

ARTICLE 2. REVENUE BONDS (SANDIA PREPARATORY SCHOOL DISTRICT)

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§ 15.2.1 RATIFICATION

All actions not inconsistent with the provisions of this Article previously taken by the Board and the officials of the Village directed toward approval of the issuance and sale of the Bonds to the Purchaser be and the same hereby are ratified, approved and confirmed.

§ 15.2.2 THE PROJECT

The Project to be financed with the Bonds includes the construction and equipping of a new building on the School's campus and payment of certain costs of issuance.

§ 15.2.3 FINDINGS

(A) General. The Board hereby declares that it has considered all relevant information presented to it relating to the Bonds and the Project and hereby finds and determines that the issuance of the Bonds pursuant to the Bond Ordinance to provide funds for the Project is necessary and advisable and in the interest of and will promote the public health, safety, morals, convenience, education, economy and welfare of the Village and the residents of the Village.

(B) The Board finds that:

- (1)** The Bonds will be issued for the purpose of financing the Project.
- (2)** The aggregate face amount of obligations to be issued with respect to financing the Project is up to four million five hundred thousand dollars (\$4,500,000).
- (3)** The developer of the Project is the School.
- (4)** The Project is located at 532 Osuna N.E., Albuquerque, New Mexico, within fifteen (15) miles of the boundary of the Village.

§ 15.2.4 AUTHORIZATION AND APPROVAL OF PROJECT

The proceeds of the Bonds will be used to finance the cost of the Project and to pay certain costs related thereto. The Project is authorized and approved. The costs referred to in



this paragraph include costs and expenses relating to the issuance of the Bonds; the School may use other available money to accomplish the purpose set forth in this paragraph.

§ 15.2.5 BONDS - APPROVAL, AUTHORIZATION AND DETAIL

(A) Approval and Sale. The issuance of the Bonds in an aggregate principal amount of up to four million five hundred thousand dollars (\$4,500,000), and the use of the proceeds of the Bonds to finance the cost of the Project and to pay expenses relating thereto is hereby approved and confirmed.

(B) Form and Terms. Subject to the limitations set forth in this Article, the Bonds shall be (i) issued as fully registered Bonds, without interest coupons; (ii) payable as to principal and interest and subject to optional and mandatory redemption and defeasance in the amounts, upon the conditions and at the times and prices set forth in the Indenture; and (iii) issued in a principal amount of up to four million five hundred thousand dollars (\$4,500,000), bearing interest at the rates and maturing on the dates set forth in the Indenture but in any event maturing not more than thirty (30) years from their date of issuance.

(C) Execution. The Bonds shall be signed by the Mayor of the Village of Los Ranchos de Albuquerque, New Mexico or his designee.

§ 15.2.6 AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS

The form, terms and provisions of the Bond Documents in the form on deposit in the office of the Village Clerk are in all respects approved, authorized and confirmed.

The Mayor of the Village is authorized to execute and deliver in the name and on behalf of the Village, and the Village Clerk is hereby authorized to attest, as necessary, the Bond Documents, with such changes therein as are not inconsistent with this Article, and the Bonds.

The Mayor and Village Clerk are further authorized to execute, authenticate and deliver such certifications, instruments, documents, letters and other agreements and to do such other acts and things, either prior to or after the date of delivery of the Bonds, as are necessary or appropriate to consummate the transactions contemplated by the Bond Documents.

§ 15.2.7 DELIVERY OF BONDS

Upon the execution of the Bond Documents, the satisfaction of the conditions set forth in the Bond Documents and upon receipt of the purchase price for the Bonds, the Bonds shall be executed, authenticated and delivered to the Purchaser. No bond shall be valid for any purpose until such bond has been properly authenticated as set forth in the Indenture.

§ 15.2.8 FUNDS AND ACCOUNTS

There are established in the Indenture, and on and after the date on which the Bonds are issued, there shall be maintained, the funds and accounts as set forth in the Indenture. Other funds and accounts may be established as are necessary under the Indenture.

§ 15.2.9 FINDINGS REGARDING PAYMENT OF INTEREST AND PRINCIPAL AND OTHER MATTERS

The following determinations are made:

(A) The maximum amount necessary in each year to pay the principal of and interest on the Bonds, assuming issuance of the Bonds as of January 1, 2002, in the maximum principal



amount of four million five hundred thousand dollars (\$4,500,000) and bearing interest at the rate of twelve percent (12%), is as follows:

<u>Year Ending</u>	<u>Principal and Interest for Such Period</u>
January 1, 2003	\$594,588.60
January 1, 2004	\$594,588.60
January 1, 2005	\$594,588.60
January 1, 2006	\$594,588.60
January 1, 2007	\$594,588.60
January 1, 2008	\$594,588.60
January 1, 2009	\$594,588.60
January 1, 2010	\$594,588.60
January 1, 2011	\$594,588.60
January 1, 2012	\$594,588.60
January 1, 2013	\$594,588.60
January 1, 2014	\$594,588.60
January 1, 2015	\$594,588.60
January 1, 2016	\$594,588.60
January 1, 2017	\$594,588.60
January 1, 2018	\$594,588.60
January 1, 2019	\$594,588.60
January 1, 2020	\$594,588.60
January 1, 2021	\$594,588.60
January 1, 2022	\$594,588.60

(B) It shall not be necessary to deposit any amount in a debt service reserve fund or a repair and replacement reserve fund for the maintenance of the Project.

(C) The installment Purchase Agreement requires that the School maintain the Project in good repair and condition (excepting reasonable wear and tear) and carry proper insurance with respect to the Project.

(D) The Installment Purchase Agreement requires the School to make payments sufficient to pay the principal of, premium, if any, and interest on the Bonds as principal and interest become due and to make all payments of or relating to the Project as they become due.

§ 15.2.10 LIMITED OBLIGATIONS

The Bonds shall be special limited obligations of the Village, payable solely from the revenues derived from the Installment Purchase Agreement and payable by the School as described in the Indenture, and shall never constitute a debt or indebtedness of the Village of the State or any political subdivision thereof within the meaning of any provision or limitation of the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or laws of the State, and shall not constitute or give rise to a pecuniary liability of the Village or a charge against its general credit or taxing power. Nothing contained in the Bond Ordinance or in the Bond Documents or any other instrument shall be construed as obligating the Village (except with respect to the Project and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as



incurring a pecuniary liability or a charge upon the general credit of the Village or against its taxing power, nor shall the breach of any agreement contained in the Bond Ordinance, the Bond Documents, the Bonds or any other instrument be construed as obligating the Village (except with respect to the Project and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or a charge upon the general credit of the Village or against its taxing power, the Village having no power to pay out of its general funds, or otherwise contribute any part of the costs of constructing or equipping the Project, nor power to operate the Project as a business or in any manner except as seller of the Project.

§ 15.2.11 QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are hereby designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the Village hereby covenants that the Village, it having no “subordinate entities” with authority to issue obligations within the meaning of that Section of the Code, in or during calendar year 2002, (i) will not designate as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, tax-exempt obligations, including the Bonds, in an aggregate principal amount in excess of ten million dollars (\$10,000,000) and (ii) will not issue tax-exempt obligations within the meaning of Section 265(b)(4) of the Code, including the Bonds and any other qualified 501(c)(3) bonds as defined in Section 145 of the Code (but excluding obligations, other than qualified 501(c)(3) bonds, that are private activity bonds as defined in section 141 of the Code), in an aggregate principal amount exceeding ten million dollars (\$10,000,000), unless the Village receives an opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not cause the Bonds to cease to be “qualified tax-exempt obligations.”

§ 15.2.12 APPROVAL OF INDEMNIFICATION

The Board specifically approves the provisions of the Installment Purchase Agreement relating to indemnification which provide that the School shall indemnify and hold harmless the Village and its Village Trustees, officials, members, officers, employees and agents against liability to the School, or to any third parties that may be asserted against the Village or its Village Trustees, officials, members, officers, employees or agents with respect to the Village's ownership of the Project or the issuance of the Bonds and arising from the condition of the Project or the acquisition, construction and operation of the Project by the School except to the extent Section 56-7-1, New Mexico Statutes Annotated, 1978 Compilation, applies, and except claims for any loss or damage arising out of or resulting from the gross negligence or willful misconduct of the Village or any member, officer, employee or agent of the Village.

§ 15.2.13 BOND ORDINANCE IRREPEALABLE

After any of the Bonds are issued, the Bond Ordinance shall be and remain irrevocable until the Bonds, including interest, are fully paid, canceled and discharged or there has been defeasance of the Bonds in accordance with the Indenture.

§ 15.2.14 REPEALER

All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent with this Article are repealed by this Article but only to the extent of that inconsistency. This repealer



shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, previously repealed.

§ 15.2.15 SEVERABILITY

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 that section, paragraph, clause or provision shall not affect any of the remaining provisions of this Article.

§ 15.2.16 RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE DATE

This Article, immediately upon its final passage and approval, shall be recorded in the ordinance book of the Village, kept for that purpose, and shall be there authenticated by the signature of the Mayor and by the signature of the Village Clerk, and notice of adoption thereof shall be published once in The Albuquerque Journal and the Ordinance shall be in full force and effect five days following such publication.

Ordinances and State Law Reference Regarding Chapter 15, Article 2:

Ordinance #167, December 12, 2001

