

CITY OF SANTA FE, NEW MEXICO

BILL NO. 2017-9

INTRODUCED BY:

Councilor Carmichael Dominguez

Councilor Peter Ives

AN ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO TAXABLE SUBORDINATE LIEN GROSS RECEIPTS TAX REFUNDING REVENUES BONDS, SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT OF \$4,540,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING AND DEFEASING THE OUTSTANDING CITY OF SANTA FE, NEW MEXICO SUBORDINATE LIEN GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2012C; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM CERTAIN GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; ESTABLISHING THE PRINCIPAL AMOUNTS, INTEREST RATES AND OTHER DETAILS OF THE BONDS; APPROVING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT FOR THE SALE OF THE BONDS; PROVIDING FOR REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE COLLECTION OF CERTAIN GROSS RECEIPTS TAX REVENUES; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE REFUNDED BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS;

1 **CONFLICT HERewith; AND RELATED MATTERS.**

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

4 **WHEREAS**, the City of Santa Fe, New Mexico (the “City”) is a legally created, established,
5 organized and existing incorporated city under the constitution and laws of the State of New Mexico;
6 and

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

12 **WHEREAS**, pursuant to the Municipal Local Option Gross Receipts Taxes Act, Sections 7-
13 19D-1 through 7-19D-18, NMSA 1978, and the One-Half Percent Municipal Gross Receipts Tax
14 Ordinance, the City has imposed a municipal gross receipts tax on persons engaging in business in the
15 City in the amount of one-half of one percent (0.50%) and receives monthly One-Half Percent
16 Municipal Gross Receipts Tax Revenues from the New Mexico Department of Taxation and Revenue,
17 as determined and adjusted under the Municipal Local Option Gross Receipts Taxes Act. The One-
18 Half Percent Municipal Gross Receipts Tax was imposed by City Ordinance No. 1981-45 and is
19 dedicated for capital improvements to City facilities and street and road construction and reconstruction
20 as authorized by the Municipal Local Option Gross Receipts Taxes Act. Other increments of Municipal
21 Local Option Gross Receipts Tax are imposed by the City which are not pledged for payment of
22 Superior Obligations, Parity Obligations or Subordinate Obligations; and

23 **WHEREAS**, pursuant to Section 7-19D-11 NMSA 1978 and City Ordinance No. 1993-21, the
24 City has imposed an infrastructure gross receipts tax on persons engaging in business in the City and
25 receives monthly distributions of Infrastructure Gross Receipts Tax Revenues from the New Mexico

1 Department of Taxation and Revenue equal to 1/16th of one percent (0.0625%) of the gross receipts of
2 persons engaging in business within the City, as determined and adjusted under the Municipal Local
3 Option Gross Receipts Taxes Act and the Tax Administration Act. The Infrastructure Gross Receipts
4 Tax is dedicated for purposes authorized by Section 7-19D-11 NMSA 1978; and

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

13 **WHEREAS**, pursuant to Ordinance No. 2009-35, passed and adopted by the Governing Body
14 on July 29, 2009, Resolution No. 2009-85 adopted on August 26, 2009 and Resolution 2009-94 adopted
15 on September 30, 2009, the City entered into a Loan Agreement dated September 14, 2009, with the
16 New Mexico Finance Authority in an aggregate principal amount of \$29,615,000 (herein the “2009
17 College Acquisition Finance Authority Loan”) payable from and constituting a subordinate (but not an
18 exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent
19 Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which
20 \$26,375,000 of such 2009 College Acquisition Finance Authority Loan remains unpaid); and

21 **WHEREAS**, pursuant to Ordinance No. 2010-26, passed and adopted by the Governing Body
22 on November 10, 2010, the City issued its “City of Santa Fe, New Mexico Subordinate Lien Gross
23 Receipts Tax Refunding Revenue Bonds, Series 2010B” (herein the “Series 2010B Bonds”) in an
24 aggregate principal amount of \$10,490,000 payable from and constituting a subordinate (but not an
25 exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent

1 Municipal Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues (of
2 which \$8,535,000 of such Series 2010B Bonds remains outstanding); and

3 **WHEREAS**, pursuant to Ordinance No. 2012-7, passed and adopted by the Governing Body
4 on January 25, 2012, the City issued its “City of Santa Fe, New Mexico Gross Receipts Tax
5 Improvement and Refunding Revenue Bonds, Series 2012A” (herein the “Series 2012A Bonds”) in an
6 aggregate principal amount of \$32,725,000 payable from and constituting a first (but not an exclusive
7 first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross
8 Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues (of which \$31,530,000 of
9 such Series 2012A Bonds remain outstanding); and

10 **WHEREAS**, pursuant to Ordinance No. 2012-6, passed and adopted by the Governing Body
11 on January 25, 2012, the City issued its “City of Santa Fe, New Mexico Gross Receipts Tax
12 (Subordinate Lien)/Wastewater Systems Refunding Revenue Bonds, Series 2012B” (herein the “Series
13 2012B Bonds”) in an aggregate principal amount of \$14,280,000 payable from and constituting a
14 subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues,
15 the One-Half Percent Municipal Gross Receipts Tax Revenues, the Environmental Services Gross
16 Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues and a first (but not an
17 exclusive first) lien on the Wastewater System Revenues (of which \$10,605,000 of such Series 2012B
18 Bonds remain outstanding); and

19 **WHEREAS**, pursuant to Ordinance No. 2012-35, passed and adopted by the Governing Body
20 on November 14, 2012, the City issued its “City of Santa Fe, New Mexico Subordinate Lien Gross
21 Receipts Tax Improvement Revenue Bonds, Series 2012C” (herein the “Series 2012C Bonds”) in an
22 aggregate principal amount of \$4,685,000 payable from and constituting a subordinate (but not an
23 exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent
24 Municipal Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues (of
25 which \$4,430,000 of such Series 2012C Bonds remain outstanding), proceeds of which Series 2012C

1 Bonds were used by the City to acquire real property referred to herein as the “Railyard Condominium
2 Project” to be occupied by the City and utilized for various administrative and other municipal
3 purposes; and

4 **WHEREAS**, pursuant to Ordinance No. 2013-18, passed and adopted by the Governing Body
5 on June 18, 2013, the City issued its “City of Santa Fe, New Mexico Gross Receipts Tax Refunding
6 Revenue Bonds, Series 2013A” (“herein the “Series 2013A Bonds”) in an aggregate principal amount
7 of \$10,880,000 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 \$10,735,000 of such Series 2013A Bonds remain
10 outstanding); and

11 **WHEREAS**, pursuant to Ordinance No. 2013-19, passed and adopted by the Governing Body
12 on May 8, 2013, the City issued its “City of Santa Fe, New Mexico Subordinate Lien Gross Receipts
13 Tax Refunding Revenue Bonds, Series 2013B” (herein the “Series 2013B Bonds”) in an aggregate
14 principal amount of \$13,780,000 payable from and constituting a subordinate (but not an exclusive
15 subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal
16 Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues (of which
17 \$13,390,000 of such Series 2013B Bonds remain outstanding); and

18 **WHEREAS**, pursuant to Ordinance No. 2014-27, passed and adopted by the Governing Body
19 on August 27, 2014, the City issued its “City of Santa Fe, New Mexico Gross Receipts Tax
20 Improvement Revenue Bonds, Series 2014” (herein the “Series 2014 Bonds”) in an aggregate principal
21 amount of \$15,460,000 payable from and constituting a first (but not an exclusive first) lien on the
22 State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax
23 Revenues and the Infrastructure Gross Receipts Tax Revenues (of which \$15,460,000 of such Series
24 2014 Bonds remain outstanding); and

25 **WHEREAS**, pursuant to Ordinance No. 2016-21, passed and adopted by the Governing Body

1 on May 25, 2016, the City issued its “City of Santa Fe, New Mexico Senior Lien Gross Receipts Tax
2 Refunding Revenue Bonds, series 2016A” (herein the “Series 2016A Bonds) in an aggregate principal
3 amount of \$6,700,000 payable from and constituting a first (but not an exclusive first) lien on the State-
4 Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues
5 and the Infrastructure Gross Receipts Tax Revenues (of which \$6,700,000 of such Series 2016A Bonds
6 remain outstanding); and

7 **WHEREAS**, pursuant to Ordinance No. 2016-21, passed and adopted by the Governing Body
8 on May 25, 2016, the City issued its “City of Santa Fe, New Mexico Senior Lien Gross Receipts Tax
9 Refunding Revenue Bonds, series 2016B” (herein the “Series 2016B Bonds) in an aggregate principal
10 amount of \$21,900,000 payable from and constituting a first (but not an exclusive first) lien on the
11 State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax
12 Revenues and the Infrastructure Gross Receipts Tax Revenues (of which \$21,900,000 of such Series
13 2016B Bonds remain outstanding); and

14 **WHEREAS**, pursuant to Ordinance No. 2016-21, passed and adopted by the Governing Body
15 on May 25, 2016, the City issued its “City of Santa Fe, New Mexico Subordinate Lien Gross Receipts
16 Tax Refunding Revenue Bonds, series 2016C” (herein the “Series 2016C Bonds) in an aggregate
17 principal amount of \$9,480,000 payable from and constituting a first (but not an exclusive first) lien on
18 the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax
19 Revenues and the Infrastructure Gross Receipts Tax Revenues (of which \$9,480,000 of such Series
20 2016C Bonds remain outstanding); and

21 **WHEREAS**, pursuant to Ordinance No. 2016-21, passed and adopted by the Governing Body
22 on May 25, 2016, the City issued its “City of Santa Fe, New Mexico Subordinate Lien Gross Receipts
23 Tax Refunding Revenue Bonds, series 2016D” (herein the “Series 2016D Bonds) in an aggregate
24 principal amount of \$2,020,000 payable from and constituting a first (but not an exclusive first) lien on
25 the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax

1 Revenues and the Infrastructure Gross Receipts Tax Revenues (of which \$2,020,000 of such Series
2 2016D Bonds remain outstanding); and

3 **WHEREAS**, except for the outstanding 2009 College Acquisition Finance Authority Loan, the
4 Series 2010B Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the Series 2012C Bonds, the
5 Series 2013A Bonds, the Series 2013B Bonds, and the Series 2014 Bonds there are no obligations
6 presently outstanding to which the State-Shared Gross Receipts Tax Revenues, the One-Half Percent
7 Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax Revenues or the
8 Environmental Services Gross Receipts Tax Revenues have been pledged by the City; and

9 **WHEREAS**, the Governing Body hereby determines that issuance of the “City of Santa Fe,
10 New Mexico Taxable Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2017”
11 (the “2017 Bonds”), to refund, pay and defease the City’s outstanding Subordinate Lien Gross Receipts
12 Tax Improvement Revenue Bonds, Series 2012C as authorized by law and the City’s home rule charter
13 (collectively, the “Refunding”), will provide for the public health, peace and safety of the City and its
14 citizens and is necessary to address an anticipated change in use of the Railyard Condominium Project,
15 which is currently occupied by the City and utilized for various administrative and other municipal
16 purposes, to occupancy and use by a private entity pursuant to a lease agreement; and

17 **WHEREAS**, the 2017 Bonds shall be issued pursuant to Sections 3-31-1 through 3-31-12
18 NMSA 1978, and with a subordinate (but not an exclusive subordinate) lien on the Pledged Revenues;
19 and

20 **WHEREAS**, the Governing Body determines that it is in the best interest of the City to sell the
21 Bonds to the Purchaser at a price not less than the Sale Price, contingent upon approval by the
22 Governing Body of the final terms of the Bonds in the Sale Resolution and upon approval by the
23 Governing Body of the terms of a Bond Purchase Agreement, all within the parameters set forth in the
24 Bond Legislation; and

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

1 “C. Any law which authorizes the pledge of any or all of the pledged
2 revenues to the payment of any revenue bonds issued pursuant to Sections 3-31-1
3 through 3-31-12 NMSA 1978, or which affects the pledged revenues, or any law
4 supplemental thereto or otherwise appertaining thereto, shall not be repealed or
5 amended or otherwise directly or indirectly modified in such a manner as to impair
6 adversely any such outstanding revenue bonds, unless such outstanding revenue bonds
7 have been discharged in full or provision has been fully made therefor;” and

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

11 **WHEREAS**, in connection with the 2017 Bonds, Parity Obligations or Subordinate
12 Obligations which may be issued in the future by the City, the Governing Body may determine to enter
13 into a Qualified Exchange Agreement for all or a portion of the 2017 Bonds, Parity Obligations or
14 Subordinate Obligations which may provide for the payment by the City of a Variable Exchange Rate
15 or a Fixed Exchange Rate and the payment by the Qualified Counterparty of a Fixed Exchange Rate or
16 Variable Exchange Rate; and

17 **WHEREAS**, all required authorization, consents or approvals of any State, governmental
18 body, agency or authority in connection with the authorization, execution and delivery of the 2017
19 Bonds (i) which are required to have been obtained by the date of the adoption of the Bond Legislation
20 have been obtained, and (ii) which will be required to be obtained prior to any Closing Date, will have
21 been obtained by that date.

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

24 **Section 1. Definitions.** The terms in this section are defined for all purposes of this
25 Ordinance and of any ordinance amendatory hereof or supplemental hereto, or relating hereto, and of

any instrument or document appertaining hereto, except where the context by clear implication herein otherwise requires, shall have the following meanings:

“Act” means the general laws of the State, including Sections 3-31-1 through 3-31-12 NMSA 1978, as amended, and enactments of the Governing Body relating to the issuance of the Bonds, including this Ordinance.

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

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

“Bond Legislation” means this Ordinance and the Sale Resolution.

“Bond Purchase Agreement” means the bond purchase agreement between the City and the Purchaser.

“Bonds,” “2017 Bonds” or “Series 2017 Bonds” means the “City of Santa Fe, New Mexico Taxable Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2017”, which are authorized by the Bond Legislation.

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

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

“Continuing Disclosure Undertaking” means, if applicable, the continuing disclosure undertaking with respect to the Bonds to be executed on the day of issuance and delivery of the Bonds

1 to the Purchaser.

2 “Costs of Issuance” means all costs relating to issuance of the Bonds, including, without
3 limitation, costs of advertising and publication, costs of preparing the Bonds, fees and expenses of the
4 financial advisor, bond counsel, the Paying Agent, the Registrar, the Escrow Bank, rating fees and other
5 reasonable and necessary fees and costs, including applicable gross receipts taxes, related to the
6 issuance of the Bonds.

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

13 “Cross-over Refunding Bonds” means bonds or obligations issued for the purpose of refunding
14 Obligations if the proceeds thereof are irrevocably deposited in escrow to secure repayment on an
15 applicable redemption date or maturity date of the principal of and redemption premium on the related
16 Obligations being refunded and the earnings on such escrow are required to be used to pay interest on
17 the Cross-over Refunding Bonds.

18 “Debt Service Requirements” for any period means the sum of: (i) the amount required to pay
19 the interest, or to make reimbursements for payments of interest, becoming due on the applicable
20 Obligations during such period; plus (ii) the amount required to pay the principal or accreted value, or
21 to make reimbursements for the payment of principal or accreted value, becoming due on the applicable
22 Obligations during that period, whether at maturity, an accretion term date or upon mandatory sinking
23 fund redemption dates, plus (iii) any net periodic payments on a notional amount required to be made
24 by the City pursuant to a Qualified Exchange Agreement minus (iv) any net periodic payments on a
25 notional amount to be received by the City pursuant to a Qualified Exchange Agreement.

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

7 (b) Debt Service Requirements required to be made pursuant to a Qualified
8 Exchange Agreement shall be based upon the actual amount required to be paid by the City, if any, to
9 the Qualified Counterparty. In determining that amount, any payments required to be made by either
10 party to the Qualified Exchange Agreement at a Variable Exchange Rate shall be computed, in
11 determining the obligation of the City under the Qualified Exchange Agreement, using the procedures
12 set forth in the applicable sections of this Ordinance.

13 (c) The computation of interest for the purposes of this definition shall be made
14 without considering the interest rate payable pursuant to a Credit Facility, unless, at the time of
15 computation of Debt Service Requirements, payments on Obligations are owed to, or Obligations are
16 owned or held by, the provider of a Credit Facility pursuant to the provisions of that Credit Facility.

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

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

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

1 (2) There may be made the adjustment to the Debt Service Requirements
2 applicable to Bond Anticipation Notes described in Paragraph E of Sections 21 and 23 of this
3 Ordinance.

4 (f) Except as provided in Paragraph F of Sections 21 and 23, the purchase or
5 tender price of Put Obligations resulting from the optional or mandatory tender or presentment for
6 purchase of those Put Obligations shall not be included in any computation of Debt Service
7 Requirements.

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

10 “Environmental Services Gross Receipts Tax” means the environmental services gross receipts
11 tax imposed pursuant to Section 7-19D-10 NMSA 1978 by the Environmental Services Gross Receipts
12 Tax Ordinance on persons engaging in business in the City in the amount of 1/16th of one percent
13 (0.0625%) of the gross receipts of such persons.

14 “Environmental Services Gross Receipts Tax Ordinance” means City Ordinance No. 1993-20
15 imposing the Environmental Services Gross Receipts Tax, as amended.

16 “Environmental Services Gross Receipts Tax Revenue Fund” means the “City of Santa Fe,
17 New Mexico Environmental Services Gross Receipts Tax Revenue Fund,” maintained by the City and
18 continued in Section 17 of this Ordinance, into which the City shall deposit the Environmental Services
19 Gross Receipts Tax Revenues.

20 “Environmental Services Gross Receipts Tax Revenues” means the environmental services
21 gross receipts tax revenues received by the City pursuant to Section 7-19D-10 NMSA 1978 and the
22 Environmental Services Gross Receipt Tax Ordinance.

23 “Escrow Agent” means a commercial bank and a member of the Federal Deposit Insurance
24 Corporation having full and complete trust power, or its duly authorized successor, to be named in the
25 Sale Resolution.

1 “Escrow Agreement” means the escrow agreement relating to the Refunding Project among the
2 City and the Escrow Agent.

3 “Escrow Fund” means the fund created in Section 17 of this Ordinance.

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

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

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

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

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

17 “Fixed Exchange Rate” means a fixed rate of interest payable by the City or a Qualified
18 Counterparty pursuant to a Qualified Exchange Agreement.

19 “Governing Body” means the members of the governing body designated as councilors who,
20 together with the mayor, are the governing body of the City.

21 “Government Obligations” means direct obligations of, or obligations the principal of and
22 interest on which are unconditionally guaranteed by, the United States of America or certificates or
23 receipts established by the United States Government or its agencies or instrumentalities representing
24 direct ownership of future interests or principal payments on direct obligations of, or obligations fully
25 guaranteed by, the United States of America or any of its agencies or instrumentalities the obligations

1 of which are backed by the full faith and credit of the United States.

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

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

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

17 “Infrastructure Gross Receipts Tax Ordinance” means City Ordinance No. 1993-21 imposing
18 the Infrastructure Gross Receipts Tax, as amended.

19 “Infrastructure Gross Receipts Tax Revenue Fund” means the “City of Santa Fe Infrastructure
20 Gross Receipts Tax Revenue Fund” maintained by the City and continued in Section 17 of this
21 Ordinance, into which the City shall deposit the Infrastructure Gross Receipts Tax Revenues.

22 “Infrastructure Gross Receipts Tax Revenues” means the infrastructure gross receipts tax
23 revenues received by the City pursuant to Section 7-19D-11 NMSA 1978 and the Infrastructure Gross
24 Receipts Tax Ordinance.

25 “Insured Bank” means any federally or state-chartered savings and loan association or federally

1 or state-chartered commercial bank, the deposits of which are insured by the Federal Deposit Insurance
2 Corporation and which has, or is the lead bank of a parent holding company which has (i) unsecured,
3 uninsured and unguaranteed obligations which are rated AA or better by Fitch and S&P or (ii) combined
4 capital, surplus and undivided profits of not less than \$10,000,000.

5 “Moody’s” means Moody’s Investors Service, its successors and their assigns, and, if such
6 corporation is dissolved or liquidated or no longer performs the functions of a securities rating agency,
7 any other nationally recognized securities rating agency designated by the City.

8 “Obligations” means bonds, notes or any other instrument which evidences a borrowing or
9 other obligation of the City, including Qualified Exchange Agreements, secured by Pledged Revenues,
10 issued or incurred for any purpose permitted by the Act or the Exchange Act, as amended from time to
11 time.

12 “One-Half Percent Municipal Gross Receipts Tax Ordinance” means City of Santa Fe
13 Ordinance No. 1981-45 imposing a one-half of one percent municipal gross receipts tax.

14 “One-Half Percent Municipal Gross Receipts Tax Revenue Fund” means the “City of Santa Fe,
15 New Mexico One-Half Percent Municipal Gross Receipts Tax Revenue Fund” maintained by the City
16 and continued in Section 17 of this Ordinance, into which the City shall deposit the One-Half Percent
17 Municipal Gross Receipts Tax Revenues.

18 “One-Half Percent Municipal Gross Receipts Tax Revenues” means those revenues received
19 by the City pursuant to the Municipal Local Option Gross Receipts Taxes Act, Sections 7-19D-1
20 through 7-19D-12 NMSA 1978, and the One-Half Percent Municipal Gross Receipts Tax Ordinance.

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

22 “Parity Obligations” means the Bonds, the 2016C Bonds, the 2016D Bonds, the Series 2013B
23 Bonds, the Series 2012B Bonds, the Series 2012C Bonds, the Series 2010B Bonds, the 2009 College
24 Acquisition Finance Authority Loan, any scheduled periodic payments (but not Exchange Termination
25 Payments) required to be made by the City pursuant to a Qualified Exchange Agreement, and any other

Obligations hereafter issued or incurred payable from the Pledged Revenues and issued with a lien on the Pledged Revenues on parity with the lien thereon of the Parity Obligations.

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

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

(a) Government Obligations;

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

(c) Obligations of the following government-sponsored agencies: Federal Home Loan Mortgage Corporation--participation certificates and senior debt obligations; Farm Credit System--consolidated system-wide bonds and notes; Federal Home Loan Banks--consolidated debt obligations; Federal National Mortgage Association--senior debt obligations and mortgage-backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal); Student Loan Marketing Association--senior debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) and letter of credit backed issues; Financing Corporation--debt obligations; and Resolution Funding Corporation--debt obligations;

(d) Bank time deposits evidenced by certificates of deposit and bankers acceptances issued by an Insured Bank, provided that such time deposits and bankers' acceptances (1) do not exceed at any one time in the aggregate five percent (5%) of the combined total of the capital,

1 surplus and undivided profits of such Insured Bank, or (2) are secured by obligations described in
2 paragraphs (a), (b), (c) and (h) of this definition which obligations at all times have a market value
3 (exclusive of accrued interest) at least equal to 102% of such time deposits so secured;

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

11 (f) Money market instruments and other securities of commercial banks, broker-
12 dealers or recognized financial institutions, which securities or instruments are rated in the highest
13 Rating Category by S&P and Fitch, (if such rating agency is then rating the Bonds), or which securities
14 are guaranteed by a person or entity whose long-term debt obligations are rated in the highest Rating
15 Category by S&P and Fitch (if such rating agency is then rating the Bonds) including, without
16 limitation, securities of, or other interests in, any open-end or closed-end management type investment
17 company or investment trust registered under the provisions of 15 U.S.C. Sections 80(a)-1 et. seq.,
18 which invest only in, or whose securities are secured only by, obligations of the type set forth in
19 paragraphs (a), (b), (c) and (h) of this definition;

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

22 (h) Repurchase agreements involving the purchase and sale of, and guaranteed
23 investment contracts, the par value of which is collateralized by a perfected first pledge of, or security
24 interest in, or the payments of which are unconditionally guaranteed by, securities described in parts
25 (a), (b), (c) and (h) of this definition, which collateral is held by the City, or for the benefit of the City,

1 by a party other than the provider of the guaranteed investment contract or repurchase agreement, with
2 a collateralized value of at least 102% of the par value of such repurchase agreement or guaranteed
3 investment contract or 102% of the market value thereof, valued at intervals of no less than monthly
4 and which collateral is not subject to any other pledge or security interest; and

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

9 “Pledged Gross Receipts Tax Revenues” or “Pledged Revenues” means (1) the State-Shared
10 Gross Receipts Tax Revenues; (2) the One-Half Percent Municipal Gross Receipts Tax Revenues; (3)
11 the Infrastructure Gross Receipts Tax Revenues; (4) the portion of the gross receipts tax distribution to
12 the City made pursuant to Section 7-1-6.46 NMSA 1978, which represents the amount of State-Shared
13 Gross Receipts Tax Revenues, One-Half Percent Municipal Gross Receipts Tax Revenues, and
14 Infrastructure Gross Receipts Tax Revenues that would have been remitted to the City but for the
15 deductions provided by Section 7-9-92 and 7-9-93 NMSA 1978 and any similar distributions made to
16 the City in lieu of State-Shared Gross Receipts Tax Revenues, One-Half Percent Municipal Gross
17 Receipts Tax Revenues and Infrastructure Gross Receipts Tax Revenues pursuant to law; and (5) any
18 other gross receipts tax revenues received by the City, whether from distribution by the State or pursuant
19 to gross receipts taxes imposed by the City, and hereafter (i.e. after the adoption of this Ordinance)
20 pledged to the payment of the Bonds by affirmative act of the Governing Body.

21 “Preliminary Official Statement” and “Official Statement” means, if applicable, the disclosure
22 documents utilized by the Purchaser in connection with the offer and sale of the Bonds to investors.

23 “Purchaser” means the purchasers, or their successors and assigns, as identified and approved
24 in the Sale Resolution.

25 “Put Obligations” means any Obligations which have put or similar features requiring the City

1 to purchase such Obligations upon notice from the owners thereof.

2 “Qualified Counterparty” means, with respect to a Qualified Exchange Agreement, any party
3 whose senior long term debt obligations, or whose obligations under a Qualified Exchange Agreement
4 are guaranteed by a party whose senior long term debt obligations, are rated (at the time of execution
5 of the Qualified Exchange Agreement) in one of the top two Rating Categories by Fitch and S&P.

6 “Qualified Exchange Agreement” means any financial arrangement between the City and a
7 Qualified Counterparty which satisfies the requirements of the Exchange Act at the time the agreement
8 is entered into.

9 “Railyard Condominium Project” means the condominium acquired by the City with proceeds
10 of the Refunded Bonds.

11 “Rating Category” means a generic securities rating category, without regard, in the case of a
12 long-term rating category, to any refinement or gradation of such long-term rating category by a
13 numerical modifier or otherwise.

14 “Refunded Bonds” means the Series 2012C Bonds maturing on and after June 1, 2018 in an
15 aggregate principal amount of \$4,085,000.

16 “Refunding Project” means refunding, paying and defeasing the Refunded Bonds and payment
17 of costs of issuance.

18 “Registrar” means BOKF, N.A., as registrar and transfer agent for the Bonds, and any
19 successor.

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

22 “Related Documents” means the Bond Purchase Agreement, the Continuing Disclosure
23 Undertaking (if applicable), the Escrow Agreement, and any other document or agreement containing
24 an obligation of the City as may be required in connection with the issuance of the Bonds.

25 “S&P” means S&P Global, its successors and their assigns, and, if such entity is dissolved or

1 liquidated or no longer performs the functions of a securities rating agency, any other nationally
2 recognized securities rating agency designated by the City.

3 “Sale Price” means the amount paid by the Purchaser for its purchase of the Bonds, which shall
4 be as set forth in the Bond Purchase Agreement.

5 “Series 2012C Bonds” or “2012C Bonds” means the “City of Santa Fe, New Mexico
6 Subordinate Lien Gross Receipts Tax Improvement Revenue Bonds, Series 2012C” authorized by
7 Ordinance No. 2012-35.

8 “Series 2017 Bond Fund” means the “City of Santa Fe Taxable Subordinate Lien Gross
9 Receipts Tax Refunding Revenue Bonds, Series 2017, Bond Fund,” established in Section 17 of this
10 Ordinance.

11 “Series Date” means the date of issuance and delivery of the Bonds to the Purchaser.

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

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

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

23 “Subordinate Obligations” means any Exchange Termination Payments and any other
24 Obligations hereafter issued or incurred payable from the Pledged Revenues and issued with a lien
25 thereon junior and inferior to the lien thereon of the Bonds.

1 “Superior Obligations” means the Series 2016A Bonds, the Series 2016B Bonds, the Series
2 2014 Bonds, the Series 2013A Bonds, 2012A Bonds, and any other Obligations hereafter issued or
3 incurred payable from the Pledged Revenues and issued with a lien on the Pledged Revenues prior and
4 superior 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 “Variable Exchange Rate” means a Variable Interest Rate payable by the City or a Qualified
8 Counterparty pursuant to a Qualified Exchange Agreement.

9 “Variable Interest Rate” means an interest rate which varies or fluctuates from time to time.

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

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

18 **Section 3. Authorization of the Refunding.** The Refunding is hereby authorized at a
19 total cost not to exceed the proceeds of the Bonds, excluding any such cost defrayed or to be defrayed
20 by any source other than proceeds of the Bonds and the necessity thereof is hereby so declared.

21 **Section 4. Authorization of Bonds; Sale to Purchaser pursuant to Bond Purchase**
22 **Agreement.** For the purpose of protecting the public health, conserving the property and advancing
23 the general welfare of the citizens of the City, and for the purpose of defraying the cost of the Refunding
24 Project, it is hereby declared that the interest and necessity of the City and the inhabitants of the City
25 require the issuance by the City of its fully registered (i.e., registered as to payment of both principal

1 and interest) revenue bonds without coupons to be designated "City of Santa Fe Taxable Subordinate
2 Lien Gross Receipts Tax Improvement Revenue Bonds, Series 2017," in an aggregate principal amount
3 of Four Million Five Hundred Forty Thousand Dollars (\$4,540,000). The Bonds shall be payable and
4 collectible, both as to principal and interest, solely from the Pledged Revenues. The Bonds shall be
5 sold by a private sale to the Purchaser pursuant to the Bond Purchase Agreement at the Sale Price
6 established in the Bond Purchase Agreement, which is hereby ratified and approved.

7 **Section 5. Bond Details.**

8 A. Basic Details. The Bonds shall be issued in the aggregate principal amount of
9 \$4,540,000 for the Refunding Project. The Bonds shall be dated the date of their issuance and delivery
10 to the Underwriter (herein "Series Date"), and are issuable in the denomination of \$5,000 each or any
11 integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal
12 coming due on any maturity date and no individual Bond will be issued for more than one maturity).
13 The Bonds shall be numbered consecutively from 1 upwards. The Bonds shall bear interest from the
14 Series Date, payable semi-annually on June 1 and December 1 each year, commencing on December
15 1, 2017, until their respective maturities and shall bear the rates of interest and shall mature on June 1
16 in each of the designated amounts and years as set forth below:

17
18
19 Remainder of page intentionally left blank
20
21
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24

1
2 **2017 Bonds**

3

<u>Amounts</u> <u>Maturing</u>	<u>Interest Rate</u> <u>(Per Annum)</u>	<u>Year</u> <u>Maturing</u>
		2018
		2019
		2020
		2021
		2022
		2023
		2024
		2025
		2026
		2027
		2028
		2029
		2030
		2031
		2032
		2033

12
13

14 B. Payment-Regular Record Date. The principal of any Bond shall be payable to the
15 registered owner thereof as shown on the registration books kept by the Registrar which is hereby
16 appointed as registrar (and transfer agent) for the Bonds, upon maturity or prior redemption thereof and
17 upon presentation and surrender at the Paying Agent which also is hereby appointed as the paying agent
18 for the Bonds. If any Bond shall not be paid upon such presentation and surrender at or after maturity
19 or on a designated prior redemption date on which the City may have exercised its right to prior redeem
20 any Bond pursuant to Section 6 of this Ordinance, it shall continue to draw interest at the rate borne by
21 the Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to
22 the registered owner of the Bond as of the Regular Record Date by check or draft mailed by the Paying
23 Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day,
24 on or before the next succeeding Business Day), to the registered owner thereof on the Regular Record
25 Date at his address as it last appears on the registration books kept by the Registrar on the Regular

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

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

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

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

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

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

23 **Section 6. Redemption.**

24 A. Optional Redemption. The Bonds maturing on and after June 1, 2027, are
25 subject to prior redemption at the City’s option in one or more units of principal of \$5,000 on and after

1 June 1, 2026 in whole or in part at any time, in such order of maturities as the City may determine (and
2 by lot if less than all of the bonds of such maturity is called, such selection by lot to be made by the
3 Registrar in such manner considered appropriate and fair), for the principal amount of each \$5,000 unit
4 of principal so redeemed plus accrued interest to the redemption date. Redemption shall be made upon
5 prior notice mailed to each registered owner of each bond selected for redemption as shown on the
6 registration books kept by the Registrar in the manner and upon the conditions provided in the Bond
7 Ordinance.

8 B. Notice by City. At least 45 days prior to any date selected by the City for
9 optional redemption of any of the Bonds, the City shall give written instructions to the Registrar with
10 respect to the optional redemption. The Registrar shall not be required to give notice of any optional
11 redemption unless the Registrar has received written instructions from the City in regard thereto at least
12 45 days prior to such redemption date (unless such deadline is waived by the Registrar). Additionally,
13 notice of optional redemption shall be given by the City by sending a copy of such notice by first-class,
14 postage prepaid mail, not less than thirty days prior to the optional redemption date to the Paying Agent,
15 if the Registrar is not the Paying Agent.

16 C. Notice by Registrar. Additionally, notice of redemption shall be given by the
17 Registrar by sending a copy of such notice in the manner required by the Depository or by first-class,
18 postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to
19 each registered owner of each Bond selected for redemption as shown on the registration books kept
20 by the Registrar as of the date of mailing of notice. Failure to give such notice by mailing to the
21 registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for
22 the redemption of any of the Bonds.

23 D. Other Redemption Details. The notice required by paragraph C of this Section
24 shall specify the number or numbers of the Bond or Bonds or portions thereof to be so redeemed (if
25 less than all are to be redeemed); and all notices required by this Section shall specify the date fixed for

1 redemption, and shall further state that on such redemption date there will become and be due and
2 payable upon each \$5,000 unit of principal so to be redeemed at the Paying Agent the principal thereof,
3 accrued interest, if any, to the redemption date, and the applicable prior redemption premium thereon
4 (if any), and that from and after such date interest will cease to accrue. Accrued interest to the
5 redemption date will be paid by check or draft mailed to the registered owner (or by alternative means if
6 so agreed to by the Paying Agent and the registered owner). Notice having been given in the manner
7 hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on
8 the redemption date so designated; and upon presentation thereof at the Paying Agent, the City will pay
9 the Bond or Bonds so called for redemption and the applicable prior redemption premium (if any). In
10 the event that only a portion of the principal amount of a Bond is so redeemed, a new Bond representing
11 the unredeemed principal shall be duly completed, authenticated and delivered by the Registrar to the
12 registered owner pursuant to Section 9 of this Ordinance and without charge to the registered owner
13 thereof. The Registrar and Paying Agent shall comply with any other terms regarding redemption and
14 notice of redemption as required by any applicable agreement with a Depository.

15 E. Conditional Redemption. If money or Government Obligations sufficient to
16 pay the redemption price of the Bonds to be called for redemption are not on deposit with the Paying
17 Agent prior to the giving of notice of redemption pursuant to Paragraph D of this Section 6, such notice
18 shall state such Bonds will be redeemed in whole or in part on the redemption date in a principal amount
19 equal to that part of the redemption price received by the Paying Agent on the applicable redemption
20 date. If the full amount of the redemption price is not received as set forth in the preceding sentence,
21 the notice shall be effective only for those Bonds for which the redemption price is on deposit with the
22 Paying Agent. If all Bonds called for redemption cannot be redeemed, the Bonds to be redeemed shall
23 be selected in a manner deemed reasonable and fair by the City and the Registrar shall give notice, in
24 the manner in which the original notice of redemption was given, that such money was not received
25 and the information required by paragraph E of this Section. In that event, the Registrar shall promptly

1 return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof
2 which have not been redeemed.

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

7 **Section 8. Execution.**

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

13 B. Method of Execution. Each Bond of the issue shall be signed and executed by
14 the facsimile or manual signature of the Mayor under facsimile or manual imprint of the seal of the
15 City, which shall be printed, stamped, engraved or otherwise placed thereon; each Bond shall be
16 executed and attested with the facsimile or manual signature of the City Clerk; and each Bond shall be
17 authenticated by the manual signature by an Authorized Officer of the Registrar as hereafter provided.
18 The Bonds bearing the facsimile or manual signature of the officers in office at the time of the
19 authorization thereof shall be the valid and binding obligations of the City (subject to the requirement
20 of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery
21 thereof and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of
22 the persons whose facsimile signatures appear thereon shall have ceased to fill their respective offices.
23 The Mayor and City Clerk of the City shall, by the execution of a signature certificate pertaining to the
24 Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and,
25 at the time of the execution of the signature certificate, the Mayor and City Clerk may each adopt as

1 and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the
2 event that such facsimile signature appears upon any of the Bonds.

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

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

11 A. Registration Books -- Transfer and Exchange -- Authentication. Books for the
12 registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of
13 any Bonds at the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed
14 by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and
15 deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal
16 amount and of the same maturity, bearing a number or numbers not contemporaneously outstanding.
17 Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same
18 maturity of other authorized denominations. The Registrar shall authenticate and deliver a Bond or
19 Bonds which the registered owner making the exchange is entitled to receive, bearing a number or
20 numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as provided in this
21 Ordinance shall be without charge to the owner or any transferee, but the Registrar may require the
22 payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental
23 charge required to be paid with respect to such exchange or transfer.

24 B. Times When Transfer or Exchange Not Required. The Registrar shall not be
25 required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the

1 period of fifteen days next preceding the mailing of notice to the registered owners calling any Bonds
2 for prior redemption pursuant to Section 6 of this Ordinance or (2) to transfer or exchange all or a
3 portion of a Bond after the mailing to registered owners of notice calling such Bond or portion thereof
4 for prior redemption.

5 C. Payment - Registered Owners. The person in whose name any Bond is
6 registered on the registration books kept by the Registrar shall be deemed and regarded as the absolute
7 owner thereof for the purpose of making payment thereof and for all other purposes except as may
8 otherwise be provided with respect to payment of defaulted interest as provided in Section 5B of this
9 Ordinance; and payment of or on account of either principal or interest on any Bond shall be made only
10 to or upon the written order of the registered owner thereof or his legal representative, but such
11 registration may be changed upon transfer of such Bond in the manner and subject to the conditions
12 and limitations provided in this Ordinance. All such payments shall be valid and effectual to discharge
13 the liability upon the Bond to the extent of the sum or sums so paid.

14 D. Replacement Bonds. If any Bond shall be lost, stolen, destroyed or mutilated,
15 the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it may
16 reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal
17 amount and of the same subseries and maturity, bearing a number or numbers not contemporaneously
18 outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar may
19 direct the Paying Agent to pay such Bond in lieu of replacement.

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

23 F. Cancellation of Bonds. Whenever any Bond shall be surrendered to the Paying
24 Agent upon payment of the Bond, or to the Registrar for transfer, exchange or replacement as provided
25 in this Ordinance, the Bond shall be promptly canceled by the Paying Agent or Registrar, and

1 counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to
2 the City.

3 **Section 10. Successor Registrar or Paying Agent.** If the Registrar or Paying Agent
4 initially appointed under this Ordinance shall resign or is prohibited by law from continuing as Registrar
5 or Paying Agent, or if the City shall reasonably determine that the Registrar or Paying Agent has
6 become incapable of fulfilling its duties under this Ordinance, the City may, upon notice mailed to each
7 registered owner of Bonds at the address last shown on the registration books, appoint a successor
8 Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or
9 trust company located in and in good standing in the United States and having a shareholder's equity
10 (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$50,000,000. It
11 shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but
12 the City shall have the right to have the same institution serve as both Registrar and Paying Agent
13 hereunder.

14 **Section 11. Special Limited Obligations.** The Bonds and all payments of principal and
15 interest thereon, (whether at maturity or on a redemption date) and the obligations of the City for all
16 other payments, fees, costs, interest and expenses of the City under this Ordinance and under the Related
17 Documents, including all payments due from the City under a Qualified Exchange Agreement, shall be
18 special limited obligations of the City. The principal of and interest on the Bonds and all obligations
19 of the City under the Related Documents shall be payable solely from the Pledged Revenues after
20 payment of any superior Obligations (and in the case of Exchange Termination Payments, after
21 payment of the Bonds and any Parity Obligations), which revenues are hereby pledged.

22 Owners of the Bonds and other parties to the Related Documents, including a Qualified
23 Counterparty, may not look to any general or other fund of the City for the payment of the principal of
24 or interest on, or the fees, costs and expenses relating to, such obligations, except the designated special
25 funds pledged therefor. Neither the Bonds nor the obligations of the City under the Related Documents

1 shall constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory
2 prohibition or limitation, nor shall they be considered or held to be general obligations of the City, and
3 the Bonds, any Related Document and any Qualified Exchange Agreement shall recite that they are
4 payable and collectable solely out of the Pledged Revenues (and in the case of Exchange Termination
5 Payments, after payment of Parity Obligations and Subordinate Obligations), and from the other
6 sources stated in this Section, and that the Owners of the Bonds, any other party or a Qualified
7 Counterparty may not look to any general or other municipal fund for the payment of the principal or
8 interest, as applicable, on the Bonds or for the payment of any amounts owed under the Related
9 Documents.

10 Nothing herein shall prevent or prohibit the City from applying other funds of the City legally
11 available therefor to the payment or redemption of the Bonds or to the payment of any amounts owed
12 under a Related Document, in its sole discretion.

13 **Section 12. Form of Bonds, Certificate of Authentication and Assignment.**

14 The Bonds, Registrar's Certificate of Authentication and Form of Assignment shall be in
15 substantially the form set forth in this Section, with such changes therein as are not inconsistent with
16 this ordinance.

17 (Form of Series 2017 Bond)

18
19 UNITED STATES OF AMERICA

20 COUNTY OF SANTA FE

21 STATE OF NEW MEXICO

22 No. _____

\$ _____

23
24 CITY OF SANTA FE

25 TAXABLE SUBORDINATE LIEN

GROSS RECEIPTS TAX REFUNDING REVENUE BOND,
SERIES 2017

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>SERIES DATE</u>	<u>CUSIP</u>
____ % per annum	June 1, ____	____, 2017	

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Santa Fe (herein "City"), in the County of Santa Fe and State of New Mexico, for value received, hereby promises to pay upon presentation and surrender of this bond, solely from the special funds provided therefor as hereinafter set forth, to the registered owner named above, or registered assigns, on the Maturity Date specified above (unless this bond, if subject to prior redemption, shall have been called for prior redemption in which case on such redemption date), upon the presentation and surrender hereof at BOKF, NA, Albuquerque, New Mexico, as paying agent, or its successor (herein the "Paying Agent"), the Principal Amount stated above, in lawful money of the United States of America, and to pay to the registered owner hereof as of the Regular Record Date (being the 15th day of the calendar month whether or not a business day preceding each regularly scheduled interest payment date as defined in Ordinance No. _____, adopted April 26, 2017, which authorizes this bond and which is referred to herein as the "Bond Ordinance"), by check or draft mailed to such registered owner, on or before each interest payment date as hereinafter provided (or, if such interest payment date is not a business day, on or before the next succeeding business day), at his

1 address as it last appears on the Regular Record Date on the registration books kept for that purpose by
2 BOKF, NA, Albuquerque, New Mexico, as registrar (i.e., transfer agent) for the bonds, or its successor
3 (herein the "Registrar") or by such other arrangement as may be agreed to by the Paying Agent and the
4 registered owner hereof, interest on such sum in lawful money of the United States of America from
5 the Series Date specified above or the most recent interest payment date to which interest has been fully
6 paid or duly provided for in full (as more fully provided in the Bond Ordinance) until maturity at the
7 per annum Interest Rate specified above, payable on December 1, 2017 and semiannually thereafter on
8 December 1 and June 1 in each year. Any such interest not so timely paid or duly provided for shall
9 cease to be payable to the registered owner as of the Regular Record Date and shall be payable to the
10 registered owner as of a Special Record Date (as defined in the Bond Ordinance), as further provided
11 in the Bond Ordinance. If upon presentation and surrender to the Paying Agent at or after maturity or
12 on a designated prior redemption date on which the City may have exercised its right to prior redeem
13 this bond pursuant to the Bond Ordinance, payment of this bond is not made as herein provided, interest
14 hereon shall continue at the rate herein designated until the principal hereof is paid in full. If the Bonds
15 are issued in book-entry only form, an authorized officer of the City and the applicable securities
16 depository ("Depository") may make other arrangements for the payments on the Bonds.

17 The bonds of the series of which this bond is a part maturing on and after June 1, 2027, are
18 subject to prior redemption at the City's option in one or more units of principal of \$5,000 on an after
19 June 1, 2026, in whole or in part at any time, in such order of maturities as the City may determine (and
20 by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the
21 Registrar in such manner as he shall consider appropriate and fair), at a redemption price equal to the
22 principal amount of the Bonds or the portion thereof to be redeemed plus accrued interest, if any, to the
23 redemption date. [[Additionally, the bonds of the series of which this is one maturing on June 1, 20__,
24 are also subject to mandatory sinking fund redemption on and after June 1, 20__, by lot in such manner

1 as the Registrar may determine, pursuant to the terms of the sinking fund provisions of the Bond
2 Ordinance, for the principal amount thereof and accrued interest to the redemption date.

3 Redemption shall be made upon mailed notice to each registered owner of each bond selected
4 for redemption as shown on the registration books kept by the Registrar in the manner and upon the
5 conditions provided in the Bond Ordinance.

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

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

23 This bond is one of a series of bonds designated "City of Santa Fe Taxable Subordinate Lien
24 Gross Receipts Tax Refunding Revenue Bonds, Series 2017," of like tenor and date, except as to interest
25 rate, number and maturity, authorized for the purpose of defeasing, refunding, paying and redeeming

1 the City of Santa Fe Subordinate Lien Gross Receipts Tax Revenue Bonds, Series 2012C, as set forth
2 in the Bond Ordinance.

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

5 This bond does not constitute an indebtedness of the City within the meaning of any
6 constitutional or statutory provision or limitation, shall not be considered or be held to be a general
7 obligation of the City, and is payable and collectible solely out of the City's Pledged Gross Receipts
8 Tax Revenues pursuant to the subordinate pledge made by and as defined in the Bond Ordinance, which
9 revenues are so pledged; and the holder of this bond may not look to any general or other fund for the
10 payment of the principal and interest on this obligation, except the special funds pledged therefor.
11 Payment of the bonds of the series of which this bond is one and the interest thereon shall be made
12 solely from, and as security for such payment, there are pledged pursuant to the Bond Ordinance special
13 funds identified as the "One-Half Percent Gross Receipts Tax Revenue Fund," the "Infrastructure Gross
14 Receipts Tax Revenue Fund" and the "State-Shared Gross Receipts Tax Revenue Fund" into which the
15 City covenants to pay the Pledged Gross Receipts Tax Revenues, concurrently with debt service
16 payments for outstanding parity bonds, sums sufficient to pay when due the principal of and the interest
17 on the bonds of the series of which this bond is one. For a description of the funds, the nature and
18 extent of the security afforded thereby for the payment of the principal of and interest on the bonds,
19 and other details concerning the bonds, reference is made to the Bond Ordinance. The bonds of the
20 series of which this bond is one are equally and ratably secured by a subordinate lien on the City's
21 Pledged Gross Receipts Tax Revenues; the Bonds constitute an irrevocable subordinate lien, but not
22 necessarily an exclusive subordinate lien, upon the Pledged Gross Receipts Tax Revenues. Additional
23 bonds and other obligations, in addition to the series of which this bond is one, may be issued and made
24 payable from the City's Pledged Gross Receipts Tax Revenues having a lien thereon inferior and junior
25 to the lien or, subject to designated conditions, having a lien thereon on a parity with, or superior to the

lien of the bonds of the series of which this bond is one, in accordance with the provisions of the Bond Ordinance.

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

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

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the City Council and officers of the City in the issuance of this bond; and that it is issued pursuant to and in strict conformity with the Constitution and laws of the State of New Mexico, and particularly the terms and provisions of Sections 3-31-1 through 3-31-12, NMSA 1978, as amended, and all laws thereunto enabling and supplemental thereto.

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

IN WITNESS WHEREOF, the City of Santa Fe has caused this bond to be signed, subscribed, and executed, and attested with the facsimile signatures of its Mayor and its City Clerk, respectively and has caused the facsimile of its corporate seal to be affixed on this bond, all as of the Series Date.

CITY OF SANTA FE

[(FACSIMILE SEAL)]

By _____ (Facsimile Signature)

MAYOR

1 ATTEST:

2
3 By _____ (Facsimile Signature)

4 CITY CLERK

5
6
7 (Form of Registrar's Certificate of Authentication)

8
9 REGISTRAR'S CERTIFICATE OF AUTHENTICATION

10
11 Date of Authentication: June____, 2017

12
13 This is one of the bonds described in the within-mentioned Bond Ordinance, and this bond has
14 been duly registered on the registration books kept by the undersigned as Registrar for such Bonds.

15
16 BOKF, NA,

17 Albuquerque, New Mexico, as Registrar

18
19
20
21 By _____

22 Authorized Officer

23
24 (End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

ASSIGNMENT

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

Signature Guaranteed:

Name and Address of Transferee

Dated: _____

Social Security Number or other

Tax Identification Number

(End of Form of Assignment)

(End of Form of Series 2017 Bond)

1 **Section 13. Period of Railyard Condominium Project's Usefulness.** It is hereby
2 determined and recited that the useful life of the project financed with proceeds of the Refunded Bonds
3 is not less than the final maturity date of the Bonds.

4 **Section 14. Delivery of Bonds and Initial Registration.** When the Bonds have been duly
5 executed, authenticated, registered and sold, the City Finance Director shall deliver them to the
6 Purchaser on receipt of the agreed purchase price. The Registrar shall initially register the Bonds in
7 the name of the Depository.

8 **Section 15. Approval and Execution of Documents and Delegated Authority.**

9 A. Approval of Documents; Ratification. As to any series of Bonds, the
10 Governing Body shall approve in the Sale Resolution, if necessary, a Bond Purchase Agreement in
11 substantially the form presented to the Governing Body at that time with such changes and additions
12 necessary and appropriate for the issuance of such series of Bonds. Additional Related Documents for
13 the applicable series of Bonds shall also be identified and approved by the Governing Body in the Sale
14 Resolution.

15 B. Delegated Authority and Execution of Documents. The officers, agents and
16 employees of the City are authorized, empowered and directed to take all action required by this
17 Ordinance, and all such other action as may be necessary or appropriate to effectuate the provisions of
18 this Ordinance, the Related Documents and any other documents as may be necessary or appropriate to
19 carry out and comply with the provisions of this Ordinance.

20 **Section 16. Use of Bond Proceeds; Purchaser Not Responsible.** Except as herein
21 otherwise specifically provided in this Ordinance, the proceeds from the sale of the Bonds shall be used
22 and paid solely for the valid costs of the Refunding.

23 A. Escrow Fund Deposit; Approval of Escrow Agreement. An amount of
24 proceeds received from the sale of the Bonds shall be deposited in the Escrow Fund and used to pay
25 the costs of the Refunding Project, as provided in the Escrow Agreement. The Escrow Agreement is

1 hereby approved in substantially the form provided in connection with this Ordinance, and shall be
2 executed and delivered by an Authorized Officer with such changes as are necessary or convenient to
3 carry out the Refunding Project.

4 B. Payment of Costs of Issuance. An amount of proceeds received from the sale
5 of the Bonds shall be used to pay Costs of Issuance, and to the extent not needed to pay Costs of
6 Issuance, shall be deposited in the Series 2017 Bond Fund, as applicable.

7 C. Purchaser Not Responsible. The validity of the Bonds is not dependent on nor
8 affected by the validity or regularity of any proceedings related to the completion of the Refunding as
9 defined in this Ordinance. The Purchaser of the Bonds, and any subsequent owner of any Bonds, shall
10 in no manner be responsible for the application or disposal by the City or by any officer or any employee
11 or other agent of the City of the moneys derived from the sale of the Bonds or of any other moneys
12 designated in this Ordinance.

13 **Section 17. Establishment and Continuance of Funds and Accounts.** The City hereby
14 creates, or continues, as applicable, the following special and separate trust funds:

15 A. Escrow Fund. The Escrow Fund to be maintained by the Escrow Agent.

16 B. State-Shared Gross Receipts Tax Revenue Fund. The “City of Santa Fe, New
17 Mexico State-Shared Gross Receipts Tax Revenue Account of the General Fund of the City,” to be
18 maintained by the City and deposited in an Insured Bank, into which the City shall deposit the State-
19 Shared Gross Receipts Tax Revenues.

20 C. One-Half Percent Municipal Gross Receipts Tax Revenue Fund. The “City of
21 Santa Fe, New Mexico One-Half Percent Municipal Gross Receipts Tax Revenue Fund,” to be
22 maintained by the City and deposited in an Insured Bank, into which the City shall deposit the One-
23 Half Percent Municipal Gross Receipts Tax Revenues.

24 D. Infrastructure Gross Receipts Tax Revenue Fund. The “City of Santa Fe, New
25 Mexico Infrastructure Gross Receipts Tax Revenue Fund,” to be maintained by the City and deposited

1 in an Insured Bank, into which the City shall deposit the Infrastructure Gross Receipts Tax Revenues.

2 E. Environmental Services Gross Receipts Tax Revenue Fund. The “City of
3 Santa Fe, New Mexico Environmental Services Gross Receipts Tax Revenue Fund,” to be maintained
4 by the City and deposited in an Insured Bank, into which the City shall deposit the Environmental
5 Services Gross Receipts Tax Revenues.

6 F. Series 2017 Bond Fund. The “City of Santa Fe Taxable Subordinate Lien
7 Gross Receipts Tax Refunding Revenue Bonds, Series 2017, Bond Service Fund” to be maintained by
8 the City and deposited in an Insured Bank.

9 **Section 18. Administration of Pledged Gross Receipts Tax Revenue Funds.** So long
10 as any of the Bonds shall be outstanding, either as to principal or interest or both, the following
11 payments shall be made monthly from the Pledged Gross Receipts Tax Revenues:

12 A. Bond Service Fund Payments. (1) First, as a first charge on the Pledged
13 Revenues, the amounts necessary to pay the Debt Service Requirements on Superior Obligations now
14 outstanding or hereafter issued, or to fund any reserve account as required by the terms of any ordinance
15 authorizing the issuance of Superior Obligations, shall be withdrawn first from the One-Half Percent
16 Municipal Gross Receipts Tax Revenue Fund, and if funds therein are insufficient, then if pledged for
17 such Superior Obligations, from the Infrastructure Gross Receipts Tax Revenue Fund, and, if pledged
18 for such Superior Obligations, from the Environmental Services Gross Receipts Tax Revenue Fund, if
19 funds therein are still insufficient, then from the State-Shared Gross Receipts Tax Revenue Fund in that
20 order or in such other order as permitted or required by the authorizing ordinances, at the time
21 prescribed in such authorizing ordinances.

22 (2) Second, but subject to and after the withdrawals authorized by the
23 preceding paragraph A(1), so long as any of the Bonds shall be outstanding, the following amounts
24 shall be withdrawn from the One-Half Percent Municipal Gross Receipts Tax Revenue Fund, then from
25 the Infrastructure Gross Receipts Tax Revenue Fund if the moneys in the One-Half Percent Municipal

1 Gross Receipts Tax Revenue Fund are not sufficient, and, if such moneys are still insufficient, then
2 from the State-Shared Gross Receipts Tax Revenue Fund (unless the City determines that such amounts
3 shall be withdrawn from such funds in some other order), and credited to the Bond Fund:

4 (a) Interest Payments. Monthly, commencing on the first day of
5 the first month following the delivery of the Bonds, an amount in equal monthly installments necessary,
6 together with any moneys therein and available therefor, to pay the next maturing installment of interest
7 on the Bonds then outstanding and monthly thereafter commencing on each interest payment date, one-
8 sixth (1/6th) of the amount necessary to pay the next maturing installment of interest on the outstanding
9 Bonds, and

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

16 (3) Third, but concurrently with the payments required by paragraph A(2)
17 of this section, funds remaining in the One-Half Percent Municipal Gross Receipts Tax Revenue Fund,
18 and if the funds therein are insufficient, then funds remaining in the Infrastructure Gross Receipts Tax
19 Revenue Fund, and if the funds therein are insufficient, then funds remaining in the State-Shared Gross
20 Receipts Tax Revenue Fund and, if pledged therefor, funds remaining in the Environmental Services
21 Gross Receipts Tax Revenue Fund, shall be used by the City to pay the Debt Service Requirements of
22 such additional Parity Obligations, if any, hereafter authorized to be issued and payable from Pledged
23 Revenues.

24 If prior to any interest payment date or principal payment date, there
25 has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing

1 installment of interest or principal, or both, the payment required in subparagraphs 2(a) and 2(b)
2 (whichever is applicable) of this paragraph, may be appropriately reduced and the required monthly
3 amounts again shall be so credited to such account commencing on such interest payment date or
4 principal payment date (whichever is applicable).

5 B. Debt Service Reserve Fund. [to be provided if applicable]

6 C. Termination Upon Deposits to Maturity. No payment need be made into the
7 Series 2017 Bond Fund if the amount in such fund totals a sum at least equal to the entire amount of
8 the 2017 Bonds then outstanding, both as to principal and interest to their respective maturities, and
9 both accrued and not accrued, in which case, moneys in the Series 2017 Bond Fund in an amount at
10 least equal to such principal and interest requirements shall be used solely to pay such as the same
11 accrue and any moneys in excess thereof in the Series 2017 Bond Fund and any other moneys derived
12 from the Pledged Revenues may be used in any lawful manner determined by the City.

13 D. Defraying Delinquencies in the Series 2017 Bond Fund; Use of Moneys in the
14 Series 2017 Bond Fund. If, in any month, amounts in the One-Half Percent Municipal Gross Receipts
15 Tax Revenue Fund are insufficient to make the payments into the Series 2017 Bond Fund required by
16 Paragraph A(2) of this Section 18, there shall be withdrawn first from the Infrastructure Gross Receipts
17 Tax Revenue Fund and then from the State-Shared Gross Receipts Tax Revenue Fund, and deposited
18 in the Series 2017 Bond Fund the additional amounts necessary to make the payments into the Series
19 2017 Bond Fund required by Paragraph A of this Section 18. The moneys in the Series 2017 Bond
20 Fund shall be used solely and only for the purpose of paying the principal of and the interest on the
21 2017 Bonds issued under this Ordinance; provided, however, that any moneys in the Series 2017 Bond
22 Fund in excess of accrued and unaccrued principal and interest requirements to the respective maturities
23 of the outstanding 2017 Bonds may be used in any lawful manner.

24 E. Payment of Additional Obligations and Qualified Exchange Agreements.

25 Either prior to, concurrently with or subsequent to the payments required by Paragraph A of this Section

1 18, depending upon whether the additional Obligations are Superior Obligations or Parity Obligations
2 or Subordinate Obligations as provided in this Ordinance, the Pledged Gross Receipts Tax Revenues
3 shall be used by the City for the payment of Debt Service Requirements on additional Obligations, if
4 any, hereafter authorized to be issued and payable from the Pledged Revenues as the same accrue. In
5 the event that such obligations are Parity Obligations, the payments of Debt Service Requirements on
6 such additional Obligations shall be made concurrently with the payments required by Paragraphs A(2),
7 A(3) and D of this Section 18 (provided that such payments may be made at any intervals as may be
8 provided in the ordinance or resolution authorizing such additional Obligations). The following
9 amounts required to be paid by the City shall be paid from Pledged Gross Receipts Tax Revenues with
10 the same priority as other payments of Debt Service Requirements on Parity Obligations:

11 (1) Any amount to reimburse or pay a bond insurer or reserve account
12 insurer or guarantor, or to make payments or reimbursements pursuant to another Credit Facility, for
13 payments of Debt Service Requirements made on Parity Obligations; and amounts payable to a
14 Qualified Counterparty under a Qualified Exchange Agreement, excluding Exchange Termination
15 Payments, if such payments are designated in a City ordinance relating to that Qualified Exchange
16 Agreement as having a lien on Pledged Revenues on a parity with the lien thereon of Parity Obligations;

17 (2) Reimbursement of any reserve fund Credit Facility obtained for any
18 issue of Parity Obligations; and

19 (3) Cash deposits to any required reserve fund established with respect to
20 any issue of Parity Obligations.

21 Each payment of Debt Service Requirements on Parity Obligations shall be
22 transferred to the Paying Agent for payment of Parity Obligations, or directly to a Qualified
23 Counterparty, bond insurer, reserve account insurer or guarantor or other provider of a Credit Facility
24 entitled to receive payments on Parity Obligations, on or before the due date of such payment.

25 F. Payment of Expenses and Certain Obligations which are not Parity

1 Obligations. After and subject to the payments required, and provisions contained in, any of the
2 preceding paragraphs of this Section, any remaining Pledged Gross Receipts Tax Revenues shall be
3 used, to the extent necessary, for payment of: (i) any other amounts, expenses, fees and interest owed
4 by the City relating to the issuance, delivery, servicing, payment, redemption and refunding of Parity
5 Obligations and (ii) other Obligations relating to Parity Obligations owed by the City pursuant to the
6 Related Documents, any Qualified Exchange Agreement (excluding Exchange Termination Payments),
7 bond insurance policy, reserve fund insurance policy or similar documents which are not payable
8 pursuant to any other prior paragraph of this Section.

9 G. Subordinate Obligations. After and subject to the payments required by, and
10 provisions contained in, the preceding paragraphs of this Section, any remaining Pledged Gross
11 Receipts Tax Revenues shall be used, as necessary, by the City for the payment of the principal of, and
12 interest on all Obligations with a lien on the Pledged Revenues which is subordinate and junior to the
13 lien of the Parity Obligations on Pledged Revenues, including without limitation, any Exchange
14 Termination Payments.

15 H. Use of Surplus Revenues. After making the payments required to be made by
16 Paragraphs A to G of this Section 18, the remaining Pledged Gross Receipts Tax Revenues, if any, may
17 be applied to any other lawful purposes. The One-Half Percent Municipal Gross Receipts Tax
18 Revenues received by the City pursuant to the One-Half Percent Municipal Gross Receipts Tax
19 Ordinance shall be used only for the purposes authorized by that ordinance. The Infrastructure Gross
20 Receipts Tax Revenues received by the City pursuant to the Infrastructure Gross Receipts Tax
21 Ordinance shall be used only for the purposes authorized by that ordinance. The Environmental
22 Services Gross Receipts Tax Revenues received by the City pursuant to the Environmental Services
23 Gross Receipts Tax Ordinance shall be used only for the purposes authorized in that ordinance.

24 I. Variable Interest Rate. In making the computations required by this Section,
25 interest on Obligations which bear a Variable Interest Rate shall be computed: (i) at the actual Variable

1 Interest Rate or Variable Exchange Rate for the computation period, if such rate can be computed
2 exactly, or (ii) if the Variable Interest Rate or Variable Exchange Rate cannot be computed exactly, at
3 the actual rate for the immediately preceding computation period.

4 **Section 19. General Administration of Funds.** The funds and accounts designated in
5 Sections 16 through 18 of this Ordinance shall be administered as follows:

6 A. **Investment of Money.** Any moneys in any fund designated in Sections 16
7 through 18 may be invested in any Permitted Investments. The obligations so purchased as an
8 investment of moneys in a fund shall be deemed at all times to be part of the fund, and the interest
9 accruing thereon and any profit realized therefrom shall be credited to the fund, and any loss resulting
10 from each investment shall be charged to the fund. The City Finance Director shall present for
11 redemption or sale on the prevailing market any obligations so purchased as an investment of moneys
12 in the fund whenever it shall be necessary to do so in order to provide moneys to meet any payment or
13 transfer from such fund.

14 B. **Deposits of Funds.** Except for direct investments in Permitted Investments
15 allowed by Paragraph A of this Section 19, the moneys and investments comprising each of the funds
16 and accounts hereinabove designated in Sections 16 through 18 of this Ordinance shall be maintained
17 and kept separate from all other funds and accounts in an Insured Bank or Insured Banks. The amounts
18 prescribed shall be paid to the appropriate funds as specified in Sections 16 through 18. Each payment
19 shall be made into the proper bank account and credited to the proper fund not later than the last day
20 designated; provided that when the designated date is a Sunday or a legal holiday, then such payment
21 shall be made on the next preceding secular day. Nothing in this Ordinance shall prevent the
22 establishment of one such bank account or more (or consolidation with any existing bank account), for
23 all of the funds and accounts in Sections 16 through 18 of this Ordinance.

24 **Section 20. Subordinate Lien on Pledged Revenues.** The Pledged Gross Receipts Tax
25 Revenues and the amounts and securities on deposit in the Bond Fund, and the proceeds thereof, are

1 hereby authorized to be pledged to, and are hereby pledged, and the City grants a security interest
2 therein, for the payment of the principal of and interest on the Bonds, subject to the uses thereof
3 permitted by, and the priorities set forth in, this Ordinance. The Bonds constitute an irrevocable
4 subordinate lien (but not an exclusive subordinate lien) on the Pledged Revenues subordinate to the lien
5 thereon of Parity Obligations, and co-equal with the lien thereon of Subordinate Obligations.

6 **Section 21. Additional Superior Obligations and Parity Obligations.**

7 A. Limitations Upon Issuance of Parity Obligations. No provision of this
8 Ordinance shall be construed in such a manner as to prevent the issuance by the City of additional
9 Obligations payable from Pledged Revenues and constituting a lien upon such revenues prior and
10 superior to the lien of the Bonds on Pledged Revenues. Before any additional Superior Obligations are
11 issued, the conditions set forth in the ordinances authorizing the issuance of Superior Obligations must
12 be satisfied.

13 Before any additional Parity Obligations are actually issued (excluding refunding bonds the
14 proceeds of which are used to refund Parity Obligations as provided in Section 22, but including Parity
15 Obligations which are refunding bonds which refund subordinate obligations), the following conditions
16 shall be met:

- 17 (i) The Parity Obligations must be Obligations; and
18 (ii) The City shall then be current in all of the deposits required to be made
19 with respect to the Parity Obligations (including, if applicable, any obligation to fund any reserve
20 account required by the terms of any ordinance authorizing the issuance of any such Obligations); and
21 (iii) (a) No additional Parity Obligations shall be issued unless the
22 Pledged Gross Receipts Tax Revenues for the Historic Test Period shall have been sufficient to pay an
23 amount representing two hundred percent (200%) of the combined maximum annual Debt Service
24 Requirements coming due in any subsequent Fiscal Year on the then outstanding Parity Obligations
25 and the Parity Obligations proposed to be issued (excluding the accumulation of any reserves therefor);

1 and

2 (b) In making the computations required by this subparagraph
3 (iii) other gross receipts tax revenues, including without limitation, the Environmental Services Gross
4 Receipts Tax Revenues, received by the City, whether from distribution by the State or pursuant to
5 gross receipts taxes imposed by the City (other than State-Shared Gross Receipts Tax Revenues)
6 pledged to the Parity Obligations, Subordinate Obligations and the Parity Obligations proposed to be
7 issued, may be included only to the extent such gross receipts tax revenues are pledged to a particular
8 series of such outstanding Obligations or proposed Parity Obligations and only to the extent of the
9 maximum annual Debt Service Requirements on such outstanding Obligations or proposed Parity
10 Obligations.

11 B. Subordinate Obligations Permitted; Certain Obligations Prohibited. No
12 provision of this Ordinance shall be construed in such a manner as to prevent the issuance by the City
13 of additional Obligations payable from the Pledged Revenues with a lien on Pledged Revenues
14 subordinate and junior to the lien of the Bonds thereon, nor to prevent the issuance of Obligations
15 refunding all or part of the Bonds as permitted by Section 22.

16 C. Variable Interest Rate. In making the computations required by this Section
17 21 and Section 22, Parity Obligations which bear a Variable Interest Rate shall be deemed to bear
18 interest at the maximum rate permitted for those Obligations.

19 D. Certificate of City Finance Director. A written certificate or opinion of the
20 City Finance Director that the Pledged Revenues for the applicable Historic Test Period are sufficient
21 to pay the amounts required in this Section 21 shall be required in making a determination that the
22 requirements set forth in this Section have been satisfied and shall be conclusively presumed to be
23 accurate in determining that such requirements have been satisfied.

24 E. Bond Anticipation Notes. Whenever the City shall have authorized the
25 issuance of Superior Obligations or Parity Obligations under the Act and the City shall, at the time, be

1 permitted by the laws of the State to issue notes representing loans in anticipation of the sale of such
2 Superior Obligations or Parity Obligations ("Bond Anticipation Notes"), the City may by resolution or
3 ordinance authorize the issuance of Bond Anticipation Notes in anticipation of the sale of such Superior
4 Obligations or Parity Obligations, provided, however, that before any Bond Anticipation Notes are
5 actually issued, the conditions of Section 21A shall be met. Bond Anticipation Notes shall not be issued
6 in an amount exceeding the principal amount of the Superior Obligations or Parity Obligations in
7 anticipation of the sale of which such notes are proposed to be issued.

8 For the purposes of determining compliance with this Section, as of the date
9 of issuance of any Bond Anticipation Notes, the aggregate principal amount of all outstanding Bond
10 Anticipation Notes (including such proposed Bond Anticipation Notes) shall never exceed the principal
11 amount of a hypothetical issue of Superior Obligations or Parity Obligations which could be issued
12 hereunder having an assumed final maturity of twenty (20) years, bearing an assumed rate of interest
13 equal to the highest rate then borne by any Bond Anticipation Note then outstanding (or, if none, the
14 interest rate borne by the proposed Bond Anticipation Notes to be issued) and having debt service due
15 in each Fiscal Year in approximately equal amounts.

16 F. Put Obligations. In making the computations required by this Section 21 and
17 Section 22, the principal amount of any Put Obligations to be outstanding in the Fiscal Year when the
18 combined maximum annual Debt Service Requirements come due shall be excluded from the maximum
19 annual Debt Service Requirements only if the Credit Facility providing liquidity or standby purchase
20 support for Put Obligations is rated, on the date the computations are made, "A" or better by Fitch or
21 S&P (if such rating agencies are then rating the Bonds). If there is no Credit Facility for the Put
22 Obligations or the rating requirement for the Credit Facility set forth in the preceding sentence is not
23 satisfied, the principal amount of the Put Obligations to be outstanding in the Fiscal Year when
24 combined maximum annual Debt Service Requirements come due shall be considered in computing
25 maximum annual Debt Service Requirements.

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

3 A. Privilege of Issuing Refunding Obligations. If at any time after the 2017
4 Bonds, or any part thereof, shall have been issued and remain outstanding, the City shall find it desirable
5 to refund any outstanding Parity Obligations or other outstanding obligations payable from the Pledged
6 Revenues, such bonds or other obligations, or any part thereof, may be refunded (but only with the
7 consent of the registered owner or owners thereof, unless the bonds or other obligations, at the time of
8 their required surrender for payment, shall then mature, or shall then be callable for prior redemption
9 at the City's option), regardless of whether the priority of the lien for the payment of the refunding
10 obligations on the Pledged Revenues is changed (except as provided in Paragraph A of Section 21 and
11 in Paragraphs B and C of this Section 22).

12 B. Limitations Upon Issuance of Refunding Obligations. No refunding bonds or
13 other refunding obligations payable from the Pledged Revenues shall be issued on parity with the 2017
14 Bonds herein authorized, unless:

15 (1) The lien on the Pledged Revenues of the outstanding obligations so
16 refunded is on parity with the lien thereon of the Bonds herein authorized; or

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

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

24 D. Limitations Upon Issuance of any Refunding Obligations. Any refunding
25 bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such

1 details as the City may by ordinance provide, subject to the inclusion of any such rights and privileges
2 designated in Paragraph C of this Section 22, but without any impairment of any contractual obligations
3 imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of such
4 outstanding obligations of any one or more issues (including but not necessarily limited to the issue
5 herein authorized). If only a part of the outstanding bonds and any other outstanding obligations of any
6 issue or issues payable from the Pledged Revenues are refunded, then such obligations may not be
7 refunded without the consent of the registered owner or owners of the unrefunded portion of such
8 obligations, unless:

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

13 (2) The refunding bonds or other refunding obligations are issued in
14 compliance with Paragraph A of Section 21 hereof, or

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

17 E. Cross-over Refunding Bonds. If the refunding bonds to be issued are Cross-
18 over Refunding Bonds, the ordinance providing for the issuance thereof shall provide (1) that until the
19 date on which the principal portion of the related Parity Obligations being refunded is to be paid or
20 redeemed from the proceeds of such Cross-over Refunding Bonds, the Cross-over Refunding Bonds
21 shall not be Parity Obligations and shall be payable solely from the escrow provided for in the related
22 ordinance, and (2) a certificate of an Independent Accountant shall be prepared to demonstrate the
23 sufficiency of the moneys and investments in the escrow to pay the principal of and interest on the
24 Cross-over Refunding Bonds until the date on which the principal portion of the related Parity
25 Obligations being refunded is to be paid or redeemed and to pay or redeem the related Parity Obligations

1 being refunded.

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

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

9 A. Payment of Bonds Herein Authorized. The City will promptly pay the
10 principal of and the interest on every Bond issued hereunder and secured hereby at the place, on the
11 dates and in the manner specified herein and in the Bonds according to the true intent and meaning
12 hereof. Such principal and interest are payable solely from the Pledged Revenues. Nothing in the
13 Bonds, any Qualified Exchange Agreement or this Ordinance shall be construed as obligating the City
14 to pay principal or interest on any of the Bonds from, and the holders of the Bonds and any Qualified
15 Counterparty may not look to, any general or other fund of the City, except those specifically set forth
16 herein.

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

20 C. Audits. The City further agrees that it will, within 270 days following the close
21 of each Fiscal Year, cause an audit of such books and accounts to be made by an Independent
22 Accountant, showing the revenues and expenditures of the Pledged Revenues. The City agrees to
23 furnish forthwith a copy of each of such audits and reports to the Purchaser upon request. Any
24 registered owner of a Bond shall have the right to discuss, with the Independent Accountant or person
25 making the audit, the report and the contents thereof and to ask for such additional information as he

1 may reasonably require.

2 D. Extending Interest Payments. In order to prevent any accumulation of claims
3 for interest after maturity, the City will not directly or indirectly extend or assent to extension of time
4 for the payment of any claim for interest on any of the Bonds and it will not directly or indirectly be a
5 party to or approve any arrangement for any such extension or for the purpose of keeping alive any of
6 such interest.

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

11 F. Other Liens. Other than the outstanding Superior Obligations, the outstanding
12 Parity Obligations and the Bonds as recited in this Ordinance, there are no liens or encumbrances of
13 any nature whatsoever on or against the Pledged Revenues. This Ordinance does not prohibit the
14 issuance of Superior Obligations with a lien on the Pledged Revenues prior and superior to the lien
15 thereon of the Bonds nor the issuance of Parity Obligations with a lien on the Pledged Revenues on
16 parity with the lien thereon of the 2017 Bonds.

17 G. City's Existence. The City will maintain its corporate identity and existence
18 so long as any of the Bonds herein authorized remain outstanding unless another political subdivision
19 by operation of law succeeds to the liabilities and rights of the City, without affecting to any substantial
20 degree the privileges and rights of any registered Owner of any outstanding Bonds.

21 H. Duty With Respect to Pledged Revenues. If the statutes or any ordinance
22 which materially affects the Pledged Revenues or any part of such ordinances, shall ever be held to be
23 invalid or unenforceable, it shall be the duty of the City, to the extent authorized by law, to immediately
24 take any action necessary to produce sufficient Pledged Revenues to comply with the contracted
25 obligations of this Ordinance, except as provided in Paragraph I of this Section 24.

1 I. Impairment of Contract. The City agrees that any law or ordinance or resolution of the
2 City in any manner affecting the Pledged Revenues or the Bonds, or otherwise appertaining thereto,
3 shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair
4 adversely any Bonds outstanding, unless such Bonds have been discharged in full or provision has been
5 fully made therefor, or unless the consent of the required percentage of the registered owners of the
6 then outstanding Bonds is obtained pursuant to Section 34 of this Ordinance.

7 J. Limitation on Obligations with Variable Interest Rates. The City shall not
8 issue Superior Obligations or Parity Obligations with a Variable Interest Rate which, at the time of
9 issuance, are assigned a lower rating than the rating then assigned to the 2017 Bonds, as applicable, by
10 Fitch or S&P, unless the written consent of such rating agency to a lower rating is obtained prior to
11 issuance of such Superior Obligations or Parity Obligations.

12 K. Notice of Qualified Exchange Agreements to Rating Agencies. The City shall
13 not enter into a Qualified Exchange Agreement which is a Parity Obligation or with respect to any
14 Parity Obligations without first providing notice of such Qualified Exchange Agreement to Fitch and
15 S&P and without first receiving written confirmation from Fitch and S&P that entering into such
16 Qualified Exchange Agreement, in and of itself, would not result in a reduction of the ratings then
17 assigned to the 2017 Bonds, as applicable, by Fitch and S&P.

18 L. Continuing Disclosure Undertaking. Authorized Officers of the City are
19 authorized to sign such documents with respect to the City's continuing disclosure obligations as are
20 necessary or desirable to comply with the Continuing Disclosure Undertaking and requirements of Rule
21 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act
22 of 1934, as amended.

23 **Section 25. Defeasance.** When all principal and interest in connection with the Bonds
24 hereby authorized have been duly paid, the pledge and lien and all obligations hereunder shall thereby
25 be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of this

1 Ordinance. There shall be deemed to be such due payment as to any Bond when the Governing Body
2 has placed in escrow and in trust with a commercial bank located within or without the State of New
3 Mexico and exercising trust powers, an amount sufficient (including the known minimum yield from
4 Federal Securities in which such amount may initially be invested, if applicable) to meet all
5 requirements of principal and interest as the same become due to its maturity or designated redemption
6 date as of which the City shall have exercised or obligated itself to exercise its option to call the Bond.
7 The Federal Securities shall become due prior to the respective times on which the proceeds thereof
8 shall be needed, in accordance with a schedule established and agreed upon between the Governing
9 Body and such bank at the time of the creation of the escrow or the Federal Securities shall be subject
10 to the redemption at the option of the holders thereof to assure such availability as so needed to meet
11 such schedule. Federal Securities within the meaning of this Section 25 shall include only direct
12 obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by,
13 the United States of America and which are not callable prior to maturity by the issuer of such
14 obligations.

15 **Section 26. Events of Default.** Each of the following events is hereby declared an “event
16 of default”:

17 A. Nonpayment of Principal. If payment of the principal of any of the Bonds
18 herein authorized to be issued shall not be made when the same become due and payable; or

19 B. Nonpayment of Interest. If payment of any installment of interest shall not be
20 made when the same becomes due and payable; or

21 C. Incapable to Perform. If the City shall for any reason be rendered incapable
22 of fulfilling its obligations (but not including any obligation of the City under any Qualified Exchange
23 Agreement) hereunder; or

24 D. Default of any Provision. If the City shall default in the due and punctual
25 performance of its covenants or conditions, agreements and provisions contained in the Bonds or in this

1 Ordinance on its part to be performed (other than defaults described in Subparagraphs A, B and C of
2 this Section 26), and if such default shall continue for 60 days after written notice specifying such
3 default and requiring the same to be remedied shall have been given to the City by the registered owners
4 of 25% in principal amount of the Bonds then outstanding.

5 E. Bankruptcy or Insolvency of City. (1) The City shall (a) apply for or consent
6 to the appointment of or the taking of possession by, a receiver, custodian, trustee, liquidator or the like
7 of the City or of all or a substantial part of its property, (b) commence a voluntary case under the Federal
8 Bankruptcy Code, or (c) file a petition seeking to take advantage of any other law relating to bankruptcy,
9 insolvency, or reorganization, or (2) a proceeding or case shall be commenced, without application or
10 consent of the City, in any court of competent jurisdiction seeking (a) the liquidation, reorganization,
11 dissolution, winding-up or adjustment of debts of the City, (b) appointment of a trustee, receiver,
12 custodian, liquidator or the like of the City or of all or a substantial part of its assets, or (c) similar relief
13 in respect of the City under any law relating to bankruptcy, insolvency, reorganization, winding-up or
14 adjustment of debts.

15 **Section 27. Remedies of Defaults.** Upon the happening and continuance of any of the
16 events of default as provided in Section 26 of this Ordinance, then and in every case the registered
17 owner or owners of not less than 25% in principal amount of the Bonds then outstanding, including but
18 not limited to a trustee or trustees, may proceed against the City, its Governing Body, and its agents,
19 officers and employees to protect and enforce the rights of any registered owner of Bonds under this
20 Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of
21 competent jurisdiction, either for specific performance of any covenant or agreement contained herein
22 or award or execution of any power herein granted for the enforcement of any power, legal or equitable
23 remedy as such registered owner or owners may deem most effectual to protect and enforce the rights
24 aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of
25 any registered owner, or to require the Governing Body of the City to act as if it were the trustee of an

1 expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be
2 instituted, had and maintained for the equal benefit of all registered owners of the Bonds then
3 outstanding. The failure of any such registered owner so to proceed shall not relieve the City or any of
4 its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege
5 of any such registered owner (or trustee thereof) is in addition and cumulative to any other right or
6 privilege, and the exercise of any right or privilege by or on behalf of any registered owner shall not be
7 deemed a waiver of any other right or privilege thereof.

8 **Section 28. Duties Upon Default.** Upon the happening of any of the events of default as
9 provided in Section 26 of this Ordinance, the City, in addition, will do and perform all proper acts on
10 behalf of and for the registered owners of the Bonds to protect and preserve the security created for the
11 payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds
12 derived from the Pledged Revenues, so long as any of the Bonds herein authorized, either as to principal
13 or interest, are outstanding and unpaid, shall be paid into the proper fund and used for the purposes
14 therein provided. In the event the City fails or refuses to proceed as in this Section 30 provided, the
15 registered owner or registered owners of not less than 25% in principal amount of the Bonds then
16 outstanding, after demand in writing, may proceed to protect and enforce the rights of the registered
17 owners as hereinabove provided.

18 **Section 29. Enforcement.** Any registered owner of any one or more of the Bonds, may,
19 either by law or in equity, by suit, action, mandamus or other appropriate proceedings in any court of
20 competent jurisdiction enforce the payment of principal of, and interest on, any Bond on or after the
21 date on which such payment is due, and may by suit, action, mandamus or other appropriate proceeding
22 or proceedings enforce and compel the performance of such payment in accordance with the provisions
23 of this Ordinance.

24 **Section 30. Severability.** If any Section, paragraph, clause or provision of this Ordinance
25 shall be held to be invalid or unenforceable, the invalidity or unenforceability of such Section,

1 paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

2 **Section 31. Repealer Clause.** All ordinances or parts of ordinances inconsistent herewith
3 are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to
4 revive any ordinance or part of any ordinance heretofore repealed.

5 **Section 32. Amendment.**

6 A. Limitations upon Amendments. This Ordinance may be amended or
7 supplemented by ordinance or resolution of the Governing Body without the consent of registered
8 owners:

9 (1) To cure any ambiguity, or to cure, correct or supplement any defect or
10 inconsistent provision contained in this Ordinance;

11 (2) To grant to the registered owners any additional rights, remedies,
12 powers or authority that may lawfully be granted to them;

13 (3) To obtain or maintain a rating on the Bonds from any rating agency
14 which amendment, in the judgment of Bond Counsel, does not materially adversely affect the registered
15 owners of the Bonds;

16 (4) To achieve compliance with federal securities or tax laws;

17 (5) To make any other changes in this Ordinance which, in the opinion of
18 Bond Counsel, is not materially adverse to the registered owners; and

19 (6) To make any other changes in this Ordinance in connection with the
20 execution of a Qualified Exchange Agreement, which changes do not adversely affect the rating(s)
21 assigned to the Bonds by Fitch and S&P (if such rating agencies are then rating the Bonds) and do not
22 adversely affect the registered owners.

23 B. Additional Amendments. Except as provided above, this Ordinance may only
24 be amended or supplemented by ordinance adopted by the Governing Body in accordance with the laws
25 of the State, without receipt by the City of any additional consideration, but with the written consent of

1 the registered owners of a majority of the principal amount of the outstanding Bonds which are affected
2 by the amendment or supplement (not including Bonds which are then owned by or for the account of
3 the City); provided, however, that, without first obtaining the consent of all registered owners of the
4 outstanding Bonds, no such ordinances shall have the effect of permitting:

- 5 (1) An extension of the maturity of any Bond; or
- 6 (2) A reduction in the principal amount of or interest rate on any Bond; or
- 7 (3) The creation of a lien on or a pledge of Pledged Revenues ranking
8 prior to the lien or pledge of Parity Obligations on Pledged Revenues; or
- 9 (4) A reduction of the principal amount of Bonds required for consent to
10 such amendment or supplement.

11 C. Proof of Instruments. The fact and date of the execution of any instrument
12 under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction
13 who by the laws of that jurisdiction is authorized to take acknowledgments of deeds within that
14 jurisdiction that the person signing the instrument acknowledged before him the execution of that
15 instrument, or may be proved by an affidavit of a witness to the execution sworn to before such officer.

16 D. Proof of Bonds. The principal amount and number of Bonds owned by any
17 person executing such instrument and the date of holding that instrument may be proved by a certificate
18 executed by a bank or trust company showing that on the date mentioned that person had on deposit
19 with the bank or trust company the Bonds described in the certificate.

20 **Section 33. Ordinance Irrepealable.** After any of the Bonds herein authorized are issued,
21 this Ordinance shall be and remain irrepealable until the Bonds and interest thereon shall be fully paid,
22 canceled and discharged as therein provided, or there has been defeasance as provided in Section 27 of
23 this Ordinance.

24 **Section 34. Effective Date, General Summary for Publication.** Upon due adoption of
25 this Ordinance, the ordinance shall be recorded and preserved by the City Clerk, authenticated by the

1 signature of the Mayor and City Clerk, and the seal of the City impressed hereon, and the title and
2 general summary of the subject matter contained in this Ordinance (set out below) shall be published
3 in a newspaper which maintains an office and is of general circulation in the City and this Ordinance
4 shall be in full force and effect after its publication in accordance with law.

5 Pursuant to Section 3-17-5 NMSA 1978, as amended, the title and a general summary of the
6 subject matter contained in this Ordinance shall be published in substantially the following form:

7 (Form of Summary of Ordinance for Publication)

8 CITY OF SANTA FE, NEW MEXICO

9 NOTICE IS HEREBY GIVEN of the title and of a general summary of the subject matter
10 contained in an ordinance duly adopted and approved by the Governing Body of the City of Santa Fe
11 on April 26, 2017. A complete copy of the ordinance is available for public inspection during the
12 normal and regular business hours of the City Clerk in the office of the City Clerk, City Hall, 200
13 Lincoln Avenue, Santa Fe, New Mexico.

14 The title of the ordinance is:

15 **AN ORDINANCE**

16 **AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO**
17 **TAXABLE SUBORDINATE LIEN GROSS RECEIPTS TAX REFUNDING REVENUES**
18 **BONDS, SERIES 2017 IN AN AGGREGATE PRINCIPAL AMOUNT OF \$4,540,000 FOR THE**
19 **PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING AND DEFEASING THE**
20 **OUTSTANDING CITY OF SANTA FE, NEW MEXICO SUBORDINATE LIEN GROSS**
21 **RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2012C; PROVIDING THAT**
22 **THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM CERTAIN GROSS**
23 **RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; ESTABLISHING THE**
24 **PRINCIPAL AMOUNTS, INTEREST RATES AND OTHER DETAILS OF THE BONDS;**
25 **APPROVING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT**

1 FOR THE SALE OF THE BONDS; PROVIDING FOR REDEMPTION OF THE REFUNDED
2 BONDS; PROVIDING FOR THE COLLECTION OF CERTAIN GROSS RECEIPTS TAX
3 REVENUES; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN
4 CONNECTION WITH THE REFUNDED BONDS; RATIFYING ACTION PREVIOUSLY
5 TAKEN IN CONNECTION WITH THE BONDS; REPEALING ALL ORDINANCES IN
6 CONFLICT HERewith; AND RELATED MATTERS.

7 A general summary of the subject matter contained in such ordinance is set forth in the title.
8 COMPLETE COPIES OF THE ORDINANCE ARE ON FILE IN THE OFFICE OF THE CITY
9 CLERK AT THE CITY HALL, 200 LINCOLN AVENUE, SANTA FE, NEW MEXICO, AND ARE
10 AVAILABLE FOR INSPECTION AND/OR PURCHASE DURING REGULAR OFFICE HOURS.
11 THIS NOTICE ALSO CONSTITUTES COMPLIANCE WITH SECTION 3-17-5 AND SECTIONS
12 6-14-4 THROUGH 6-14-7, NMSA 1978.

13 WITNESS my hand and the seal of the City on April 26, 2017.

14 CITY OF SANTA FE

15
16 (SEAL)

17 _____
YOLANDA Y. VIGIL, CITY CLERK

18
19 (End of Form of Ordinance for Publication)

20
21 APPROVED AS TO FORM:

22 
23 _____
24 KELLEY A. BRENNAN, CITY ATTORNEY

25 *M/Legislation/ Bills 2017/Refunding 2012C Sub Lien GRT Bonds Authorization*