

TORRANCE COUNTY, NEW MEXICO
BOARD OF COUNTY COMMISSIONERS
RESOLUTION NO. 2001-12

A RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF SALE
OF TORRANCE COUNTY, NEW MEXICO
GENERAL OBLIGATION COURTHOUSE AND REFUNDING BONDS
SERIES 2001

WHEREAS, at a general obligation bond election duly called and held for the County of Torrance, State of New Mexico, on the 7th day of November, 2000, the electors of the County of Torrance (the "County") authorized the Board of County Commissioners (the "Board") of the County, to contract bonded indebtedness on behalf of the County and upon the credit thereof by issuing general obligation bonds of the County in the amount of \$2,500,000 to secure funds for the purpose of acquiring and improving a necessary site for and acquiring, constructing, furnishing, equipping and improving a new County Courthouse in Torrance County, New Mexico.

WHEREAS, the Board has determined, with the approval of the Department of Finance and Administration, to refund general obligation indebtedness in the amount of \$550,000 related to the Torrance County, New Mexico General Obligation General Purpose Bonds, Series January 1, 1993; and

WHEREAS, the Board has determined, and does hereby determine, that it is necessary and in the best interest of the County and the inhabitants thereof that the general obligation bonds (the "Bonds") authorized at the election be issued at this time; provided, however, that a satisfactory price is obtained therefor upon a public sale.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF TORRANCE COUNTY, NEW MEXICO, AS FOLLOWS:

Section 1. The Chairman of the Board of County Commissioners (the "Chairman") be, and hereby is, authorized and directed to have published once, at least one week prior to the date of sale of the Bonds, a notice of sale of the Bonds for the purposes and in the amount described above, in the *Albuquerque Journal*, a newspaper of general circulation in the County, and the Chairman is hereby authorized and directed to give such other notice of the sale of the Bonds determined

advisable, including the publication of the notice in financial papers and periodicals and the distribution among investment bankers and others of a Preliminary Official Statement relating to the Bonds.

Section 2. The notice of sale of the Bonds shall be published in the following form:

[Form of Notice]

NOTICE OF BOND SALE AND PUBLIC MEETING

PUBLIC NOTICE IS HEREBY GIVEN that the Board of County Commissioners (the "Board") of Torrance County, New Mexico (the "County"), will receive and publicly open sealed or electronic bids at the County Courthouse (Commission Room) in Estancia, New Mexico at the hour of 10:00 a.m., prevailing Mountain Time, on April 11, 2001, for the purchase of \$3,050,000 Torrance County, New Mexico General Obligation Courthouse and Refunding Bonds, Series 2001 (the "Bonds"). The Board will meet in regular session at 11:00 a.m., on April 11, 2001, at the County Courthouse (Commission Room) in Estancia, New Mexico, to take action to award the Bonds.

The Bonds will be issued as fully registered Bonds and will mature on August 1 of each year commencing on August 1, 2002, and ending no later than August 1, 2021, in amounts to be determined by the County.

The Bonds shall constitute general obligation bonds and shall be payable solely out of general (*ad valorem*) taxes which shall be levied against all taxable property in the County without limitation as to rate or amount.

Each bidder must submit an unconditional, written and sealed or electronic transmission bid on the Official Bid Form for all of the Bonds, specifying the lowest rate or rates of interest and premium, if any, at or above par at which such bidder will purchase the Bonds. The maximum net effective interest rate is 10% per annum and the maximum stated interest rate permitted is 10% per annum. Further limitations and information concerning the interest rates which may be bid for the Bonds and otherwise concerning bidding are set forth in the Official Notice of Bond Sale, of which this notice is a condensation. None of the Bonds will be sold at less than the principal amount

thereof and accrued interest thereon. Copies of the Official Notice of Bond Sale, Preliminary Official Statement and the Official Bid Form may be obtained from the County's Financial Advisor, Dain Rauscher Incorporated, 6200 Uptown Blvd. N.E., Suite 100, Albuquerque, New Mexico 87110, telephone (505) 872-5999. All bids must comply with the terms of the Official Notice of Bond Sale.

The validity and enforceability of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., 500 Fourth Street, N.W., Suite 1000, Albuquerque, New Mexico 87102 and a certified transcript of the legal proceedings will be furnished to the purchaser without charge.

DATED this 14th day of March, 2001.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

[SEAL]

By Bill Will
Chairman

ATTEST:

By [Signature]
County Clerk

[End of Form of Notice]

Section 3. The Official Notice of Bond Sale shall be in substantially the following form with such changes as are not inconsistent therewith and approved by the Chairman:

[Form of Notice]

OFFICIAL NOTICE OF BOND SALE

\$3,050,000
TORRANCE COUNTY, NEW MEXICO
GENERAL OBLIGATION COURTHOUSE AND REFUNDING BONDS
SERIES 2001

PUBLIC NOTICE IS HEREBY GIVEN that the Board of County Commissioners (the "Board") of Torrance County, New Mexico (the "County"), will receive and publicly open sealed or electronic transmission (at the option of the bidder) bids at the County Courthouse (Commission Room), Estancia, New Mexico, at the hour of 10:00 a.m., prevailing Mountain Time, on the 11th day of April, 2001, for the purchase of \$3,050,000 Torrance County, New Mexico, General Obligation Courthouse and Refunding Bonds, Series 2001 (the "Bonds"). If submitted electronically, bids must be submitted via BIDCOMP/PARITY BIDDING SYSTEM ("Dalcomp" or the "Qualified Electronic Bid Provider") as further provided herein. The Board will meet at 11:00 a.m., on April 11, 2001, at the County Courthouse (Commission Room), in Estancia, New Mexico, to take action awarding the Bonds. The Bonds, having been authorized at an election held within the County on November 7, 2000, will be issued in the aggregate amount of \$3,050,000, in denominations of \$5,000 or any integral multiple thereof, dated May 15, 2001, payable to the registered owner thereof as of the record date at his address as it appears on the registration books kept by the County or by a bank or trust company located in the State of New Mexico to be named by the Board, as registrar and paying agent for the Bonds (the "Registrar/Paying Agent").

It is anticipated that the Bonds will be issued in book-entry form and deposited with The Depository Trust Company, New York, New York (the "Depository") with no physical distribution of bond certificates to the public. Transfers of beneficial ownership of the Bonds will be effected on the records of participants of the Depository and other nominees of beneficial owners of Bonds. As a condition to delivery of Bonds, the successful bidder will be required, immediately after

acceptance of delivery, to deposit 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 by the Paying Agent to the Depository or its nominee as registered owner of the Bonds. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, its participants or other nominees. The County may, at its option, deliver bond certificates to beneficial owners or their nominees.

The Bonds will be issued in one series and will be numbered from one upwards consecutively as requested by the purchaser and will mature in regular order of maturity on August 1 of each year and in the amounts as follows:

<u>Year Maturing</u> <u>(August 1)</u>	<u>Amount</u> <u>Maturing</u>
2002	\$
2003	
2004	
2005	
2006	
2007	
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	

Bonds maturing on or after August 1, 20____, are subject to redemption prior to their maturity on or after August 1, 20____, at the option of the Board, in whole or in part at any time, at par value.

The Bonds will be issued for the purpose of securing funds for acquiring and improving a necessary site for and acquiring, constructing, furnishing, equipping and improving a new County

Courthouse in Torrance County, New Mexico, and to refund the outstanding Torrance County, New Mexico General Obligation General Purpose Bonds, Series 1993. The issuance of the Courthouse Bonds was approved by voters of the County on November 7, 2000.

Interest shall be bid in multiples of 1/20th or 1/8th percentum and only one interest rate may be bid for each maturity of the Bonds. A zero interest rate may not be specified and the rate of interest on any Bond may not exceed the rate of interest on any other Bond by more than one and a half percent (1 ½%) per annum. The maximum interest rate on the Bonds shall not exceed ten percent (10%) per annum and the maximum net effective interest rate shall not exceed ten percent (10%) per annum.

Interest on the Bonds shall be evidenced until maturity by only one interest rate per maturity, the first of which shall be payable _____, 20____, and thereafter on each August 1 and February 1 until maturity. It is permissible to bid a different rate of interest for each different maturity of the Bonds, but no bid shall specify more than one interest rate for each maturity of Bonds. Except as limited above, there is no limit on the number of different interest rates that may be bid on the Bonds.

Only unconditional bids will be considered and each bid, except the bid of the State of New Mexico, if one is received, shall be accompanied by a deposit of not less than 2% of the principal amount of the Bonds, either in the form of a financial surety bond or in cash or by cashier's or treasurer's check of, or by certified check drawn on, a solvent commercial bank or trust company, located in the United States payable to the order of Torrance County, New Mexico, which deposit shall be returned if the bid is not accepted. The financial surety bond shall be rated in one of the top two rating categories of a nationally recognized rating agency, without regard to any modification of the rating, and the financial surety bond must be issued by an insurance company licensed to issue such a bond in New Mexico. If the Bonds are awarded to a bidder utilizing a financial surety bond as the good faith deposit, then not later than 3:00 p.m. (prevailing Mountain Time) on April 11, 2001, the successful bidder must send an electronic wire transfer to such account as the County shall specify in immediately available funds in an amount equal to the good faith

deposit. If such wire transfer is not received from the successful bidder by 3:00 p.m. (prevailing Mountain Time) on April 11, 2001, the financial surety bond may be immediately drawn upon by the County to satisfy the good faith deposit requirement. No interest on the deposit will accrue to the bidder. The deposit will be applied to the purchase price of the Bonds.

The Board will take action on the Bonds by awarding the Bonds, or rejecting all bids on the Bonds, not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of the bids. If the successful bidder shall fail or neglect to complete the purchase of the Bonds within 30 days following the acceptance of his bid, or within 10 days after the Bonds are made ready and are offered for delivery, whichever is later, the amount of the deposit relating to the Bonds shall be forfeited to the County, and in that event the Board may accept the bid of the one making the next best bid for the Bonds should such bidder elect to purchase the Bonds on that basis. Delivery of the Bonds will be made to the successful bidder through the facilities of The Depository Trust Company, New York, New York on or about May 22, 2001, at the expense of the County or elsewhere with the consent of the County and at the request and expense of the purchaser; PROVIDED, HOWEVER, that if, for any reason, delivery of the Bonds cannot be made within 60 days after opening of bids, the successful bidder shall have the right to purchase the Bonds during the next succeeding 30 days upon the same terms, or at the request of the successful bidder, during the next succeeding 30 days, the good faith deposit will be returned and such bidder shall be relieved of any further obligation.

All bids shall specify: (a) the lowest rate of interest and the amount of the premium, if any, at and for which the bidder will purchase the Bonds, or (b) the lowest rate of interest at which the bidder will purchase the Bonds at par. Any bid which specifies split interest rates will not be considered. The Board reserves the right to waive irregularities in bids except that no bid shall be considered which is received after the time herein prescribed for the opening of bids. Proposals may be submitted electronically or by sealed bid. Proposals which are not submitted electronically should be enclosed in a sealed envelope marked on the outside "Proposal for Purchase of Torrance County, New Mexico, General Obligation Courthouse and Refunding Bonds, Series 2001," and

addressed to Chairman, Board of County Commissioners, Torrance County, New Mexico, Box 48, Estancia, New Mexico 87016.

Any electronic bids shall be submitted via Dalcomp no later than the time designated herein for the receipt of bids. During the electronic bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (*i.e.*, whether their bid is a leading bid). Bidders may change or withdraw their bids at any time up to the time herein designated for receipt of bids. Electronic bids may only be submitted through the Qualified Electronic Bid Provider. If any provisions in this Official Notice of Bond Sale conflict with information or terms provided or required by the Qualified Electronic Bid Provider, this Official Notice of Bond Sale (and any amendments hereto) shall control. Each bidder who bids electronically shall be solely responsible for making necessary arrangements to access the Qualified Electronic Bid Provider for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the County nor the Qualified Electronic Bid Provider shall have any duty or obligations to provide or assure such access to any bidder, and neither the County nor the Qualified Electronic Bid Provider shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, use of the Qualified Electronic Bid Provider. The County is using the Qualified Electronic Bid Provider as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds.

Further information about the Qualified Electronic Bid Provider, including any fees charged, may be obtained from Dalcomp/Parity, 395 Hudson Street, 3rd Floor, New York, New York, 10014, phone (212) 806-8300, fax (212) 989-9281.

Any bid may be submitted with the intent to qualify the Bonds for municipal bond insurance. If the Bonds are qualified for municipal bond insurance and the successful bidder desires to purchase municipal bond insurance, insurance premium and rating agency expenses associated with acquisition of municipal bond insurance will be the sole responsibility of the successful bidder. The County will apply and pay for a Moody's Investor's Service, Inc. rating on the Bonds.

The best bid for the Bonds will be determined by deducting the amount of the premium bid, if any, from the total amount of interest which the County would be required to pay from the date of the Bonds to their maturity dates at the interest rate or rates specified in the bid and the Bonds will be awarded on the basis of the lowest true interest cost to the County, which shall mean that rate which, as of the date of the Bonds, discounts semi-annually all future payments on account of principal and interest on the Bonds to the price bid, but not including interest accrued to the date of delivery, which accrued interest shall be paid by the successful bidder.

The Bonds will be awarded to the best bidder considering the interest rate or rates specified and the premium offered, if any, and subject to the right of the Board to reject all bids. If there are two or more equal bids at not less than par and accrued interest which are the best bids received, the Board shall determine which bid is to be accepted.

The purchaser must pay accrued interest from the date of the Bonds (May 15, 2001) to the date of delivery. The Bonds will not be sold for less than par and accrued interest nor shall any discount or commission be allowed or paid on the sale of the Bonds. Upon delivery, the deposit of the successful bidder (without accrued interest) will be credited to the purchase price and the balance shall be paid in federal funds. The applicable CUSIP numbers will be printed on the Bonds; provided that an incorrect CUSIP number printed on any Bond or the absence of any CUSIP number on any Bond shall not constitute cause to refuse delivery of the Bonds.

The Bonds will constitute the general obligation bonds of the County, and shall be payable from general ad valorem taxes which may be levied against all taxable property within the County without limitation as to rate or amount.

In order to assist the purchaser in complying with Securities Exchange Commission Rule 15c2-12(b)(5), at the time of delivery of the Bonds, the County will undertake, pursuant to a written continuing disclosure agreement, to provide certain annual financial information and notices of certain material events.

The County has prepared a Preliminary Official Statement relating to the Bonds which is to be deemed by the County to be final as of its date for purposes of allowing bidders to comply with

Rule 15c2-12 of the Securities Exchange Commission (“the Rule”), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement as defined below. Copies of the Preliminary Official Statement and the bid form may be obtained from the County’s Financial Advisor, Dain Rauscher Incorporated, 6200 Uptown Blvd. N. E., Suite 100, Albuquerque, New Mexico, 87110, telephone (505) 872-5999. The County will prepare a final Official Statement (“Final Official Statement”) as soon as practicable after the date of award to the successful bidder. The County will provide to the successful bidder 50 copies of the Final Official Statement on or before seven business days following the date of the award to the successful bidder. The Final Official Statement will be dated as of the date of delivery of the Final Official Statement to the successful bidder and will be final as of that date. At the time of closing, the County will certify that the Official Statement does not contain any untrue statements of a material fact and does not omit any material facts required to be stated or necessary to make the statements in the Official Statement not misleading. The County authorizes the successful bidder to distribute the Final Official Statement in connection with the offering of the Bonds.

The validity and legality of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, whose approving opinion will be furnished to the purchaser without charge. The delivery of the Bonds is also subject to the approval of the Department of Finance and Administration due to the refunding portion of the Bonds.

The County will covenant to take all actions which 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 not to take any actions which would adversely affect that exclusion. The approving legal opinion of Bond Counsel will include an opinion to the effect that under existing law the interest on the Bonds (i) is excluded from gross income for federal income tax purposes and from net income for State of New Mexico income tax purposes and (ii) is not treated as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as Amended (the “Code”). Bond Counsel will express no opinion regarding federal

income tax consequences other than as stated above resulting from the receipt or accrual of interest on the Bonds. Bond Counsel will not independently verify the accuracy of the certifications and representations made by the County.

The County will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which, including provision for rebate by the issuer of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income taxation retroactively to the date of their issuance.

Code provisions applicable only to corporations (as defined for federal income tax purposes) may subject a portion of the interest on the Bonds earned by certain corporations to corporate alternative minimum tax. In addition, under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences in other respects for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations. The applicability and extent of these other tax consequences will depend upon the particular tax status and other items of income and expense of the owner of the Bonds. Bond Counsel will express no opinion regarding such consequences.

The purchaser of the Bonds, by submitting its bid, agrees to provide a certificate including information as to bona fide initial offering prices to the public and sales of the Bonds and a certified determination of yield on the Bonds under the Code, as and at the time requested by the Financial Advisor and Bond Counsel.

DATED at Estancia, New Mexico this 14th day of March, 2001.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

[SEAL]

By _____ /s/ _____
Chairman

ATTEST:

By _____ /s/ _____
County Clerk

[End of Form of Notice]

Section 4. After consultation with the County's Financial Advisor, upon determination by the Chairman or his designee to proceed with issuance of the Bonds, the Chairman or his designee is hereby authorized to designate the dated date of the Bonds, the serial maturities, the initial interest payment date, provisions and terms of prior redemption options (if any), and the date of the preliminary official statement.

Section 5. The Board hereby authorizes and approves the submission of a bid to purchase the Bonds by its financial advisor, Dain Rauscher Incorporated, in its individual capacity or as a member of a group submitting a bid for the Bonds.

Section 6. The Board and the appropriate officers and employees of the County be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including, but not limited to, submitting an application for a policy of municipal bond insurance on the Bonds an entity or entities experienced in insuring municipal bonds. To obtain and preserve the exemption from federal income tax of interest on the Bonds, the Board further covenants that it will take all actions that may be required of the County and the Board, and will not take any actions which would adversely affect such exemption, under the provisions of any federal tax law that applies to the Bonds, whether presently in effect or enacted subsequent to the date of issuance of the Bonds and the Board hereby authorizes the Chairman, the County Clerk, and other appropriate officers and employees to take such actions and give such certifications as may be appropriate for the purposes aforesaid.

PASSED AND ADOPTED THIS 14TH DAY OF MARCH, 2001.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

[SEAL]

By Bill Webb
Chairman

ATTEST:

By [Signature]
County Clerk

Commissioner _____ then moved the adoption of the foregoing resolution which motion was seconded by Commissioner _____. The motion to adopt the resolution upon being put to a vote was passed and adopted on the following recorded vote:

Those Voting Aye:

Those Voting Nay:

Those Absent:

_____ (____) members of the Board having voted in favor of the motion, the presiding officer declared the motion carried and the resolution adopted, whereupon the Chairman and County Clerk signed the resolution. The County Clerk was directed to enter the foregoing proceedings and resolution upon the records of the minutes of the Board.

After transaction of other business not related to the bond issue, upon motion duly made, seconded and carried, the meeting was adjourned.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO



By Bill R. Witt
Chairman

By [Signature]
County Clerk

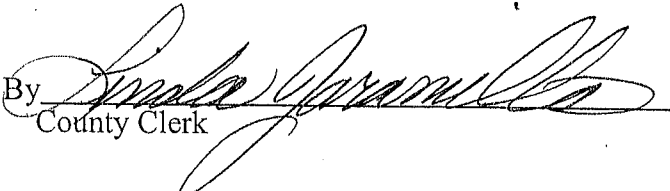
STATE OF NEW MEXICO)
) ss.
COUNTY OF TORRANCE)

I, Linda Jaramillo, the duly qualified and acting County Clerk of Torrance County, New Mexico (the "County"), do hereby certify:

1. The foregoing pages are a true, correct and complete copy of the record of the proceedings of the Board of County Commissioners of Torrance County, New Mexico (the "Board"), had and taken at a duly called, regular open meeting held at the County Courthouse (Commission Room), Estancia, New Mexico, commencing on the 14th day of March, 2001, at the hour of 9:00 p.m., insofar as the same relate to the Resolution relating to the Notice of Bond Sale, a copy of which is therein set forth as recorded in the regular book of official records of the proceedings kept in my office.
2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.
3. Notice of such meeting was given in accordance with the open meetings standards presently in effect, i.e., Open Meetings Act Resolution dated January 10, 2001.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the Board this 14th day of March, 2001.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

By 
County Clerk

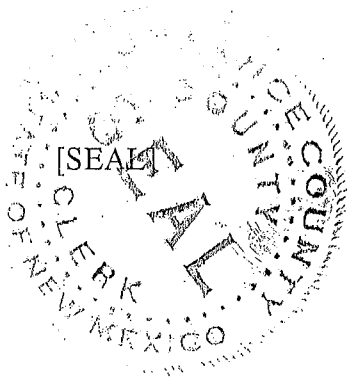


EXHIBIT "A"

AFFIDAVIT OF PUBLICATION OF NOTICE OF MEETING and MEETING AGENDA