

ORDINANCE NO. 2024-7

AUTHORIZING THE ISSUANCE AND SALE OF THE COUNTY OF TAOS, NEW MEXICO COUNTY HOSPITAL GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2025, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE PURPOSE OF PROVIDING FUNDS FOR DESIGNING, CONSTRUCTING AND EQUIPPING HOSPITAL BUILDINGS, REMODELING, RENOVATING OR MAKING ADDITIONS TO AND EQUIPPING EXISTING HOSPITAL BUILDINGS, OR IMPROVING OR EQUIPPING OF THE GROUNDS OF HOSPITAL BUILDINGS; PROVIDING FOR THE PAYMENT OF SUCH BONDS SOLELY FROM THE COUNTY HOSPITAL GROSS RECEIPTS TAX IMPOSED BY THE COUNTY PURSUANT TO SECTION 7-20E-12.2, NMSA 1978, AND COUNTY ORDINANCE NO. 2024-1 ADOPTED ON FEBRUARY 20, 2024, AND REMITTED TO THE COUNTY BY THE STATE OF NEW MEXICO; APPROVING THE DELEGATION OF AUTHORITY TO MAKE CERTAIN DETERMINATIONS REGARDING THE SALE OF THE BONDS PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; PRESCRIBING THE FORM AND OTHER DETAILS CONCERNING THE BONDS AND THE FUNDS APPERTAINING THERETO; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

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

WHEREAS, the County is a legally and regularly created, established, organized and existing County under the general laws of the State of New Mexico; and

WHEREAS, the County is authorized pursuant to Section 7-20E-12.2, NMSA 1978, to impose an excise tax, known as the County Hospital Gross Receipts Tax, at a rate of one-half of one percent (0.5%) on the gross receipts of any person engaging in business in the County for the privilege of engaging in business in the County; and

WHEREAS, the Board adopted Resolution No. 2023-27, on July 18, 2023, calling for the County to submit a question to the registered and qualified voters in the County whether to impose the County Hospital Gross Receipts Tax; and

WHEREAS, at an election held on November 7, 2023, a majority of the registered and qualified voters in the County approved imposition of the one-half of one percent (0.5%) County Hospital Gross Receipts Tax and on February 20, 2024 the Board adopted Ordinance No. 2024-1 imposing the County Hospital Gross Receipts Tax; and

WHEREAS, seventy-five percent (75%) of the County Hospital Gross Receipts Tax revenues are dedicated only for the payment of county hospital gross receipts tax

bonds for designing, constructing and equipping of hospital buildings, the remodeling, renovating or making additions to and equipping existing hospital buildings, or the improving or equipping of the grounds of hospital buildings; and

WHEREAS, twenty-five percent (25%) of the County Hospital Gross Receipts Tax revenues must be expended to support a nursing program administered by a state university or branch of a state university within the boundaries of the County; and

WHEREAS, the County proposes to issue county hospital gross receipts tax revenue bonds pursuant to Section 4-62-1, NMSA 1978, to finance designing, constructing and equipping of hospital buildings, the remodeling, renovating or making additions to and equipping existing hospital buildings, or the improving or equipping of the grounds of hospital buildings, which bonds shall be payable solely from County Hospital Gross Receipts Tax revenues, defined in this Bond Ordinance as the “Pledged Revenues”; and

WHEREAS, the Board hereby determines that the issuance of the Bonds will provide an opportunity for current funding of capital projects for hospitals located in the County, and consequently will provide for the public health, safety and welfare of the County and its residents; and

WHEREAS, the Pledged Revenues are not currently pledged to any outstanding obligations of the County; and

WHEREAS, the County anticipates an offer to purchase the Bonds from the New Mexico Finance Authority pursuant to a Bond Purchase Agreement as approved in this Bond Ordinance; and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the County and its residents that the Bonds be issued with a first lien, but not an exclusively first lien, on the Pledged Revenues on a parity with any future Parity Bonds; and

WHEREAS, the County desires to provide that distributions of Pledged Revenues be redirected to the Finance Authority or its assigns pursuant to an Intercept Agreement between the County and the Finance Authority for the payment of amounts due under the Bonds; and

WHEREAS, other than the Pledged Revenues, no other tax revenues collected by the County or other funds of the County will be pledged to the Bonds; and

WHEREAS, the Board hereby determines that the projects to be financed by the Bonds are for governmental purposes and that the use of Bond proceeds and the direct and indirect payment of debt service on the Bonds would not cause the Bonds to be “private activity bonds” as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, the projects to be financed by the Bonds are leased to Taos Health Systems, Inc., a New Mexico nonprofit corporation (d/b/a Holy Cross Hospital); and

WHEREAS, the Board has determined that it is in the best interest of the County to proceed with the authorization of the Bonds by adoption of this Bond Ordinance; and

WHEREAS, the forms of the Bond Purchase Agreement and the Intercept Agreement relating to the Bonds have been presented to the Board for approval.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE COUNTY OF TAOS:

Section 1. Definitions. As used in the Bond Ordinance, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Acquisition Fund” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Project Acquisition Fund” established by Section 16 of this Bond Ordinance.

“Act” means the general laws of the State, including Sections 4-62-1 to 4-62-10, and 7-20E-12.2, NMSA 1978, as amended, and enactments of the Board relating to the issuance of the Bonds, including, but not limited to, this Bond Ordinance.

“Administrative Expenses” means the reasonable expenses (not to exceed \$20,000 per year) incurred by the County and the Trust Depository for administration of the Bonds and collection of the Pledged Revenues, including, but not limited to, payment of fees to the Registrar, Paying Agent and Trust Depository, and fees incurred for accounting, rebate and auditing services required for the Pledged Revenues and the Bonds.

“Administrative Expenses Fund” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Administrative Expenses Fund” established by Section 16 of this Bond Ordinance.

“Authorized Officer” means the Board Chair, County Manager, County Treasurer, County Finance Director, or other officer or employee of the County when designated by a certificate signed by the Board Chair from time to time.

“Board” means the Board of County Commissioners of Taos County, New Mexico or any future successor governing body of the County.

“Bond Ordinance” means this County Ordinance, as supplemented or amended from time to time.

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“Bond Purchase Agreement” means the bond purchase agreement to be entered into between the County and the Purchaser.

“Bond Registrar, Trust Depository and Paying Agent Agreement” means the agreement detailing certain services to be provided with respect to the Bonds to be entered into between the County and the Registrar, the Trust Depository and the Paying Agent.

“Bondholder,” “holder,” “owner” or “Owner” means the registered owner of any Bond as shown on the registration books of the County for the Bonds from time to time, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Bondholders shall mean the Holders at the particular time of a majority or of the specified percentage or proportion in an aggregate principal amount of all Bonds then outstanding.

“Bonds” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025” authorized by this Bond Ordinance in an amount to be determined in the Sale Certificate.

“Business Day” means a day on which commercial banks in the city in which the principal office of the Paying Agent and Registrar is located are open for conduct of substantially all of their business operations.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable to the Bonds, and under the statutory predecessor of the Code and any successor provisions to those sections or regulations.

“Completion Date” means the date of completion of the acquisition, construction and/or installation of the Project as certified pursuant to Section 15 of this Bond Ordinance.

“Costs of Issuance Fund” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Costs of Issuance Fund” established in Section 16 of this Bond Ordinance.

“County” means Taos County, New Mexico.

“Debt Service Fund” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Debt Service Fund” established in Section 16 of this Bond Ordinance.

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“Debt Service Reserve Agreement” means a financial guaranty agreement by and between the County and the Insurer relating to the Reserve Fund Insurance Policy used to fund the Reserve Fund.

“Event of default” means any of the events stated in Section 24 of this Bond Ordinance.

“Expenses” means the reasonable and necessary fees, costs and expenses incurred with respect to the issuance of the Bonds, including the fees, compensation, costs and expenses paid by the Purchaser pursuant to the Bond Purchase Agreement, premiums for the Reserve Fund Insurance Policy, attorneys’ fees, the initial fees and expenses of the Paying Agent, Registrar and Trust Depository, rating agency fees, and fees, costs and expenses incurred by the County.

“Extraordinary Mandatory Redemption Fund” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025 Extraordinary Mandatory Redemption Fund” established in Section 16 of this Bond Ordinance.

“Finance Authority” means the New Mexico Finance Authority.

“Fiscal Year” means the period commencing on July 1 in each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the County as its fiscal year.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to the entire Bond Ordinance and not solely to the particular section or paragraph of this Bond Ordinance in which such word is used.

“Income Fund” or “County Hospital Gross Receipts Tax Income Fund” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Income Fund” established pursuant to Section 16 of this Bond Ordinance for deposit of the Pledged Revenues.

“Independent Accountant” means (i) an accountant employed by the State of New Mexico and under the supervision of the State Auditor of the State of New Mexico, or (ii) any certified public accountant, registered 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 County who (a) is, in fact, independent and not under the domination of the County, (b) does not have any substantial interest, direct or indirect, with the County, and (c) is not connected with the County as an officer or employee of the County, but who may be regularly retained to make annual or similar audits of the books or records of the County.

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“Insured Bank” means a bank or savings and loan association insured by an agency of the United States.

“Insurer” shall mean the municipal bond insurer identified in the Sale Certificate, if any.

“Intercept Agreement” means the Intercept Agreement between the County and Finance Authority providing for the direct payment by the New Mexico Taxation and Revenue Department to the Finance Authority of Pledged Revenues in amounts sufficient to pay the Bonds, and any amendments or supplements to the Intercept Agreement.

“Interest Payment Date” means June 1 and December 1 of each year beginning on the date set forth in the Sale Certificate.

“NMSA 1978” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented from time to time.

“Outstanding” or “outstanding” when used in reference to bonds means, on any particular date, the aggregate of all Bonds delivered under the Bond Ordinance unless:

A. the Bonds are cancelled at or prior to such date or delivered or acquired by the County at or prior to such date for cancellation;

B. the Bonds are otherwise deemed to be paid in accordance with the Bond Ordinance; and

C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the County and Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder of in due course.

“Parity Bonds” means the Bonds and any other bonds or other obligations, hereafter issued or incurred, payable from and constituting a lien on the Pledged Revenues on parity with the Bonds, as provided in Section 20 of this Bond Ordinance.

“Paying Agent” means BOKF, NA, Albuquerque, New Mexico, as agent for the County for the payment of the Bonds or any successor trust company, bank or financial institution at the time appointed Paying Agent by resolution of the Board.

“Permitted Investments” means any investment or security permitted by laws of the State and by policies of the County for investment of public money.

“Pledged County Hospital Gross Receipts Tax Revenues” or “Pledged Revenues” means the amounts of money derived from (1) seventy-five percent (75%) of the revenue attributable to the one-half of one percent County Hospital Gross Receipts Tax transferred to the County pursuant to Sections 7-1-6.13 and 7-20E-12.2, NMSA 1978,

which tax is imposed on all persons engaging in business in the County pursuant to Ordinance No. 2024-1 adopted and approved by the Board on February 20, 2024 and by the qualified voters of the County on November 7, 2023, (2) the portion of the gross receipts tax distribution to the County made pursuant to Section 7-1-6.47, NMSA 1978, which represents seventy-five percent (75%) of the amount of the County Hospital Gross Receipts Tax Revenues that would have been remitted to the County but for the deductions provided by Sections 7-9-92 and 7-9-93, NMSA 1978, and any similar distributions made to the County in lieu of County Hospital Gross Receipts Tax Revenues pursuant to law, (3) which amounts are collected and, after any deductions for administrative costs, any additional administrative fee and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15, NMSA 1978, are distributed monthly (together with the balance of the County's gross receipts tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Section 7-1-6.13, NMSA 1978.

“Principal Payment Date” means June 1 in each year beginning as specified in the Sale Certificate.

“Project” means (1) designing, constructing and equipping of hospital buildings; (2) remodeling, renovating or making additions to and equipping existing hospital buildings; (3) improving or equipping of the grounds of hospital buildings; (4) all costs incidental to the foregoing; (5) Expenses incurred with respect to the issuance of the Bonds; and (6) the payment of Administrative Expenses.

“Purchaser” means the Finance Authority.

“Registrar” means BOKF, NA, Albuquerque, New Mexico, as agent for the County for transfer and exchange of the Bonds or any successor trust company, bank or financial institution at the time appointed Registrar by resolution of the Board.

“Reserve Fund” means the “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Reserve Fund” established in Section 16 of this Bond Ordinance.

“Reserve Fund Insurance Policy” means any policy of insurance, surety bond, letter of credit or other financial instrument issued by the Insurer to the County in an amount not to exceed the Reserve Requirement, the proceeds of which shall be used to prevent deficiencies in the payments of the principal of or interest on the Bonds resulting from insufficient amounts being on deposit in the Debt Service Fund to make the payment of principal of and interest on the Bonds as the same become due. Each policy shall be written by a bank, insurance company or any financial institution experienced in insuring or guaranteeing municipal bonds whose policies of insurance, surety bond, letter of credit or other financial instrument would not adversely affect the rating of the Bonds by Moody's and/or S&P to the extent that the Bonds are or are to be so rated.

“Reserve Requirement” means an amount equal to the least of (i) ten percent (10%) of the proceeds of the Bonds as the term proceeds is used in Section 148(d)(1) of the Code, (ii) the maximum annual debt service on the Bonds, or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds.

“Sale Certificate” means one or more certificates executed by the Board Chair or County Manager dated on or before the date of delivery of the Bonds, setting forth the final terms of the Bonds.

“Securities Depository” means The Depository Trust Company, New York, New York, or such other securities depository as may be designated by the Board Chair or the County Manager.

“State” means the State of New Mexico.

“Trust Depository” means BOKF, NA, Albuquerque, New Mexico, as agent for the County for deposit and investment of moneys in certain funds and accounts created by the Bond Ordinance, or any successor trust company, bank or financial institution at the time appointed Trust Depository by resolution of the Board.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of the Bond Ordinance) by the Board directed toward the imposition of the Pledged Revenues, the Project, the issuance of the Bonds for the Project and the sale of the Bonds to the Purchaser be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of Project. The Project and the method of financing the Project are hereby authorized and ordered at a total cost estimated not to exceed \$25,000,000 excluding any such cost defrayed or to be defrayed by any other source or additional Parity Bonds.

Section 4. Findings. The Board hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Project and the execution and delivery of the Bond Purchase Agreement and the Intercept Agreement are needed to meet the needs of the County and its residents.

B. Moneys available for the Project from all sources other than the issuance of revenue bonds are not sufficient to defray the cost of the Project.

C. The Pledged Revenues may lawfully be pledged to secure the payment and redemption of the Bonds.

D. It is economically feasible to defray, in part, the cost of the Project by the issuance of the Bonds.

E. The issuance of the Bonds pursuant to the Act, to provide funds for the financing of the Project is necessary and in the interest of the public health, safety, morals and welfare of the residents of the County.

F. The net effective interest rate on the Bonds to be established in the Sale Certificate shall be less than 12% per annum, the maximum rate permitted by State law.

Section 5. Bonds - Authorization and Detail.

A. Authorization. This Bond Ordinance has been adopted by the affirmative vote of at least two-thirds of all of the Commissioners of the Board. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the citizens of the County and financing the Project, it is hereby declared necessary that the County, pursuant to the Act, issue its negotiable, fully registered, revenue bonds to be designated "County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025," in an aggregate principal amount not to exceed \$25,000,000 and the issuance, sale and delivery of the Bonds is hereby authorized. The Bonds shall be sold to the Purchaser pursuant to the Bond Purchase Agreement at a price to be established and approved in the Sale Certificate.

B. Details of Bonds. The Bonds shall be issued in an aggregate principal amount not to exceed \$25,000,000 for the Project with the exact aggregate principal amount of the Bonds to be established in the Sale Certificate. The forms, terms, and provisions of the Bonds in the form set forth in Section 13 are hereby approved with only such changes therein as are not inconsistent with this Bond Ordinance and the Sale Certificate. The Bonds shall mature no later than June 1, 2034.

The Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, in such numbers and denominations as may be requested by the Purchaser, but exchangeable for other fully registered Bonds of any denominations which are multiples of \$5,000. The Bonds shall be numbered separately and consecutively and shall be dated the date set forth in the Sale Certificate. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date, payable semi-annually on June 1 and December 1 in each year commencing on the date set forth in the Sale Certificate until their respective maturities and shall bear the rates of interest and mature in each of the designated amounts and years as set forth in the Sale Certificate.

In the discretion of the County, the Bonds may be issued as qualified hospital bonds, as defined in Section 145 of the Code. In the event the Bonds are issued as qualified hospital bonds, the principal user of the Project shall be Taos Health Systems, Inc., a New Mexico nonprofit corporation, (d/b/a Holy Cross Hospital), an organized

recognized as tax-exempt under Section 501(c)(3) of the Code, which shall use the Project in furtherance of its exempt functions.

Section 6. Prior Redemption.

A. Optional Redemption. The terms for optional redemption and mandatory sinking fund redemption, if any, other than extraordinary mandatory redemption, shall be set forth in the Sale Certificate.

B. Extraordinary Mandatory Redemption. Commencing on June 1, 2025 and on each June 1 thereafter, the Bonds shall be subject to extraordinary mandatory redemption by the County, in one or more units of principal of \$5,000 and in inverse order of maturity or such other order of maturities as the County or the Registrar may determine, from amounts on deposit in the Extraordinary Mandatory Redemption Fund. If less than all of the outstanding Bonds of a particular maturity are redeemed on any extraordinary mandatory redemption date, the Bonds to be called for extraordinary mandatory redemption shall be selected by lot by the Registrar in any manner deemed appropriate and fair. The extraordinary mandatory redemption price shall be equal to the principal amount of each unit of \$5,000 so redeemed, plus accrued interest to the extraordinary mandatory redemption date.

C. Notice. Notice of redemption shall be given by the Registrar by sending a copy of such notice by first class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The Trust Depository shall give the Registrar written instructions to give notice of extraordinary mandatory redemption to the owners of the Bonds to be extraordinarily redeemed at least forty (40) days prior to such extraordinary mandatory redemption date. Neither the County's or the Trust Depository's failure to give such notice nor the Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the amount being redeemed, maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed, plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. 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 if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds

so called for redemption with funds deposited with the Paying Agent by the Trust Depository.

D. Conditional Notice. If the Bonds are subject to optional redemption under the provisions of the Sale Certificate, if money or securities sufficient to pay the optional redemption price of the Bonds to be called for optional redemption are not on deposit with the Paying Agent prior to the giving of notice of optional redemption pursuant to paragraph C of this Section, such notice shall state such Bonds will be redeemed in whole or in part on the optional redemption date in a principal amount equal to that part of the optional redemption price received by the Paying Agent by 2:00 p.m. on the applicable optional redemption date. If the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the optional redemption price is on deposit with the Paying Agent. If all Bonds called for optional redemption cannot be redeemed, the Bonds to be redeemed shall be selected in a manner deemed reasonable and fair by the County and the Paying Agent shall give notice, in the manner in which the original notice of optional redemption was given, that such money was not received. In that event, the Paying Agent, 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. Filing of Signatures. Prior to the execution of any Bond pursuant to Sections 6-9-1 to 6-9-6, NMSA 1978, as amended, the Board Chair and County Clerk may each file with the New Mexico Secretary of State his or her manual signature certified by him or her under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the Bonds.

Section 8. Execution and Authentication of Bonds.

A. Execution. The Bonds shall be signed with the engraved, imprinted, stamped or otherwise reproduced facsimile of the signature, or the manual signature, of the Board Chair, or authorized designee, and shall be attested with the facsimile or manual signature of the County Clerk or authorized designee. There shall be affixed to each Bond the printed, engraved, stamped or otherwise placed facsimile of, or imprint of, the County's corporate seal. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar. The Bonds when authenticated and bearing the manual or facsimile signatures of the officers in office at the time of signing thereof shall be valid and binding special obligations of the County, notwithstanding that before delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Board Chair and County Clerk, at the time of the execution of the Bonds and the signature certificate, each may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds or certificates pertaining to the Bonds.

B. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar.

The Registrar's certificate of authentication shall be deemed to have been fully executed if manually signed and inscribed 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 hereunder.

Section 9. Negotiability. The Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Bondholders shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code Investment Securities. Except as set forth herein, the Bonds outstanding shall in all respects be equally and ratably secured, without preference, priority or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds.

Section 10. Payment and Presentation of Bonds for Payment. Principal and interest on the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Principal and interest shall be payable in immediately available funds at maturity or redemption thereof upon presentation and surrender of such Bond at the principal office of the Paying Agent or at the designated office of any successor Paying Agent. If any Bond presented for payment remains unpaid at maturity or redemption, it shall continue to bear interest at the rate or rates designated in, and applicable to, such Bond from time to time. If any Bond is not presented for payment at maturity or redemption when funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest on and from the date of maturity.

Section 11. Registration, Transfer, Exchange and Ownership of Bonds, Successor Registrar, Paying Agent and Trust Depository, and Book Entry Provisions.

A. Registration, Transfer and Exchange. The County shall cause books for registration, transfer, and exchange of the Bonds as provided herein to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at the principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds in authorized denominations, in fully registered form of the same aggregate principal amount, maturity and interest rate.

B. Limitations. The Registrar shall close books for change of addresses of registered owners of the Bonds on each Record Date; transfers will be permitted within the period from each Record Date to each interest payment date, but such transfers shall not include a transfer of accrued interest payable. The Registrar shall not be required to transfer or exchange any Bond (i) during the period of fifteen (15) days next preceding the mailing of notice calling any Bonds for redemption as herein

provided, or (ii) after the mailing to registered owners of notice calling such Bonds or portion thereof for redemption as herein provided.

C. Owner of the Bonds. The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either the principal of or interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative as stated herein, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Lost Bonds. If any Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same series, maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If any 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. Additional Bonds. Executed but unauthenticated Bonds are hereby authorized to be delivered to the Registrar in such quantities as may be convenient to be held in custody by the Registrar pending delivery as herein provided.

F. Charges. For each new Bond issued in connection with a transfer or exchange, the Registrar may make a charge to the owner of the Bond requesting such exchange or transfer sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

G. Successor Registrar, Paying Agent or Trust Depository. If the Registrar, Paying Agent or Trust Depository initially appointed hereunder shall resign or is prohibited by law from continuing as Registrar, Paying Agent or Trust Depository, or if the County shall reasonably determine that said Registrar, Paying Agent or Trust Depository, has become incapable of fulfilling its duties hereunder, the County 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 or Trust Depository, or any combination thereof. Every such successor Registrar, Paying Agent or Trust Depository, 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, not less than \$50,000,000. It shall not be required that the same institution serve as Registrar, Paying Agent and Trust Depository hereunder, but the County shall have the right to have the same institution serve as Registrar, Paying Agent and Trust Depository, or any combination thereof, hereunder.

H. 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 Securities 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 Securities Depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership affected on the books of the Securities 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 Securities Depository, registered in the name of the Securities Depository or its nominee. Principal, premium, if any, and interest will be paid to the Securities 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 Securities 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 County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, Participants or Indirect Participants.

If (i) the Bonds are not eligible for the services of the Securities Depository, (ii) the Securities 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 Securities Depository ceases to be beneficial to the County or the Beneficial Owners, the County will either identify another Securities 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 County shall mail an appropriate notice to the Securities Depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute Securities Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

The Board Chair or the County Manager of the County are authorized to sign agreements with the Securities Depository relating to the matters set forth in this Section.

Notwithstanding any other provision of the Bond Ordinance, so long as all of the Bonds are registered in the name of the Securities 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 County to the Securities Depository as provided in the Bond Ordinance and by the Securities 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, signed by the Chair of the Board or the County Manager, to the Securities Depository.

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Section 12. Special Limited Obligations.

A. All of the Bonds and all payments of principal and interest thereon shall be special limited obligations of the County and shall be payable and collectible solely from the Pledged Revenues, which revenues are so pledged and are payable as set forth in Sections 16 and 17 of this Bond Ordinance. The owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the County within the meaning of any constitutional, charter or statutory provision or limitation, nor shall the Bonds be considered or held to be a general obligation of the County; and each of the Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in the Bond Ordinance, and that the holders thereof may not look to any general or other county fund for the payment of the principal of and interest on the Bonds. Nothing herein shall prevent the County from applying other funds of the County legally available therefor to the payment of the Bonds, in its sole discretion.

B. No breach of any agreement contained in this Bond Ordinance, or any document approved in this Bond Ordinance, or any other instrument shall impose any pecuniary liability upon the County or any charge upon its general credit or against its taxing power for the payment of the Bonds, except from the Pledged Revenues. The County is not obligating itself to pay out of its general funds, or otherwise contribute any part of the cost of the Project.

C. No covenant, stipulation, obligation or agreement contained in this Bond Ordinance or contained in any document approved in this Bond Ordinance and authorized for execution shall be deemed to be a covenant, stipulation, obligation or agreement of any official or employee of the County in his individual capacity, and neither the Commissioners nor any other County officials executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

D. It is expressly made a condition of this Bond Ordinance that the covenants, stipulations, obligations, representations or agreements contained herein or contained in the Bonds do not and will never give rise to a personal or pecuniary liability or be a charge against the general credit or taxing powers of the County, except from the Pledged Revenues, and in the event of a breach of such covenant, stipulation, obligation, representation or agreement, no personal or pecuniary liability or charge payable by the County directly or indirectly from the revenues of the County other than the Pledged Revenues will arise therefrom.

Section 13. Form of Bond. The form, terms and provisions of the Bonds shall be substantially in the form set forth below, with such changes therein as are not inconsistent with this Bond Ordinance or the Sale Certificate.

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[Form of Bond]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

COUNTY OF TAOS

COUNTY OF TAOS, NEW MEXICO
COUNTY HOSPITAL GROSS RECEIPTS TAX
IMPROVEMENT REVENUE BONDS
SERIES 2025

Bond No.

\$

INTEREST RATE

MATURITY DATE

DATE OF BOND

___% per annum

_____, 2025

The County of Taos (the "County"), in the State of New Mexico, a county duly organized and existing under the Constitution and laws of the State of New Mexico, for value received, hereby promises to pay, solely from the special funds available for the purpose as hereinafter set forth, to the New Mexico Finance Authority, or registered assigns, on the Maturity Date stated above, upon presentation and surrender hereof at the principal office of BOKF, NA, Albuquerque, New Mexico, as paying agent, or any successor paying agent (the "Paying Agent"), the sum of _____ THOUSAND DOLLARS (\$ _____) and to pay from said sources interest on the unpaid principal amount at the Interest Rate stated above on June 1, 2025, and on June 1 and December 1 of each year (each an "Interest Payment Date") thereafter to its maturity. This bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Interest on this bond is payable by check mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by BOKF, NA, Albuquerque, New Mexico, as registrar, or any successor registrar (the "Registrar") at the address appearing therein at the close of business on the fifteenth calendar day of the month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the owner hereof as of the Record Date but shall be payable to the owner hereof at the close of business on a special record date to be fixed by the Paying Agent for the payment of interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to owners of Bonds (defined below) as then shown on the Registrar's registration books not less than ten days prior to the special record date. If, upon presentation at maturity, payment of this bond is not made as herein provided, interest hereon shall continue at the Interest Rate stated above until the principal hereof is paid in full. The principal, premium, if any, and interest on this bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar.

This bond is one of a duly authorized issue of fully registered bonds of the County in the aggregate principal amount of \$ _____ designated as County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025 (the "Bonds") issued under and pursuant to County Ordinance No. 2024-7 as supplemented by the Sale Certificate (collectively, the "Bond Ordinance").

The Bonds are not subject to optional prior redemption at the option of the County. The Bonds may be subject to prepayment with prior written approval of the New Mexico Finance Authority.

Commencing on June 1, 2025, and on each June 1 thereafter, the Bonds shall be subject to extraordinary mandatory redemption by the County, in one or more units of principal of \$5,000 and in inverse order of maturity or such other order of maturities as the County or the Registrar may determine, from amounts on deposit in the extraordinary mandatory redemption fund established in the Bond Ordinance. If less than all of the outstanding Bonds of a particular maturity are redeemed on any extraordinary mandatory redemption date, the Bonds to be called for extraordinary mandatory redemption shall be selected by lot by the Registrar in any manner deemed appropriate and fair. The extraordinary mandatory redemption price shall be equal to the principal amount of each unit of \$5,000 so redeemed, plus accrued interest to the extraordinary mandatory redemption date.

Notice of redemption of this bond will be given by providing at least 30 days prior written notice by first class postage prepaid mail to the owner hereof, or portion hereof, to be redeemed at the address shown on the registration books as of the fifth day prior to the mailing of notice as provided in the Bond Ordinance. Notice of redemption will specify the number or numbers and maturity date of the Bonds to be redeemed (if less than all are to be redeemed), the date fixed for redemption, the amount of such Bond be redeemed (if less than the full amount of any Bond is to be redeemed), and shall further state that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount thereof, plus accrued interest to the redemption date, and that from and after such date, the redemption amount having been deposited and notice having been given, interest will cease to accrue.

Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer or exchange of a Bond at the principal office of the Registrar, duly endorsed or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or owner a new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of any Bond of any tax or other similar

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governmental charge required to be paid with respect to such exchange or transfer. The Registrar will close books for change of addresses of registered owners of Bonds on each Record Date; transfers will be permitted within the period from each Record Date to each interest payment date, but such transfers shall not include a transfer of accrued interest payable. The Registrar shall not be required (i) to transfer or exchange any Bond during the period of fifteen days next preceding the mailing of notice calling any Bonds for redemption, or (ii) to transfer or exchange any Bond or part thereof called for redemption.

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 interest in the Bond 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. 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 will, upon receipt of such Bond, if mutilated, and such evidence, information or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, 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.

This bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the County, and is payable and collectible solely out of the amounts of money derived from (1) seventy-five percent (75%) of the revenue attributable to the one-half of one percent County Hospital Gross Receipts Tax transferred to the County pursuant to Sections 7-1-6.13 and 7-20E-12.2, NMSA 1978, which tax is imposed on all persons engaging in business in the County pursuant to Ordinance No. 2024-1 adopted and approved by the Board on February 20, 2024 and by the qualified voters of the County on November 7, 2023, and (2) seventy-five percent (75%) of the portion of the gross receipts tax distribution to the County to be made pursuant to Section 7-1-6.47, NMSA 1978, which represents the amount of the County Hospital Gross Receipts Tax revenues that would have been remitted to the County but for the deductions provided by Sections 7-9-92 and 7-9-93, NMSA 1978, and any similar distributions made to the County in lieu of County Hospital Gross Receipts Tax revenues pursuant to law, which amounts are collected and, after any deductions for administrative costs, any additional administrative fee and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15, NMSA 1978, are distributed monthly (together with the balance of the County' gross receipts tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Section 7-1-6.13, NMSA 1978. The bondholders may not look to any general or other

county fund other than those described above for the payment of the interest and principal of this bond. The Bonds and any additional Parity Bonds which may hereafter be issued by the County pursuant to the Bond Ordinance are equally and ratably secured by the Pledged Revenues.

Reference is made to the Bond Ordinance for a full description of the pledge securing the Bonds, the nature, extent and manner of enforcement of that pledge, the rights and remedies of owners of Bonds with respect thereto and the terms and conditions upon which the Bonds are issued. The acceptance of the terms and conditions of the Bond Ordinance is an explicit and material part of the consideration of the County's issuance of this bond, and each Owner, by acceptance of this bond, agrees and assents to the provisions thereof as if fully set forth in this bond.

The Bonds are issued to provide funds for (1) designing, constructing and equipping of hospital buildings; (2) remodeling, renovating or making additions to and equipping existing hospital buildings; (3) improving or equipping of the grounds of hospital buildings; (4) all costs incidental to the foregoing; (5) Expenses incurred with respect to the issuance of the Bonds; and (6) the payment of Administrative Expenses.

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

This bond is subject to the condition, and every owner hereof by accepting the same agrees with the County and every subsequent owner hereof, that the principal of and interest on this bond shall be paid, and this bond is transferable, free from and without regard to any equities, set offs or crossclaims between the County and the original or any other owner hereof.

It is hereby certified that all acts and conditions necessary to be done or performed by the County or to have happened precedent to and in the issuance of the Bonds to make them legal, valid and binding special obligations of the County have been performed and have happened as required by law, and that the Bonds do not exceed or violate any constitutional or statutory limitation of or pertaining to the County.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the Certificate of Authentication on this bond.

IN WITNESS WHEREOF, the County of Taos, New Mexico, has caused this bond to be signed and executed on the County's behalf with the manual or facsimile signature of the Board Chair, to be countersigned with the manual or facsimile signature of the County Clerk and has caused a facsimile or manual imprint of the corporate seal of the County to be affixed hereon, all as of the Date of Bond stated above.

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COUNTY OF TAOS, NEW MEXICO

[SEAL]

By: *A.R. Bob Romero*
Chairman, Board of County Commissioners

By: *Valerie Montoya*
County Clerk

(Form of Registrar's Certificate of Authentication)

Certificate of Authentication

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

Date of Authentication: _____

BOKF, NA, Albuquerque, New Mexico, as
REGISTRAR

By: _____
Authorized Officer

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

(Form of 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:

Social Security or Tax Identification No., of Assignee

Dated: _____

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NOTES: The assignor's signature to this Assignment must correspond with the name as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature(s) guarantee must be made by an eligible guarantor institution (banks, stockbrokers, savings and loans association and credit unions with membership in an approved signature medallion program) pursuant to Securities and Exchange Commission Rule 17Ad-15.

(End of Form of Assignment)

(End of Form of Bond)

Section 14. Period of Usefulness of Project. It is hereby determined and recited that the period of usefulness of the Project exceeds the final maturity date of the Bonds.

Section 15. Disposition of Proceeds; Completion of Project. Except as herein otherwise specifically provided, the proceeds derived from the sale of the Bonds shall be used and paid solely for the valid costs of the Project.

A. Accrued Interest. Upon the sale of the Bonds, all moneys, if any, received as accrued interest shall be deposited into the Debt Service Fund to apply to the payment of interest next due on the Bonds.

B. Costs of Issuance Fund. Upon the sale of the Bonds, an amount sufficient to pay the Expenses shall be deposited in the Costs of Issuance Fund. Moneys deposited in the Costs of Issuance Fund shall be used by the Trust Depository to pay Expenses if such Expenses have not been paid directly by the Purchaser. After all Expenses have been paid, any remaining balance in the Costs of Issuance Fund shall be transferred to the Income Fund and the Costs of Issuance Fund shall be closed by the Trust Depository.

C. Reserve Fund. Upon the sale and delivery of the Bonds, a Reserve Fund Insurance Policy in an amount equal to the Reserve Requirement, may be deposited in the Reserve Fund to be held and used by the Trust Depository as provided in Section 17 hereof, or the County may elect to fund the Reserve Fund with Bond proceeds equal to the Reserve Requirement.

D. Acquisition Fund. Upon the sale of the Bonds, after the deposit to the Costs of Issuance Fund, the remaining balance of the proceeds shall be deposited promptly upon the receipt thereof in the Acquisition Fund.

Until the Completion Date, the money in the Acquisition Fund shall be used and paid out solely for the purposes of the Project in compliance with applicable law

and upon submission to the Trust Depository of a completed requisition form by the County requesting payment from its account in the Acquisition Fund.

E. Project Completion. The Completion Date shall be evidenced by a certificate signed by an authorized officer of the County stating that the Project has been completed. As soon as practicable, and in any event not more than 60 days from the Completion Date, any balance remaining in the Acquisition Fund (other than any amount retained by the Trust Depository for any Project costs not then due and payable) shall be transferred from the Acquisition Fund and deposited in the Debt Service Fund and used to pay principal and interest on the Bonds as the same become due.

F. Purchaser Not Responsible. 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 Project as defined in this Bond Ordinance. The Purchaser of the Bonds, and any subsequent owner of the Bonds, shall in no manner be responsible for the application or disposal by the County, the Trust Depository, or their respective officers, of the funds derived from the sale thereof or of any other funds herein designated.

Section 16. Funds and Accounts. The County hereby establishes the following special and separate funds, which shall be under the control of the Trust Depository:

A. County Hospital Gross Receipts Tax Income Fund. The “County of Taos, New Mexico County Hospital Gross Receipts Tax Income Fund” to be maintained by the Trust Depository.

B. Debt Service Fund. The “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Debt Service Fund” to be maintained by the Trust Depository.

C. Reserve Fund. The “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Reserve Fund” to be maintained by the Trust Depository.

D. Extraordinary Mandatory Redemption Fund. The “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Extraordinary Mandatory Redemption Fund” to be maintained by the Trust Depository.

E. Acquisition Fund. The “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Project Acquisition Fund” to be maintained by the Trust Depository.

F. Administrative Expenses Fund. The “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Administrative Expenses Fund” to be maintained by the Trust Depository.

G. Costs of Issuance Fund. The “County of Taos, New Mexico County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025, Costs of Issuance Fund” to be maintained by the Trust Depository.

Section 17. Deposit of Pledged Revenues and Flow of Funds.

A. Gross Receipts Tax Income Fund. So long as any of the Bonds are outstanding, the Pledged Revenues shall be set aside and deposited monthly upon receipt by the Finance Authority, pursuant to the Intercept Agreement, into the Income Fund held by the Trust Depository, and thereafter transferred by the Trust Depository to the Debt Service Fund, Reserve Fund, Administrative Expenses Fund and Extraordinary Mandatory Redemption Fund, as hereinafter provided.

B. Debt Service Fund. Moneys in the Income Fund shall be transferred monthly upon receipt to the Debt Service Fund.

(1) Monthly, commencing in the month immediately succeeding the delivery of the Bonds, in an amount, in equal monthly installments, which is necessary to pay the first maturing installment of interest on the Bonds, and monthly thereafter commencing in the month of said interest payment date and in the month of each interest payment date thereafter, one sixth (1/6) of the amount necessary to pay the next maturing installment of interest on the outstanding Bonds.

(2) Monthly, commencing in the month immediately succeeding the delivery of the Bonds, in an amount, in equal monthly installments, which is necessary to pay the first maturing principal amount of the Bonds, and monthly thereafter commencing in the month of each principal payment date, one twelfth (1/12) of the amount which is necessary to pay the next maturing principal amount of the Bonds.

C. Deficiency. After deposits from the Income Fund set forth in Paragraph B of this Section, if on any Principal Payment Date or Interest Payment Date the accumulated amount on deposit in the Debt Service Fund is less than the amount required to make the payments then due on the Bonds, the Paying Agent shall draw upon amounts in the Extraordinary Mandatory Redemption Fund as hereafter provided in Paragraph L of this Section and then the Reserve Fund as hereafter provided in Paragraph G of this Section.

D. Credit. In making the deposits required to be made into the Debt Service Fund, if there are any amounts then on deposit in the Debt Service Fund available for the purpose for which such deposit is to be made, the amount of the deposit to be made pursuant to Paragraph B above shall be reduced by the amount available in such fund and available for such purpose.

E. Transfer of Money out of Debt Service Fund. Each payment of principal and interest becoming due on the Bonds shall be transferred from the Debt Service Fund to the Paying Agent on or before five Business Days prior to the due date of

such payment and used exclusively for such payments of principal and interest to the owners of the Bonds.

F. Payment of Parity Bonds. Concurrently with the payment of the Pledged Revenues required by Paragraph A of this Section, any amounts on deposit in the County Hospital Gross Receipts Tax Income Fund shall be used by the County for the payment of principal of, interest on and debt service reserve fund deposits relating to additional Parity Bonds, if any, hereafter authorized to be issued and payable from the Pledged Revenues, as applicable, as the same accrue. If funds on deposit in the County Hospital Gross Receipts Tax Income Fund are not sufficient to pay when due the required payments of principal of, interest on and debt service reserve fund deposits relating to the Bonds and any other outstanding Parity Bonds, then the available funds in the County Hospital Gross Receipts Tax Income Fund will be used, first, on a pro rata basis, based on the amount of principal and interest then due with respect to each series of outstanding Parity Bonds, for the payment of principal and interest on all series of outstanding Parity Bonds and, second, to the extent of remaining available funds in the County Hospital Gross Receipts Tax Income Fund, on a pro rata basis, based on the amount of debt service reserve fund deposits then required with respect to each series of outstanding Parity Bonds, for the required debt service reserve fund deposits for all series of outstanding Parity Bonds.

G. Reserve Fund. Immediately upon the sale and delivery of the Bonds, a deposit in an amount equal to the Reserve Requirement will be made into the Reserve Fund from proceeds of the Bonds or, alternatively, the County may acquire a Reserve Fund Insurance Policy in an amount equal to all or part of the Reserve Requirement so that the combined amount of cash in the Reserve Fund and the amount of the Reserve Fund Insurance Policy is equal to the Reserve Requirement. Amounts on deposit in the Income Fund, after making the deposits into the Debt Service Fund and the debt service funds for additional Parity Bonds required by Paragraphs B and F of this Section, may also be used by the County pursuant to this Paragraph G to make deposits into the Reserve Fund if required to meet the Reserve Requirement or to pay the annual premiums, reimbursement or other costs required by or associated with any Reserve Fund Insurance Policy. No payment need be made into the Reserve Fund so long as the moneys or the Reserve Fund Insurance Policy therein shall equal not less than the Reserve Requirement. The moneys in the Reserve Fund shall be accumulated and maintained as a continuing reserve to be used, except as hereinafter provided in Paragraphs H and I of this Section, only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from failure to deposit into the Debt Service Fund sufficient funds to pay the principal and interest as the same become due.

H. Defraying Delinquencies in the Debt Service Fund and Reserve Fund. If, on any Interest Payment Date or Principal Payment Date, the amount on deposit in the Debt Service Fund is insufficient to make the payments of principal and interest then due on the Bonds, then an amount shall be paid into the Debt Service Fund on such date from the Reserve Fund equal to the difference between the amount on deposit in the Debt Service Fund and the full amount to be paid on such date. The Reserve Fund

Insurance Policy may be drawn on only after the cash and investments in the Reserve Fund have first been drawn on for payment of the debt service on the Bonds. The amounts drawn from the Reserve Fund Insurance Policy shall first be replenished, then money so used shall be replaced in the Reserve Fund in twelve equal monthly payments immediately succeeding such withdrawal from the first Pledged Revenues thereafter received that are not required to be deposited in the Debt Service Fund or in debt service funds for additional Parity Bonds as set forth Paragraph F of this Section.

If the Reserve Fund contains the Reserve Fund Insurance Policy issued by the Insurer and another permitted Reserve Fund Insurance Policy, each such policy will be drawn upon pro-rata to make up the deficiency in the Debt Service Fund. The money shall be replaced in the Reserve Fund from the Pledged Revenues thereafter received not required to be otherwise applied and shall be used first to reimburse the Insurer and the provider of any other permitted Reserve Fund Insurance Policy thereby reinstating the Reserve Fund Insurance Policy and any other permitted Reserve Fund Insurance Policy and second to replenish cash in the Reserve Fund. The moneys in the Reserve Fund shall be used solely and only for the purpose of paying the principal of and the interest on the Bonds; provided, however, that any moneys at any time in excess of the Reserve Requirement in the Reserve Fund may be withdrawn therefrom and applied as set forth in Paragraph L of this Section. Money accumulated in the Reserve Fund shall not be invested in a manner which could cause the Bonds to become arbitrage bonds within the meaning of the Code.

All Pledged Revenues available to pay debt service on Parity Bonds or other payments required to be paid by the County from Pledged Revenues with the same priority as debt service on Parity Bonds shall be distributed between the Bonds and any additional Parity Bonds or payments on a pro-rata basis without regard to the existence of a funded debt service reserve, the Reserve Fund Insurance Policy or other permitted Reserve Fund Insurance Policy.

I. Termination Upon Deposits to Maturity. No payment shall be made into the Debt Service Fund and Reserve Fund if the total amount in such funds (excluding any amount in the Reserve Fund represented by the Reserve Fund Insurance Policy) totals a sum at least equal to the entire aggregate amount due as to principal and interest, on the Bonds to their respective maturities or applicable redemption dates, in which case moneys in the Debt Service Fund and the Reserve Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in the Debt Service Fund and the Reserve Fund may be used as provided below.

J. Subordinate Bonds. After making the payments or deposits hereinabove required to be made pursuant to the preceding paragraphs of this Section, the Trust Depository may use any amounts remaining in the Income Fund for the payment of debt service and related expenses on subordinate bonds or other obligations payable from Pledged Revenues hereafter issued by the County.

K. Administrative Expenses Fund. After making the payments or deposits hereinabove required to be made pursuant to the preceding paragraphs of this Section, the Trust Depository may deposit any amounts remaining in the Income Fund into the Administrative Expenses Fund to be used for the payment of reasonable Administrative Expenses incurred by the County or the Trust Depository and submitted to the Trust Depository for payment in accordance with the provisions of the Bond Registrar, Trust Depository and Paying Agent Agreement.

L. Extraordinary Mandatory Redemption Fund; Use of Surplus Revenues. After making the payments or deposits into the Debt Service Fund, the Reserve Fund, the Administrative Expenses Fund and for payment of Parity Bonds or subordinate bonds, required by Paragraphs B, F, G, H, J & K of this Section, all amounts remaining in the Income Fund shall be transferred to the Extraordinary Mandatory Redemption Fund. Annually, on April 15 of each year, the Trust Depository shall determine the amount on deposit in the Extraordinary Mandatory Redemption Fund, which amount (rounded down to the next integral multiple of \$5,000) shall be used for extraordinary mandatory redemption of outstanding Parity Bonds on June 1 of such year. The amount of each series of outstanding Parity Bonds subject to extraordinary mandatory redemption shall be calculated by the Trust Depository as follows: (1) by computing a fraction the numerator of which shall be the amount on deposit in the Extraordinary Mandatory Redemption Fund and the denominator of which shall be the aggregate principal amount of all outstanding Parity Bonds and (2) by multiplying the outstanding amount of each series of Parity Bonds by such fraction. After payment or redemption of all outstanding Parity Bonds and subordinate bonds, the amounts remaining on deposit in the Extraordinary Mandatory Redemption Fund may be used for any other lawful purpose, as the County may determine.

Section 18. General Administration of Funds. The funds designated in Sections 16 and 17 shall be administered and invested as follows:

A. Places and Times of Deposits. The funds shall be separately maintained as a trust fund or funds for the purposes established and shall be deposited with the Trust Depository. Each account shall be continuously secured to the extent required by law and shall be irrevocable and not withdrawable by anyone for any purpose other than the designated purpose. No later than two Business Days prior to each Interest Payment Date, moneys sufficient to pay interest and principal then due on the Bonds shall be transferred to the Paying Agent.

B. Investment of Money. Except as otherwise provided herein, any moneys in any fund or account designated in Sections 16 and 17 may be invested in any Permitted Investment. The obligations so purchased as an investment of moneys in said fund or account shall be deemed at all times to be part of said fund or account and any profit realized from therefrom shall be credited to the fund or account, and any loss resulting from each investment shall be charged to the fund or account. The Trust Depository shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund or account whenever it shall be

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necessary to do so in order to provide moneys to meet any payment or transfer from such fund or account.

C. Reserve Fund. Moneys, if any, in the Reserve Fund may be invested only in Permitted Investments. On or about the first day of each quarter, the Trust Depository shall value the Reserve Fund on the basis of the current fair market value of deposits and investments credited to the Reserve Fund. For purposes of determining the amount on deposit in the Reserve Fund, any Reserve Fund Insurance Policy held by, or the benefit of which is available to, the County as security for the Bonds shall be deemed to be a deposit in the face amount of the policy or the stated amount of the credit facility provided, except that, if the amount available under a Reserve Fund Insurance Policy has been reduced as a result of a payment having been made thereunder or as a result of the termination, cancellation or failure of such Reserve Fund Insurance Policy and not reinstated or another Reserve Fund Insurance Policy provided, then, in valuing the Reserve Fund, the value of such Reserve Fund Insurance Policy shall be reduced accordingly. If, upon any quarterly valuation, the value of the Reserve Fund, including interest earnings, exceeds the Reserve Requirement, the excess amount shall be withdrawn and deposited into the Income Fund; if the value is less than the applicable requirement, the Trust Depository shall replenish such amounts, in three equal monthly payments prior to the next quarterly valuation date, from the first Pledged Revenues thereafter received not required to be deposited into the Debt Service Fund or in debt service funds for additional Parity Bonds as set forth in Paragraph F of Section 17 hereof.

At such time as the Bonds are paid in full or are deemed to be paid in full, the amount on deposit in the Reserve Fund may be used to pay the final installments of principal and interest on the Bonds and otherwise may be withdrawn and transferred to the County to be used for any lawful purpose, provided that, if such amounts are used for a purpose other than payment of the Bonds, there shall be delivered an opinion of nationally recognized bond counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used under the laws of the State of New Mexico and that such use shall not adversely affect the exclusion of interest on any Bonds from gross income of the recipient thereof for federal income tax purposes.

If moneys have been withdrawn from the Reserve Fund or a payment has been made under a Reserve Fund Insurance Policy constituting all or a portion of the Reserve Fund, and deposited into the Debt Service Fund to prevent a default on the Bonds, then the Trust Depository will pay, from Pledged Revenues, the full amount so withdrawn, together with interest, if any, required under the terms of the Reserve Fund Insurance Policy, or so much as shall be required to restore the Reserve Fund to the Reserve Requirement and to pay such interest, if any. Such repayment shall be made as required by paragraph H of Section 17 hereof.

The County may in part, or in whole, replace money in the Reserve Fund with a Reserve Fund Insurance Policy.

Section 19. Lien on County Hospital Gross Receipts Tax Revenues. The Pledged Revenues and the moneys on deposit in the Income Fund, the Debt Service Fund, the Reserve Fund, the Administration Fund, and the Extraordinary Mandatory Redemption Fund are hereby authorized to be pledged to, and are hereby pledged, and the County grants a security interest therein and a first lien thereon for, the payment of the principal of and interest on the Bonds, subject to the uses thereof permitted by, and the priorities set forth in, Section 17 of the Bond Ordinance.

Section 20. Bonds or Other Obligations Payable From Pledged Revenues.

A. Parity Bonds Test. This Bond Ordinance shall not prevent the issuance of additional Parity Bonds payable from and constituting a lien upon the Pledged Revenues on parity with the lien of the Bonds. Before any other additional Parity Bonds are actually issued, the County shall obtain the written consent of the Finance Authority and it must be determined that:

(1) The County is then current in the accumulation of all amounts which are required to have then been accumulated in the Debt Service Fund required by Section 17 of this Bond Ordinance; and

(2) The Pledged Revenues received by the County in the Fiscal Year immediately preceding the date of issuance of the proposed additional Parity Bonds shall have been sufficient to pay an amount representing at least 125% of the combined maximum annual principal and interest coming due in any subsequent Fiscal Year on (a) the outstanding Bonds, (b) other outstanding Parity Bonds payable from and constituting a lien upon the Pledged Revenues, and (c) the Parity Bonds proposed to be issued.

For purposes of the test set forth in clause (2) above, if on the date of issuance of the additional Parity Bonds, (a) any amount of the reserve fund requirement for the additional Parity Bonds is immediately deposited in or credited to the reserve fund for the additional Parity Bonds (excluding the amount of any reserve fund insurance policy) or, (b) any amount of the reserve fund requirement for any issue of outstanding Parity Bonds is then on deposit in or credited to the reserve fund for any issue of outstanding Parity Bonds (excluding the amount of any reserve fund insurance policy), then the amounts on deposit in or credited to the respective reserve funds shall be deducted from the principal and interest coming due in the final Fiscal Year for the additional Parity Bonds or any issue of outstanding Parity Bonds for which such reserve fund was created.

B. Certification or Opinion Regarding Revenues. A written certificate or opinion by the County Treasurer or an Independent Accountant that the Pledged Revenues are sufficient to pay the required amounts under the test in Paragraph A of this Section, shall conclusively determine the right of the County to issue additional Parity Bonds. The County Treasurer or an Independent Accountant may utilize the results of any annual audit to the extent it covers the applicable period.

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C. Subordinate Obligations Permitted. Nothing in this Bond Ordinance shall prevent the County from issuing bonds or other obligations payable from the Pledged Revenues pledged by this Bond Ordinance and having a lien on the Pledged Revenues subordinate to the lien of the Bonds.

D. Superior Obligations Prohibited. The County shall not hereafter issue any obligation having a lien on the Pledged Revenues pledged by this Bond Ordinance which is prior and superior to the Bonds.

Section 21. Refunding Bonds Payable From Pledged Revenues. The provisions of Section 20 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 County shall find it desirable to refund the Bonds, or any part thereof, the Bonds may be refunded (but the holders of Bonds to be refunded may not be compelled to surrender their Bonds, 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 County's option).

B. Refunding Part of an Issue. The refunding bonds or other obligations so issued shall enjoy complete equality of lien on the Pledged Revenues with the portion of any Bonds which are not refunded, if any; and the holder or holders of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the holder or holders of the Bonds or other obligations of the same issue refunded thereby. If only a part of the outstanding Bonds is refunded, then such obligations may not be refunded without the consent of the holder or holders of the unrefunded portion of such obligations, unless the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunded obligations and by the outstanding Bonds not refunded on and prior to the last maturity date of such unrefunded Bonds.

C. Limitations Upon Issuance of Refunding Obligations. Any refunding bonds or other refunding obligations payable from the Pledged Revenues shall be issued with such details as the County may provide by ordinance, but without any impairment of any contractual obligations imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of such outstanding Bonds.

Section 22. Equality of the Bonds. The Bonds 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 or the date incurred, it being the intention of the Board that, except as set forth herein, there shall be no priority among the Bonds regardless of whether they are actually issued and delivered or incurred at different times.

Section 23. Protective Covenants. The County hereby covenants and agrees with each and every holder of the Bonds issued hereunder:

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A. Use of Bond Proceeds. The County will apply the proceeds of the Bonds to the Project without delay.

B. Payment of the Bonds Herein Authorized. The County will promptly cause to be paid the principal of and the interest on every Bond at the place, on the date and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

C. County's Existence. The County will maintain its corporate identity and existence so long as any of the Bonds remain outstanding, unless another political subdivision by operation of law succeeds to the liabilities and rights of the County, without adversely affecting to any substantial degree the privileges and rights of any owner of the Bonds.

D. Prohibition of any Extension of Interest Payments. In order to prevent any accumulation of claims for interest after maturity, the County will not directly or indirectly extend or assent to the extension of time for the payment of any claim for interest on any of the Bonds, and the County will not directly or indirectly be a party to or approve any arrangements for any such extension. If the time for payment of any such interest shall be extended, such installment or installments of interest, after such extension or arrangement, shall not be entitled in case of default hereunder to the benefit or security hereof, except subject to the prior payment in full of the principal of all Bonds hereunder and then outstanding and of the matured interest on such Bonds, the payment of which has not been extended.

E. Records for Pledged Revenues. So long as any of the Bonds remain outstanding, the County will cause to be kept proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues.

F. Audits. The County will, within one hundred eighty (180) days following the close of each Fiscal Year, cause an audit of its books and accounts relating to the Pledged Revenues to be commenced by an Independent Accountant showing the receipts and disbursements in connection with such revenues. The County agrees to furnish forthwith a copy of each such audit to the Purchaser and the holder of any of the Bonds upon written request.

G. Other Pledged Revenues Liens. Other than as described and identified herein, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues.

H. Duty to Impose Gross Receipts Tax. If State law or any County ordinance or part thereof, which in any manner affect the Pledged Revenues, shall ever be held to be invalid or unenforceable, it shall be the duty of the County to immediately take any action that it is authorized by law to take to produce sufficient Pledged Revenues to

comply with the contracted obligations of the Bond Ordinance, except as is provided in Paragraph I of this Section.

I. Impairment of Contract. The County agrees that any law, ordinance or resolution of the County that in any manner affects the Pledged Revenues, or the Bonds shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely the Bonds outstanding, unless such Bonds have been discharged in full or provision has been fully made therefor or unless the required consents of the holders of the then outstanding Bonds are obtained pursuant to Section 29 of the Bond Ordinance.

J. Tax Covenants. The Bonds may be issued as governmental bonds or as qualified hospital bonds, in the discretion of the County. The County covenants that it will restrict, or cause to be restricted, the use of the proceeds of the Bonds and direct and indirect payment of debt service on 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 Code. The Chair of the Board and other officers 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 on investment property acquired with those proceeds, (iii) make timely rebate payments to the federal government, if required, (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 of the Board and other appropriate officers are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, if any, as may be required or appropriate to assure such exclusion of that interest.

In furtherance of the covenants set forth above, the County hereby establishes a fund with the Trust Depository separate from any other funds established and maintained hereunder designated as the Rebate Fund (the "Rebate Fund"). Money and investments in the Rebate Fund shall not be used for the payment of the Bonds and amounts credited to the Rebate Fund shall be free and clear under any pledge under this Bond Ordinance. Money in the Rebate Fund shall be invested in a manner provided in Section 18 for investment of money, and all amounts on deposit in the Rebate Fund shall be held by the County or the Trust Depository, in trust, to the extent required to pay rebatable arbitrage

to the United States of America. The County and the Trust Depository shall unconditionally be entitled to accept and rely upon the recommendation, advice, calculation and opinion of an accounting firm or other person or firm with knowledge of or experience in advising with respect to the provisions of the Code relating to rebatable arbitrage. The County or the Trust Depository shall remit all rebate installments and the final rebate payment to the United States of America as required by the provisions of the Code. Any moneys remaining in the Rebate Fund after redemption and payment of all the Bonds and payment and satisfaction of any rebatable arbitrage may be used for any other lawful purpose, as the County may determine.

Section 24. Events of Default. Each of the following events is hereby declared an “event of default”:

A. Nonpayment of Principal or Interest. Failure to pay the principal of any of the Bonds or failure to pay any installment of interest on the Bonds when the same becomes due and payable, either at maturity, or by proceedings for redemption, or otherwise.

B. Incapable to Perform. The County shall for any reason be rendered incapable of fulfilling its obligations hereunder.

C. Default of any Provision. Default by the County in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the Bonds or in the Bond Ordinance on its part to be performed, and the continuance of such default (other than a default set forth in Paragraph A of this Section) for thirty (30) days after written notice specifying such default and requiring the same to be remedied has been given to the County by the holders of twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding.

D. Bankruptcy. The County (i) files a petition or application seeking reorganization, arrangement under Federal bankruptcy law, or other debtor relief under the laws of any jurisdiction, or (ii) is the subject of such petition or application which the County does not contest or is not dismissed or discharged within sixty (60) days.

Section 25. Remedies Upon Default. Upon the happening and continuance of any of the events of default as provided in Section 24 of the Bond Ordinance, then in every case the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, including, but not limited to, a trustee or trustees therefor, may proceed against the County, the Board and its agents, officers and employees to protect and enforce the rights of any holder of Bonds under the Bond Ordinance by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award relating to the execution of any power herein granted for the enforcement of any legal or equitable remedy (except for acceleration of debt service on the Bonds which shall never be a permitted remedy hereunder) as such holder or holders may deem most effectual to

protect and enforce the rights provided above, or to enjoin any act or thing which may be unlawful or in violation of any right of any Bondholder, or to require the Board to act as if it were the trustee of an express 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 holders of the Bonds then outstanding. The failure of any Bondholder so to proceed shall not relieve the County or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of such holder (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 holder shall not be deemed a waiver of any other right or privilege.

Section 26. Duties Upon Default. Upon the happening of any of the events of default provided in Section 24 of the Bond Ordinance, the County, in addition, will do and perform all proper acts on behalf of and for the owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived therefrom, so long as any of the Bonds, either as to principal or interest, are outstanding and unpaid, shall be applied as set forth in Section 17 of the Bond Ordinance. In the event the County fails or refuses to proceed as provided in this Section, the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owners of the Bonds as hereinabove provided.

Section 27. Bonds Not Presented When Due. If any Bonds shall not be duly presented for payment when due at maturity or on the redemption date thereof, and if moneys sufficient to pay such Bonds are on deposit with the Paying Agent for the benefit of the owners of such Bonds all liability of the County to such owners for the payments of such Bonds shall be completely discharged, such Bonds shall be deemed to be not outstanding and it shall be the duty of the Paying Agent to segregate and to hold such moneys in trust, without liability for interest thereon, for the benefit of the owners of such Bonds as may be provided in any agreement hereafter entered into between the Paying Agent and an officer of the County.

Section 28. Delegated Powers. The officers of the County are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Bond Ordinance and the Sale Certificate, including, without limiting the generality of the foregoing, the publication of the summary of publication set out in Section 35 of this Bond Ordinance (with such changes, additions and deletions as they may determine), the distribution of material relating to the Bonds, the printing of the Bonds, obtaining a Reserve Fund Insurance Policy for the Bonds, and the execution and delivery of the Bond Purchase Agreement, the Debt Service Reserve Agreement, Intercept Agreement the Bond Registrar, Trust Depository and Paying Agent Agreement, the commitment for the Reserve Fund Insurance Policy and such certificates as may be required by the Purchaser, the Bond Purchase Agreement, the Insurer or bond counsel.

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Pursuant to the Supplemental Public Securities Act, Section 6-14-8 et seq., NMSA 1978, the County Manager is hereby delegated authority to execute the Sale Certificate and to determine any or all of the final terms of the Bonds, subject to the parameters and conditions contained in this Bond Ordinance. The County Manager shall present the Sale Certificate to the Board in a timely manner, before or after delivery of the Bonds, at a regularly scheduled public meeting of the Board.

Section 29. Amendment of Ordinance. The Bond Ordinance may be amended without the consent of the holder of any Bond to cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained herein, or to comply with the provisions of the Code, or to comply with any rule or regulation of the Securities and Exchange Commission relating to the Bonds. Prior to the date of the initial delivery of the Bonds to the Purchaser, the provisions of the Bond Ordinance may be amended with the written consent of the Purchaser, by ordinance of the Board with respect to any changes which are not inconsistent with the substantive provisions of the Bond Ordinance. Except as provided above, the Bond Ordinance may be amended without receipt by the County of any additional consideration, but with the written consent of the holders of three-fourths (3/4th) of the aggregate principal amount of the Bonds then outstanding (not including Bonds which may be held for the account of the County); but no ordinance adopted without the written consent of the holders of all outstanding Bonds shall have the effect of permitting:

- A. An extension of the maturity of any Bond; or
- B. A reduction of the principal amount or interest rate of any Bond; or
- C. The creation of a lien upon the Pledged Revenues ranking prior to the lien or pledge created by this Ordinance; or
- D. A reduction of the principal amount of Bonds required for consent to such amendatory ordinance; or
- E. The establishment of priorities as between Bonds issued and outstanding under the provisions of the Bond Ordinance; or
- F. The modification of or otherwise affecting the rights of the holders of less than all the outstanding Bonds.

Any amendment or supplement, except for the Sale Certificate, to the Bond Ordinance shall be made by subsequent ordinance of the Board.

Section 30. Defeasance. When all principal, interest and prior redemption premium, if any, in connection with the Bonds hereby authorized has been duly paid, the pledge and lien for the payment of the Bonds shall thereby be discharged and the Bonds shall no longer be deemed to be outstanding within the meaning of the Bond Ordinance. Payment shall be deemed made with respect to any Bond or Bonds when the Board has

placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities) to meet all requirements of principal, interest and prior redemption premium, if any, as the same become due to their final maturities or upon designated redemption dates. Any Federal Securities shall become due when needed in accordance with a schedule agreed upon between the Board and such bank at the time of the creation of the escrow. Federal Securities within the meaning of this Section shall include only direct obligations of, or obligations the principal of and interest of which are unconditionally guaranteed by the United States of America, cash, or U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGS").

Section 31. Bond Ordinance Irrepealable. After any of the Bonds are issued, the Bond Ordinance shall be and remain irrepealable until the Bonds and the interest thereon shall be fully paid, canceled and discharged, as herein provided, or there has been defeasance as herein provided.

Section 32. Severability Clause. If any section, paragraph, clause or provision of the Bond Ordinance 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 the Bond Ordinance.

Section 33. Repealer Clause. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 34. Effective Date. Upon due adoption of this Bond Ordinance, it shall be recorded in the book of ordinances of the County kept for that purpose, authenticated by the signatures of the Chair of the Board and County Clerk, and the title and general summary of the subject matter contained in the Bond Ordinance (set out in Section 35 below) shall be published in a newspaper which maintains an office and is of general circulation in the County, or posted in accordance with law, and said Bond Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 35. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in the Bond Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

Taos County, New Mexico
Notice of Adoption of Ordinance

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Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 2024-7, duly adopted and approved by the Board of County Commissioners of Taos County, New Mexico, on November 19, 2024, relating to the

authorization and issuance of the County's County Hospital Gross Receipts Tax Improvement Revenue Bonds, Series 2025 (the "Bonds"). Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the County Clerk, Taos County Courthouse, Taos, New Mexico.

AUTHORIZING THE ISSUANCE AND SALE OF THE COUNTY OF TAOS, NEW MEXICO COUNTY HOSPITAL GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2025, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE PURPOSE OF PROVIDING FUNDS FOR DESIGNING, CONSTRUCTING AND EQUIPPING HOSPITAL BUILDINGS, REMODELING, RENOVATING OR MAKING ADDITIONS TO AND EQUIPPING EXISTING HOSPITAL BUILDINGS, OR IMPROVING OR EQUIPPING OF THE GROUNDS OF HOSPITAL BUILDINGS; PROVIDING FOR THE PAYMENT OF SUCH BONDS SOLELY FROM THE COUNTY HOSPITAL GROSS RECEIPTS TAX IMPOSED BY THE COUNTY PURSUANT TO SECTION 7-20E-12.2, NMSA 1978, AND COUNTY ORDINANCE NO. 2024-1 ADOPTED ON FEBRUARY 20, 2024, AND REMITTED TO THE COUNTY BY THE STATE OF NEW MEXICO; APPROVING THE DELEGATION OF AUTHORITY TO MAKE CERTAIN DETERMINATIONS REGARDING THE SALE OF THE BONDS PURSUANT TO THE SUPPLEMENTAL PUBLIC SECURITIES ACT; PRESCRIBING THE FORM AND OTHER DETAILS CONCERNING THE BONDS AND THE FUNDS APPERTAINING THERETO; AND RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH.

The title sets forth a general summary of the subject matter contained in the Ordinance. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

(End of Form of Summary of Ordinance for Publication)

(Signature Page Follows)

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PASSED, APPROVED AND ADOPTED THIS 19TH DAY OF NOVEMBER, 2024.

COUNTY OF TAOS, NEW MEXICO

By *F.R. Bob Romero*
Chairman
Board of County Commissioners

By *[Signature]*
Vice-Chairman
Board of County Commissioners

By *[Signature]*
County Commissioner

By *[Signature]*
County Commissioner

By *[Signature]*
County Commissioner

VOTE RECORD:				
FR Bob Romero	<u>yes</u>	no	abstain	absent
M. Romero Jr.	<u>yes</u>	no	abstain	absent
D. Vigil	<u>yes</u>	no	abstain	absent
A. Brush	<u>yes</u>	no	abstain	absent
R. Mascareñas	<u>yes</u>	no	abstain	absent

[SEAL]

ATTEST:

By *Valerie Montoya*
County Clerk



[SIGNATURE PAGE TO BOND ORDINANCE]

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