Draft – 12/8/2011 – Series 2012B

AN ABSTRACT OF PROCEEDINGS

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

The City Council (the "Council") of the City of Santa Fe (the "City") in the County of Santa Fe, State of New Mexico, met in regular session in full conformity with law and ordinances and rules of the City, at City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico, being the regular meeting place of the Council, at the hour of 7:00 p.m., on Wednesday, the 25th day of January, 2012.

Upon roll call the following were found to be present, constituting a quorum of the Council:

Mayor: _____

Members: _____

_____

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_____

Absent: _____

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

PUBLIC HEARINGS

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CONSIDERATION OF BILL NO. 2011-47

ADOPTION OF ORDINANCE NO. 2012-____

Issuance of Gross Receipts Tax (Subordinate Lien)/Wastewater System Refunding Revenue Bonds, Series 2012B

Mel Morgan, Finance Director, presented Bill No. 2011-47

CITY OF SANTA FE, NEW MEXICO
ORDINANCE NO. 2012-____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX (SUBORDINATE LIEN)/WASTEWATER SYSTEM REFUNDING REVENUE BONDS, SERIES 2012B IN AN AGGREGATE PRINCIPAL AMOUNT OF $16,180,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING AND DISCHARGING THE OUTSTANDING CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX (SUBORDINATE LIEN)/WASTEWATER SYSTEM VARIABLE RATE REVENUE BONDS, SERIES 1997B; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE NET REVENUES OF THE CITY'S WASTEWATER SYSTEM AND CERTAIN GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE BONDS; PROVIDING FOR REDEMPTION OF THE SERIES 1997B BONDS; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND RELATED MATTERS.

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

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

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

WHEREAS, pursuant to the Municipal Local Option Gross Receipts Taxes Act, Sections 7-19D-1 through 7-19D-16, NMSA 1978, and the One-Half Percent Municipal Gross Receipts Tax Ordinance, the City has imposed a municipal gross receipts tax on persons engaging in business in the City in the amount of one-half of one percent (0.50%) and receives monthly One-Half Percent Municipal Gross Receipts Tax Revenues from the New Mexico Department of Taxation and Revenue as determined and adjusted under the Municipal Local Option Gross Receipts Tax Act. The One-Half Percent Municipal Gross Receipts Tax was imposed by City Ordinance No. 1981-45 and is dedicated for capital improvements to City facilities and street and road construction and reconstruction as authorized by the Municipal Gross Receipts Tax Act.

Other increments of Municipal Gross Receipts Tax are imposed by the City which are not pledged for payment of Parity Obligations or Subordinate Obligations; and

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

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

WHEREAS, pursuant to Ordinance No. 1997-30, passed and adopted by the Council on October 29, 1997, the City has issued its Gross Receipts Tax (Subordinate Lien)/Wastewater System Variable Rate Revenue Bonds, Series 1997B (herein the "Series 1997B Bonds") in the aggregate principal amount of $20,800,000, payable from and constituting a first (but not an exclusive first) lien on the Pledged Wastewater System Revenues and a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax Revenues and the Environmental Services Gross Receipts Tax Revenues (of which $15,900,000 of such Series 1997B Bonds remain outstanding); and

WHEREAS, pursuant to Ordinance No. 2004-1, passed and adopted by the Council of the City on January 14, 2004, the City issued its Gross Receipts Tax Improvement Revenue Bonds, Series 2004 (herein the "Series 2004 Bonds") in an aggregate principal amount of $18,660,000 payable from and constituting a first (but not an exclusive first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half-Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $14,415,000 of such Series 2004 Bonds remain outstanding); and

WHEREAS pursuant to Ordinance No. 2004-28, passed and adopted by the Council on August 11, 2004, the City has entered into a Taxable Loan Agreement dated September 24, 2004 with the New Mexico Finance Authority in an aggregate principal amount of $579,025 (herein, the "2004 Railyard Project Finance Authority Taxable Loan") payable from and constituting a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $489,000 of such 2004 Railyard Project Finance Authority Taxable Loan remains unpaid); and

WHEREAS, pursuant to the Ordinance No. 2005-30, passed and adopted by the Council of the City on July 27, 2005, the City issued its Municipal Recreation Complex Net Revenue/Subordinate Lien Gross Receipts Tax Refunding Bonds, Series 2005 (herein the "Series 2005 Bonds") in an aggregate principal amount of $15,315,000 payable from and constituting a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $10,855,000 of such Series 2005 Bonds remain outstanding); and

WHEREAS, pursuant to Ordinance No. 2006-04, passed and adopted by the Council of the City on January 11, 2006, and Resolution No. 2006-19, passed and adopted on January 25, 2006, the City has issued its Gross Receipts Tax Improvement Revenue Bonds, Series 2006 (herein the "Series 2006 Bonds") in an aggregate principal amount of $17,710,000 payable from and constituting a first (but not an exclusive first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $14,950,000 of such Series 2006 Bonds remain outstanding); and

WHEREAS, pursuant to Ordinance No. 2006-11, passed and adopted by the Council of the City on February 22, 2006, the City entered into a Tax-Exempt Loan Agreement dated March 28, 2006, with the New Mexico Finance Authority in an aggregate principal amount of $14,986,587 (the "2006 Parking Structure Finance Authority Loan") payable from and constituting a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $14,652,000 of such 2006 Parking Structure Finance Authority Loan remains unpaid); and

WHEREAS, pursuant to Ordinance No. 2006-27, passed and adopted by the Council of the City on June 26, 2006, the City has issued its Gross Receipts Tax Refunding Revenue Bonds, Series 2006B (herein the "Series 2006B Bonds") in an aggregate principal amount of $15,160,000 payable from and constituting a first (but not an exclusive first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax Revenues and the Environmental Services Gross Receipts Tax Revenues (of which $11,735,000 of such Series 2006B Bonds remain outstanding); and

WHEREAS, pursuant to Ordinance No. 2006-51, passed and adopted by the Council on August 28, 2006, the City has issued its "City of Santa Fe Subordinate Lien Gross Receipts Tax/Wastewater System Improvement Revenue Bonds, Series 2006C" (herein the "Series 2006C Bonds") in an aggregate principal amount of $9,780,000, payable from and constituting a subordinate (but not an exclusive subordinate) lien on the Pledged Wastewater System Revenues and a subordinate (but not an exclusive subordinate lien) on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax Revenues and the Environmental Services Gross Receipts Tax Revenues (of which $7,270,000 of such Series 2006C Bonds remain outstanding); and

WHEREAS, pursuant to Ordinance No. 2006-54, passed and adopted by the Council on September 13, 2006, the City has entered into a Taxable Loan Agreement dated October 20, 2006 with the New Mexico Finance Authority in an aggregate principal amount of $892,227 (herein the "2006 Railyard Project Finance Authority Taxable Loan") payable from and constituting a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $826,000 of such 2006 Railyard Project Finance Authority Taxable Loan remains unpaid); and

WHEREAS, pursuant to Ordinance No. 2008-11, passed and adopted by the Council on February 27, 2008, the City has issued its "City of Santa Fe Gross Receipts Tax Revenue Bonds, Series 2008" (herein the "Series 2008 Bonds") in an aggregate principal amount of $28,705,000, payable from and constituting a first (but not an exclusive first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $28,230,000 of such Series 2008 Bonds remain outstanding); and

WHEREAS, pursuant to Ordinance No. 2008-35, passed and adopted by the Council on June 25, 2008, the City has entered into a Loan Agreement dated August 1, 2008, with the New Mexico Finance Authority in an aggregate principal amount of $3,610,000 (herein the "2008 Land Acquisition Finance Authority Loan") payable from and constituting a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $3,249,000 of such 2008 Land Acquisition Finance Authority Loan remains unpaid); and

WHEREAS, pursuant to Ordinance No. 2008-55, passed and adopted by the Council on November 12, 2008, the City has issued its "City of Santa Fe Gross Receipts Tax Refunding Revenue Bonds, Series 2008B" (herein the "Series 2008B Bonds") in an aggregate principal amount of $22,760,000, payable from and constituting a first (but not an exclusive first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues (of which $7,060,000 of such Series 2008B Bonds remain outstanding); and

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

WHEREAS, pursuant to Ordinance No. 2010-27, passed and adopted by the Council on November 10, 2010, the City issued its "City of Santa Fe Gross Receipts Tax Refunding Revenue Bonds, Series 2010A" (herein the "Series 2010A Bonds") in an aggregate principal

amount of $15,005,000 payable from and constituting a first (but not an exclusive first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax Revenues (of which $15,005,000 of such Series 2010A Bonds remain outstanding); and

WHEREAS, pursuant to Ordinance No. 2010-26, passed and adopted by the Council on November 10, 2010, the City issued its "City of Santa Fe, New Mexico Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2010B (herein the "2010B Bonds") in an aggregate principal amount of $10,490,000 payable from and constituting a subordinate (but not an exclusive subordinate) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, and the Infrastructure Gross Receipts Tax Revenues (of which $10,250,000 of such 2010B Bonds remains outstanding); and

WHEREAS, the City expects to issue its Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2012A (herein, the "Series 2012A Bonds") contemporaneously with the issuance of the Series 2012B Bonds herein authorized on or about March 1, 2012 for the purpose of defraying the cost of (1) public projects related to public utilities, public works, parks and recreation, and community services as authorized by law and the City's home rule powers and (2) refunding, paying and discharging the outstanding City of Santa Fe, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2004 payable from and constituting a first (but not an exclusive first) lien on the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues and the Infrastructure Gross Receipts Tax Revenues; and

WHEREAS, except for the outstanding Series 1997B Bonds, the Series 2004 Bonds, the 2004 Railyard Project Finance Authority Taxable Loan, the Series 2005 Bonds, the Series 2006 Bonds, the 2006 Parking Structure Finance Authority Loan, the Series 2006B Bonds, the Series 2006C Bonds, the 2006 Railyard Project Finance Authority Taxable Loan, the Series 2008 Bonds, the 2008 Land Acquisition Finance Authority Loan, the Series 2008B Bonds, the 2009 College Acquisition Finance Authority Loan, the Series 2010A Bonds, and the Series 2010B Bonds there are no obligations presently outstanding to which the State-Shared Gross Receipts Tax Revenues, the One-Half Percent Municipal Gross Receipts Tax Revenues, the Infrastructure Gross Receipts Tax Revenues or the Environmental Services Gross Receipts Tax Revenues have been pledged by the City; and

WHEREAS, except for the outstanding 1997B Bonds and the Series 2006C Bonds, there are no obligations presently outstanding to which the Pledged Wastewater System Revenues have been previously pledged; and

WHEREAS, the Council hereby determines that Gross Receipts Tax (Subordinate Lien)/Wastewater System Refunding Revenue Bonds, Series 2012B (the issuance of the City of Santa Fe, New Mexico the "Bonds" or the "Series 2012B Bonds") to pay the cost of refunding, paying and discharging the outstanding City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Variable Rate Revenue Bonds, Series 1997B (the "Refunding Project") will provide for the public health, peace and safety of the City and its citizens and will restructure existing debt and provide stable debt service costs for the City; and

WHEREAS, the Bonds shall be issued pursuant to Sections 3-31-1 through 3-31-12, NMSA 1978, and with a subordinate (but not an exclusive subordinate) lien on the Pledged Gross Receipts Tax Revenues and a first lien (but not an exclusive first) lien on the Pledged Wastewater System Revenues; and

WHEREAS, the City has received an offer to purchase the Bonds from George K. Baum & Company, as underwriter of the Bonds pursuant to the Bond Purchase Agreement; and

WHEREAS, Section 3-31-6C, NMSA 1978, provides:

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

WHEREAS, the City has determined to pay all principal of and interest on all outstanding Series 1997 Bonds (the "Refunded Bonds") from the proceeds of the Bonds herein authorized and from other legally available sources, and the Refunded Bonds are being refunded to facilitate the restructuring of the outstanding debt of the City; and

WHEREAS, the City will issue the Bonds only after receipt of the required approval of the Bonds by the Department of Finance and Administration of the State of New Mexico; and

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

WHEREAS, in connection with the Bonds, Parity Tax Obligations or Parity Wastewater System Obligations which may be issued in the future by the City, the Council may determine to enter into a Qualified Exchange Agreement for all or a portion of the Bonds, Parity Tax Obligations or Parity Wastewater System Obligations which may provide for the payment by the City of a Variable Exchange Rate or a Fixed Exchange Rate and the payment by the Qualified Counterparty of a Fixed Exchange Rate or Variable Exchange Rate; and

WHEREAS, the Council hereby determines that the Project is for governmental purposes and is not a project which will cause the Bonds to be "private activity bonds" as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, there has been on deposit with the City Clerk and presented to the City Council:

(A) the proposed form of Bond Purchase Agreement;

(B) the proposed form of Continuing Disclosure Undertaking;

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

WHEREAS, the Council has determined that it is in the best interest of the City to accept the offer of the Purchaser to purchase the Bonds and to enter into the Related Documents.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY (THE CITY COUNCIL) OF THE CITY OF SANTA FE, NEW MEXICO:

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

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

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

"2006 Parking Structure Finance Authority Loan" means the Loan with the New Mexico Finance Authority, dated March 28, 2006 and authorized by Ordinance No. 2006-11.

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

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

"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 Council 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.

"Bonds", "Series 2012B Bonds" or "2012B Bonds" means the "City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Revenue Bonds, Series 2012B" which are authorized by this ordinance.

"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 Fund" or "Debt Service Fund" means the "City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Refunding Revenue Bonds, Series 2012B, Debt Service Fund", established in Section 18 hereof.

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

"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 Qualified Counterparty, if any, 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.

"Consultant" means any consultant, consulting firm, engineer, architect, engineering firm or other expert, independent and not under the domination of the City, and which does not have any substantial interest, direct or indirect, with the City and is not connected with the City as an officer or employee, recognized to be well-qualified for work of the character required and retained by the City to perform acts and carry out the duties related to the Wastewater System and provided for such consultant in this ordinance.

"Consulting Engineer" means any registered or licensed professional engineer or firm of engineers, entitled to practice and practicing as such under the laws of the State, retained and compensated by the City but not in the regular employ of the City; but, as to any construction drawings and specifications prepared for the Wastewater System by City employees under the supervision of the City Engineer, this term may include the City Engineer.

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

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

"Council" or "Governing Body" means the City Council of the City or any future successor governing body of the City.

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

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

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

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

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

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

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

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

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

(2) There may be made the adjustment to the Debt Service Requirements applicable to Bond Anticipation Notes described in Section 26E.

(f) Except as provided in Section 26F, the purchase or tender price of Put Obligations resulting from the optional or mandatory tender or presentment for purchase of those Put Obligations shall not be included in any computation of Debt Service Requirements.

"Depository" means The Depository Trust Company, New York, New York such other securities depository as an Authorized Officer of the City may designate.

"Environmental Services Gross Receipts Tax" means the environmental services gross receipts tax imposed pursuant to Section 7-19D-10 NMSA 1978 by City Ordinance No. 1993-20 on persons engaging in business in the City in the amount of 1/16th of one percent of the gross receipts of such persons.

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

"Environmental Services Gross Receipts Tax Revenue Fund" means the "City of Santa Fe, New Mexico Environmental Services Gross Receipts Tax Revenue Fund," maintained by the City and continued by Section 18 of this ordinance, into which the City shall deposit the Environmental Services Gross Receipts Tax Revenues.

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

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

"Exchange Termination Payment" means the net amount payable pursuant to a Qualified Exchange Agreement by the City or a Qualified Counterparty to compensate the other

party for any losses and costs that such other party may incur as a result of the early termination of the obligations, in whole or in part, of the parties under such Qualified Exchange Agreement.

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

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

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

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

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or certificates or receipts established by the United States Government or its agencies or instrumentalities representing direct ownership of future interests or principal payments on direct obligations of, or obligations fully guaranteed by, the United States of America or any of its agencies or instrumentalities the obligations of which are backed by the full faith and credit of the United States.

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

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

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

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

"Infrastructure Gross Receipts Tax Revenue Fund" means the "City of Santa Fe, New Mexico Infrastructure Gross Receipts Tax Revenue Fund", maintained by the City and continued by Section 18 of this ordinance, into which the City shall deposit the Infrastructure Gross Receipts Tax Revenues.

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

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

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

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

"One-Half Percent Municipal Gross Receipts Tax" means the one-half percent municipal gross receipts tax imposed pursuant to Sections 7-19D-1 through 7-19D-12, NMSA 1978 by the One-Half Percent Municipal Gross Receipts Tax Ordinance on persons engaged in business in the City in an amount of one-half of one percent of the gross receipts of such persons.

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

"One-Half Percent Municipal Gross Receipts Tax Revenue Fund" means the "City of Santa Fe, New Mexico One-Half Percent Municipal Gross Receipts Tax Revenue Fund" maintained by the City and continued by Section 19 of this ordinance, into which the City shall deposit the One-Half Percent Municipal Gross Receipts Tax Revenues.

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

"Parity Obligations" means Parity Tax Obligations and Parity Wastewater System Obligations.

"Parity Tax Obligations" means the Bonds, the Series 1997B Bonds, the Series 1997B Credit Facility Obligations, the 2004 Railyard Project Finance Authority Taxable Loan, the 2005 Bonds, the 2006 Parking Structure Finance Authority Loan, the 2006 Railyard Finance Authority Taxable Loan, the Series 2006C Bonds, the 2008 Land Acquisition Finance Authority Loan, the 2009 College Acquisition Finance Authority Loan, the Series 2010B Bond, scheduled periodic payments (but not Exchange Termination 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 Tax Revenues and issued with a lien on the Pledged Tax Revenues on a parity with the lien thereon of the Bonds.

"Parity Wastewater System Obligations" means the Bonds, the 1997B Bonds scheduled periodic payments (but not Exchange Termination 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 Wastewater System Revenues, and issued or incurred with a lien on the Pledged Wastewater System Revenues on a parity with the lien thereon of the Bonds.

"Paying Agent" means BOKF, N.A., dba Bank of Albuquerque, as agent for the City for the payment of the Bonds, the interest thereon and any prior redemption premium in connection therewith, 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 (formerly: Federal Land Banks and Banks for Cooperatives)--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) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's and "A-1" or better by S&P;

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

(f) Obligations, other than specified private activity bonds (as defined in Section 57(a)(5)(C) of the Code), the interest on which is excluded from gross income of the recipient for federal income tax purposes and any other instrument which does not constitute "investment property" under Section 148 of the Internal Revenue Code (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), as amended from time to time, which is rated in the highest major Rating Category by S&P and Moody's (if such rating agency is then rating the Bonds);

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

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

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

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

"Pledged Gross Receipts Tax Revenues" or "Pledged Tax Revenues" means (1) the State-Shared Gross Receipts Tax Revenues; (2) the One-Half Percent Municipal Gross Receipts Tax Revenues; (3) the Infrastructure Gross Receipts Tax Revenues; (4) the Environmental Services Gross Receipts Tax Revenues; (5) the portion of the gross receipts tax distribution to the City made pursuant to Section 7-1-6.46 NMSA 1978, which represents the amount of State-Shared Gross Receipts Tax Revenues, One-Half Percent Municipal Gross Receipts Tax Revenues, Infrastructure Gross Receipts Tax Revenues and Environmental Services Gross Receipts Tax Revenues that would have been remitted to the City but for the deductions (effective January 1, 2005) provided by Sections 7-9-92 and 7-9-93 NMSA 1978 and any similar distributions made to the City in lieu of State-Shared Gross Receipts Tax Revenues, One-Half Percent Municipal Gross Receipts Tax Revenues, Infrastructure Gross Receipts Tax Revenues and Environmental Services Gross Receipts Tax Revenues pursuant to law; and (6) any other gross receipts tax revenues received by the City, whether from distribution by the State or pursuant to gross receipts taxes imposed by the City, and hereafter (i.e. after the adoption of this ordinance) pledged to the payment of the Bonds by affirmative act of the Council.

"Pledged Revenues" means the Pledged Wastewater System Revenues and the Pledged Gross Receipts Tax Revenues.

"Pledged Wastewater System Revenues" means, for any given period, the Wastewater System Net Revenues.

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

"Purchaser" means George K. Baum & Company, as underwriter of the Bonds.

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

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

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

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

"Rebate Fund" means "City of Santa Fe, New Mexico Subordinate Lien Gross Receipts Tax/Wastewater System Improvement Revenue Bonds, Series 2012B Rebate Fund" created in Section 22 of this ordinance.

"Refunded Bonds" means the City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Variable Rate Revenue Bonds, Series 1997B issued pursuant to Ordinance No. 1997-30.

"Refunding Project" means refunding, paying and discharging the outstanding City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Variable Rate Revenue Bonds, Series 1997B and paying all costs incidental thereto and paying the Costs of Issuance.

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

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

"Related Documents" means the Bond Purchase Agreement, the Continuing Disclosure Undertaking, the Tax Compliance Certificate and any other document or agreement containing an obligation of the City as may be required in connection with the issuance of the Bonds.

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

"Series 1997B Bonds" or "1997B Bonds" means the "City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Variable Rate Revenue Bonds, Series 1997B" authorized by Ordinance No. 1997-30.

"Series 2004 Bonds" or "2004 Bonds" means the "City of Santa Fe, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2004" authorized by Ordinance No. 2004-01.

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

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

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

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

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

"Series 2008B Bonds" or "2008B Bonds" means the "City of Santa Fe Gross Receipts Tax Revenue Bonds, Series 2008" authorized by Ordinance No. 2008-55.

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

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

"Series 2012A Bonds" or "2012A Bonds" means the "City of Santa Fe Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2012A" authorized by Ordinance No. 2012-___ and issued contemporaneously with the Bonds.

"Series Date" means the date of delivery of the Bonds to the Purchaser.

"Service Area" means the customer service area that the City serves by the Wastewater System.

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

"State-Shared Gross Receipts Tax Revenues" means the revenues distributed to the City monthly by the New Mexico Department of Taxation and Revenue pursuant to Sections 7-1-6 and 7-1-6.4, NMSA 1978, at the rate authorized (currently 1.225% of the gross receipts of

persons doing business within the City) from the proceeds of a state-wide gross receipts tax imposed pursuant to Chapter 7, Article 9, NMSA 1978.

"State-Shared Gross Receipts Tax Revenue Fund" means the "City of Santa Fe, New Mexico State-Shared Gross Receipts Tax Fund" maintained by the City and continued by Section 18 of this ordinance, into which the City shall deposit the State-Shared Gross Receipts Tax Revenues.

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

"Subordinate Wastewater System Obligations" means the Series 2006C Bonds, any Exchange Termination Payments and any other Obligations hereafter issued or incurred payable from the Pledged Wastewater System Revenues and issued with a lien thereon junior and inferior to the lien thereon of the Bonds.

"Superior Tax Obligations" means the Series 2004 Bonds, the Series 2006 Bonds, the Series 2006B Bonds, the Series 2008 Bonds, the Series 2008B Bonds, the Series 2010A Bonds, the Series 2012A Bonds, and any additional bonds or other obligations hereafter issued payable from the Pledged Tax Revenues and issued with a lien on the Pledged Tax Revenues which is superior to the lien of the Bonds thereon.

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

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

"Variable Interest Rate" means, except for any historical period for which the actual rate or rates are determinable, and unless otherwise stated in this ordinance, interest calculated for variable rate bonds and other obligations which bear interest at a variable rate, as follows: (i) with respect to any obligation payable from Pledged Tax Revenues, the maximum interest rate then permitted on such obligations by the City Ordinance authorizing the issuance of such obligations; and (ii) with respect to obligations payable only from Pledged Wastewater System Revenues, interest at a fixed annual rate equal to the prevailing rate of such variable rate bonds or obligations on the date of computation; provided that in any prospective computation relating to the issuance of additional Wastewater System Obligations, variable or fluctuating rate bonds or other obligations shall be deemed to bear interest at a fixed annual rate equal to (a) the average of the daily rates of such bonds or other obligations during the 365 consecutive days (or any lesser period such bonds or other obligations have been Outstanding) next preceding the date of computation, or (b) with respect to any variable or fluctuating rate bonds or other obligations which are being issued on the date of computation, the initial rate of such bonds or other obligations upon issuance.

"Wastewater Fund" means the Wastewater Fund continued in Section 18 of this ordinance.

"Wastewater System" means the municipally owned public utility designated as the City's wastewater system consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City through purchase, construction or otherwise, including any expansions, extensions, enlargements and improvements of or to the wastewater system, and used in connection therewith or relating thereto, and any other related activity or enterprise of the City designated by the Council as part of the wastewater system, whether situated within or without the limits of the City.

"Wastewater System Gross Revenues" means all income and revenues directly or indirectly derived by the City from the operation and use of the Wastewater System, or any part of the Wastewater System, and includes, without limitation, all revenues received by the City, or any municipal corporation or agency succeeding to the rights of the City, from the Wastewater System and from the sale and use of wastewater, wastewater services or facilities, or any other service, commodity or facility or any combination thereof furnished to the inhabitants in the customer service area for the Wastewater System. Such term also includes:

(a) Investment earnings allocated to the Wastewater Fund by the City from amounts in the Acquisition Fund, the Debt Service Fund and from surplus Wastewater System Net Revenues in accordance with Section 22;

(b) All income derived from the investment of any money in the Wastewater Fund and Wastewater System Rate Stabilization Account;

(c) Money released from the Wastewater System Rate Stabilization Account to the extent that the amount released is used to pay Wastewater System Operation and Maintenance Expenses or Debt Service Requirements on Superior or Parity Wastewater System Obligations in the year released; provided that withdrawals from the Wastewater Rate Stabilization Account shall not be included in Wastewater System Gross Revenues for the purposes of the Rate Covenant in any two consecutive calendar years;

(d) Property insurance proceeds which are not necessary to restore or replace the property lost or damaged and the proceeds of the sale or other disposition of any part of the Wastewater System; and

(e) That portion of expansion charges and/or impact fees established specifically to pay debt service on debt obligations.

Wastewater System Gross Revenues do not include:

(a) any money received as (i) wastewater testing fees, (ii) grants or gifts from the United States of America, the State or other sources, (iii) the proceeds of any charge or tax intended as a replacement therefor or other capital contributions from any source which are restricted as to use or (iv) the capital improvement portion of any expansion charges

and/or impact fees;

(b) taxes and/or fees collected by the City and remitted to other governmental agencies; and

(c) condemnation proceeds or the proceeds of any insurance policy, except any insurance proceeds derived in respect of loss of use or business interruption.

"Wastewater System Net Revenues" means Wastewater System Gross Revenues after deducting Wastewater System Operation and Maintenance Expenses.

"Wastewater System Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the Wastewater System, in any particular Fiscal Year or period to which such term is applicable, paid or accrued, related to operating, maintaining and repairing the Wastewater System including, without limiting the generality of the foregoing:

(a) legal and overhead expenses of the various City departments directly related and reasonably allocable to the administration of the Wastewater System;

(b) insurance premiums for the Wastewater System, including, without limitation, premiums for property insurance, public liability insurance and workmen's compensation insurance, whether or not self-funded;

(c) the costs of audits of the books and accounts of the Wastewater System:

(d) amounts required to be deposited in the Rebate Fund;

(e) salaries, administrative expenses, labor costs, surety bonds and the cost of materials and supplies used for or in connection with the current operation of the Wastewater System; and

(f) any fees required to be paid under any operation, maintenance and/or management agreement with respect to the Wastewater System.

Wastewater System Operation and Maintenance Expenses do not include any allowance for depreciation, payments in lieu of taxes, liabilities incurred by the City as a result of its negligence or other misconduct in the operation of the Wastewater System, any charges for the accumulation of reserves for capital replacements or any Wastewater System Operation and Maintenance Expenses payable from moneys other than Wastewater System Gross Revenues.

"Wastewater System Rate Stabilization Fund" means the Wastewater System Stabilization Fund continued in Section 18.

"Wastewater System Replacement Fund" means the Wastewater System Replacement Fund continued in Section 18.

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

The provisions of this ordinance regarding the Wastewater System and the pledge of the Pledged Wastewater System Revenues to the Bonds shall be effective upon the due adoption and approval of this ordinance; provided, however, that all covenants relating to management of the Wastewater System and the imposition of rates for the Wastewater System shall become effective only (i) upon the affirmative election, at any time, of the City or (ii) if the City is unable to satisfy the annual test regarding the adequacy of Pledged Gross Receipts Tax Revenues set forth in Section 28 hereof.

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

The Council hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. Money available for the Refunding Project from all sources other than the issuance of revenue bonds is not sufficient to defray the costs of the Refunding Project.

B. It is economically feasible to pay costs of the Refunding Project by the issuance of the Bonds.

C. The Pledged Wastewater System Revenues and Pledged Tax Revenues may lawfully be pledged to secure the payment and redemption of the Bonds to the extent and in the manner provided in this ordinance.

D. The Bonds may be issued pursuant to the Act.

Section 3. Authorization of Project. The Refunding Project is hereby authorized at a total cost $16,180,000, excluding any such cost defrayed or to be defrayed by any source other than proceeds of the Bonds and the necessity thereof is hereby so declared.

Section 4. Authorization of Bonds. For the purpose of protecting the public health, conserving the property, advancing the general welfare of the citizens of the City, and for the purpose of defraying the cost of the Refunding Project, it is hereby declared that the interest and necessity of the City and the inhabitants of the City require the issuance by the City of its fully registered (i.e., registered as to payment of both principal and interest) revenue bonds without coupons to be designated "City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Refunding Revenue Bonds, Series 2012B," in an aggregate principal amount of sixteen million, one hundred eighty thousand dollars ($16,180,000). The Bonds shall

be payable and collectible, both as to principal and interest, solely from the Pledged Revenues. The Bonds shall be sold by a negotiated sale to the Purchaser pursuant to the Bond Purchase Agreement at the price established in the Bond Purchase Agreement which is hereby ratified and approved.

Section 5. Bond Details.

A. Basic Details. The Bonds shall be issued in the aggregate principal amount of $16,180,000 for the Refunding Project. The Bonds shall be dated the date of their issuance and delivery (herein "Series Date") to the Purchaser, and are issuable in the denomination of $5,000 each or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond will be issued for more than one maturity). The Bonds shall be numbered consecutively from 1 upwards.

The Bonds shall bear interest from the Series Date, payable semi-annually on June 1 and December 1 each year, commencing on June 1, 2012, until their respective maturities and shall bear the rates of interest and shall mature on June 1 in each of the designated amounts and years as set forth below:

Amounts Maturing	Interest Rate (Per Annum)	Year Maturing
		2012
		2013
		2014
		2015
		2016
		2017
		2018
		2019
		2020
		2021
		2022

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

B. Payment-Regular Record Date. The principal of and any prior redemption premium applicable to any Bond shall be payable to the registered owner thereof as shown on the registration books kept by Registrar which is hereby appointed as registrar (and transfer agent) for the Bonds, upon maturity or prior redemption thereof and upon presentation and surrender at the Paying Agent which also is hereby appointed as the paying agent for the Bonds. If any Bond shall not be paid upon such presentation and surrender at or after maturity or on a designated prior redemption date on which the City may have exercised its right to prior redeem any Bond pursuant to Section 6 hereof, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the registered owner of the Bond as of the Regular Record Date by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the registered owner thereof on the Regular Record Date at his address as it last appears on the registration books kept by the Registrar on the Regular Record Date (or by such other arrangements as may be mutually agreed to by the Paying Agent and any registered owner on such Regular Record Date). All such payments shall be made in lawful money of the United States of America. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to such Regular Record Date and prior to such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name any Bond is registered at the close of business on a Special Record Date fixed by the Registrar for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for defaulted interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of a date selected by the Registrar, stating the Special Record Date and the date fixed for the payment of such defaulted interest.

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

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

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

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

Section 6. Prior Redemption.

A. Optional Redemption. The Bonds maturing on and after June 1, 2022, shall be subject to redemption prior to maturity at the City's option in one or more units of principal of $5,000 on and after June 1, 2021, in whole or in part at any time, in such order of

maturities as the City may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner considered appropriate and fair) at a redemption price equal to the principal amount of the Bonds or portions thereof to be redeemed plus accrued interest, if any, to the date fixed for redemption.

B. Notice by City. At least 60 days prior to any date selected by the City for optional redemption of any of the Bonds, the City shall give written instructions to the Registrar with respect to the optional redemption. The Registrar shall not be required to give notice of any optional redemption unless the Registrar has received written instructions from the City in regard thereto at least 60 days prior to such redemption date (unless such deadline is waived by the Registrar). Additionally, notice of optional redemption shall be given by the City by sending a copy of such notice by first-class, postage prepaid mail, not less than thirty days prior to the optional redemption date to the Paying Agent, if the Registrar is not the Paying Agent.

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

D. Other Redemption Details. The notice required by paragraph C of this Section shall specify the number or numbers of the Bond or Bonds or portions thereof to be so redeemed (if less than all are to be redeemed); and all notices required by this Section shall specify the date fixed for redemption, and shall further state that on such redemption date there will become and be due and payable upon each $5,000 unit of principal so to be redeemed at the Paying Agent the principal thereof, accrued interest, if any, to the redemption date, and the applicable prior redemption premium thereon (if any), and that from and after such date interest will cease to accrue. Accrued interest to the redemption date will be paid by check or draft mailed to the registered owner (or by alterative means if so agreed to by the Paying Agent and the registered owner). Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the Paying Agent, the City will pay the Bond or Bonds so called for redemption and the applicable prior redemption premium (if any). In the event that only a portion of the principal amount of a Bond is so redeemed, a new Bond representing the unredeemed principal shall be duly completed, authenticated and delivered by the Registrar to the registered owner pursuant to Section 9 hereof and without charge to the registered owner thereof. The Registrar and Paying Agent shall comply with any other terms regarding redemption and notice of redemption as required by any applicable agreement with a Depository.

E. Conditional Redemption. If money or Government Obligations sufficient to pay the redemption price of the Bonds to be called for redemption are not on deposit with the Paying Agent prior to the giving of notice of redemption pursuant to paragraph D of this Section, such notice shall state such Bonds will be redeemed in whole or in part on the redemption date in

a principal amount equal to that part of the redemption price received by the Paying Agent on the applicable redemption date. If the full amount of the redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the redemption price is on deposit with the Paying Agent. If all Bonds called for redemption cannot be redeemed, the Bonds to be redeemed shall be selected in a manner deemed reasonable and fair by the City and the Registrar shall give notice, in the manner in which the original notice of redemption was given, that such money was not received and the information required by paragraph E of this Section. In that event, the Registrar shall promptly return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof which have not been redeemed.

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

Section 8. Execution.

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

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

C. Certificate of Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an Authorized Officer of

the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued under this ordinance.

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

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

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

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

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

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

F. Cancellation of Bonds. Whenever any Bond shall be surrendered to the Paying Agent upon payment of the Bond, or to the Registrar for transfer, exchange or replacement as provided in this ordinance, the Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

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

Section 11. Special Limited Obligations. The Bonds and all payments of principal, premium, if any, and interest thereon (whether at maturity or on a redemption date), and the obligations of the City for all other payments, fees, costs, interest and expenses of the City under this ordinance and under the Related Documents, including all payments due from the City under a Qualified Exchange Agreement, shall be special limited obligations of the City. The principal of, premium, if any, and interest on the Bonds and all obligations under the Related Documents shall be payable solely from the Pledged Revenues, after payment of any Superior Tax Obligations and on a parity with the Parity Wastewater System Obligations (and, in the case of Exchange Termination Payments, after payment of the Bonds and any Parity Obligations), which revenues are hereby pledged.

Owners of the Bonds and the parties under the Related Documents, including a Qualified Counterparty, may not look to any general or other fund of the City for the payment of the principal of or interest on, or the fees, costs and expenses relating to, such obligations, except the designated special funds pledged therefor. Neither the Bonds nor the obligations of the City under the Related Documents shall constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory prohibition or limitation, nor shall they be considered or held to be general obligations of the City, and the Bonds and any Qualified Exchange Agreement shall recite that they are payable and collectible solely out of the Pledged Revenues, after payment of any Superior Tax Obligations and on a parity with the Parity Wastewater System Obligations (and, in the case of Exchange Termination Payments, after payment of the Bonds and any Parity Obligations), and from the other sources stated in this Section, and that the

owners of the Bonds and the parties under the Related Documents, including a Qualified Counterparty, may not look to any general or other municipal fund for the payment of the principal or interest, as applicable, on the Bonds or for the payment of any amounts owed under the Related Documents.

Nothing herein shall prevent or prohibit the City from applying other funds of the City legally available therefor to the payment or redemption of the Bonds, in its sole discretion.

Section 12. Form of Bonds, Certificate of Authentication and Assignment. The Bonds, Registrar's Certificate of Authentication and Form of Assignment shall be in substantially the following forms, with such changes therein as are not inconsistent with this ordinance:

(Form of 2012B Bond)

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
COUNTY OF SANTA FE

No._____ $_____

CITY OF SANTA FE, NEW MEXICO
GROSS RECEIPTS TAX (SUBORDINATE LIEN)/WASTEWATER
SYSTEM REFUNDING REVENUE BOND
SERIES 2012B

INTEREST RATE	MATURITY DATE	SERIES DATE	CUSIP
_____% per annum	_____,____	_____, 2012	_____

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, N.A., dba Bank of Albuquerque, in 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. 2012-____, adopted January 25, 2012, referred to herein as the "Bond Ordinance"), by check or draft mailed to such registered owner, on or before each interest payment date as hereinafter provided (or, if such interest payment date is not a business day, on or before the next succeeding business day), at his address as it last appears on

the Regular Record Date on the registration books kept for that purpose by BOKF, N.A., dba Bank of Albuquerque, in Albuquerque, New Mexico, as registrar (i.e., transfer agent) for the bonds, or its successor (herein the "Registrar") or by such other arrangement as may be agreed to by the Paying Agent and the registered owner hereof, interest on said sum in lawful money of the United States of America from the Series Date specified above or the most recent interest payment date to which interest has been fully paid or duly provided for in full (as more fully provided in the Bond Ordinance) until maturity at the per annum Interest Rate specified above, payable on June 1, 2012 and semiannually thereafter on June 1 and December 1 in each year. Any such interest not so timely paid or duly provided for shall cease to be payable to the registered owner as of the Regular Record Date and shall be payable to the registered owner as of a Special Record Date (as defined in the Bond Ordinance), as further provided in the Bond Ordinance. If upon presentation and surrender to the Paying Agent at or after maturity or on a designated prior redemption date on which the City may have exercised its right to prior redeem this bond pursuant to the Bond Ordinance, payment of this bond is not made as herein provided, interest hereon shall continue at the rate herein designated until the principal hereof is paid in full. If the Bonds are issued in book-entry only form, an authorized officer of the City and the applicable securities depository ("Depository") may make other arrangements for the payments on the Bonds.

The bonds of the series of which this bond is a part maturing on and after June 1, 2022, are subject to prior redemption at the City's option in one or more units of principal of $5,000 on and after June 1, 2021, in whole or in part at any time, in such order of maturities as the City may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as he shall consider appropriate and fair), at a redemption price equal to the principal amount of the Bonds or portion thereof to be redeemed plus accrued interest, if any, to the redemption date.

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

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

This bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration books kept by the Registrar upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon such transfer a new fully registered bond of authorized denomination or denominations of the

same aggregate principal amount and maturity will be issued to the transferee in exchange for this bond, subject to such terms and conditions as set forth in the Bond Ordinance. The City and the Registrar and Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of making payment and for all other purposes.

This bond is one of a series of bonds designated "City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Refunding Revenue Bonds, Series 2012B," of like tenor and date, except as to interest rate, number and maturity, authorized for the purpose of all as set forth in the Bond Ordinance.

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

This bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, shall not be considered or be held to be a general obligation of the City, and is payable and collectible solely out of the City's Pledged Tax Revenues and Pledged Wastewater System Revenues pursuant to the pledge made by and as defined in the Bond Ordinance, which revenues are so pledged; and the holder of this bond may not look to any general or other fund for the payment of the principal and interest on this obligation, except the special funds pledged therefor. Payment of the bonds of the series of which this bond is one and the interest thereon shall be made solely from, and as security for such payment, there are pledged pursuant to the Bond Ordinance, special funds identified as the "Environmental Services Gross Receipts Tax Revenue Fund", "One-Half Percent Gross Receipts Tax Revenue Fund," the "Infrastructure Gross Receipts Tax Revenue Fund" and the "State-Shared Gross Receipts Tax Revenue Fund" into which the City covenants to pay the Pledged Tax Revenues, and a special fund identified as the "Wastewater Fund" into which the City covenants to pay from the revenues derived from the operation of the Wastewater System, less all necessary and reasonable expenses of operation and maintenance of the Wastewater System, subsequent to outstanding superior bonds and concurrently with outstanding parity bonds, which sums shall be sufficient to pay when due the principal of and the interest on the bonds of the series of which this bond is one. For a description of the funds, the nature and extent of the security afforded thereby for the payment of the principal of and interest on the bonds, and other details concerning the bonds, reference is made to the Bond Ordinance. The Bonds constitute an irrevocable and subordinate lien, but not necessarily an exclusive subordinate lien, upon the Pledged Tax Revenues and a first lien, but not necessarily an exclusive first lien, upon the Pledged Wastewater System Revenues. Additional bonds and other obligations, in addition to the bonds of the series of which this bond is one, may be issued and made payable from the City's Pledged Tax Revenues and/or the Pledged Wastewater System Revenues having a lien thereon inferior and junior 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

ATTEST:

By (Facsimile Signature)
City Clerk

(Form of Registrar's Certificate of Authentication)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

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

BOKF, N.A., dba Bank of Albuquerque
Albuquerque, New Mexico, as Registrar

By_____
Authorized Officer

(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 2012B Bond)

Section 13. Period of Usefulness of the Project funded by the Refunded Bonds. It is hereby determined and recited that the useful life of the project financed with proceeds of the Refunded Bonds is not less than the final maturity date of the Bonds.

Section 14. Delivery of Bonds and Initial Registration. When the Bonds have been duly executed, authenticated, registered and sold, the City Finance Director shall deliver them to the Purchaser on receipt of the agreed purchase price. The Registrar shall initially register the Bonds in the name of the Purchaser or in the names of such transferees as the Purchaser may designate by a writing or writings satisfactory to the Registrar, or any combination as directed by the Purchaser.

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

A. Approval of Documents; Ratification. The forms of Preliminary Official Statement, final Official Statement, the Continuing Disclosure Undertaking, and the Bond Purchase Agreement as filed with the City Clerk are hereby approved. The execution and delivery of the Bond Purchase Agreement by the Mayor is hereby ratified and approved. Upon adoption of this ordinance, the Bond Purchase Agreement shall be in full force and effect.

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

The Mayor is authorized and directed to execute and the City Clerk is authorized and directed to affix the seal of the City to and attest where applicable, the final Official Statement, and the Continuing Disclosure Undertaking in substantially the form as hereby approved or with such changes therein as are not inconsistent with this ordinance and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions thereof from the form presented to the Governing Body. From and after adoption of this ordinance and the execution and delivery of the Bond Purchase Agreement, the Tax Compliance Certificate, the final Official Statement, and the Continuing Disclosure Undertaking, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement, the final Official Statement, the Tax Compliance Certificate, and the Continuing Disclosure Undertaking as executed.

The Mayor, City Clerk, City Finance Director, any other officer or employee of the City and the Purchaser are authorized and directed to distribute the Preliminary Official Statement and an Official Statement related to the sale of the Bonds. The use and distribution of the Preliminary Official Statement and the Official Statement by the Purchaser in

connection with the sale of the Bonds to the public is hereby authorized, approved and acknowledged.

Section 16. Disposition of Bond Proceeds. The proceeds, including accrued interest, from the sale of the Bonds shall be applied by the City simultaneously with the delivery of the Bonds to the Purchaser in the following manner and priority:

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

B. Escrow Account. Second, the remaining amount received from the sale of the Bonds shall be credited to the Escrow Account and used to pay costs of the Refunding Project and to pay Costs of Issuance.

C. Use of Proceeds. Except as otherwise specifically provided in this ordinance, the proceeds derived from the sale of the Bonds shall be used and paid solely for the purpose of carrying out the Refunding Project.

Section 17. Responsibility of Purchaser.

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

Section 18. Funds and Accounts. The City hereby creates, or continues, as applicable, the following special and separate funds:

A. Escrow Account. Creates the Escrow Account to be maintained by the City.

B. Wastewater Fund. Continues the Wastewater Fund to be maintained and controlled by the City as a separate and distinct fund for deposit of the Wastewater System Gross Revenues.

C. Wastewater System Rate Stabilization Fund. Continues the Wastewater System Rate Stabilization Fund as a special and separate fund to be maintained and controlled by the City for the purposes described in Section 21.

D. Wastewater System Replacement Fund. Continues the Wastewater System Replacement Fund as a special and separate fund to be maintained and controlled by the City for the purposes described in Section 21.

E. Environmental Services Gross Receipts Tax Revenue Fund. Continues the Environmental Services Gross Receipts Tax Revenue Fund previously established and maintained by the City.

F. Infrastructure Gross Receipts Tax Revenue Fund. Continues the Infrastructure Gross Receipts Tax Revenue Fund previously established and maintained by the City.

G. One-Half Percent Municipal Gross Receipts Tax Revenue Fund. Continues the One-Half Percent Municipal Gross Receipts Tax Revenue Fund previously established and maintained by the City.

H. State-Shared Gross Receipts Tax Revenue Fund. Continues the State-Shared Gross Receipts Tax Revenue Fund previously established and maintained by the City.

I. Debt Service Fund. Creates the Debt Service Fund to be maintained by the City.

Section 19. Deposit of Wastewater System Gross Revenues. So long as any Bonds are outstanding, the Wastewater System Gross Revenues shall, immediately upon receipt thereof by the City, be set aside and deposited into the Wastewater Fund. All money deposited into the Wastewater Fund shall be held separate and apart from the City's general fund and applied only in accordance with the provisions of this ordinance and any other City ordinance authorizing the issuance of Obligations payable from the Pledged Wastewater System Revenues.

Section 20. Deposit of Pledged Gross Receipts Tax Revenues. So long as any Bonds are outstanding, the Pledged Gross Receipts Tax Revenues shall, immediately upon receipt thereof by the City, be set aside and deposited into the proper funds for each component of the Pledged Gross Receipts Tax Revenues. All money deposited into such funds shall be held separate and apart from the City's general fund and applied only in accordance with the provisions of this ordinance and any other City ordinance authorizing the issuance of Superior or Parity Tax Obligations.

Section 21. Administration of Wastewater Fund and Pledged Tax Revenue Funds.

A. Administration of Wastewater Fund. So long as any of the Bonds shall be outstanding, the following payments shall be made from the Wastewater Fund:

(1) Operation and Maintenance Expenses. First, as a first charge on the Wastewater System Gross Revenues, there shall be paid the Operation and Maintenance Expenses of the Wastewater System as they become due and payable.

(2) Debt Service Fund Payments. Second, but subject to and after the withdrawals authorized by the preceding paragraph A(1), the following amounts shall be withdrawn from the Wastewater Fund and credited to the Debt Service Fund:

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

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

(3) Subordinate Wastewater System Obligations. Third, but subject to and after the withdrawals authorized by the preceding paragraphs A(1) and A(2), as a third charge and lien on the Pledged Wastewater System Revenues, the amounts necessary to pay the Debt Service Requirements on the Subordinate Wastewater System Obligations now outstanding or hereafter issued.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraphs A(3)(a) and A(3)(b) (whichever is applicable) above, may be appropriately reduced and the required monthly amounts again shall be so credited to such account commencing on such interest payment date or principal payment date (whichever is applicable).

B. Administration of the Pledged Gross Receipts Tax Revenue Funds. So long as any of the Bonds are outstanding, the following payments shall be made from the Pledged Gross Receipts Tax Revenues:

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

(2) Second, but subject to and after the withdrawals authorized by the preceding paragraph B(1), so long as any of the Bonds shall be outstanding, to the extent that any monthly payment required to be made into the Bond Fund has not been made from the Wastewater Fund or from any other legally available source, the following amounts shall be

withdrawn from the Environmental Services Gross Receipts Tax Revenue Fund, then from the One-Half Percent Municipal Gross Receipts Tax Revenue Fund if the moneys in the Environmental Services Gross Receipts Tax Revenue Fund are not sufficient, and from the Infrastructure Gross Receipts Tax Revenue Fund if the moneys in the One-Half Percent Municipal Gross Receipts Tax Revenue Fund are not sufficient, and, if such moneys are insufficient, then from the State-Shared Gross Receipts Tax Revenue Fund (unless the City determines that such amounts shall be withdrawn from such funds in some other order), and credited to the Bond Fund:

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

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

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

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraphs 2(a) and (b) (whichever is applicable) of this paragraph, may be appropriately reduced and the required monthly amounts again shall be so credited to such account commencing on such interest payment date or principal payment date (whichever is applicable).

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

D. Defraying Delinquencies in the Bond Fund; Use of Moneys in Bond Fund. If amounts in the Wastewater Fund, the Environmental Services Gross Receipts Tax Revenue Fund, the One-Half Percent Municipal Gross Receipts Tax Revenue Fund, the Infrastructure Gross Receipts Tax Revenue Fund and the State-Shared Gross Receipts Tax Revenue Fund are insufficient to make the payments on each principal payment date and interest payment date when due as required by paragraphs A(3) and B(2) of this Section 21, then an amount shall be paid into the Bond Fund from the Reserve Fund equal to the difference between (i) the amounts paid in from the Wastewater Fund, the Environmental Services Gross Receipts Tax Revenue Fund, the One-Half Percent Municipal Gross Receipts Tax Revenue Fund, the Infrastructure Gross Receipts Tax Revenue Fund, and the State-Shared Gross Receipts Tax Revenue Fund and (ii) the stipulated amount. The moneys in the Reserve Fund shall be used solely as provided herein. The moneys in the Bond Fund shall be used solely and only for the purpose of paying the principal of and the interest on the Bonds issued under this ordinance; provided, however, that any moneys in the Bond Fund in excess of accrued and unaccrued principal and interest requirements to the respective maturities of the outstanding Bonds may be used in any lawful manner as provided in Paragraph C of this Section.

E. Payment of Additional Obligations and Qualified Exchange Agreements. Either prior to, concurrently with or subsequent to the payments required by Paragraphs A and B of this Section 21, depending upon whether the additional Obligations are Superior Tax Obligations, Parity Tax Obligations, Parity Wastewater System Obligations or Subordinate Wastewater Obligations as provided in this Ordinance, the Pledged Revenues shall be used by the City for the payment of Debt Service Requirements on additional Obligations, if any, hereafter authorized to be issued and payable from the Pledged Revenues as the same accrue. In the event that such obligations are Parity Obligations, the payments of Debt Service Requirements on such additional Obligations shall be made concurrently with the payments required by Paragraphs A(3), B and E of this Section 21 (provided that such payments may be made at any intervals as may be provided in the ordinance or resolution authorizing such additional Obligations). The following amounts required to be paid by the City shall be paid from Pledged Revenues with the same priority as other payments of Debt Service Requirements on Parity Obligations:

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

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

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

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

F. Rebate Fund. There is hereby created a separate account to be known as the "City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Refunding Revenue Bonds, Series 2012B, Rebate Fund" (the "Rebate Fund"), to be held by the City. All of the amounts on deposit in the accounts created and established by this ordinance and all amounts pledged to the payment of debt service for the Bonds shall be invested in compliance with the requirements of Section 28R of this ordinance. There shall be transferred into the Rebate Fund from the Pledged Revenues, such amounts as are required to be deposited therein to meet the City's obligations under the covenant contained in Section 28R of this Ordinance, in accordance with Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Tax Code"). Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this ordinance to the extent such amounts are required to be paid to the United States Treasury. The City hereby finds and determines that payment to the United States in an amount equal to interest and other gain from the investment of moneys accumulated in the Bond Fund and any other account into which Pledged Revenues are transferred, to the extent such interest or other gain is subject to the rebate requirements of Section 148(f) of the Tax Code, shall be subject to a lien thereon in favor of the United States Treasury and pledged to the United States Treasury for the benefit of the owners of the Bonds from time to time. From time to time, if the City determines that there is on deposit in the Rebate Fund more money than is needed to satisfy the rebate obligation, then such excess shall be transferred and credited to the Bond Fund and used to pay Debt Service Requirements.

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

H. Subordinate Obligations. After and subject to the payments required by, and provisions contained in, the preceding paragraphs of this Section, any remaining Pledged Revenues, shall be used, as necessary, by the City for the payment of the principal of, premium, if any, and interest on all Obligations with a lien on the Pledged Revenues which is subordinate and junior to the lien of the Parity Obligations on Pledged Revenues, including without limitation, any Exchange Termination Payments.

I. Payment of Additional Subordinated Obligations. After and subject to the payments required above in this Section: (i) any remaining Pledged Tax Revenues shall be used by the City for the payment of the principal of and interest (including debt service reserves) on obligations with a lien on the Pledged Tax Revenues which is subordinate and junior to the lien of the Parity Tax Obligations, as the same accrue; and (ii) any balance remaining in the Wastewater Fund shall be used by the City for the payment of the principal of and interest (including debt service reserves) on obligations with a lien on the Pledged Wastewater System Revenues which is subordinate and junior to the lien of the Parity Wastewater System Obligations, as the same accrue.

J. Use of the Wastewater System Rate Stabilization Fund. Amounts deposited in the Wastewater System Rate Stabilization Fund may be withdrawn at any time and used for any purpose for which Wastewater System Gross Revenues may be used.

K. Use of the Wastewater System Replacement Fund. While any Parity Wastewater System Obligations are Outstanding, money on deposit in the Wastewater System Replacement Fund shall be used only (i) for replacement costs and capital improvements to the Wastewater System, (ii) for extraordinary charges relating to the financing or refinancing of the Wastewater System, and (iii) to purchase or otherwise defease, or provide for defeasance of, Outstanding Obligations payable from Pledged Wastewater System Revenues.

L. Use of Surplus Revenues. Each month, after making all the payments required to be made by the prior paragraphs of this Section, any moneys remaining in the Wastewater Fund and any remaining Pledged Gross Receipts Tax Revenues may be applied to any other lawful purpose or purposes authorized by applicable law, as determined by the City.

M. Variable Interest Rate. In making the computations required by this Section, interest on Obligations which bear a Variable Interest Rate shall be computed: (i) at the actual Variable Interest Rate or Variable Exchange Rate for the computation period, if such rate can be computed exactly, or (ii) if the Variable Interest Rate or Variable Exchange Rate cannot be computed exactly, at the actual rate for the immediately preceding computation period.

Section 22. General Administration of Funds. The funds and accounts designated in Sections 18 to 21, both inclusive, of this ordinance shall be administered as follows:

A. Investment of Money. Any moneys in any fund designated in Sections 18 through 21 may be invested in any Permitted Investments. The obligations so purchased as an investment of moneys in a fund shall be deemed at all times to be part of the fund, and the interest accruing thereon and any profit realized therefrom shall be credited to the fund, and any loss resulting from each investment shall be charged to the fund. The City Treasurer shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

B. Deposits of Funds. Except for direct investments in Permitted Investments allowed by Paragraph A of this Section 22, the moneys and investments comprising

each of the funds and accounts hereinabove designated in Sections 18 to 21, both inclusive, of this ordinance shall be maintained and kept separate from all other funds and accounts in an Insured Bank or Insured Banks. The amounts prescribed shall be paid to the appropriate funds as specified in Sections 18 through 21. Each payment shall be made into the proper bank account and credited to the proper fund not later than the last day designated; provided that when the designated date is a Sunday or a legal holiday, then such payment shall be made on the next preceding secular day. Nothing in this ordinance shall prevent the establishment of one such bank account or more (or consolidation with any existing bank account), for all of the funds and accounts in Sections 18 to 21, both inclusive, of this ordinance.

Section 23. Subordinate Lien on Pledged Tax Revenues, First Lien on Pledged Wastewater Revenues. The Pledged Tax Revenues, the Pledged Wastewater System Revenues, and the amounts and securities on deposit in the Debt Service Fund, and the proceeds thereof, are hereby authorized to be pledged to, and are hereby pledged, and the City grants a security interest therein, for the payment of the principal of, premium, if any, and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, this Ordinance. The Bonds constitute an irrevocable and subordinate lien (but not necessarily an exclusive subordinate lien) on the Pledged Tax Revenues on a parity with the lien thereon of Parity Tax Bonds but subordinate to the lien thereon of Superior Tax Obligations. The Bonds constitute an irrevocable and fist lien (but not necessarily an exclusive first lien) on the Pledged Wastewater System Revenues on a parity with the lien thereon of Parity Wastewater System Bonds and superior to the lien thereon of Subordinate Wastewater System Obligations.

Section 24. Additional Superior and Parity Tax Obligations.

A. Limitations Upon Issuance of Additional Tax Obligations. No provision of this ordinance shall be construed in such a manner as to prevent the issuance by the City of additional Obligations payable from Pledged Tax Revenues and constituting a lien upon such revenues prior and superior to the lien of the Bonds. Before any additional Superior Tax Obligations are issued, the conditions, if any, set forth in the ordinances authorizing the issuance of Superior Tax Obligations must be satisfied.

Before any additional Parity Tax Obligations are actually issued (excluding refunding bonds the proceeds of which are used to refund Parity Tax Obligations, as provided in Section 26, but including Parity Tax Obligations which are refunding bonds which refund subordinate obligations), the following conditions shall be met:

(i) The additional Parity Tax Obligations must be Obligations; and

(ii) The City shall then be current in all of the deposits required to be made with respect to Parity Tax Obligations (including, if applicable, any obligation to fund any reserve account required by the terms of any ordinance authorizing the issuance of any such Obligations); and

(iii) (a) No additional Parity Tax Obligations shall be issued unless Pledged Tax Revenues received for the Historic Test Period shall have been sufficient to pay an

amount representing at least two hundred percent (200%) of the combined maximum annual Debt Service Requirements coming due in any subsequent Fiscal Year on the Bonds, on the then outstanding Superior Tax Obligations and Parity Tax Obligations, and the additional Parity Tax Obligations proposed to be issued (excluding any reserves therefor); and

(b) In making the computations required by this subparagraph (iii) other gross receipts tax revenues, including without limitation, the Environmental Services Gross Receipts Tax Revenues, received by the City, whether from distribution by the State or pursuant to gross receipts taxes imposed by the City (other than State-Shared Gross Receipts Tax Revenues) pledged to the Superior Tax Obligations, the Parity Tax Obligations and the Parity Tax Obligations proposed to be issued, may be included only to the extent such gross receipts tax revenues are pledged to a particular series of such outstanding obligations or proposed Parity Tax Obligations and only to the extent of the maximum annual Debt Service Requirements coming due in the applicable Fiscal Year on such outstanding obligations or proposed Parity Tax Obligations.

B. Subordinate Obligations Permitted; Certain Obligations Prohibited. No provision of this ordinance shall be construed in such a manner as to prevent the issuance by the City of additional Obligations payable from the Pledged Tax Revenues with a lien thereon subordinate and junior to the lien of the Bonds thereon, nor to prevent the issuance of Obligations refunding all or part of the Bonds as permitted by Section 26.

C. Variable Interest Rate. In making the computations required by this Section and Section 26, Obligations which bear a Variable Interest Rate shall be deemed to bear interest at the maximum rate permitted for those obligations.

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

E. Bond Anticipation Notes. Whenever the City shall have authorized the issuance of Superior Tax Obligations or Parity Tax Obligations under the Act and the City shall, at the time, be permitted by the laws of the State to issue notes representing loans in anticipation of the sale of such Superior Tax Obligations or Parity Tax Obligations ("Bond Anticipation Notes"), the City may by resolution or ordinance authorize the issuance of Bond Anticipation Notes in anticipation of the sale of such Superior Tax Obligations or Parity Tax Obligations, provided, however, that before any Bond Anticipation Notes are actually issued, the conditions of Section 24 shall be met. Bond Anticipation Notes shall not be issued in an amount exceeding the principal amount of the Superior Tax Obligations or Parity Tax Obligations in anticipation of the sale of which such notes are proposed to be issued.

For the purposes of determining compliance with this Section, as of the date of issuance of any Bond Anticipation Notes, the aggregate principal amount of all outstanding Bond Anticipation Notes (including such proposed Bond Anticipation Notes) shall never exceed the

principal amount of a hypothetical issue of Superior Tax Obligations or Parity Tax Obligations which could be issued hereunder having an assumed final maturity of twenty (20) years, bearing an assumed rate of interest equal to the highest rate then borne by any Bond Anticipation Note then outstanding (or, if none, the interest rate borne by the proposed Bond Anticipation Notes to be issued) and having debt service due in each Fiscal Year in approximately equal amounts.

F. Put Obligations. In making the computations required by this Section and Section 26, the principal amount of any Put Obligations to be outstanding in the Fiscal Year when the combined maximum annual Debt Service Requirements come due shall be excluded from the maximum annual Debt Service Requirements only if the Credit Facility providing liquidity or standby purchase support for Put Obligations is rated, on the date the computations are made, "A" or better by Moody's or S&P (if such rating agencies are then rating the Bonds). If there is no Credit Facility for the Put Obligations or the rating requirement for the Credit Facility set forth in the preceding sentence is not satisfied, the principal amount of the Put Obligations to be outstanding in the Fiscal Year when combined maximum annual Debt Service Requirements come due shall be considered in computing maximum annual Debt Service Requirements.

Section 25. Additional Parity Wastewater System Obligations. Parity Wastewater System Obligations may be issued for the Wastewater System purposes including, but not limited to, (i) financing the costs of a project; or (ii) providing additional funds for deposit into the Wastewater System Replacement Fund and paying the costs incident to the issuance of such Parity Wastewater System Obligations or any combination of the foregoing.

A. Limitations Upon Issuance of Additional Parity Wastewater System Bonds. The tests required in this Section 25 shall be performed without adjustment for payments to or withdrawals from the Wastewater System Rate Stabilization Fund or interest accrued (other than amounts representing capitalized interest) in the Acquisition Fund. Except as permitted herein, prior to the issuance of additional Parity Wastewater System Obligations, the City shall be current in making all deposits required by Section 21 and the following test shall be satisfied:

(i) a certificate prepared by the City Finance Director showing that the Wastewater System Net Revenues for the Historic Test Period were at least equal to 110% of the maximum combined annual Debt Service Requirements for Outstanding Parity Wastewater System Obligations and Outstanding Subordinate Wastewater System Obligations after the issuance of the proposed Parity Wastewater System Obligations, or

(ii) a certificate prepared by a Consulting Engineer showing that:

(a) the Wastewater System Net Revenues for the Historic Test Period were at least equal to 110% of the maximum combined annual Debt Service Requirements for all Outstanding Parity Wastewater System Obligations and the Outstanding Subordinate Wastewater System Obligations immediately preceding the issuance of the Parity Wastewater System Obligations;

(b) for each Fiscal Year during the period from the date of

delivery of such certificate until the latest Estimated Completion Date, the Consulting Engineer estimates that the City will be in compliance with the Rate Covenant; and

(c) the estimated Pledged Wastewater System Revenues for each of the three Fiscal Years immediately following the latest Estimated Completion Date for the specified Project to be financed with proceeds of such Parity Wastewater System Obligations, as certified to the Consulting Engineer by an Authorized Officer of the City will be at least equal to 110% of the maximum combined annual Debt Service Requirements for all Outstanding Parity Wastewater System Obligations and the Outstanding Subordinate Wastewater System Obligations which will be outstanding immediately after the issuance of the proposed Parity Wastewater System Obligations.

For purposes of subsections (ii)(b) and (c) above, in estimating Wastewater System Net Revenues, the Consulting Engineer may take into account (1) reasonable Wastewater System Gross Revenues from specified Wastewater System projects expected to become available, (2) any increase in fees, rates, charges, rentals or other sources of Wastewater System Gross Revenues which have been approved by the City and will be in effect during the period for which the estimates are provided, and (3) any other increases in Wastewater System Gross Revenues which the Consulting Engineer believes to be a reasonable assumption for such period. With respect to Wastewater System Operation and Maintenance Expenses, the Consulting Engineer shall use such assumptions as the Consulting Engineer believes to be reasonable, and taking into account, (i) historical Wastewater System Operation and Maintenance Expenses, (ii) Wastewater System Operation and Maintenance Expenses associated with the specified Wastewater System projects and (iii) such other factors, including inflation and changing operations or policies of the City, as the Consulting Engineer believes to be appropriate. The Consulting Engineer shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Wastewater System Net Revenues and shall also set forth the calculations of the maximum combined annual Debt Service Requirements, which calculations may be based upon information provided by another Consulting Engineer.

For purposes of preparing the certificate or certificates described above, the Consulting Engineer or Consulting Engineers may rely upon financial statements prepared by the City which have not been subject to audit by an Independent Accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Officer of the City shall certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments.

(iii) In determining whether additional Parity Wastewater System Obligations may be issued pursuant to this Section 25, a written certificate or opinion of the City Finance Director or a Consulting Engineer shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver the additional Parity Wastewater System Obligations.

(iv) Nothing contained in this ordinance shall be construed to prevent

the City from issuing bonds or other obligations with a lien on Wastewater System Net Revenues subordinate or junior to the lien of the Parity Wastewater System Obligations on Wastewater System Net Revenues.

(v) The requirements set forth in this Section shall only apply in the event the City does not pledge the Pledged Tax Revenues as additional security to the proposed Parity Wastewater System Obligations.

Section 26. Refunding Bonds. The provisions of Sections 24 and 25 hereof are subject to the following exceptions:

A. Privilege of Issuing Refunding Obligations. If at any time after the Bonds, or any part thereof, shall have been issued and remain outstanding, the City shall find it desirable to refund any outstanding Parity Obligations or other outstanding obligations payable from the Pledged Revenues, the bonds or other obligations, or any part thereof, may be refunded (but only with the consent of the registered owner or owners thereof, unless the bonds or other obligations, at the time of their required surrender for payment, shall then mature, or shall then be callable for prior redemption at the City's option), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenues is changed (except as provided in paragraphs A of Section 24 and 25 and in paragraphs B and C of this Section 26).

B. Limitations Upon Issuance of Refunding Obligations. No refunding bonds or other refunding obligations payable from the Pledged Tax Revenues which are Superior Tax Obligations will be issued except in accordance with the terms of the ordinances governing such outstanding Obligations. No refunding bonds or other refunding obligations payable from the Pledged Tax Revenues or Pledged Wastewater System Revenues, whichever is applicable, shall be issued on a parity with the Bonds herein authorized, unless:

(1) The lien on the Pledged Tax Revenues or Pledged Wastewater System Revenues of the outstanding obligations so refunded is on a parity with the lien thereon of the Bonds herein authorized; or

(2) The refunding bonds or other refunding obligations are issued in compliance with Paragraph A of Section 24 or Paragraph A of Section 25, whichever is applicable, of this ordinance.

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

D. Limitations Upon Issuance of any Refunding Obligations. Any refunding bonds or other refunding obligations payable from the Pledged Tax Revenues or Pledged Wastewater System Revenues shall be issued with such details as the City may by ordinance

provide, subject to the inclusion of any such rights and privileges designated in Paragraph C of this Section 26, but without any impairment of any contractual obligations imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of such outstanding obligations of any one or more issues (including but not necessarily limited to the issue herein authorized). If only a part of the outstanding bonds and any other outstanding obligations of any issue or issues payable from the Pledged Tax Revenues or Pledged Wastewater System Revenues is refunded, then such obligations may not be refunded without the consent of the registered owner or owners of the unrefunded portion of such obligations, unless:

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

(2) The refunding bonds or other refunding obligations are issued in compliance with Paragraph A of Section 24 or Paragraph A of Section 25 hereof, whichever is applicable, or

(3) The lien on the Pledged Tax Revenues or Pledged Wastewater System Revenues, whichever is applicable, for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

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

Section 27. Equality of Bonds. The Bonds authorized to be issued hereunder and from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of their issuance, it being the intention of the Governing Body that there shall be no priority among the Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 28. Protective Covenants. The City hereby covenants and agrees with each and every registered owner of the Bonds that:

A. Payment of Bonds Herein Authorized. The City will promptly pay the principal of and the interest on every Bond issued hereunder and secured hereby at the place, on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof. Such principal and interest are payable solely from the Pledged Revenues.

Nothing in the Bonds, any Qualified Exchange Agreement or this ordinance shall be construed as obligating the City to pay principal, premium, if any, or interest on any of the Bonds from, and the holders of the Bonds and any Qualified Counterparty may not look to, any general or other fund of the City, except those specifically set forth herein.

B. Rate Covenant.

(a) The City covenants that it will at all times fix rates and collect charges for each class of service rendered by the Wastewater System, and to, from time to time, amend or adjust such rates so that Wastewater System Gross Revenues, together with the Environmental Services Gross Receipts Tax Revenues, shall always be sufficient to provide for the payment of the Debt Service Requirements on all Outstanding ParityWastewater System Obligations and Subordinate Wastewater System Obligations as and when the same become due and payable, to maintain the funds and accounts established in the Ordinance, to provide for the payment of Wastewater System Operation and Maintenance Expenses which may be necessary to preserve the same in good repair and working order, including the necessary reserves therefor and all other payments necessary to meet on-going legal obligations to be paid at that time; and

(b) The City further covenants that it will at all times fix, charge and collect such rates and charges as shall be required in order that in each Fiscal Year the Wastewater System Net Revenues, together with the Environmental Services Gross Receipts Tax Revenues, shall at least equal the greater of (a) the Debt Service Requirements on all Outstanding Parity and Subordinate Wastewater System Obligations in such Fiscal Year and the deposits required by thordinance to be made into the various funds of this ordinance in such year or (b) 110% of the Debt Service Requirements on all Outstanding Parity and Subordinate Wastewater System Obligations in such Fiscal Year.

Failure by the City to comply with the foregoing Rate Covenant in any Fiscal Year will not constitute an event of default under this Ordinance so long as the City, within 180 days, adopts the schedule of rates and charges recommended or approved by a Consulting Engineer which would bring the City into compliance with the Rate Covenant. The City is also required under this Ordinance in each Fiscal Year to complete a review of its financial condition for the purpose of estimating whether the Wastewater System Net Revenues, together with the Environmental Services Gross Receipts Tax Revenues, for such Fiscal Year and for the next succeeding Fiscal Year will be sufficient to comply with the Rate Covenant set forth above. If the City determines that the Wastewater System Net Revenues, together with the Environmental Services Gross Receipts Tax Revenues, may not be so sufficient, it shall forthwith cause the Consulting Engineer to make a study for the purpose of recommending a schedule of fees, rates and charges for the Wastewater System which, in the opinion of the Consulting Engineer, will cause sufficient Wastewater System Gross Revenues, together with the Environmental Services Gross Receipts Tax Revenues, to be collected in such Fiscal Year to comply with the Rate Covenant set forth above and will cause additional Wastewater System Gross Revenues to be collected in such Fiscal Year sufficient to eliminate the amount of any deficiency at the earliest practicable time within such Fiscal Year. The City shall as promptly as practicable adopt and place in effect the schedule of fees, rates and charges recommended or approved by the Consulting Engineer pursuant to this Ordinance. In the alternative of establishing fees, rates and

charges necessary to meet the Rate Covenant set forth above, the City may undertake steps to reduce Wastewater System Operation and Maintenance Expenses.

C. Lien on Lands Serviced by Wastewater System. New Mexico law grants the City a lien upon each lot or parcel of land for the charges imposed for water and wastewater services supplied by the Wastewater System to the owner of such lot or parcel (except as otherwise provided in Section 3-23-6 NMSA 1978, as amended). The City will cause each lien to be perfected in accordance with the provisions of Sections 3-23-6 and 3-36-1 through 3-36-5 NMSA 1978 as amended. The City will take all necessary steps to enforce the lien against any parcel of property the owner of which is delinquent for more than six months in the payment of charges imposed for the use of the Wastewater System.

D. Levy of Charges. The City will promptly fix, establish and levy the rates and charges which are required by the Rate Covenant. Unless contrary to any provision of applicable law, any ordinance adopted by the City to fix, establish and levy such rates and charges shall be deemed an administrative or executive matter not subject to any applicable referendum provisions of any City charter or state law. No reduction in any initial or existing rate schedule for the Wastewater System may be made unless:

(a) the City has fully complied with the provisions of Section 21 of the Ordinance for any 12 consecutive months out of the 16 calendar months immediately preceding the reduction of the rate schedule, and

(b) the audit required by paragraph H of Section 28 or a separate certificate by an Independent Accountant for or relating to any 12 consecutive months out of the 16 calendar months immediately preceding any reduction discloses that the estimated Wastewater System Net Revenues resulting from the proposed reduced rate schedule would have been sufficient to meet the Rate Covenant during the applicable 12-month period.

E. Efficient Operation. The City will maintain the Wastewater System in efficient operating condition and make such improvements, extensions, enlargements, repairs and betterments to the Wastewater System as may be necessary or advisable for its economical and efficient operation at all times and to supply reasonable public and private demands for Wastewater System services within the Service Area.

F. Records. So long as the Bonds remain Outstanding, proper books of record and account will be kept by the City, separate from all other records and accounts, showing complete and correct entries of all transactions relating to the Wastewater System. However, pursuant to Section 6-14-10(E) NMSA 1978, records with regard to the ownership or pledge of the Bonds are not subject to inspection or copying.

G. Right to Inspect. Owners, or their duly authorized agents, shall have the right to inspect at all reasonable times all records, accounts and data relating to the Wastewater System.

H. Audits. Within 180 days following the close of each Fiscal Year, the City

will cause an audit of the books and accounts of the Wastewater System to be made by an Independent Accountant. Each audit of the Wastewater System shall include those matters determined to be proper by the Independent Accountant.

I. Billing Procedure. Bills for wastewater or wastewater services or facilities, or any combination, furnished by or through the Wastewater System shall be rendered to customers on a regular basis each month following the month in which the service was rendered and shall be due as required by City ordinance. If permitted by law, if a bill is not paid within the period of time required by City ordinance, wastewater services shall be discontinued as required by City ordinance, and the rates and charges due shall be collected in a lawful manner, including, but not limited to, the cost of disconnection and reconnection.

J. Charges and Liens Upon Wastewater System. The City will pay when due from Wastewater System Gross Revenues or other legally available funds all taxes and assessments or other municipal or governmental charges, lawfully levied or assessed upon the Wastewater System and will observe and comply with all valid requirements of any municipal or governmental authority relating to the Wastewater System. The City will not create or permit any lien or charge upon the Wastewater System or the Wastewater System Gross Revenues except as permitted by this ordinance, or it will make adequate provisions to satisfy and discharge within 60 days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon the Wastewater System or the Wastewater System Gross Revenues. However, the City shall not be required to pay or cause to be discharged, or make provision for any tax, assessment, lien or charge before the time when payment becomes due or so long as the validity thereof is contested in good faith by appropriate legal proceedings and there is no adverse affect on owners of the Bonds.

K. Insurance. Subject, in each case, to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, in its operation of the Wastewater System, the City will procure and maintain or cause to be procured and maintained commercial insurance or provide Qualified Self Insurance with respect to the facilities constituting the Wastewater System and public liability insurance in the form of commercial insurance or Qualified Self Insurance and, in each case, in such amounts and against such risks as are, in the judgment of the City, prudent and reasonable taking into account. but not being controlled by, the amounts and types of insurance or self-insured programs provided by municipalities which operate systems such as the Wastewater System. "Qualified Self Insurance" means insurance maintained through a program of self insurance or insurance maintained with a fund, company or association in which the City may have a material interest and of which the City may have control, either singly or with others. Each plan of Qualified Self Insurance shall be established in accordance with law, shall provide that reserves be established or insurance acquired in amounts adequate to provide coverage which the City determines to be reasonable to protect against risks assumed under the Qualified Self Insurance plan, including any potential retained liability in the event of the termination of such plan of Qualified Self Insurance. In the event of property loss or damage to the Wastewater System, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged and thereafter, any remainder may be used to redeem Superior and Parity Wastewater System Obligations or be treated as Wastewater System Gross Revenues and used in the manner provided in Section 21.

L. Competing Wastewater System. Unless contrary to any provision of, or required by, applicable law, as long as the Bonds are outstanding, the City will not grant any franchise or license to a competing utility system, or permit any person, association, firm or corporation to sell similar utility services or facilities to any consumer, public or private, within the Service Area of the Wastewater System; provided, however, that nothing shall prevent the City from annexing land into its boundaries solely due to the fact that there is a competing utility system or person, association, firm or corporation selling similar utility services or facilities within or for the land to be annexed. Notwithstanding the foregoing, permits granted to individual homeowners shall not violate this section if the City is in compliance with the Rate Covenant.

M. Alienating Wastewater System. While the Bonds are Outstanding, the City shall not, except as permitted below, transfer, sell or otherwise dispose of the Wastewater System. For purposes of this Section, any transfer of an asset over which the City retains or regains substantial control shall not, for so long as the City has such control, be deemed a disposition of the Wastewater System.

The City may transfer, sell or otherwise dispose of the Wastewater System only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) The property being disposed of is inadequate, obsolete or worn out; or

(b) The property proposed to be disposed of and all other property of the Wastewater System disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion of the Wastewater System determined as described below and the proceeds are deposited into the Wastewater Fund to be used as described below; or

(c) The City receives fair market value for the property, the proceeds are deposited into the Wastewater Fund to be used as described below and, prior to the disposition of such property, there is delivered a certificate of a Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the City as evidenced by a certificate of an Authorized Officer, the Consultant estimates that the City will be in compliance with Section 21 of this Ordinance during each of the five Fiscal Years immediately following such disposition.

For purposes of this Section, the term "Significant Portion" of the Wastewater System means property of the Wastewater System which, if such property had been disposed of by the City at the beginning of the Fiscal Year which includes the month of commencement of the 12-month period referred to in (b) above would have resulted in a reduction in Wastewater System Net Revenues for such Fiscal Year of more than 4 % when the actual Wastewater System Net Revenues for such Fiscal Year are decreased by the revenues directly attributable to such property of the Wastewater System and increased by the expenses of the City directly attributable to such property of the Wastewater System.

Proceeds of the disposition of assets under (b) or (c) above shall be deposited into the Wastewater Fund and used, within a reasonable period of time, not to exceed three years, to (i) provide additional revenue-producing properties to the Wastewater System, (ii) redeem Superior and Parity Wastewater System Obligations or (iii) create an escrow fund pledged to pay all or a part of the Bonds and thereby cause such Bonds to be deemed to be paid as provided in Section 29.

No such disposition shall be permitted which would cause the City to be in default of any other covenant contained in this ordinance.

N. Extending Interest Payments. To prevent any accumulation of claims for interest after maturity, except as permitted by this ordinance or Related Documents, the City will not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on the Bonds. If the time for payment of interest is extended contrary to the provisions of this Section, the installments of interest extended shall not be entitled, in case of an event of default under this ordinance, or Related Documents, to the benefit or security of this ordinance, or Related Documents until the prior payment in full of the principal of, accreted value and interest on all other Bonds then outstanding.

O. Competent Management. The City shall employ experienced and competent personnel to manage the Wastewater System.

P. Performing Duties. The City will faithfully and punctually perform all duties with respect to the Wastewater System required by State and City laws, including, but not limited to, making and collecting reasonable and sufficient rates and charges for services rendered or furnished by the Wastewater System as required by this Section and the proper segregation and application of the Wastewater System Gross Revenues.

Q. City's Existence. The City will maintain its corporate identity and existence as long as the Bonds remain outstanding unless another political subdivision by operation of law succeeds to the liabilities and rights of the City, without adversely affecting to any substantial degree the privileges and rights of any Owner. However, the City may annex or de-annex land if the City complies with other applicable covenants in this ordinance.

R. Tax Compliance.

(a) The City will restrict the use and investment of the proceeds of the Bonds and any funds reasonably expected to be used to pay the Bonds to the extent necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. Authorized Officers having responsibility for issuing Bonds will give appropriate certificates of the City for inclusion in transcripts of proceedings for Bonds setting forth the reasonable expectations of the City regarding the amount and. use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on Bonds.

(b) With respect to Bonds to be issued as tax-exempt bonds under Sections 103 and 141 of the Code, the City (i) will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (ii) will not take or permit to be taken any action that would adversely affect such exclusion, and the City will, among other acts of compliance to the extent necessary to assure the exclusion of interest on Bonds under the Code, (A) apply, or cause to be applied, the proceeds of the Bonds to the governmental purpose of the borrowing, (B) restrict the yield as necessary on investment property defined in Section 148(b)(2) of the Code acquired with gross proceeds of the Bonds, (C) make timely rebate payments to the federal government in accordance with Section 148(f) of the Code and this ordinance, (D) maintain proper books and records and make, or have made, calculations and reports, and (E) refrain from certain uses of Bond proceeds. Authorized Officers are authorized and directed to take action, make or have made calculations and rebate payments, and make or give covenants, representations, reports and certifications as may be required or appropriate to assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(c) The City covenants that it will not make or cause to be made any investment or deposit described or permitted in this ordinance at other than the value permitted for any such investment or deposit under Sections 1.148-0 through 1.148-11 and 1.150-1 and 1.150-2 of the Regulations or any successor provision applicable to the Bonds.

(d) The provisions of this paragraph R of Section 28 shall not apply to the Bonds, if at any time and to the extent that the City receives an opinion of Bond Counsel that the failure to comply will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103(a) of the Code.

S. Other Liens. Other than the Superior Tax Obligations, the Parity Tax Obligations, and the Bonsd, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Tax Revenues, and other than the Subordinate Wastewater Obligations and the Bonds there are no liens or encumbrances of any nature whatsoever against the Pledged Wastewater System Revenues. This Ordinance does not prohibit the issuance of Superior Tax Obligations with a lien on the Pledged Tax Revenues superior to the lien thereon of the Bonds.

T. Duty With Respect to Pledged Revenues. If the statutes or any ordinance which materially affects the Pledged Tax Revenues or the Pledged Wastewater System Revenues, or any part of the ordinances, shall ever be held to be invalid or unenforceable, it shall be the duty of the City to immediately take any legally permissable action necessary to produce sufficient Pledged Tax Revenues and Pledged Wastewater System Revenues to comply with the contracted obligations of this ordinance, except as provided in paragraph U of this Section 28.

U. Impairment of Contract. The City agrees that any law or ordinance or resolution of the City in any manner affecting the Pledged Revenues or the Bonds, or otherwise appertaining thereto, shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely any Bonds outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor, or unless the consent of the required percentage

of the registered owners of the then outstanding Bonds is obtained pursuant to Section 39 of this ordinance.

V. Limitation on Consolidation of Wastewater System. The City shall not, for so long as any of the Bonds are Outstanding, consolidate the Wastewater System with the City's water system.

W. Notice of Oualified Exchange Agreements to Rating Agencies. The City shall not enter into a Qualified Exchange Agreement which is a Parity Tax Obligation or with respect to any Parity Tax Obligations without first providing notice of such Qualified Exchange Agreement to Moody's and S&P and without first receiving written confirmation from Moody's and S&P that entering into such Qualified Exchange Agreement, in and of itself, would not result in a reduction of the ratings then assigned to the Bonds by Moody's and S&P.

X. Implementation of Wastewater System Rates. The provisions of this Ordinance regarding the Wastewater System and the pledge of the Pledged Wastewater System Revenues to the Bonds shall be effective upon the due adoption and approval of this Ordinance. Annually, on or before January 1 of each year, commencing January 1, 2013, the City shall determine if, on the date of calculation, additional Parity Tax Obligations could then be issued under the test set forth in Section 24(A)(iii) hereof. The City need not obtain a certificate or opinion of Independent Accountant in making the annual determination. So long as the City satisfies the test for issuance of additional Parity Tax Obligations at the time of each annual determination, the City shall not be required to implement the covenants set forth in this Section 28 relating to the Wastewater System. However, if the City fails to satisfy the test for issuance of additional Parity Tax Obligations at the time of any annual determination, the City shall, within three (3) months of such determination, implement all covenants and terms relating to the Wastewater System set forth in this Section 28, including specifically the Rate Covenant. In addition, the City may, at any time, elect to implement all convenants and terms relating to the Wastewater System set forth in this Section 28 by affirmative action of the Council.

Y. Limitation on Superior Tax Obligations or Parity Tax Obligations with Variable Interest Rates. The City shall not issue Superior Tax Obligations or Parity Tax Obligations with a Variable Interest Rate which, at the time of issuance, are assigned a lower rating than the rating then assigned to the Bonds by Moody's or S&P, unless the written consent of such rating agency to a lower rating is obtained prior to issuance of such Superior Tax Obligations or Parity Tax Obligations.

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

Section 29. Defeasance. When all principal, any applicable prior redemption premium and interest in connection with the Bonds hereby authorized have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be

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

Section 30. Events of Default. Each of the following events is hereby declared an "event of default":

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

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

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

D. Default of any Provision. If the City shall default in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds or in this ordinance on its part to be performed (other than defaults described in Subparagraphs A, B and C of this Section 30), and if such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the registered owners of 25% in principal amount of the Bonds then outstanding. A default in the covenants relating to the Wastewater System set forth in Section 28 of this ordinance shall not constitute, under any circumstance, an "event of default" hereunder so long as the City has paid the Operation and Maintenance Expenses and the annual debt service due on the Bonds from other legally available funds or from Pledged Tax Revenues.

E. Bankruptcy or Insolvency of City. (1) The City shall (a) apply for or consent to the appointment of or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the City or of all or a substantial part of its property, (b) commence a voluntary case under the Federal Bankruptcy Code, or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, or reorganization, or (2) a

proceeding or case shall be commenced, without application or consent of the City, in any court of competent jurisdiction seeking (a) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of the City, (b) appointment of a trustee, receiver, custodian, liquidator or the like of the City or of all or a substantial part of its assets, or (c) similar relief in respect of the City under any law relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts.

Section 31. Remedies of Defaults. Upon the happening and continuance of any of the events of default as provided in Section 30 of this ordinance, then and in every case the registered owner or owners of not less than 25% in principal amount of the Bonds then outstanding, including but not limited to a trustee or trustees, may proceed against the City, its Governing Body, and its agents, officers and employees to protect and enforce the rights of any registered owner of Bonds under this ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for specific performance of any covenant or agreement contained herein or award or execution of any power herein granted for the enforcement of any power, legal or equitable remedy as such registered owner or owners may deem most effectual to protect and enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any registered owner, or to require the Governing Body of the City to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all registered owners of the Bonds then outstanding. The failure of any such registered owner so to proceed shall not relieve the City or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of any such registered owner (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any registered owner shall not be deemed a waiver of any other right or privilege thereof.

Section 32. Duties Upon Default. Upon the happening of any of the events of default as provided in Section 30 of this Ordinance, the City, in addition, will do and perform all proper acts on behalf of and for the registered owners of the Bonds to protect and preserve the security created for the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived from the Pledged Revenues, so long as any of the Bonds herein authorized, either as to principal or interest, are outstanding and unpaid, shall be paid into the proper fund and used for the purposes therein provided. In the event the City fails or refuses to proceed as in this Section provided, the registered owner or registered owners of not less than 25% in principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and enforce the rights of the registered owners as hereinabove provided.

Section 33. Enforcement. Any registered owner of any one or more of said Bonds, may, either by law or in equity, by suit, action, mandamus or other appropriate proceedings in any court of competent jurisdiction enforce the payment of principal of , interest on, or any prior redemption premium due in connection with any Bond on or after the date on which such payment is due, and may by suit, action, mandamus or other appropriate proceeding or proceedings enforce and compel the performance of such payment in accordance with the provisions of this ordinance.

Section 34. Severability. If any section, paragraph, clause or provision shall be held to be valid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 35. Repealer Clause. All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance or part of any ordinance heretofore repealed.

Section 36. Amendment.

A. Limitations upon Amendments. This ordinance may be amended or supplemented by ordinance or resolution of the Council without the consent of registered owners:

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

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

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

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

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

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

B. Additional Amendments. Except as provided above, this ordinance may only be amended or supplemented by ordinance adopted by the Council in accordance with the laws of the State, without receipt by the City of any additional consideration, but with the written consent of the registered owners of a majority of the principal amount of the Outstanding Bonds which are affected by the amendment or supplement (not including Bonds which are then owned by or for the account of the City); provided, however, that, without first obtaining the consent of all registered owners of the Outstanding Bonds, no such ordinances shall have the effect of permitting:

(1) An extension of the maturity of any Bond; or

(2) A reduction in the principal amount of, premium, if any, or interest rate on any Bond; or

(3) A reduction of the principal amount of Bonds required for consent to such amendment or supplement.

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

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

Section 37. Ordinance Irrepealable. After any of the Bonds herein authorized are issued, this ordinance shall be and remain irrepealable until the Bonds and interest thereon shall be fully paid, canceled and discharged as herein provided or there has been defeasance as provided in Section 29 hereof.

Section 38. Prior Redemption and Notice of Prior Redemption and Defeasance for the Refunded Bonds. The City has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds maturing on June 1, 2022, on the closing date of the Bonds, at a redemption price equal to 100% of the principal amount of the Refunded Bonds to be redeemed, plus accrued interest to the redemption date.

The City is hereby obligated so to exercise such option, which option shall be deemed to have been exercised upon adoption of this ordinance and delivery of the Bonds. The City hereby ratifies the delivery of the conditional notice of defeasance and prior redemption of the Refunded Bonds mailed or delivered to the registered owners of the Refunded Bonds, the Remarketing Agent, and the Bank, by First Trust of Arizona, as Fiscal Agent for the Refunded Bonds.

Section 39. Effective Date, General Summary for Publication. Upon due adoption of this ordinance, the ordinance shall be recorded and preserved by the City Clerk, authenticated by the signature of the Mayor and City Clerk, and the seal of the City impressed hereon, and the title and general summary of the subject matter contained in this ordinance (set out below) shall be published in a newspaper which maintains an office and is of general circulation in the City and this ordinance shall be in full force and effect after its publication in accordance with law.

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

(Form of Summary of Ordinance for Publication)

CITY OF SANTA FE, NEW MEXICO

NOTICE IS HEREBY GIVEN of the title and of a general summary of the subject matter contained in an ordinance duly adopted and approved by the City Council of the City of Santa Fe on January 25, 2012. A complete copy of the ordinance is available for public inspection during the normal and regular business hours of the City Clerk in the office of the City Clerk, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

The title of the ordinance is:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX (SUBORDINATE LIEN)/WASTEWATER SYSTEM REFUNDING REVENUE BONDS, SERIES 2012B IN AN AGGREGATE PRINCIPAL AMOUNT OF $16,180,000 FOR THE PURPOSE OF DEFRAYING THE COST OF REFUNDING, PAYING AND DISCHARGING THE OUTSTANDING CITY OF SANTA FE, NEW MEXICO GROSS RECEIPTS TAX (SUBORDINATE LIEN)/WASTEWATER SYSTEM VARIABLE RATE REVENUE BONDS, SERIES 1997B; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM THE NET REVENUES OF THE CITY'S WASTEWATER SYSTEM AND CERTAIN GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE BONDS; PROVIDING FOR REDEMPTION OF THE SERIES 1997B BONDS; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND RELATED MATTERS.

A general summary of the subject matter contained in the ordinance is set forth in the title.

COMPLETE COPIES OF THE ORDINANCE ARE ON FILE IN THE OFFICE OF THE CITY CLERK AT THE CITY HALL, 200 LINCOLN AVENUE, SANTA FE, NEW MEXICO, AND ARE AVAILABLE FOR INSPECTION AND/OR PURCHASE DURING REGULAR OFFICE HOURS. THIS NOTICE ALSO CONSTITUTES COMPLIANCE WITH SECTION 3-17-5 AND SECTIONS 6-14-4 THROUGH 6-14-7, NMSA 1978.

WITNESS my hand and the seal of the City on January 25, 2012, 2006.

CITY OF SANTA FE, NEW MEXICO

(SEAL)

By_____
City Clerk

(End of Form of Ordinance for Publication)

PASSED, ADOPTED, SIGNED AND APPROVED THIS 25TH DAY OF JANUARY, 2012.

CITY OF SANTA FE, NEW MEXICO

(SEAL)

By_____
Mayor

ATTEST:

By_____
City Clerk

APPROVED AS TO FORM:

By_____
City Attorney

After discussion, Councilor _____ moved for approval, with Councilor _____ seconding the motion. Bill No. 2011-47 passed upon the following roll call vote:

Those voting AYE: _____

_____

_____

_____

_____

_____

_____

_____

Those voting NAY: _____

Those not present: _____

The presiding officer thereupon declared that at least a majority of all the members of the Council having voted in favor of adoption of Bill No. 2011-47 the motion was carried and Ordinance No. 2012-____ was duly passed and adopted.

After consideration by the Council of other business the meeting was duly adjourned.

CITY OF SANTA FE, NEW MEXICO

(SEAL)

By_____
Mayor

ATTEST:

By_____
City Clerk

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

I, Yolanda Y. Vigil, City Clerk of the City of Santa Fe, New Mexico, do hereby certify:

1. The foregoing pages constitute a full and correct copy of the record of the proceedings of the City Council of the City at a regular meeting thereof, held on January 25, 2012, taken from the official minutes of the City Council, a copy of which is set forth in the record of proceedings; the copy of that Ordinance as contained in the record of proceedings is a full, true and correct copy of the original of Ordinance No. 2012-__ as passed by the City Council at that meeting, and the original Ordinance has been duly authenticated by the signatures of the Mayor of the City and the City Clerk on that date, sealed with the corporate seal of the City, and recorded in my office in a book of ordinances kept for that purpose.

2. _____ (__) members of the City Council were present at that meeting, and the members of the City Council voted on the passage of that Ordinance as set forth in the record of proceedings.

3. Notice of the January 25, 2012 meeting of the City Council was duly given as required by the Open Meetings Act, Sections 10-15-1 through 10-15-4, NMSA 1978, and Resolution No. 2012-__ which is the current resolution of the City which establishes the reasonable notice policy of the City as required by the Open Meetings Act.

4. On January 9, 2012, a Notice of Public Hearing on Adoption of Bill No. 2011-47 was published in *The Santa Fe New Mexican*, a newspaper which maintains an office in and is of general circulation within the City. A true and correct copy of the affidavit of publication of the Notice of Public Hearing is attached hereto as Exhibit A.

5. On January 30, 2012, a Notice of Adoption of Ordinance No. 2012-__ was published by title and summary of its subject matter in *The Santa Fe New Mexican*, a newspaper which maintains an office in and is of general circulation within the City. A true and correct copy of the affidavit of publication of the Notice of Adoption is attached hereto as Exhibit B.

6. No other business concerning that Ordinance was taken at that meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the City of Santa Fe, New Mexico this __ day of March, 2012.

CITY OF SANTA FE, NEW MEXICO

(SEAL)

By_____
City Clerk

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