

# Sandoval County Board of County Commissioners

## Agenda Item Summary

**AGENDA ITEM # 2-5-15.7**

**1. REQUESTED MOTION**

**ACTION REQUESTED:**

Adopt Ordinance No. 2-5-15.7 Authorizing Issuance and Sale of the Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015 in the Principal Amount of up to Two Million One Hundred Thousand Dollars (\$2,100,000) for the Purpose of Refunding Outstanding County Fire Protection Revenue Bonds, Series 2005

**WHY ACTION IS NECESSARY (Summary):**

Ordinance No. 2-5-15.7 authorizes the issuance by the County of a Fire Protection Refunding Revenue Note, Series 2015 to refund the County's outstanding Fire Protection Revenue Bonds, Series 2005. The refunding would result in debt service savings for the County.

**2. REQUESTOR**

COMMISSIONER SPONSORED:  YES  NO

DISTRICT:  DISTRICT 1     DISTRICT 4  
 DISTRICT 2     DISTRICT 5  
 DISTRICT 3

DIRECTOR / ELECTED:

DIVISION:

ELECTED OFFICE:

ATTACHMENTS:  YES  NO

**3. MEETING DATE**

February 5, 2015

**4. AGENDA (To be completed by County Manager)**

- PROCLAMATION
- PRESENTATION
- CONSENT
- REGULAR
- APPEAL

**5. RECOMMENDATIONS**

Recommend Board of County Commission approval.

**6. FISCAL IMPACT**

N/A

**7. RECOMMENDED APPROVAL (Initials & Date)**

Department Director/Elected Official	Human Resources	Purchasing	Attorney As to Form PFT 1/29/15	Finance Budget CCH 1/29/15	County Manager PPR 1/29/15	Other
_____	_____	_____				_____

**8. COMMISSION ACTION**

Approved     Denied     Deferred     Other



ORDINANCE NO. 2-5-15.7

AUTHORIZING THE ISSUANCE OF THE SANDOVAL COUNTY, NEW MEXICO FIRE PROTECTION REFUNDING REVENUE NOTE, SERIES 2015 IN THE PRINCIPAL AMOUNT OF UP TO TWO MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,100,000) FOR THE PURPOSE OF REFUNDING OUTSTANDING SANDOVAL COUNTY, NEW MEXICO FIRE PROTECTION REVENUE BONDS, SERIES 2005; PROVIDING FOR THE ISSUANCE AND SALE OF THE NOTE; PROVIDING THAT THE NOTE WILL BE PAYABLE AND COLLECTIBLE SOLELY FROM THE REVENUES DERIVED FROM THE ONE-FOURTH OF ONE PERCENT COUNTY FIRE PROTECTION EXCISE TAX IMPOSED BY THE COUNTY PURSUANT TO SECTION 7-20E-15 NMSA 1978 AND SANDOVAL COUNTY ORDINANCE NO. 04-04-15.7A; PROVIDING FOR THE DISPOSITION OF THE RECEIPTS DERIVED FROM THE GROSS RECEIPTS TAX; AUTHORIZING THE EXECUTION AND DELIVERY OF A NOTE PURCHASE AGREEMENT; PROVIDING FOR THE TERMS AND CONDITIONS OF THE NOTE, THE MANNER OF ITS EXECUTION, THE METHOD OF PAYING THE NOTE AND OTHER DETAILS CONCERNING THE NOTE, INCLUDING BUT NOT LIMITED TO COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH AND APPERTAINING THERETO.

Capitalized terms used in the following preambles have the same meaning as defined in Section 1 of this 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, pursuant to Section 7-20E-15, NMSA 1978 and County Ordinance No. 04-04-15.7A, adopted on April 15, 2004 (the "Tax Ordinance"), the County authorized the county fire protection excise tax, imposed at a rate of 0.25% on any person engaging in business in the County for the privilege of engaging in business in the County and distributed monthly from the Revenue Division of the New Mexico Taxation and Revenue Department to the County (the "Pledged Revenues"); and

WHEREAS, pursuant to County Ordinance No. 04-12-02.7, adopted on December 2, 2004, as supplemented by County Resolution No. 3-17-05.6, adopted on March 17, 2005, the County issued its Fire Protection Revenue Bonds, Series 2005 (the "Series 2005 Bonds") in the original aggregate principal amount of \$5,000,000, which are currently outstanding in the aggregate principal amount of \$2,335,000, payable from and secured by an irrevocable and first lien (but not necessarily an exclusively first lien) on the Pledged Revenues; and

WHEREAS, the Pledged Revenues are not pledged to the payment of any bonds or other obligations which are presently outstanding and unpaid except for the Series 2005 Bonds; and

WHEREAS, the Board hereby determines that issuance of the Note for the purpose of refunding, refinancing, prepaying and discharging the Series 2005 Bonds maturing on and after March 15, 2016 will reduce the interest costs on the debt and will effect other savings and economies, all to the benefit of the County, and consequently will provide for the public health, safety and welfare of the County and its residents; and

WHEREAS, the County has received an offer to purchase the Note from BOKF, N.A. dba Bank of Albuquerque pursuant to the Note Purchase Agreement; and

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

WHEREAS, there has been on deposit with the County Clerk and presented to the Board the proposed form of Note Purchase Agreement; and

WHEREAS, the Board has determined that it is in the best interest of the County to accept the offer of the Purchaser to purchase the Note and to enter into the Related Documents.

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

Section 1. Definitions. As used in this 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 4-62-1 through 4-62-10 and Section 7-20E-15 NMSA 1978, as amended, and enactments of the Board relating to the issuance of the Bonds, including this Ordinance and the Tax Ordinance.

“Board” means the Board of County Commissioners of the County or any future successor governing body of the County.

“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.

“Chairperson” means the Chairperson of the Board.

“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.

“Continuing Disclosure Undertaking” means the continuing disclosure undertaking with respect to the Note, if any, executed by the County on the day of issuance and delivery of the Note to the Purchaser.

“County” means the County of Sandoval in the State of New Mexico.

“County Local Option Gross Receipts Tax Act” means Sections 7-20E-1 through 7-20E-28, NMSA 1978, as amended.

“Debt Service Fund” means the “Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015, Debt Service Fund” established by Section 16 of this Ordinance.

“Event of default” means any of the events stated in Section 25 of this Ordinance.

“Expenses” means the reasonable and necessary fees, costs and expenses incurred by the County with respect to the issuance of the Note, including the fees, compensation, costs and expenses paid or to be paid to the Paying Agent, Registrar, Purchaser, attorney’s fees and financial advisor’s fees.

“Federal Securities” as used in this Ordinance shall include only direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the period commencing on July 1 in each calendar year and ending on June 30 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 Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

“Independent Accountant” means (A) an accountant employed by the State and under supervision of the State Auditor, or (B) 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 County who (i) is, in fact, independent and not under the domination of the County, (ii) does not have any substantial interest, direct or indirect, with the County, and (iii) 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.

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

“Interest Payment Date” means each March 15 and September 15, commencing on September 15, 2015.

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

“Note” means the “Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015” authorized by this Ordinance.

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

“Noteholder,” “holder,” “owner” or “Owner” means the registered owner of the Note as shown on the registration books of the County for the Note, from time to time, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Noteholders shall mean the holders at the particular time of a majority or of the specified percentage or proportion in aggregate principal amount of the Note then outstanding.

“Obligations” means bonds, notes or any other instrument which evidence a borrowing or other obligation of the County secured by Pledged Revenues issued or incurred for any purpose permitted by the Act.

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

“Outstanding” or “outstanding” when used in reference to the Note means, on any particular date, the aggregate principal amount of the Note delivered under this Ordinance except:

A. such portion of principal of the Note cancelled at or prior to such date or delivered or acquired by the County at or prior to such date for cancellation;

B. such portion of principal of the Note otherwise deemed to be paid in accordance with Section 31 of this Ordinance;

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

D. such portion of principal of the Note which has been refunded in accordance with this Ordinance or other ordinance of the County authorizing the issuance of the applicable bonds.

“Parity Bonds” or “Parity Obligations” means the Note and any other Obligations hereafter issued or incurred payable from the Pledged Revenues and issued with a lien on the Pledged Revenues on parity with the lien thereon of the Note.

“Paying Agent” means BOKF, N.A. dba Bank of Albuquerque, as agent for the County for the payment of the Note, the interest thereon and any prior redemption premium in connection therewith, and any successor.

“Pledged Revenues” means the amounts of money derived from (1) all of the revenue attributable to the county fire protection excise tax transferred to the County pursuant to Section 7-20E-15 NMSA 1978, which county fire protection excise tax is imposed on all persons engaging in business in the County pursuant to the Tax Ordinance, and as authorized by the County Local Option Gross Receipts Tax Act, (2) which tax equals, subject to the exemptions specified in Sections 7-20E-4(A) and 7-20E-5 NMSA 1978, and the deductions referenced in Section 7-20E-7 NMSA 1978, one-fourth of one percent (0.25%) of the gross receipts of all persons engaging in business in the County for the privilege of engaging in business in the County, (3) the portion of the gross receipts tax distribution to the County made pursuant to Section 7-1-6.47 NMSA 1978, which represents the amount of the county fire protection excise tax revenues that would have been remitted to the County but for the deductions (effective January 1, 2005) provided by Sections 7-9-92 and 7-9-93 NMSA 1978, and any similar distributions made to the County in lieu of such revenues pursuant to law, and (4) which amounts are collected and, after any deductions for administrative costs 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 receipt 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 March 15 in each year beginning March 15, 2016.

“Purchaser” means BOKF, N.A. dba Bank of Albuquerque.

“Rebate Fund” means the “Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015, Rebate Fund” established by Section 24(N) of this Ordinance.

“Refunded Bond Requirements” means the principal of and interest on (i.e., all debt service requirements for) the Series 2005 Bonds to and including their first optional redemption date of March 15, 2015.

“Refunding” means (1) current refunding, refinancing, discharging and prepaying the Series 2005 Bonds maturing on and after March 15, 2016 on March 15, 2015, and (2) paying Expenses related to the issuance of the Bonds and the prepayment and discharge of the Series 2005 Bonds.

“Registrar” means BOKF, N.A. dba Bank of Albuquerque, as registrar and transfer agent for the Note, and any successor.

“Related Documents” means the Note Purchase Agreement, the Tax Compliance Certificate and any other document or agreement containing an obligation of the County as may be required in connection with the issuance of the Note.

“Revenue Fund” means the “Sandoval County, New Mexico Fire Protection Excise Tax Revenue Fund” established by Section 16 of this Ordinance into which the County shall deposit the Pledged Revenues.

“Series 2005 Bonds” means the “Sandoval County, New Mexico Fire Protection Revenue Bonds, Series 2005” issued on March 24, 2005 and secured by a pledge of the Pledged Revenues.

“Series 2005 Bond Fund” means the fund established for payment of principal and interest on the Series 2005 Bonds by Section 18(A) of County Ordinance No. 04-12-02.7, authorizing issuance of the Series 2005 Bonds.

“State” means the State of New Mexico.

“Tax Compliance Certificate” means the Tax Compliance Certificate to be delivered by the County at the time of issuance of the Bonds, as the same may be supplemented in accordance with its terms.

“Tax Ordinance” means County Ordinance No. 04-04-15.7A, adopted on April 15, 2004, imposing the Pledged Revenues.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Board and the officers of the County, directed toward the Refunding, the issuance of the Note for the Refunding and the sale of the Note to the Purchaser be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Refunding. The Refunding and the method of financing the Refunding are hereby authorized and ordered at a total cost of \$2,035,000 and the necessity thereof is hereby so declared, excluding any such cost defrayed or to be defrayed by any source other than Note proceeds.

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

A. Moneys available for the Refunding from all sources other than the issuance of the Note are not sufficient to defray the cost of the Refunding.

B. The Pledged Revenues may lawfully be pledged to secure the payment of the Note.

C. It is economically feasible to defray, in part, the cost of the Refunding by the issuance of the Note.

D. The issuance of the Note provides debt service savings for the County.

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

F. The County is current in the accumulation of all amounts which are required to have been accumulated in the debt service fund for the Series 2005 Bonds.

G. The net effective interest rate on the Bonds of 1.95% is less than the statutory maximum of twelve percent (12%).

Section 5. Note - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of a majority of all of the members of the Board. For the purpose of protecting the public health, safety and welfare of the residents of the County, it is hereby declared necessary that the County, pursuant to the Act, issue its negotiable, fully registered, promissory note to be designated "Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015," in an aggregate principal amount of \$2,035,000 and the issuance, sale and delivery of the Note are hereby authorized. The Note shall be sold by a negotiated sale to the Purchaser pursuant to the Note Purchase Agreement at the price established in the Bond Purchase Agreement which is hereby ratified and approved.

B. Details of Note. The Note shall be dated the date of its issuance and delivery to the Purchaser, shall be issued as a single certificate in an aggregate principal amount of \$2,035,000, and shall be numbered R-1.

The Note shall bear interest from its date of delivery, payable semi-annually on March 15 and September 15 each year, commencing on September 15, 2015, until its maturity. The Note shall mature on March 15, 2020 and is subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of the Note, the Board shall cause to be deposited into the Debt Service Fund a sum which is sufficient to redeem on March 15 of each of the following years the following principal amounts of the Note, plus accrued interest to the redemption date:

<u>Payment Date (March 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$390,000	1.95%
2017	400,000	1.95%
2018	405,000	1.95%
2019	415,000	1.95%
2020*	425,000	1.95%

\*Maturity.

The net effective interest rate on the Bonds is less than the statutory maximum rate of twelve percent (12%) per annum.

Section 6. Optional Redemption. The Bonds shall not be subject to optional redemption prior to maturity.

Section 7. Filing of Signatures. Prior to the execution of any Bond, the Chairperson and County Clerk may each file, pursuant to Sections 6-9-1 to 6-9-6 NMSA 1978, as amended, 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 Note.

A. Execution. The Note shall be signed with the engraved, imprinted, stamped or otherwise reproduced facsimile of the signature, or the manual signature, of the Chairperson and shall be attested with the facsimile or manual signature of the County Clerk. There shall be affixed to the Note the printed, engraved, stamped or otherwise placed facsimile of, or imprint of, the County's corporate seal. The Note shall be authenticated by the manual signature of the Registrar. The Note when authenticated and bearing the manual or facsimile signatures of the officers in office at the time of signing thereof shall be a valid and binding special obligation 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 Chairperson and County Clerk, at the time of the execution of the Note 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 the Note or certificates pertaining to the Note.

B. Authentication. The Note shall not be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar.

Section 9. Negotiability. The Note shall be fully negotiable and shall have all the qualities of negotiable paper, and the Noteholders 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 portions of principal of the Note outstanding shall in all respects be equally and ratably secured, without preference, priority or distinction on account of the scheduled sinking fund maturity of the principal of the Note.

Section 10. Payment and Presentation of the Note for Payment. Principal and interest on the Note shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Except as otherwise provided in Section 5(B) of this Ordinance, principal shall be payable in immediately available funds at maturity thereof upon presentation and surrender of such Note at the principal office of the Paying Agent or at the designated office of any successor Paying Agent. Interest on the Note shall be payable by check or draft mailed to the registered owner thereof (or in such other manner as may be agreed upon

by the Paying Agent and the registered owner), as shown on the registration books maintained by the Registrar at the address appearing therein on the 15th day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be payable to the owner thereof (or of one or more predecessor obligation) as of the Record Date, but shall be payable to the owner thereof (or of one or more predecessor obligation) at the close of business on a special record date for the payment of that overdue 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 Note owners not less than ten days prior thereto. If any portion of the Note presented for payment remains unpaid at maturity, it shall continue to bear interest at the rate or rates designated in, and applicable to, such portion of the Note from time to time. If the Note is not presented for payment at maturity 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 Note.

A. Registration, Transfer and Exchange. The County shall cause books for registration, transfer, and exchange of the Note as provided herein to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of the fully registered Note 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 Note to be transferred, in the name of the transferee or registered owner, as appropriate, a new Note 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 registered owners' addresses 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.

C. Owner of the Note. The person in whose name the Note or any portion thereof 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 the Note 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 the Note or portion thereof to the extent of the sum or sums so paid.

D. Replacement Note. If the Note shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of the Note, 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 Note of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously

outstanding. If any such lost, stolen, destroyed or mutilated Note shall have matured, the Registrar may request the Paying Agent to pay such note in lieu of replacement.

E. Additional Notes. Executed but unauthenticated Notes 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 Note issued in connection with a transfer or exchange, the Registrar may make a charge to the owner of the Note 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 or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign or is prohibited by law from continuing as Registrar or Paying Agent, or if the County shall reasonably determine that said Registrar or Paying Agent 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 or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$50,000,000. It shall not be required that the same institution serves as both Registrar and Paying Agent hereunder, but the County shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

H. Note not Book Entry. The Note shall be issued as a physical certificate and shall not be issued or registered, in whole or in part, in book-entry form.

Section 12. Special Limited Obligation. The Note and all payments of principal, premium, if any, and interest thereon at maturity, together with any interest accruing 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 Section 18 of this 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 Note 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 it be considered or held to be a general obligation of the County, and the Note shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in this Ordinance, and that the holders thereof may not look to any general or other municipal fund for the payment of the principal of and interest on the Note. Nothing herein shall prevent the County from applying other funds of the County legally available therefor to the payment of the Note, in its sole discretion.

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

[Form of Note]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

COUNTY OF SANDOVAL

SANDOVAL COUNTY, NEW MEXICO  
FIRE PROTECTION REFUNDING REVENUE NOTE  
SERIES 2015

Note No. R-1

\$2,035,000

INTEREST RATE

MATURITY DATE

DATE OF NOTE

1.95% per annum

March 15, 2020

March \_\_, 2015

PRINCIPAL AMOUNT: TWO MILLION THIRTY-FIVE THOUSAND DOLLARS

REGISTERED OWNER: BOKF, N.A. dba BANK OF ALBUQUERQUE

The County of Sandoval (the "County"), in the State of New Mexico (the "State"), a political subdivision duly organized and existing under the Constitution and laws of the State, for value received, promises to pay, solely from the special funds available for the purpose set forth below, to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (unless this Note may be and is called for prior redemption, in whole or in part, in which case on such redemption date), upon presentation and surrender of this Note to BOKF, N.A. dba Bank of Albuquerque, in Albuquerque, New Mexico, or any successor (as such, the "Paying Agent"), the Principal Amount stated above and premium, if any, and to pay interest on the unpaid Principal Amount at the Interest Rate stated above on March 15 and September 15 of each year beginning on September 15, 2015 (each, an "Interest Payment Date") to the Maturity Date stated above, or until redeemed if called for redemption prior to maturity. If upon presentation and surrender at maturity or for prior redemption, payment of this Note is not made, interest shall continue at the Interest Rate stated above until the Principal Amount is paid in full. This Note 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 the Date of Note stated above. Interest on this Note is payable by check or draft 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 Note maintained by BOKF, N.A. dba Bank of Albuquerque or any successor (as such, the "Registrar"), at the address appearing therein at the close of business on the fifteenth day of the calendar 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. Notice of the special record date shall be given to owners of the Note as then shown on the Registrar's registration books not less than ten days prior to the special record date. The

principal of, premium, if any, and interest on this Note are payable in lawful money of the United States of America, without deduction for exchange or collection charges.

This Note has been duly authorized as a fully registered note of the County in the aggregate principal amount of \$2,035,000 issued in a single certificate, designated as Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015 (the "Note"), issued under and pursuant to County Ordinance No. \_\_\_\_\_ (the "Ordinance").

This Note shall mature on March 15, 2020 and is subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of this Note, the Board shall cause to be deposited into the Debt Service Fund a sum which is sufficient to redeem on March 15 of each of the following years the following principal amounts of this Note, plus accrued interest to the redemption date:

Payment Date (March 15)	Principal Amount	Interest Rate
2016	\$390,000	1.95%
2017	400,000	1.95%
2018	405,000	1.95%
2019	415,000	1.95%
2020*	425,000	1.95%

\*Maturity.

This Note is not subject to optional redemption prior to maturity.

Books for the registration and transfer of this Note or portions thereof shall be kept by the Registrar. Upon the surrender for transfer or exchange of this Note or portions thereof 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 this Note or portion thereof to be transferred, in the name of the transferee or owner a new note or portion thereof 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 this Note or portion thereof shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of this Note or portion thereof of any tax or other similar governmental charge required to be paid with respect to such exchange or transfer. The Registrar will close books for change of registered owners' addresses 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 person in whose name this Note or portion thereof 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 Ordinance; and payment of or on account of

either principal or interest on the Note or portion thereof 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 the Note or portion thereof to the extent of the sum or sums so paid.

If this Note or portion thereof shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of the Note or portion thereof, 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 note or notes of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If any such lost, stolen, destroyed or mutilated Note or portion thereof shall have matured, the Registrar may request the Paying Agent to pay such note in lieu of replacement.

This Note 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 Pledged Revenues, as defined in the Ordinance. The registered owner may not look to any general or other fund for the payment of the principal of, interest upon, and any prior redemption premium in connection with this obligation except the special funds (i.e., the Pledged Revenues) pledged therefor. Payment of this Note and the interest thereon shall be made solely from, and as security for such payment there are pledged, pursuant to the Ordinance, a special fund identified as the "Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015, Debt Service Fund" into which the County covenants to pay from the Pledged Revenues sums sufficient to pay when due the principal of and interest on this Note. Reference is made to the Ordinance for a description of said fund and the nature and extent of the security afforded thereby for the payment of the principal of and the interest on this Note or portion thereof. This Note and any portion thereof is equitably and ratably secured by a lien on the Pledged Revenues, and this Note constitutes an irrevocable lien upon the Pledged Revenues subordinate to the lien thereon of the Superior Lien Obligations (as defined in the Ordinance). Additional obligations may be issued and made payable from the Pledged Revenues, upon satisfaction of the conditions set forth in the Ordinance, having a lien thereon either on a parity with, superior to, or subordinate and junior to, the lien of the Note on the Pledged Revenues.

The Note is issued for the purpose of (1) current refunding, refinancing, discharging and prepaying the Sandoval County, New Mexico Fire Protection Revenue Bonds, Series 2005 maturing on and after March 15, 2016, and (2) paying Expenses related to the issuance of the Note and the prepayment and discharge of the Series 2005 Bonds.

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

This Note is subject to the condition, and every owner hereof by accepting the same agrees with the obligor and every subsequent owner hereof, that the principal of and interest on this Note shall be paid, and this bond is transferable, free from and without regard to any

equities, set-offs or crossclaims between the obligor and the original purchaser 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 Note 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 Note does not exceed or violate any constitutional or statutory limitation of or pertaining to the County.

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

IN WITNESS WHEREOF, Sandoval County, New Mexico, has caused this Note to be signed and executed on the County's behalf with the facsimile or manual signature of the Chairperson and the facsimile or manual signature of the County Clerk and has caused the corporate seal or a facsimile thereof of the County to be affixed hereon, all as of the Date of Bond.

SANDOVAL COUNTY, NEW MEXICO

[FACSIMILE SEAL]

By \_\_\_\_\_  
Chairperson

By \_\_\_\_\_  
County Clerk

[Form of Registrar's Certificate of Authentication]

Certificate of Authentication

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

Date of Authentication: \_\_\_\_\_

BOKF, N.A. dba Bank of Albuquerque,  
as Registrar and Paying Agent

By \_\_\_\_\_  
Authorized Officer

[End of Form of Registrar's Certificate of Authentication]

[Form of Assignment]

Assignment

For value received, \_\_\_\_\_ hereby sells, assigns and transfer unto \_\_\_\_\_ the within note 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.

\_\_\_\_\_

Social Security or Tax Identification No. of Assignee \_\_\_\_\_

Dated: \_\_\_\_\_

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

[End of Form of Assignment]

[End of Form of Note]

Section 14. Period of Project's Usefulness. It is hereby determined and recited that the period of remaining usefulness of the project financed with the proceeds of the Series 2005 Bonds is not less than the final maturity date of the Note.

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

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

B. Expenses. Upon the sale and delivery of the Note, an amount necessary to pay Expenses shall be used for payment of the Expenses in compliance with applicable law.

C. Series 2005 Bond Fund Deposit. An amount of proceeds received from the sale of the Note, together with other legally available funds, shall be deposited in the Series 2005 Bond Fund in an amount sufficient to pay the Refunded Bond Requirements in accordance with the terms of Section 17 of this Ordinance.

D. Purchaser Not Responsible. The Purchaser of the Note shall in no manner be responsible for the application or disposal by the County or by its officers of the proceeds derived from the sale thereof or of any other funds herein designated.

Section 16. Funds and Accounts. The County hereby creates or continues the following special and separate funds, which shall be under the control of the County:

A. Revenue Fund. The "Sandoval County, New Mexico County Fire Protection Excise Tax Revenue Fund" maintained by the County into which the County shall deposit the Pledged Revenues.

B. Debt Service Fund. The "Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015 Debt Service Fund" to be maintained by the County.

Section 17. Series 2005 Bond Fund. The funds deposited in the Series 2005 Bond Fund pursuant to Section 16(C) of this Ordinance shall be maintained in an amount at the time of the deposit and all times subsequently at least sufficient to pay the Refunded Bond Requirements on the first optional redemption date of the Series 2005 Bonds. Any moneys remaining in the Series 2005 Bond Fund after payment in full of the Refunded Bond Requirements shall be deposited in the Debt Service Fund.

Section 18. Deposit of Pledged Revenues and Flow of Funds.

A. Fire Protection Excise Tax Revenue Fund. So long as the Note is outstanding, the Pledged Revenues shall, immediately upon receipt thereof by the County, be set aside and deposited into the Revenue Fund. All money deposited into the Revenue Fund shall be

held separate and apart from the County's general fund and applied only in accordance with the provisions of this Ordinance and any other County ordinance authorizing the issuance of Parity Obligations.

B. Debt Service Fund. As a first charge on the Pledged Revenues, the following amounts shall be withdrawn from the Revenue Fund and shall be concurrently credited to the Debt Service Fund:

(1) To the Debt Service Fund, the following:

(a) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Note, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the first maturing installment of interest on the Note, and monthly thereafter, commencing on each Interest Payment Date, one-sixth (1/6) of the amount necessary to pay the next maturing installment of interest on the principal of the Note then outstanding.

(b) Monthly, commencing on the first day of the month immediately succeeding the delivery of the Note, an amount in equal monthly installments necessary, together with any other moneys therein and available therefor, to pay the first maturing installment of principal of the outstanding Note and monthly thereafter, commencing on each Principal Payment Date, one-twelfth (1/12) of the amount necessary to pay the next maturing installment of principal on the Note then outstanding.

C. 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 A above shall be reduced by the amount available in such fund and available for such purpose.

D. 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 four Business Days prior to the due date of such payment.

E. Payment of Parity Obligations. Concurrently with the payment of the Pledged Revenues required by paragraph B of this Section, any amounts on deposit in the Pledged Revenue Fund shall be used by the County for the payment of principal of, interest on and debt service reserve fund deposits relating to Parity Obligations, 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 Pledged Revenue 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 Note and any outstanding Parity Obligations, then the available funds in the Pledged Revenue 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 Obligations, for the payment of principal of and interest on all series of outstanding Parity Obligations and, second, to the extent of remaining available funds in the Pledged Revenue 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

Obligations, for the required debt service reserve fund deposits for all series of outstanding Parity Obligations.

F. Termination Upon Deposits to Maturity. No payment need be made into the Debt Service Fund if the amount in such fund totals a sum at least equal to the entire amount of principal of the Note then outstanding, and accrued and unaccrued interest to its maturity, in which case, moneys in the Debt Service Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue and any moneys in excess thereof in the Debt Service Fund and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the County.

G. Defraying Delinquencies in Debt Service Fund. If, in any month the County shall, for any reason fail to pay into the Debt Service Fund the full amount above stipulated from the Pledged Revenues then an amount shall be paid into the Debt Service Fund equal to the difference between the amount paid from Pledged Revenues and the full amount so stipulated from the first revenues thereafter received from Pledged Revenues not required to be otherwise applied. The moneys in the Debt Service Fund shall be used solely and only for the purpose of paying the principal of and the interest on the Note issued hereunder; provided, however, that any moneys in the Debt Service Fund in excess of accrued and unaccrued principal and interest requirements to the maturities of the outstanding Bonds may be withdrawn and used for any lawful purpose.

H. Use of Surplus Pledged Revenues. After making all the payments hereinabove required to be made by this Section, the remaining Pledged Revenues, if any, may be applied to any other lawful purpose, as the County may from time to time determine.

Section 19. General Administration of Funds. The funds designated in Section 16 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 in one or more bank accounts in an Insured Bank or Banks. 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. Payments shall be made into the proper account on the first day of the month except when the first day shall not be a Business Day, then payment shall be made on the next succeeding Business Day. No later than four 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. Nothing in this Ordinance shall prevent the County from establishing one or more bank accounts in an Insured Bank or Banks for all the funds required by this Ordinance or shall prevent the combination of such funds and accounts with any other bank account or accounts for other funds and accounts of the County.

B. Investment of Moneys. Moneys in any fund or account not immediately needed may be invested in any investment permitted by law. The obligations so purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund or account, and any loss resulting from such investment shall be charged to such fund or account.

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

Section 20. Lien on Pledged Revenues. The Pledged Revenues and the amounts and securities on deposit in the Debt Service Fund, and the proceeds thereof, are hereby authorized to be pledged to, and are hereby pledged, and the County grants a security interest therein for, the payment of the principal of, premium, if any, and interest on the Note, subject to the uses thereof permitted by, and the priorities set forth in, this Ordinance. The Note constitutes an irrevocable first lien, but not necessarily an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of Parity Obligations.

Section 21. Additional Obligations Payable from Pledged Revenues.

A. Parity Obligations Test. This Ordinance shall not prevent the issuance of additional Parity Obligations payable from and constituting a lien upon the Pledged Revenues on parity with the lien of the Note. Before any additional Parity Obligations are actually issued, 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 as required by Section 18 of this Ordinance; and

(2) The requirements of either of the following subparagraphs (a) or (b) of this Section are met and a certificate or opinion as provided for in paragraph B of this Section has been obtained:

(a) The annual Pledged Revenues for the Fiscal Year immediately preceding the date of the ordinance authorizing the issuance of any Parity Bonds shall have been sufficient to pay an amount representing at least two hundred percent (200%) of the maximum annual principal and interest coming due in subsequent Fiscal Years on (1) the outstanding principal of the Note, (2) other outstanding Parity Obligations payable from and constituting a lien upon the Pledged Revenues, and (3) the Parity Obligations proposed to be issued, excluding reserves therefor; or

(b) If, during the period beginning on the first day of the completed Fiscal Year immediately preceding the date of the ordinance authorizing the issuance of the Parity Obligations proposed to be issued and ending on the date of such ordinance, a change in the rate of Pledged Revenues has been adopted by law, the estimate of the Pledged Revenues (sometimes herein the "Estimated Revenues"), determined by changing the actual Pledged Revenues for the preceding Fiscal Year by the percentage of rate increase or decrease in the gross receipts tax rate, shall have been sufficient to pay an amount representing at least two hundred percent (200%) of the maximum annual principal and interest coming due in subsequent Fiscal Years on (1) the outstanding principal of the Note, (2) other outstanding Parity Obligations payable from and constituting a lien upon the Pledged Revenues, and (3) the Parity Obligations proposed to be issued, excluding reserves therefor. The preceding Fiscal Year shall

be determined as aforesaid from the date of adoption of the ordinance authorizing the issuance of additional Parity Obligations and shall not be determined from the date of publication of such ordinance or adoption of any ordinance which amends or supplements such ordinance.

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

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

D. Superior Obligations Prohibited. The County shall not issue any obligation having a lien on the Pledged Revenues which is prior and superior to the Note.

Section 22. Equality of Parity Obligations. The Parity Obligations, for any source of the Pledged Revenues, from time to time outstanding shall not be entitled to any priority one over the other in the application of the Pledged Revenues, as applicable, 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 Parity Obligations 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 Note issued hereunder:

A. Use of Note Proceeds. The County will proceed without delay to apply the proceeds of the Note as set forth in Section 15 of this Ordinance.

B. Payment of the Note Herein Authorized. The County will promptly pay the principal of and the interest on the Note at the place, on the date and in the manner specified herein and in the Note according to the true intent and meaning hereof.

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

D. 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 the Note, 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 Note then outstanding and of the matured interest on the Note, the payment of which has not been extended.

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

F. Audits and Budgets. The County will, within two hundred and seventy (270) 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 of such audits and reports to the Purchaser and the holder of any of the Note at its written request.

G. Other Liens. Other than as described and identified by this Ordinance, there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenues. This Ordinance does not prohibit the issuance of Parity Obligations with a lien on the Pledged Revenues on parity with the lien thereon of the Note consistent with the requirements herein.

H. Duty to Impose Fire Protection Excise Tax. If State law or any County ordinance or part thereof, which in any manner affects the Pledged Revenues shall ever be held to be invalid or unenforceable, it shall be the duty of the County to take any legally permissible action necessary to produce sufficient Pledged Revenues to comply with the contracted obligations of this 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 Note shall not be repealed or otherwise directly or indirectly modified, in such a manner as to impair adversely the Note, unless the Note has been discharged in full or provision has been fully made therefor or unless the required consents of the holders of the Note are obtained pursuant to Section 29 of this Ordinance.

J. Debt Service Fund. The Debt Service Fund shall be used solely and only, and that fund is hereby pledged, for the purposes set forth in this Ordinance.

K. Surety Bonds. Each County official and employee being responsible for receiving Pledged Revenues shall be bonded at all times, which bond shall be conditioned upon the proper application of Pledged Revenues.

L. Performing Duties. The County will faithfully and punctually perform all duties with respect to the Note required by the Constitution and laws of the State of New Mexico and the ordinances and resolutions of the County relating to the Note.

M. Tax Covenants. The County covenants that it will restrict the use of the proceeds of the Note in such manner and to such extent, if any, as may be necessary so that the Note will not constitute an arbitrage bond under Section 148 of the Code. The Chairperson and other officers of the County having responsibility for the issuance of the Note shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Note, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Note, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Note.

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 Note 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 Note 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 Chairperson 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.

N. Rebate Fund. In furtherance of the covenants set forth in the preceding paragraph, the County hereby establishes a fund separate from any other funds established and maintained hereunder designated as 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 Ordinance. Money in the Rebate Fund shall be invested pursuant to the procedures in the manner provided in Section 19(B) for investment of money, and all amounts on deposit in the Rebate Fund shall be held by the County, or a designated trustee, in trust, to the extent required to pay rebatable arbitrage to the United States of America. The County 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 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 Note and payment and satisfaction of any rebatable arbitrage shall be withdrawn and remitted to the County.

O. Continuing Disclosure Obligations. The officers of the County are authorized to sign such documents and to take such actions in the future with respect to the County's continuing disclosure obligations as are necessary or desirable to comply with the Continuing Disclosure Undertaking, if any, and, if applicable, the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Notwithstanding any other provisions of this Ordinance, failure of the County to comply with the Continuing Disclosure Undertaking, if any, shall not be considered an "event of default" under Section 24 hereof, and holders and beneficial owners of the Note shall

be entitled to exercise only such rights with respect thereto as are provided in the Continuing Disclosure Undertaking, if any.

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

A. Nonpayment of Principal. Failure to pay the principal of the Note when the same becomes due and payable, either at maturity or otherwise.

B. Nonpayment of Interest. Failure to pay any installment of interest when the same becomes due and payable.

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 Note or in this Ordinance on its part to be performed, and the continuance of such default (other than a default set forth in subparagraphs A and B of this Section) for sixty (60) 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 Note 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 with 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 this Ordinance, then in every case the holder or holders of not less than twenty-five percent (25%) in aggregate principal amount of the Note 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 Note under this 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 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 Noteholder, 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 principal of the Note then outstanding. The failure of any Noteholder 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 this Ordinance, the County, in addition, will do and perform all proper acts on behalf of and for the owners of the Note to protect and preserve the security created for the payment of the Note and to insure the payment of the principal of and interest on the Note promptly as the same become due. All proceeds derived therefrom, so long as any portion of the Note, either as to principal or interest, are outstanding and unpaid, shall be applied as set forth in Section 18 of this 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 Note then outstanding, after demand in writing, may proceed to protect and enforce the rights of the owners of the Note or portions thereof as hereinabove provided.

Section 27. Note Not Presented When Due. If the Note shall not be duly presented for payment when due at maturity, and if moneys sufficient to pay the Note are on deposit with the Paying Agent for the benefit of the owners of the Note, all liability of the County to such owners for the payments of the Note shall be completely discharged, the Note shall not be deemed to be 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 the Note.

Section 28. Approval of Documents; Delegated Powers. The officers of the County be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing, the publication of the summary of this Ordinance set out in Section 37 (with such changes, additions and deletions as they may determine). The Chairperson is authorized and directed to execute and the County Clerk is authorized and directed to affix the seal of the County to and attest, where applicable, the Related Documents, in substantially the form as hereby approved or with such changes therein as are not inconsistent with this Ordinance and as shall be approved by the Chairperson, his execution thereof to constitute conclusive evidence of his approval of any and all changes or revisions thereof from the form presented to the Governing Body. From and after adoption of this Ordinance and the execution and delivery of the Related Documents, the officers, agents and employees of the County are hereby authorized, empowered and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of the Related Documents as executed.

Section 29. Amendment of Ordinance. This 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. Prior to the date of the initial delivery of the Note to the Purchaser, the provisions of this Ordinance may be supplemented with the written consent of the Purchaser with respect to any changes which are not inconsistent with the substantive provisions of this Ordinance. Except as provided above, this Ordinance may be amended without receipt by the County of any additional consideration, but with the written consent of the holders of three-fourths (3/4ths) of the principal of the Note then outstanding (not including any portion of such principal which may be held for the account of the County); but no ordinance adopted without the written consent of the holders of the Note shall have the effect of permitting:

- A. An extension of the maturity of the Note; or

- B. A reduction of the principal amount or interest rate of the Note; or
- C. A reduction of the principal amount of the Note required for consent to such amendatory ordinance; or
- E. The establishment of priorities as between portions of the principal of the Note and outstanding under the provisions of this Ordinance; or
- F. The modification of or otherwise affecting the rights of the holders of less than all the outstanding principal of the Note.

Section 30. Defeasance. When all principal and interest in connection with the Note have been duly paid, the pledge and lien for the payment of the Note shall thereby be discharged and the Note shall no longer be deemed to be outstanding within the meaning of this Ordinance. Payment shall be deemed made with respect to any Note or Notes when the County 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 and interest as the same become due to their final maturities. Any Federal Securities shall become due when needed in accordance with a schedule agreed upon between the County and such bank at the time of the creation of the escrow.

Section 31. Ordinance Irrepealable. After the Note is issued, this Ordinance shall be and remain irrepealable until the Note 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 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 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 Ordinance, it shall be recorded in the book of ordinances of the County kept for that purpose, authenticated by the signatures of the Chairperson and County Clerk, and the title and general summary of the subject matter contained in this Ordinance (set out in Section 37 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 Ordinance shall be in full force and effect thirty days after recording.

Section 35. Limitation of Action Period. After the passage of the thirty (30) days from the publication required by Section 37 hereof, any action attacking the validity of any

proceedings had or taken by the County preliminary to and in the authorization and issuance of the Note shall be perpetually barred.

Section 36. Prior Redemption and Notice of Prior Redemption for the Series 2005 Bonds. The County has elected and does hereby declare its intent to exercise on the behalf and in the name of the County its option to redeem the Series 2005 Bonds maturing on and after March 15, 2016 on March 15, 2015, at a redemption price equal to 100% of the principal amount of the Series 2005 Bonds to be redeemed, plus accrued interest to the redemption date, and to defease the Series 2005 Bonds pursuant to the terms of this Ordinance.

The County is hereby obligated so to exercise such option, which option shall be deemed to have been exercised upon adoption of this Ordinance and delivery of the Note. Forthwith upon delivery of the Note, a notice of prior redemption of the Series 2005 Bonds shall be mailed or delivered to the registered owners of the Series 2005 Bonds.

Section 37. 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]

Sandoval County, New Mexico  
Notice of Adoption of Ordinance

Notice is hereby given of the title and of a general summary of the subject matter contained in County Ordinance No. \_\_\_\_\_, duly adopted and approved by the Board of County Commissioners of Sandoval County, New Mexico, on February 5, 2015, relating to the authorization and issuance of the County's Fire Protection Refunding Revenue Note, Series 2015. Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the County Clerk, Sandoval County Administration Building, 1500 Idalia Road, Bernalillo, New Mexico.

The title of the Ordinance is:

AUTHORIZING THE ISSUANCE OF THE SANDOVAL COUNTY, NEW MEXICO FIRE PROTECTION REFUNDING REVENUE NOTE, SERIES 2015 IN THE PRINCIPAL AMOUNT OF UP TO TWO MILLION ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,100,000) FOR THE PURPOSE OF REFUNDING OUTSTANDING SANDOVAL COUNTY, NEW MEXICO FIRE PROTECTION REVENUE BONDS, SERIES 2005; PROVIDING FOR THE ISSUANCE AND SALE OF THE NOTE; PROVIDING THAT THE NOTE WILL BE PAYABLE AND COLLECTIBLE SOLELY FROM THE REVENUES DERIVED FROM THE ONE-FOURTH OF ONE PERCENT COUNTY FIRE PROTECTION EXCISE TAX IMPOSED BY THE COUNTY PURSUANT TO SECTION 7-20E-15 NMSA 1978 AND SANDOVAL COUNTY ORDINANCE NO. 04-04-15.7A; PROVIDING FOR THE DISPOSITION OF THE RECEIPTS DERIVED FROM THE GROSS

RECEIPTS TAX; AUTHORIZING THE EXECUTION AND DELIVERY OF A NOTE PURCHASE AGREEMENT; PROVIDING FOR THE TERMS AND CONDITIONS OF THE NOTE, THE MANNER OF ITS EXECUTION, THE METHOD OF PAYING THE NOTE AND OTHER DETAILS CONCERNING THE NOTE, INCLUDING BUT NOT LIMITED TO COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH AND APPERTAINING THERETO.

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 for Publication]

PASSED, APPROVED AND ADOPTED THIS 5<sup>th</sup> DAY OF FEBRUARY, 2015.

BOARD OF COUNTY COMMISSIONERS  
SANDOVAL COUNTY, NEW MEXICO

\_\_\_\_\_  
Darryl F. Madalena, Chairman

**ATTEST:**

\_\_\_\_\_  
James Dominguez, Vice Chairman

\_\_\_\_\_  
Eileen Garbagni, County Clerk

\_\_\_\_\_  
Nora Scherzinger, Member

\_\_\_\_\_  
Don G. Chapman, Member

\_\_\_\_\_  
Glenn Walters, Member

Signature Page for Ordinance

Commissioner \_\_\_\_\_ moved adoption of the foregoing ordinance, duly seconded by Commissioner \_\_\_\_\_.

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

Those Voting Aye:

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Those Voting Nay:

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Those Absent:

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\_\_\_\_ ( ) Commissioners having voted in favor of said motion, the Chairperson declared said motion carried and said ordinance adopted, whereupon the Chairperson and County Clerk signed the ordinance upon the records of the minutes of the Board.

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

SANDOVAL COUNTY, NEW MEXICO

[SEAL]

By \_\_\_\_\_  
Chairperson

ATTEST:

By \_\_\_\_\_  
County Clerk

Signature Page for Ordinance



\$2,035,000  
SANDOVAL COUNTY, NEW MEXICO  
FIRE PROTECTION REFUNDING REVENUE NOTE, SERIES 2015  
NOTE PURCHASE AGREEMENT

February 5, 2015

Chairman, County Commission  
Sandoval County, New Mexico  
1500 Idalia Road, Building D  
Bernalillo, New Mexico 87004

Ladies and Gentlemen:

BOKF, N.A. dba Bank of Albuquerque (the "Purchaser") offers to enter into this Note Purchase Agreement ("Agreement") with Sandoval County, New Mexico (the "County") to purchase the Sandoval County, New Mexico Fire Protection Refunding Revenue Note, Series 2015, in the aggregate principal amount of \$2,035,000 (the "Note"). Robert W. Baird & Co., Incorporated has acted as Note Placement Agent for placement of the Note with the Purchaser. The Note is issued pursuant to Sections 4-62-1 through 4-62-10 and Section 7-20E-15 NMSA 1978, NMSA 1978, as amended (the "Act"), and the ordinance of the County Commission of the County (the "Governing Body") adopted on February 5, 2015 authorizing the sale of the Note (the "Note Ordinance") in the total principal amount of \$2,035,000, at a purchase price of \$2,035,000 (the "Purchase Price"). Capitalized terms in this Agreement (including Exhibits) shall have the same definitions as set forth in the Note Ordinance, unless the term is defined herein or the context used clearly requires otherwise.

1. Purchase, Sale and Delivery of the Note.

A. On the basis of the representations, warranties, covenants and agreements contained in this Agreement, the Note Ordinance and the Note, and subject to the terms and conditions set forth herein and therein, the County agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the County, the Note for the Purchase Price as set forth in the form of Delivery, Deposit and Cross-Receipt Certificate attached as Exhibit A to this Agreement. The Note shall be in the principal amount, mature on the dates, bear interest at the rate and have the terms set forth in the Note Ordinance.

B. The date of delivery of and payment for the Note is referred to in subparagraph C below in this Agreement as the "Closing Date." The Note shall be delivered to the Purchaser in typewritten form on the Closing Date upon receipt of the Purchase Price by the County, and a copy of the Note shall be available for examination by the Purchaser prior to the Closing Date.

C. The parties hereto understand and agree that the Closing Date will occur on or about March 12, 2015, or such other mutually agreeable date.

D. Proceeds from the sale of the Note in an amount equal to the Purchase Price as set forth in the form of Delivery, Deposit and Cross-Receipt Certificate attached as Exhibit A to this Agreement shall be available to the County on the Closing Date.

2. Representations, Warranties and Covenants of the County. By the County's acceptance of this Agreement, the County hereby represents and warrants to, and agrees with, the Purchaser as follows:

A. The County is legally and regularly created, established, organized and existing municipal corporation under the Constitution and the general laws of the State;

B. In connection with the issuance of the Note, the County has complied in all respects with the Constitution of the State and the laws of the State, including the Act;

C. The County is authorized to issue the Note for the purposes of defraying the cost of (i) current refunding, refinancing, discharging and prepaying the County's Series 2005 Bonds (as defined in the Note Ordinance) maturing on and after March 15, 2016 on March 15, 2015, and (2) paying Expenses related to the issuance of the Bonds and the prepayment and discharge of the Series 2005 Bonds (collectively, the "Project"). The County has the power to enter into the transactions contemplated by, and to carry out its obligations under, this Agreement and the Note Ordinance. The Chairman of the Governing Body has duly executed the Note Ordinance, which is valid and enforceable against the County and which authorizes the execution and delivery of this Agreement and the execution, issuance, sale and delivery of the Note. At or prior to Closing, the County: (i) will have full legal right, power and authority to (A) perform its obligations under and comply with the provisions of the Note Ordinance and the Act, (B) issue, execute and deliver, and perform its obligations under the Note, and (C) carry out and consummate the transactions contemplated by and perform its obligations under this Agreement, and the documents delivered in connection with the Note Ordinance and the Act; and (ii) will have the full legal right, power and authority under the Act to execute and deliver this Agreement and to adopt the Note Ordinance;

D. The Note Ordinance and this Agreement constitute legal, valid and binding agreements of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights. The Note, when issued, delivered and paid for, in accordance with the Note Ordinance and this Agreement, will constitute a legal, valid and binding obligation of the County entitled to the benefits of the Note Ordinance and will be enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and upon the issuance, authentication and delivery of the Note as aforesaid, the Note Ordinance will provide the legally valid and binding pledge of certain taxes it purports to create as set forth in the Note Ordinance;

E. The proceeds of the Note will be used by the County only for payment of costs of the Project. The distribution and use of the Note proceeds will be in compliance with the provisions of the Note Ordinance;

F. The proceeds of the Note are expected to be expended for the Project on or about March 15, 2015, the first optional redemption date for the Series 2005 Bonds, unless a longer term is approved by Note Counsel in writing;

G. There is no litigation or proceeding pending or, to the knowledge of the undersigned, after due inquiry, threatened, in any way affecting the existence of the County, or seeking to restrain or to enjoin the issuance, sale or delivery of the Note, or in any way contesting or affecting the validity or enforceability of the Note, the Note Ordinance, this Agreement or the pledge of the Pledged Revenues to repayment of the Note, or contesting the powers of the County or its authority with respect to the Note, the Note Ordinance or this Agreement;

H. The issuance, sale and delivery of the Note, the execution and delivery of this Agreement and compliance with the obligations on the part of the County contained in this Agreement and in the Note do not conflict with or constitute a breach or default under any administrative regulation, judgment, decree, loan agreement, indenture, note, Note, Note Ordinance, agreement or other instrument to which the County is a party or to which the County, or any of its properties or other assets, is otherwise subject;

I. Statements contained in any certificate of the County provided to the Purchaser pursuant to this Agreement or in connection with the delivery of the Note and delivered to the Purchaser shall be deemed representations and warranties by the County to the Purchaser;

J. The County is not in default, and has not been in default, in the payment of principal of, premium, if any, or interest on, any Note, notes or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, or interest;

K. At or prior to the Closing Date, except as may be required under the securities law of the State, all approvals, consents and orders of any governmental authority having jurisdiction in the matter which would constitute a condition precedent to any of the actions to be taken by the County with respect to the Note prior to the Closing Date will have been obtained and will be in full force and effect;

L. The County agrees that neither this Agreement nor the Note will be amended without the prior written consent of the Purchaser.

3. Representations and Warranties of the Purchaser. The Purchaser represents and warrants, and agrees with the County, as follows:

A. The Purchaser represents and warrants that it is authorized to purchase the Note;

B. In connection with the purchase of the Note, the Purchaser acknowledges that no offering document or prospectus has been prepared with respect to the sale of the Note to the Purchaser, and that the Purchaser is buying the Note in a private placement by the County to the Purchaser. The Purchaser has reviewed such information as it deems relevant in making its decision to purchase the Note;

C. The Purchaser acknowledges that the Note will not be listed on any securities exchanges and that no trading market now exists in the Note, and none may exist in the future;

D. The Purchaser is purchasing the Note for its own account (and not on behalf of another) and has no present intention of reselling the Note; however, the Purchaser reserves the right to sell, pledge, transfer, convey, hypothecate, mortgage, or dispose of the Note at some future date determined by the Purchaser, but only to persons who have been provided sufficient information with which to make an informed decision to invest in the Note and in compliance with the Securities Act of 1933, as amended, the regulations promulgated thereunder and applicable state securities law and regulations.

4. Conditions of Closing. The County's obligation to sell and the Purchaser's obligations under this Agreement to purchase and pay for the Note shall be subject to the following conditions:

A. The County shall have performed its obligations and agreements to be performed under the Note Ordinance and this Agreement at or before the Closing Date, and the representations and warranties of the County contained in this Agreement shall be accurate as of the date of this Agreement and as of the Closing Date;

B. This Agreement shall have been duly authorized and executed by the County and the Purchaser and shall be in full force and effect;

C. As determined by the Purchaser in its sole discretion, there shall not have been any material adverse change since the date of this Agreement relating to the County, or its operations, or any material adverse change in the law affecting the validity or tax-exempt status of the Note;

D. On the Closing Date, the Purchaser shall receive the following, each in a form satisfactory to the Purchaser:

(1) The written opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A. ("Note Counsel") dated the Closing Date approving the legality and enforceability of the Note and the tax-exempt status of the Note, addressed and delivered to the County and the Purchaser;

(2) A certificate, dated the Closing Date, of an authorized officer of the County to the effect that each of the representations and warranties of the County set forth in this Agreement is true, accurate and complete as of the Closing Date;

(3) A General and No-Litigation Certificate dated the Closing Date of an authorized officer of the County in a form acceptable to the Purchaser;

(4) An executed IRS Form 8038-G Tax Exempt Governmental Obligations Return;

(5) An executed Tax Certificate of the County with respect to the Series 2015 Note;

(6) A Delivery, Deposit and Cross-Receipt Certificate, in substantially the form attached to this Agreement as Exhibit A or otherwise satisfactory to the Purchaser, providing for the deposit of the Purchase Price as provided in the Note Ordinance;

(7) Such additional certificates, opinions or other documents as Note Counsel or Purchaser may reasonably require to evidence the satisfaction, as of the Closing Date, of the conditions then to be satisfied in connection with the transactions contemplated by the Note Ordinance and this Agreement;

E. All matters relating to this Agreement, the Note, the sale of the Note to the Purchaser, the Note Ordinance and the consummation of the transactions contemplated by this Agreement and the Note Ordinance shall be mutually satisfactory to and approved by the County and the Purchaser; and

F. No order, decree or injunction of any court of competent jurisdiction, nor any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced with the purpose or effect of prohibiting the issuance or sale of the Note.

If the County is unable to satisfy the conditions to the obligations of the Purchaser contained in this Agreement, or if the obligations of the Purchaser are terminated for any reason permitted by this Agreement, this Agreement may be terminated and neither the Purchaser nor the County shall have any further obligations under this Agreement. Payment by the Purchaser to the County of the Purchase Price shall be conclusive evidence that all of the conditions set forth in this section have been satisfied or waived by the Purchaser.

5. Purchaser's Right to Cancel. The Purchaser shall have the right in its sole discretion to cancel its obligations under this Agreement to purchase the Note by notifying the County in writing of its election to do so between the date hereof and the Closing Date, if any of the following events occur prior to the Closing:

A. Legislation not yet introduced in Congress shall be enacted or actively considered for enactment by the Congress, or recommended by the President of the United States of America to the Congress for passage, or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration; a decision by a court of the United States of America or the United States Tax Court shall be rendered; or a ruling, regulation (proposed, temporary or final) or an official statement by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other agency or department of the United States of America shall be made or proposed to be made which has the purpose or effect, directly or indirectly, of imposing federal income taxes upon interest on the Note;

B. Any other action or event shall have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated herewith or contemplated by the Note

Ordinance and this Agreement and, in the sole judgment of the Purchaser, materially adversely affects the purchase of the Note by the Purchaser;

C. Legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States of America shall be rendered, or a ruling or regulation by the SEC or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that the Note are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and then in effect;

D. A stop order, ruling or regulation by the SEC shall be issued or made, the effect of which is that the sale of the Note, as contemplated herein, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect;

E. There shall exist any fact or there shall occur any event which either (1) makes untrue or incorrect in any material respect any statement or information provided by the County to the Purchaser in connection with the sale of the Note by the County to the Purchaser or (2) is not reflected in statements or information provided by the County to the Purchaser in connection with the sale of the Note by the County to the Purchaser but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect;

F. There shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Purchaser, impractical or inadvisable to proceed with the purchase of the Note;

G. Trading in the County's outstanding securities shall have been suspended by the SEC or trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such Exchange;

H. A banking moratorium shall have been declared either by Federal, New York or State authorities; or

I. Any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Note or in any way contesting or affecting any authority for or the validity of the Note, this Agreement, the Note Ordinance, the existence or powers of the County, or any of the transactions described herein.

6. Representations and Agreements to Survive Delivery. All representations, warranties, covenants and agreements of the County and the Purchaser set forth in this Agreement and any other document relating to the issuance of the Note shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the County or the Purchaser, and shall survive the delivery of the Note to the Purchaser.

7. Payment of Expenses. The County shall pay, up to a maximum of \$10,000, the fees, expenses and costs incurred by the Purchaser, its counsel and its financial advisor relating to the preparation, issuance, delivery and sale of the Note. All other fees, expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Note shall be paid by the County including the expenses incurred by it, its Note counsel and its financial advisor relating to the preparation, issuance, delivery and sale of the Note.

8. Parties in Interest. This Agreement is solely for the benefit of the Purchaser and the County and their respective successors and no other person, partnership, association or corporation shall acquire or have any right under or by virtue of this Agreement.

9. Applicable Law; Nonassignability. This Agreement shall be construed in accordance with the laws of the State of New Mexico. This Agreement may not be assigned by the County or the Purchaser.

10. Notice. Any notice or other communication to be given to the Purchaser under this Agreement may be given by mailing or delivering the same in writing to: BOKF, N.A. dba Bank of Albuquerque, 201 3<sup>rd</sup> Street NW, Suite 1400, Albuquerque, New Mexico, Attention: Kyle Beasley; and any notice or other communication to be given to the County under this Agreement may be given by delivering the same in writing to: Sandoval County, New Mexico, 1500 Idalia Road, Building D, Bernalillo, New Mexico, Attention: County Manager.

11. Entire Agreement. This Agreement, when accepted by the County in writing as heretofore specified, shall constitute the entire agreement among the County and the Purchaser and is made solely for the benefit of the Purchaser and the County, and no other person shall acquire or have any right hereunder or by virtue hereof.

12. Amendments; Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. This Agreement may not be effectively amended, changed, modified or altered without the written consent of all the parties hereto.

[Remainder of page intentionally left blank]

Please sign and return a duplicate original of this Agreement to the Purchaser. Upon your signing and delivering this Agreement, it will constitute a binding agreement.

BOKF, NA dba Bank of Albuquerque

By: \_\_\_\_\_  
Name and Title: \_\_\_\_\_

Accepted and confirmed  
as of February 5, 2015:

SANDOVAL COUNTY, NEW MEXICO

By: \_\_\_\_\_  
Chairman, County Commission

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WITNESS our hands and seal this March 12, 2015.

SANDOVAL COUNTY, NEW MEXICO

By: \_\_\_\_\_  
Chairman, County Commission

(SEAL)

Attest:

By: \_\_\_\_\_  
County Clerk

It is hereby certified by the undersigned, the duly authorized representative of BOKF, N.A. dba Bank of Albuquerque, as the Purchaser, that the undersigned has received delivery of the Note in the aggregate principal amount of \$2,035,000.

BOKF, NA dba Bank of Albuquerque

By: \_\_\_\_\_  
Name and Title: \_\_\_\_\_