

TORRANCE COUNTY, NEW MEXICO
 BOARD OF COUNTY COMMISSIONERS
 RESOLUTION NO. 2001-16

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TORRANCE COUNTY, NEW MEXICO, GENERAL OBLIGATION COURTHOUSE AND REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF \$3,050,000, DATED MAY 1, 2001, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

WHEREAS, at the general obligation bond election held for the County of Torrance, New Mexico (the "County") on the 7th day of November, 2001, the electors of the County authorized the Board of County Commissioners (the "Board") to contract bonded indebtedness on behalf of the County and upon the credit thereof by issuing general obligation bonds of the County (the "Bonds") to secure funds for the following purposes, in the following amount:

	Amount Authorized <u>at Election</u>	Amount Previously <u>Issued</u>	Amount to be <u>Issued</u>
Acquiring and improving a necessary site for and acquiring, constructing, furnishing, equipping and improving a new County Courthouse.	\$2,500,000	-0-	\$2,500,000

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 received and publicly opened sealed bids for the purchase of the Bonds and the Board has accepted the bid and awarded the Bonds to William R. Hough, & Co. the best bidder for the Bonds; and

WHEREAS, the Board has determined and does hereby determine that the Bonds shall be issued at this time under the authority of the New Mexico Constitution and applicable law as hereinafter set forth, and desires to fix the form and details of the Bonds and to provide for the levy of taxes for the payment of the principal of and interest on the Bonds; and

WHEREAS, the net effective interest rate on the Bonds is not more than ten percent (10%) a year; and

WHEREAS, no action or suit has been commenced by any person or corporation contesting the validity of any of the proceedings directed toward the issuance and sale of the Bonds heretofore taken by the Board and the officers of the County.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. All actions heretofore taken by the Board and the officers and employees of the County directed toward the issuance and sale of the Bonds to secure funds for the purposes stated above be, and the same hereby are, ratified, approved and confirmed, including the awarding of the Bonds in the amount of \$3,050,000 to _____.

Section 2. In order to provide funds for the purposes stated above, the Board, on behalf of the County and upon the full faith and credit thereof, shall issue the County's general obligation bonds maturing and bearing interest as follows:

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

The Bonds shall be dated May 1, 2001 (herein the "Series Date"), will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be

issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates per annum set forth above for the Bonds, payable to the registered owner thereof, or registered assigns, on February 1, 2002, and semiannually thereafter on August 1 and February 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year set forth above.

Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the Torrance County Treasurer, as "registrar/paying agent" (the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), 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 as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any interest payment date shall mean the 15th day of the month preceding an interest payment date. The person in whose name any Bond is registered at the close of business on any 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 Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue 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 the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

Bonds maturing on and after August 1, 2010, are subject to redemption prior to their maturity on or after August 1, 2009, at option of the Board, in one or more units of principal of \$5,000, in whole or in part at any time, at par value, in such order of maturities as the County may determine (and by lot if less than all of the Bonds of such maturity are redeemed) plus accrued interest to the date fixed for redemption.

Notice of redemption of the Bonds will be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail not less than 30 days prior to the redemption date to the address shown as of the fifth day prior to the mailing of notice on the

registration books by the Registrar/Paying Agent. The County shall give the Registrar/Paying Agent notice of the Bonds to be called for redemption at least 15 days prior to the date that the Registrar/Paying Agent is required to give owners notice of redemption specifying the Bonds and the principal amount to be called for redemption and the applicable redemption dates. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. The notice will specify the number or numbers and maturity date or dates of the Bonds to be redeemed (if less than all are to be redeemed) the principal amount of any Bond to be redeemed in part, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond or part thereof to be redeemed at the office of the Registrar/Paying Agent the principal amount thereof to be redeemed plus accrued interest, if any, to the redemption date and that from and after such date interest will cease to accrue on the principal amount redeemed. If notice is given in the manner provided above, the Bond or Bonds or part thereof called for redemption will become due and payable on the redemption date designated and if an amount of money sufficient to redeem all Bonds called for redemption is on deposit with the Registrar/Paying Agent on the redemption date, the Bonds or part thereof to be redeemed shall be deemed to be not outstanding and will cease to bear or accrue interest from and after such redemption date. Upon presentation of a Bond to be redeemed at the office of the Registrar/Paying Agent on or after the redemption date, the Registrar/Paying Agent will pay such Bond, or portion thereof called for redemption.

Section 3. The Bonds were authorized at an election held within the County on November 7, 2001. The Bonds shall constitute the general obligation bonds of the County, payable from general ad valorem taxes which shall be levied without limitation as to the rate or amount. The full faith and credit of the County shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 4. The Bonds shall bear the manual or facsimile signature of the Chairman of the Board and shall be attested by the manual or facsimile signature of the County Clerk and shall bear the manual or facsimile seal of the County. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Chairman and County Clerk 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 Chairman and County 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. The Chairman and County Clerk, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, shall each forthwith file his manual signature, certified by him under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

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/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5.

A. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent, which is hereby appointed by the County as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal corporate trust office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged 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 herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent 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. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, 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 overdue interest as is provided in Section 2 hereof; 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 herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond or other proof of loss or destruction, proof of ownership, a surety bond in twice the face amount of the Bond, payment of the cost of preparing and issuing the new Bond, and other such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such

lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. The officers of the County are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

E. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly cancelled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the County.

F. Notwithstanding any other provision herein, 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 The Depository Trust Company of New York, New York ("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 and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal and interest payments to Participants will be the responsibility of the Depository; the transfer of principal 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 County 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 County determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the County or the Beneficial Owners, the County will either identify another similar depository to perform such functions 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 County 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.

Officers of the County are authorized to sign agreements with or letters to the Depository relating to the matters set forth in this Section.

Notwithstanding any other provision herein, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Registrar/Paying Agent or the County to the Depository as provided in this Bond Resolution 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 County to the Depository.

Section 6. If the District shall reasonably determine that the Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the District may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor registrar/paying agent. Every such successor registrar/paying agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 7. Subject to the registration provisions hereof, the Bonds hereby authorized 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. The Bonds shall be in substantially the following form:

(Remainder of page intentionally left blank)

[Form of Bond]

[Form of Face of Bond]

REGISTERED
NO. _____

REGISTERED
\$ _____

TORRANCE COUNTY, NEW MEXICO
GENERAL OBLIGATION COURTHOUSE AND REFUNDING BONDS,
SERIES 2001

Registered Owner: _____

Principal Amount: _____ DOLLARS

Interest Rate:
___% per annum

Maturity Date:
August 1, ____

Series Date:
May 1, 2001

CUSIP

The Board of County Commissioners (the "Board") of Torrance County, New Mexico (the "County"), on the faith, credit and behalf of the County, for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on February 1, 2002, and thereafter on August 1 and February 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the Torrance County Treasurer, as "registrar/paying agent" (the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal corporate trust office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), 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 as of the close of business on the Record Date (defined below) at his address as it appears on the registration books

kept by the Registrar/ Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding an Interest Payment Date. The person in whose name any Bond is registered at the close of business on any 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 Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue 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 the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

FOR THE PURPOSES OF SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986 AS AMENDED, THE COUNTY HAS DESIGNATED THIS BOND AS A QUALIFIED TAX-EXEMPT OBLIGATION.

The Bonds are fully registered and are issuable in denominations of \$5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

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

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the County in the issuance of this bond; that the total indebtedness of the County, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that issuance of this bond was duly authorized by the legally qualified voters of the County at an election held on November 7, 2000; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the governing board of the County has caused the manual or facsimile of the seal of the County to be hereto affixed and this bond to be signed and executed with the manual or facsimile signature of the Chairman, and attested with the manual or facsimile signature of the County Clerk, all as of the Series Date.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

(MANUAL or FACSIMILE SEAL)

By _____ (Manual or Facsimile Signature)
Chairman

ATTEST:

By _____ (Manual or Facsimile Signature)
County Clerk

[Form of Certificate of Authentication]

This bond is one of the Bonds described in the Bond Resolution and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication and
Registration: _____

Torrance County Treasurer
as Registrar/Paying Agent

By _____
Authorized Officer

[End of Form of Certificate of Authentication]

[End of Form of Face of Bond]

[Form of Reverse of Bond]

The series of Bonds of which this bond is one is limited to the total principal amount of \$3,050,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by Torrance County, New Mexico, for the purpose of acquiring and improving a necessary site for and acquiring, constructing, furnishing, equipping and improving a new County Courthouse, under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 4-49-7 and 6-15-1, NMSA 1978 and acts amendatory and supplemental thereto), and pursuant to a resolution of the Board duly adopted and made a law of the County prior to the issuance of this bond (the "Bond Resolution").

Bonds maturing on and after August 1, 2010, are subject to redemption prior to their maturity on or after August 1, 2009, at the option of the Board, in one or more units of principal of \$5,000, in whole or in part at any time, at par value, in such order of maturities as the County may determine (and by lot if less than all of the Bonds of such maturity are redeemed).

The Registrar/Paying Agent will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged 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 herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent 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.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; 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 herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond or other proof of loss or destruction, proof of ownership, a surety bond in twice the face amount of the Bond, payment of the cost of preparing and issuing the new Bond, and such other evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the County is hereby irrevocably pledged. The Board has, by the Bond Resolution, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

[Form of Legal Opinion Certificate]

LEGAL OPINION

The following is a true copy of the opinion rendered by Modrall, Sperling, Roehl, Harris & Sisk, P.A., in connection with the issuance of, and dated, and premised on facts and law in effect on the date of the original delivery of the Bonds of this series.

[Form of Approving Opinion to be Inserted]

An executed copy is on file in this office.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

(MANUAL or FACSIMILE SEAL)

By _____ (Manual or Facsimile Signature)
County Clerk

[End of Form of Legal Opinion Certificate]

[Form of Assignment]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____
_____ whose social security or tax identification number is _____ the within bond and
irrevocably constitutes and appoints _____ attorney to transfer such bond on the books
kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

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

[End of Form of Assignment]

[End of Form of Reverse of Bond]

[End of Form of Bond]

Section 9. When the Bonds have been duly executed and authenticated, they shall be delivered to the lawful purchaser thereof named in Section 1 of this Resolution. The funds realized from the sale of the Bonds shall be applied solely to the specified purpose for the Bonds (provided that any premium and accrued interest shall be used to pay principal of and interest on the Bonds), but the purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the County, or any of its officers, of any of the funds derived from the sale thereof.

Section 10. There shall be levied on all taxable property in the County, at the time and in the manner provided by law, in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest accruing on the Bonds promptly as the same shall become due. This Resolution is hereby declared to be the certificate of the Board of County Commissioners of Torrance County, New Mexico, as to the amount of taxes necessary to be levied for the purposes herein stated and said taxes shall be certified, levied and extended upon the tax rolls and collected in the same manner, at the same time and subject to the same penalties as general state and county taxes are certified, levied and collected. Said taxes, when collected, shall be kept by the County in an interest and sinking fund, which is hereby created, to be to be used solely for the purpose of paying the principal of and interest on the Bonds as the same become due or mature; provided that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the County and available for that purpose, to the payment of the Bonds or the interest thereon, as the same become due and upon such payment the levy or levies of tax provided for in this Section may thereupon to that extent be diminished. If the taxes herein provided for shall not be levied or collected in time to pay the interest on or principal of the Bonds as the same become due or mature, then such interest or principal shall be paid from any funds belonging to the County, which funds may be reimbursed from the taxes herein provided for when the same are collected.

Section 11. The Chairman, County Clerk, County Manager, County Treasurer and other 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 without limiting the generality of the foregoing, the entering into of a registrar/paying agent agreement, the printing of the Bonds, the execution of a continuing disclosure undertaking for the benefit of the Bond purchaser, the execution of letters and agreements with the Depository, the printing and execution of disclosure documents relating to the Bonds, and such certificates as may be required by the Bond purchaser or bond counsel relating to, among other things, the signing of the Bonds, the tenure and identity of County officials, the receipt of the purchase price of the Bonds from the purchaser and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 12. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Chairman, County Manager, County Clerk, County Treasurer and any other officer and employee of the County having responsibility for the issuance of the Bonds shall give an appropriate

certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County 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 the Bonds.

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

The County hereby designates the Bonds "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. In that connection, the County hereby covenants that the County, it having no "subordinate entities" with authority to issue obligations within the meaning of that section of the Code, in or during the calendar year in which the Bonds are issued (i) will not designate as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code, tax-exempt obligations, including the Bonds, in an aggregate principal amount in excess of \$10,000,000 and (ii) will not issue tax-exempt obligations within the meaning of Section 265(b)(4) of Code, including the Bonds, and any qualified 501(c)(3) bonds as defined in Section 145 of the Code (but excluding obligations, other than qualified 501(c)(3) bonds, that are private activity bonds as defined in Section 141 of the Code), in an aggregate principal amount exceeding \$10,000,000, unless the County receives an opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not cause the Bonds to cease to be "qualified tax-exempt obligations."

Section 13. The Bonds shall not be issued unless and until the approval of the Department of Finance and Administration of the State of New Mexico as to form and legality of the Bonds shall have been obtained as required by Section 6-15-11, NMSA 1978, as amended and supplemented from time to time.

Section 14. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Board and the County hereby covenant to the purchasers and the holders of the Bonds from time to time that the County will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of

interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 15. To assist the purchaser in complying with Securities and 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 undertaking, to provide annual financial information and notices of certain material events.

Section 16. After any of the Bonds have been issued, this resolution shall constitute a contract between the County and the holder or holders of the Bonds and shall be and remain irrevocable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 17. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 18. The following notice shall be published in substantially the following form one time in a newspaper having general circulation in the County as soon as is practicable after the adoption hereof.

[Remainder of page intentionally left blank]

[Form of Notice]

NOTICE OF ADOPTION OF RESOLUTION

NOTICE IS HEREBY GIVEN that the Board of County Commissioners, Torrance County, New Mexico, did on the 11th day of April, 2001, adopt a resolution entitled:

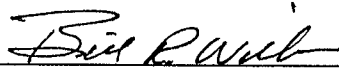
A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TORRANCE COUNTY, NEW MEXICO, GENERAL OBLIGATION COURTHOUSE AND REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF \$3,050,000, DATED MAY 1, 2001, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE DISTRICT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF, AND SECURITY FOR, PAYMENT; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Resolution directs and authorizes the issuance of Torrance County, New Mexico General Obligation Courthouse and Refunding Bonds, Series 2001, in the aggregate principal amount of \$3,050,000; awards the sale of the bonds to the best bidder therefor and provides for the delivery thereof; provides for the form of the bonds; provides for levy of taxes to pay the principal of and interest on the bonds; makes certain covenants with the bond purchaser; and provides other details concerning the bonds. Complete copies of the Resolution are available for public inspection during normal and regular business hours at the office of the Torrance County Clerk, County Courthouse, Estancia, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

DATED this 11th day of April, 2001.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

[SEAL]

By 
Chairman

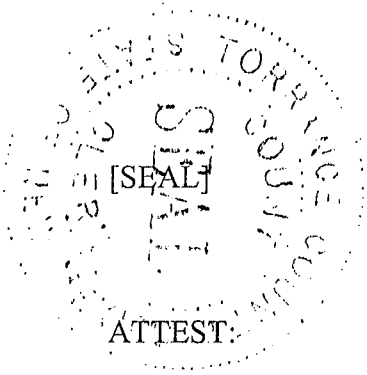
[End of Form of Notice]

Section 19. All acts and resolutions in conflict with this Resolution are hereby rescinded, annulled and repealed.

PASSED, ADOPTED AND APPROVED this 11th day of April, 2001.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO

By *Bill R. Will*
Chairman



By *Linda Gonzalez*
County Clerk

Commissioner Rodger Rayne then moved the adoption of the foregoing resolution which motion was seconded by Commissioner Chester Riley Jr.

The motion to adopt said resolution upon being put to a vote was passed and adopted on the following recorded vote:

Those Voting Aye: Bill R. Williams

Rodger Rayner

Chester Riley Jr.

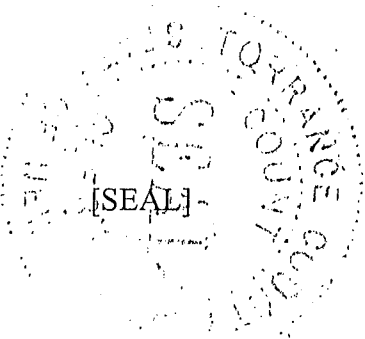
Those Voting Nay: _____

Those Absent: _____

Three (3) members of the Board having voted in favor of said motion, the presiding officer declared said motion carried and said resolution adopted, whereupon the Chairman and County Clerk signed 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, the Board, upon motion duly made, seconded and carried, adjourned the meeting.

BOARD OF COUNTY COMMISSIONERS
TORRANCE COUNTY, NEW MEXICO



By *Brian R. White*
Chairman

ATTEST:

By *Linda Jaramilla*
County Clerk

Commission

District 1
BILL R. WILLIAMS

District 2
RODGER E. RAYNER

District 3
CHESTER RILEY, JR.



205 9th STREET
POST OFFICE BOX 48
ESTANCIA, NEW MEXICO 87016
Phone (505) 384-2418 or (505) 384-2552
Fax (505) 384-5294

**OFFICE OF THE
COUNTY MANAGER**

County Manager
BABETTE STEPP

Assistant County Manager
TRACY SEDILLO

TORRANCE COUNTY COMMISSION

SPECIAL MEETING

**MAY 1, 2001- 9:30 A.M.
COMMISSION ROOM
COUNTY COURTHOUSE, ESTANCIA, NM**

AGENDA

1. Authorization to submit the Area Plan for the Senior Citizen Department
2. Resolution - authorizing and supporting the Area Plan
3. Resolution- Fund transfers

4. Executive Session

Posted at 9:00 A.M. April 30, 2001

AUTHORIZATION
To Submit the Area Plan
Second Year of the Four Year Plan

The Area Plan Amendment for the Torrance County Senior Program is hereby submitted for approval. This plan provides dated budget and supportive information for the period July 1, 2001 thru June 30, 2002.

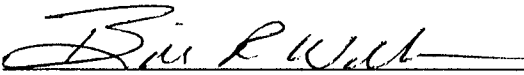
The Torrance County Senior Program will continue to administer the Area Plan in accordance with the Older American Act and related State Policy.

Torrance County Senior Program
PO Box 48
Estancia, NM 87016
(505) 384-1280



Sandie Jury, Torrance County Senior
Program Director


4-30-2001
Date



Bill Williams, Chairman Torrance County
Board Of Commissioners

4-30-2001
Date

The Torrance County Senior Program Advisory Council has had the opportunity to review and comment on the Area Plan.



Shirley Maldonado, Torrance County Advisory
Board Chairman

4/30/2001
Date