

ORDINANCE NO. 02-36

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE TAOS REGIONAL LANDFILL BOARD (THE "BOARD") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE BOARD AND ITS PARTICIPATING MEMBERS (THE "PARTICIPANTS"), INCLUDING THE VILLAGE OF TAOS SKI VALLEY (THE "VILLAGE"), TO PAY A PRINCIPAL AMOUNT OF \$2,111,111, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF CONSTRUCTING AND EQUIPPING A SOLID WASTE FACILITY; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF ENVIRONMENTAL GROSS RECEIPTS TAX REVENUES RECEIVED BY THE PARTICIPANTS FROM THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUES AND FROM THE NET REVENUES OF THE BOARD DERIVED FROM THE OPERATION OF THE SOLID WASTE FACILITY; PROVIDING FOR THE VILLAGE'S DISTRIBUTIONS OF THE ENVIRONMENTAL GROSS RECEIPTS TAX FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO AN INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST DUE ON THE LOAN AGREEMENT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; PROVIDING FOR A RATE OF INTEREST ON THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INTERCEPT AGREEMENT.

The following is a general summary of the subject matter contained in the Ordinance:

Preambles recite or include such matters as: the formation of the Taos Regional Landfill Board (the "Board") as a joint powers authority by Taos County, the Town of Taos, the Village of Taos Ski Valley, the Village of Questa, the Town of Red River and the Village of Eagle Nest (collectively, the "Participants"); the authority of the Board to enter into agreements for the operation of a solid waste facility (the "Project"); the authority of the Village to pledge its distribution of Environmental Gross Receipts Tax revenues ("Village Pledged Revenues") to the repayment of the obligation (the "Loan Agreement"); it is in the best interests of the Village and its residents to finance the cost of constructing and equipping the Project by executing and delivering the Loan Agreement and an Intercept Agreement redirecting the Village Pledged Revenues to the NMFA; the Project will be used for governmental purposes and not in such manner as to cause the Loan Agreement to be deemed a "private activity bond;" and recite that the Loan Agreement shall be a special, limited

obligation and not a general obligation of the Village, the Board and the Participants and that certain documents have been placed on file with the Clerk and presented to the Governing Body.

Sections 1 through 4 define the terms used in the Ordinance; ratify and confirm all previous actions taken by the Governing Body and officers of the Village directed toward the acquisition of the Project and execution and delivery of the Loan Agreement and Intercept Agreement; authorize the execution and delivery of the Loan Agreement and the Intercept Agreement for the purpose of acquiring the Project; and set forth certain findings of the Village which include: the need for the Project; monies available and on hand for the Project from all sources other than the execution and delivery of the Loan Agreement are not sufficient to defray the cost of the Project; and the Village Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

Sections 5 through 8 approve the form of the Loan Agreement and Intercept Agreement to be delivered by the Governing Body; state that the Loan Agreement is a special, limited obligation of the Village, the Board and the Participants and shall never constitute an indebtedness of the Village, the Board or the Participants within the meaning of any State Constitutional provision or statutory limitation; provide for the use of the proceeds derived from the execution of the Loan Agreement; and approve the deposit of proceeds of the Loan Agreement into various funds and accounts.

Sections 9 and 10 relate to deposits of the Village Pledged Revenues and flow of funds; and provide for a lien on the Village Pledged Revenues.

Section 11 through 17 authorize execution of other documents related to the obligation of the Village in the taking of other acts related to the Village; delegate powers to the officers of the Village to effectuate the provisions of the Ordinance; provide for amendments to the Ordinance; state that the Ordinance is irrevocable; provide for severability and repealer clauses; provide an effective date for the Ordinance; and provide a form for publication.

This notice constitutes compliance with Sections 3-17-3, NMSA 1978.

WITNESS my hand and the seal of the Village of Taos Ski Valley this 3<sup>rd</sup> day of July, 2001.

[SEAL]

/s/ Vanessa N. Chisholm  
Vanessa Chisholm, Clerk

(End of Form of Summary for Publication)

STATE OF NEW MEXICO            )  
COUNTY OF TAOS                ) ss.  
VILLAGE OF TAOS SKI VALLEY )

The Village Council (the "Governing Body") of the Village of Taos Ski Valley, New Mexico met in regular session in full conformity with the law and the rules and regulations of the Governing Body at the Columbine Inn Conference Facility, Taos, Ski Valley, New Mexico, being the meeting place of the Governing Body on the 3<sup>rd</sup> day of July, 2001, at the hour of 2:00 p.m. Upon roll call, the following members were found to be present:

Present: J. Christopher Stagg  
Kathleen V. Bennett  
Barbara L. Wiard  
Thomas P. Wittman  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Absent: William M. Etchemendy  
\_\_\_\_\_  
\_\_\_\_\_

Also Present: Kenneth R. Shuey  
Bruce A. Kelly

Thereupon, there was officially filed with the Clerk a copy of a proposed Ordinance in final form.

ORDINANCE NO. 02-36

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND BETWEEN THE TAOS REGIONAL LANDFILL BOARD (THE "BOARD") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE BOARD AND ITS PARTICIPATING MEMBERS (THE "PARTICIPANTS"), INCLUDING THE VILLAGE OF TAOS SKI VALLEY (THE "VILLAGE"), TO PAY A PRINCIPAL AMOUNT OF \$2,111,111, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, FOR THE PURPOSE OF DEFRAYING THE COST OF CONSTRUCTING AND EQUIPPING A SOLID WASTE FACILITY; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTIONS OF ENVIRONMENTAL GROSS RECEIPTS TAX REVENUES RECEIVED BY THE PARTICIPANTS FROM THE NEW MEXICO DEPARTMENT OF TAXATION AND REVENUES AND FROM THE NET REVENUES OF THE BOARD DERIVED FROM THE OPERATION OF THE SOLID WASTE FACILITY; PROVIDING FOR THE VILLAGE'S DISTRIBUTIONS OF THE ENVIRONMENTAL GROSS RECEIPTS TAX FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS PURSUANT TO AN INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST DUE ON THE LOAN AGREEMENT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; PROVIDING FOR A RATE OF INTEREST ON THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND THE INTERCEPT AGREEMENT.

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

WHEREAS, pursuant to a joint powers agreement dated \_\_\_\_\_, 2000, duly authorized and executed by the County of Taos, the Town of Taos, the Village of Taos Ski Valley, the Village of Questa, the Village of Eagle Nest and the Town of Red River, (collectively, the "Participants") prior to the adoption hereof and designated as the "Taos Regional Landfill Board Joint Powers Agreement" (the "Joint Powers Agreement"), all pursuant to Sections 11-1-1 through 11-1-7, NMSA 1978 and as approved by the New Mexico Department of Finance and Administration, the Participants have determined to jointly exercise common powers relating to solid waste disposal and have created the Taos Regional Landfill Board (the "Board"); and

WHEREAS, pursuant to the Joint Powers Agreement, the Board is authorized to acquire, operate and maintain a solid waste disposal system for the benefit of the Participants and their residents, and desires to acquire and operate a solid waste disposal system as described in the Term Sheet attached as Exhibit A to the Loan Agreement (the "Project"); and

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interest of the Village of Taos Ski Valley and its residents that the Loan Agreement be executed and delivered and that the Project be undertaken; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the Clerk this Ordinance and the form of the Loan Agreement and Intercept Agreement, which are incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Village Pledged Revenue for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described in Exhibit "A" to the Loan Agreement, the Village Pledged Revenue have not heretofore been pledged to secure the payment of any obligation; and

WHEREAS, the Loan Agreement shall be a special, limited obligation of the Village, payable by the Village solely from the Village Pledged Revenues and shall not constitute a general obligation of the Village, or a debt or pledge of the faith and credit of the Village or the State; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan is to be used for governmental purposes of the Board and will not be used for purposes which would cause the Loan Agreement to be deemed a "private activity bond" as defined by the Internal Revenues Code of 1986, as amended; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Village Pledged Revenues and the Board Pledged Revenues to the NMFA (or its assigns) for the payment of the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement and the Intercept Agreement which are required to have been obtained by the date of this Ordinance, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE VILLAGE OF TAOS SKI VALLEY:

Section 1. Definitions. As used in the 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):

"Act" means the general laws of the State, including Sections 11-1-1 through 11-1-7, Sections 3-31-1 through 3-31-12 and Section 7-19D-10, NMSA 1978, as amended, and enactments

of the Governing Body relating to the Loan Agreement and Intercept Agreement, including the Ordinance.

"Aggregate Annual Debt Service Requirement" means the total principal, interest and premium payments due and payable pursuant to the Loan Agreement and on all Parity Obligations secured by a pledge of the Board Pledged Revenues for any one Fiscal Year.

"Authorized Officers" means the Mayor, Clerk, Treasurer and Administrator of the Village.

"Board" means the Taos Regional Landfill Board and any successor entity.

"Board Pledged Revenues" means the Revenues of the System after deducting Operation and Maintenance Expenses.

"Bonds" means public project revolving fund Revenues bonds, if any, issued hereafter by the NMFA and specifically related to the Loan Agreement and the Loan Agreement Payments.

"Closing Date" means the date of execution, delivery and funding of the Loan Agreement.

"Code" means the Internal Revenues Code of 1986, as amended, and the applicable regulations thereunder.

"Completion Date" means the date of final payment of the cost of the Project.

"Debt Service Account" means the account in the name of the Board and the Participants within the Debt Service Fund established under the Indenture and held by the NMFA to pay principal and interest on the Loan Agreement as the same become due.

"Expense Fund" means the Expense Fund created pursuant to the Indenture, to be held and administered by the Trustee to pay costs of issuance of the Loan Agreement and the Bonds, if any, and the periodic and regular fees and expenses incurred by the NMFA and the Trustee in administering the Loan Agreement, including legal fees.

"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 Governmental Unit as its fiscal year.

"Governing Body" means the Village Council of the Village of Taos Ski Valley, or any future successor governing body of the Board.

"Governmental Unit" means the Village of Taos Ski Valley, New Mexico.

"Herein," "hereby," "hereunder," "hereof," "hereinabove" and "hereafter" refer to the entire Ordinance and not solely to the particular section or paragraph of the Ordinance in which such word

is used.

"Indenture" means the General Indenture of Trust and Pledge dated June 1, 1995, between NMFA and the Trustee, and all supplemental indentures.

"Independent Accountant" means (i) an accountant employed by the State and under the supervision of the State Auditor, 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, appointed and paid by the Governmental Unit who (a) is, in fact, independent and not under the domination of the Governmental Unit, (b) does not have any substantial interest, direct or indirect, with the Governmental Unit, and (c) is not connected with the Governmental Unit as an officer or employee of the Governmental Unit, but who may be regularly retained to make annual or similar audits of the books or records of the Governmental Unit.

"Joint Powers Agreement" means the agreement entered into by the Participants pursuant to Sections 11-1-1 through 11-1-7, NMSA 1978, and dated \_\_\_\_\_.

"Loan" means the funds to be loaned to the Board and the Participants by the NMFA pursuant to the Loan Agreement.

"Loan Agreement" means the Loan Agreement dated the Closing Date between the NMFA, the Board and the Participants which provides for the financing of the Project, requires payments by or on behalf of the Board and the Participants to the NMFA and/or the Trustee, and requires that the project be utilized for governmental purposes as provided therein.

"Loan Agreement Reserve Account" means the loan agreement reserve account established in the name of the Board and the Participants funded by the Board and the Participants, funded with a portion of the Loan Agreement proceeds, and administered by the Trustee pursuant to the Indenture.

"Loan Agreement Reserve Requirement" means with respect to the Loan, an amount not to exceed the least of (i) ten percent (10%) of the Loan Agreement Principal Amount, (ii) 125% of the average Aggregate Annual Debt Service Requirement under the Loan Agreement, or (iii) the maximum Aggregate Annual Debt Service Requirement under the Loan Agreement.

"NMFA" means the New Mexico Finance Authority.

"NMSA" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

"Operation and Maintenance Expenses" or a phrase of similar import means all reasonable and necessary current expenses of the Board, paid or accrued, of operating, maintaining, and repairing the System, and shall include without limiting the generality of the foregoing, legal and overhead expenses of the Board directly related and reasonably allocable to the administration of the

System (except that the Board may in its discretion exclude such legal and overhead expenses from Operation and Maintenance Expenses), insurance premiums, contractual services, professional services, salaries and administrative expenses, labor, and costs of materials and supplies used for current operations, but shall not include any allowance for depreciation, liabilities incurred by the Board as the result of its negligence in the operation of the System, improvements, extensions, enlargements or betterments, or any charges for the accumulation of reserves for capital replacements.

"Ordinance" means this Ordinance No. \_\_\_\_\_, and as supplemented from time to time.

"Parity Obligations" mean the Loan Agreement and any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on a parity with the Loan Agreement.

"Participant Pledged Revenues" means, collectively, the distributions of County Environmental Gross Receipts Tax revenues to the County of Taos pursuant to Section 7-20E-17, NMSA 1978 and the distributions of Municipal Environmental Gross Receipts Tax revenues to the Town of Taos, the Village of Taos Ski Valley, the Village of Questa, the Village of Eagle Nest and the Town of Red River pursuant to Section 7-19D-10, NMSA 1978.

"Participants" means the governmental entities participating as members of the Taos Regional Landfill Board pursuant to the Joint Powers Agreement, which members include the County of Taos, the Town of Taos, the Village of Taos Ski Valley, the Village of Questa, the Village of Eagle Nest and the Town of Red River.

"Pledged Revenues" means, collectively, the Board Pledged Revenues and the Participant Pledged Revenues.

"Program Account" means the account in the name of the Board and the Participants established under the Indenture and held by the Trustee for deposit of the net proceeds of the Loan Agreement for disbursement to the Board for payment of the costs of the Project.

"Project" means the project described in Exhibit "A" to the Loan Agreement.

"State" means the State of New Mexico.

"System" means the Board's solid waste landfill facility, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the Board through purchase, lease, construction or otherwise, and used in connection with said system of the Board, and in any way appertaining thereto, whether situated within or without the limits of the Board.

"Trustee" means Wells Fargo Bank New Mexico, N.A., Albuquerque, New Mexico, or any successor trustee company, national or state banking association or financial institution at the time appointed Trustee by the NMFA.



"Village" means the Village of Taos Ski Valley, New Mexico.

"Village Pledged Revenues" means the Environmental Gross Receipts Tax revenues distributed to the Village of Taos Ski Valley by the State Taxation and Revenue Department pursuant to Section 7-19D-10, NMSA 1978.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of the Ordinance) by the Governing Body directed toward the acquisition of the Project and the execution and delivery of the Loan Agreement, be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project and the Loan Agreement. The acquisition of the Project and the method of financing the Project through execution and delivery of the Loan Agreement is hereby authorized and ordered. The Project is for the benefit and use of the Board and the Participants, including the residents of the Village.

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

A. The Project is needed to meet the needs of the Board and the Participants' inhabitants, including the residents of the Village.

B. Moneys available and on hand for the Project from all sources other than the Loan are not sufficient to defray the cost of acquiring the Project.

C. The Village Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

D. It is economically feasible to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

E. The Project and the execution and delivery of the Loan Agreement and the Intercept Agreement pursuant to the Act to provide funds for the financing of the Project are necessary and in the interest of the public health, safety, morals and welfare of the residents of the Participants, including the Village.

F. The Board will acquire the Project, in whole or in part, with the net proceeds of the Loan.

G. Other than as described in Exhibit "A" to the Loan Agreement, the Village does not have any outstanding obligations payable from Village Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement and the Intercept Agreement.

H. The net effective interest rate on the Loan does not exceed 12.0% per annum, which is the maximum rate permitted by State law.

Section 5. Loan Agreement and Intercept Agreement- Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least three-fourths of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the citizens of the Participants and acquiring the Project, it is hereby declared necessary that the Village, pursuant to the Act, execute and deliver the Loan Agreement evidencing a special, limited obligation of the Board and the Participants, including the Village, to pay a principal amount of \$2,111,111, and the execution and delivery of the Loan Agreement and the Intercept Agreement is hereby authorized. The Board shall use the proceeds of the Loan to finance the acquisition of the Project and to pay the costs of issuance of the Loan Agreement and the costs of issuance of the Bonds, if any. The Project will be owned by the Board.

B. The Loan Agreement and the Intercept Agreement shall be in substantially the form of the Loan Agreement and Intercept Agreement presented at the meeting of the Governing Body at which this Ordinance was adopted. The Loan shall be in the original aggregate principal amount of \$2,111,111, shall be payable in installments of principal due on May 1 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on May 1 and November 1 of each year, commencing on May 1, 2002, at the rates designated in Exhibit "B" to the Loan Agreement, which rates include an administrative fee of 0.25 % per annum.

Section 6. Approval of Loan Agreement. The forms of the Loan Agreement and Intercept Agreement as presented at the meeting of the Governing Body at which this Ordinance was adopted are hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement and Intercept Agreement with such changes, insertions and omissions as may be approved by such individual Authorized Officers, and the Clerk is hereby authorized to affix the seal of the Village on the Loan Agreement and Intercept Agreement and attest the same. The execution of the Loan Agreement and the Intercept Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured in part by the pledge of the Village Pledged Revenues as set forth in the Loan Agreement and shall be payable by the Village solely from the Village Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Village thereunder, shall be a special, limited obligation of the Village, payable by the Village solely from the Village Pledged Revenues as provided in this Ordinance and the Loan Agreement and shall not constitute a general obligation of the Village, the Board, the Participants or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Village, the Board or the Participants for payment of the obligations thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other instruments, shall be construed as obligating the Village (except with respect to the application of the Village Pledged Revenues), as incurring a pecuniary liability or a charge upon the general credit

of the Village, the Board, or the Participants, or against the taxing power of the Village, the Board or the Participants; nor shall a breach of any agreement contained in this Ordinance, the Loan Agreement, the Intercept Agreement, or any other instrument impose any pecuniary liability upon the Village, the Board or the Participants, or any charge upon the general credit of the Village, the Board or the Participants, or against the taxing power of the Village, the Board or the Participants. The Loan Agreement shall never constitute an indebtedness of the Village, the Board or the Participants within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Village, the Board or the Participants or a charge against the general credit of the Village, the Board or the Participants or the taxing powers of the Village, the Board or the Participants. Nothing herein shall prevent the Village from applying other funds of the Village legally available therefor to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8.     Disposition of Proceeds: Completion of Acquisition of the Project.

A.     Program Account. The Village hereby consents to creation of the Debt Service Account by the NMFA and the Program Account, Loan Agreement Reserve Account and the Expense Fund by the Trustee pursuant to the Indenture, which accounts and fund shall be maintained in the name of the Board and the Participants. The Village hereby approves of the deposit of a portion of the proceeds of the Loan Agreement in the Program Account.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the Program Account, as provided in the Loan Agreement and the Indenture.

Until the Completion Date, the money in the Program Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan Agreement and the Indenture.

The Board and the Participants will acquire the Project with all due diligence.

B.     Completion of Acquisition of the Project. Upon the Completion Date, the Board shall execute a certificate stating that acquisition of and payment for 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 Program Account shall be transferred and deposited into the Debt Service Account, as provided in the Loan Agreement.

C.     NMFA and Trustee Not Responsible. The NMFA and the Trustee shall in no manner be responsible for the application or disposal by the Board or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9.     Deposit of Village Pledged Revenues, Distributions of the Village Pledged Revenues and Flow of Funds.

A. Deposit of Village Pledged Revenues. The Village Pledged Revenues shall be paid to the NMFA in an amount sufficient, when combined with the other Pledged Revenues, to pay principal, premium, if any, interest and other amounts due under the Loan Agreement, including sufficient Village Pledged Revenues, when combined with the other Pledged Revenues, in the Loan Agreement Reserve Account to maintain the Loan Agreement Reserve Requirement. The Village shall pay Village Pledged Revenues in an amount sufficient, when combined with the other Pledged Revenues, to pay Loan Agreement Payments, including an amount sufficient to cure any deficiencies in the Debt Service Account, to the NMFA or its assignee to be deposited in the Debt Service Account.

B. Termination upon Deposits to Maturity. No payment shall be made into the Debt Service Account if the amount in the Debt Service Account totals a sum at least equal to the entire aggregate amount of Loan Agreement Payments to become due on, and any other amounts due under, the Loan Agreement, in which case moneys in such account or accounts in an amount at least equal to the Loan Agreement Payments shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Board and used as provided below.

C. Use of Surplus Revenues. After making all the payments hereinabove required to be made by this Section, any moneys remaining in the Debt Service Account shall be transferred to the Board as it shall direct, on a timely basis and applied to any other lawful purpose, including, but not limited to the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or for other purposes authorized by the Board, as the Board may from time to time determine.

Section 10. Lien on Village Pledged Revenues. Pursuant to the Loan Agreement, the Village Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the Village grants a security interest therein for, the payment of Loan Agreement Payments, subject to the uses thereof permitted by, and the priorities set forth in, this Ordinance. The Loan Agreement constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, on the Village Pledged Revenues as set forth herein and therein.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Ordinance, the Loan Agreement, the Intercept Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Ordinance, the Loan Agreement and the Intercept Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Ordinance, the Loan Agreement and the Intercept Agreement, including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement and the Intercept Agreement, and the publication of the summary of this Ordinance set out in Section 17 of this Ordinance (with such changes, additions and deletions as they may determine).

Section 12. Amendment of Ordinance. Prior to the date of the initial delivery of the Loan Agreement to the NMFA, the provisions of this Ordinance may be supplemented or amended by ordinance or resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. This Ordinance may be amended without receipt by the Board of any additional consideration, but only with the prior written consent of the NMFA.

Section 13. Ordinance Irrepealable. After the Loan Agreement has been executed and delivered, this Ordinance shall be and remain irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged.

Section 14. Severability Clause. If any section, paragraph, clause or provision of this 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 this Ordinance.

Section 15. 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 16. Effective Date. Upon due adoption of this Ordinance, it shall be recorded in the book of the Village kept for that purpose, authenticated by the signatures of the Mayor and Clerk of the Governing Body, and the title and general summary of the subject matter contained in this Ordinance(set out in Section 17 below) shall be published in a newspaper which maintains an office and is of general circulation in the Board, or posted in accordance with law, and said Ordinance shall be in full force and effect thereafter, in accordance with law.

Section 17. General Summary for Publication. Pursuant to the general laws of the State, the title and a general summary of the subject matter contained in this Ordinance shall be published in substantially the following form:

(Form of Summary of Ordinance for Publication)

#### Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in Ordinance No. 02-36, duly adopted and approved by the Governing Body of the Village of Taos Ski Valley (the "Village") on July 3, 2001. A complete copy of the ordinance is available for public inspection during the normal and regular business hours of the Village, 7 Firehouse Road, Taos Ski Valley, New Mexico


PASSED, APPROVED AND ADOPTED THIS 3<sup>rd</sup> DAY OF JULY, 2001.

VILLAGE COUNCIL  
VILLAGE OF TAOS SKI VALLEY

  
\_\_\_\_\_  
Mayor

[SEAL]

ATTEST:

  
\_\_\_\_\_  
Clerk

Councilor Wiard then moved adoption of the foregoing Ordinance, duly seconded by Councilor Wittman.

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

Those Voting Aye:

Bennett  
Wiard  
Wittman  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Those Voting Nay: None  
\_\_\_\_\_

Those Absent: Etchemendy  
\_\_\_\_\_

3 members of the Governing Body having voted in favor of said motion, the Mayor declared said motion carried and said Ordinance adopted, whereupon the Mayor and the Clerk signed the Ordinance upon the records of the minutes of the Governing Body.

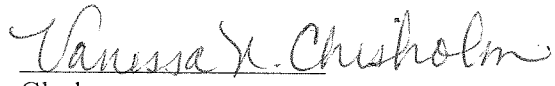
After consideration of matters not relating to the Ordinance, the meeting on the motion duly made, seconded and unanimously carried, was adjourned.

VILLAGE COUNCIL  
VILLAGE OF TAOS SKI VALLEY

  
\_\_\_\_\_  
Mayor

[SEAL]

ATTEST:

  
\_\_\_\_\_  
Clerk



STATE OF NEW MEXICO                    )  
COUNTY OF TAOS                        ) ss.  
VILLAGE OF TAOS SKI VALLEY )

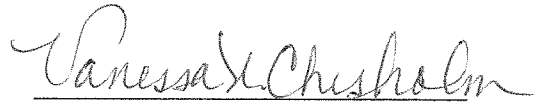
I, Vanessa Chisholm, the duly elected, qualified, and acting Clerk of the Village of Taos Ski Valley (the "Village"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the Village Council of the Village (the "Governing Body"), constituting the governing body of the Village had and taken at a duly called regular meeting held at the Columbine Conference Center, Taos Ski Valley, New Mexico on July 3, 2001, at the hour of 2:00 p.m., insofar as the same relate to the execution and delivery of the proposed Loan Agreement and Intercept Agreement, a copy of each of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of said meeting was given in compliance with the permitted methods of giving notice of regular meetings of the Governing Body as required by the Village's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of August, 2001.

  
Clerk

[SEAL]

Exhibit A  
Meeting Agenda

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C:\Eudora\Attach\S0006476.WPD