bonds, Series 2008" authorized by Ordinance No. 2008-11.

18 "Series 2010A Bonds" or "2010A Bonds" means the City of Santa Fe Gross Receipts Tax
19 Refunding Revenue Bonds, Series 2010A" authorized by Ordinance No. 2010-27.

20 "Series 2010B Bonds" or "2010B Bonds" means the "City of Santa Fe Subordinate Lien
21 Gross Receipts Tax Refunding Revenue Bonds, Series 2010B" authorized by Ordinance No. 2010-27.

22 "Series 2012A Bonds" or "2012A Bonds" means the "City of Santa Fe Gross Receipts Tax
23 Refunding Revenue Bonds, Series 2012A" authorized by Ordinance No. 2012-7.

24 "Series 2012B Bonds" or "2012B Bonds" means the "City of Santa Fe Gross Receipts Tax
25 (Subordinate Lien)/Wastewater System Refunding Revenue Bonds, Series 2012B" authorized by

1 Ordinance No. 2012-6.

2 “Series 2012C Bonds” or “2012C Bonds” means the “City of Santa Fe Gross Receipts Tax
3 (Subordinate Lien)/Gross Receipts Tax Improvement Revenue Bonds, Series 2012C” authorized by
4 Ordinance No. 2012-35.

5 “Series 2013A Bonds” or “2013A Bonds” means the “City of Santa Fe Gross Receipts Tax
6 Refunding Revenue Bonds, Series 2013A” authorized by Ordinance No. 2013-18.

7 “Series 2013B Bonds” or “2013B Bonds” means the “City of Santa Fe Gross Receipts Tax
8 (Subordinate Lien)/ Gross Receipts Tax Refunding Revenue Bonds, Series 2013B” authorized by
9 Ordinance No. 2013-19.

10 “Series Date” means the date of issuance and delivery of the Bonds to the Underwriter.

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

14 “State-Shared Gross Receipts Tax Revenues” means the revenues distributed to the City
15 monthly by the New Mexico Department of Taxation and Revenue pursuant to Sections 7-1-6 and 7-
16 1-6.4, NMSA 1978, at the rate authorized (currently 1.225% of the gross receipts of persons doing
17 business within the City) from the proceeds of a state-wide gross receipts tax imposed pursuant to
18 Chapter 7, Article 9, NMSA 1978.

19 “State-Shared Gross Receipts Tax Revenue Fund” means the “City of Santa Fe, New Mexico
20 State-Shared Gross Receipts Tax Revenue Fund” maintained by the City and continued by Paragraph
21 17 Section A of this ordinance, into which the City shall deposit the State-Shared Gross Receipts Tax
22 Revenues.

23 “Subordinate Obligations” means the Series 2013B Bonds, the Series 2012B Bonds, the
24 Series 2012C Bonds, the Series 2010B Bonds, the 2009 College Acquisition Finance Authority Loan,
25 the 2008 Land Acquisition Finance Authority Loan, the Series 2006C Bonds, the 2006 Railyard

1 Project Finance Authority Taxable Loan, the Series 2005 Bonds, the 2004 Railyard Project Finance
2 Authority Taxable Loan, any Exchange Termination Payments, and any other Obligations hereafter
3 issued or incurred payable from the Pledged Revenues and issued with a lien on the Pledged
4 Revenues junior and inferior to the lien thereon of the Bonds.

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

7 "Underwriter" means George K. Baum & Company, as representative of the underwriters of
8 the Bonds.

9 "Variable Exchange Rate" means a Variable Interest Rate payable by the City or a Qualified
10 Counterparty pursuant to a Qualified Exchange Agreement.

11 "Variable Interest Rate" means an interest rate which varies or fluctuates from time to time.

12 Any provision of this ordinance regarding a Qualified Counterparty shall be deemed to be of
13 no effect if no Qualified Exchange Agreement is in effect or if a Qualified Counterparty is in default
14 in its obligations under a Qualified Exchange Agreement and no amount is due and owing under a
15 Qualified Exchange Agreement.

16 **Section 2. Ratification.** All action heretofore taken (not inconsistent with the express
17 provisions of this ordinance) by the Governing Body and officers of the City directed toward the
18 Improvement Project and the Refunding Project, and toward the authorization, sale and issuance of
19 the Bonds to the Underwriter herein authorized be, and the same hereby is ratified, approved and
20 confirmed.

21 **Section 3. Authorization of the Improvement Project.** The Improvement Project is
22 hereby authorized at a total cost not to exceed the proceeds of the Bonds, excluding any such cost
23 defrayed or to be defrayed by any source other than proceeds of the Bonds and the necessity thereof is
24 hereby so declared.

25 **Section 4. Authorization of Bonds.** For the purpose of protecting the public health,

1 conserving the property and advancing the general welfare of the citizens of the City, and for the
2 purpose of defraying the cost of the Improvement Project, it is hereby declared that the interest and
3 necessity of the City and the inhabitants of the City require the issuance by the City of its fully
4 registered (i.e., registered as to payment of both principal and interest) revenue bonds without
5 coupons to be designated "City of Santa Fe Gross Receipts Tax Improvement Bonds, Series 2014," in
6 an aggregate principal amount of Fifteen Million Four Hundred Sixty Thousand Dollars
7 (\$15,460,000). The Bonds shall be payable and collectible, both as to principal and interest, solely
8 from the Pledged Revenues. The Bonds shall be sold by a private sale to the Underwriter pursuant to
9 the Bond Purchase Agreement at the price established in the Bond Purchase Agreement which is
10 hereby ratified and approved.

11 **Section 5. Bond Details.**

12 A. Basic Details. The Bonds shall be issued in the aggregate principal amount of
13 \$15,460,000 for the Improvement Project. The Bonds shall be dated the date of their issuance and
14 delivery to the Underwriter (herein "Series Date"), and are issuable in the denomination of \$5,000
15 each or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds
16 the principal coming due on any maturity date and no individual Bond will be issued for more than
17 one maturity). The Bonds shall be numbered consecutively from 1 upwards.

18 The Bonds shall bear interest from the Series Date, payable semi-annually on June 1 and
19 December 1 each year, commencing on December 1, 2014, until their respective maturities and shall
20 bear the rates of interest and shall mature on June 1 in each of the designated amounts and years as set
21 forth below:

22
23 [REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]
24
25

Year	Amounts	Interest Rate
<u>Maturing</u>	<u>Maturing</u>	<u>(Per Annum)</u>
2020	\$ 390,000	5.00 %
2021	455,000	5.00
2022	545,000	2.25
2023	1,475,000	3.00
2024	1,515,000	5.00
2025	1,580,000	5.00
2026	1,670,000	5.00
2027	2,485,000	5.00
2028	2,605,000	5.00
2029	2,740,000	5.00

1 The net effective interest rate on the Bonds is less than the statutory maximum rate of twelve
2 percent (12%) per annum.

3 B. Payment-Regular Record Date. The principal of any Bond shall be payable to the
4 registered owner thereof as shown on the registration books kept by the Registrar which is hereby
5 appointed as registrar (and transfer agent) for the Bonds, upon maturity or prior redemption thereof
6 and upon presentation and surrender at the Paying Agent which also is hereby appointed as the paying
7 agent for the Bonds. If any Bond shall not be paid upon such presentation and surrender at or after
8 maturity or on a designated prior redemption date on which the City may have exercised its right to
9 prior redeem any Bond pursuant to Section 6 of this ordinance, it shall continue to draw interest at the
10 rate borne by the Bond until the principal thereof is paid in full. Payment of interest on any Bond
11 shall be made to the registered owner of the Bond as of the Regular Record Date by check or draft
12 mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date
13 is not a Business Day, on or before the next succeeding Business Day), to the registered owner

1 thereof on the Regular Record Date at his address as it last appears on the registration books kept by
2 the Registrar on the Regular Record Date (or by such other arrangements as may be mutually agreed
3 to by the Paying Agent and any registered owner on such Regular Record Date). All such payments
4 shall be made in lawful money of the United States of America. The person in whose name any Bond
5 is registered at the close of business on any Regular Record Date with respect to any interest payment
6 date shall be entitled to receive the interest payable thereon on such interest payment date
7 notwithstanding any transfer or exchange thereof subsequent to such Regular Record Date and prior
8 to such interest payment date; but any such interest not so timely paid or duly provided for shall cease
9 to be payable as provided above and shall be payable to the person in whose name any Bond is
10 registered at the close of business on a Special Record Date fixed by the Registrar for the payment of
11 any such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever
12 moneys become available for defaulted interest, and notice of any such Special Record Date shall be
13 given not less than ten days prior thereto in the manner required by the Depository or by first-class
14 mail, to the registered owners of the Bonds as of a date selected by the Registrar, stating the Special
15 Record Date and the date fixed for the payment of such defaulted interest.

16 C. Book-Entry. The Bonds may be issued or registered, in whole or in part, in book-
17 entry form from time to time with no physical distribution of bond certificates made to the public,
18 with a Depository acting as securities depository for the Bonds. A single certificate for each maturity
19 date of the Bonds issued in book-entry form will be delivered to the Depository and immobilized in
20 its custody. The book-entry system will evidence ownership of the Bonds in authorized
21 denominations, with transfer of ownership effected on the books of the Depository and its participants
22 ("Participants"). As a condition to delivery of the Bonds in book-entry form, the Underwriter will,
23 immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond
24 certificates with the Depository, registered in the name of the Depository or its nominee. Principal
25 and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The

1 transfer of principal and interest payments to Participants will be the responsibility of the Depository;
2 the transfer of principal and interest payments to the beneficial owners of the Bonds (the "Beneficial
3 Owners") will be the responsibility of Participants and other nominees of Beneficial Owners
4 maintaining a relationship with Participants (the "Indirect Participants"). The City will not be
5 responsible or liable for maintaining, supervising or reviewing the records maintained by the
6 Depository, Participants or Indirect Participants.

7 If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository
8 determines to discontinue providing its services with respect to the Bonds or (iii) the City determines
9 that a continuation of the system of book-entry transfers through the Depository ceases to be
10 beneficial to the City or the Beneficial Owners, the City will either identify another Depository or
11 certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the
12 Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in
13 the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In
14 that event, the City shall mail an appropriate notice to the Depository for notification to Participants,
15 Indirect Participants and Beneficial Owners of the substitute Depository or the issuance of bond
16 certificates to Beneficial Owners or their nominees, as applicable.

17 Authorized Officers of the City are authorized to sign agreements with Depositories relating
18 to the matters set forth in this Section.

19 Notwithstanding any other provision of this ordinance, so long as all of the Bonds are
20 registered in the name of the Depository or its nominee, all payments of principal and interest on the
21 Bonds, and all notices with respect to the Bonds, shall be made and given by the Paying Agent,
22 Registrar or the City to the Depository as provided in this ordinance and by the Depository to its
23 Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner
24 provided in an agreement or letter of the City to the Depository.

25 **Section 6. Redemption.**